

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 4/15/04
Department Name: CAO
Department No.: 012
Agenda Date: 4/27/04
Placement: Departmental
Estimate Time: 15 Minutes
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors
FROM: Michael F. Brown
County Administrator
STAFF CONTACT: Jim Laponis, Deputy County Administrator
Lori Norton, Analyst
SUBJECT: Legislative Program Committee Recommendations

Recommendation(s):

That the Board of Supervisors considers the following recommendations from the Legislative Program Committee meeting of April 5, 2004:

1. Endorse the introduction of legislation to authorize a loan from the State to offset the cost of the County Formation Commission. (Attachment 1)
2. Watch AB 2766 (Keith Richman) Local Human Services Program (Realignment Equity) AB 2766 would reallocate realignment growth to address statewide Public Health and Mental Health realignment inequity. (Attachment 2)
3. Receive a report on AB 2836 (Maddox) Housing, which would authorize the department of Housing and Community Development to designate areas of the State as tight housing markets, in which "persons and families of moderate income" would include persons and families whose income does not exceed 140% of area median income, and severely tight housing markets, in which "persons and families of moderate income" would include persons and families whose income does not exceed 200% of area median income. (Attachment 3)
4. Oppose SB 744 (Dunn) Planning: Housing. SB 744 establishes a process, within the State Department of Housing and Community Development, whereby developers of affordable housing may appeal local land use decisions that result in denial of a project or imposition of a housing condition that renders the project financially infeasible. (Attachment 4)
5. Oppose AB 2305 (Richman) Petroleum Infrastructure Projects and Permitting Process. AB 2305 declares that local permitting is a major barrier to expanding petroleum infrastructure and requires the State Energy Commission to make recommendations to establish a "streamlined" permitting process. If passed, AB 2305 may preempt local authority over the permitting of petroleum infrastructure. (Attachment 5)
6. Receive a report on the status of ballot initiatives currently in process of seeking qualification for the November 2, 2004 ballot. (Attachment 6)

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with actions required by law or by routine business necessity. They are also aligned with Goal Number 1: An efficient government able to anticipate and respond effectively to the needs of the community.

Executive Summary and Discussion:

On April 5, 2004, the Legislative Program Committee ("Committee") considered and recommended the Board of Supervisors consider and or adopted the actions listed above. The Committee membership is as follows: Second District Supervisor Susan Rose, Third District Supervisor Gail Marshall, County Administrator Michael F. Brown, Auditor-Controller Bob Geis, and County Counsel Stephen Shane Stark. Counsel Stark was absent from the meeting.

Following is a brief summary of each of the issues to be considered by the Board. Additional information is included as attachments to this document.

County Formation Commission Process

In March, the County received a response to an inquiry as to the potential for the State to fund the cost of the County Formation Commission. Attachment 1 includes a correspondence from Randal Hernandez, Appointment Secretary to Governor Schwarzenegger, in which he outlines two options for the County to seek a loan for the cost of the County Formation Commission. Based on this information, staff instructed Governmental Advocates to contact the County's State representatives to seek an author for legislation to seek a loan and to increase the cap to allow the County to borrow more than the current limit of \$100,000.

Governmental Advocates has discussed the need for this legislation with our elected representatives and it appears that a bill will be introduced to seek a loan, and to increase the current cap of \$100,000 to \$400,000. Although current law provides for loans from a specific State fund, the fund has no appropriation in the current year. A State appropriation of funds, through legislation in the current year or through the State's 2004-05 budget process is required, which our advocates intend to pursue.

AB 2766 - Realignment Equity

Since October 2003, staff from the County Administrator's office has participated in meetings with representatives from 21 other Counties, seeking agreement to pursue a legislative solution to address an increasing realignment funding inequity in the areas of Mental Health and Health. In FY 1991-92, the State shifted financial responsibility for certain county operated mental health and health programs. The shift, known as Realignment provided a dedicated portion of sales tax and vehicle license fee revenues to offset the cost of the programs. However, the funding formula for distribution of realignment revenues was based on historical funding (dating back to the 1970's) which was based on combination of population and population in poverty (pop-pov %) statistics. As a result of the current funding formula, 21 counties, representing 86% of the total State population and 89% of the State welfare population are being underfunded by over \$240 million annually. This inequity is projected to increase to \$439 million by FY 2010-11. The proposal developed to address this growing inequity is to maintain all Counties current base funding, but to distribute growth funding (4%) to under equity counties based on their pop-pov% of the total under-equity pop-pov%.

