



City of La Quinta

CITY / SA/ HA/ FA MEETING DATE: June 3, 2014

ITEM TITLE: APPROVE LEGISLATIVE POLICY GUIDE

AGENDA CATEGORY:

BUSINESS SESSION: 3

CONSENT CALENDAR:

STUDY SESSION:

PUBLIC HEARING:

RECOMMENDED ACTION:

Approve the Legislative Policy Guide and authorize the Mayor, one Council Member and City Manager to issue letters within the scope of the policies.

EXECUTIVE SUMMARY:

- Council directed staff to develop a legislative policy guide ("guide") (Attachment 1) that will act as a comprehensive tool for the City to weigh in on legislative matters in Sacramento and Washington, D.C., which have direct impact on City operations.
- Bills that impact City operations surface overnight and response to impending legislation is time limited.
- Currently, staff seeks Council direction regarding the City's position on key legislative items through staff reports at regularly scheduled City Council meetings.
- The guide will serve as Council's direction and will enable staff to immediately respond in a timely manner.

FISCAL IMPACT:

None.

BACKGROUND/ANALYSIS:

Frequently, the City receives requests to take a position on legislation moving through the California State Legislature and United States Congress. Each request is put into a staff report and presented to Council and staff then drafts necessary letters to weigh in on legislation. The guide will bypass that step to allow letters to be drafted for the Mayor's signature, provided the legislation is consistent with the

policy positions. City Council members will be copied on each letter. Should the City receive requests to support/oppose legislation outside of the proposed policy positions, staff will bring forth a request to amend the guide. The legislative landscape is constantly changing, producing impending legislation with potential impact on the City's ability to conduct business and provide services. The guide will enable the City to have a voice in emerging, key issues and allow staff to take immediate action on pressing legislation. Staff is currently tracking several pieces of legislation that may impact the City should they be signed into law.

In terms of content, the guide presents a set of guiding principles to align the City's policy positions with its interests. They include:

- Preserving local authority,
- Sustaining fiscal responsibility,
- Fostering economic development,
- Promoting health and wellness,
- Supporting public safety.

In addition, the document provides an overview of important legislative developments from 2013 and connects them to emerging trends in 2014. Issues gaining the most momentum to date have been primarily concerned with contracting requirements, prevailing wage rates, and legislation regarding redevelopment dissolution matters. Initial research has shown the potential ramifications of proposed legislation dealing with the above issues. For example:

- House Resolution 29 - Contracting restrictions and requirements would increase City costs by up to 30 percent according to preliminary figures.
- Assembly Bill 2493 - Passage of a redevelopment bond bill would release \$25 million for affordable housing projects and \$3 million for infrastructure improvement for the City.

The guide also itemizes the City Council's policy positions on key legislative areas such as economic development, finance, labor relations, and public safety among others. Council may modify the policy positions, and make further additions, as deemed appropriate.

ALTERNATIVE

As the guide will be used as a resource for both Council and staff and will expedite City position letters to the legislature, staff does not recommend an alternative.

Report prepared by: Chris Escobedo, Assistant to City Manager

Report approved for submission by: Frank J. Spevacek, City Manager

Attachment: 1. Legislative Policy Guide

2014

Legislative Policy Guide

City of La Quinta

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2014 Legislative Policy Guide

The Legislative Policy Guide is a tool for the City to navigate through the legislative landscape. This document details the City's policy positions on priority issues and provides a comprehensive approach to allow staff to take immediate action on pressing legislation under City Council direction. The guide identifies legislative trends and active legislation that may have an impact on the City's interests and affairs, and supplements other Council-established goals and policies. It is intended to be updated on a regular basis.

Guiding Principles

I. Preserve Local Authority

The City of La Quinta is a charter city that supports legislation aimed at preserving local authority. Additional regulation or mandates that undermine local control are detrimental to quality service delivery.

II. Sustain Fiscal Responsibility

The City of La Quinta has been able to successfully maneuver through redevelopment dissolution and economic downturn through prudent, disciplined spending and cost-effective stewardship of City resources. Therefore, the City supports measures that promote fiscal stability.

III. Foster Economic Development

The City of La Quinta generally supports legislative efforts designed to foster economic development tools and funding options for effective service delivery.

IV. Promote Health and Wellness

The City of La Quinta actively seeks to promote a healthy and vibrant community that provides various recreational activities and opportunities for residents to enjoy the unique benefits of La Quinta.

V. Support Public Safety

The City of La Quinta strongly supports ensuring community safety by providing high quality law enforcement services and maintaining health and safety standards for its residents.

In 2013, the City of La Quinta continued to position itself for long-term financial stability, while preserving quality service delivery in a challenging economic environment. The City's economic base continues to be largely driven by the healthcare, retail, and hospitality industries with positive economic signs emerging in each area. La Quinta tourism and retail has remained particularly strong showing high occupancy rates and retail sales growth of 18.5% over the last three years. Despite the deep recession, health and wellness continues to be a City hallmark with the number of healthcare and recreational establishments remaining steady. More generally, 2013 was a positive year for the City's economic climate as median income and home value rose considerably

Legislatively, 2013 was a continuation of the whirlwind brought on by the State's budget challenges and redevelopment dissolution. Economic development and redevelopment, more specifically, dominated the legislative discussion as cities and the State continued remediation efforts. Major legislative efforts, for example AB 2493 and 2280, centered on getting bond proceeds issued before 2011 to be used for affordable housing opportunities and infrastructure. Local governments have been trying to form a Community Revitalization Authority in order to better align redevelopment issues with local needs. These measures have achieved mixed results so far and look to be a dominant issue again in 2014 as municipalities continue negotiations with the State over AB 2493 and redevelopment agency bonds. Notably, outsourcing emerged on the scene as a key issue in 2013 with the introduction of HR 29 and SB7 being signed into law, which requires prevailing wage on certain contracts in order for cities to continue to receive state funds.

