

# SWCLC

Southwest California  
Legislative Council

*A COALITION OF*  
*The Temecula Valley, Menifee, Murrieta, Lake Elsinore and Wildomar Chambers of Commerce*

MEETING AGENDA  
Monday, February 24, 2014

Realtor House, 26529 Jefferson Avenue, Murrieta CA

Presiding: Alex Braicovich, Chair

2014 Strategic Initiatives

*Budget & Tax Reform / Job Creation and Retention / Healthcare / Infrastructure & The Environment*

## Call to Order, Roll Call & Introductions:

## Chair Report

## Agenda Items

1. Approval of January 2014 Meeting Minutes Action
2. Legislative Report #2 Action
  1. SB 935, as introduced, Leno. Minimum wage: annual adjustment.
  2. AB 1513, as introduced, Fox. Residential property: possession by force.
  3. ACA 8, as amended, Blumenfield. Local government financing: voter approval.
  4. Veterans Housing and Homeless Prevention Act of 2014 (Prop 41)
3. Watch List Information
4. Ontario Airport Update Information
5. Regional Legislator, Staff and Stakeholder Updates Information

**Federal:** Senators Feinstein & Boxer. Representatives Calvert & Hunter  
**State:** Governor Brown, Senators Anderson & Roth, Assemblymembers Melendez, Waldron & Jones  
**Local:** County, Cities, Utilities, EDC, Healthcare, League of Cities
6. Chamber & Council Member Announcements Information
7. Today's lunch courtesy of [SunPro Solar](#) Thank you

Adjourn – Next meeting March 17, 2014.

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The Murrieta Temecula Group  
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Temecula Valley Chamber of  
Commerce  
Murrieta Chamber of Commerce  
Lake Elsinore Valley Chamber of  
Commerce  
Wildomar Chamber of Commerce  
Menifee Chamber of Commerce

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**Southwest California Legislative Council  
Menifee Valley Chamber of Commerce  
Murrieta Chamber of Commerce  
Temecula Valley Chamber of Commerce  
Lake Elsinore Chamber of Commerce  
Wildomar Chamber of Commerce  
Meeting Minutes  
January 27, 2014**

Legislative Consultant: Gene Wunderlich

2014 Chair: Alex Braicovich

Directors Attendance: Steve Amante, Amante & Associates  
Tony Amatulli, Amatulli Auto Parts  
Pietro Canestrelli, Reid & Hellyer APC  
Glen Daigle, Oakgrove Equities  
Dennis Frank, D.R. Frank & Associates  
Judy Guglielmana, Town & Country Realty, EVMWD  
Jason Hope, JD Promotions  
Tony LoPiccolo, Carrington Mortgage Services  
Greg Morrison, EVMWD  
Don Murray, Commerce Bank of Temecula Valley  
Joan Sparkman, Mt. San Jacinto College

Directors Absent: Jeff George, Superior Quality Construction; Shaura Olsen, Walmart; Gino Patrizio, Inland Valley Medical Center; Gary Thornhill, Tierra Verde.

**Council Guests:**

Andrew Abeles, Coldwell Banker Residential Brokerage  
Jeff Bott, TCA-The Toll Roads  
Christine Iger, Iger & Associates  
Darrell Connerton, County of Riverside/Supervisor Stone  
Debbie Kosum, Realty One Group SW  
Jami McNees, Temecula Insurance Service  
Jeff Bott, TCA-The Toll Roads  
Opal Hellweg, Supervisor Jeff Stone  
Robin Johnson, Law Office of Robin Johnson  
Roger Kaman, Trinity Reprographics  
Connie Lynch, SRCAR  
Suzanne Lingold, CSUSM at Temecula

Lori Marruffo, Virtual Outsourcing Solutions  
Jim McLaughlin – CSUSM Leadership SW County  
Jami McNees, Temecula Insurance Services  
Morris Myers, EDC of Southwest CA  
Paul Nolta, Small Business Development Center  
Yvonne Ruiz, Wine Country Notary  
Tom Somers, Pacific Advisors  
Walter Wilson, Coldwell Banker  
Southern California Gas  
Jeremy Goldman - Southern California Edison  
Andy Ambrose - City of Murrieta  
Vania Fure - Senator Joel Anderson

Staff Present: Laura Turnbow – Temecula Valley Chamber of Commerce  
Patrick Ellis– Murrieta Chamber of Commerce  
Kim Cousins-Lake Elsinore Valley Chamber of Commerce  
Dorothy Wolons-Menifee Valley Chamber of Commerce  
Wendy Mitchell, Betty Manrique-Wildomar Chamber of Commerce

Meeting called to order at: 12:09 by Chairman Dennis Frank

1. Ratification of 2014 Chair Action  
Dennis Frank announced the ratification of the 2014 Chair of the Southwest California Legislative Council to Alex Braicovich. **The board moved in favor and the motion was seconded and carried by a unanimous vote.**

2. Approval of Minutes  
The last meeting was a closed meeting that dealt with strategic initiatives with no minutes to approve.

