



# Economic Development Working Group GATEWAY CITIES COUNCIL OF GOVERNMENTS

Monday, February 16, 2021, 11:30 – 1:00 PM

Zoom Conference

**Register in advance for this webinar:**

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**After registering, you will receive a confirmation email containing information about joining the webinar.**

Phone#: 1 669 900 6833

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## AGENDA

CALL TO ORDER

Gerald Caton, Chair  
Economic Development  
Working Group

ACTION ITEMS

***“The Goal of the Economic Development Working Group is to lower the High Unemployment within the Gateway Cities Region by Encouraging Job Creation Activities”***

1. Welcome to New Economic Development Working Group Member

Mr. Richard Rojas  
Deputy City Manager  
City of Norwalk

2. Discussion of Economic Development Issues Important to Gateway Cities.

3. Discussion of Issues Important to Gateway Chambers Alliance, SELACO WDB, Southern California Edison and Long Beach City College Regarding Job Development, Business Retention and Workforce Education.



4. Review Recent Users of the COG's ZoomProspector Property Search Website and Discussion on how to Increase Site Usage.
5. Discussion of Need for Reintroduction of COG's Housing Incentive Legislation to Assist Cities to Fund Municipal Services to Residents of New Housing Located on Commercially Zoned Properties.
6. Discussion of the University of Southern California's Request for Assistance in Implementing its EPA Grant Funded Program to Assist Small Businesses and Small Manufacturers Find Private Investment Opportunities in the COG Communities of Bell, Bell Gardens, Huntington Park, Hawaiian Gardens, Cudahy, Lynwood and Maywood.
7. Discussion of SB 4 (Senator Lena Gonzalez), The Broadband for All Act, and Interest in Exploring Development of a Broadband Fiber-Optic Master Plan for the Gateway Cities.
8. Member Comments
9. Adjournment

## Sample Letter

February 16, 2021

Senator Bob Archuleta  
California State Senate District 32  
State Capitol, Room 4066  
Sacramento, CA 95814

Subject: Requesting Reintroduction of Legislation to Assist Cities to Fund Municipal Services to Residents of New Housing located on Commercially Zoned Properties

Dear Senator Archuleta:

I want to thank you for introducing SB 1179 during the 2020-21 legislative session and urge you to reintroduce the bill during this legislative session!

A large majority of cities in the 32<sup>nd</sup> Senate District receive less than 10% of the assessed property tax generated in their communities. This has resulted in cities becoming largely dependent on sales tax revenue to provide vital community services. Now legislation is being proposed to allow housing to be built on underperforming non-residential zoned properties by right. If this legislation is approved, 32<sup>nd</sup> Senate District cities will not only lose future sales tax revenue, but additionally will be left without adequate property tax revenue to provide for core services to new residents.

For each new housing unit built, it costs at least \$2,500 per year for municipalities to provide needed services. Therefore, as an example, it will cost a city \$250,000 per year to provide services to a new 100-unit housing development. If the construction cost per unit is \$300,000, a typical 32<sup>nd</sup> Senate District city will receive less than \$30,000 in property tax revenue from the development to offset the \$250,000 municipal expense.

SB 1179 would have established a pilot program in the Gateway Cities to determine the benefit, practicality, and financial impacts of providing financial incentives, in the form of ad valorem property tax revenue, for the development of transit-oriented, mixed-use, and stand-alone residential infill development on sites that are rezoned for residential use. My City was very supportive of your legislation and its intended goal of financially enabling cities to pay for the support services that will allow us to welcome new housing and new residents.

I understand that because of the COVID-19 pandemic, the legislative session was shortened and SB 1179 did not advance. On behalf of my community, I request that you reintroduce this legislation. Thank you for your consideration!

Sincerely,



LENA A. GONZALEZ

SENATOR, 33<sup>RD</sup> SENATE DISTRICT



## SB 4 (Gonzalez) The Broadband for All Act

### SUMMARY

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Senate Bill 4 will secure continuous funding and implement a number of critically needed reforms to the California Advanced Services Fund (CASF) program administered by the California Public Utilities Commission (CPUC). These changes will help close the digital divide and meet the connectivity needs of Californians, both during this unprecedented pandemic and for decades to come.

