Beverly Hills City Council Liaison / Legislative/Lobby Committee
will conduct a Special Meeting, at the following time and place, and will address the agenda listed
below:

CITY OF BEVERLY HILLS
455 N. Rexford Drive
Beverly Hills, CA 90210

TELEPHONIC VIDEO CONFERENCE MEETING

Beverly Hills Liaison Meeting
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Thursday, March 4, 2021
11:30 AM

Pursuant to Executive Order N-25-20, members of the Beverly Hills City Council and staff may
participate in this meeting via a teleconference. In the interest of maintaining appropriate social
distancing, members of the public can view this meeting through live webcast at
www.beverlyhills.org/live and on BH Channel 10 or Channel 35 on Spectrum Cable, and can
participate in the teleconference/video conference by using the link above. Written comments may
be emailed to mayorandcitycouncil@beverlyhills.org.

AGENDA

A. Oral Communications
   1. Public Comment
      Members of the public will be given the opportunity to directly address the Committee on any
item listed on the agenda.

B. Direction
   1. Assembly Bill 387 (Lee) - Social Housing Act of 2021
      Comment: This item seeks direction on AB 387, which would declare the intent of the
Legislature to subsequently amend this bill to include provisions that would enact the Social
Housing Act of 2021 to establish the California Housing Authority for the purpose of developing
mixed-income rental and limited equity homeownership housing and mixed-use developments
to address the shortage of affordable homes for low and moderate-income households

   2. Assembly Bill 617 (Davies) - Planning and Zoning: Regional Housing Needs: Exchange
of Allocation
      Comment: This item seeks direction on AB 617, which would authorize a city or county, by
agreement, to transfer all or a portion of its allocation of regional housing need to another city
or county. The bill would allow the transferring city to pay the transferee city or county an
amount determined by that agreement, as well as a surcharge to offset the impacts and
associated costs of the additional housing on the transferee city. The bill would also require the
transferring city or county and the transferee city or county to report to the council of
governments and the department specified information about the transfer, as provided.
3. Senate Bill 15 (Portantino) - Housing Development: Incentives: Rezoning of Idle Retail Sites

Comment: This item seeks direction on SB 15. This bill, upon appropriation by the Legislature in the annual Budget Act or other statute, would require the Department of Housing and Community Development to administer a program to provide incentives in the form of grants to local governments that rezone idle sites used for a big box retailer or a commercial shopping center to instead allow the development of workforce housing.

4. Senate Bill 49 (Umberg) - Business License Fees: Coronavirus (COVID-19) Pandemic: Waiver: Tax Credit

Comment: This item seeks direction on SB 49, which would prohibit any state agency from collecting any regulatory license fee imposed on a business subject to licensure by a state agency that meets certain criteria, including that the business has temporarily ceased operations in response to a COVID-19 stay-at-home order, as that term is defined. The bill would similarly prohibit a city or county that licenses business activity pursuant to the above-described authority from collecting any regulatory license fee imposed on a business meeting those same criteria. To claim the exemption from license fees under these provisions, the bill would require the business to declare, under penalty of perjury, that it has complied with all applicable COVID-19 stay-at-home orders.

5. Senate Bill 278 (Leyva) - PERS: Disallowed Compensation: Benefit Adjustments

Comment: This item seeks direction on SB 278. This bill would establish new procedures under PERL for cases in which PERS determines that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPRA and other specified laws and thus impermissible under PERL. The bill would also apply these procedures retroactively to determinations made on or after January 1, 2017, if an appeal has been filed and the employee member, survivor, or beneficiary has not exhausted their administrative or legal remedies. At the threshold, after determining that compensation for an employee member reported by the state, school employer, or a contracting agency is disallowed, the bill would require the applicable employer to discontinue the reporting of the disallowed compensation.

6. Senate Bill 285 (McGuire) - California Tourism Recovery Act

Comment: This item seeks direction on SB 285. This bill would require the California Travel and Tourism Commission to, upon a determination by the Department of Public Health that it is safe to resume travel in California, implement a strategic media and jobs recovery campaign known as the “Calling All Californians” program for the purpose of reversing the impact of the COVID-19 pandemic on the travel and tourism industry in California, as specified.

7. Senate Bill 378 (Gonzalez) - Local Government: Broadband Infrastructure Development Project Permit Processing: Microtrenching Permit Processing Ordinance

Comment: This item seeks direction on SB 378, which would authorize a provider of fiber facilities to determine the method of the installation of fiber. The bill would prohibit a local agency, as defined, from prohibiting, or unreasonably discriminating in favor of or against the use of, aerial installations, open trenching or boring, or microtrenching, but would authorize a local agency to prohibit aerial deployment of fiber where no aboveground utilities exist due to Electric Tariff Rule 20 or other existing underground requirements.
8. Senate Bill 590 (Allen) - 2022 Statewide Primary Election: Terms of Office

Comment: This item seeks direction on SB 590. Current law, Chapter 111 of the Statutes of 2020, moved the date of the statewide direct primary election in even-numbered years in which there is no presidential primary election from the first Tuesday after the first Monday in March to the first Tuesday after the first Monday in June. Current law authorizes elections for certain local offices to be held on the day of the statewide direct primary election. This bill would extend any term of office set to expire in March or April 2022 until the certification of election results from the June 7, 2022, statewide primary election.

9. State and Federal Legislative Updates

The City's state and federal lobbyists will provide a verbal update to the Liaisons on state and federal issues.

C. Adjournment

Huma Ahmed
City Clerk

Posted: March 1, 2021

A DETAILED LIAISON AGENDA PACKET IS AVAILABLE FOR REVIEW AT WWW.BEVERLYHILLS.ORG

Pursuant to the Americans with Disabilities Act, the City of Beverly Hills will make reasonable efforts to accommodate persons with disabilities. If you require special assistance, please call (310) 285-1014 (voice) or (310) 285-6881 (TTY). Providing at least forty-eight (48) hours advance notice will help to ensure availability of services.
Item B-1
The City Council has historically taken positions on proposed federal and state legislation of interest to Beverly Hills because of the City's location, economy, programs, and policies through the adoption of a Legislative Platform.

Assembly Bill 387 - Social Housing Act of 2021 (AB 387) involves a policy matter that does not have a nexus to the City’s adopted Legislative Platform language. As this is a spot bill, it may be too early for the City to take a position; however, Councilmember John Mirisch requested this item be considered by the Legislative/Lobby Liaisons.

The City’s state lobbyist, Shaw Yoder Antwi Schmelzer & Lange, provided a summary memo for AB 387 to the City (Attachment 1) and will provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 387, the Liaisons may recommend the following actions:

1) Oppose AB 387;
2) Support AB 387;
3) Support if amended AB 387;
4) Oppose unless amended AB 387;
5) Take a position of “Watch” on AB 387 until it is further developed;
6) Remain neutral; or
7) Provide other direction to City staff.

Should the Liaisons recommend a position of “Watch” or “Neutral”, no further action will be taken as this time by staff. Staff will continue to monitor the bill as it moves through the various Committees and bring it back to the Liaisons for a recommendation once the bill is amended with additional language.

Should the Liaisons recommend a position support, oppose, support if amended, or oppose unless amended then the item will be placed on a future City Council agenda for concurrence.
Attachment 1
February 24, 2021

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange  
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: AB 387 (Lee) Social Housing Act of 2021

Introduction and Background
On February 2, Assemblymember Lee introduced AB 387, which declares it is the intent of the Legislature to subsequently amend this bill to include provisions that would enact the Social Housing Act of 2021. This act would establish the California Housing Authority for the purpose of developing mixed-income rental and limited equity homeownership housing and mixed-use developments to address the shortage of affordable homes for low and moderate-income households. This bill is currently in spot bill form, we anticipate that this bill will be substantially amended later in the legislative session.

Status of Legislation
The bill is in the Assembly Rules Committee and has yet to be referred to policy committee.

Support
None listed at this time.

Opposition
None listed at this time.
Attachment 2
Introduced by Assembly Member Lee
(Coauthor: Assembly Member Wicks)

February 2, 2021

An act relating to housing.

LEGISLATIVE COUNSEL’S DIGEST

AB 387, as introduced, Lee. Social Housing Act of 2021.
Existing law establishes the Department of Housing and Community Development and sets forth its powers and duties. Existing law establishes various programs providing assistance, among other things, emergency housing, multifamily housing, farmworker housing, homeownership for very low and low-income households, and downpayment assistance for first-time homebuyers.
This bill would declare the intent of the Legislature to subsequently amend this bill to include provisions that would enact the Social Housing Act of 2021 to establish the California Housing Authority for the purpose of developing mixed-income rental and limited equity homeownership housing and mixed-use developments to address the shortage of affordable homes for low and moderate-income households.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to subsequently amend this measure to include provisions that would enact the Social Housing Act of 2021 to establish the California Housing
Authority for the purpose of developing mixed-income rental and limited equity homeownership housing and mixed-use developments to address the shortage of affordable homes for low and moderate-income households.
Item B-2
The City Council has historically taken positions on proposed federal and state legislation of interest to Beverly Hills because of the City’s location, economy, programs, and policies through the adoption of a Legislative Platform.

Assembly Bill 617 - Planning and Zoning: Regional Housing Needs: Exchange of Allocation 2021 (AB 617) involves a policy matter that does not have a nexus to the City’s adopted Legislative Platform language.

The City’s state lobbyist, Shaw Yoder Antwh Schmelzer & Lange, provided a summary memo for AB 617 to the City (Attachment 1) and will provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 617, the Liaisons may recommend the following actions:
   1) Oppose AB 617;
   2) Support AB 617;
   3) Oppose unless Amended;
   4) Support if Amended;
   5) Remain neutral; or
   6) Provide other direction to City staff.

Should the Liaisons recommend a position then the item will be placed on a future City Council agenda for concurrence.
Attachment 1
February 25, 2021

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: AB 617 (Davies) Regional Housing Needs: Exchange of Allocation

Summary
AB 617 (Davies) would authorize a city or county, by agreement, to transfer all or a portion of its allocation of regional housing need to another city or county. Specifically this bill:

- Authorizes local jurisdictions to enter into agreements for the transfer of all or a portion of assigned regional housing need allocation, along with surcharge payments for the additional housing and to offset associated impacts.
- Defines “Transferee city or county” as a city or county that accepts a transfer of all or a portion of the allocation of regional housing need from a transferring city or county pursuant to this bill.
- Defines a “Transferring city or county” as a city or county that transfers all or a portion of its allocation of regional housing need determined to a transferee city or county pursuant to this bill.
- Requires jurisdictions on each side of the transaction (the transferring city or county and the transferee city or county) to report information about the transfer to the relevant council of governments and the state department of Housing and Community Development (HCD).
- Requires each participating jurisdiction to include information about the transfer in their Housing Element Annual Progress Reports that are required under current law.

Existing Law
Requires the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city that includes, among other specified mandatory elements, a housing element.

That law, for the fourth and subsequent revisions of the housing element, requires the Department of Housing and Community Development (“HCD”) to determine the existing and projected need for housing for each region. That law further requires the appropriate council of governments, or, for cities and counties without a council of governments, the department, to adopt a final regional housing plan that allocates a share of the regional housing need to each city, county, or city and county in accordance with certain requirements.

Background
Since 1969, the State of California has required all local governments (cities and counties) to produce and maintain adequate plans to meet the housing needs of everyone in the community.
Local governments work to comply with this requirement by adopting housing plans as part of their “general plan” (also required by the state).

General plans serve as "blueprint" for how local jurisdictions will grow and develop and include seven elements: land use, transportation, conservation, noise, open space, safety, and housing. The law mandating that housing be included as an element of each jurisdiction’s general plan is known as “housing-element law.”

California’s housing-element law acknowledges that, in order for the private market to accommodate housing needs and demand, local governments must adopt plans and regulatory systems that provide opportunities for the development of housing within their jurisdictions. As a result, housing policy in California rests largely on the effective implementation of local general plans and local housing elements.

Under current law, local jurisdictions are required to prepare an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites. That inventory must identify specific sites or parcels that are available for residential development.

