



# Legislative Action Committee Meeting Agenda

March 9, 2023 5:30 PM

Los Altos Community Center Sequoia Room  
97 Hillview Ave, Los Altos, CA 94022

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## Meeting Information:

- Members of the public register for Zoom webinar [\[HERE\]](#)  
(NOTE: This link is for members of the public ONLY; Board members will attend in-person unless otherwise noticed in advance of the meeting to the Executive Director and/or the Board President)
- Meeting also livestreamed on YouTube [\[LINK\]](#)
- More info on public comment and accessibility given at the end of the agenda

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## WELCOME AND ROLL CALL – (Klein, 5:30 PM)

### ORAL COMMUNICATIONS FROM THE PUBLIC ON NONAGENDIZED ITEMS

*This portion of the meeting is reserved for persons wishing to address the Board on any matter not on the agenda. State law prohibits the Board from discussing and/or acting on nonagenda items.*

<b>1. Consent Agenda</b>
Approve minutes from the October 13, 2022 Legislative Action Committee meeting <i>Attachment:</i> <a href="#">Minutes</a>
<b>2. 2023 Legislative Outlook</b>
Presentation by the Renne Public Policy Group <i>Attachment:</i> <a href="#">Presentation</a>
<b>3. Valley Water Bills</b>
3a. <u>AB 939 (Pellerin) Smart Financing for Valley Water Infrastructure</u> Amends the Santa Clara Valley Water District Act to reduce the cost of financing water and flood protection infrastructure projects, to clean up obsolete provisions, and to address a sunset provision regarding per diem for the Board of Directors of the Santa Clara Valley Water District. <i>Attachment:</i> <a href="#">Bill Fact Sheet</a>
3b. <u>AB 1469 (Kalra) Valley Water – Assisting Unsheltered People</u> Amends the Santa Clara Valley Water District Act (District Act) to allow Valley Water’s purpose to include assisting unsheltered people living within their jurisdiction in consultation with cities, the County of Santa Clara, and the state, to provide housing or improved outcomes for unsheltered individuals. <i>Attachment:</i> <a href="#">Bill Fact Sheet</a>
<b>4. Potential City-Sponsored State Legislation</b>

## ADJOURNMENT

## **PUBLIC COMMENT**

Members of the public wishing to comment on an item on the agenda may do so in the following ways:

1. Email comments to [audin@citiesassociation.org](mailto:audin@citiesassociation.org)
  - Emails will be forwarded to the Legislative Action Committee
  - **IMPORTANT:** identify the Agenda Item number in the subject line of your email. All emails received will be entered into the record for the meeting.
  
1. Provide oral public comments in-person during the meeting
2. Provide oral public comments virtually during the meeting
  - When the Chair announces the item on which you wish to speak, click the “raise hand” feature in Zoom. Speakers will be notified shortly before they are called to speak.
  - When called to speak, please limit your comments to the time allotted (up to 3 minutes, at the discretion of the Chair).
  - Phone participants:
    - \*6 - Toggle mute/unmute
    - \*9 - Raise hand

## **ACCESSIBILITY**

We strive for our meetings and materials to be accessible to all members of the public, and welcome feedback and requests for accommodations. Please submit requests for accommodations to [audin@citiesassociation.org](mailto:audin@citiesassociation.org) at least 72 hours in advance of the meeting to allow us to best meet your request. Closed captioning will be enabled for this meeting. For instructions on how to view the closed captioning, please refer [to this Zoom help page.](#)



## Legislative Action Committee Meeting Minutes

October 13, 2022 6:00 PM

Hybrid Meeting via Zoom and at the Los Altos Community Center  
97 Hillview Ave, Los Altos, CA 94022

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Meeting recording available on YouTube [\[HERE\]](#)