3. Legislative Report #1 Action  
SB 56/69 (Roth) – Local government finance: property tax revenue allocation; vehicle license fee adjustments. **SB56 is stalled and following discussion, the motion was made to SUPPORT SB69. The motion was seconded and carried by a unanimous vote.**

SB 641 (Anderson) – Corporation taxes: minimum franchise tax: exemptions. **This bill died.**

AB 939 (Melendez) – Pupil and school personnel health: automatic external defibrillators. **This bill is stuck in committee, but motion was made to SUPPORT when introduced as a new bill. The motion was seconded and carried by a unanimous vote.**

SB 768 (DeLeon) – Cigarette and tobacco products taxes: California Tobacco Tax Act of 2014. **Following discussion the motion was made to OPPOSE SB 768. The motion was seconded and carried by a unanimous vote.**

H.R. 2097 (Calvert) – REBUILD Act, Reducing Environmental Barriers for Unified Infrastructure and Land Development. **Following discussion the motion was made to SUPPORT H.R. 2097. The motion was seconded and carried by a unanimous vote.**

4. Guest Speaker – 3<sup>rd</sup> District Supervisor Jeff Stone Information

#### **County of Riverside, 3<sup>rd</sup> District Supervisor Jeff Stone**

Supervisor Stone announced that he is once again been selected for Board Chairman of the County of Riverside. He will be repeating his SCRAPE (Save County Against Preventable Expenditures) program, as the SCRAPE II program. These programs were created to help recover funds lost due to the Economic Slump and they are designed to do away with unnecessary county spending and put that money back into our Public Safety Services. He announced that development is UP in the County and they are now approving more home and commercial construction. Part of this improvement has included the 5 year effort for the Wine Country Expansion Plan whose goal is to make our wine country an international destination. For that to happen the correct infrastructure has to be in place, so a \$16 million plan has been put forth to improve the sewer system which help raise property values and during construction and in the end will create around 2000 jobs. He announced that the County has a balanced budget. The county is now charging the landfill a fee for using the County land which over the next 10 – 20 years will help recover over \$54 million dollars and that money can go back into our Public Safety Services. As a result of AB109, the Realignment Act, prison populations have been reduced by a third by pushing them down into the county jails, and county jails have to compensate by saying for every one that comes in three must go out. So, to not just give a free ride to criminals, Supervisor Stone has implemented the RECORSE plan, Require Every Convicted Occupant to Reimburse County Expenses. They receive a bill upon release for \$142 a day and a \$500 booking fee. "Do the crime, do the time, pay the dime." Update on EB5 program successful, helping to improve the county, a great example is Old Town Temecula. And lastly, he reported that the County Hospital is stressed. They are giving help to those who are not able to pay. They have partnered with a company called Huron, an International Consultant Company, to help them get back on track with a goal of one day to become a University Hospital.

5. Guest Speaker - Jennings Immel, U.S. Chamber of Commerce Information

#### **Jennings Immel, U.S Chamber of Commerce**

Jennings wanted to bring 2 issues before the board.

- 1) Trade – There are 2 free trade agreements that are under negotiation
  - A: TPP – Trans-Pacific Partnership (11 nations along the Pacific Rim) – Negotiations are advanced

B: TTIP – Trans-Atlantic Trade and Investment Partnership (28 member states of European Union) – finished in 2015.

These will be a great boom for our Southern California economy. For these agreements to work the TPA (Trade Promotion Authority) must be in place for the government to be able to negotiate trade deals. Without this it will inhibit our trade abilities with other countries. There is lots of opposition from both parties because they do not support the Obama administration and they do not want to give the President any kind of power to be making trade agreements. Jennings recommends that the board support and sign a coalition letter regarding this issue. He requested that we send letters to our congressional delegation to state our position. Ken Calvert supports the issue already, but Duncan Hunter's position is not known. Both of these agreements have an expiration of 5-7 years.

- 2) Immigration Reform – Jennings requested the boards support. Speaker Boehner office's is working on this and putting together a list of principles and what he wants to see in Immigration Reform. It is expected to be released within the week.
- 3) Transportation and Infrastructure funding – By September they will need another bill to reauthorize funding because the highway trust fund is projected to run out of money by 2015. It will probably come from the general fund which will only be a short term fix.

Gene confirmed that the board would be willing to support and sign the coalition.

## 6. Chamber and Council Member Announcements

Information

### **EVMWD**

Report by Greg Morrison

Greg Morrison requested that the council review bill AB1331 (The Water Bond) with some amendments they are looking to support. Danielle also added that we are in the middle of the 120 days regarding the California draught.

### **Senator Joel Anderson**

Thanks to Gene Wunderlich for setting up a meeting with the Realtors while Senator Anderson was here. He is working on a legislative package for 2014 which will be finalized on February 21<sup>st</sup>.

### **Assemblyman Marie Waldron**

Report by Tom Stinson

No new bill numbers yet since all new bills had to be into Congress by January 17. Will update when they are introduced. One bill is directed towards Acute Care Facilities. Presently, the fine for neglect in one of these facilities is only \$150. This bill would increase the fine to \$15,000. Other bills pertaining to this require more training and state inspections. Then all state inspection reports will be posted on the state website for public knowledge. Also, Assemblyman Waldron has AB1447 which will allow the taking of funds from Greenhouse Gas Reduction fund (AB32) using it to synchronize traffic signals in cities.

### **Lake Elsinore Valley Chamber of Commerce**

Report by Kim Cousins

Their next EWDC luncheon will be on February 20<sup>th</sup>, at the Diamond at 11:30. Supervisor Jeffries will be the speaker.