In FY 2000-2001, Santa Barbara County is \$1,181,564 under equity. Public Health is **underfunded** by \$1,509,533 Mental Health is **overfunded** by \$327,969. Based on the current formula, by FY 2010-2011, Santa Barbara County will be \$2,724,059 under equity. Based on the proposed formula, by FY 2010-2011, Santa Barbara County would still be under equity, but the under equity amount (\$1,444,184) would be significantly less than it will be under the current formula. It is important to note that although the County would benefit in total, and Public Health would benefit by

increasing its equity, the revised formula would not benefit (in fact would be detrimental to) Mental Health. County Mental Health is currently overfunded by \$327,969. The redistribution of funds would result in Mental Health being underfunded by \$137,045 in FY 2010-2011. Eventually, the proposed formula would result in all counties being funded at the appropriate level, but in the process, some counties may drop below equity for a period of time. Following a discussion of the legislation, the Committee recommended the Board direct staff to "Watch" AB 2766 to determine if it appears to be moving forward in the legislature, and to return to the Committee at a future date with an update on its progress.

AB 2836 – Housing

AB 2836 is a bill sponsored by the County of Santa Barbara and authored by Assemblymember Ken Maddox. The bill sought to expand the income eligibility limit, up to 200% of the area median income, for areas of the State designated by the State Housing and Community Development Department, as severely tight housing markets.

Governmental Advocates advised the Legislative Program Committee that the bill had encountered strong opposition from statewide affordable housing advocates and from Democratic legislators. The opponents believe that expanding eligibility (by increasing the income limit) would redistribute the limited funds available for affordable housing, and further disadvantage lower income individuals and families.

On Wednesday, April 13th, AB 2836 was heard in the Assembly Housing Committee. The bill failed passage on a vote of 0 ayes, 5 noes. The four Republican Assemblymembers on the Committee left the room prior to the vote so as not to have to vote in opposition to a bill introduced by their fellow Assemblymember. Following the hearing, Cliff Berg, Governmental Advocates and Ed Moses, Director of Housing and Community Development, met with representatives of some of the groups opposing and agreed to seek another approach to seek to address Santa Barbara County's unique affordable housing challenge.

SB 744 - Housing

Senator Dunn has again proposed legislation which if passed would preempt local land use planning authority as it relates to the development of housing. SB 744 would establish a process whereby a developer who proposes to construct a housing development that meets specific affordable housing criteria, and whose application is denied or approved with conditions that in the applicants judgment renders the project infeasible, may appeal the decision to the State Department of Housing and Community Development. If the State Department of HCD finds that the local decision is not "reasonable" or "consistent with local housing needs" the Department would have the authority to direct the local government within 30 days to issue any necessary approval or permit to the applicant and to modify or remove any conditions so as to no longer render the project infeasible.

AB 2305 – Petroleum Infrastructure Permitting

AB 2305 would require the State Energy Resources Conservation and Development Commission to make recommendations to the Legislature for establishing a streamlined permitting process for petroleum-related infrastructure. The bill contains a finding that a major barrier to expanding petroleum infrastructure is the difficulty in acquiring construction permits from Federal, State and local authorities. Of concern is the potential for the Legislature to preempt local permitting authority for petroleum infrastructure.

Potential Ballot Measures for November 2, 2004

Staff provided the Committee with a listing of the approximately fifty initiatives currently seeking to be qualified for the November 2nd ballot. An updated listing is attached to this report (Attachment 6). A number of the proposed initiatives would have a significant impact on State – Local financing, Indian and non-Indian gaming, and other issues of concern to the County. Pursuant to current practice, the Committee did not take action on the information provided, but directed staff to return once it is clear which of the initiatives will be on the November 5th ballot so the Committee may reconsider recommending action to the Board of Supervisors.

In addition to the above, the Committee received a brief report from Cliff Berg, Governmental Advocates regarding the current status of the State Budget, proposed Workers' Compensation Reform, and other State legislative issues of interest to the County.

The Committee also considered taking a position on SB 1161 which would enact the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2004, but deferred taking action on the bill.

Mandates and Service Levels:

The Legislative Program is not mandated and its services are discretionary.

Fiscal and Facilities Impacts:

If applicable, fiscal and facility impacts are discussed in relationship to individual recommendations.

- C:**
- Cliff Berg, Governmental Advocates**
 - Val Alexeeff, Planning and Development Director**
 - Jim Broderick, Alcohol, Drug and Mental Health Director**
 - Roger Heroux, Public Health Director**
 - Ed Moses, HCD Director**