Agenda in Black / Minutes in Red

### Committee Members

Chair: Hon. Neysa Fligor, Los Altos

Campbell	Hon. Liz Gibbons / Alternate: Hon. Anne Bybee
Cupertino	Hon. Darcy Paul / Alternate: Hon. Liang Chao
Gilroy	Hon. Peter Leroe-Muñoz / Alternate: Hon. Marie Blankley
Los Altos	Hon. Neysa Fligor / Alternate: Hon. Anita Enander
Los Altos Hills	Hon. Stanley Mok / Alternate: Hon. Lisa Schmidt
Los Gatos	Hon. Rob Rennie / Alternate: Hon. Marico Sayoc
Milpitas	Hon. Carmen Montaña / Alternate: Hon. Evelyn Chua
Monte Sereno	Hon. Javed Ellahie / Alternate: Hon. Bryan Mekechuk
Morgan Hill	Hon. Rich Constantine / Alternate: Hon. Gino Borgioli
Mountain View	Hon. Ellen Kamei / Alternate: Hon. Pat Showalter
Palo Alto	Hon. Pat Burt / Alternate: Hon. Lydia Kou
San Jose	Hon. Chappie Jones / Alternate: Hon. Matt Mahan
Santa Clara	Hon. Kathy Watanabe / Alternate: Hon. Anthony Becker
Saratoga	Hon. Tina Walia / Alternate: Hon. Kookie Fitzsimmons
Sunnyvale	Hon. Gustav Larsson / Alternate: Hon. Alys Cisneros

*Discussion & action may be taken on any of the items below. Times are approximate.*

## **WELCOME AND ROLL CALL (Fligor, 6:00 PM)**

Members in attendance (11/15): Gibbons, Leroe-Muñoz, Fligor, Mok, Montano, Ellahie, Kamei, Kou, Jones, Watanabe, Walia

Members absent: Paul, Rennie, Constantine, Larsson

Others in attendance:

- Kitty Moore, Councilmember, Cupertino
- Zane Barnes, SCCCMA Representative
- Gary Baum, General Counsel
- Shali Sirkay, Interim Executive Director
- Audin Leung, Clerk

### **1. Consent Agenda**

Approval of August 11, 2022 Legislative Action Committee Meeting Minutes

Motion to approve consent agenda by Jones. Seconded by Gibbons. Motion adopted 11-0-0-4.

Gibbons	AYE
Paul	ABSENT
Leroe-Muñoz	AYE
Fligor	AYE
Mok	AYE
Rennie	ABSENT
Montano	AYE
Ellahie	AYE
Constantine	ABSENT
Kamei	AYE
Kou	AYE

Jones	AYE
Watanabe	AYE
Walia	AYE
Cisneros	ABSENT

**2. Discussion Items**

2a. Review Status of Bills of Interest

2b. Suggestions for the 2022 – 2023 LAC

**3. Informational Item(s)**

New 2022 Laws Authored by Santa Clara County State Legislators:

- SB 1008 by Senator Josh Becker– Corrections: communications.
- SB 1112 by Senator Josh Becker– Energy: building decarbonization: notice and recordation of a decarbonization charge.
- SB 1223 by Senator Josh Becker– Criminal procedure: mental health diversion.
- SB 1346 by Senator Josh Becker - Surplus medication collection and distribution
- SB 1203, SB 1158 and SB 887 (Becker) – Climate Bills Package
- AB 972 by Assemblymember Marc Berman– Elections: deceptive audio or visual media.
- AB 2584 by Assemblymember Marc Berman– Recall elections
- SB 692 Senator Dave Cortese – The Special Education Inclusion Act
- SB 1184 Senator Dave Cortese – School-Linked Services Coordinators
- SB 384 Senator Dave Cortese – The Family Finding Act
- AB 256 by Assemblymember Ash Kalra – Criminal procedure: discrimination
- AB 2167 by Assemblymember Ash Kalra– Crimes: alternatives to incarceration.

- AB 2418 by Assemblymember Ash Kalra– Crimes: Justice Data Accountability and Transparency Act.
- AB 2524 by Assemblymember Ash Kalra– Santa Clara Valley Transportation Authority: employee relations.
- AB 2763 by Assemblymember Ash Kalra – Santa Clara Valley Transportation Authority: job order contracting.
- AB 1949 by Assemblymember Evan Low – Employees: bereavement leave
- AB 2841 by Assemblymember Evan Low– Disqualification from voting.
- AB 2596 by Assemblymember Evan Low– Lunar New Year holiday.
- AB 1851 by Assemblymember Robert Rivas– Public works: prevailing wage: hauling.