### **Murrieta Chamber of Commerce**

Presented by Patrick Ellis

Thanks to all who attended the January MEGA Mixer, very successful? First Thursday Mixer at RKR Marketing & Advertising, February 6<sup>th</sup> from 5:30 to 7:00. The Forty under 40 nominations need to be in by February 3<sup>rd</sup> and the Awards dinner will be held at Ace's Comedy Club, February 26<sup>th</sup> at 6:30pm.

### **Temecula Chamber of Commerce**

Presented by Laura Turnbow

They will be hosting their Awards Gala on February 22 at Pechanga at 5:30. On February 5, their Summer Youth Employment Program will be meeting at City Hall with Mayor Marsha Swanson from 6pm – 8pm. The Professional Development Series will meet on February 14<sup>th</sup> at the Temecula Valley Entrepreneurs Exchange from 9am – 11am.

### **Wildomar Chamber of Commerce**

Report by Betty Manrique

They are pleased to be hosting the SWCLC luncheon for 2014. The next networking breakfast will be on February 5<sup>th</sup> at the Landing Zone in Lake Elsinore and for the speaker, they are honored to have Mayor Marsha Swanson. On March 8<sup>th</sup> is the Annual Installation Dinner and Awards Ceremony at the Elks Lodge in Wildomar from 5pm-9pm.

### **Menifee Valley Chamber of Commerce**

Report by Dorothy Wolons

Thanks to Wunderlich for speaking at last month's coffee, great job! Puttin' on the Ritz Dinner Dance will be held on February 1<sup>st</sup> at the Menifee Lakes Country Club. On February 5<sup>th</sup>, they will be hosting the Mayor's Luncheon with Mayor Scott Mann, which is the halfway point until the State of the City which will both be hosted at Menifee Lakes Country Club.

### **City of Menifee**

Report by John Denver

Housing permits are up 5 times from last year, so much construction that GPS cannot keep up. Many new restaurants, a movie theater and several new sets of businesses coming into Menifee. There is also overpass construction on Newport, Holland, Scott and McCall. One problem that they are facing is a high concentration of sex offenders. They are preying on the elderly, would love to spread the offenders out evenly. They have had lots of anti-growth voiced at the city meetings.

### **City of Murrieta**

Congratulations to Menifee on their growth. At the last city council they approved FOU with International Trade Association with Department of Commerce.

### **League of Cities**

Report by Erin Sasse

There is 27.5 million for frontline law enforcement. Riverside cities use the funds for a realignment task force. There is an IFD proposal in budget for economic development. Their stand on Medical Marijuana is for local control. They are aware of a plastic bag ban coming from Sacramento. Hernandez bill to require cities of 100,000 or more to have voter districts to improve city representation. There are joint bills, AB1521/SB69 for the VLF.

### **Southern California Edison**

They are installing new meters for 2014.

### **Southern California Gas**

They are installing new meters and they are a year ahead of schedule. (Murrieta, Sun City, Hemet, Perris, San Jacinto, Menifee)

Joan Sparkman thanked Dennis Frank for his service as Chair for the last 2 years, the board agreed.

7. Lunch Sponsor Old Market Grill Eat there!

Gene Wunderlich thanked Old Market Grill for a great lunch and encouraged everyone to stop by.

Motion to Adjourn at 1:24 p.m.

[SB 935 \(Leno\) Minimum wage: annual adjustment.](#)

**Recommended action: OPPOSE**

**Presentation: Gene Wunderlich**

**Bill Summary:**

Existing law requires that, on and after July 1, 2014, the minimum wage for all industries be not less than \$9 per hour. Existing law further increases the minimum wage, on and after January 1, 2016, to not less than \$10 per hour.

This bill would increase the minimum wage, on and after January 1, 2015, to not less than \$11 per hour, on and after January 1, 2016, to not less than \$12 per hour, and on and after January 1, 2017, to not less than \$13 per hour. The bill would further increase the minimum wage annually thereafter, to maintain employee purchasing power. The automatically adjusted minimum wage would be calculated using the California Consumer Price Index, as specified. The bill would prohibit the Industrial Welfare Commission from adjusting the minimum wage downward and from adjusting the minimum wage if the average percentage of inflation for the previous year was negative. The bill would require the Industrial Welfare Commission to publicize the automatically adjusted minimum wage.

The bill would provide that its provisions not be construed to preclude an increase in the minimum wage to an amount greater than the formula would provide, to result in a reduction in the minimum wage, or to preclude or supersede an increase of the minimum wage that is greater than the state minimum wage by any local government or tribal government.

[AB 1513 \(Fox\) Residential property: possession by force.](#)

**Recommended action: SUPPORT**

**Presentation: Gene Wunderlich**

**Bill Summary:**

Under existing law, a person who by force, or by menaces and threats of violence, unlawfully holds and keeps the possession of any real property, whether acquired peaceably or otherwise, is guilty of a forcible detainer. Existing law also establishes the criteria for determining when a tenant is guilty of an unlawful detainer of a premises.

This bill would provide that a person who knowingly holds and occupies any residential property, owned or managed by another, by force or threats of violence, or knowingly enters residential property without the property owner's express written permission and refuses or fails to leave the property after being requested to leave by the owner or agent of the owner is guilty of a felony punishable pursuant to existing law.

