



**VENTURA COUNCIL
OF GOVERNMENTS**

AGENDA

**Thursday, July 10, 2008
5:00 p.m.**

**City of Camarillo
Council Chambers**

601 Carmen Drive, Camarillo, California 93010

1. **CALL TO ORDER**
2. **FLAG SALUTE**
3. **ROLL CALL**
4. **PUBLIC COMMENT**

At this time, members of the public may comment on any item not appearing on the agenda upon completion of a speaker card. Individual Board Members may briefly respond to Public Comments or ask questions for clarification.

5. **BOARD MEMBER COMMENTS**
6. **APPROVAL OF THE FINAL AGENDA**
7. **CONSENT CALENDAR**

- A. **Minutes** - Adopt minutes of May 8, 2008 meeting.
- B. **Workplan Update** – Receive and file update.

MEMBERS

City of Camarillo
Jan McDonald, Member
Charlotte Craven, *Alternate*

City of Oxnard
Thomas Holden, Member
Tim Flynn, *Alternate*

City of Simi Valley
Paul Miller, Member
Barbra Williamson, *Alternate*

City of Fillmore
Steve Conaway, Member
Cecilia Cuevas, *Alternate*

City of Port Hueneme
Maricela Morales, Member
Toni Young, *Alternate*

City of Thousand Oaks
Tom Glancy, Member
Jaqui Irwin, *Alternate*

City of Moorpark
Patrick Hunter, Member
Keith Millhouse, *Alternate*

City of San Buenaventura
Carl Morehouse, Member
Brian Brennan, *Alternate*

County of Ventura
Linda Parks, Member
John Flynn, *Alternate*

City of Ojai
Sue Horgan, Member
Joe De Vito, *Alternate*

City of Santa Paula
Gabino Aguirre, Member
John Procter, *Alternate*

8. **ORDER OF BUSINESS**

- A. **Presentation on Implementation of AB 32 – Global Warming Solutions Act of 2006 and SCAG Regional Comprehensive Plan** – Receive presentation from representatives of Southern California Association of Governments (SCAG) and provide direction to staff.
- B. **2-1-1 Ventura County**: Receive presentation from Erik Sternad, Executive Director, Interface Children and Family Services and provide direction to staff.
- C. **First Responder / Code Blue / Do Not Resuscitate Issue**: Receive presentation by City of Ventura Board Member Carl Morehouse on subject and provide direction to staff.
- D. **AB 793 (Strickland) Affordable Housing Tax Assessments**: Consider supporting AB 793 at request of City of Moorpark Board Member Patrick Hunter and provide direction to staff.

9. **AGENCY REPORTS**

- A. Southern California Association of Governments
- B. Ventura County Transportation Commission
- C. League of California Cities
- D. Other Agencies

10. **INTERIM EXECUTIVE DIRECTOR REPORT**

11. **REQUEST FOR FUTURE AGENDA ITEMS**

Any Board Member may propose items for placement on a future agenda. Members may discuss whether or not the item should be agendized and the description of the agenda item.

12. **ADJOURNMENT TO SEPTEMBER 11, 2008**

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are on file in the City of Santa Paula City Manager's Office and are available for public inspection. If you have any questions regarding any agenda item, contact the Interim Executive Director at (805) 933-4200.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Interim Executive Director. Notification 48 hours before the meeting will allow VCOG to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35, 102-35.104 ADA Title II).



**VENTURA COUNCIL
OF GOVERNMENTS**

***Draft* MINUTES**

Thursday, May 8, 2008

5:00 p.m.

City of Camarillo

Council Chambers

601 Carmen Drive, Camarillo, California 93010

1. **CALL TO ORDER:** Chair Holden called the meeting to order at 5:00 p.m.

2. **FLAG SALUTE:** Member Horgan led the Pledge of Allegiance.

3. **ROLL CALL:**

Member Jan McDonald	City of Camarillo
Member Patrick Hunter	City of Moorpark
Member Sue Horgan	City of Ojai
Member Tom Holden	City of Oxnard
Member Maricela Morales	City of Port Hueneme
Member Carl Morehouse	City of Ventura
Member Paul Miller	City of Simi Valley
Member Tom Glancy	City of Thousand Oaks
Member Linda Parks	County of Ventura

Absent: Member Cities: Fillmore; Santa Paula

4. **PUBLIC COMMENT:** None.

5. **BOARD MEMBER COMMENTS:** Member Parks suggested that the Board, on its next agenda have a discussion with SCAG about bringing AB 32 requirements out to the different cities in the County. SCAG's been very involved in it and if worked on regionally, would be better off than if done separately.

Chair Holden offered that it would also be discussed on Item # 11.

6. **APPROVAL OF THE FINAL AGENDA:** Approved unanimously by voice vote.

7. **CONSENT CALENDAR**

A. **Minutes: January 10, 2008:** Members Miller, Hunter, Morales, Glancy abstained.

B. **Minutes: March 13, 2008:** Members Horgan, Parks and Hunter abstained.

C. **2040 Population, Housing Units and Employment Forecasts—
Amendments Pursuant to Ventura County Board of Supervisors
Adoption:**

D. **Workplan Update:**

Member Horgan moved for approval, seconded by Member Miller; approved unanimously by voice vote.

8. **ORDER OF BUSINESS**

- A. **FY 2008/09 Budget:** Mr. Bobkiewicz reported that in review of the fund balance, an adjustment in the membership dues enabled a recommendation of \$65,000 be collected. In the cost breakdown of these dues, $\frac{3}{4}$ are borne by all the entities in proportion to their population and the remaining quarter is divided evenly. It made sense to have funds available to the Ventura County Planning Department to deal with issues raised from time to time. \$50,000 was what was shown at the last meeting and adjustments were made to that to allow for \$5,000 to the County Planning Department. Staff was recommending the adoption of Resolution 2008-01.

Adopted unanimously by voice vote.

- B. **Update on VCOG/Ventura County Civic Alliance (VCCA) “Compact for a Sustainable Ventura County” Project:** There has been no confirmation of additional funding by SCAG for this project, and Mr. Bobkiewicz added that since committing to additional funding by SCAG, 26 staff members had been laid off. Neither Rebecca Evans nor Supervisor Parks had answers to their inquiries of SCAG’s Executive Director at that time.

Mr. Bobkiewicz commented that at the Annual Meeting of SCAG, held in Ontario on May 8, 2008, that Ventura County had won a Compass Blueprint Recognition Award for the “Compact for a Sustainable Ventura County” Project. This would be presented to VCOG on Wednesday, May 21, 2008 at the 8th Annual Regional Housing Summit in Riverside.

Rebecca Evans spoke and indicated that several members of VCOG would be contacted by the Alliance to enforce the work of VCOG with the local City Councils and the County Board of Supervisors by making a brief presentation of the results of Phase I of the Compact that has now won an award. VCCA’s members could provide these presentations to the City Councils, and would provide anything necessary to that effort.

Mr. Bobkiewicz offered kudos to Debra Varnado for her work in the nomination of the award.