HCD plays the critical role of reviewing housing element plan for each jurisdiction to determine whether they comply with state law. HCD must then submit written findings back to each local government. HCD must approve housing elements for each jurisdiction before they can be adopted and incorporated into local General Plans.

HCD is responsible for determining the regional housing needs assessment (segmented by income levels) for each region’s planning body known as a “council of governments” (COG). HCD starts with demographic population information from the California Department of Finance and uses a formula to calculate a figure for each region/COG.

Each COG uses its own demographic figures to calculate what it believes the regional housing need is. Each COG then coordinates with HCD — taking into account factors not captured in the calculations — to arrive at a final figure. This final figure is the regional housing needs assessment.

**Status of Legislation**
Referred to Committee

**Support**
None listed at this time

**Opposition**
None listed at this time.
Attachment 2
An act to amend Section 65400 of, and to add Section 65584.10 to, the Government Code, relating to housing.

LEGISLATIVE COUNSEL’S DIGEST

AB 617, as introduced, Davies. Planning and zoning: regional housing needs: exchange of allocation.

The Planning and Zoning Law requires the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city that includes, among other specified mandatory elements, a housing element. That law, for the fourth and subsequent revisions of the housing element, requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region. That law further requires the appropriate council of governments, or, for cities and counties without a council of governments, the department, to adopt a final regional housing plan that allocates a share of the regional housing need to each city, county, or city and county in accordance with certain requirements.

This bill would authorize a city or county, by agreement, to transfer all or a portion of its allocation of regional housing need to another city or county. The bill would allow the transferring city to pay the transferee city or county an amount determined by that agreement, as well as a surcharge to offset the impacts and associated costs of the additional housing on the transferee city. The bill would also require the transferring city or county and the transferee city or county to report to
the council of governments and the department specified information about the transfer, as provided.


The people of the State of California do enact as follows:

SECTION 1. Section 65400 of the Government Code is amended to read:
65400. (a) After the legislative body has adopted all or part of a general plan, the planning agency shall do both of the following:
(1) Investigate and make recommendations to the legislative body regarding reasonable and practical means for implementing the general plan or element of the general plan, so that it will serve as an effective guide for orderly growth and development, preservation and conservation of open-space land and natural resources, and the efficient expenditure of public funds relating to the subjects addressed in the general plan.
(2) Provide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes all of the following:
(A) The status of the plan and progress in its implementation.
(B) (i) The progress in meeting its share of regional housing needs determined pursuant to Section 65584 and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing pursuant to paragraph (3) of subdivision (c) of Section 65583.
(ii) The housing element portion of the annual report, as required by this paragraph, shall be prepared through the use of standards, forms, and definitions adopted by the Department of Housing and Community Development. The department may review, adopt, amend, and repeal the standards, forms, or definitions, to implement this article. Any standards, forms, or definitions adopted to implement this article shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2. Before and after adoption of the forms, the housing element portion of the annual report shall include a section that describes the actions taken by the local government towards completion of
the programs and status of the local government’s compliance with
the deadlines in its housing element. That report shall be considered
at an annual public meeting before the legislative body where
members of the public shall be allowed to provide oral testimony
and written comments.
(iii) The report may include the number of units that have been
completed pursuant to subdivision (c) of Section 65583.1. For
purposes of this paragraph, committed assistance may be executed
throughout the planning period, and the program under paragraph
(1) of subdivision (c) of Section 65583.1 shall not be required.
The report shall document how the units meet the standards set
forth in that subdivision.
(C) The number of housing development applications received
in the prior year.
(D) The number of units included in all development
applications in the prior year.
(E) The number of units approved and disapproved in the prior
year.
(F) The degree to which its approved general plan complies
with the guidelines developed and adopted pursuant to Section
65040.2 and the date of the last revision to the general plan.
(G) A listing of sites rezoned to accommodate that portion of
the city’s or county’s share of the regional housing need for each
income level that could not be accommodated on sites identified
in the inventory required by paragraph (1) of subdivision (c) of
Section 65583 and Section 65584.09. The listing of sites shall also
include any additional sites that may have been required to be
identified by Section 65863.
(H) The number of net new units of housing, including both
rental housing and for-sale housing and any units that the County
of Napa or the City of Napa may report pursuant to an agreement
entered into pursuant to Section 65584.08, that have been issued
a completed entitlement, a building permit, or a certificate of
occupancy, thus far in the housing element cycle, and the income
category, by area median income category, that each unit of
housing satisfies. That production report shall, for each income
category described in this subparagraph, distinguish between the
number of rental housing units and the number of for-sale units
that satisfy each income category. The production report shall
include, for each entitlement, building permit, or certificate of
occupancy, a unique site identifier that must include the assessor’s parcel number, but may include street address, or other identifiers.

(I) The number of applications submitted pursuant to subdivision (a) of Section 65913.4, the location and the total number of developments approved pursuant to subdivision (c) of Section 65913.4, the total number of building permits issued pursuant to subdivision (c) of Section 65913.4, the total number of units including both rental housing and for-sale housing by area median income category constructed using the process provided for in subdivision (c) of Section 65913.4.

(J) If the city or county has received funding pursuant to the Local Government Planning Support Grants Program (Chapter 3.1 commencing with Section 50515) of Part 2 of Division 31 of the Health and Safety Code, the information required pursuant to subdivision (a) of Section 50515.04 of the Health and Safety Code.

(K) The progress of the city or county in adopting or amending its general plan or local open-space element in compliance with its obligations to consult with California Native American tribes, and to identify and protect, preserve, and mitigate impacts to places, features, and objects described in Sections 5097.9 and 5097.993 of the Public Resources Code, pursuant to Chapter 905 of the Statutes of 2004.

(L) The following information with respect to density bonuses granted in accordance with Section 65915:

(i) The number of density bonus applications received by the city or county.

(ii) The number of density bonus applications approved by the city or county.

(iii) Data from a sample of projects, selected by the planning agency, approved to receive a density bonus from the city or county, including, but not limited to, the percentage of density bonus received, the percentage of affordable units in the project, the number of other incentives or concessions granted to the project, and any waiver or reduction of parking standards for the project.

(M) If the city or county has transferred all or a portion of its regional housing need allocation, or received a transfer of another city’s or county’s regional housing need allocation, pursuant to Section 65584.10, the number of housing units transferred, any
amount paid by the transferring city or county, and any other terms of the agreement.

(M) The Department of Housing and Community Development shall post a report submitted pursuant to this paragraph on its internet website within a reasonable time of receiving the report. (b) If a court finds, upon a motion to that effect, that a city, county, or city and county failed to submit, within 60 days of the deadline established in this section, the housing element portion of the report required pursuant to subparagraph (B) of paragraph (2) of subdivision (a) that substantially complies with the requirements of this section, the court shall issue an order or judgment compelling compliance with this section within 60 days. If the city, county, or city and county fails to comply with the court’s order within 60 days, the plaintiff or petitioner may move for sanctions, and the court may, upon that motion, grant appropriate sanctions. The court shall retain jurisdiction to ensure that its order or judgment is carried out. If the court determines that its order or judgment is not carried out within 60 days, the court may issue further orders as provided by law to ensure that the purposes and policies of this section are fulfilled. This subdivision applies to proceedings initiated on or after the first day of October following the adoption of forms and definitions by the Department of Housing and Community Development pursuant to paragraph (2) of subdivision (a), but no sooner than six months following that adoption.

SEC. 2. Section 65584.10 is added to the Government Code, immediately following Section 65584.09, to read:

65584.10. (a) For purposes of this section, the following definitions shall apply:

1. “Transferee city or county” means a city or county that accepts a transfer of all or a portion of the allocation of regional housing need pursuant to Section 65584 from a transferring city or county pursuant to this section.

2. “Transferring city or county” means a city or county that transfers all or a portion of its allocation of regional housing need determined pursuant to Section 65584 to a transferee city or county pursuant to this section.
(b) (1) Notwithstanding any other law, a city or county may, by agreement, transfer all or a portion of its allocation of regional housing need to a transeree city or county.

(2) A transferring city or county may pay the transeree city or county an amount determined under the agreement. In addition, the transferring city or county may pay the transeree city or county a surcharge to offset the impacts and associated costs of the additional housing on the transeree city.

(c) Upon an agreement to transfer all or a portion of the allocation of regional housing need pursuant to this subdivision, the transferring city or county and the transeree city or county shall report to the appropriate council of governments, or, for cities and counties without a council of governments, the department, as to the number of housing units transferred, any amount paid by the transferring city or county, and any other terms of the agreement. The transferring city or county and the transeree city or county shall additionally include this information in the annual report required pursuant to Section 65400.
Item B-3
TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Policy and Management Analyst
DATE: March 4, 2021
SUBJECT: Senate Bill 15 (Portantino) - Housing Development: Incentives: Rezoning of Idle Retail Sites

ATTACHMENTS: 1. Summary Memo – SB 15
2. Bill Text – SB 15

The City Council has historically taken positions on proposed federal and state legislation of interest to Beverly Hills because of the City’s location, economy, programs, and policies through the adoption of a Legislative Platform.

Senate Bill 15 - Housing Development: Incentives: Rezoning of Idle Retail Sites (SB 15) involves a policy matter that may have a nexus to the City’s adopted Legislative Platform language. Specifically, the following statement may apply to SB 15 due to the incentives listed in the bill:

- Support legislation that encourages the use of federal and state incentives for local government action rather than mandates.

The City’s state lobbyist, Shaw Yoder Antwi Schmelzer & Lange, provided a summary memo for SB 15 to the City (Attachment 1) and will provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of SB 15, the Liaisons may recommend the following actions:

1) Oppose SB 15;
2) Support SB 15;
3) Oppose unless Amended;
4) Support if Amended;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend a position of support, then staff will prepare a letter for the Mayor to sign as the legislation appears to be consistent with the City’s Legislative Platform. Any other positions recommended by the Liaisons will require the concurrence of the City Council and staff will place this item on a future City Council agenda.
Attachment 1
February 25, 2021

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: SB 15 (Portantino) Housing development: incentives: rezoning of the idle retail sites

Introduction and Background
On December 15, Senator Portantino introduced SB 15, which would, upon appropriation by the Legislature, require the Department of Housing and Community Development to administer a program to provide incentives in the form of grants allocated as provided to local governments that rezone idle sites used for a big box retailer or commercial shopping center to instead allow the development of workforce housing. In order to be eligible for a grant, the bill would require a local government, among other things, to apply to the department for an allocation of grant funds and provide documentation that it has met specified requirements, including certain labor-related requirements.

Specifically, this bill would:
- Require local governments to do all of the following in order to be eligible for a grant:
  - Rezone one or more idle sites used for a big box retailer or commercial shopping center to allow workforce housing as a use by right.
  - Approve and issue a certificate of occupancy for a workforce housing development on each site rezoned for which the local government seeks an incentive pursuant to this chapter.
  - Impose certain requirements on all applicants.
  - Apply to the department for an allocation of grant funds and provide documentation that it has complied with the requirements of this section.
- Allow local cities to receive from the department the average of the annual amount of sales tax revenue generated by that site for the last seven days if the site has been converted and occupied with new housing. The city would receive that average amount for a total of seven years.
- For a local government to receive this fiscal incentive, beyond just rezoning the sites, they must approve a housing development project through its planning process, must be built and have a certificate of occupancy for the city to be eligible and receive the sales tax rebate.

Existing Law
Establishes, among other housing programs, the Workforce Housing Reward Program, which requires the Department of Housing and Community Development to make local assistance grants to cities, counties, and cities and counties that provide land use approval to housing developments that are affordable to very low and low-income households.

Status of Legislation
The bill is set to be heard in Senate Housing committee on March 18, 2021.

**Support/Opposition**
According to the authors fact sheet, the bill is sponsored by BizFed, State Building and Construction Trades Council of California, the Los Angeles County Division of the League of California Cities.

Since the bill has not been heard in any policy committees yet, we have not been made aware of any other registered support or opposition yet.
Attachment 2
An act to add Chapter 2.9 (commencing with Section 50495) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL’S DIGEST

SB 15, as introduced, Portantino. Housing development: incentives: rezoning of idle retail sites.