#### 4. Announcements (Committee Members)

#### **PUBLIC COMMENT**

No public comment was received.

#### **ADJOURNMENT**

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Respectfully submitted,



Audin Leung  
Clerk of the Board

# Cities Association of Santa Clara County Legislative Action Committee

*Dane Hutchings, Managing Director, Renne Public Policy Group*

*March 9, 2023*



# RPPG Team



Dane Hutchings



Sharon Gonsalves



Alyssa Silhi



Dan Carrigg

***A team of municipal policy experts, with decades of experience in advancing the policy and funding needs for local government agencies.***

# 2023 Legislative Calendar

## February 17<sup>th</sup> —Bill introduction Deadline

- 2,741 individual pieces of legislation
  - 881 Senate Bills
  - 1,751 Assembly Bills
  - 109 Resolutions
  - 40% Spot Bill Rate

## March 30-April 10—Legislative Spring Recess

## Mid-May—Governors May Revise

June 2—House of origin deadline. Last day for bills introduced in 23' to advance to the opposite house.

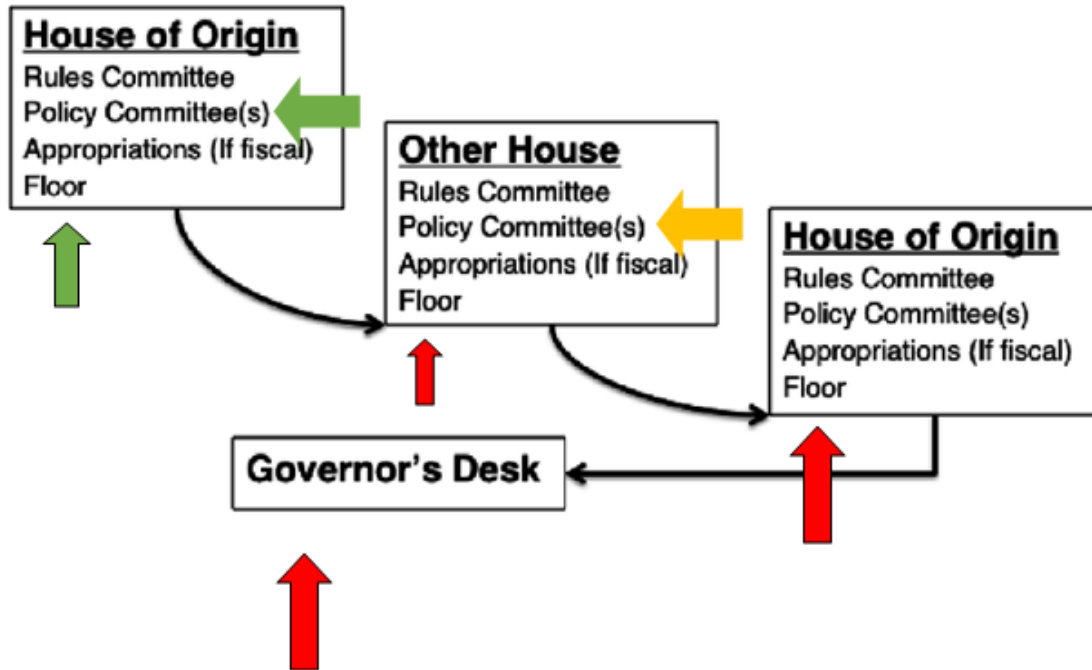
June 15 - FY23-24 Budget must be passed by the Legislature

June 30—Gov must sign FY23-24 Budget

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# Timing for Initial and Sustained Engagement

