

**South Bay Cities Council of Governments**  
**Thursday, October 26, 2006**  
**Manhattan Beach Police and Fire Facility**

**Chair Aldinger called the meeting of the South Bay Cities Council of Governments to order at 7:00 p.m. In attendance were the following members:**

Eric Busch, El Segundo  
Ginny Lambert, Hawthorne  
Dwight Abbott, Palos Verdes Estates  
Don Szerlip, Redondo Beach  
Judy Mitchell, Rolling Hills Estates

Michael Keegan, Hermosa Beach  
Jim Aldinger, Manhattan Beach  
Steve Wolowicz, Rancho Palos Verdes  
Paul Nowatka, Torrance

Also in attendance were the following persons:

Diane Cameron, SBCCOG  
Ann Marie Wallace, League of Calif. Cities  
Margie Waite, SBCCOG  
Claudette Moody, Deputy to Pam O'Connor  
Ron Ketcham, SCAQMD  
Ed Caprielian, Resident, Manhattan Beach

Jacki Bacharach, SBCCOG  
Maria Mercado, SBCCOG  
Renee Berlin, MTA  
Michele Swanson, So. Bay Energy Savings  
Darin Chidsey, SCAG  
Pam O'Connor, Councilmember, Santa Monica and MTA  
Scott Gobble, SCE  
Fernando Paludi, WBWD  
David Blanke, The Gas Company

Janet Huston, HCD  
Zorik Pirveysian, SCAQMD  
Marcella Low, The Gas Company  
Arnold Sachs, Resident

**Flag Salute - led by Chair Aldinger**

**Motion to accept and file report of City Clerk of Manhattan Beach on Posting of the Agenda**

**MOTION** by Board Member Aldinger, seconded by Board Member Abbott, to accept the posting of the meeting in the City of Manhattan Beach. No objection. So ordered.

**ANNOUNCEMENTS OF ANY CHANGES TO THE AGENDA** – Jacki introduced Maria Mercado.

**COMMENTS FROM THE PUBLIC**-none

**CONSENT CALENDAR**

**MOTION** by Board Member Abbott, seconded by Board Member Wolowicz, to approve the Consent Calendar as presented. No objection. So ordered.

**A. September Board Meeting Minutes**

**B. 2005-2006 Financial Audit can be found at [www.southbaycities.org](http://www.southbaycities.org)**

**C. Disposition of Legislation upon which SBCCOG has a position-Receive and File**

**PRESENTATION**

**Guest Speaker-Lynn Jacobs, Director, State Housing & Community Development:**

Chair Aldinger introduced Speaker Lynn Jacobs; Lynn Jacobs introduced her assistant Janet Huston.

Ms. Jacobs gave an overview of housing in the state and how it is good for the economy. She began by citing numerous statistics including:

- Housing provides \$68 billion per year to the economy
- Housing accounts for 3% of CA's economic output
- With economic multipliers, housing supports 960,000 jobs throughout the state, and comprises 11 % of economic output.

- Housing is the #1 industry in CA

Such statistics were obtained from a report by the Sacramento Regional Research Institute. Board Member Wolowicz asked for a copy of the statistics and Ms. Jacobs stated that her assistant Janet Huston would send them to Jacki for distribution.

Ms. Jacobs then stated that even with the benefits that housing provides to the state, there are economic and social consequences of the unmet housing demand, and CA ranks 49th out of the 50 states in home ownership.

She stated that even with the drop in house prices, the affordability problem is not over. Chair Aldinger asked if the housing market would continue to drop. Ms. Jacobs said she believes it won't go down on a continuous basis. since the lack of supply continues to have an effect.

She stated that 77% of cities have RHNA compliant housing elements, and they are producing over 83% of the housing. Prop 46 has already produced significant housing and shelter spaces. Some funding has also gone to local governments for workforce housing, and other related items. These cash awards help provide facilities in communities that otherwise might not pursue additional housing.