Existing law establishes, among other housing programs, the Workforce Housing Reward Program, which requires the Department of Housing and Community Development to make local assistance grants to cities, counties, and cities and counties that provide land use approval to housing developments that are affordable to very low and low-income households.

This bill, upon appropriation by the Legislature in the annual Budget Act or other statute, would require the department to administer a program to provide incentives in the form of grants allocated as provided to local governments that rezone idle sites used for a big box retailer or a commercial shopping center to instead allow the development of workforce housing. The bill would define various terms for these purposes. In order to be eligible for a grant, the bill would require a local government, among other things, to apply to the department for an allocation of grant funds and provide documentation that it has met specified requirements, including certain labor-related requirements. The bill would make the allocation of these grants subject to appropriation by the Legislature in the annual Budget Act or other statute.

The bill would require the department to issue a Notice of Funding Availability for each calendar year in which funds are made available
for these purposes. The bill would require that the amount of grant awarded to each eligible local government be equal to 7 times the average amount of annual sales and use tax revenue generated by each idle site identified in the local government’s application over the 7 years immediately preceding the date of the local government’s application, subject to certain modifications, and that the local government receive this amount in one lump-sum following the date of the local government’s application. The bill, upon appropriation by the Legislature in the annual Budget Act or other statute, would authorize the department to review, adopt, amend, and repeal guidelines to implement uniform standards or criteria that supplement or clarify the terms, references, or standards for this program and exempt those guidelines from the rulemaking provisions of the Administrative Procedure Act.


The people of the State of California do enact as follows:

SECTION 1. Chapter 2.9 (commencing with Section 50495) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

CHAPTER 2.9. RETAIL SITE REZONING INCENTIVES

50495. For purposes of this chapter:
(a) “Applicant” means a public agency or private entity that submits an application to a local government to undertake a workforce housing development project on sites rezoned pursuant to this chapter.
(b) “Big box retailer” means a store of greater than 75,000 square feet of gross buildable area that generates or previously generated sales or use tax pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code.
(c) “Commercial shopping center” means a group of two or more stores that maintain a common parking lot for patrons of those stores.
(d) "Idle" means that at least 80 percent of the leased or rentable square footage of the big box retailer or commercial shopping center site is not occupied for at least a 12-month calendar period.
(e) "Local government" means a city, county, or city and county.
(f) "NOFA" means Notice of Funding Availability.
(g) "Project labor agreement" has the same meaning as in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.
(h) "Sales and use tax revenue" means the cumulative amount of revenue generated by taxes imposed by a local government in accordance with both of the following laws:
(1) The Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code).
(2) The Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code).
(i) "Skilled and trained workforce" has the same meaning as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.
(j) (1) "Use by right" means that the local government’s review of a workforce housing does not require a conditional use permit, planned unit development permit, or other discretionary local government review or approval that would constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code. Any subdivision of the sites shall be subject to all laws, including, but not limited to, the local government ordinance implementing the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7 of the Government Code).
(2) A local ordinance may provide that "use by right" does not exempt the use from design review. However, that design review shall not constitute a "project" for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.
(k) "Workforce housing" means an owner-occupied or rental housing development in which 100 percent of the development project’s total units, exclusive of a manager’s unit or units, are for lower income households, as defined in Section 50079.5, or for moderate-income households, as defined in Section 50053. Units in the development shall be offered at an affordable housing cost,
as defined in Section 50052.5, or at affordable rent, as defined in
Section 50053, except that the rent or sales price for a
moderate-income unit shall be at least 20 percent below the market
rate for a unit of similar size and bedroom count in the same
neighborhood in the city, county, or city and county in which the
housing development is located. The developer of the workforce
housing shall provide the local government with evidence to
establish that the units meet the requirements of this subdivision.
All units, exclusive of any manager’s unit or units, shall be
restricted as provided in this subdivision for at least the following
periods of time:
(A) Fifty-five years for units that are rented. However, the local
government may require that the rental units in the housing
development project be restricted to lower income households for
a longer period of time if that restriction is consistent with all
applicable regulatory requirements for state assistance.
(B) Forty-five years for units that are owner occupied. However,
the local government may require that owner-occupied units in
the housing development project be restricted to lower income
households for a longer period of time if that restriction is
consistent with all applicable regulatory requirements for state
assistance.
50495.2. Upon appropriation by the Legislature in the annual
Budget Act or other statute, the department shall administer a
program to provide incentives in the form of grants allocated in
accordance with this chapter to local governments that rezone idle
sites used for a big box retailer or a commercial shopping center
to instead allow the development of workforce housing.
50495.4. In order to be eligible for a grant under this chapter,
a local government shall do all of the following:
(a) Rezone one or more idle sites used for a big box retailer or
commercial shopping center to allow workforce housing as a use
by right.
(b) Approve and issue a certificate of occupancy for a workforce
housing development on each site rezoned pursuant to subdivision
(a) for which the local government seeks an incentive pursuant to
this chapter.
(c) Impose the requirements described in Sections 50495.5 and
50495.5.1 on all applicants.
(d) Apply to the department for an allocation of grant funds and provide documentation that it has complied with the requirements of this section.

50495.5. For purposes of subdivision (c) of Section 50495.4, a local government shall impose all of the following requirements on all applicants:

(a) (1) For an applicant that is a public agency, the applicant shall not prequalify or shortlist, or award a contract to, an entity for the performance of any portion of the workforce housing development project unless the entity provides an enforceable commitment to the applicant that the entity and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades.

(2) Paragraph (1) does not apply if any of the following requirements are met:

(A) The public agency applicant has entered into a project labor agreement that will bind all contractors and subcontractors performing work on the project or contract to use a skilled and trained workforce, and the entity agrees to be bound by that project labor agreement.

(B) The project or contract is being performed under the extension or renewal of a project labor agreement that was entered into by the public agency applicant before January 1, 2021.

(C) The entity has entered into a project labor agreement that will bind the entity and all of its subcontractors at every tier performing the project or contract to use a skilled and trained workforce.

(b) For an applicant that is a private entity, the applicant shall do both of the following:

(1) Demonstrate to the local government that either of the following is true:

(A) The entirety of the workforce housing development project is a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(B) If the project is not in its entirety a public work, all construction workers employed in the execution of the project will be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of
the Labor Code, except that apprentices registered in programs
approved by the Chief of the Division of Apprenticeship Standards
may be paid at least the applicable apprentice prevailing rate.

(2) Demonstrate to the local government that a skilled and
trained workforce will be used to perform all construction work
on the project.

50495.5.1. (a) If a workforce housing development project is
subject to subparagraph (B) of paragraph (1) of subdivision (b) of
Section 50495.5, then, for those portions of the project that are not
a public work, all of the following shall apply:

(1) The private entity applicant shall ensure that the prevailing
wage requirement is included in all contracts for the performance
of the work on the project.

(2) All contractors and subcontractors shall pay to all
construction workers employed in the execution of the work at
least the general prevailing rate of per diem wages, except that
apprentices registered in programs approved by the Chief of the
Division of Apprenticeship Standards may be paid at least the
applicable apprentice prevailing rate.

(3) (A) Except as provided in subparagraph (C), all contractors
and subcontractors shall maintain and verify payroll records
pursuant to Section 1776 of the Labor Code and make those records
available for inspection and copying as provided by that section.

(B) Except as provided in subparagraph (C), the obligation of
the contractors and subcontractors to pay prevailing wages may
be enforced by the Labor Commissioner through the issuance of
a civil wage and penalty assessment pursuant to Section 1741 of
the Labor Code, which may be reviewed pursuant to Section 1742
of the Labor Code, within 18 months after the completion of the
project, by an underpaid worker through an administrative
complaint or civil action, or by a joint labor-management
committee through a civil action under Section 1771.2 of the Labor
Code. If a civil wage and penalty assessment is issued, the
contractor, subcontractor, and surety on a bond or bonds issued to
secure the payment of wages covered by the assessment shall be
liable for liquidated damages pursuant to Section 1742.1 of the
Labor Code.

(C) Subparagraphs (A) and (B) do not apply if all contractors
and subcontractors performing work on the project are subject to
a project labor agreement that requires the payment of prevailing
wages to all construction workers employed in the execution of
the project and provides for enforcement of that obligation through
an arbitration procedure.
(4) Notwithstanding subdivision (c) of Section 1773.1 of the
Labor Code, the requirement that employer payments not reduce
the obligation to pay the hourly straight time or overtime wages
found to be prevailing shall not apply if otherwise provided in a
bona fide collective bargaining agreement covering the worker.
The requirement to pay at least the general prevailing rate of per
diem wages does not preclude use of an alternative workweek
schedule adopted pursuant to Section 511 or 514 of the Labor
Code.
(b) An applicant that is a private entity subject to paragraph (2)
of subdivision (b) of Section 50495.5 shall comply with all of the
following requirements for the workforce housing development
project:
(1) The private entity applicant shall require in all contracts for
the performance of work that every contractor and subcontractor
at every tier will individually use a skilled and trained workforce
to complete the project.
(2) Every contractor and subcontractor shall use a skilled and
trained workforce to complete the project.
(3) (A) Except as provided in subparagraph (B), the private
entity applicant shall provide to the local government, on a monthly
basis while the project or contract is being performed, a report
demonstrating compliance with Chapter 2.9 (commencing with
Section 2600) of Part 1 of Division 2 of the Public Contract Code.
A monthly report provided to the local government pursuant to
this clause shall be a public record under the California Public
Records Act (Chapter 3.5 (commencing with Section 6250) of
Division 7 of Title 1 of the Government Code) and shall be open
to public inspection. A private entity applicant that fails to provide
a monthly report demonstrating compliance with Chapter 2.9
(commencing with Section 2600) of Part 1 of Division 2 of the
Public Contract Code shall be subject to a civil penalty of ten
thousand dollars ($10,000) per month for each month for which
the report has not been provided. Any contractor or subcontractor
that fails to use a skilled and trained workforce shall be subject to
a civil penalty of two hundred dollars ($200) per day for each
worker employed in contravention of the skilled and trained
workforce requirement. Penalties may be assessed by the Labor
Commissioner within 18 months of completion of the project using
the same procedures for issuance of civil wage and penalty
assessments pursuant to Section 1741 of the Labor Code, and may
be reviewed pursuant to the same procedures in Section 1742 of
the Labor Code. Penalties shall be paid to the State Public Works
Enforcement Fund.
(B) Subparagraph (A) does not apply if all contractors and
subcontractors performing work on the project are subject to a
project labor agreement that requires compliance with the skilled
and trained workforce requirement and provides for enforcement
of that obligation through an arbitration procedure.
50495.6. (a) Upon appropriation by the Legislature in the
annual Budget Act or other statute for purposes of this chapter,
the department shall allocate a grant to each local government that
meets the criteria specified in Section 50495.4 in an amount
determined pursuant to subdivision (b). For each calendar year in
which funds are made available for purposes of this chapter, the
department shall issue a NOFA for the distribution of funds to a
local government during the 12-month period subsequent to the
NOFA. The department shall accept applications from applicants
at the end of the 12-month period.
(b) The amount of grant provided to each eligible local
government shall be as follows:
(1) Subject to paragraphs (2) and (3), the amount of the grant
shall be equal to seven times the average amount of annual sales
and use tax revenue generated by each idle site identified in the
local government’s application that meets the criteria specified in
subdivisions (a) and (b) of Section 50495.4 over the seven years
immediately preceding the date of the local government’s
application.
(2) For any idle big box retailer or commercial shopping center
site rezoned by a local government in accordance with subdivision
(a) of Section 50495.4 to allow mixed uses, the amount of grant
pursuant to paragraph (1) shall be reduced in proportion to the
percentage of the square footage of the development that is used
for a use other than workforce housing.
(3) If for any NOFA the amount of funds made available for
purposes of this chapter is insufficient to provide each eligible
local government with the full amount specified in paragraphs (1)
and (2), based on the number of applications received, the
department shall reduce the amount of grant funds awarded to each
eligible local government proportionally.
(c) The department shall allocate the amount determined
pursuant to subdivision (b) to each eligible local government in
one lump-sum following the date of the local government’s
application.
50495.8. Upon appropriation by the Legislature in the annual
Budget Act or other statute, the department may review, adopt,
amend, and repeal guidelines to implement uniform standards or
criteria that supplement or clarify the terms, references, or standards
set forth in this chapter. Any guidelines or terms adopted pursuant
to this chapter shall not be subject to Chapter 3.5 (commencing
with Section 11340) of Part 1 of Division 3 of Title 2 of the
Government Code.
Item B-4
MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Policy and Management Analyst
DATE: March 4, 2021
SUBJECT: Senate Bill 49 (Umberg) - Business License Fees: Coronavirus (COVID-19) Pandemic: Waiver: Tax Credit

ATTACHMENTS: 1. Summary Memo – SB 49
2. Bill Text – SB 49

The City Council has historically taken positions on proposed federal and state legislation of interest to Beverly Hills because of the City's location, economy, programs, and policies through the adoption of a Legislative Platform.