### EXISTING LAW

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The CASF provides grants to bridge the digital divide in unserved and underserved areas in the state. In 2017, AB 1665 (E. Garcia, Chapter 851, Statutes of 2017) authorized the CPUC to collect up to \$330 million through the 2022 calendar year to fund the CASF through a surcharge on certain phone customers. Out of the CPUC's six public purpose programs, CASF is the only one that does not receive continuous funding.

On August 14, 2020, Governor Newsom signed Executive Order No. 73-20, which directed various state agencies to collaboratively source solutions to address the digital divide and set a goal for deploying high-speed 100 megabits per second (mbps) internet and infrastructure.

### BACKGROUND/PROBLEM

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The COVID-19 Pandemic has exacerbated the deeply entrenched digital-divide, which has left many lower income, Latino, African American, and rural communities without access to high-speed broadband services<sup>1</sup>. Whether it be children doing homework outside of fast food restaurants, or medically-fragile individuals who can't access services through tele-health care, the pandemic has shown a spotlight on the inequality in

access to broadband that has existed in our state for years. The implications of a continued long-term lack of access to telehealth services for at-risk populations, or the loss of critical education time for developing students, are massive and must be addressed.

Even before the COVID-19 Pandemic, over half of all internet traffic was data-rich video, requiring higher-capacity networks,<sup>2</sup> and in 2017, 31% of Californians, 12 million people, had no or insufficient broadband access.<sup>3</sup>

Given current circumstances, the need for fast high-quality internet and future-proof infrastructure has never been more immediate or severe. The existing CASF program has a goal of providing sufficient internet access to 98% of Californians. However, four major problems with the current CASF program prevent the fund from achieving its goal.

- (1) CASF grants can be used for projects that deploy internet at speeds as slow as 10/1 mbps, which are incapable of meeting average household demands.
- (2) Grant funds to build out broadband infrastructure are primarily reserved for areas that have internet at dial-up speeds or lower, leaving out many communities where Californians struggle with slightly faster but still obsolete connectivity.
- (3) Local governments are currently last in the queue to be considered for CASF funds, and many smaller and rural local governments with critical on-the-ground knowledge about their community's needs may not have the technical expertise to successfully obtain CASF grants.
- (4) The CASF program is funded through a small surcharge, which ends in 2022, leaving the CASF with insufficient funding to achieve its stated goals.

1. <https://www.ppic.org/publication/californias-digital-divide/>  
2. Strain, Garrett, Samir Gambhir, and Eli Moore. "AT&T's Digital Divide in California." (2017).  
3. [http://www.internetforallnow.org/2017\\_uc\\_berkeley\\_igs\\_study\\_on\\_california\\_digital\\_divide](http://www.internetforallnow.org/2017_uc_berkeley_igs_study_on_california_digital_divide)

## **SOLUTION**

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SB 4 will update the CASF by making communities eligible for grants based on their true internet need, promoting deployment of high-speed, 100mbps broadband, and making it easier for local governments to apply for grants and finance their own infrastructure.

Additionally, SB 4 recognizes that a long-term commitment is needed to develop future proof infrastructure, and removes the 2022 sunset on the CASF surcharge. SB 4 ensures oversight and transparency by requiring a biennial audit of the program, and caps the surcharge fee at \$0.23/month.

Finally, the bill establishes the Broadband Bond Financing Securitization Account, which will fund the costs related to broadband bond financing and securities, including the deployment of infrastructure by a local government or nonprofit organizations.

These programmatic and funding reforms are critical to bringing the CASF into the 21st century and finally investing in closing the digital divide in California once and for all.

