



Chair
 Supervisor James Ramos
Executive Director
 Jolena L. Voorhis

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UCC Board of Director's Meeting Summary September 6, 2017

Alameda: Supervisor Keith Carson, Ludmyrna Lopez
 Contra Costa: Supervisor Federal Glover
 Fresno: Supervisor Buddy Mendes, Supervisor Nathan Magsig, Jeanie Figueroa
 Los Angeles: Michelle Rubalcava
 Orange: Supervisor Lisa Bartlett, Steve Wallauch
 Riverside: Supervisor Chuck Washington
 Sacramento: Steve Cruz
 San Bernardino: Supervisor James Ramos, Steve Wallauch
 San Diego: Geoff Patnoe (Alternate)
 San Francisco:
 San Mateo: Supervisor Carole Groom, Connie Juarez-Diroll
 Santa Clara: Supervisor Ken Yeager
 Ventura: Supervisor Kelly Long, Sue Hughes, Steve Wallauch
 UCC: Jolena Voorhis, Grace Childs-Ferguson

I. Call to Order

UCC Chair, Supervisor Ramos convened the meeting and called the members to order.

II. Roll Call of Counties

There were 9 Supervisors, 1 Alternates and 12 counties represented at this meeting.

III. Approval of Minutes from the July 13, 2017 UCC Board Meeting – APPROVED

The July 13th minutes were approved and below is the vote count:

Member	County	Yes	No	Absent	Not Voting
Supervisor Ramos, Chair	San Bernardino	X			
Supervisor Groom Vice-Chair	San Mateo	X			
Supervisor Carson	Alameda	X			
Supervisor Glover	Contra Costa	X			
Supervisor Mendes	Fresno				X
Supervisor Ridley- Thomas	Los Angeles			X	

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Supervisor Bartlett	Orange	X			
Supervisor Washington	Riverside			X	
Supervisor Peters	Sacramento	X			
Supervisor Horn (Alternate)	San Diego	X			
Vacant	San Francisco			X	
Supervisor Yeager	Santa Clara	X			
Supervisor Long	Ventura	X			
Vote Total		9		3	1

IV. Items for Consideration

1) State Budget

IHSS MOE Methodology:

Staff provided a memo on the IHSS MOE methodology. The adopted State Budget (SB 90), implemented the May Revise agreement and was signed by the Governor on June 27, 2017. SB 90 provided that the Department of Finance consult with CSAC to implement the MOE, including determining each County's IHSS MOE base.

As part of that action, CSAC formed a working group made up of CAOs and other county staff to establish a recommendation on how to distribute the cost shift among the counties. Since May, CSAC has indicated that counties would not see an increase over 5% in the first fiscal year of the MOE.

Statewide Numbers

The statewide MOE is set at \$1.369 billion (\$1.769 billion total and lowered with State General Fund offsets).

Recommended Methodology

The working group presented the following methodology to the CAOAC and the CSAC Executive Committee which both approved this methodology:

- Weights the MOE Base and the Annual Hours Growth (see attached CSAC Memo) equally and combines them into an overall methodology.
- Hold harmless counties for no more than a 5% increase, except for the City and County of San Francisco which has a unique situation.

Supervisor Yeager from Santa Clara County commented that the methodology was very fair and that they did a good job.

Cap and Trade

Staff reported that on July 26, 2017, the Governor signed the two Cap and Trade authorization bills:

AB 398 (Garcia, E) – California Global Warming Solutions Act of 2006: market-based compliance mechanisms

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This bill would extend the Air Resources Board's authority to operate cap and trade until December 31, 2030, requires ARB to update the scoping plan, suspends the State Responsibility Area Fee, and provides additional tax exemptions for energy generation and production.

AB 617 (Garcia, C) – Non-vehicular air pollution: criteria air pollutants and toxic air contaminants

This bill would require the ARB to establish a uniform statewide system for stationary sources to report their emissions, creates an expedited schedule for certain facility to implement best achievable retrofit control technology, increases civil and criminal penalties for certain types of emissions, and creates community emissions reduction programs.

Funding Allocations

While the authorization bills have been signed, the funding allocations are still undetermined. The Legislature has held a couple of informational hearings to discuss the allocations. The Legislature plans to adopt a one-year expenditure plan before the end of the Legislative Session which will be approximately \$1.4 billion.

Staff noted that no bill was yet in print, but the Department of Finance recently released their funding priorities which are very similar to previous legislation endorsed by the Governor.

2) Other Emerging or Continuing Legislative Issues

a) ACA Repeal and Replace Update

Staff provided a memo on the efforts to Repeal and Replace the ACA.

Since our last Board meeting, the Senate Republicans made several attempts to pass various versions of the ACA. Specifically, the Senate took up three different proposals to make changes or outright repeal the Affordable Care Act (ACA).