Ms. Jacobs stated that housing accounts for 1/3 of the nation's tangible investments. In January 2007, HCD will provide model housing elements on their website so the cities have a template to work from.

She also offered facts on Prop 1C, and asked for questions from the audience.

Board Member Wolowicz expressed concern that the South Bay area is running out of room, and that there is a congestion issue. He cited Calabasas as an example of development where there is vacant land, and that people and jobs migrate there. He suggested that the CA model should be "restudied" due to a lack of available land in many places. He suggested that funds could be requested from developers to send out to other places. that have vacant land for building there instead of here.

Chair Aldinger stated that everyone shares the same concern.

Board Member Lambert stated that her concerns were similar, and asked where the jobs will come from when new homes are built. She also concurred that congestion is a big issue.

Ms. Jacobs stated that HCD is concerned about a jobs/housing balance, and that they manage CDBG funding as well as enterprise zones, in order to create jobs through those programs.

Board Member Szerlip stated that people who work at Starbucks can't afford to live in the South Bay. He cited a discussion re: single family dwellings vs. workforce housing that concluded that rental units are difficult to build due to lack of financing (only a 2% margin) and the only way to do it is to increase density. He stated that residents in Redondo Beach filed for a slow growth initiative that would require zone changes to go to a vote of the people. Board Member Szerlip asked what HCD can do to help defeat those people in his community.

Ms. Jacobs responded that there is no immediate solution, but it is a long slow process to educate people to the benefits of economic vitality.

Board Member Szerlip asked for a supply of brochures for distribution to people before they sign to get it on the ballot, and Ms. Jacobs said HCD can supply him with information on the economic benefits of housing.

Chair Aldinger asked Ms. Jacobs to address Prop 90. Jacobs replied that Prop 90 is a hard issue to refute and the HCD does not have an official position on Prop 90. She said she would bring the Board's concerns that the Governor has not spoken out against it back to the Governor's office.

Board Member Mitchell brought up SB 1800 from last year, where builders were pushing to set aside a 20 year land supply so there would be a place for new housing. Now builders are moving back from building due to housing market drop. She asked if similar legislation would be coming back in next year, and how do you reconcile a 20 year land supply. In addition, Board Member Mitchell stated that if Prop

90 passes, cities won't have tools to redevelop. She asked if that would affect RHNA numbers. Ms. Jacobs replied that Prop 90 will have broader effect than RHNA numbers. Ms. Jacobs wants to see a longer term dialog on a holistic approach that doesn't just focus on housing, since communities need to plan for everything.

Board Member Wolowicz agreed that planning for these things takes a broader perspective. Otherwise there are band-aid solutions that don't solve anything. Ms. Jacobs asked if he was referring to infrastructure bonds, and she stated that they are a great basis for planning, so that all funds can work together.

Ann Marie Wallace asked what kind of ongoing funding would be provided for cities outside of bond funding. Ms. Jacobs replied that the goal is to reduce the impediments to local governments providing housing. Half of Prop 1C is re-funding Prop 46 programs, and more is for infill development and to address infrastructure needs.

Chair Aldinger thanked Ms. Jacobs on behalf of the COG.

### **RECOGNITION OF MARGIE WAITE**

Chair Aldinger presented a certificate to recognize Margie Waite for her outstanding work for the SBCCOG since 2004 as she leaves her position as SBCCOG bookkeeper.

### **Joint Utility Rate and Energy Conservation Report**

Jacki gave a brief introduction about the COG's energy grant and partnership with the utilities, and introduced Marcella Low from The Gas Company. Ms. Low began by discussing the upcoming reduction of gas winter rates. She then introduced Mr. David Blanke who spoke about energy efficiency programs for residential customers. Mr. Blanke gave an overview of energy efficiency programs that he is involved in, which mostly impact new construction. He stated that The Gas Company has a focus that new construction should be energy efficient. Current programs allow builders to increase entire buildings to the Energy Star level which is 15% better than the building code.