## **SUPPORT**

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Electronic Frontier Foundation (Co-Sponsor)  
Common Sense (Co-Sponsor)  
Access Humboldt  
Access Now  
ACLU of California  
California Center for Rural Policy  
California State Association of Counties (CSAC)  
Canal Alliance  
Central Coast Broadband Consortium  
Coalition for COVID Recovery, Support and Prevention  
Community Clinic Association of Los Angeles  
Computer Science Teacher Association  
Consumer Action  
Consumer Reports  
Contextly  
Council for a Strong America  
County of Marin Board of Supervisors  
County of Monterey Board of Supervisors  
CUE  
Environmental Center for San Diego  
EveryoneOn  
Fight for the Future  
Founder Academy

Georgetown Friends of the Library  
Great School Voices  
The Greenlining Institute  
Indivisible Sacramento  
InnovateEDU  
Institute for Local Self-Reliance  
Khan Academy  
League of California Cities  
Los Angeles County Office of Education  
Louisville Metro Office of Civic Innovation and Technology  
MakeKnowledge  
Mayor, City of Daly City  
Media Alliance  
MediaJustice  
mohuman  
New America's Open Technology Institute  
North Peninsula Democratic Club  
OCHIN – CA. Telehealth Network  
Open Door Community Health Center  
Peninsula Young Democrats  
Public Knowledge  
Reddit, Inc.  
Rural County Representative of California (RCRC)  
San Diego County Office of Education  
TechEquity Collaborative  
Tony Madrigal, Modesto City Councilmember, District 2  
Tucows  
Western Governors University  
Writers Guild of America West

## **CONTACT**

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George Soares, (209) 761-5132  
Senator Lena Gonzalez  
George Soares@sen.ca.gov

## Recent Users of Gateway Cities Council of Government's ZoomProspector Property Search Website

[Four Points Technology](#) 14900 Conference Center Drive Suite 100 Chantilly (VA)

[Motion Picture & Television Fund](#) The Wasserman Campus 23388 Mulholland Drive Woodland Hills (CA)

[KOA Corporation](#) 1100 Corporate Center Drive Suite 201 Monterey Park (CA)

[Dunn-Edwards Corporation](#) 4885 E 52nd Place Los Angeles (CA)

[California Coast Credit Union](#) 9201 Spectrum Center Blvd San Diego (CA)

[Control Air Conditioning Corporation](#) 5200 E. La Palma Ave Anaheim (CA)

[Southern California Edison](#) 2242 Walnut Grove Rosemead (CA)

[City of Lakewood](#) 5050 Clark Avenue Lakewood (CA)

[Honeywell International Inc.](#) 101 Columbia Road Morristown (NJ)

[City of Long Beach](#) 411 W. Ocean Blvd Long Beach (CA)

[The Los Angeles County Metropolitan Transportation Authority](#) 742 N Mission Rd Los Angeles

[California Department of Transportation](#) 1120 N Street Sacramento (CA)

[LINC Housing Corporation](#) 3590 Elm Avenue Long Beach (CA)

[Northrop Grumman Corporation](#) 925 S Oyster Bay Rd Bethpage (NY)

## Recent Users of Gateway Cities Council of Government's ZoomProspector Property Search Website

[The City of Los Angeles](#) 200 N Spring St Los Angeles (CA)

[Troutman Pepper Hamilton Sanders LLP](#) 180 Peachtree St NW Atlanta (GA)

[Inmar, Inc](#) 635 Vine Street Winston-Salem (NC)

[Fairmont Château Laurier](#) 155 Wellington Street West Toronto (ON)

[City of Bellflower](#) 16600 Civic Center Drive Bellflower (CA)

[Lee & Associates](#) 9838 Research Drive Irvine

[HubSpot, Inc](#) 25 First Street 2nd Floor Cambridge (MA)

[University of Southern California](#) 3551 Trousdale Parkway Los Angeles

[Port of Long Beach](#) 415 W. Ocean Blvd Long Beach

[City of Hawaiian Gardens](#) 21815 Pioneer Blvd Hawaiian Gardens

[Heart of Texas Council of Governments](#) 1514 S New Road Waco (TX)

[State Farm Mutual Automobile Insurance Company](#) One State Farm Plaza Bloomington (IL)

[CoStar Group Inc](#) 1331 L Street Washington (DC)

[Conexis](#) 12 Goodyear Suite 115 Irvine (CA)

[Belco Industries](#) 9138 W Belding Rd Belding (MI)