- Repeal and Replace. The Better Care Reconciliation Act was taken up for a vote on Tuesday which would have capped Medicaid funding, allow insurers to offer less comprehensive health plans and eliminated the individual and employer mandates regarding coverage. The Senate rejected this version on a 43-57 vote.
- Repeal-Only. The Senate debated the repeal-only option of the ACA, entitled the Obama Care Repeal and Reconciliation Act. This measure would have repealed the coverage provisions of the ACA including Medicaid expansion. This bill failed on a 45-55 vote.
- Skinny Repeal. After failing to pass the previous measures, Senate Republicans proposed a "skinny" repeal measure, called the Health Care Freedom Act. This measure would have repealed the individual and employer mandates, delayed the medical device tax, and increased funds to community health centers. This was also to be a vehicle for discussion with the House, but some members expressed concern that the House would just pass the measure without any further discussions. This measure failed on a 49-51 vote.

While President Trump continues to request the Repeal and because it is one of the promises made during the campaign, it is expected to continue during the Trump presidency.

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Recently, it was reported that Senators Bill Cassidy and Lindsey Graham are reportedly working with the White House to revive the ACA repeal effort by pushing their own version of repeal, the [Cassidy-Graham proposal](#). In addition, there are efforts to push a bipartisan effort and a commitment by leadership to hold hearings on the ACA during the fall. It is also worth mentioning that absent the passage of the ACA Repeal, cuts could be made through the Budget process without a specific Repeal which could have a similar impact on California.

Staff noted that Congress has scheduled two bipartisan hearings on the ACA. These hearings are to discuss potential fixes to the ACA. There was a hearing held with Insurance Commissioners testifying and another hearing scheduled where several Governors are to testify. There are also several Governor's that have signed on to a bipartisan proposal, requesting that they fund CSRs, create a temporary stability fund, offer choices in underserved counties, and to keep the individual mandate.

3 Big Bipartisan Program – Need Renewal

- Children's Health Insurance Program – this may include a lowering of the federal match due to cost concerns from Republicans.
- Home visiting program – Ends on September 30th.
- Community Health Centers – Need to act in the fall.

County Coalition Discussion

Staff is working on a joint a letter (CSAC and all of the county affiliates and partners) to indicate that we support the funding of the cost sharing reductions (CSRs) which Trump has threatened not to fund. Without funding, premiums could increase by 20%.

b) Housing Package

Staff provided a memo on the Housing Package.

Before the summer recess, the Governor and Legislative Leadership announced that there was agreement on a housing package to be adopted when they returned. UCC, along with other local government partners (RCRC, League, CSAC, APA) have been working together all year to try and make the policy bills more amenable and workable. However, after the Governor's Office weighed in and asked for specific amendments in late July, our coalition has been unable to get any additional amendments.

It is our information that the package could be taken up on August 31, 2017. Our coalition has sent a letter outlining our positions on all of the bills in the package and we have met with Governor's staff and author's staff to try and get our amendments adopted. However, it is unclear at the time of the writing of this memo which bills will be included in the package.

Here are some of the major bills that UCC has identified and have concerns with:

AB 879 (Grayson) – Housing Element

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This bill would create new mandates for the housing element including requiring mitigation fee to be substantially reduced without providing other funding for services and infrastructure and adds substantial analysis to the housing element.

AB 1397 (Low) – Adequate Sites

This bill would place restrictions on the ability of cities and counties to designate non-vacant sites as suitable for housing development and would require all designated sites to have water, sewer and utilities available and accessible to support housing development. Our coalition has asked for amendments to ensure that built-out cities and counties are able to identify adequate sites, and eliminate the new requirements for cities and counties to demonstrate local efforts to remove “non-governmental” constraints over which they have no control.

SB 35 (Wiener) – Affordable housing: streamlined approval process

This bill requires cities and counties to offer to developers a new ministerial approval process for development that meet certain conditions if a local government does not meet its RHNA by income level. Our coalition has requested that the trigger for the ministerial approval process should be based on the number of entitled and approved applications rather than building permits.

AB 678/SB 167

These bills are identical and make changes to the Housing Accountability Act. Last minute amendments requested by the Governor add a new definition of “lower density” which includes conditions that have the same effect or impact on the ability of the project to provide housing. This requirement is not clear and needs clarification. In addition, this bill along with many others in the package ties compliance and the ability for a judge to issue fines on a local government to progress in meeting their Regional Housing Needs Assessment. This is strictly a planning tool and there is no requirement for cities and counties to build housing to meet their RHNA.

