

FOCUS

Analysis, Commentary and Updates on Legislative and Policy Issues that Affect California Cities

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BUSH BUDGET PROPOSAL CUTS CDBG BY 25 PERCENT

The Bush administration released a \$2.77 trillion FY 2007 budget proposal last week that would increase overall spending by 2.25 percent above last year's budget. Non-defense discretionary spending, however, was cut by \$2.2 billion from current levels, touching programs that are important to cities. *For more, see Page 2.*

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Caltrans Director Will Kempton addresses with League Infrastructure Task Force.

LEAGUE INFRASTRUCTURE TASK FORCE CONSIDERS STATE PROPOSALS

The League's Infrastructure Task Force met on February 7 to review the various infrastructure bond proposals put forward by Gov. Arnold Schwarzenegger, Senate pro Tem Don Perata, Assembly Speaker Fabian Nunez and other legislators. *For more, see Page 3.*

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SUNSHINE WEEK SPOTLIGHTS IMPORTANCE OF OPEN GOVERNMENT

A newspaper or TV station in your town may be taking part in "Sunshine Week," a week of recognizing the importance of preserving open government, on March 12-18. *For more, see Page 2.*

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WANT MORE DETAILS ON BILLS?

Visit the League of California Cities website at www.cacities.org/billsearch.

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A key concern for cities is the **Community Development Block Grant (CDBG)** program. The budget proposes that this program would remain at the Department of Housing and Urban Development (HUD) – something that the League of California Cities and its members, along with cities throughout the nation, fought successfully to retain last year. The budget proposal, however, reduces the CDBG program to \$3.03 billion — 25 percent lower than its current funding level of \$4.18 billion.

In Washington, D.C., the National League of Cities (NLC) joined with a coalition of organizations representing local elected officials, cities and counties, and housing and community development organizations, in calling on Congress to reverse the CDBG cuts. If approved, the \$1 billion cut for formula grants for cities and states would represent the lowest level of funding for this program since 1990.

NLC and the national coalition also expressed concern that the 25 percent reduction in CDBG funding will pose serious threats to cities' ability to provide important services and economic recovery for their citizens. (For more information on NLC's reaction to the federal budget, and the coalition of other national organizations working with NLC, please visit www.nlc.org.) To view a list of budget proposals for key federal programs of interest to city, visit the League's Federal Issues page at www.cacities.org/fedpriorities.

Why CDBG Matters

CDBG is an important tool used by local and state officials as they tackle their most serious community development challenges. It provides funding for public works and infrastructure, decent affordable housing, public services and economic development. Many of these activities are carried out at the local level by private companies, such as construction contractors, plumbers and electricians, as well as by non-profit community-based providers.

Because of its flexibility and use in a variety of projects, local and state governments and devel-

opment officials have come to rely on the program as the cornerstone of any new community revitalization effort. **Every dollar of the CDBG program invested in communities is leveraged by three dollars in private funding**, bringing much-needed investment, jobs, and the chance for a fresh start to blighted communities.

Last year, a national coalition that included thousands of cities, counties and other local organizations, successfully convinced Congress to reject the Bush administration's proposal to eliminate the CDBG program in the FY 2006 federal budget. Members of Congress were impressed with the number and scope of projects made possible by the CDBG program in urban and rural communities. Just a few months ago, the Bush administration and Congress recognized once again the effectiveness of the CDBG program and delivered \$11.5 billion in targeted CDBG funding to the Gulf Coast for reconstruction activities after the 2005 hurricane season.

The League of California Cities board of directors will meet February 10-11 to consider this issue and others when it adopts federal priorities for the League in 2007.

..... SUNSHINE from page 1

In its second year, this national event features participating daily and weekly newspapers, magazines, online sites, and radio and television broadcasters running editorials, op-ed columns, and other content focused on driving public discussion about why open government is important to everyone, not just journalists.

Last year, 50 news organizations in California participated in the event. This year, Hodding Carter III, an award-winning print and broadcast journalist, former State Department spokesman, and past president of the John S. and James L. Knight Foundation, has joined the Sunshine Week national open government initiative as honorary chairman.

For more details on Sunshine Week, visit www.sunshineweek.org.

LEAGUE INFRASTRUCTURE TASK FORCE CONSIDERS STATE PROPOSALS

The group was appointed last month by League President Alex Padilla, a member of the Los Angeles City Council. The task force of city officials was drawn from the leadership and membership of four different League policy committees and the executive committee of the League. Chaired by League First Vice President Maria Alegria, mayor of Pinole, the group's mission is to review the infrastructure proposals that have been introduced and formulate preliminary League positions for consideration by the League board of directors at its February meeting.

At the February 7 meeting, the task force reviewed the proposals and underlying issues in the full range of infrastructure proposals put forward by Gov. Schwarzenegger and state legislators. Caltrans Director Will Kempton was on hand for a portion of the meeting to present the governor's proposals relating to transportation infrastructure and answer questions.

Recommendations Sent to League Board of Directors

The task force developed a number of recommendations that will be presented to the League board, including general principles to guide future League decisions about proposals.

These recommended principles relate to the importance of developing a long-term capital investment plan and budget; protecting existing infrastructure revenues, such as Prop. 42 transportation funds; investing so as to maximize existing infrastructure; using state investments to leverage investments by private parties and others in state-local priorities; state support for expanding the authority of local agencies to raise funds needed to meet local needs, or to fund urban infrastructure needs; and selecting projects based on their merits – not on legislative “earmarks.”

**For more information on this and
other League issues, visit
www.cacities.org.**