Rebecca Evans offered her appreciation to Members Miller and Parks for their support of this project, by attending meetings and getting the word out.

- C. **4th of July Fireworks Safety Campaign:** Mr. Bobkiewicz reported that this was actually a staff-driven item to discuss ways that VCOG could have a greater presence in the County regarding 4th of July fireworks safety issues. All the cities seemed to concur. He asked for any recommendations from the Board of its involvement in the way of advertising; press release, etc., whatever would be deemed appropriate.

Chair Holden asked for comments from the Board. Most agreed that it was a good idea and could possibly be used as a model in other programs such as New Year's firing of guns into the air.

Mr. Bobkiewicz added that if there was enough interest that something could be drawn up to go out the week prior to or the week of July 4 and he would advise of same.

- D. **Sustainability Project:** Mr. Bobkiewicz asked if the Board had additional items that they would like to add or any other issues to pursue. With none given, Mr. Bobkiewicz responded that it would be readdressed in 6 months.
- E. **VCOG's Seat on the SCAG Community, Economic and Human Development Committee:** Member Morales volunteered to serve in this capacity.
- F. **2008 VCOG Annual Meeting:** Meeting scheduled for Thursday, June 26, 2008. Dr. Rush as speaker, held at Topa Tower Club.

9. **AGENCY REPORTS:**

- A. **Southern California Association of Governments:** Member Morehouse attended Annual Meeting held May 8, 2008, and reported that the actions taken by SCAG were: the adoption of the 2008 RTP and the environmental document that accompanied it. Also adopted was the 2008/09 General Fund Budget and by-law amendments.
- B. **Ventura County Transportation Commission:** Mary Travis reported that \$30 mil for the Rice Road / 101 Interchange Project was cautiously moving along. VCTC was following the State Budget process, which looked good to that point. Final action item was a first look that SCAT finished up regarding commuter rail services between western Ventura County and Santa Barbara and adding additional service to that corridor and also additional bus service with additional train service which was to be discussed at the June meeting.

Member Parks commented that VCTC's website was hacked into twice—once over the past weekend and then again on this date and had to be shut down.

C. League of California Cities: None.

D. Other Agencies: None.

10. **INTERIM EXECUTIVE DIRECTOR REPORT:** None.

11. **REQUEST FOR FUTURE AGENDA ITEMS:** Member Parks requested that the next agenda address the scope of what VCOG wanted to do to meet the goals of AB32, which was already law and had some major ramifications to all of the cities. VCOG's role as a resource for the cities and the county would be helpful, and SCAG was reaching out to be a resource as well, looking at having an office in Ventura County and Jacob Lieb was working with the staff on SCAG, to give a presentation on their regional comprehensive plan and AB32. She saw something in terms of a workshop with electeds and Planning Staff so every EIR (for example) that came to the cities was understood.

Member Holden agreed and recommended APCD's participation as well.

Member Parks voted to move on that item and there was Board consensus.

Member Morehouse requested that Health Care Directives be addressed as per a request from Dr. Hornstein. This was based on first responders' inability to locate these directives and revive victims as a matter of course. He indicated that Dr. Hornstein would like to address VCOG regarding same.

Chair Holden requested prisoner re-entry also be added for discussion. Once the decision is made (later this summer), it may become more involved and complex than anticipated. It is a regional issue that doesn't affect one city.

Sheriffs, police chiefs, probation were suggested experts who would have input on that issue.

Mr. Bobkiewicz indicated follow up to arrange a presentation.

12. **ADJOURNMENT:** 5:40 p.m. Next meeting to be held at 5:00 p.m., July 10, 2008 at Camarillo City Council Chambers.



**VENTURA COUNCIL
OF GOVERNMENTS**

MEMORANDUM

TO: Board of Directors
FROM: Wally Bobkiewicz, Interim Executive Director
SUBJECT: **Update on Implementation of 2008 Workplan**
DATE: July 10, 2008

Recommendation: It is recommended that the Board of Directors receive and file this update on implementation of the 2008 Workplan.

Discussion: The following is an overview of the status of the implementation of the 2008 Workplan.

1. AB 939 Task Force: There are no issues pending on this subject.
2. Regional Housing Needs Assessment: There are no issues pending on this subject.
3. Future Governance Models: There are no issues pending on this subject.
4. Legislative Agenda: Mina Layba, Senior Analyst, City of Thousand Oaks, has provided a written report (attached).
5. Informal Gatherings of Ventura County Officials: The Board held its annual meeting dinner in Oxnard on June 26, 2008.
6. Emergency Preparedness: There is no status report from the Board's subcommittee on this subject at this time.
7. Homeless Services: There are no issues pending on this subject.
8. Graffiti Abatement: Staff is working on a model graffiti abatement ordinance that will be on VCOG's September agenda for final approval.
9. Sustainability: There are no issues pending on this subject.

**VCOG Legislative Committee
Camarillo City Hall
June 23, 2008
Meeting Notes**

1. **League of California Cities Report-** Dave Mullinax, Grassroots Coordinator:

Prop 99- Eminent Domain campaign overwhelming success in defeating Prop 98. Only four small northern California counties supported Prop 98. Proponents of Prop 98 say they will propose future initiatives.

State Budget has still not passed. Constitutional deadline was June 15th. Budget expected to pass after the November election when the Governor's lottery and half sales tax initiatives will be determined. There are varied reactions by legislative branch and party. Senate Democrats approve of lottery securitization but only estimate total revenue of \$5 billion versus the expected \$15 billion; Assembly Democrats would like to raise \$6 billion in new taxes and close numerous tax loopholes to generate more State revenue. Republicans in both houses do not want to raise taxes.

Two bills are proposed for the implementation of AB 32- Greenhouse Gases. SB 303 proposes an increase in RHNA cycles to eight years versus five. Transit Authorities would be charged with providing two 4-year cycles of transit blue prints. The California Air Resources Board would examine both blue prints and determine which best meets AB 32 standards. If both blue prints are acceptable, the Transit Authority can choose which one to implement. SB 375 is similar and proposed by both the planning and conservation leagues. There is talk that these two bills will be combined. The League of California Cities does not support either bill and is working in coalition to determine the best approach for cities in implementing AB 32.

There are a few initiatives on the horizon for the November election- The Solar and Clean Energy Act of 2008, which the League of Cities opposes; signatures are being gathered to introduce a new term limit bill.

2. **Roundtable-** Current legislative issues cities have taken positions on or monitoring-

- AB 793- Strickland- Property taxation: affordable housing assessments. Taxes based on current versus assessed value of deed restricted properties.
- AB 642- Wolk- Design-build: counties, cities, and special districts
- AB 983 – Ma- Public Contracts: Plans and Specifications
- SB 1507- Opreza- Highway Construction School Boundaries : This bill is opposed by Ventura County Transportation Commission
- AB 2280- Saldana & Caballero: Density Bonus

- AB 2986- Leno: Waste Water Systems
- Federal Receiver proposal to create a 1500 bed mental health prison facility in State owned land bordering City of Camarillo. This site is on the receiver's top three. Review of informational meeting that took place.
- The Solar and Clean Energy Act of 2008- If passed, this measure would significantly erode local control over the permitting of new power plants. The measure could also undermine the ability of municipal and local government-run utilities to determine the power portfolio appropriate for their customers. The initiative would require all utilities, including municipal utilities, to provide 50 percent of power from renewable sources by 2025, without truly addressing existing barriers to renewable development, including transmission development.