By creating new crimes this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

[ACA 8 \(Blumenfield\) Local government financing: voter approval.](#)

**Recommended action: OPPOSE**

**Presentation: Gene Wunderlich**

**Bill Summary:**

The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. (Prop 13)

ACA 8 would amend the California Constitution to allow a city, county, city and county, or special district, as defined, to incur bonded indebtedness in order to fund specified public improvements and facilities, **with 55% voter approval** of that city, county, city and county, or special district. Specifically, this bill:

- 1) Allows a city, county, city and county, or special district, as applicable, to incur indebtedness in the form of general obligation (GO) bonds to be adopted by 55% of the voters of the city, county, city and county, or special district, where the GO bonds fund the construction, reconstruction, rehabilitation, or replacement of any of the following:
  - a) Public improvements, including, but not limited to, improvements to transportation infrastructures, streets and roads, sidewalks, transit systems, highways, freeways, sewer systems, water systems, wastewater systems, storm drain systems, and park and recreation facilities; and
  - b) Facilities or buildings used primarily to provide sheriff, police, or fire protection services to the public, including the furnishing and equipping of those facilities or buildings.
- 2) Lowers to 55% the voter-approval threshold for a city, county, or city and county to incur bonded indebtedness, in the form of GO bonds, that exceeds in one year the income and revenue provided in that year, for the construction, reconstruction, rehabilitation, or replacement of any of the following:
  - a) Public improvements, including, but not limited to, improvements to transportation infrastructures, streets and roads, sidewalks, transit systems, highways, freeways, sewer systems, water systems, wastewater systems, storm drain systems, and park and recreation facilities; and
  - b) Facilities or buildings used primarily to provide sheriff, police, or fire protection services to the public, including the furnishing and equipping of those facilities or buildings.
- 3) Defines "special district," for purposes of this bill, as the same meaning as that term is used in the California Constitution for the section related to voter approval for local tax levies, and includes a transit district, but does not include a school district or redevelopment agency.

**EXISTING LAW:**

- 1) Authorizes cities, counties, and special districts to impose a general tax for general governmental purposes with the approval of a majority of the voters.
- 2) Authorizes cities, counties, and special districts to impose a special tax for specified purposes with the **approval of two-thirds of the voters.**
- 3) Authorizes school districts, community college districts, or county offices of education to incur school bonded indebtedness with the approval of 55% of the voters voting on the bond measure, require that bond proceeds only be used for purposes specified in the California Constitution, and requires an audit to ensure that the funds have been expended only on the specific projects listed.
- 4) Prohibits specified local government agencies from incurring any indebtedness exceeding in one year the income and revenue provided in that year, without the assent of two-thirds of the voters.

**The author notes that it is estimated that California needs at least an additional \$500 billion for maintenance, repair and upkeep of the crumbling sewer and storm drain systems, streets and sidewalks, overcrowded and outdated police stations, jails, fire stations, and libraries. The author argues that every \$1 billion invested in infrastructure creates more than 15,000 California jobs.** These infrastructure investments will enhance public safety, increase the value of real estate, and improve the quality of life in communities as vital facilities will be better maintained to safely serve today's population.

Lowering the voter threshold for special taxes and bond indebtedness has been tried several times in the past years. ACA 7 (Nation) from the 2005-06 Legislative Session would have lowered the constitutional vote requirement from two-thirds to 55% for any special tax. ACA 10 (Feuer), would have created an additional exception to the 1% ad valorem property tax for transportation projects with 55% voter approval. There were several measures introduced in the 2009-10 session that would have revised constitutional voting thresholds for different purposes, including ACA 10 (Torlakson), ACA 15 (Arambula), SCA 12 (Kehoe), ACA 9 (Huffman), and SCA 6 (Simitian), none of which were enacted.

There are currently several bills in the 2012-13 session that would amend the California Constitution to lower the vote threshold, including ACA 3 (Campos), SCA 3 (Leno), SCA 4 (Liu), SCA 7 (Wolk), SCA 8 and 9 (Corbett), and SCA 11 (Hancock). ACA 8

**Support arguments:** The Los Angeles Business Council, in support, writes that communities throughout California have fallen far behind in their ability to repair their local infrastructure.

**Opposition arguments:** The California Taxpayers Association, in opposition, writes that **a lower voter threshold undermines Proposition 13 taxpayer protections.**

# Californians Still Believe in Proposition 13 Taxpayer Protections

By Jon Coupal

A statewide survey commissioned by the Howard Jarvis Taxpayers Association shows Californians continue to support Proposition 13 and the two-thirds vote requirement to boost taxes on property owners. By nearly two to one, voters agree that reducing the two-thirds vote to 55% to pass local bonds would place an unfair burden on owners of property.

Tone-deaf legislators have introduced a number of bills in Sacramento that would lower the vote required to pass new special taxes, per parcel property taxes and local bonds. But don't expect lawmakers to honestly tell the public that these end runs around Proposition 13 are intended to increase taxes. The politicians would have you believe that all they are doing is trying to provide more "local control" for taxpayers. "Local control" sounds great, but examination of these bills reveals they are just schemes to make it easier for politicians and special interests that benefit from greater spending, to take more from taxpayers.

**Especially menacing to taxpayers is ACA 8**, a constitutional amendment being considered in the Senate after narrowly passing the Assembly last year. ACA 8 would lower the currently mandated two-thirds vote threshold for local bonds to 55%, resulting in billions of dollars of new taxes being placed on the backs of property owners.