## Simple Overview of the CA Legislative Process



## Generally Speaking...

- 1<sup>st</sup> House Policy Committees [Feb-April, **(Ideal)**]
- Floor, 1<sup>st</sup> House [Late April, May **(Acceptable)**]
- 2<sup>nd</sup> House, Policy Committee, [June, early July **(Not ideal)**]
- 2<sup>nd</sup> House Floor, House of Origin Floor, Governors Desk [August- Mid September **(Frowned Upon + limited actual impact on process)**]

*There are exceptions to every rule based upon a variety of factors that may occur throughout the legislative process. But the general rule of thumb is to review, evaluate and engage early to have the most impact and to best preserve ongoing relationships.*

# 2023-2024 State Budget Highlights

## Overview

- **\$297 billion proposed General Fund**
  - 1% decrease from the 2022-2023 budget
  - \$22.5 billion projected shortfall
- **Homeless: \$3.4 billion**
  - \$400 million for a third round of encampment resolution grants
  - \$1 billion for a fifth round of Homeless Housing, Assistance, and Prevention (HHAP) grants
  - Funding to allow up to six months of rent or temporary housing to eligible individuals experiencing homelessness or at risk of homelessness
  - Maintains funding for the Behavioral Health Bridge Housing Program
- **Housing**
  - \$21.5 billion in housing investment over the past two years
  - Strategies include improving financing programs, targeting investments, providing technical assistance, and leveraging land use tools
  - Various reductions are proposed totaling \$600 million

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# 2023-2024 State Budget Highlights

## Overview (cont.)

- **Drought and Flood Resilience**
  - \$8.6 billion
- **Extreme Heat**
  - \$444 million
- **Coastal**
  - \$2 billion
- **Transportation**
  - \$11.6 billion
- **ZEV investments**
  - \$8.9 billion
- **Law Enforcement**
  - \$564.4 million

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# 2023-2024 State Budget Highlights

## *Funding Shortfalls*

- **Reductions/Pullbacks – \$5.7 billion**
  - Reduces spending for various items across the 2021-22 through 2023-24 fiscal years
  - Pulls back certain items that were included in the 2022 Budget Act to provide additional budget resilience
  - Significant items in this category include:
    - Withdrawal of inflationary adjustments of \$3 billion in FY 2023-24
    - Followed by another \$7 billion withdrawal in FY 2024-25 & FY 2025-26
    - Elimination of a \$750 million Unemployment Trust Fund payment in FY 2023-24.
- **Fund Shifts – \$4.3 billion**
  - Shifts certain expenditures in the 2022-23 and 2023-24 fiscal years from the General Fund to other funds
    - Shifting various California State University (CSU) capital outlay projects to CSU-issued debt with the state providing support for the underlying debt service
    - Reverting certain bonds to cash projects from the 2022 Budget Act back to bonds
    - Shifting certain Zero Emission Vehicle commitments to the Greenhouse Gas Reduction Fund.

# 2023-2024 State Budget Highlights

## *Funding Shortfalls (cont.)*

- **Trigger Reductions – \$3.9 billion**
  - Reduces funding in various policy areas of Climate and Transportation (\$3.1 billion), Housing (\$600 million), Parks (\$106 million) and Workforce Training (\$55 million) and subjects them to a “trigger” that would restore them if it were determined that sufficient funds are available in the 2024 Governor’s budget.
  - The trigger relies on various factors including baseline adjustments, enrollment, caseload, population adjustments, constitutional obligations, and the cost of funding all items included in the trigger.
- **Limited Revenue Generation and Borrowing – \$1.2 billion**
  - The Budget augments General Fund resources in the 2023-24 fiscal year through loans from special funds and the renewal of the Managed Care Organization Tax.
- **Funding Delays– \$7.4 billion**
  - The Budget delays funding for multiple items across the 2021-22 through 2023-24 fiscal years and spreads it across the multi-year without reducing the total amount of funding throughout.