Scott Gobble then gave overview regarding Edison's programs, and stated that SCE's rates were going to go up. He presented information regarding "baseline" and how it helps to determine rates. The baseline rate of an electrical bill is charged at a lower rate, and then there are tiers where customers are charged at higher rates based upon usage over the baseline.

Board Member Keegan asked if rate structure had anything to do with time of day, and Mr. Gobble responded no. He stated that the time of day rate is available for residential customers, but the customer has to have a special meter installed at their home.

Mr. Gobble also discussed the CARE program for lower income families that puts them in a protected rate in lower tiers. Board Member Wolowicz stated that it was great information and asked how SCE is planning to disseminate the information to residents. Mr. Gobble replied that SCE will use TV and radio commercials, information on their website, and public presentations.

Board Member Mitchell asked what economic factors are causing SCE to increase rates. Mr. Gobble replied that residential customers are more expensive to serve and a major source of electricity generation is natural gas, which went up last year. The new rates are supposed to make up for losses last year. In addition, 50-60% of customers pay at the protected rate and the rest of SCE's customers make up the difference.

Board Member Wolowicz stated that a public service announcement on local cable would be a good idea and offered to help facilitate it with Channel 33 on the Peninsula.

Fernando Paludi from West Basin Water District then presented info re: the partnership with the SBESC, and the overall need to reduce water consumption. He stated that 19% of all energy use in California's is attributable to the transport of water, and most of that usage is to bring water into Southern California. He also discussed the restroom retrofit program, the laundromat incentive program which promotes high efficiency clothes washers and the landscaping workshops which SBESC is

coordinating.

### **ENERGY CENTER PROJECTS UPDATE**

Michele Swanson gave an update on the programs at the center as well as announcing the Nov 8th press conference at SBESC at which PUC Commissioner Dian Grueneich will be the guest speaker. She also mentioned restroom retrofit and that public agencies are considered commercial entities that can benefit from it. She also discussed the holiday light exchange, which will start in November.

### **SOUTH BAY GOODS MOVEMENT STUDY**

Motion by Board Member Szerlip, seconded by Board Member Nowatka, to approve consultant selection for the Goods Movement Study. No Objection. So Ordered.

### **LEGISLATIVE COMMITTEE REPORT**

**AQMD Board Composition Change Update**-Jacki Bacharach stated that Assemblyman Lieu has agreed to author new legislation, and that the Steering Committee approved renewing the contract with Tony Rice, which would begin in November and with Claudette Moody which begins immediately. She also stated that if a budget amendment was needed, it would be brought back mid-year.

Chair Aldinger reiterated that money was in budget from last year. Board Member Wolowicz asked if there was any discussion on how to avoid the same opposition on AB 2015 that we received last time around. Chair Aldinger stated that it was being worked on. Jacki Bacharach stated that the final legislator that killed the bill is gone.

**RHNA Update**-Board Member Nowatka stated that SCAG RHNA subcommittee just finished work and he hadn't reviewed it yet but the test will be on November 2nd when total Board has to vote on proposals. The biggest issue is vacancy rates. The 110% formula also got finalized, and no city will get out of very-low and low income housing ratios. The goal is to have every city in California look exactly the same. Chair Aldinger thanked Board Member Nowatka for all his time and effort on all of the cities' behalf. Board Member Wolowicz asked if numbers had gone up in cities, and Board Member Nowatka answered no.

### **SPECIAL PRESENTATION**-Recognition of Appreciation to Assemblyman Ted Lieu

Chair Aldinger presented Assemblyman Lieu with a plaque, thank you card and newsletter featuring SBCCOG's thank you to him. Assemblyman Lieu thanked the SBCCOG and cities for all their work and he briefly discussed his agenda for the coming year. Chair Aldinger also introduced the Assemblyman's Chief of Staff David Ford.