Brief Analysis and Trends: 2013 at a glance and moving forward through 2014.



With HR 29 looming ominously on the horizon and SB 7 set to be law on January 1, 2015; charter cities must double down and advocate for the preservation of local authority and the contract model of city services.

So far, 2014 has been particularly active legislatively with local governments continuing to advocate for redevelopment remediation. AB 2493 provides an opportunity for cities to realize sizeable bond proceeds from 2011 to be used for affordable housing projects. The rest of this year will be telling whether AB 2493 garners enough momentum going forward. In addition, HR 29 passed through the legislature setting a dangerous precedent by now ensuring the legislature will take up the issue and potentially codify it into law in the near future.

On a slightly different note, public safety and the environment have also been salient themes thus far. A plastic bag ban ordinance with various ramifications has emerged gaining serious traction with now over 100 municipalities adopting it, including many in our region. Medical marijuana regulation and efforts mitigating the effects of realignment are other noteworthy pieces of legislation currently building considerable support.

Legislation Impacts Us

The public policy landscape is constantly changing and it is incumbent on the City to stay up to date on the latest developments. Anticipating the effects emergent legislation may have on the community is therefore imperative. Below is a short outline of impact in three key areas.

Outsourcing Prevailing Wage Workers' Compensation

- HR 29 would increase costs by **30%** according to preliminary figures from the Community Services Department.
- SB 7 is already withholding vital funding from cities that do not adopt the state's prevailing wage requirements.
- AB 2378 increases workers compensation costs by creating a significant expansion of benefits.

2011 Redevelopment Bonds

- Passage of AB 2493 would help release **\$25 million** in bond proceeds specifically for affordable housing opportunities and **\$3 million** for public infrastructure improvement for the City of La Quinta.
- AB 2280 and SB 1129 would provide added flexibility by allowing cities to enter into or amend existing bond agreements, administer projects in connection to debt obligations, and create a Community Revitalization and Investment Authority as a valuable redevelopment tool for development.

Public Safety & Environment

- SB 1262 puts a much needed regulatory structure and set of standards in place to deal with the current proliferation of medical marijuana dispensing facilities in the Coachella Valley while not preempting local control.
- Falling in line with predictions, the single-use carryout bag ban ordinance has already spread to our region with Palm Springs, Indio, Palm Desert, and Desert Hot Springs giving the ordinance a go-ahead, bringing with it important implications for retail businesses and the environment.

Policy Positions

Economic Development

- The City of La Quinta supports economic development policies and funding mechanisms that foster a hospitable and thriving business environment.
- In light of budget shortfalls, the City supports public-private development opportunities that encourage economic activity and promote health and wellness within the City.
- The City supports retaining financial flexibility and authority with regard to redevelopment dissolution matters.
- Opposes measures that would make the City more dependent on the State for financial stability.
- Supports legislation that facilitates the recoupment of City costs derived from State and Federal mandates.
- The City supports offering new tax credits, incentives, bond issuances, and tax increment financing to boost economic development and fund projects at affordable costs.

Finance

- Opposes any change in revenue allocations which would negatively affect local governments.
- The City of La Quinta is a charter city that relies on contract services to provide efficient service delivery.
- Opposes any action that would preempt local control over locally imposed taxes and other funding sources.

Housing

- Supports legislation that develops programs to increase housing opportunities to meet growth demand in our area.
- Supports legislative efforts that provide incentives to local governments and private developers to develop additional housing opportunities including affordable housing for low income and disabled seniors, adults, and veterans.

Transportation & Infrastructure

- The City of La Quinta supports measures that provide financing tools for increasing effective, clean transportation.
- Supports clean energy alternatives that are adequately funded.
- Supports State clean energy programs that are financially viable and direct funding to local government to invest in clean energy.
- The City of La Quinta supports developing vital infrastructure and streamlining the local, state, and federal process for infrastructure development in order to better meet local needs.
- Supports legislation that strengthens local authority over land use and infrastructure development.

Public Safety

- The City of La Quinta generally supports legislation that strengthens local law enforcement and safeguards communities.
- Supports measures aimed at providing sustained support for law enforcement to deal with the additional supervision and enforcement requirements of State-mandated realignment provisions.
- Opposes expansion of "early release" for offenders without necessary mechanisms in place for local law enforcement to provide corresponding services.

Tourism

- The City of La Quinta strongly supports attracting tourism.
 - Supports efforts that help promote the City's hospitality, parks and recreation, health and wellness offerings, and entertainment venues.
 - Supports working closely with public and private agencies to help boost advertisement and other means of garnering tourism.
 - Supports measures that provide funding for parks and recreation programs.
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