**Note:** *May Revision Expected to have larger budget deficits*

# Quick Snapshot: State Legislature

## Major Legislative Themes Relevant to Cities Association

- Housing, Parking Restrictions, Fees, Streamlining Etc.
- Homelessness Issues
- Brown Act Reforms
- Public Safety



# Initial Bills of Interest

# 2023 Legislation of Interest: Housing

## Another VERY busy year in housing policy

### 175 Housing Bills Introduced Touching On:

- Fees, Permitting, and Enforcement
- Housing Production
- ADUs
- Parking
- Density Bonus/Inclusionary
- Surplus Land Act & State Surplus Land
- Landlord/Tenant
- Building Codes
- Housing Finance/New Housing Programs
- Housing Bonds
- CEQA and Housing Reform
- Mobile Homes

# 2023 Legislation of Interest: Housing

## **SB 423 (Weiner): Land Use: Streamlined housing approvals, multifamily housing developments**

- Authorizes the California Department of General Services, in place of the local government for the purposes of ministerial, streamlined review for development on property owned by or leased to the State.
- Indefinitely extends the provisions of SB 35 including the builder's remedy for non-compliant housing elements and eliminates the coastal exemptions currently in the measure.
- Will require prevailing wage to be paid on projects that exceed 10 units.
- On projects over 50 units the contractor must offer apprentices employment and pay for healthcare for workers and dependents.

**Status:** *Bill double-referred to Senate Housing and Governance & Finance Committees*

# 2023 Legislation of Interest: Housing

## AB 821 (Grayson) Planning and zoning: development project application.

- Current law requires a zoning ordinance to be amended within a reasonable time so that it is consistent with the general plan in the event that the ordinance becomes inconsistent with the plan by reason of amendment to the plan.
- Provide that, in the event that a city or county fails to amend an inconsistent zoning ordinance within 90 days after receiving written notice of the inconsistency, a proposed development project shall not be deemed inconsistent with that zoning ordinance and related zoning standard or criteria and shall not be required to be rezoned.
- If there is substantial evidence that would allow a reasonable person to conclude that the proposed development project is consistent with objective general plan standards and criteria but the zoning for the project site is inconsistent with the general plan.

**Status:** *Bill double-referred to Assembly Housing and Local Government Committees*

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# 2023 Legislation of Interest: Housing

## AB 976 (Ting) Accessory dwelling units: owner-occupancy requirements.

- Provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions.
- Current law requires a local ordinance to require an accessory dwelling unit to be either attached to, or located within, the proposed or existing primary dwelling, as specified, or detached from the proposed or existing primary dwelling and located on the same lot as the proposed or existing primary dwelling.
- This bill would instead prohibit a local agency from imposing an owner-occupancy requirement on any accessory dwelling unit.

**Status:** *Bill double-referred to Assembly Housing and Local Government Committees*

# 2023 Legislation of Interest: Housing

## **AB 894 (Friedman) Parking Requirements: Shared Parking**

- Would require a public agency, to allow existing land uses with underutilized parking (20 percent or more vacancy rate during the period parking is needed for the entity), to share the underutilized parking with the public, a private entity, a public agency, or other users.
- Require a public agency to allow shared parking to be counted toward meeting automobile parking requirements for a new or existing development or use, including underutilized parking spaces, if the space is within 2,000 feet of walking distance from the development site or greater than 2,000 feet when transit is available.
- The bill would require a public agency to accept a parking analysis using peer-reviewed methodologies developed by a professional planning association when determining the number of shared parking spaces that can be reasonably shared between different uses.

**Status:** *Bill double-referred to Assembly Housing and Local Government Committees*

# 2023 Legislation of Interest: City of Mountain View Sponsored Bills

## **AB 637 (Low) Density Bonus Law**

- Requires a city or county to grant a proposal for an incentive or concession requested by a developer unless it would not result in identifiable and actual cost reductions, would have a specific, adverse impact on public health or safety, or on specified real property and for which there is no method to avoid or mitigate that impact, or would be contrary to state or federal law.
- This bill would additionally exempt from the requirement that a city or county grant a proposal an incentive or concession that would have an adverse impact on a policy that affirmatively furthers fair housing.