3. **Committee Recommendations for Board Advocacy-**

Legislative Sub-Committee will propose at the June 25th Administrative Committee:

- The Solar and Clean Energy Act of 2008- presentation by regional Southern California Edison representatives during July or September meeting to review the local impacts and issues related with this November ballot initiative. VCOG Board can then direct Legislative Sub-Committee of its interest in formally taking a position.
- AB 642- Wolk- Design-build: counties, cities, and special districts
- SB 1507- Opreza- Highway Construction School Boundaries
- Committee will continue to monitor League of California Cities efforts in advocating for the best laws to implement AB 32- Greenhouse Gases. The League is working with members of the legislature, environmental advocacy groups and related agencies in formulating implementation policies that are best suited for cities.

4. **Next Meeting:** Thursday, August 21 2008 Camarillo City Hall.

5. **Announcements:** none



Analysis of the 2007-08 Budget Bill: Resources

Implementation of "AB 32"—Global Warming Solutions Act of 2006

The budget proposes \$35.8 million across several state agencies to begin implementation of the Global Warming Solutions Act of 2006 (commonly known as "AB 32"), which focuses on reducing California's greenhouse gas (GHG) emissions. In this analysis, we describe the Governor's budget proposal and discuss cases where the proposal appears in conflict with legislative direction as expressed in AB 32. We then make recommendations to assist the Legislature in overseeing development and implementation of the state's regulation of GHG emissions in order to better align the budget proposal with AB 32 and to address long-term funding issues.

California a Significant Emitter of Gases Contributing to Climate Change

California's GHG Emissions and Climate Change. Greenhouse gases are those that trap solar heat within the earth's atmosphere, thereby warming the earth's temperature. While both natural phenomenon (mainly water evaporation) and human activity (principally burning fossil fuels) produce GHGs, increasing concern has been placed on concentrations of GHGs resulting from human activities and their relation to increases in average global temperatures.

California is a significant emitter of GHGs. As a populous state with a robust economy, California is the second largest emitter of GHGs in the United States and one of the largest emitters of GHGs in the world, when compared to other countries' emissions. For more information on California GHG emissions, please see our discussion of the "Governor's Climate Change Initiative" in our *Analysis of the 2006-07 Budget Bill*.

The Global Warming Solutions Act of 2006 (AB 32)

Passage of AB 32 commits the state to reducing, by 2020, California's greenhouse gas (GHG) emissions to 1990 levels. The act charges the Air Resources Board (ARB) with monitoring and regulating the state's sources of GHGs and establishes a timeline by which ARB is to complete various specified actions.

Act Declares State's Interest in Limiting Global Warming. Last year, the Legislature enacted Chapter 488, Statutes of 2006 (AB 32, Nuñez)—The Global Warming Solutions Act of 2006. The act states that global warming poses a threat to California's economy, public health, natural resources, and environment, and states the necessity of federal and international action to effectively combat global warming. However, the act also notes that California's early efforts to reduce GHG emissions can encourage similar actions by other states, the federal government, and the other countries and position California's economy to benefit from future efforts to limit GHG emissions in other jurisdictions.

ARB in Charge of State's Multiagency Emissions Reduction Efforts. The act charges ARB as the sole state agency responsible for monitoring and regulating sources of GHG emissions and gives ARB a role in coordinating with other state agencies and stakeholders in implementing AB 32. The ARB is to require and monitor comprehensive reporting of statewide GHG emissions, determine the state's GHG emissions levels in 1990, and adopt regulations to reduce statewide GHG emissions, by the year 2020, to what they were in 1990.

The act also calls for the Climate Action Team—the multiagency body established in 2005 by executive order and led by the Secretary for Environmental Protection—to continue its coordination of overall climate policy.

Emissions Reduction Goal and Timelines. The act lays out the broad goal of reducing statewide GHG emissions. In addition, the act establishes a timeline by which ARB is to have taken specific actions, as shown in Figure 1.

Figure 1 Global Warming Solutions Act of 2006 (AB 32) Timeline of Required Actions		
Date	Action	Responsible State Entity
By 6/30/07	<ul style="list-style-type: none"> Publicize greenhouse gas (GHG) "early action measures" that can be implemented prior to the other Air Resources Board (ARB) emissions reduction measures and 	ARB

	regulations that will become operative beginning on January 1, 2012.	
By 7/01/07	<ul style="list-style-type: none"> • Convene environmental justice committee, comprised of representatives of communities most significantly exposed to air pollutants, including communities with minority and/or low-income populations. 	ARB
No date specified	<ul style="list-style-type: none"> • Appoint an Economic and Technology Advancement Advisory Committee to advise on investment in and implementation of technological research and development. 	ARB
By 1/01/08	<ul style="list-style-type: none"> • Determine statewide GHG emissions level in 1990. • Approve 1990-equivalent statewide GHG emissions limit, to be achieved in 2020. • Adopt regulations to require reporting and verification of statewide GHG emissions and to monitor and enforce compliance. 	ARB
By 1/01/09	<ul style="list-style-type: none"> • Prepare and approve “scoping plan” to achieve maximum technologically feasible and cost-effective GHG emissions reductions by 2020. Plan will make recommendations on direct emission reduction measures, alternative compliance mechanisms, market-based mechanisms, and incentives. 	ARB, in consultation with CPUC ^a , CEC ^b , and other relevant state agencies
By 1/01/10	<ul style="list-style-type: none"> • Adopt regulations, enforceable by January 1, 2010, to implement “early action measures”. 	ARB
By 1/01/11	<ul style="list-style-type: none"> • Adopt regulations on GHG emission limits and reduction measures, to become effective on January 1, 2012. 	ARB

^a California Public Utilities Commission.
^b State Energy Resources Conservation and Development Commission.

GHG Emissions Reduction Measures Must Satisfy Extensive, Specific Criteria. The act also lays out numerous, detailed criteria that any GHG emissions reduction measure must satisfy in order for ARB to adopt it. The act states that ARB’s regulations should achieve maximum technologically feasible and cost-effective reductions, and that they should be complementary and non-duplicative. The act also states that ARB’s regulation of GHG emissions should achieve the following specific goals:

- Minimize costs.
- Maximize benefits.
- Encourage early action.
- Not disproportionately affect low-income communities.
- Credit early, voluntary GHG emission reductions.
- Complement federal and state air quality efforts.
- Consider indirect benefits of GHG reduction regulations (such as air pollution reductions, energy source diversification, and other economic, environmental, and public health benefits).
- Minimize administrative burden.
- Minimize displacement of California GHG emissions to out-of-state sources (a phenomenon known as “leakage”).
- Consider the significance of the regulated sources’ contribution to statewide emissions of GHGs.