The Jarvis survey, conducted by the respected polling firm Probolsky Research, showed that if ACA 8 reached the ballot, it would face rough sledding. By a 56% to 31% margin, likely voters in the November 2014 election thought that easing Proposition 13 limits by lowering the two-thirds vote for local bonds would place an unfair burden on property owners. The question posed to respondents was as follows:

"California law requires that local bonds for roads, water projects, transit systems and public buildings be approved by a two-thirds vote of local voters. Unlike state bonds, local bonds are repaid only by property owners with a property tax that is above the one percent cap imposed by Proposition 13. There is a proposal to reduce the vote requirement from two-thirds to 55%, making the bonds much more likely to pass.

**Which of the following statements most closely matches your view?"**

- 1. "Making it easier to pass these bonds is important so California can rebuild its crumbling infrastructure."**
- 2. "Making it easier to pass these bonds places an unfair tax burden on property owners. Government needs to do a better job of using the revenue it already receives."**

These poll results are illuminating. Not only do they suggest that voters believe they are overtaxed generally but, when they find out that a proposal like ACA 8 is actually an attack on Proposition 13, they are even less likely to support lowering the two-thirds vote. Should ACA 8 make it to the ballot – something the Howard Jarvis Taxpayers Association is trying hard to prevent – we will make sure voters understand the damage it will inflict on Proposition 13 and property owners if it were to pass.

Average Californians want to see our state thrive and understand that making it much easier to impose higher taxes on homeowners and small business owners, would be a move in the wrong direction, especially after taxes were increased by \$7 billion annually, last year.

The Sacramento lawmakers would be wise to take note that after 36 years, Proposition 13 still enjoys wide support among California voters irrespective of party affiliation.

**Veterans Housing and Homeless Prevention Act of 2014 (Prop 41)****Recommended action: SUPPORT****Presentation: Gene Wunderlich****Bill Summary:**

AB 639. Veterans Housing and Homeless Prevention Bond Act of 2014: Veterans Housing and Homeless Prevention Act of 2014. (Chapter 727, 2013) This bill would amend the Veterans' Bond Act of 2008 to reduce the amount of bonds that are authorized to be issued under the act from \$900,000,000 to \$300,000,000. The bill would enact the Veterans Housing and Homeless Prevention Bond Act of 2014 (the bond act) to authorize the issuance of bonds in the amount of \$600,000,000, as specified, for expenditure by the California Housing Finance Agency, the Department of Housing and Community Development, and the Department of Veterans Affairs to provide multifamily housing to veterans pursuant to the Veterans Housing and Homeless Prevention Act of 2014 (VHHPA), also enacted by the bill. The bill would authorize the Legislature to amend the provisions of the bond act, by majority vote, for specified purposes. The bill would impose a specified reporting requirement on the Department of Housing and Community Development to evaluate, in collaboration with the Department of Veterans Affairs, any program established by the former pursuant to the VHHPA. The bill would authorize the Department of Housing and Community Development to provide specified assistance to veterans

**Comments:**

Various studies indicate that veterans are more likely than the general population to become homeless, and make up a disproportionate share of the homeless population. Although veterans are only about 8% of the U.S. population, they make up approximately 15% to 20% of the homeless population. Veterans' homelessness is particularly acute in certain parts of the country, including California, which is home to 25%, or about 19,000, of the nation's homeless veterans. Los Angeles alone is home to over 8,000 homeless veterans. With respect to the nation's homeless veterans who are unsheltered, nearly 44% are located in California.

In addition to the veterans who are already experiencing homelessness, there are many more veterans who have unstable housing situations that place them at risk of homelessness. For some, remaining housed may be as basic as having more affordable housing options. For others, the challenges are more complex and may involve a range of issues from lack of job training to needing ongoing treatment for substance abuse or mental health issues. Numerous studies have shown that providing housing along with the supportive services individuals need to address mental health, substance abuse, and other issues has a net benefit in terms of public costs. For example, in 2009, the Los Angeles Economic Roundtable compared the public costs for individuals in supportive housing compared to similar individuals who were homeless. The study concluded that the typical public cost for a homeless person is \$2,897 per month, compared with just \$605 per month in public cost for a resident in supportive housing. The stabilizing effect of housing plus supportive services is demonstrated by a 79% reduction in public costs. In short, public costs go down when people are no longer homeless.

Despite California's high number of homeless veterans, the state does not have any programs that are directly targeted at serving this population, or at serving lower-income veterans who are at risk of homelessness. HCD offers various programs that support the development of multifamily rental housing for low income Californians, including supportive and transitional housing, but none are veteran-specific. HCD's programs have been funded since 2002 from two voter-approved housing bonds, Proposition 46 of 2002 and Proposition 1C of 2006. These funds are nearly gone and it is unclear when additional funds will be available. In addition, the elimination of redevelopment agencies meant a loss of around \$1 billion per year in affordable housing funding, funds that generally worked in concert with state dollars and other sources of funding to produce affordable units for lower-income Californians.

**Summary:**

Authorizes the issuance of \$600 million in general obligation (GO) bonds to fund the acquisition, construction, rehabilitation, and preservation of multifamily supportive housing, affordable transitional housing, affordable rental housing, and related facilities for veterans and their families, if approved by the voters at the June, 2014, statewide election.

The Program receives funding from the issuance of GO bonds that voters have approved, including Proposition 32 of 2000 which authorized \$500 million in bonds and Proposition 12 in 2008 which authorized \$900 million in bonds. While these are GO bonds, the state's General Fund has never contributed to repaying the bonds as CalVet repays the bonds with the mortgage payments its borrowers make. In practice, therefore, these bonds are like revenue bonds. To date, CalVet has about \$230 million in bonding authority left under Proposition 32 and has not issued any of the bonds approved under Proposition 12.