Senate Bill 49 (Umberg) - Business License Fees: Coronavirus (COVID-19) Pandemic: Waiver: Tax Credit (SB 49) involves a policy matter that has a nexus to the City’s adopted Legislative Platform language. Specifically, the following statement may apply to SB 49 as it impacts the City’s ability to collect regulatory license fees:

- Oppose legislation that would preempt the City’s authority over local taxes and fees.

The City’s state lobbyist, Shaw Yoder Antwih Schmelzer & Lange, provided a summary memo for SB 49 to the City (Attachment 1) and will provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of SB 49, the Liaisons may recommend the following actions:
1) Oppose SB 49;
2) Support SB 49;
3) Oppose unless Amended;
4) Support if Amended;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend a position of oppose, then staff will prepare a letter for the Mayor to sign as the legislation appears to be consistent with the City’s Legislative Platform. Any other positions recommended by the Liaisons will require the concurrence of the City Council and staff will place this item on a future City Council agenda.
Attachment 1
February 25, 2021

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange


Summary
SB 49 (Umberg) would prospectively waive state & local operating fees for eligible businesses during the remainder of the duration of State Stay at Home Orders and retrospectively reimburse state & local operating fees paid by eligible businesses during state or local Stay at Home Orders, through the creation of a tax credit. Specifically, this bill would:

- Prohibit state agencies from collecting regulatory license fees from businesses that are subject to state licensure if the business has temporarily ceased operations in response to a COVID-19 stay-at-home order and other specified conditions.

- Prohibit a city or county that licenses business from collecting any regulatory license fee imposed on similarly impacted businesses.

- To claim the exemption from license fees under these provisions, the bill would require the business to declare, under penalty of perjury, that it has complied with all applicable COVID-19 stay-at-home orders.

- This bill would allow a credit against those taxes for each taxable year beginning on or after January 1, 2022, and before January 1, 2023, for eligible costs paid or incurred in eligible costs by a taxpayer that meets certain criteria, including that the taxpayer has temporarily ceased business operations in response to a COVID-19 stay-at-home order, as defined, before January 1, 2022.
• Define “eligible costs” for these purposes as any amount paid to a state agency or a local government in connection with a permit, license, or other mandatory operating cost imposed by the state or a local government.

• Requires a taxpayer claiming this credit to declare, under penalty of perjury, that it has complied with all applicable COVID-19 stay-at-home orders.
**Background**
The California Constitution differentiates fees from taxes. Unlike taxes, the revenue collected from fees cannot be spent generally, and must confer a specific benefit or governmental service to the payer (as opposed to the public generally).

This distinction limits the government’s authority to impose a fee, and necessitates a “reasonable relationship” between the burden placed on the payer and the benefit from the government. State and local governments require businesses to pay operating fees, and, in return, businesses are promised that their compliance will allow them to operate and that a public benefit or service will be exchanged.

This description is true of most fees, with some exceptions such as “regulatory fees,” which allow the government to use fee revenue to protect the general public against the adverse effects of a product or service.

The COVID-19 pandemic, and subsequent Stay at Home Orders, have forced businesses throughout state to close. Despite many businesses being unable to operate, the expectation that these businesses continue to pay operating fees remains.

The author argues that this dynamic is problematic for two reasons:

1) Operating fees represent an often significant cost to businesses, many of whom have seen their incomes shrink dramatically or disappear entirely during the pandemic; and

2) Closed businesses cannot enjoy the governmental services and benefits that are promised in return for dutifully paying their state and local operating fees.

The author argues further that public agencies in the state must take action to support businesses during this pandemic, and to uphold the constitutional principles and promises that are foundational to local and statewide fee programs.

SB 49 would support businesses throughout the remainder of the COVID-19 pandemic and restore fairness in law by:

- Identifying businesses most impacted by Stay at Home Order closures and the broken dynamic between them and state/local fee programs.
- Prospectively ending the collection of state and local fees for eligible businesses for the remainder of the Stay at Home Orders.
- Create a process through newly established tax credits to authorize impacted businesses to seek reimbursement for state and local operating fees.

**Status of Legislation**
SB 49 (Umberg) was originally referred to three different policy committees in the Senate:
The Senate Business, Professions and Economic Development Committee;
The Senate Governance and Finance Committee; and
The Senate Committee on Governmental Organization.

The third committee referral to Senate Governmental Organization was ultimately rescinded due to limitations placed on committee hearings in the State Senate in light of ongoing health and safety risks of the COVID-19 virus. As a result of this action, the bill must only be heard in the first two policy committees listed above.

Support
None listed at this time

Opposition
None listed at this time.
Attachment 2
An act to add Sections 16000.9 and 16100.9 to the Business and Professions Code, to add Section 8627.9 to the Government Code, and to add and repeal Sections 17053.70 and 23670 of the Revenue and Taxation Code, relating to business license fees.

LEGISLATIVE COUNSEL'S DIGEST


Existing law authorizes cities and counties to license any kind of business, not prohibited by law, transacted and carried on within the limits of its jurisdiction. Cities under existing law, cities and counties, pursuant subject to certain restrictions, may impose a license fee on those businesses. Under existing law, the state imposes various licensing fees on businesses, including fees for alcoholic beverage licenses and cannabis licenses.

This bill would express the intent of the Legislature to enact future legislation that would reimburse or waive state or locally mandated operating fees for businesses that are unable to operate due to statewide or local actions or ordinances instituted as a result of the Coronavirus (COVID-19) pandemic.

Existing law, the California Emergency Services Act, authorizes the Governor to proclaim a state of emergency in an area affected or likely to be affected thereby when the Governor finds that certain circumstances exist and either (1) specified local officials request that
the Governor proclaim a state of emergency or (2) the Governor finds that local authority is inadequate to cope with the emergency. During a state of emergency, existing law authorizes the Governor to exercise the police power of the state to effectuate the purposes of the California Emergency Services Act.

This bill would prohibit any state agency from collecting any regulatory license fee imposed on a business subject to licensure by a state agency that meets certain criteria, including that the business has temporarily ceased operations in response to a COVID-19 stay-at-home order, as that term is defined. The bill would similarly prohibit a city or county that licenses business activity pursuant to the above-described authority from collecting any regulatory license fee imposed on a business meeting those same criteria. To claim the exemption from license fees under these provisions, the bill would require the business to declare, under penalty of perjury, that it has complied with all applicable COVID-19 stay-at-home orders.

The bill would include findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws.

This bill would allow a credit against those taxes for each taxable year beginning on or after January 1, 2022, and before January 1, 2023, for eligible costs paid or incurred in eligible costs by a taxpayer that meets certain criteria, including that the taxpayer has temporarily ceased business operations in response to a COVID-19 stay-at-home order, as defined, before January 1, 2022. The bill would define “eligible costs” for these purposes as any amount paid to a state agency or a local government in connection with a permit, license, or other mandatory operating cost imposed by the state or a local government. The bill would require a taxpayer claiming this credit to declare, under penalty of perjury, that it has complied with all applicable COVID-19 stay-at-home orders.

By adding to the duties of local officials in connection with licensing businesses, and by expanding the scope of the crime of perjury, 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 with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.


The people of the State of California do enact as follows:

SECTION 1. Section 16000.9 is added to the Business and Professions Code, to read:

16000.9. (a) For purposes of this section:
(1) "COVID-19 state of emergency" means the state of emergency proclaimed by the Governor on March 4, 2020.
(2) "COVID-19 stay-at-home order" means either of the following:
(A) Executive Order N-33-20, or any similar order issued by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) or the State Department of Public Health that requires the closure of businesses in response to the COVID-19 state of emergency.
(B) Any order by a local government that requires the closure of businesses in response to the COVID-19 state of emergency, including, but not limited to, an order issued pursuant to the police power of a city or county or any order issued by a local health officer pursuant to Section 101040 or 120175 of the Health and Safety Code.
(3) "Eligible business" means any business subject to licensure pursuant to Section 16000 for which all of the following apply:
(A) The business is either of the following:
(i) A restaurant or bar.
(ii) An entity licensed, or that employs persons who are licensed, by the State Board of Barbering and Cosmetology under the Barbering and Cosmetology Act (Chapter 10 (commencing with Section 7301) of Division 3).
(B) The business has temporarily ceased operations in response to a COVID-19 stay-at-home order.
(C) The business complies with paragraph (2) of subdivision (b).

(b) (1) Notwithstanding Section 16000, a city shall not collect any regulatory license fee imposed on an eligible business.

(2) In order to claim the exemption from license fees pursuant to this section, the eligible business shall declare, under penalty of perjury, that the eligible business has complied with all applicable COVID-19 stay-at-home orders, in the form and manner prescribed by the city.

(c) The Legislature finds and declares that this section addresses a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this section applies to all cities, including charter cities.

SEC. 2. Section 16100.9 is added to the Business and Professions Code, to read:

16100.9. (a) For purposes of this section:

(1) “COVID-19 state of emergency” means the state of emergency proclaimed by the Governor on March 4, 2020.

(2) “COVID-19 stay-at-home order” means either of the following:

(A) Executive Order N-33-20, or any similar order issued by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) or the State Department of Public Health that requires the closure of businesses in response to the COVID-19 state of emergency.

(B) Any order by a local government that requires the closure of businesses in response to the COVID-19 state of emergency, including, but not limited to, an order issued pursuant to the police power of a city or county or any order issued by a local health officer pursuant to Section 101040 or 120175 of the Health and Safety Code.

(3) “Eligible business” means any business subject to licensure by any state agency for which all of the following apply:

(A) The business is either of the following:

(i) A restaurant or bar.

(ii) An entity licensed, or that employs persons who are licensed, by the State Board of Barbering and Cosmetology under the
Barbering and Cosmetology Act (Chapter 10 (commencing with Section 7301) of Division 3).

(B) The business has temporarily ceased operations in response to a COVID-19 stay-at-home order.

(C) The business complies with paragraph (2) of subdivision (b).

(b) (1) Notwithstanding Section 16100, a county shall not collect any regulatory license fee imposed on an eligible business.

(2) In order to claim the exemption from license fees pursuant to this section, the eligible business shall declare, under penalty of perjury, that the eligible business has complied with all applicable COVID-19 stay-at-home orders, in the form and manner prescribed by the county.

SEC. 3. Section 8627.9 is added to the Government Code, to read:

8627.9. (a) For purposes of this section:

(1) “COVID-19 state of emergency” means the state of emergency proclaimed by the Governor on March 4, 2020.

(2) “COVID-19 stay-at-home order” means either of the following:

(A) Executive Order N-33-20, or any similar order issued by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) or the State Department of Public Health that requires the closure of businesses in response to the COVID-19 state of emergency.

(B) Any order by a local government that requires the closure of businesses in response to the COVID-19 state of emergency, including, but not limited to, an order issued pursuant to the police power of a city or county or any order issued by a local health officer pursuant to Section 101040 or 120175 of the Health and Safety Code.

(3) “Eligible business” means any business subject to licensure by any state agency for which all of the following apply:

(A) The business is either of the following:

(i) A restaurant or bar.

(ii) An entity licensed, or that employs persons who are licensed, by the State Board of Barbering and Cosmetology under the Barbering and Cosmetology Act (Chapter 10 (commencing with Section 7301) of Division 3).
(B) The business has temporarily ceased operations in response to a COVID-19 stay-at-home order.

(C) The business complies with paragraph (2) of subdivision (b).