In addition, GHG emission reductions are to be real, permanent, quantifiable, verifiable, and enforceable by the state. To the extent feasible, program activities, such as providing financial incentives for GHG emissions reduction, are to direct investment to the most disadvantaged communities.

Market-Based Mechanisms Permissible, but Must Meet Additional Criteria. The act allows, but does not require, ARB to adopt “market-based compliance mechanisms” as part of its regulations to be adopted by January 1, 2011. (Market-based compliance mechanisms, in very general terms, refer to flexible regulatory programs in which government sets a market signal, such as a price per unit of emission to be paid by regulated

programs in which government sets a market signal, such as a price per unit of emission to be paid by regulated entities, and then allows regulated sources to set their own emission levels in response to that signal.)

However, the act allows ARB to include such market mechanisms in its regulations only if (1) the regulations meet the criteria applicable to all GHG emission regulations, as described above, and (2) ARB takes a number of significant actions in its evaluation and design of such mechanisms, namely:

- Considering the potential for these mechanisms to result in adverse emissions effects on communities already harmed by air pollution.
- Designing any market-based mechanism to prevent an increase in emissions of toxic air contaminants or other air pollutants regulated by the state.
- Maximizing additional environmental and economic benefits to the state.

Governor’s Budget Proposal

The budget proposes \$35.8 million and 151 positions across several state agencies to begin implementation of AB 32.

The budget proposes \$35.8 million from various special and bond funds and 151 positions across a number of state agencies to implement AB 32. Figure 2 lists the proposed expenditures, number of positions, and funding sources, on an agency-by-agency basis. Figure 3 lists the same information, on an activity-by-activity basis.

Figure 2
2007-08 Proposed Budget for AB 32, by Agency

(Dollars in Thousands)

Agency	Expenditures	Positions	Fund Source
Air Resources Board	\$24,358	123	Air Pollution Control Fund (includes \$15.2 million loan from Motor Vehicle Account)
Department of General Services	3,398	5	Service Revolving Fund
Department of Water Resources	2,000	5	Proposition 84 Bond
Forestry and Fire Protection	1,500	—	Proposition 84 Bond
Secretary for Environmental Protection	1,390	5	Air Pollution Control Fund
California Public Utilities Commission	1,272	3	Public Utilities Reimbursement Account
California Energy Commission	1,110	6	Energy Resources Program Account
Integrated Waste Management Board	618	1	Integrated Waste Management Account
Department of Food and Agriculture	(331)	2	Reimbursement from Secretary for Environmental Protection
Department of Toxic Substances Control	115	1	Hazardous Waste Control Account
Totals	\$35,761	151	

Figure 3
2007-08 Proposed Activity for AB 32 Implementation

(Dollars in Thousands)

Activity and Agencies Involved	Expenditures	Positions
	\$19,170	78
Emissions Reduction Measures and Regulations (including alternative and market-based compliance mechanisms)		
Air Resources Board	\$13,272	64
Department of General Services	3,398	5
Department of Forestry and Fire Protection	1,500	—
California Energy Commission	610	6
Public Utilities Commission	272	3
Integrated Waste Management Board	118	—
Scientific and Economic Analysis	\$7,726	14
Air Resources Board	\$2,780	5
Department of Water Resources	2,000	5
Public Utilities Commission	1,000	—
California Energy Commission	500	—
Integrated Waste Management Board	500	—

integrated waste management board	500	1
Secretary for Environmental Protection	500	—
Department of Food and Agriculture	(331) ^a	2
Department of Toxic Substances Control	115	1
Program Oversight and Coordination	\$3,940	28
Air Resources Board	\$3,050	23
Secretary for Environmental Protection	890	5
Emissions Inventory and Reporting	\$3,444	19
Air Resources Board	\$3,444	19
Emissions Reduction Scoping Plan	\$1,812	12
Air Resources Board	\$1,812	12
Totals	\$35,761	151

^a Reimbursement from Secretary for Environmental Protection.

Budget Includes Additional Funding for Climate Change-Related Activities. While the administration has indicated that \$35.8 million is the total of proposed expenditures for AB 32 implementation, we note that the budget includes other expenditures for climate change-related activities that were approved as ongoing expenditures in prior-year budgets. These include at least the following:

- **\$3.15 million (\$2.65 million Motor Vehicle Account, \$500,000 Air Pollution Control Fund), 15.5 Positions.** For ARB for regulatory development and research activities related to the Governor’s Climate Change Initiative.
- **\$981,000 (\$666,000 Air Pollution Control Fund, \$180,000 Motor Vehicle Account, \$135,000 General Fund), Two Positions.** For the Secretary for Environmental Protection to fund coordination, oversight, outreach, and analysis related to the Governor’s Climate Change Initiative.
- **\$539,000 (Public Utilities Reimbursement Account), Six Positions.** For the California Public Utilities Commission (CPUC) for research activities related to the Governor’s Climate Change Initiative.

Secretary’s Proposal Goes Beyond Coordination

In passing AB 32, the Legislature placed the Air Resources Board in charge of implementation of the act while recognizing that the Secretary for Environmental Protection would have a coordination role in terms of the state’s overall climate change policy. We find that the budget proposal expands the Secretary’s role beyond coordination to include activities such as planning, monitoring, technical analysis, and oversight, many of which are clearly programmatic activities. Therefore, we recommend denying the budget request for the Secretary. (Reduce Item 0555-001-0115 by \$1.4 million.)

Secretary’s Budget Request Proposes \$1.4 Million, Five Positions. Citing an increased workload resulting from the state’s expanding GHG emissions reduction activities, the Secretary requests \$1.4 million from the Air Pollution Control Fund (APCF) for five new positions and \$700,000 in external contracts related to AB 32.

Secretary’s Proposal Goes Beyond Coordination. According to the budget proposal, funding would allow the Secretary to plan, coordinate, monitor, analyze, and oversee GHG emissions reduction activities at various state departments and agencies. We believe that these activities, as described in the proposal, would go beyond coordination, particularly given the types of positions being requested. Specifically, of the five positions requested, three are Air Pollution Specialists, which are highly technical staff typical of those employed by ARB for monitoring and regulating sources of air pollution. A fourth position is for a similarly technical Air Resources Supervisor who would oversee the other three technical positions. The fifth position would help the Secretary with public education and outreach. In addition, the proposal requests \$700,000 to pay for external contracts for such activities as analysis of related job growth, technology exports, and other economic effects.

Legislature Charged ARB With State’s GHG Emissions Reductions Policy-Making Authority. The budget proposal, in effect, attempts to establish a policy-making role for the Secretary in implementing AB 32—a role that the administration proposed when the Legislature was considering AB 32. In the final version of AB 32, the Legislature eliminated the Secretary’s policy-making role from the bill and, for purposes of implementing the act, it limited the Secretary’s role to coordination and specifically assigned policy-related decision-making authority to ARB.