The Senate amendments:

- 1) Move the measure from the November 2014 ballot to the June 2014 ballot.
- 2) Remove all references to using bond proceeds to fund services.
- 3) Designate the Department of Veterans Affairs (CalVet), rather than the Department of Housing and Development (HCD), as the board for purposes of the State General Obligation Bond Law.
- 4) Require CalVet to carry out the board duties in consultation with HCD and the California Housing Finance Agency (CalHFA).
- 5) Require CalVet, HCD, and CalHFA (the departments) to work collaboratively under a memorandum of understanding (MOU) to implement the Veterans Housing and Homeless Prevention Act of 2014, as established by the bill.
- 6) Require the departments to enter into the MOU no later than August 15, 2014, to address their respective and shared responsibilities in implementing, overseeing, and evaluating the Veterans Housing and Homeless Prevention Act.
- 7) Require the departments to submit the MOU to the Senate and Assembly Budget Committees.
- 8) Limit the total administrative costs of implementing the bill to 5% of the bonds issued.
- 9) Require the departments to ensure that program guidelines and terms provide threshold requirements or scoring criteria that benefit applicants with experience in combining permanent or transitional housing, or both, with supportive services for veterans or for partnering with housing developers or service providers with experience offering housing or services to veterans.
- 10) Require that 50% of the funds awarded for capital development serve extremely low-income households and that 60% of those units be supportive housing.
- 11) Require that all of a household's income sources upon initial tenancy be taken into consideration in determining whether a potential tenant is eligible for supportive, affordable, or transitional housing targeted to extremely low income households.
- 12) Allow the departments to fund projects consisting of fewer than five units, in addition to projects of five or more units.
- 13) Allow the departments to fund projects serving mixed-income populations.
- 14) Exempt any guidelines and terms developed to implement the bill from the Administrative Procedures Act.
- 15) Provide that the bill does not permit the departments to purchase, operate, or manage properties except in the event of a foreclosure on a borrower or grantee.
- 16) Require HCD, in its annual report to the Governor and the Legislature, to include an evaluation, in collaboration with CalVet, of any programs established to expend proceeds from the bonds.
- 17) Make technical and clarifying changes.

### **Support (for AB 639)**

California Association of Veteran Services Agencies (co-source)  
Corporation for Supportive Housing (co-source)  
Attorney General Kamala Harris  
State Treasurer Bill Lockyer  
Administrators Association of California  
Affirmed Housing Group  
American Federation of State, County, and Municipal Employees  
American Legion - Department of California  
AMVETS - Department of California  
Association for Los Angeles Deputy Sheriffs  
Association of California Health Care Districts

Burbank Housing Development Corporation  
Butte County Board of Supervisors  
California Association of Counties  
California Association of Food Banks  
California Building Industry Association  
California Conference of Carpenters  
California Housing Consortium  
California Judges Association  
California Labor Federation  
California Medical Association  
California Nurses Association  
California Professional Firefighters  
California Rural Legal Assistance Foundation

California Special Districts Association  
California Special Districts Association  
California State Association of Counties  
California State Council of Service Employees  
California State Sheriff's Association  
Century Housing  
Cities of Azusa, Burbank, Los Angeles, Rancho Murrieta,  
Oakland, Sacramento, San Jose and Whittier  
City and County of San Francisco  
Counties of Butte, Del Norte, Los Angeles, San  
Bernardino, and Santa Clara  
County Alcohol and Drug Program  
Housing California  
JP Morgan Chase  
League of California Cities  
Los Angeles Area Chamber of Commerce  
Los Angeles Business Leaders Task Force  
Los Angeles County Board of Supervisors  
Los Angeles County Probation Officers Union  
Los Angeles County Sheriff's Department  
Los Angeles Homeless Services Authority

Los Angeles Police Protective League  
Los Angeles Regional Reentry Partnership  
New Directions, Inc.  
Riverside Sheriff's Association  
Salvation Army Haven  
San Diego Gas and Electric  
San Diego Housing Commission  
San Diego Housing Federation  
Southern California Gas Company  
St. Anthony Foundation  
State Building and Construction Trades Council of  
California  
Swords to Plowshares  
U.S. VETS  
United Native Housing Development Corporation  
United Way of Greater Los Angeles  
Urban Counties Caucus  
Veterans of Foreign Wars - Department of California  
Veterans Village of San Diego  
Vietnam Veterans of America - California State Council  
Western Center on Law and Poverty

### **Vote history (AB 639):**

Senators Anderson & Emmerson - AYE  
Assemblymembers Melendez, Waldron, Jones & Nestande - AYE

### **Watch List**

### **Information**

#### **AB 1331, as amended, Rendon. ~~Climate Change Response for~~ Clean and Safe Drinking Water Act of 2014.**

Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance of bonds in the amount of **\$11,140,000,000** pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

**This bill would repeal these provisions.**

Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs.

This bill would enact the ~~Climate Change Response for~~ Clean and Safe Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in the amount of **\$6,500,000,000** pursuant to the State General Obligation Bond Law to finance a ~~climate change response for~~ clean and safe drinking water program.

This bill would provide for the submission of the bond act to the voters at the **November 4, 2014**, statewide general election.

#### **AB 1522, as introduced, Gonzalez. Employment: paid sick days.**

Existing law authorizes employers to provide their employees paid sick leave.