(4) “Regulatory license fee” means any fee imposed by a state agency imposed for the reasonable regulatory costs to the state incident to issuing licenses and permits.

(b) (1) Notwithstanding any other law, a state agency shall not collect any regulatory license fee imposed on an eligible business.

(2) In order to claim the exemption from regulatory license fees pursuant to this section, the eligible business shall declare, under penalty of perjury, that the eligible business has complied with all applicable COVID-19 stay-at-home orders, in the form and manner prescribed by the applicable state agency.

SEC. 4. Section 17053.70 is added to the Revenue and Taxation Code, to read:

17053.70. (a) For each taxable year beginning on or after January 1, 2022, and before January 1, 2023, there shall be allowed as a credit against the “net tax,” as defined in Section 17039, an amount equal to the amount paid or incurred in eligible costs by a qualified taxpayer before January 1, 2022.

(b) For purposes of this section:

(1) “COVID-19 state of emergency” means the state of emergency proclaimed by the Governor on March 4, 2020.

(2) “COVID-19 stay-at-home order” means either of the following:

(A) Executive Order N-33-20, or any similar order issued by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) or the State Department of Public Health that requires the closure of businesses in response to the COVID-19 state of emergency.

(B) Any order by a local government that requires the closure of businesses in response to the COVID-19 state of emergency, including, but not limited to, an order issued pursuant to the police power of a city or county or any order issued by a local health officer pursuant to Section 101040 or 120175 of the Health and Safety Code.

(3) “Eligible costs” means any amount paid to a state agency or a local government in connection with a permit, license, or
other mandatory operating cost imposed by the state or a local
government.

(4) “Local government” means a city, whether general law or
chartered, county, or any officer of a city or county.

(5) “Qualified taxpayer” means a taxpayer for which both of
the following apply:
(A) The taxpayer is a business that is either of the following:
   (i) A restaurant or bar.
   (ii) An entity licensed, or that employs persons who are licensed,
        by the State Board of Barbering and Cosmetology under the
        Barbering and Cosmetology Act (Chapter 10 (commencing with
        Section 7301) of Division 3 of the Business and Professions Code).
(B) The taxpayer has temporarily ceased business operations
    in response to a COVID-19 stay-at-home order.
(c) A qualified taxpayer claiming a credit allowed by this section
    shall declare, under penalty of perjury, that the qualified taxpayer
    has complied with all applicable COVID-19 state-at-home orders,
    in the form and manner prescribed by the Franchise Tax Board.
(d) In the case where the credit allowed by this section exceeds
    the “net tax,” the excess may be carried over to reduce the “net
    tax” in the following taxable year, and succeeding years if
    necessary, until the credit is exhausted.
(e) This section shall remain in effect only until December 1,
    2023, and as of that date is repealed. However, any unused credit
    may continue to be carried forward, as provided in subdivision
    (d), until the credit is exhausted.

SEC. 5. Section 23670 is added to the Revenue and Taxation
Code, to read:
23670. (a) For each taxable year beginning on or after
January 1, 2022, and before January 1, 2023, there shall be
allowed as a credit against the “tax,” as defined in Section 23036,
an amount equal to the amount paid or incurred in eligible costs
by a qualified taxpayer before January 1, 2022.
(b) For purposes of this section:
(1) “COVID-19 state of emergency” means the state of
emergency proclaimed by the Governor on March 4, 2020.
(2) “COVID-19 stay-at-home order” means either of the
following:
(A) Executive Order N-33-20, or any similar order issued by
the Governor pursuant to the California Emergency Services Act
(Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) or the State Department of Public Health that requires the closure of businesses in response to the COVID-19 state of emergency.

(B) Any order by a local government that requires the closure of businesses in response to the COVID-19 state of emergency, including, but not limited to, an order issued pursuant to the police power of a city or county or any order issued by a local health officer pursuant to Section 101040 or 120175 of the Health and Safety Code.

(3) “Eligible costs” means any amount paid to a state agency or a local government in connection with a permit, license, or other mandatory operating cost imposed by the state or a local government.

(4) “Local government” means a city, whether general law or chartered, county, or any officer of a city or county.

(5) “Qualified taxpayer” means a taxpayer for which both of the following apply:

(A) The taxpayer is a business that is either of the following:

(i) A restaurant or bar.

(ii) An entity licensed, or that employs persons who are licensed, by the State Board of Barbering and Cosmetology under the Barbering and Cosmetology Act (Chapter 10 (commencing with Section 7301) of Division 3 of the Business and Professions Code).

(B) The taxpayer has temporarily ceased business operations in response to a COVID-19 stay-at-home order.

(c) A qualified taxpayer claiming a credit allowed by this section shall declare, under penalty of perjury, that the qualified taxpayer has complied with all applicable COVID-19 state-at-home orders, in the form and manner prescribed by the Franchise Tax Board.

(d) In the case where the credit allowed by this section exceeds the “tax,” the excess may be carried over to reduce the “net tax” in the following taxable year, and succeeding years if necessary, until the credit is exhausted.

(e) This section shall remain in effect only until December 1, 2023, and as of that date is repealed. However, any unused credit may continue to be carried forward, as provided in subdivision (d), until the credit is exhausted.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain
costs that may be incurred by a local agency or school district
because, in that regard, this act creates a new crime or infraction,
eliminates a crime or infraction, or changes the penalty for a crime
or infraction, within the meaning of Section 17556 of the
Government Code, or changes the definition of a crime within the
meaning of Section 6 of Article XIII B of the California
Constitution.

However, if the Commission on State Mandates determines that
this act contains other costs mandated by the state, reimbursement
to local agencies and school districts for those costs shall be made
pursuant to Part 7 (commencing with Section 17500) of Division
4 of Title 2 of the Government Code.

SECTION 1. It is the intent of the Legislature to enact future
legislation that would reimburse or waive state or locally mandated
operating fees for businesses that are unable to operate due to
statewide or local actions or ordinances instituted as a result of the
Coronavirus (COVID-19) pandemic.
Item B-5
The City Council has historically taken positions on proposed federal and state legislation of interest to Beverly Hills because of the City's location, economy, programs, and policies through the adoption of a Legislative Platform.

Senate Bill 278 (Leyva) - PERS: Disallowed Compensation: Benefit Adjustments (SB 278) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language.

The City’s state lobbyist, Shaw/Yoder/Antwih, Inc., provided a summary memo for SB 278 to the City (Attachment 1) and will provide a verbal update to the City Council Liaison/Legislative/Lobby Committee. SB 278 would establish new procedures for employees covered by the California Public Employees Retirement System (CalPERS) in cases where their pensionable benefits are erroneously calculated and reported to CalPERS by their employer.

After discussion of SB 278, the Liaisons may recommend the following actions:

1) Oppose SB 278;
2) Support SB 278;
3) Oppose unless Amended;
4) Support if Amended;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend a position then the item will be placed on a future City Council agenda for concurrence.
Attachment 1
February 24, 2021

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
       Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: SB 278 (Leyva) Public Employees’ Retirement System: disallowed compensation: benefit adjustments

Introduction and Background
SB 278 (Leyva) would establish new procedures and requirements for employees covered by the California Public Employee Retirement System (CalPERS) in cases where their pensionable benefits are erroneously calculated and reported to CalPERS by their employer. This bill is a reintroduction of SB 266 (Leyva, 2019), which failed in the Senate Floor. The City of Beverly Hills took an ‘Oppose’ position, along with the League of California Cities and others.

Specifically, this bill would:

- Requires that, if CalPERS determines that the compensation reported for a CalPERS member by a public employer is in conflict with existing law or regulations, CalPERS must prohibit the public employer from continuing to report the disallowed compensation. This requirement also applies to determinations made on or after January 1, 2017, if the appeal rights of the CalPERS member have not been exhausted.

- Requires that, in the case of an active CalPERS member, all contributions on disallowed compensation must be credited against future contributions to the benefit of the public employer by CalPERS and the public employer must return the member’s contributions that were paid on the disallowed compensation.

- Requires, in the case of a retired CalPERS member or survivor or beneficiary whose final compensation at the time of retirement was based on disallowed compensation, the contributions made on the disallowed compensation must be credited against future contributions to the benefit of the public employer.

- States that CalPERS must also provide a notice to the public employer and affected retired CalPERS member or survivor or beneficiary that includes, at a minimum:
  - The amount overpayment resulting from the disallowed compensation made by the public employer;
  - The actuarial equivalent present amount owed to the retired CalPERS member, survivor, or beneficiary; and
- Written disclosures by the public employer’s obligations to the retired member under this bill.

**Status of Legislation**
The bill is in the Senate Labor, Public Employment and Retirement Committee. The bill has not been set for a hearing.

**Support/Opposition**
According to the authors fact sheet, the California Professional Firefighters are the sponsors of this bill.

Since this bill was just introduced on January 29th and has not been heard in any policy committees yet, we have not been made aware of any other registered support or opposition yet, but the following groups adopted formal positions on SB 266 (Leyva) from 2019:

**Registered Support for SB 266 (Leyva):**
California Professional Firefighters [Co-SPONSOR]
Peace Officers’ Research Association of California (co-source)
American Federation of State, County and Municipal Employees, AFL-CIO
California School Employees Association, AFL-CIO
Riverside Sheriffs Association

**Registered Opposition for SB 266 (Leyva) from 2019:**
California Special Districts Association
California State Association of Counties
City of Beverly Hills
City of Brentwood
City of Burlingame
City of Coronado
City of Downey
City of Fortuna
City of La Mirada
City of Laguna Beach
City of Laguna Niguel
City of Lodi
City of Madera
City of Modesto
City of Monterey
City of Morgan Hill
City of Norwalk
City of Novato
City of Oceanside
City of Palm Springs
City of Piedmont
City of Pinole
City of Portola
City of Ridgecrest
City of Sacramento
Attachment 2
An act to add Section 20164.5 to the Government Code, relating to public employees’ retirement.

LEGISLATIVE COUNSEL’S DIGEST

SB 278, as introduced, Leyva. Public Employees’ Retirement System: disallowed compensation: benefit adjustments.

(1) Existing law, the Public Employees’ Retirement Law (PERL), establishes the Public Employees’ Retirement System (PERS), which provides a defined benefit to members of the system, based on final compensation, credited service, and age at retirement, subject to certain variations. PERL authorizes a public agency to contract to make its employees members of PERS and prescribes a process for this. PERS is administered by its board of administration, which is responsible for correcting errors and omissions in the administration of the system and the payment of benefits. Existing law requires the board to correct all actions taken as a result of errors or omissions of the state or a contracting agency, in accordance with certain procedures.

The California Public Employees’ Pension Reform Act of 2013 (PEPRA) generally requires a public retirement system, as defined, to modify its plan or plans to comply with the act. PEPRA, among other things, establishes new defined benefit formulas and caps on pensionable compensation.

This bill would establish new procedures under PERL for cases in which PERS determines that the benefits of a member or annuitant are, or would be, based on disallowed compensation that conflicts with PEPRA and other specified laws and thus impermissible under PERL. The bill would also apply these procedures retroactively to
determinations made on or after January 1, 2017, if an appeal has been
filed and the employee member, survivor, or beneficiary has not
exhausted their administrative or legal remedies. At the threshold, after
determining that compensation for an employee member reported by
the state, school employer, or a contracting agency is disallowed, the
bill would require the applicable employer to discontinue the reporting
of the disallowed compensation. The bill would require that
contributions made on the disallowed compensation, for active members,
be credited against future contributions on behalf of the state, school
employer, or contracting agency that reported the disallowed
compensation and would require that the state, school employer, or
contracting agency return to the member any contributions paid by the
member or on the member’s behalf.

With respect to retired members, survivors, or beneficiaries whose
benefits are based on disallowed final compensation, the bill would
require PERS to adjust the benefit to reflect the exclusion of the
disallowed compensation, and provide that contributions made on the
disallowed compensation be credited against future contributions on
behalf of the employer entity that reported the disallowed compensation.
Additionally, if specified conditions are met, the bill would require the
employing entity to refund overpayment costs to the system and to pay
retired members, survivors, and beneficiaries whose benefits have been
reduced an annuity, or a lump sum, as prescribed, that reflects the
difference between the monthly allowance that was based on the
disallowed compensation and the adjusted monthly allowance calculated
without the disallowed compensation, as provided. The bill would
require the system to provide certain notices in this regard. This bill
would require the system to provide confidential contact information
of retired members, and their survivors and beneficiaries, who are
affected by these provisions to the relevant employing entities, the
confidentiality of which the entities would be required to maintain.