Recommend Denial of Secretary’s Funding Request. The budget proposal does not justify the need for the requested technical positions and contracted services based on its role in coordinating the state’s GHG emission reduction activities. We find that the highly technical positions would be more effectively employed at an entity, such as ARB, that directly undertakes technical monitoring and regulation of GHGs and has established programs and technical expertise in the subject area. Similarly, we believe that technical and economic analysis is better performed by or contracted through an entity such as ARB. Finally, we believe it is already within the Secretary’s day-to-day duties to coordinate public participation and outreach and think that such activities could be performed with existing resources. Therefore, we recommend denying the Secretary’s \$1.4 million funding request, and associated positions.

CPUC Funding Proposal Premature and Contrary to Legislative Direction

The budget proposal includes \$1.3 million for the California Public Utilities Commission (CPUC) to implement a cap on greenhouse gases and to conduct climate change-related research. The CPUC has also stated its intent to establish a "cap-and-trade" market mechanism for utilities. We recommend denying the CPUC's funding request since it is premature until the Air Resources Board conducts a number of statutorily directed actions. (Reduce Item 8660-001-0462 by \$1.3 million.)

CPUC Proposes Funding for Climate Change-Related Proceedings and Research. The budget proposes \$1.3 million and three positions for CPUC to conduct climate change-related proceedings. Of that funding, \$1 million is for consulting contracts to model GHG emission cap scenarios and to establish a protocol for development and measurement of GHG emissions reductions in the power sector. These positions are in addition to six positions the Legislature authorized in the current year to research climate change at the CPUC.

CPUC Signaled Its Intent to Establish Cap-and-Trade Market Mechanisms and Baseline for GHG Measurements. During a recent commission hearing on climate change, the commission publicly stated its intent to establish a cap-and-trade market mechanism on emissions for investor-owned utilities (currently regulated by the commission) and publicly owned utilities (currently not regulated by the commission). The commission also stated its intent to conduct a proceeding to determine the base year for the cap-and-trade program. (In cap-and-trade programs that have been established elsewhere, the government sets a limit on, or "caps", emissions, issues a limited number of emissions allowances, and allows regulated sources to buy and sell, or "trade", those emissions allowances.)

CPUC Funding Proposal Premature, Contrary to Legislative Direction. We find CPUC's intention to hold climate change-related proceedings, and in particular its intention to move ahead with a very specific market mechanism, contrary to the intent of AB 32. This is because the act charges ARB with identifying and establishing GHG emission reduction measures, and with determining whether those measures will include market-based mechanisms. The act also clearly established a GHG emissions base year of 1990, making the CPUC's determination of a baseline unnecessary.

Recommend Denial of CPUC's Funding Request. Given that the CPUC's budget request inappropriately moves ahead of the statutorily directed effort at ARB, we recommend that the Legislature deny the request for \$1.3 million for CPUC. We also recommend adoption of the following budget bill language to prohibit CPUC from spending resources to develop and/or implement market mechanisms:

Item 8660-001-0462. Of the funding appropriated in this or any other item, no funds may be expended by the commission in connection with the implementation of market mechanisms as a greenhouse gas (GHG) emission reduction strategy until the Air Resources Board has completed its statutorily required statewide GHG emissions reduction plan, has included these mechanisms in the plan, and has directed the commission to begin to implement them.

Market-Based Measures Should Be Carefully Considered Prior to Their Inclusion in Climate Change Regulations

The budget proposal assumes the inclusion of market-based mechanisms in the Air Resources Board (ARB) regulations and provides funding for their implementation. We note that market-based measures represent a relatively new approach in California to regulate emissions and involve significant policy choices in which the Legislature should be involved. Therefore, we recommend that 24 positions at ARB for development and implementation of market-based measures be made two-year limited term. We also recommend the adoption of budget bill language prohibiting implementation of market-based measures, pending legislative review of ARB's evaluation of such measures.

ARB's Proposal Assumes Implementation of Market-Based Mechanisms. The budget proposal assumes the inclusion of market-based measures in the state's GHG emissions reduction regulations. For example, for 24 of its requested 123 permanent positions, ARB's proposal describes tasks involving, in part, the *implementation* of market-based mechanisms. In addition, ARB's proposal specifies the anticipated use of one particular type of market-based mechanism, known as cap-and-trade. However, when the administration was asked what evaluation led it to assume the inclusion of market-based measures in the state's GHG emissions reduction efforts, the administration could cite only a bibliography of academic publications and the prevalence of market-based measures as part of GHG emissions reduction programs in other jurisdictions.

Use of Market-Based Measures Represents a Relatively New Regulatory Approach With Significant Policy Implications. Economic theory establishes the theoretical rationale for the use of market-based mechanisms to reduce GHG emissions—the potential for greater cost-effectiveness through flexible regulatory compliance. Many jurisdictions (including the United Kingdom, the European Union, and Japan) have chosen or are considering to employ market-based mechanisms in their attempts to reduce GHG emissions, with some success. We therefore think that there is merit to considering the potential for market-based mechanisms as a component of the state's GHG emission reduction strategies.

However, the inclusion of market-based mechanisms as part of California's GHG emissions reduction efforts deserves careful legislative consideration. To date, no California environmental regulatory agency has employed market-based mechanisms statewide. In addition, experience with market-based GHG emissions reduction

systems in other jurisdictions is limited, the outcomes are difficult to assess and, in some instances, those outcomes have unfavorably affected environmental quality.

The use of market-based mechanisms to control GHG emissions in California involves important policy choices and inherent tradeoffs in which we believe the Legislature should be involved. While all market-based systems have in common some degree of flexibility being granted to regulated sources and the establishment of cost signals, there is substantial variation among potential market-based systems. For example, that variation can include such fundamental issues as whether government chooses to set the quantity of allowable emission (as in a trading program) or to set the "price" of emissions (as under a fee-for-emitting program); whether such a program will generate revenue and, if so, how to distribute that revenue; and what sectors or entities will bear the costs imposed by such a program.

In addition, ARB's budget proposal mentions designing a market-based mechanism to accommodate possible linkages between California's market-based GHG emissions reduction program and similar programs operating or that may come to operate in other states, regions, and countries. We believe the Legislature should be made aware of and carefully consider any such system before California joins its regulatory efforts to those of jurisdictions over which the state has no authority. Given the major policy implications, any linkages with other jurisdictions should be ratified in a policy bill.

Act Requires Evaluation of Market-Based Measures Before Their Inclusion in ARB Regulations. As described earlier, the act specifies evaluations that ARB must complete before it includes market-based mechanisms in its GHG emissions regulations. As ARB has yet to conduct these evaluations, the Legislature therefore lacks information that it thought important to an assessment of any proposed market-based regulatory system to control GHG emissions. In addition, it is premature to authorize funding and positions to implement a very specific market mechanism (namely, cap-and-trade), until these evaluations have been conducted.