### **BOARD MEMBER ANNOUNCEMENTS**-none

### **AGENCY REPORTS**-

**League of California Cities**-Ann Marie Wallace gave end of the year report and gave an overview of the following areas:

- Housing- She stated that the housing industry will propose new legislation in coming year, and that the League will continue to work with the building industry to develop solutions to the housing crisis.
- Telecommunications-The League will propose clean up legislation for AB 2987. She also advised that the federal legislation, HR 5252, is still out there but may not pass.

In addition, she invited everyone to Legislative Briefing in Anaheim on Nov 16.

**South Coast Air Quality Management District**-Ron Ketchum reported on the status of the draft version of the AQMP plan which will address the issues surrounding rising emissions. Responses will be accepted until December.

Board Member Szerlip asked if AQMD has jurisdiction to implement some of the ideas in the plan, including a development fee. The AQMD representative replied that the AQMD would seek jurisdiction if

they do not have it. Mr. Ketchum stated that all ideas have to be included in the draft plan, because any source of pollution has to be addressed

Board Member Busch stated that the AQMD is between a rock and a hard place, but that the SBCCOG has a problem that the AQMD spent a lot of resources to defeat a representation issue when they could have spent that funding on reducing mobile sources of pollution.

Los Angeles Metropolitan Transportation Authority-Pam O'Connor reported on the following:

- If bonds pass on November 7<sup>th</sup>, the CTC will start talking about the implementation process immediately.
- The 2007 Call for Projects process is underway and a newsletter with dates for South Bay cities is going out. There will be a meeting on November 13<sup>th</sup> in Torrance for South Bay cities.
- A "Mini" call for projects is also going on due to a collection of reserve funds. This program is intended for programs such as dial a rides, and other community based services.
- There is an advisory committee meeting on October 31<sup>st</sup> on the Congestion Mitigation fee proposal.

AQMD Local Government and Business Advisory Group-Board Member Busch discussed 4 new power plants that are in the planning phase to increase power generation capacity. Most are run by natural gas and PM 10 is an issue due to the expense of emission credits. The goal is to generate power by 2009. Board Member Mitchell commented on the fact that it is believed that reducing particulate matter can speed up the global warming effect.

SCAG Committees-Darin Chidsey reiterated Board Member Nowatka's report on RHNA information, since Board Member Nowatka was the primary representative for the area. RHNA numbers haven't been sent to cities yet, but are on SCAG's website as part of the agenda packet that goes to CEHD next week. On Nov 9<sup>th</sup>, SCAG is giving an integrated growth forecasting workshop for the South Bay cities in Carson. He encouraged cities to have at least one staff representative present.

Energy and Environment-No Report

Transportation and Communication-Board Member Szerlip reported on the regional airport management implementation plan. Activity has begun to reconstruct the group in order to begin planning for regional airport usage. He also discussed a presentation he heard regarding oil prices and the future.

Water Policy Task Force-No Report

Regional Council-No Report

South Bay City Managers Report-No Report

South Bay Association of Chambers of Commerce-No Report

South Bay Economic Development Partnership-Joe Aro reported on the successful economic forecast conference last week and stated that data will be on the SBEDP website by November 1st. The next Board Meeting for SBEDP is in November, and there will be follow up on two issues facing the South Bay, including housing. The SBEDP wants to propose legislation again which would designate the South Bay as a separate district regarding statistics and data gathering.

**SBCCOG UPDATE AND COMMITTEE REPORTS**-Jacki Bacharach gave an update on the General Assembly. She announced that the date was changed to February 23rd on a Friday in order to get legislators, and topic is "Mobility in South Bay". Sponsor letters have gone out and she requested other suggestions for sponsors be sent to her.

## **UPCOMING EVENTS AND ANNOUNCEMENTS**

November 8<sup>th</sup>-PUC Commissioner Dian Grueneich at the SBESC-Media Event re: Partnership with West Basin Municipal Water District

November 16th Board Meeting- Guest Speaker-Geraldine Knatz-Executive Director of Port of LA

**ADJOURNMENT**

Chair Aldinger adjourned the meeting at 9:38 p.m.