Funding Bills – ACTION ITEMS

SB 2 (Atkins) – Building Homes and Jobs Act – Amended on August 29, 2017 – **NO POSITION**

This bill would impose a fee of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, per each single transaction per single parcel of real property, not to exceed \$225. However, the bill exempts real estate instrument, paper or notice that is a residential dwelling from this fee. The recent amendments to this bill change the allocation of the funds as follows:

Moneys collected in 2018 shall be allocated as follows:

- 50% of the funds shall be made available to local governments to update planning documents and zoning ordinances in order to streamline housing production including environmental analyses. 5% of this pot of funds shall be available for technical assistance to jurisdictions updating specified planning documents.
- 50% of the funds shall be made available to HCD to assist persons experiencing or at risk of homelessness and HCD must ensure geographic equity in the distribution and expenditure of funds.

Moneys collected after January 1, 2019, shall be allocated as follows:

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- 20% for affordable owner-occupied workforce housing.
- 70% to be made available to local governments as follows:
 - 90% shall be allocated based on the formula specified under the federal community development program, except that the portion allocated to non-entitlement areas which will be done through a competitive program.
 - 10% shall be allocated equitably to the entitlement jurisdictions.

In 2015, UCC took a position of Support if Amend on a similar version of this bill due to concerns from some of the urban counties regarding return to source. This version makes a few changes and specifically identifies the amounts that will be provided to non-entitlement (mostly rural counties) and entitlement jurisdictions (urban counties).

The housing package is on a fast track, but staff notes that funding is critical if we are to balance many of the new mandates and changes in the other bills that are part of the package. Without funding for planning and construction these policy changes will be impossible to implement.

The estimated amount of funding from this fee is \$225 million per year.
 UCC current policy: Support efforts to provide a permanent source for affordable housing.

Staff recommendation: Support.

Some Board members noted that they needed to check with their counties before they could vote in support. However, a few counties noted their support for the housing package including San Mateo county. It was decided to not take a vote due to the fact that a number of counties were currently pending vote action from their Boards, and there were not enough votes to carry the bill. Therefore, UCC would continue to have No Position on SB 2.

SB 3 (Beall) – Veterans and Affordable Housing Bond of 2018 – Amended on August 29, 2017 – SUPPORT POSITION APPROVED

This bill would enact the Veterans and Affordable Housing Bond Act of 2018, and would authorize the issuance of \$4 billion in bonds. The bonds shall be allocated in the following manner:

- \$1.5 billion for the Housing Rehabilitation Loan Fund to be used for the Multifamily Housing Program to assist in the new construction, rehabilitation, and preservation of permanent and transitional rental housing for persons with 60% of the AMI.
- \$150 million for the Transit-Oriented Development Program.
- \$300 million for the Infill Incentive Grant Program.
- \$150 million for the Self-Help Housing Fund at CALHFA.
- \$300 million for the Farm worker Housing Grant Fund.
- \$300 million for the Affordable Housing Innovation Fund to fund competitive grants or loans to local housing trust funds.
- \$300 million for the CalHome Program to provide direct, forgivable loans to assist mortgage assistance programs and for manufactured homes.

Staff Recommendation: Support.

After a brief discussion the board took a vote and approved SB 3 and below is the vote count:

Member	County	Yes	No	Absent	Not Voting
Supervisor Ramos, Chair	San Bernardino	X			
Supervisor Groom, Vice-Chair	San Mateo	X			
Supervisor Carson	Alameda	X			
Supervisor Glover	Contra Costa	X			
Supervisor Mendes	Fresno	X			
Supervisor Ridley-Thomas	Los Angeles			X	
Supervisor Bartlett	Orange				X
Supervisor Washington	Riverside			X	
Supervisor Peters	Sacramento	X			
Supervisor Horn (Alternate)	San Diego	X			
Vacant	San Francisco			X	
Supervisor Yeager	Santa Clara	X			
Supervisor Long	Ventura	X			
Vote Total		9		3	1

Next Steps

Staff will update the Board with the latest information on the status of the bills. We have been informed that there will be a clean-up bill next year which we will be working on.

As of this writing, the housing package has not been taken up by the Legislature. The reasons are that there have been some absences by key democrats which are needed on the 2/3 vote bills (funding bill). There have also been concerns raised with a couple of the policy bills AB 1505 and SB 35.

It is also unclear at this point how many bills will be in the package. We have confirmed the Senate bills, but are unclear on the Assembly policy bills.

c) Legislative Update

There are two major bills moving through the Legislature that UCC is strongly opposed to and working on to stop their progress.

AB 1250 (Jones-Sawyer) – Contracting

This bill would restrict counties ability to contract out for services by requiring additional requirements, that before we enter into a contract or renew or extend an existing contract with a “firm” for personal services, unless it makes specific findings including demonstrating the contract

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will result in cost savings, the contract does not cause displacement of county employees, the contract does not cause vacant positions to remain unfilled, or the potential for future economic risk to the county from rate increases is minimal.