Positions Associated With Market-Based Mechanisms Should Be Limited Term. As described above, the administration proposes 24 *permanent*, full-time positions associated with market-based mechanisms to reduce California's GHG emissions. We recommend two changes to this aspect of the administration's proposal. First, we recommend that the Legislature approve the 24 positions for a three-year, limited term only. We think this three-year period will give ARB staff sufficient time to develop and evaluate various market-based mechanisms, but prevent it from undertaking implementation activities, consistent with our recommendation below. These evaluations can form the basis of legislative consideration of whether to include market-based mechanisms in the state's GHG emission reduction regulations.

Specify Funding Is Not to Pay For Implementation of Market-Based Mechanisms. Second, to ensure that funds are not used for ARB staff to work on implementing market-based mechanisms until ARB has presented the findings of its evaluation of those mechanisms, we recommend the adoption of the following budget bill language:

Item 3900-001-0115. Of the funding appropriated in this or any other item, no funds may be expended by the Air Resources Board for the implementation of market mechanisms as a greenhouse gas (GHG) emissions reduction strategy until the board has completed its evaluation of these mechanisms as required by Chapter 488, Statutes of 2006 (AB 32, Nuñez) and submitted its findings and recommendations for its evaluation in a report to the Legislature for its review.

Funding for Budget Proposal Unsustainable

Funding for the proposal relies mostly on special funds, some of which face substantial future pressures and based on our review cannot support the state's greenhouse gas (GHG) emissions reduction program, even as early as 2008-09, without significant fee increases. The budget proposal does not include any new fees, even though AB 32 provides the Air Resources Board with the authority to assess fees for purposes of implementing the act. We recommend that the administration report at budget hearings on its long-term funding plan for the state's GHG emission reduction activities. We also recommend the adoption of supplemental report language to require such a long-term funding plan be presented in conjunction with submittal of the 2008-09 Governor's Budget.

GHG Emission Reduction Program Funding Unsustainable; Long-Term Funding Plan Unknown. The budget proposal funds the state's GHG emission reduction activities mostly from existing fee-supported fund sources—the APCF being the largest source (\$25.7 million). The budget does not rely on any increases of existing fees, nor does it propose any new fees, even though AB 32 provides ARB with the authority to assess fees for purposes of implementing the act. In fact, in the case of funding proposed from APCF, the budget relies on drawing down substantial fund balances carried over from previous years, along with a \$15.2 million loan to APCF from the Motor Vehicle Account—an account with the potential for major future-year pressures—to provide the funding budgeted for 2007-08. This level of funding would not be available from APCF in 2008-09, unless significant fee increases or APCF-funded program reductions in other areas were made.

Require Administration to Report on Its Long-Term Funding Plan. The budget's funding proposal for AB 32 implementation is clearly not sustainable. However, when asked, the administration was unable to specify its long-term funding plan for the state's GHG emissions reduction activities or whether such a plan would include use of ARB's statutory authority to assess new fees. This lack of planning is particularly problematic given that the activities described in the budget proposal represent only the initial development stages of the state's GHG reduction programs. The programs that result from this initial ramp up activity could involve costs well beyond

the \$35.8 million included in this year’s budget proposal.

We believe it important that the Legislature, in evaluating the administration’s proposal, be informed of the administration’s long-term plan to fund the state’s GHG emissions reduction programs. Therefore, we recommend that the administration report at budget hearings on its long-term funding plan, including its estimate of future-year costs of the state’s GHG emissions reduction programs, how these future-year costs would be funded, and whether the administration anticipates either increasing existing fees and/or creating new fees to support the identified funding requirements. To ensure that the Legislature is advised of the administration’s long-term funding plans for these programs when it evaluates next year’s budget, we recommend the adoption of the following supplemental report language:

Item 3900-001-0115. The Air Resources Board shall submit a report to the Legislature, in conjunction with the submittal of the *2008-09 Governor’s Budget*, on its long-term funding plan to fund the state’s greenhouse gas emissions reduction programs, including its estimate of future-year costs of these programs, how these future-year costs would be funded, and whether the administration proposes either increasing existing fees and/or creating new fees to support the identified funding requirements.

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July 7, 2008

REQUEST FROM CITY OF MOORPARK

This letter is to urge support for AB 793, which will enable Tax Assessors in California to assess deed restricted owner-occupied properties on the basis of the Affordable Sales Price which the low income buyers paid. It would require Assessors to ignore the value of "Silent Second" mortgages when the homeowner is participating in an affordable housing program with deed restrictions that have a duration of at least 30 years. These 30-year (or longer) deed restrictions must be recorded against the subject property.

Properties in Moorpark were sold to qualified Low/Very Low Income buyers through the City's First Time Home Buyer Program at an Affordable Sales Price, based on "affordable housing cost" (CA Health & Safety Code Sec. 50052.5) Allowable resale price is determined in a similar manner, and is based on median income, not market conditions. Stringent deed restrictions were recorded against the properties, limiting resale to Low/Very Low Income buyers approved by the City. "Silent Seconds" were recorded against the properties to reinforce the terms of the deed restrictions. The silent seconds do not require repayment, providing there is no default on the terms of the deed restrictions. The Silent Seconds encumbered the property for the difference between the Affordable Sales Price and the Contract Sales Price (essentially market value) and were used strictly to reinforce the stringent deed restrictions. (No money changed hands.)

Properties were valued by the County Assessor for tax purposes at the Contract Sales Price, which includes the Silent Seconds and essentially is market value. The effect of a valuation based on market value instead of the affordable sales price actually paid by a Low/Very Low Income buyer of a 3-bedroom unit currently is approximately \$407/month for property taxes, instead of approximately \$153/month, based on the Affordable Sales Price.

The Deeds of Trust, recorded as Silent Seconds, serve to reinforce the stringent deed restrictions, and provide a buffer of a sort against predatory lenders who often target the low income homeowners who appear to have equity in their homes.

Cities are required to encourage the provision of Affordable Housing. Moorpark's program has demonstrated that Affordable Housing Cost, as defined in the CA Health & Safety Code is achievable, when all components of housing cost are in balance. This

bill will ensure the relevant portions of Revenue & Tax Codes Section 402.1 and 110(b) are the guides for determining value.

AMENDED IN SENATE AUGUST 1, 2007

AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 793

Introduced by Assembly Member Strickland

(Coauthor: Senator Margett)

February 22, 2007

An act to amend Sections 110 and 402.1 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 793, as amended, Strickland. Property taxation: affordable housing assessments.

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, existing property tax law defines “full cash value” as the assessor’s fair market value valuation of real property as shown on the 1975–76 tax bill under “full cash value” or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. Existing property tax law generally defines this “full cash value” of property as the property’s fair market value. Existing law rebuttably presumes that the fair market value of real property, other than possessory interests, is the purchase price paid in the transaction for the property. For purposes of this presumption, existing law defines “purchase price” as the total consideration provided by the purchaser or on the purchasers behalf, valued in money, whether paid in money or otherwise. Existing law requires the county assessor to consider, when valuing real property for property taxation purposes,

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the effect of any enforceable restrictions to which the use of the land may be subjected. Under existing law these restrictions include, but are not limited to, zoning, recorded contracts with governmental agencies, and various other restrictions imposed by governments.