The bill would authorize the state, a school employer, as specified,
or a contracting agency, as applicable, to submit to the system an
additional compensation item proposed to be included or contained in
a memorandum of understanding or collective bargaining agreement
on and after January 1, 2022, that is intended to form the basis of a
pension benefit calculation in order for PERS to review its consistency
with PEPR A and other laws, as specified, and would require PERS to
provide guidance regarding the review within 90 days, as specified.
The bill would require PERS to publish notices regarding proposed
compensation language submitted to the system for review and the
guidance given by the system that is connected with it. For educational
entities that participate in the system, the final responsibility for funding
payments to the system and to retired members, survivors, and
beneficiaries would belong to the educational entity that is the actual
employer of the employee. The bill would make related legislative
findings and declarations.

(2) Existing constitutional provisions require that a statute that limits
the right of access to the meetings of public bodies or the writings of
public officials and agencies be adopted with findings demonstrating
the interest protected by the limitation and the need for protecting that
interest.

This bill would make legislative findings to that effect.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The California Public Employees’ Retirement
2 System (CalPERS) is the largest public pension fund in the United
3 States, administering defined benefit retirement plans for
4 California’s public employees, including state and local
5 government firefighters, law enforcement personnel, and school
6 employees.
7 (b) Of the numerous positions maintained by the state, schools,
8 and local governments, each is unique and each is vital to ensuring
9 quality public services that help keep our state strong, a critical
10 component to promoting our state’s continued economic recovery
11 and future growth.
12 (c) Fire service, law enforcement, school personnel, and other
13 public employees exhibit varying demographic features and career
14 patterns. Each requires a different skill set and knowledge base,
15 as well as unique requirements for recruitment, training, retention,
16 and compensation.
17 (d) Generations of hard-working members of California’s middle
18 class have dedicated their careers to public service, often earning
19 less over the course of their careers when compared to their private
20 industry counterparts, to earn and pay for the promise of a secure
21 retirement.
(e) A public employee’s pension is based on collectively
bargained compensation that takes the form of base pay and special
compensation for additional skills, extraordinary assignments, or
education.

(f) For CalPERS, it is the employer’s responsibility to ensure
that employee information is reported to CalPERS accurately and
on a timely basis in order to correctly calculate an employee’s
service credit and final compensation for retirement purposes.

(g) In 2012, after serving the public for nearly 30 years, a
firefighter employed by a CalPERS contracting agency, which
provided an official projection of retirement benefits based on the
firefighter’s estimated retirement date, made the decision to retire
based on that projection.

(h) In 2017, five years after officially retiring, CalPERS notified
the firefighter retiree that the retiree’s former employer had
erroneously reported and remitted contributions on certain
compensation, which CalPERS later determined in an audit was
not pensionable compensation. CalPERS sought repayment of the
purported overpayment directly from the retired firefighter totaling
thousands of dollars, as well as imposed a substantial future
reduction to the retiree’s monthly allowance. Unfortunately, this
scenario is not isolated to just this one retiree. A handful of other
firefighter, law enforcement, and school retirees have reported
similar stories across multiple CalPERS employers.

(i) For over eight decades, CalPERS has proven its ability to
fairly administer the retirement system to uphold the promises
made by its employers for those members who invest their life’s
work in public service. However, this kind of clawback has the
potential to take a major toll on the finances of retirees, including
firefighters and law enforcement officers who, unlike private sector
employees, do not receive social security benefits and instead rely
on their fixed monthly pension as their sole source of retirement
income.

(j) In enacting this bill, it is the intent of the Legislature to ensure
that a retired CalPERS member is protected when alleged
misapplication or calculation of compensation occurs as a result
of an employer’s error, and that this protection be provided to
retirees whose appeal of CalPERS’ determination, and subsequent
reduction of the retiree’s allowance, is not final. It is further the
intent of the Legislature that errors made on the part of the
employer, with respect to a promise to a retiree, be borne by the
employer rather than through a retroactive clawback and permanent
reduction in the retired member’s pension.

SEC. 2. Section 20164.5 is added to the Government Code, to
read:

20164.5. (a) For purposes of this section, “disallowed compensa-
tion” means compensation reported for a member by the
state, school employer, or a contracting agency that the system
subsequently determines is not in compliance with the California
Public Employees’ Pension Reform Act of 2013 (Article 4
(commencing with Section 7522) of Chapter 21 of Division 7 of
Title 1), Section 20636 or 20636.1, or the administrative regulations
of the system.

(b) If the system determines that the compensation reported for
a member by the state, school employer, or a contracting agency
is disallowed compensation, the system shall require the state,
school employer, or contracting agency to discontinue reporting
the disallowed compensation. This section shall also apply to
determinations made on or after January 1, 2017, if an appeal has
been filed and the member, the retired member, survivor, or
beneficiary has not exhausted their administrative or legal
remedies.

(1) In the case of an active member, all contributions made on
the disallowed compensation shall be credited against future
contributions to the benefit of the state, school employer, or
contracting agency that reported the disallowed compensation, and
any contribution paid by, or on behalf of, the member, including
contributions under Section 20691, shall be returned to the member
by the state, school employer, or contracting agency that reported
the disallowed compensation.

(2) In the case of a retired member, survivor, or beneficiary
whose final compensation at the time of retirement was predicated
upon the disallowed compensation, the contributions made on the
disallowed compensation shall be credited against future
contributions, to the benefit of the state, school employer, or
contracting agency that reported the disallowed compensation and
the system shall permanently adjust the benefit of the affected
retired member, survivor, or beneficiary to reflect the exclusion
of the disallowed compensation.
(3) (A) In the case of a retired member, survivor, or beneficiary whose final compensation at the time of retirement was predicated upon the disallowed compensation as described in paragraph (2), the repayment and notice requirements described in this paragraph and paragraph (4) shall apply only if all of the following conditions are met:
(i) The compensation was reported to the system and contributions were made on that compensation while the member was actively employed.
(ii) The compensation was provided for in a memorandum of understanding or collective bargaining agreement as compensation for pension purposes.
(iii) The determination by the system that compensation was disallowed was made after the date of retirement.
(iv) The member was not aware that the compensation was disallowed at the time it was reported.
(B) If the conditions of subparagraph (A) are met, the state, school employer, or contracting agency that reported contributions on the disallowed compensation shall do both of the following:
(i) Pay to the system, as a direct payment, the full cost of any overpayment of the prior paid benefit made to an affected retired member, survivor, or beneficiary resulting from the disallowed compensation.
(ii) Pay to the retired member, survivor, or beneficiary, as a lump sum or as an annuity based on that amount, the actuarial equivalent present value representing the difference between the monthly allowance that was based on the disallowed compensation and the adjusted monthly allowance calculated pursuant to paragraph (2) for the duration that allowance is projected to be paid by the system to the retired member, survivor, or beneficiary. The payment, or payments, shall be made by the state, school employer, or contracting agency that reported contributions on the disallowed compensation as an annuity unless the retired member, survivor, or beneficiary and the state, school employer, or contracting agency, as may be applicable, mutually agree to a lump sum payment or payments.
(4) The system shall provide a notice to the state, school employer, or contracting agency that reported contributions on the disallowed compensation and to the affected retired member,
survivor, or beneficiary, including, at a minimum, all of the following:
(A) The amount of the overpayment to be paid by the state, school employer, or contracting agency to the system as described in subparagraph (B) of paragraph (3).
(B) The actuarial equivalent present value owed to the retired member, survivor, or beneficiary as described in subparagraph (B) of paragraph (3), if applicable.
(C) Written disclosure of the state, school employer, or contracting agency’s obligations to the retired member, survivor, or beneficiary pursuant to this section.
(5) The system shall, upon request, provide the state, a school employer, or a contracting agency with contact information data in its possession of a relevant retired member, survivor, or beneficiary in order for the state, a school employer, or a contracting agency to fulfill their obligations to that retired member, survivor, or beneficiary pursuant to this section. The recipient of this contact information data shall keep it confidential.
(c) (1) The state, a school employer, including a county superintendent of schools, school district, community college district, charter school, regional occupational center, or other local educational agency, or a contracting agency, as applicable, may submit to the system for review an additional compensation item that is proposed to be included, or is contained, in a memorandum of understanding adopted, or a collective bargaining agreement entered into, on and after January 1, 2022, that is intended to form the basis of a pension benefit calculation, in order for the system to review consistency of the proposal with the California Public Employees’ Pension Reform Act of 2013 (Article 4 (commencing with Section 7522) of Chapter 21 of Division 7 of Title 1), Section 20636 or 20636.1, and the administrative regulations of the system.
(2) A submission to the system for review under paragraph (1) shall include only the compensation item language and a description of how it meets the criteria listed in subdivision (a) of Section 571 or subdivision (b) of Section 571.1 of Title 2 of the California Code of Regulations, along with any other supporting documents or requirements the system deems necessary to complete its review.
(3) The system shall provide guidance regarding the submission within 90 days of the receipt of all information required to make a review.
(d) The system shall periodically publish a notice of the proposed compensation language submitted to the system pursuant to paragraph (c) for review and the guidance provided by the system.
(e) This section does not alter or abrogate any responsibility of the state, a school employer, or a contracting agency to meet and confer in good faith with the employee organization regarding the impact of the disallowed compensation or the effect of any disallowed compensation on the rights of the employees and the obligations of the employer to its employees, including any employees who, due to the passage of time and promotion, may have become exempt from inclusion in a bargaining unit, but whose benefit was the product of collective bargaining.
(f) For educational entities participating in the system, the final responsibility for funding payments under subparagraph (B) of paragraph (3) of subdivision (b) is that of the educational entity that is the actual employer of the employee. A county superintendent of schools shall have final responsibility for funding payments for its own employees and not for those employees of other educational entities that participate in the system under the auspices of a county superintendent of schools pursuant to contract.
(g) This section does not effect or otherwise alter a party’s right to appeal any determination regarding disallowed compensation made by the system.
SEC. 3. The Legislature finds and declares that Section 2 of this act, which adds Section 20164.5 to the Government Code, imposes a limitation on the public’s right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:
In order to appropriately maintain the current confidentiality of personal contact information held by the Public Employees’ Retirement System regarding retired members of the system, and their survivors and beneficiaries, it is necessary to limit access to
this information if it is provided to other public entities for purposes
of Section 20164.5 of the Government Code.
Item B-6
The City Council has historically taken positions on proposed federal and state legislation of interest to Beverly Hills because of the City’s location, economy, programs, and policies through the adoption of a Legislative Platform.

Senate Bill 285 (McGuire) - California Tourism Recovery Act (SB 285) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language.

The City’s state lobbyist, Shaw/Yoder/Antwih, Inc., provided a summary memo for SB 285 to the City (Attachment 1) and will provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of SB 285, the Liaisons may recommend the following actions:

1) Oppose SB 285;
2) Support SB 285;
3) Oppose unless Amended;
4) Support if Amended;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend a position then the item will be placed on a future City Council agenda for concurrence.
Attachment 1
February 24, 2021

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: SB 285 (McGuire) California Tourism Recovery Act

Introduction and Background
On February 1, Senator Mike McGuire introduced SB 285, the California Tourism Recovery Act, which would provide $45 million to Visit California to launch a strategic media and jobs recovery campaign to drive in-state travel to the businesses that have been hit hard, including state’s renowned restaurants, hotels, and local destinations. According to the Senator’s press release on this bill, the $45 million, one-time appropriations is projected to deliver $10.3 billion in revenue to California businesses and $865 million in additional state and local tax revenue.

This bill is co-authored by Senators Allen, Bradford, Cortese, Dahle, Dodd, Hurtado, Laird Nielsen, and Assemblymembers Bloom, Bigelow, Chiu, Cunningham, Davies, Christina Garcia, Grayson, Mullin, Nazarian, Quirk-Silva, Santiago, Valladares, and Wood.

