



City of Manhattan Beach

May 21, 2019

CITY COUNCIL

Steve Napolitano
Mayor

Nancy Hersman
Mayor Pro Tem

Richard Montgomery
Councilmember

Suzanne Hadley
Councilmember

Hildy Stern
Councilmember

The Honorable Kevin McCarty
California State Assembly, District 7
California State Capitol, Room 2136
Sacramento, CA 95814

RE: AB 1568 (McCarty). General Plans. Housing Element. Production Report. Withholding of State Grant Funds.

Notice of Opposition

Dear Assembly Member McCarty,

The City of Manhattan Beach respectfully **opposes AB 1568. Under this bill**, a city or county would be restricted from receiving state grant funds if found to violate state housing laws.

CITY TREASURER

Tim Lilligren, C.P.A.
Treasurer

The state regularly provides various grant funds to cities. Last fiscal year, the state provide the City of Manhattan Beach **\$XXX,XXX** in grant funding. Should AB 1568 pass, this bill could potentially the City of Manhattan Beach from applying for any state grant funds if found by the Department of Housing and Community Development (HCD) to have violated the state housing law or if our housing element is out of compliance.

Currently, the City of Manhattan Beach has a certified adopted housing element in compliance until 2021. The City has no indication that we may not be in compliance at this time. However, given the state's housing crisis, housing element laws are rapidly changing. In the future, the City may not be in compliance with mandated Regional Housing Needs Allocation (RHNA) numbers for low and very low income units due to high property costs in the City.

Furthermore, the current statute related to local violations of the state housing law does not include any due process. Therefore, if HCD finds that a jurisdiction is in violation of the state housing law or has a non-compliant housing element, this bill would restrict the jurisdiction from accessing any state grant funds, without an opportunity for due process.

The City of Manhattan Beach is supportive of efforts to help address the housing crisis. Unfortunately, AB 1568 is the wrong approach for California. Any delay

or diversion of state grant funds from our city is only going to hurt the City's ability to fund direct services to our residents.

For these reasons, the City of Manhattan Beach **strongly opposes AB 1568**.

Sincerely,

Steve Napolitano
Mayor
City of Manhattan Beach

cc. Honorable Governor Gavin Newsom
Honorable State Senator Ben Allen
Honorable State Assemblyman Al Muratsuchi
Jeff Kiernan, League of California Cities Regional Public Affairs Manager
League of California Cities, cityletter@cacities.org