This bill would exclude from the meaning of purchase price, for purposes of the rebuttable presumption that the purchase price of real property is the fair market value of the property, the amount stated in a trust deed, recorded in conjunction with an affordable housing unit purchased by its occupant, for which that occupant is the trustor and a nonprofit or governmental agency selling authority is the beneficiary, ~~and both have contracted that a periodic payment of principal and interest will not be required for at least 20~~ *30 years, and a governmental restriction requiring the property to remain an affordable housing unit for at least 30 years has been recorded against the affordable housing unit.* This bill would also require the county assessor to consider, when valuing real property for property taxation purposes, restrictions on the resale price of real property in a recorded real property deed or other recorded real property transfer document for real property that was purchased by its occupant through an affordable housing program operated by a city, a county, the state, or a nonprofit organization. By changing the manner in which county assessors assess property for property taxation purposes, 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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Section 2229 of the Revenue and Taxation Code requires the Legislature to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding Section 2229 of the Revenue and Taxation Code, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them to the bill.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. The Legislature finds and declares all of the
 2 following:
 3 (a) *It is important to provide affordable housing in this state.*
 4 ~~(a)~~
 5 (b) Affordable housing programs provide families with an
 6 opportunity to better their lives and the lives of their children by
 7 making available the American dream of home ownership.
 8 ~~(b)~~
 9 (c) Section 402.1 of the Revenue and Taxation Code already
 10 requires county assessors to consider the effect of enforceable
 11 restrictions on land when assessors value that land for property
 12 taxation purposes.
 13 ~~(c)~~
 14 (d) This act would extend this existing practice to considering
 15 the effect of enforceable restrictions, put on land pursuant to an
 16 affordable housing program that assists families in purchasing
 17 their own homes, and silent second mortgages that may affect the
 18 fair market value of that property.
 19 ~~(d)~~
 20 (e) Therefore, it is the intent of the Legislature in enacting this
 21 act to further a state public policy of encouraging and maintaining
 22 effective land use planning by ensuring that homes purchased
 23 under an affordable housing program are valued for property
 24 taxation purposes in a manner that reflects the restrictions on the
 25 homes.
 26 (f) *It is also the intent of the Legislature, in enacting this act,*
 27 *to make the necessary statutory changes to provide that, if a*
 28 *homeowner is participating in an affordable housing program,*
 29 *the purchase price for an affordable housing unit shall not include,*
 30 *for purposes of taxation under the ad valorem property tax, the*
 31 *amount stated in a trust deed recorded in conjunction with an*
 32 *affordable housing unit.*
 33 SEC. 2. Section 110 of the Revenue and Taxation Code is
 34 amended to read:

1 110. (a) Except as is otherwise provided in Section 110.1, “full
 2 cash value” or “fair market value” means the amount of cash or
 3 its equivalent that property would bring if exposed for sale in the
 4 open market under conditions in which neither buyer nor seller
 5 could take advantage of the exigencies of the other, and both the
 6 buyer and the seller have knowledge of all of the uses and purposes
 7 to which the property is adapted and for which it is capable of
 8 being used, and of the enforceable restrictions upon those uses and
 9 purposes.

10 (b) For purposes of determining the “full cash value” or “fair
 11 market value” of real property, other than possessory interests,
 12 being appraised upon a purchase, “full cash value” or “fair market
 13 value” is the purchase price paid in the transaction unless it is
 14 established by a preponderance of the evidence that the real
 15 property would not have transferred for that purchase price in an
 16 open market transaction. The purchase price shall, however, be
 17 rebuttably presumed to be the “full cash value” or “fair market
 18 value” if the terms of the transaction were negotiated at arms length
 19 between a knowledgeable transferor and transferee neither of which
 20 could take advantage of the exigencies of the other. “Purchase
 21 price,” as used in this section, means the total consideration
 22 provided by the purchaser or on the purchaser’s behalf, valued in
 23 money, whether paid in money or otherwise, but, beginning with
 24 the lien date for the 2008–09 fiscal year and for each fiscal year
 25 thereafter, does not include the amount stated in a trust deed,
 26 recorded in conjunction with an affordable housing unit purchased
 27 by its occupant, for which that occupant is the trustor and a
 28 nonprofit or governmental agency selling authority is the
 29 beneficiary, ~~and both have contracted that a periodic payment of~~
 30 ~~principal and interest will not be required for at least 20 years~~ 30
 31 *years, and a governmental restriction requiring the property to*
 32 *remain an affordable housing unit for at least 30 years has been*
 33 *recorded against the affordable housing unit.* There is a rebuttable
 34 presumption that the value of improvements financed by the
 35 proceeds of an assessment resulting in a lien imposed on the
 36 property by a public entity is reflected in the total consideration,
 37 exclusive of that lien amount, involved in the transaction. This
 38 presumption may be overcome if the assessor establishes by a
 39 preponderance of the evidence that all or a portion of the value of
 40 those improvements is not reflected in that consideration. If a single

1 transaction results in a change in ownership of more than one
2 parcel of real property, the purchase price shall be allocated among
3 those parcels and other assets, if any, transferred based on the
4 relative fair market value of each.

5 (c) For real property, other than possessory interests, the change
6 of ownership statement required pursuant to Section 480, 480.1,
7 or 480.2, or the preliminary change of ownership statement
8 required pursuant to Section 480.4, shall give any information as
9 the board shall prescribe relative to whether the terms of the
10 transaction were negotiated at ~~arms~~ “arm’s length.” In the event
11 that the transaction includes property other than real property, the
12 change in ownership statement shall give information as the board
13 shall prescribe disclosing the portion of the purchase price that is
14 allocable to all elements of the transaction. If the taxpayer fails to
15 provide the prescribed information, the rebuttable presumption
16 provided by subdivision (b) shall not apply.

17 (d) Except as provided in subdivision (e), for purposes of
18 determining the “full cash value” or “fair market value” of any
19 taxable property, all of the following shall apply:

20 (1) The value of intangible assets and rights relating to the going
21 concern value of a business using taxable property shall not
22 enhance or be reflected in the value of the taxable property.

23 (2) If the principle of unit valuation is used to value properties
24 that are operated as a unit and the unit includes intangible assets
25 and rights, then the fair market value of the taxable property
26 contained within the unit shall be determined by removing from
27 the value of the unit the fair market value of the intangible assets
28 and rights contained within the unit.

29 (3) The exclusive nature of a concession, franchise, or similar
30 agreement, whether de jure or de facto, is an intangible asset that
31 shall not enhance the value of taxable property, including real
32 property.

33 (e) Taxable property may be assessed and valued by assuming
34 the presence of intangible assets or rights necessary to put the
35 taxable property to beneficial or productive use.

36 (f) For purposes of determining the “full cash value” or “fair
37 market value” of real property, intangible attributes of real property
38 shall be reflected in the value of the real property. These intangible
39 attributes of real property include zoning, location, and other
40 attributes that relate directly to the real property involved.

