



SPECIAL CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY MEETING AGENDA

**July 18, 2024
6:00 PM**

The Mission of the City of Coalinga is to provide for the preservation of the community character by delivering quality, responsive City services, in an efficient and cost-effective manner, and to develop, encourage, and promote a diversified economic base in order to ensure the future financial stability of the City for its citizens.

Notice is hereby given that the City Council will hold a Special Meeting, on July 18, 2024 in the City Council Chambers, 155 West Durian, Coalinga, CA. Persons with disabilities who may need assistance should contact the City Clerk at least 24 hours prior to this workshop at 935-1533 x113. The Special Meeting will begin at 6:00 p.m. and the agenda will be as follows:

1. CALL TO ORDER

1. Pledge of Allegiance
2. Changes to the Agenda
3. Council's Approval of Agenda

2. AWARDS, PRESENTATIONS, APPOINTMENTS AND PROCLAMATIONS (NONE)

3. CITIZEN COMMENTS

This section of the agenda allows members of the public to address the City Council on any item within the jurisdiction of the Council. Members of the public, when recognized by the Mayor, should come forward to the lectern, identify themselves and use the microphone. Comments are normally limited to three (3) minutes. In accordance with State Open Meeting Laws, no action will be taken by the City Council this evening and all items will be referred to staff for follow up and a report.

Citizen Comments submitted in writing to the City Clerk by 5:00pm on the day of the City Council meeting shall be distributed to the City Council and included in the record, however they will not be read.

4. PUBLIC HEARINGS (NONE)

5. CONSENT CALENDAR

1. Authorize City Manager and City Council Members to Sign Letters of Opposition on behalf of the City Council Opposing AB 3233 (Addis) – Local Authority Oil Production Shut Down and AB 2716 (Bryan) – Low-Producing Wells Shut Down

6. ORDINANCE PRESENTATION, DISCUSSION AND POTENTIAL ACTION ITEMS (NONE)

7. ANNOUNCEMENTS

1. City Manager's Announcements
2. Councilmembers' Announcements/Reports
3. Mayor's Announcements

8. FUTURE AGENDA ITEMS

9. CLOSED SESSION (NONE)

10. CLOSED SESSION REPORT

Closed Session: A "Closed" or "Executive" Session of the City Council, Successor Agency, or Public Finance Authority may be held as required for items as follows: personnel matters; labor negotiations; security matters; providing instructions to real property negotiators; legal counsel regarding pending litigation; and protection of records exempt from public disclosure. Closed session will be held in the Administration Building at 155 W. Durian Avenue and any announcements or discussion will be held at the same location following Closed Session.

11. ADJOURNMENT

STAFF REPORT - CITY COUNCIL/SUCCESSOR AGENCY/PUBLIC FINANCE AUTHORITY

Subject: Authorize City Manager and City Council Members to Sign Letters of Opposition on behalf of the City Council Opposing AB 3233 (Addis) – Local Authority Oil Production Shut Down and AB 2716 (Bryan) – Low-Producing Wells Shut Down

Meeting Date: Thursday, July 18, 2024

From: Marissa Trejo, City Manager

Prepared by: Marissa Trejo, City Manager

I. RECOMMENDATION:

Authorize the City Manager to sign Letters of Opposition on behalf of the City Council opposing AB 3233 (Addis) – Local Authority Oil Production Shut Down and AB 2716 (Bryan) - Low-Producing Wells Shut Down.

II. BACKGROUND:

California is a significant energy consumer. Despite utilizing all locally produced oil, the state still relies on imports via tankers for a staggering 75% of its oil needs, incurring transportation costs ranging from \$5 to \$6 per barrel.* Imported oil not only burdens consumers with higher fuel prices but also undermines our state's environmental commitments by bypassing our rigorous standards, resulting in elevated transport costs and heightened greenhouse gas emissions.