Specifically, this bill would:

- Require the California Travel and Tourism Commission to, upon determination by the Department of Public Health that it is safe to resume travel in California, implement a strategic media and jobs recovery campaign, “Calling All Californians” program, for the purpose of reversing the impact of the COVID-19 pandemic on the travel and tourism industry in California.

- Require the Commission to report to the Legislature, on or before January 1, 2024, regarding the cost of the program and the impact of the program on the tourism industry.

- Require, upon appropriation by the Legislature, the Controller to transfer $45 million to the commission for the purpose of implementing this program.

Status of Legislation
The bill is in the Senate Business, Professions and Economic Development Committee. The bill has not been set for a hearing.

Support/Opposition
SB 285 has not been heard in any policy committees and we have not been made aware of any registered support or opposition yet. However, according to the author’s press release on SB 285, the following groups are in support of this measure:

SYASLpartners.com
• UNITE HERE!
• California Travel Association
• California Teamsters Public Affairs Council
• California Broadcast Association
• California News Publishers Association
Attachment 2
Introduced by Senator McGuire
(Principal coauthor: Assembly Member Quirk-Silva)
(Coauthors: Senators Allen, Bradford, Cortese, Dahle, Dodd, Hurtado, Laird, Melendez, Nielsen, and Umberg)
(Coauthors: Assembly Members Bigelow, Bloom, Chen, Chiu, Cunningham, Davies, Cristina Garcia, Grayson, Mullin, Nazarian, Santiago, Valladares, and Wood)

February 1, 2021

An act to add Chapter 5 (commencing with Section 13999) to Part 4.7 of Division 3 of Title 2 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL’S DIGEST

SB 285, as introduced, McGuire. California Tourism Recovery Act. Existing law, the California Tourism and Marketing Act, establishes a nonprofit mutual benefit corporation named the California Travel and Tourism Commission under the direction of a board of commissioners composed of 37 members, including the Director of the Governor’s Office of Business and Economic Development.

This bill, the California Tourism Recovery Act, would require the commission to, upon a determination by the Department of Public Health that it is safe to resume travel in California, implement a strategic media and jobs recovery campaign known as the “Calling All Californians” program for the purpose of reversing the impact of the COVID-19 pandemic on the travel and tourism industry in California, as specified. The bill would require the commission to report to the Legislature, on or before January 1, 2024, regarding the cost of the program and the impact of the program on the tourism industry in California. The bill would require, only upon appropriation by the
Legislature, the Controller to transfer $45,000,000 to the commission for the purpose of implementing the “Calling all Californians” program.


The people of the State of California do enact as follows:

SECTION 1. This act shall be known as the California Tourism Recovery Act.

SEC. 2. The Legislature finds and declares all of the following:
(a) California’s travel and hospitality industry is one of the largest economic drivers for the state. Before COVID-19, more than 1.2 million California workers earned their livelihoods in hospitality. Visitors spent $145 billion annually at California businesses, generating $12.3 billion in state and local tax revenues. International travelers spent $28.1 billion in California, making travel the state’s largest export.
(b) The coronavirus pandemic has impacted travel and hospitality more than any other industry, confirmed by the recent report of the Governor’s Task Force on Business and Jobs Recovery. More than one-half of California’s 1.2 million travel and hospitality industry workers lost their jobs because of the pandemic.
(c) For every hospitality job lost, a ripple effect occurs. Every three travel and hospitality industry jobs support another two California jobs. Thousands of small businesses, including florists, farmers, ranchers, fishermen, bakers, brewers, winemakers, coffee roasters, print shops, laundromas, cleaning services, technology providers, and a host of other producers and service providers all rely on the hospitality industry for their livelihoods.
(d) Thousands of businesses are reeling, and one of the state’s most vital tax sources has dried up. California lost $78.8 billion in visitor spending in 2020, which is a 54.5 percent decline.
(e) The transient occupancy tax (TOT) paid by hotel and vacation rental guests directly powers local communities across California. Forty-six cities rely on TOT revenue to cover at least 30 percent of their overall general fund expenditures. Cities anticipate an immediate impact to their core revenue sources due to COVID-19, with an 89 percent decline in TOT in 2020. The federal stimulus enacted in early January fails to provide additional
funding to local governments, further jeopardizing the critical services they provide our communities.

(f) The California Travel and Tourism Commission, doing business as Visit California, is a nonprofit mutual benefit corporation with a mission to develop and maintain marketing programs, in partnership with the state’s travel industry, that keep California top-of-mind as a premier travel destination. Visit California operates a global marketing program in 14 markets on behalf of the tens of the thousands of California businesses who benefit from travel. The Office of Tourism collects the fees that fund Visit California’s campaigns and initiatives. Since its inception in 1997, Visit California has become the number one state destination management organization. Before COVID-19, Visit California’s programs annually delivered $14.8 billion of additional visitor spending to the state’s economy. Visit California has a record of spending money wisely. More than 90 percent of the budget goes directly to marketing and reserves with less than 10 percent going to operations.

(g) Visit California is funded by private businesses through a self-imposed assessment, which means the closure of the state’s tourism industry immediately and dramatically reduced Visit California’s revenue. These severe shortfalls have forced Visit California to cancel all existing marketing programs and close all 14 international offices, in addition to reducing staff by more than 50 percent.

(h) Without help, California’s travel and hospitality industry will not recover until 2024. Local governments that rely on TOT will have significant budget gaps for years. The federal government has failed to provide additional funding to local governments, further jeopardizing the critical services they provide our communities.

(i) For every $1 invested in Visit California, state and local governments will reap $19 in additional tax revenue. A $45 million, one-time appropriation to fund an in-state and western drive market campaign would deliver $10.3 billion in revenue to California businesses and $865 million in additional state and local tax revenue. This campaign, launched when the California Department of Public Health declares it is appropriate to resume travel, would emphasize that it is safe to travel and how to travel safely.
(j) In California, 65 percent of hotel rooms are in urban regions. Recovery for these urban centers will be critical for the overall health of the industry. Likewise, key sectors have been hit especially hard, including theme parks and restaurants, that will need added support.

(k) Domestic leisure travel offers the best immediate opportunity for recovery because business and international travel will lag years behind. However, as COVID-19 begins to be controlled, it will be an extremely crowded marketplace. California needs to actively market itself to prevent decay in awareness, preference, and travel intent. California is already behind as other states allocate funds to their tourism sectors in anticipation of marketing to visitors once the pandemic is under control. For example, New Mexico, with a travel economy 20 times smaller than California’s, is earmarking $25 million for tourism marketing as part of its COVID-19 recovery plan.

(l) This funding approach was successfully deployed in the aftermath of the September 11, 2001, terrorist attacks to leverage a one-time funding allocation of $8.3 million in state funds to Visit California to jumpstart California’s economic recovery at that time. With that money, Visit California was able to turn it into a $20 million campaign.

SEC. 3. Chapter 5 (commencing with Section 13999) is added to Part 4.7 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 5. CALLING ALL CALIFORNIANS

13999. As used in this chapter:

(a) “Program” means the Calling all Californians program created by this chapter.

(b) “Visit California” means the California Travel and Tourism Commission.

13999.1. (a) Upon a determination by the Department of Public Health that it is safe to resume travel in California, Visit California shall implement the program pursuant to Section 13999.2 for the purpose of reversing the impact of the COVID-19 pandemic on the travel and tourism industry in California.

(b) Visit California shall contribute two million dollars ($2,000,000) from its funds to produce content for the program.
13999.2. (a) The program shall be a strategic media and jobs
2recovery campaign known as “Calling All Californians” and shall
3be targeted as follows:
4(1) The first campaign shall engage in-state active travelers to
5fuel travel intent.
6(2) The second campaign shall continue to engage in-state active
7travelers while expanding paid media reach into western region
8drive markets that border California.
9(3) The third campaign shall continue to engage in-state active
10travelers while expanding paid media reach to a national audience.
(b) The campaigns described by paragraphs (1) to (3), inclusive,
12of subdivision (a) may occur concurrently.
1313999.3. On or before January 1, 2024, Visit California shall
14report to the Legislature regarding the cost of the program and the
15impact of the program on the tourism industry in California.
1613999.4. The Controller shall, only upon appropriation by the
17Legislature, transfer forty-five million dollars ($45,000,000) to
18Visit California for the purpose of implementing the program.
Item B-7
CITY OF BEVERLY HILLS
POLICY AND MANAGEMENT

MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Policy and Management Analyst
DATE: March 4, 2021
SUBJECT: Senate Bill 378 (Gonzalez) - Local Government: Broadband Infrastructure Development Project Permit Processing: Microtrenching Permit Processing Ordinance
ATTACHMENTS:
1. Summary Memo – SB 378
2. Bill Text – SB 378

The City Council has historically taken positions on proposed federal and state legislation of interest to Beverly Hills because of the City's location, economy, programs, and policies through the adoption of a Legislative Platform.

Senate Bill 378 (Gonzalez) - Local Government: Broadband Infrastructure Development Project Permit Processing: Microtrenching Permit Processing Ordinance (SB 378) involves a policy matter that has a nexus to the City’s adopted Legislative Platform language. Specifically, the following statement may apply to SB 378 as requires local agencies to allow microtrenching for the installation of underground fiber optic cables and related infrastructure:

- Oppose preemption of the City of Beverly Hills’ local authority whether by state or federal legislation or ballot propositions.

The City’s state lobbyist, Shaw/Yoder/Antwih, Inc., provided a summary memo for SB 378 to the City (Attachment 1) and will provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of SB 378, the Liaisons may recommend the following actions:
1) Oppose SB 378;
2) Support SB 378;
3) Oppose unless Amended;
4) Support if Amended;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend a position of oppose, then staff will prepare a letter for the Mayor to sign as the legislation appears to be consistent with the City’s Legislative Platform. Any other positions recommended by the Liaisons will require the concurrence of the City Council and staff will place this item on a future City Council agenda.
February 25, 2021

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: SB 378 (Gonzalez) Local Government: Broadband Infrastructure Deployment

Summary
This measure is authored by Senator Lena Gonzalez. Senator Bob Hertzberg and Senator Scott Wiener have also signed on as coauthors to this bill.

SB 378 would require local agencies to allow microtrenching for the installation of underground fiber optic cables and related infrastructure under terms and conditions established by the bill. Specifically, this bill:

- Defines a “Local Agency” as a city, county, city and county, charter city, special district, or publicly owned utility. This measure defines “Fiber” as fiber optic cables, and related ancillary equipment such as conduit, ancillary cables, hand holes, vaults and terminals.
- Authorizes a provider of fiber facilities to determine the method of the installation of fiber. The bill would prohibit a local agency from prohibiting, or unreasonably discriminating in favor of or against the use of, aerial installations, open trenching or boring, or microtrenching.
- Requires a local agency to allow fiber to be installed in the same fashion as the existing aboveground utilities where aboveground utilities are present. The bill would provide that this provision controls over any undergrounding ordinance adopted by the local agency that requires all utilities to bury existing overhead facilities.
- Authorizes a local agency to prohibit aerial deployment of fiber where no above ground utilities exist due to Electric Tariff Rule 20 or other existing underground requirements.
- Authorizes a city or county to impose fees on an application for permit for broadband infrastructure development projects. Authorizes the imposition of reasonable fees for costs associated with the submission, and the expedited review, processing, and approval of an application. These fees could cover specified costs, including but not limited to necessary personnel costs, if the
applicant elects for the expedited review and processing and agrees to pay that fee.

- Specifies that this bill does not preclude an applicant and a local agency from mutually agreeing to extended timelines to carry out the activities authorized by this bill.
- Declares that installation of fiber is critical to the deployment of broadband services and other utility services is a matter of statewide concern, and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Further declares that this bill applies to all cities, including charter cities.

**Existing Law**

Under existing law, the California Public Utilities Commission (CPUC) has jurisdiction over public utilities, including electrical corporations. The CPUC has adopted the Electric Tariff Rule 20, which establishes policies for the undergrounding of electric facilities and includes among other programs, the Rule 20A undergrounding program, which requires electrical corporations to convert overhead facilities to underground facilities when doing so in the public’s interest.