This bill would provide that an employee, as defined, **who works in California for 7 or more days in a calendar year is entitled to paid sick days**, as defined, to be accrued at a rate of no less than one hour for every 30 hours worked. An employee would be entitled to use accrued sick days beginning on the 90th calendar day of employment. The bill would require employers to provide paid sick days, upon the request of the employee, for diagnosis, care, or treatment of health conditions of the employee or an employee's family member, or for leave related to domestic violence or sexual assault. An employer would be prohibited from discriminating or retaliating against an employee who requests paid sick days. The bill would require employers to satisfy specified posting and notice and recordkeeping requirements. The bill would also make conforming changes.

This bill would require the Labor Commissioner to administer and enforce these requirements, including the promulgation of regulations, investigation, mitigation, and relief of violations of these requirements. This bill would authorize the Labor Commissioner to impose specified administrative fines for violations and would authorize an aggrieved person, the commissioner, the Attorney General, or an entity a member of which is aggrieved to bring an action to recover specified civil penalties against an offender, as well as attorney's fees, costs, and interest.

The bill would specify that it does not apply to employees covered by a collective bargaining agreement that provides for paid sick days, nor does it lessen any other obligations of the employer to employees. This bill would further specify that it does not apply to employees in the construction industry covered by a collective bargaining agreement if the agreement expressly waives the requirements of this article in clear and unambiguous terms. However, the bill would specify that it applies to certain public authorities, established to deliver in-home supportive services, except where a collective bargaining agreement provides for an incremental wage increase sufficient to satisfy the bill's requirements for accrual of sick days.

#### **AB 1556, as introduced, Perea. Unemployment insurance.**

Existing unemployment insurance law requires all standard information employee pamphlets provided by the Employment Development Department concerning unemployment and disability insurance programs to be printed in English and separately in Spanish, or both.

This bill would instead require those pamphlets to be printed in **English and the 4 other most commonly used languages** among participants in each program. This bill would require the Employment Development Department to make pages on its Internet Web site that provide information regarding applying for, and receiving, unemployment insurance benefits available in the 4 languages, other than English, most commonly used by unemployment insurance applicants and claimants.

Existing unemployment insurance law requires the Employment Development Department to pay unemployment compensation benefits to unemployed individuals meeting specified requirements.

This bill would require the Director of Employment Development to periodically review policies and practices used to determine eligibility for and the amount of benefits in the unemployment insurance program, as specified, and report to the Legislature the results of the first review on or before July 1, 2015.

Existing law prohibits an unemployed individual from being disqualified for benefits solely on the basis that he or she is a student.

This bill would prohibit an unemployed individual who is otherwise eligible for and receiving unemployment compensation benefits from being deemed ineligible for a week in which the individual commenced a training or education program, if specified conditions are met. Because this bill would make changes to existing eligibility requirements for unemployment compensation benefits that would result in additional amounts being payable from the Unemployment Fund, a continuously appropriated fund, the bill would make an appropriation.

## **AB 1663, as introduced, Hagman. Identity theft: unemployment insurance base wage file.**

Existing law creates the Employment Development Department and requires that it pay unemployment compensation benefits to individuals who meet specified requirements, are unemployed, as defined, and file a valid claim for these benefits. Existing law requires employers to send the department specified information regarding their employees, including wage information and social security numbers. The department maintains a file of wage records of employees for the purpose of computing earnings in a base period to establish amounts for unemployment benefits. Existing law requires the director of the department to share information in its possession under specified circumstances.

This bill would require the department to review, at least once each year, the information in its unemployment insurance base wage file, to identify if multiple names are associated with a single social security number. The bill would require the department, whenever it discovers **10 or more names associated with a single social security number, to inform the Department of Justice** of this fact, along with relevant supporting information, as a potential incidence of identity theft.

## **SB 834, as introduced, Huff. California Environmental Quality Act: exemption: retooling of manufacturing facilities.**

(1) The California Environmental Quality Act requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. The act also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

This bill would **exempt from the requirements of the act a project or an activity related to the retooling or alteration for manufacturing purposes of an existing manufacturing facility within its existing footprint**. Because a lead agency would be required to make a determination on the applicability of this exemption, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(3) This bill would declare that it is to take effect immediately as an urgency statute.

## **SB 901, 902, 903, 904 as introduced, Vidak. High-speed rail: funding.**

(1) Article XVI of the California Constitution requires a general obligation bond act to specify the single object or work to be funded by the bonds, and further requires a bond act to be approved by a  $\frac{2}{3}$  vote of each house of the Legislature and by a majority of the voters. Article XVI authorizes the Legislature, at any time after the approval of a general obligation bond act by the voters, to reduce the amount of the indebtedness authorized by the act to an amount not less than the amount contracted at the time of the reduction. Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, statewide general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related rail purposes.

This bill, **subject to voter approval, would amend the bond act to provide that no further bonds shall be sold for high-speed rail and related rail purposes**, and would also explicitly authorize the net proceeds received from outstanding bonds issued and sold prior to the effective date of these provisions, upon appropriation, to be redirected from those high-speed rail purposes to retiring the debt incurred from the issuance and sale of those outstanding bonds. The bill would direct the Secretary of State to submit these provisions to the voters on the ballot of the November 4, 2014, statewide general election.

The bill would also provide that, until November 5, 2014, bond funds made available pursuant to the bond act shall not be expended for high-speed rail purposes, and no additional bonds shall be issued or sold pursuant to the bond act.