**California Refineries "Cost and Margin Analysis, 2000-2022" by Solomon Associates*

III. DISCUSSION:

AB 3233 (Assemblymember Dawn Addis D - Morro Bay) Local Authority Oil Production Shut Down

Would authorize local governments to limit and prohibit oil production. In 2023, the California Supreme Court held that state law, and in particular Section 3106 of the Public [1] Resources Code (PRC), preempts any contradictory ban on limitation imposed by a local authority on the methods of oil and gas production in its jurisdiction. The bill seeks to circumvent the recent California Supreme Court case law and Section 3106 PRC, and replace the comprehensive, longstanding law a patchwork of local ordinances that may ban or add unfeasible limits to oil and gas exploration, production and abandonment work. This bill has the potential to open local governments to significant legal liability under the takings clause of the U.S. Constitution. If local governments enact an ordinance that prohibits oil production, there are increased projected potential local government costs of \$27 billion. **

AB 2716 (Assemblymember Isaac Bryan D - Los Angeles) Low-Producing Wells Shut Down

Would require the plugging and decommissioning of activity producing wells. The blanket prohibition on operating a low-producing wells comes with a \$10,000 per day fine. As defined by the bill, low-producing

wells account for 45% of California's entire oil production. Even if a well is low-producing, it is still a valuable asset for the mineral rights holders and operators. This bill has the potential to open the state to significant legal liability under the takings clause of the U.S. Constitution. Projected potential state costs: \$3 billion.**

*** Capitol Matrix Consulting, "Takings Estimate for AB 3233" April 22, 2024*

IV. ALTERNATIVES:

Do not authorize the City Manager to sign Letters of Opposition on behalf of the City Council opposing AB 3233 (Addis) - Local Authority Oil Production Shut Down and AB 2716 (Bryan) - Low Producing Wells Shut Down.

V. FISCAL IMPACT:

None.

ATTACHMENTS:

File Name	Description
 AB-309-(Lee)-OUA-Sample-Letter_081723.pdf	Draft Sample Letter of Opposition - AB 309

Please also email a copy to your legislator(s) and cityletters@calcities.org as well as your Regional Public Affairs Manager.

CITY LETTERHEAD

August 21, 2023

The Honorable Anna Caballero
Member, California State Senate
State Capitol
1021 O Street, Suite 7620
Sacramento, CA 95814

RE: **AB 309 (Lee) Social Housing Program**
(as amended 7/13/2023)
Notice of Oppose Unless Amended

Dear Senator Caballero:

The City of Coalinga writes to express our opposition to AB 309 (Lee), unless it is amended to address our concerns. AB 309 would create the Social Housing Program within the Department of General Services (DGS) to facilitate the construction of government-owned housing on leased state property or excess state-owned property. Cities would have no ability to regulate zoning or development standards, including floor area ratios, height limitations, or density requirements.

City of Coalinga strongly supports the intent of AB 309, which is to produce more housing as housing affordability and homelessness are among the most critical issues facing California cities. Affordably priced homes are out of reach for many people and housing is not being built fast enough to meet the current or projected needs of people living in the state. Cities lay the essential groundwork for housing production by planning and zoning new projects in their communities based on extensive public input and engagement, as well as state housing laws. Importantly, cities are currently updating housing plans to identify sites for more than 2.5 million additional housing units.

AB 309 would disregard this state-mandated planning process and specifically empower DGS to make land use and zoning decisions on state excess property. If DGS can approve housing, why should cities go through the multiyear planning process to identify sites suitable for new housing units if the state can ignore those plans and build housing on sites never considered for new housing?

While AB 309 currently limits DGS authority to three housing projects on declared excess state property suitable for housing, the measure broadly establishes the Social Housing Program within DGS and could be easily expanded to include all state-owned lands.

Bypassing California's longstanding housing planning laws and local rules is not a way

out of the housing crisis. That's why Cal Cities continues to call on the Governor and lawmakers to annually invest \$3 billion to help cities prevent and reduce homelessness and spur affordable housing development. Targeted, ongoing funding is the only way cities can find community-based solutions that produce housing at all income levels.

For these reasons, City of Coalinga respectfully opposes AB 309 unless it is amended to address our concerns.

Sincerely,

Marissa Trejo
City Manager
City of Coalinga

Cc: Raj Rakkar, Cal Cities Regional Public Affairs Manager (rrakkar@calcities.org)
League of California Cities (cityletters@calcities.org)