**Status:** *Bill double-referred to Assembly Housing and Local Government Committees*

## **AB 971 (Lee) Vehicles: local ordinances**

- Current law authorizes a local authority to permit a portion of any highway within its jurisdiction to be used exclusively for a public mass transit guideway.
- This bill would additionally authorize a local authority that has designated any such public mass transit guideway, to permit specified vehicles other than public mass transit vehicles, as authorized, to use the portion of the highway so designated.

# 2023 Homelessness

**\*\*Several spot bills with intent still being assessed\*\***

## **AB 550 Schiavo**

- Would require a city, county, and city and county, on or before January 1, 2025, and annually thereafter, to conduct a point-in-time count of homeless persons within that jurisdiction and, on or before January 1, 2026, and annually thereafter, to hold a public hearing to present the data gathered and discuss plans to solve issues related to homelessness in that jurisdiction.
- The bill would require the city, county, and city and county to, at least 30 days before the public hearing, publish the results of the data gathered on that jurisdiction's internet website and, within 6 months after the public hearing, to develop a plan to reduce homelessness within that jurisdiction.

**Status:** *Referred to Assembly Local Government Committee*



# Brown Act Reform

## **AB 817 (Pacheco) Open Meetings Subsidiary Bodies**

- Permits subsidiary bodies currently covered by the Ralph M. Brown Act to continue to meet via virtual teleconference without complying with physical location posting requirements.
- Defines a subsidiary body as any Brown Act body that serves exclusively in an advisory capacity, that is not authorized to take final action on legislation, regulations, contracts, licensees, permits, or any other entitlements (e.g., council and multi-jurisdictional subcommittees, appointed advisory bodies, boards, commissions who do not take final action, etc.)

**Status:** Referred to Assembly Local Government Committee

**Note:** This measure has been jointly sponsored by the following entities, The California Association of Recreation and Parks Districts, The League of California Cities, The Urban Counties of California, and the Rural County Representatives of California.

## **AB 557 (Hart ) Open meetings: local agencies: teleconferences.**

- Extends the provisions of AB 361, which permits the suspension of Brown Act teleconferencing requirements when a declared state of emergency is in effect, or in other situations related to public health, as specified, indefinitely.

**Status:** Referred to Assembly Local Government Committee

# Public Safety

## **200+ Public Safety and EMS Bills Introduced Touching On:**

- Shoplifting +Retail Crime
- Firearms, Ghost Guns, etc.
- Fentanyl
- Sideshows
- Police Training Standards
- Parking Enforcement

## **SB 2 (Portantino) Firearms**

- Sets a minimum requirement of 16 hours for training in order to be issued or reissued a concealed carry permit
- Would make it a crime to bring an unloaded firearm into, or upon the grounds of, any residence of the Governor, any other constitutional officer, or Member of the Legislature.
- Prohibits a licensee from carrying a firearm to specified locations, including, among other places, a state or local government building, a building designated open to the public for purposes of an open meeting, a building designated for a court proceeding, and a place of worship,

**Status:** Set for Hearing in Senate Public Safety, March 28

## **AB97 (Rodriguez) Firearms: unserialized firearms**

- Makes the possession of an unserialized firearm or possession of a firearm with an altered, removed, or obliterated serial number punishable as a felony.

**Status:** Referred to Assembly Appropriations Committee

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# *Taxpayer Protection & Government Accountability Act*

## *Overview*

# Taxpayer Protection & Government Accountability Act

- **Sponsors and Key Supporters**

- California Business Roundtable
- California Business Properties Association
- Howard Jarvis Taxpayers Association

- **November 2024 Ballot**

- **Imposes Major Limitations on Local Governments:**

- Prohibits the Use of Advisory Measures in Conjunction with General Tax Proposals.
- Prohibits charter cities/counties from submitting items to voters.
  - Applies to any charter amendments which would impose, extend or increase a tax or an exempt charge.
- Prohibits any exempt charge from being imposed by initiative.
  - Requires all such charges to be approved by local ordinance.
- Prohibits property tax surcharges based on the value of a property.
- Applies the same vote threshold to local initiatives as those proposed by the governing body.
  - This is intended to reverse the *Upland* holding re: special taxes proposed by the initiative.