(2) This bill would declare that it is to take effect immediately as an urgency statute.

## **SB 1005, as introduced, Lara. Health care coverage: immigration status.**

Existing law, the federal Patient Protection and Affordable Care Act (PPACA), requires each state to, by January 1, 2014, establish an American Health Benefit Exchange that facilitates the purchase of qualified health plans by qualified individuals and qualified small employers, and meets certain other requirements. PPACA specifies that an individual who is not a citizen or national of the United States or an alien lawfully present in the United States shall not be treated as a qualified individual and may not be covered under a qualified health plan offered through an Exchange. Existing law creates the California Health Benefit Exchange for the purpose of facilitating the enrollment of qualified individual and qualified small employers in qualified health plans as required under PPACA.

This bill would create the California Health Exchange Program For All Californians within state government and would require that the program be governed by the executive board that governs the California Health Benefit Exchange. The bill would specify the duties of the board relative to the program and would require the board to, by January 1, 2016, **facilitate the enrollment into qualified health plans of individuals who are not eligible for full-scope Medi-Cal coverage and would have been eligible to purchase coverage through the Exchange but for their immigration status**. The bill would require the board to provide premium subsidies and cost-sharing reductions to eligible individuals that are the same as the premium assistance and cost-sharing reductions the individuals would have received through the Exchange. The bill would create the California Health Trust Fund For All Californians as a continuously appropriated fund, thereby making an appropriation, would require the board to assess a charge on qualified health plans, and would make the implementation of the program's provisions contingent on a determination by the board that sufficient financial resources exist or will exist in the fund. The bill would enact other related provisions.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid Program provisions. The federal Medicaid Program provisions prohibit payment to a state for medical assistance furnished to an alien who is not lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law.

This bill would extend eligibility for full-scope Medi-Cal benefits to individuals who are otherwise eligible for those benefits but for their immigration status. The bill would require that benefits for those services be provided with state-only funds only if federal financial participation is not available. Because counties are required to make Medi-Cal eligibility determinations and this bill would expand Medi-Cal eligibility, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

**AB 1333 (R. Hernandez) Local Government Contracts**

**AB 1500 (Dickinson) Cigarettes, tobacco products and electronic cigarettes**

**AB 1690 (Gordon) Local Planning: housing element**

**AB 1730 (Wagner) Mortgage Loan Modification**

**AB 1745 (Morrell) Personal income tax: credits: charitable contributions**

**SB 391 (DeSaulnier) California Homes & Jobs Act of 2013 OPPOSED**

**SB 477 (Steinberg) Foreign Labor Contractors: registration WATCH**

**SB 731 (Steinberg) CEQA WATCH**

**SCA 7 (Wolk) Local Government Finance: public libraries: voter approval**

**SCA 8 (Corbett) Transportation Projects: special taxes: voter approval**

**SCA 9 (Corbett) Local Government Economic Development: special taxes: voter approval**

**SCA 11 (Wolk) Local Government: special taxes: voter approval**

## **Negotiations fold over ownership transfer of LA/Ontario airport**

**A court battle looms after negotiations over transferring ownership of the facility to Inland Empire officials fail for the second time in a year.**



A passenger has a smoke before his flight at the LA/Ontario International Airport. The number of annual passengers using LA/Ontario has plunged from 7.2 million in 2007 to 3.97 million today. (Francine Orr / Los Angeles Times / September 26, 2011)

**By Dan Weikel**

*February 5, 2014, 7:25 p.m.*

Negotiations over transferring ownership of LA/Ontario International Airport have collapsed for a second time, setting the stage for a court battle that could determine whether Inland Empire officials can take over the struggling facility operated by the city of Los Angeles.

Attorneys involved in the dispute said Wednesday that talks between Los Angeles and Ontario representatives broke off Jan. 31 — the last day of a 58-day postponement in a pending lawsuit brought by the city of Ontario.

Filed last June in Riverside County Superior Court, the suit seeks to wrest control of the airport from Los Angeles World Airports, which also operates [Los Angeles International Airport](#) and Van Nuys Airport.

It alleges that the agency has violated decades-old agreements with Ontario to do its best to attract airline service to the airport. The number of annual passengers using LA/Ontario has plunged from 7.2 million in 2007 to 3.97 million today.

The pause in the case was intended to give the two agencies a chance to negotiate a deal that would shift ownership of the regional aviation hub to Ontario.

"The parties have tried, but remain far apart," said Andre J. Cronthall, a private attorney who represents the city of Ontario. "There has been no movement in their positions."

Los Angeles officials have offered to sell the once-popular airport to Ontario for \$475 million. They

insist the facility is a valuable asset that should be sold to recover the airport department's investment.

Ontario has offered to assume all debts and liabilities for the airport and pay costs of assuming ownership, but Ontario officials argue that airport transfers between two government agencies elsewhere have not involved a sale.

They contend that LA/Ontario — an economic engine for the Inland Empire — is at a crisis point. If the airport's management doesn't change soon, they say, it will be difficult for the facility to recover.

Los Angeles officials blame the decline on the worst economic recession since World War II, which has prompted air carriers to reduce flights and relocate service to larger airports such as LAX.

A June 6 court hearing has been set for the case.

The resumption of litigation marks the second time transfer talks have collapsed in the past year. Several months of negotiations ended last April when Ontario rejected the sale price proposed by Los Angeles World Airports and filed a legal claim, the first step toward bringing a lawsuit.