

TO: Members, County of Santa Barbara Legislative Committee

FROM: Cliff Berg, Legislative Advocate
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RE: May 2012 State Update

DATE: May 30, 2012

2012-2013 Budget update

The May Revise was released on May 14, 2012. The Sunday prior Governor Jerry Brown released a video on YouTube to let the citizens of California know that the deficit had grown significantly, with the disappointing April receipts, California is at a \$16 billion deficit, which has grown from a \$9 billion deficit since January. This is due in part to the slow growth from the on-going recession and the housing market still not rebounding.

With this news, the budget picture is grim and the Governor is really focused on his tax initiative slated for the November ballot. In his May Revise he has added additional triggers related to the realignment proposals he is pursuing related to what counties will provide and how it will be paid for, while he continues to be very committed to keeping counties whole, should his proposal not pass, these triggers will automatically be pulled.

Once the May Revise was released, the budget sub-committees are starting to close out many of the open items, traditionally any differences in each house would be referred to the budget conference committee, however this year they are going back to the full budget committees in each house. These items will then possibly go to the budget conference committee; however there is some speculation that they will not do the conference committee process this year due to timing.

Keep in mind that there is an election on June 5, 2012 and the budget must be completed by June 15, 2012 in order for the legislators to continue to receive their paychecks. We are working with your departments to determine the specific impacts on the county with these proposed budget changes and the January proposed budget. We will keep the board updated.

Specific Legislation of interest to Santa Barbara County

AB 537 (Williams)/Highway 154 Resolution - This is an issue that is co-sponsored with SBCAG which we have worked on for the past year and a half in an effort to get some resolution. AB 537 was a bill that was a two year bill as the County continued to work with CHP and others to gather the necessary data to substantiate our claims. After many meetings Assembly Member Williams, SBCAG and we determined that a

resolution is the best course of action at this time. We are continuing to work on the specifics of that in order to move it forward.

AB 765 (Achadjian) This bill was introduced at our request by Assembly Member Katcho Achadjian on behalf of our DA, Joyce Dudley and is part of the Board of Supervisor's platform. The bill had bi-partisan support but was held in the Senate Public Safety Committee on June 28, 2011 due to concerns that the bill would create a new crime. This measure will allow the penal code to catch up with modern day life related to sexually violent crimes and allow for DA's to properly prosecute offenders. We are continuing to work with the Senate Public Safety Committee in an effort to get this bill moved out of policy and into the fiscal committee in the Senate.

AB 1998 (Achadjian) This bill was introduced at our request on February 23, 2012 which was introduced as part of our 2012 legislative platform. This bill would allow a Board of Supervisors to locally opt-in to amend their surplus property plan to include the ability to surplus computer property directly to CalFresh, CalWorks, Medi-Cal, and General relief recipients. We actively worked to secure additional support from other like-minded entities and we were successful. The bill moved out of the Assembly Local Government Committee with unanimous, bi-partisan support on April 18, 2012. The bill was not considered fiscal and therefore did not have to go to a fiscal committee. After many negotiations we successfully amended the bill to address some issues that were raised prior to the Assembly Local Government Committee. We are pleased to report that the bill moved off of the Assembly Floor with no opposition and a vote of 78-0 on May 30, 2012.

AB 2443 (Williams) This bill was introduced at our request by Assembly Member Das Williams. The bill has been a work in progress for the last year; we have pulled together a stakeholder group and have worked with Assembly Member Williams' office in an effort to get the bill introduced. We successfully moved the bill out of the Assembly Water Parks and Wildlife Committee and with amendments we were able to get the bill back to a single referral, which means the bill only had to go to one policy committee instead of two, as it was originally slated to do. The bill was released off of the Assembly Appropriations Suspense file in late May and moved off of the Assembly floor on May 30, 2012 by a vote of 52-25, the bill will now move to the Senate where it will be heard in a policy committee in mid-June.

Status of Redevelopment Agencies

As this discussion continues to unfold, there have been a few more legislative proposals introduced in an effort to address any outstanding issues, especially as it relates to the local income housing funds. Given all of these proposals, Senator Lois Wolk (D- Yolo) has called for a "stakeholder group" to consist of various legislators hoping to craft a few bills that are successful and will be signed by the Governor. To date, he is still uninterested in anything related to continuing redevelopment agencies going or keeping their financial resources in place.

AB 1585 by Speaker John Perez from Los Angeles is a measure we brought to you last month. The bill is now sitting in the Senate where it has been referred to the Senate Government and Finance Committee, which is the committee that is chaired by Senator Wolk. This bill would enable housing agencies to keep their uncommitted balance of housing tax increment funds and allow for a local government that previously declined to be a successor agency to now become one. While many local jurisdictions have varying positions on the bill, the bill has received bi-partisan support.

The second bill is SB 1220 by Senators DeSaulnier and Steinberg. This bill imposes a fee of \$75 on the recording of each real-estate related document, except for those documents recorded in connection with a transfer subject to a documentary transfer tax, and directs the money to the Housing Opportunity and Market Stabilization (HOMeS) Trust Fund. The Legislature may then appropriate these funds for the development, acquisition, rehabilitation, and preservation of homes affordable to low- and moderate-income households, including emergency shelters, transitional and permanent rental housing, foreclosure mitigation, and homeownership opportunities. The bill has only received Democratic support to date. The bill is sitting on the Senate floor and will need to be heard by June 1, 2012 to ensure that it continues to move.

The next bill is SB 1151 by Senator Darrel Steinberg (D-Sacramento). This bill permits local jurisdictions to use an alternative process to administer the assets of their former redevelopment agencies for economic development and housing purposes. To do so, the bill authorizes a Community Development and Housing Joint Powers Authority to place redevelopment assets in a Sustainable Economic Development and Housing Trust Fund and requires a long-range asset management plan to govern that trust fund. The bill has only been supported by Democrats. This bill is also sitting on the Senate floor; it will need to be heard by June 1, 2012 to be able to continue to move.

The final bill is SB 1156 by Senator Darrel Steinberg (D-Sacramento). This bill authorizes a city and county that included the Development and Housing Joint Powers Authority to carry out Community Redevelopment Law, using the assets of a former redevelopment agency as well as new revenues that the bill authorizes. The bill has not received Republican support to date. This bill is also sitting on the Senate floor waiting to be heard, it will also need to move off the floor by June 1, 2012 to be eligible to continue to move.

As the Stakeholder process unfolds, we will keep the County updated. We anticipate that this will also become part of the budget discussions as those start to heat up, especially in the “Big Five” discussions.

Wrap-up

The Legislature is in the midst of the floor deadline, which means that any measure must move off of their house of origin by June 1, 2012. Once they get through this deadline, they will then go back to the committee process. The month of June will be spent with a flurry of policy committee meetings as bills move to the fiscal committees. They will

recess for the month of July, they return on August 6, 2012; they will begin to focus on getting all of the remaining bills to the Governor. The legislature must complete their business by midnight on August 31, 2012. All measures that make it to the Governor's desk must be acted upon by the Governor by midnight on October 2, 2012.

Since this is the second year of a two year session, they will not return until early December to have all newly elected members sworn-in, they will then begin the 2013-14 legislative session in early January 2013. We anticipate that with this election there will be a fifty percent turn-over in the elected members to the legislature. The county will have at least two newly elected Senators representing them. We look forward to wrapping up this session successfully for the county and reporting on the outcomes this fall. Should you or your staff have any questions, please let us know.