# Taxpayer Protection & Government Accountability Act

- **Potential Fiscal Impacts**

- Puts approximately \$2 billion from fees and charges at risk each year, subject to legal peril.
- Puts approximately \$2 billion of annual tax revenue at risk. Many tax measures approved between 2022-2024 will need to be resubmitted to voters to comply and be reapproved.

- **Expands definitions of what is a “tax.”**

- **Increases Legal Burden of Proof**

- **Reverses Six Major Court Decisions**

- **Retroactive Repeal of Conflicting State and Local Actions**

- **Poison Pills**

# Taxpayer Protection & Government Accountability Act

## Recommendations:

- **CalCities encourages all member agencies to enact a council resolution opposing this measure**
- Get into the weeds of the language, because there are many moving pieces
- Evaluate whether you have any post-January 1, 2022, tax or exempt charge that could be impacted (*Unclear what a Court will do with such a long retroactive provision*)
- Consider whether to take actions to insulate future taxes/charges from retroactivity

## Next Steps:

- Long way to go until November 2024
- Prepare for the worst but advocate for the best
- State/Dems/Gov will not like the many restrictions on state tax/fee authority and actions
- Proponents can pull the measure from the ballot up until the Summer of 2024

# Questions/Discussion

# Thank You!



# AB 939: Smart Financing for Valley Water Infrastructure

02.15.23

## BACKGROUND

Valley Water is the regional water supply, groundwater management, flood protection, and stream stewardship agency for the 2 million people of Santa Clara County. The agency’s enabling state law, the District Act, was enacted in 1951. Since then, Valley Water has merged with other agencies, became an independent special district with its own 7-member elected Board, and grew as the region transformed to one of the state’s largest metropolitan areas that is home to the nation’s technology economy.

Today, Valley Water is one of the largest water agencies in the state, managing 10 reservoirs and dams, 3 water treatment plants, the largest advanced purified water facility in Northern California, 400 acres of groundwater recharge ponds, and 2 large groundwater basins. The agency constructs and maintains the region’s flood risk mitigation infrastructure and is the only water agency in California that is both a state and federal water contractor, requiring engagement in both state and federal water policy. The agency has several billion-dollar and numerous multi-hundred-million-dollar projects underway.

## THE PROBLEM

Unfortunately, the agency’s state law financing authorizations have not kept up with its growing responsibilities for the water security and flood protection of Silicon Valley. For instance, the District Act contains old, outdated provisions that unnecessarily limit how Valley Water can finance infrastructure projects and short-term debt. These limitations increase the cost of borrowing on large projects by millions of dollars per year.

Additionally, the level of a Valley Water Director’s compensation and the time required for the position impacts whether candidates of more modest means, or of more diverse backgrounds, are able to run for a seat on the Valley Water Board. Current law that sets the maximum number of days for which a Director is eligible for compensation at 15 days per month will sunset in 2023, thereby reverting to 10 compensable days per month. Even with the current 15 days per month, more than 100 meeting days each year are worked by Directors but are not compensated. If compensable days revert to just 10 per month, only candidates who are retired or independently wealthy could afford to run for a seat on the Valley Water Board.

## THE SOLUTION

AB 939 amends the Santa Clara Valley Water District Act to reduce the cost of financing water and flood protection infrastructure projects, to clean up obsolete provisions, and to address a sunset provision regarding per diem for the Board of Directors of the Santa Clara Valley Water District. Specifically, it will:

- 1) **Allow Voters to Decide on G.O. Bonds:** Allow Valley Water to propose general obligation bonds for critical infrastructure paid by an ad valorem property tax approved by 2/3 of the voters. The existing omission of G.O. bond authority is outdated and forces higher financing costs for large-scale public borrowing.
- 2) **Fix Broken Revenue Bond Authority:** Valley Water cannot issue revenue bonds based on gross revenue as required by existing law because it has other types of debt backed by net revenue. Issuing bonds based on gross revenue would inappropriately put one creditor above another. By allowing water revenue bonds to be paid from net revenues (instead of gross revenues), as well as from funds already allocated to Valley Water from the County’s 1% property tax, the agency’s water revenue bond authority will be fixed and available for borrowing.
- 3) **Update the Short-Term Debt Cap:** Many local agencies have a short-term debt cap established in Government Code Section 53858. Valley Water’s agency-specific cap is just \$8 million, has not been updated in decades, and should be on par with the Government Code.
- 4) **Keep a Diverse Board Possible:** Allow a more socio-economically diverse board by removing a sunset date and keeping the maximum number of compensable meeting days at 15 days per month, better reflecting the actual time necessary for the position.