There are several exemptions in the bill for various industries, but this bill will make contracting out for services that are critical to counties next to impossible, including hospitals, homeless outreach, foster care and adoptions, behavioral health services, and timely emergency response. This could also significantly impact our ability to implement No Place Like Home since many counties are contracting for technical assistance to comply with all of the requirements.

UCC is part of the CSAC Steering Committee and has been lobbying members to vote no as well as part of the discussion of any possible amendments which is part of the strategy with the Governor's Office.

The Department of Finance released their analysis of the bill and noted their opposition. This bill is pending in the Senate Appropriations Committee – on suspense.

Staff noted that this bill passed the Senate Appropriations Committee and was sent to Senate Rules to give the sponsors one more week to negotiate on amendments. This bill is still moving, and staff is asking all county supervisors, CAOS (in conjunction with CSAC) to contact their legislative delegation and urge their no vote should the bill come to the floor. We are expecting it to be moved since this is SEIU's #1 priority bill.

The Pro Tem called a meeting with CSAC and sponsors. The Pro Tem stated that he thought contracting out was union busting and wanted CSAC to respond with all the problems in the bill.

Supervisor Bartlett from Orange county asked staff if IHSS would fall under this list. Staff responded saying recent amendments said that it would. Ventura and Fresno expressed their concern about the bill.

SB 649 (Hueso) – Wireless Facilities

This bill would require cities and counties to lease to the wireless industry all of the vertical infrastructure (street lights, poles, and similar structure) at a cost of \$250 per pole per year. In addition, the permits for this activity would be ministerial in nature with limited ability for the public and the county to conduct design review. In addition, this bill states that if a local government wants to use that vertical infrastructure they must pass a Board resolution with substantial findings to obtain access to their own property. It would also prohibit a local government from requiring an in-kind or public benefit on the permit.

We are part of a growing coalition in opposition including the League of California Cities, RCRC, CSAC, Planners, and numerous individual cities and counties, and labor groups including the Teamsters.

This bill is currently pending in the Assembly Appropriations Committee – on suspense. Appropriations staff has indicated that there may be amendments to the bill on deployment to

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underserved areas, addressing local government liability issues, and issues related to previous amendments for the cable industry.

There have been discussions with the author about potential amendments.

Staff noted that while the Associations had been considering amendments, due to recent signals from the Administration and additional opposition from the Teamsters and the Labor Federation we have decided to just ask for a NO vote on the bill. The bill passed the Appropriations committee with amendments, however, these amendments are not yet in print. As soon as they are in print we are asking for updated letters and communication to request a NO vote.

Staff continued to meet with Assembly Members and staff to try and get more no votes.

d) Workplan

Staff provided an updated version of the UCC Workplan.

3) San Joaquin County Request to Join UCC Action Item -- APPROVED

On July 12, 2017, UCC received official notice of San Joaquin County’s interest in joining the Urban Counties of California. This new membership was one of the action items put forward by the UCC Restructuring Committee.

According to the UCC By-Laws, any county designated as “urban” by CSAC may become a member of UCC upon written request by the County’s Board of Supervisors, approval by the UCC Board of Directors, and payment of dues. Since the San Joaquin County Board adopted a resolution to join UCC on July 11, 2017, and they received notice that they are in the urban caucus within CSAC, the next step is for the UCC Board to approve the request for membership.

Staff Recommendation:

Approve the request for membership by San Joaquin County.

The Board voted and approved San Joaquin County to join UCC and below is the vote count:

Member	County	Yes	No	Absent	Not Voting
Supervisor Ramos, Chair	San Bernardino	X			
Supervisor Groom Vice-Chair	San Mateo	X			
Supervisor Carson	Alameda	X			
Supervisor Glover	Contra Costa	X			
Supervisor Mendes	Fresno	X			
Supervisor Ridley- Thomas	Los Angeles			X	
Supervisor Bartlett	Orange	X			
Supervisor Washington	Riverside			X	

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Supervisor Peters	Sacramento	X			
Supervisor Horn (Alternate)	San Diego	X			
Vacant	San Francisco			X	
Supervisor Yeager	Santa Clara	X			
Supervisor Long	Ventura	X			
Vote Total		10		3	

V. Proposals for Next Month’s Meeting Agenda

- 1) State Budget
- 2) Homelessness
- 3) Legislative Update
- 4) Cap and Trade Update

VI. Public Comment

There was no public comment.

VII. The next meeting will be held on **November 29, 2017**, and will be an in-person meeting held in conjunction with the CSAC Conference in Sacramento.