The author argues that the COVID-19 pandemic has made it clear that Californians need broadband connection as quickly as possible, and argues the cost of laying fiber is the most expensive part of bringing broadband to new places. The author’s stated goal for SB 378 is “to lower installation costs and speed up deployment of fiber to hundreds of thousands of Californians will seek reliable access the internet to complete their school work, access telehealth services, work remotely, and much more.”

**Status of Legislation**

SB 378 (Gonzalez) has been referred to the Senate Committee on Governance and Finance and to the Senate Committee on Energy, Utilities and Communication.

**Support**

Crown Castle (sponsor)

**Opposition**

None listed at this time.
Introduced by Senator Gonzalez
(Coauthors: Senators Hertzberg and Wiener)

February 10, 2021

An act to add Sections 65964.5 and 65964.6 to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 378, as introduced, Gonzalez. Local government: broadband infrastructure development project permit processing: microtrenching permit processing ordinance.

Under existing law, the Public Utilities Commission has jurisdiction over public utilities, including electrical corporations. The commission’s existing Electric Tariff Rule 20 establishes policies for the undergrounding of electric facilities and includes, among other programs, the Rule 20A undergrounding program, which requires electrical corporations to convert overhead electric facilities to underground facilities when doing so is in the public interest for specified reasons.

This bill would authorize a provider of fiber facilities to determine the method of the installation of fiber. The bill would prohibit a local agency, as defined, from prohibiting, or unreasonably discriminating in favor of or against the use of, aerial installations, open trenching or boring, or microtrenching, but would authorize a local agency to prohibit aerial deployment of fiber where no aboveground utilities exist due to Electric Tariff Rule 20 or other existing underground requirements.

This bill would require a local agency to allow fiber to be installed in the same fashion as the existing aboveground utilities where aboveground utilities are present. The bill would provide that this provision controls over any undergrounding ordinance adopted by the
local agency that requires all utilities to bury existing overhead facilities pursuant the Overhead Conversion Program established by the commission pursuant to Electric Tariff Rule 20. The bill would require a local agency to allow microtrenching for the installation of underground fiber if the installation in the microtrench is limited to fiber. By imposing new duties on local agencies with regard to the installation of fiber, the bill would impose a state-mandated local program.

Existing law, the Permit Streamlining Act, governs the approval process that a city or county is required to follow when approving, among other things, a permit for construction or reconstruction for a development project for a wireless telecommunications facility and a collocation or siting application for a wireless telecommunications facility.

This bill would authorize a city or county to impose on an applicant for a permit for a broadband infrastructure development project a reasonable fee for costs associated with the submission, and the expedited review, processing, and approval of an application, including, but not limited to, personnel costs as necessary, if the applicant elects for the expedited review and processing and agrees to pay that fee.

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.


The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known as the Broadband Deployment Acceleration Best Practices Act of 2021.

SEC. 2. The Legislature hereby finds and declares all of the following:

(a) Californians need improved access to high-speed internet now more than ever to meet a variety of demands including, but not limited to, remote work, distance learning, telehealth, emergency response and public safety, agriculture, innovation, and commerce.
(b) High-speed internet is delivered to Californians through wireline and wireless broadband infrastructure that is installed either aerially or underground. Wireless broadband service relies on wireline facilities, especially fiber backhaul lines.

c) Deployment of fiber is critical to connect more Californians to high-speed internet.

d) Quick and cost-effective ways to install fiber include trenching and boring, microtrenching, and aerially using existing utility poles or other vertical infrastructure along the intended fiber route.

e) By allowing these different methods of fiber installation and expediting fiber permit applications, local agencies will help promote the deployment of fiber for high-speed internet access across California.

SEC. 3. Section 65964.5 is added to the Government Code, to read:

65964.5. (a) For purposes of this section, the following definitions apply:

(1) “Fiber” means fiber optic cables, and related ancillary equipment such as conduit, ancillary cables, hand holes, vaults and terminals.

(2) “Local agency” means a city, county, city and county, charter city, special district, or publicly owned utility.

(3) “Microtrench” means a narrow open excavation trench that is less than or equal to 4 inches in width and not less than 12 inches in depth and not more than 26 inches in depth and that is created for the purpose of installing a subsurface pipe or conduit.

(4) “Microtrenching” means excavation of a microtrench.

(b) (1) The provider of fiber facilities shall determine the method of the installation of fiber.

(2) A local agency shall not prohibit, or unreasonably discriminate in favor of or against the use of, aerial installations, open trenching or boring, or microtrenching.

(3) Notwithstanding paragraphs (1) and (2), a local agency may prohibit aerial deployment of fiber where no aboveground utilities exist due to Public Utilities Commission Electric Tariff Rule 20 or other existing underground requirements.

(c) Fiber installations subject to this section shall be subject to both of the following:
(1) Where existing aboveground utilities are present, the local agency shall allow fiber to be installed in the same fashion as the existing aboveground utilities. This paragraph shall control over any undergrounding ordinance adopted by the local agency that requires all utilities to bury existing overhead facilities pursuant to the Overhead Conversion Program established by the Public Utilities Commission pursuant to Electric Tariff Rule 20, except that the provider of fiber facilities shall underground its fiber at the time other utilities remove their aerial facilities pursuant to any undergrounding ordinance of the local agency.

(2) (A) The local agency with jurisdiction to approve excavations shall allow microtrenching for the installation of underground fiber if the installation in the microtrench is limited to fiber.

(B) Upon mutual agreement, a microtrench may be placed shallower than 12 inches in depth in areas that are not beneath a paved roadway.

(d) For purposes of this section, the time periods established by the applicable Federal Communication Commission rules contained in Subpart U (commencing with Section 1.6001) of Part 1 of Subchapter A of Chapter I of Title 47 of the Code of Federal Regulations for a small wireless telecommunications facility using an existing structure shall apply to an application for a fiber installation.

(e) An application for a permit to install fiber shall include payment of a reasonable fee set by the local agency to cover the cost of processing the application.

(f) This section does not preclude an applicant and the local agency from mutually agreeing to an extension of any time limit provided by this section.

(g) The Legislature finds and declares that installation of fiber is critical to the deployment of broadband services and other utility services, is a matter of statewide concern, and is not a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this section applies to all cities, including charter cities.

SEC. 4. Section 65964.6 is added to the Government Code, to read:

65964.6. (a) For purposes of this section, the following definitions apply:
(1) "Applicant" means a person or entity who submits an application.
(2) "Application" means an application for a permit to install fiber.
(3) "Local Agency" means a city, county, city and county, charter city, special district, or publicly owned utility.
(4) "Personnel costs" includes the costs of hiring or employing temporary or permanent local agency employees, consultants, or contractors.
(b) A local agency may impose on an applicant a reasonable fee for costs associated with the submission of, and the expedited review, processing, and approval of, an application, including, but not limited to, personnel costs as necessary, if the applicant elects for the expedited review and processing and agrees to pay that fee.
(c) This section does not amend or alter the civil service laws of this state or any local agency.
SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.
Item B-8
MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Policy and Management Analyst

DATE: March 4, 2021

SUBJECT: Senate Bill 590 (Allen) - 2022 Statewide Primary Election: Terms of Office

ATTACHMENTS: 1. Summary Memo – SB 590
               2. Bill Text – SB 590

The City Council has historically taken positions on proposed federal and state legislation of interest to Beverly Hills because of the City's location, economy, programs, and policies through the adoption of a Legislative Platform.

Senate Bill 590 (Allen) - 2022 Statewide Primary Election: Terms of Office (SB 590) involves a policy matter that has a nexus to the City's adopted Legislative Platform language. Specifically, the following statement applies as it would extend any term of office set to expire in March or April 2022 until the certification of election results from the June 7, 2022, statewide primary election

- Support legislation which will amend the state Election Code to allow any term of office set to expire in March or April 2022 to be extended to expire in June 2022 following the certification of election results and administration of oath of office to the newly elected office holder, notwithstanding subdivision (b) of Elections Code section 10403.5.

Currently, should the law be passed by the state legislature and signed by the Governor, it would go into effect on January 1, 2022. Staff is currently in discussions to have an urgency clause added to the bill as the statute would then be effective upon the Governor signing it. The urgency clause requires the bill be passed by a two-thirds vote in both houses.

The City's state lobbyist, Shaw Yoder Antwih Schmelzer & Lange, provided a summary memo for SB 590 to the City (Attachment 1) and will provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of SB 590, the Liaisons may recommend the following actions:

1) Oppose SB 590;
2) Support SB 590;
3) Oppose unless Amended;
4) Support if Amended;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend a position of support, then staff will prepare a letter for the Mayor to sign as the legislation appears to be consistent with the City’s Legislative Platform. Any other positions recommended by the Liaisons will require the concurrence of the City Council and staff will place this item on a future City Council agenda.
February 25, 2021

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: SB 590 (Allen) 2022 statewide primary election: terms of office

Summary
Extends the duration of any term of office that is currently set to expire in March or April 2022 until the certification of election results from the June 7, 2022, statewide primary election and the administration of the oath of office to the newly elected officeholder.

Background
The Legislature adopted SB 970 (Umberg and Berman) which was signed into law by Governor Gavin Newsom on September 18, 2020. This measure moved the date of the direct primary in gubernatorial election years from March to June beginning with the primary election in 2022 but did not extend the terms of local officials in jurisdictions who have moved the date of their local elections to March in even numbered years.

Under the California Voter Participation Act of 2015, general law cities, among other political subdivisions, must hold their elections on a statewide election date. To comply, a number of cities changed their election dates from March of odd-numbered years to March of even-numbered years beginning with the March 2020 election. Some councilmembers elected in March 2017 had their terms extended for 12 months and will now expire in March 2022. However, 12 months is the maximum term extension allowed under current law (Section 10403.5(b) of the California Elections Code).

Without corrective legislation, the City of Beverly Hills and other jurisdictions will have councilmembers whose terms are set to expire pursuant to existing law prior to the next election for their council seat. Beverly Hills has no ability to adjust its council term to conform to a June 2022 election as the City already adjusted its City Council terms by 12 months.

The City of Beverly Hills adopted a Support if Amended position with a request that the following amendment language be added to SB 970:

Notwithstanding subdivision (b) of Elections Code section 10403.5, any term of office set to expire in March or April 2022 may be extended to expire in June 2022 following the certification of election results and administration of oath of office to the newly elected officeholder.

Working with the League of California Cities, we have identified at least four other local jurisdictions that appear to face similar negative impacts from SB 970:
- City of Lakewood
- City of San Dimas
- City of La Canada-Flintridge
- City of Whittier

Senator Umberg’s Office declined to add our proposed language to SB 970 before it reached Governor Newsom’s desk in 2020 but committed to work with us to enact cleanup legislation in 2021.

Senator Allen has introduced SB 590 as follow up legislation to SB 970 (Umberg). SB 590 is intended to make it clear that the terms of local officials will align with the new timeline for state primary election in 2022.

**Status of Legislation:**
SB 590 (Allen) is still pending referral to a policy committee in the State Senate.

**Support**
None received at this time

**Opposition**
None received at this time
Attachment 2
An act to add Section 1305 to the Elections Code, relating to elections.

LEGISLATIVE COUNSEL’S DIGEST

SB 590, as introduced, Allen. 2022 statewide primary election: terms of office.

Existing law, Chapter 111 of the Statutes of 2020, moved the date of the statewide direct primary election in even-numbered years in which there is no presidential primary election from the first Tuesday after the first Monday in March to the first Tuesday after the first Monday in June. Existing law authorizes elections for certain local offices to be held on the day of the statewide direct primary election.

This bill would extend any term of office set to expire in March or April 2022 until the certification of election results from the June 7, 2022, statewide primary election.


The people of the State of California do enact as follows:

SECTION 1. Section 1305 is added to the Elections Code, to read:

1305. Notwithstanding subdivision (b) of Section 10403.5 or any other law, any term of office set to expire in March or April 2022 shall be extended to expire following the certification of election results from the June 7, 2022, statewide primary election.
and the administration of the oath of office to the newly elected officeholder.
Item B-9
Verbal updates on legislative issues will be presented by the City’s lobbyists.