Over time, these reforms will save the people of Santa Clara County tens of millions of dollars through lower-cost financing and will enable qualified candidates to serve on the Valley Water Board regardless of their personal financial circumstances.

## FOR MORE INFORMATION

**Charmaine Mills, Legislative Director**  
Charmaine.Mills@asm.ca.gov  
(916) 319-2028





# Assembly Bill 1469

## Valley Water – Assisting Unsheltered People Assembly Member Ash Kalra

### SUMMARY

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Assembly Bill (AB) 1469 amends the Santa Clara Valley Water District Act (District Act) to expand its statutory purposes and allow certain resources to be used for outreach, counseling, transitional housing, or other services for unsheltered people living on public lands and along waterways within Santa Clara County.

### BACKGROUND

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The Santa Clara Valley Water District (Valley Water) is the regional water supply, groundwater management, flood protection, and stream stewardship agency for the 2 million people of Santa Clara County. The agency's enabling state law, the District Act, establishes and defines Valley Water's purposes, grants limited authority to the seven-member elected board, and authorizes certain expenditures for the purposes defined by the Act.

Valley Water owns and manages 294 miles of streams and habitat, with a mission to protect more than 800 miles of streams throughout Santa Clara County. These areas include threatened and endangered species, sensitive habitats, and public infrastructure critical to water supply, groundwater recharge, and flood risk reduction activities.

In 2022, 77% of the unhoused population in Santa Clara County were unsheltered, with an estimated 2,300 taking refuge on Valley Water's property or land easements. Such circumstances have led to encampments along waterways, both a human and an environmental tragedy. The watersheds in Santa Clara County are prone to flash flooding, surprising unsheltered people and resulting in drownings or serious injury. These conditions also have increased community risks from fires and flooding due to blocked drainages, excavation of banks and levees, and the degradation of water quality from litter. Further, the presence of human waste has facilitated algal blooms that degrade natural and constructed habitats for aquatic species.

In *Martin v. City of Boise*, the U.S. Circuit Court of Appeals for the Ninth Circuit held that governments cannot

criminalize sleeping outdoors on public property if there is no real option for sleeping indoors. Amid an unprecedented need for transitional and long-term housing in Santa Clara County, cities and the County often do not have shelter space to offer. Valley Water has very limited authority to expend its revenue outside of purposes listed in the District Act, leaving some human health and safety risks on their lands unaddressed.

### SOLUTION

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AB 1469 expands the District Act to allow Valley Water's purpose to include assisting unsheltered people living within their jurisdiction in consultation with cities, the County of Santa Clara, and the state, to provide housing or improved outcomes for unsheltered individuals.

This change will allow Valley Water to offer land for transitional housing and other facilities. In addition, this bill would allow Valley Water more flexibility to access revenue from an existing 1% ad valorem property tax to fund outreach, counseling, transitional housing, or other services that unsheltered people deserve and are often required under federal case law.

The population of a small city currently lives on Valley Water properties and easements, resulting in deaths and negative health outcomes for unsheltered individuals, heightened environmental risks, and impaired essential public services. AB 1469 will provide Valley Water with the flexibility needed to direct resources to assist unsheltered people on their lands and humanely address a crisis that can no longer be ignored.

### SPONSOR

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Santa Clara Valley Water District (Valley Water)

### CONTACT

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Zena Hallak, Communications Director  
[Zena.Hallak@asm.ca.gov](mailto:Zena.Hallak@asm.ca.gov)