1 SEC. 3. Section 402.1 of the Revenue and Taxation Code is
2 amended to read:
3 402.1. (a) In the assessment of land, the assessor shall consider
4 the effect upon value of any enforceable restrictions to which the
5 use of the land may be subjected. These restrictions shall include,
6 but are not limited to, all of the following:
7 (1) Zoning.
8 (2) Recorded contracts with governmental agencies other than
9 those provided in Sections 422 and 422.5.
10 (3) Permit authority of, and permits issued by, governmental
11 agencies exercising land use powers concurrently with local
12 governments, including the California Coastal Commission and
13 regional coastal commissions, the San Francisco Bay Conservation
14 and Development Commission, and the Tahoe Regional Planning
15 Agency.
16 (4) Development controls of a local government in accordance
17 with any local coastal program certified pursuant to Division 20
18 (commencing with Section 30000) of the Public Resources Code.
19 (5) Development controls of a local government in accordance
20 with a local protection program, or any component thereof, certified
21 pursuant to Division 19 (commencing with Section 29000) of the
22 Public Resources Code.
23 (6) Environmental constraints applied to the use of land pursuant
24 to provisions of statutes.
25 (7) Hazardous wasteland use restriction pursuant to Section
26 25240 of the Health and Safety Code.
27 (8) A recorded conservation, trail, or scenic easement, as
28 described in Section 815.1 of the Civil Code, that is granted in
29 favor of a public agency, or in favor of a nonprofit corporation
30 organized pursuant to Section 501(c)(3) of the Internal Revenue
31 Code that has as its primary purpose the preservation, protection,
32 or enhancement of land in its natural, scenic, historical, agricultural,
33 forested, or open-space condition or use.
34 (9) Beginning with the lien date for the 2008–09 fiscal year and
35 for each fiscal year thereafter, restrictions on the resale price of
36 real property in a recorded real property deed or other recorded
37 real property transfer document for real property that was purchased
38 by its occupant through an affordable housing program operated
39 by a city, a county, the state, or a nonprofit organization.

1 (b) There is a rebuttable presumption that restrictions will not
2 be removed or substantially modified in the predictable future and
3 that they will substantially equate the value of the land to the value
4 attributable to the legally permissible use or uses.

5 (c) Grounds for rebutting the presumption may include, but are
6 not necessarily limited to, the past history of like use restrictions
7 in the jurisdiction in question and the similarity of sales prices for
8 restricted and unrestricted land. The possible expiration of a
9 restriction at a time certain shall not be conclusive evidence of the
10 future removal or modification of the restriction unless there is no
11 opportunity or likelihood of the continuation or renewal of the
12 restriction, or unless a necessary party to the restriction has
13 indicated an intent to permit its expiration at that time.

14 (d) In assessing land with respect to which the presumption is
15 un rebutted, the assessor shall not consider sales of otherwise
16 comparable land not similarly restricted as to use as indicative of
17 value of land under restriction, unless the restrictions have a
18 demonstrably minimal effect upon value.

19 (e) In assessing land under an enforceable use restriction wherein
20 the presumption of no predictable removal or substantial
21 modification of the restriction has been rebutted, but where the
22 restriction nevertheless retains some future life and has some effect
23 on present value, the assessor may consider, in addition to all other
24 legally permissible information, representative sales of comparable
25 lands that are not under restriction but upon which natural
26 limitations have substantially the same effect as restrictions.

27 (f) For the purposes of this section the following definitions
28 apply:

29 (1) "Comparable lands" are lands that are similar to the land
30 being valued in respect to legally permissible uses and physical
31 attributes.

32 (2) "Representative sales information" is information from sales
33 of a sufficient number of comparable lands to give an accurate
34 indication of the full cash value of the land being valued.

35 (g) It is hereby declared that the purpose and intent of the
36 Legislature in enacting this section is to provide for a method of
37 determining whether a sufficient amount of representative sales
38 information is available for land under use restriction in order to
39 ensure the accurate assessment of that land. It is also hereby
40 declared that the further purpose and intent of the Legislature in

1 enacting this section and Section 1630 is to avoid an assessment
 2 policy which, in the absence of special circumstances, considers
 3 uses for land that legally are not available to the owner and not
 4 contemplated by government, and that these sections are necessary
 5 to implement the public policy of encouraging and maintaining
 6 effective land use planning. Nothing in this statute shall be
 7 construed as requiring the assessment of any land at a value less
 8 than as required by Section 401 or as prohibiting the use of
 9 representative comparable sales information on land under similar
 10 restrictions when this information is available.

11 SEC. 4. If the Commission on State Mandates determines that
 12 this act contains costs mandated by the state, reimbursement to
 13 local agencies and school districts for those costs shall be made
 14 pursuant to Part 7 (commencing with Section 17500) of Division
 15 4 of Title 2 of the Government Code.

16 SEC. 5. Notwithstanding Section 2229 of the Revenue and
 17 Taxation Code, no appropriation is made by this act and the state
 18 shall not reimburse any local agency for any property tax revenues
 19 lost by it pursuant to this act.

20 SEC. 6. This act provides for a tax levy within the meaning of
 21 Article IV of the Constitution and shall go into immediate effect.

O

I. Improve the efficiency and accountability of management within the organization

In previous reports, I indicated that we would be working on the agency's strategic plan and the vision for our future. The time has come to begin that process.

As we plan for our future, it is important that SCAG gather information about its intellectual assets, as this agency's human resources are vitally important to the ultimate success of SCAG. One proven strategy for gathering this information is an organizational survey. An organizational survey taps the wisdom of individuals at all levels in the organization to identify possibilities and certain problems that may not have previously been considered.

This month we will begin conducting an organizational survey with the assistance of a consulting firm, Win-Win Workplace Solutions.

More specifically, a series of individual interviews with a representative, cross-sectional sample of Regional Council members and staff will be conducted in confidential settings by Win-Win's consultants. These structured interviews will offer SCAG Regional Council and staff the opportunity to provide input and help shape SCAG's strategic agenda. The anonymous "voices" captured in this survey will be used by the organization as part catalyst and part compass for defining the future direction for SCAG.

While many of you may have participated in a similar interview or survey process with SCAG or another employer, I want to stress that these interviews are an important part of the process for moving forward and I encourage you to participate in the process.

Due to time constraints, it is not possible for us to conduct interviews with each and every Regional Council member and staff. However, if you are not available to participate in the formal interview process, you will have an opportunity to anonymously submit your answers to the same survey questions electronically to Win-Win after the formal Regional Council and staff interviews have been completed. In mid-September, we will share the results of the survey with you and detail how this information will be used to help shape the future of SCAG. Ultimately, these surveys will be used to develop SCAG's business plan.

I requested that Win-Win be available at the retreat in Lake Arrowhead to conduct as many interviews as possible. Please talk to them if you are interested.

We anticipate engaging many of you in the strategic planning process during the summer to help us design and implement innovations and changes that will allow SCAG to effectively continue leading the way for a future that ensures the highest quality of life for all of Southern California.