

FOCUS

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

June 17, 2005
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JUNE 23-24, LEAGUE
POLICY COMMITTEE
MEETINGS, ONTARIO.

SENATE AND ASSEMBLY FAIL TO PASS BUDGET

On Wednesday, June 15 — the constitutional deadline for the Legislature to pass a budget — the budget bill (SB 77) failed passage in both the Assembly and the Senate on partisan votes. *For more, see Page 2.*

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SB 435 AMENDED TO ADDRESS LOCAL GOVERNMENT CONCERNS CITY OFFICIALS URGED TO CONTINUE TO MONITOR THE BILL

Thanks in great part to the leadership of Assembly Housing and Community Development Committee Chairman Gene Mullin, on Wednesday, June 15, the committee adopted amendments to Senate Bill (SB) 435 (Hollingsworth) that now essentially make the bill a technical cleanup measure to SB 1818. *For more, see Page 5.*

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BEVERLY O'NEILL SWORN IN AS PRESIDENT OF THE U.S. CONFERENCE OF MAYORS

On Tuesday, June 14, the Mayor of Long Beach, Beverly O'Neill, was sworn in as the 63rd President of the United States Conference of Mayors at the organization's 73rd Annual Conference in Chicago. *For more, see Page 4.*

WANT MORE DETAILS
ON BILLS?

Visit the League of
California Cities
website at
[www.cacities.org/
billsearch](http://www.cacities.org/billsearch).

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BUDGET UPDATE from page 1

Democrats portrayed SB 77 as “the governor’s budget” suggesting that it is only 2 percent different than his May revision proposal. Republicans countered by suggesting that the increased spending above the May revise has just added more to the state’s ongoing operating deficit.

Republican Assembly members also expressed concerns about the budget conference committee’s decision to eliminate the early repayment of one-half of the VLF gap loan to local governments. They talked about the impact the action would have on front line public safety, how it adds to the operating budget next year, and how it “turns our back” on local governments. Instead of the early repayment of close to \$600 million, the conference committee set-aside \$25 million that could be used to help out cities and counties who have a “hardship” without the early repayment of the VLF gap loan, as well as cities and special districts experiencing “hardship” due to the lack of booking fee subventions. The Department of Finance is charged with determining what “hardship” means and who qualifies. That process has not yet begun - we will inform members when details become available.

Following the budget vote, Assembly members discussed AB 6 - a bill that would raise the tax rates on upper income taxpayers and which, Democrats hoped, would help fund education into the future (although it is currently written to benefit the state general fund).

The Assembly remains on the call of the chair through the weekend with their next session scheduled for noon Monday. The Senate will be ready to meet upon the call of the chair on Monday.

Other items contained in the currently proposed budget include:

- **Proposition 42.** Full funding of Proposition 42 (transportation) in the 2005-06 fiscal year, including \$254 million for local streets and roads.
- **ERAF shift.** \$1.3 billion ERAF shift from cities, counties, special districts and redevelopment associations to the state as agreed to in the Proposition 1A agreement.
- **Police Officer’s Bill of Rights (POBAR) mandate.** Removes recommended funding of the Police Officer’s Bill of Rights mandate and refers the mandate back to the Commission on State

Mandates for reconsideration.

- **Open Meetings Act mandate.** Makes changes to elements of the law to allow any statutes of law that are defined as necessary to “implement” a voter-approved proposition to be exempt from state reimbursement as a mandate, and subsequently makes changes to the procedures under the Open Meetings Act that are currently a reimbursable mandate that define them as necessary to implement Proposition 59 as passed by the voters last November. The state indicates that this removes future obligations of the state to reimburse locals for these procedures (language and full details on mandate actions is not yet available. We will provide updates to members on these items in the future).

- **Mandates.** Fully fund many reimbursable mandates for 04-05 claims (exact list is not yet available). Provides 05-06 funding for some mandates and based funding on estimated claims less 25 percent to account for an increase in audits and subsequent savings. Defers funding on other reimbursable mandates. The full list of mandates and funding levels are available on the League’s website.

THE LEAGUE’S POSITION

The League appreciates and supports the Legislature’s commitment to fully fund Prop. 42, providing sorely needed help for locals for street and road maintenance.

While the League supports the Budget Conference Committee’s recommendation to allocate \$25 million for VLF and booking fee hardship cases, we oppose the committee’s elimination of the early repayment of half of the 2003 VLF gap loan. These funds would help pay for much-needed services in cities that are still recovering from the recent economic downturn - and which in both the current fiscal year and next year will contribute a portion of the \$350 million (\$700 million total) that all California cities will contribute to help the state resolve its budget problems.

The state is obligated by statute to repay the full \$1.1 billion amount of the VLF gap loan in August 2006. The League will continue to work for this repayment.

Legislative Bill Action

The following are summaries of just a few of the legislative bills that are currently being acted upon by the League of California Cities. For more information about these and other bills, please visit the League website to access information about legislation, policy issues and related developments. You can track information on bills (www.cacities.org/billsearch), locate legislators and legislative committees, send letters to legislators or the media through the online Advocacy Center (www.cacities.org/advocacycenter), research League policy positions, access useful related links, and much more.

TRANSPORTATION

AB 453 (Benoit). Grade Separation Projects. AB 453 increases, from one year to two years, the time period in which a local agency must promise to begin a grade separation project (to separate a roadway from a railroad crossing), and complete related pre-construction activities, before it can receive a grade separation project allocation from the California Transportation Commission (CTC).

Grade separations can vastly improve safety at a particular intersection, but are generally reserved for particularly dangerous areas because of high expenses. Each grade separation project can cost at least \$20 million and take years to complete. Extending the period for local agencies to begin a project to a two-year window will require an agency to make a diligent effort to expedite the project while eliminating the necessity to repeatedly burden the Department of Finance with time waiver requests. AB 453 allows local agencies more time to satisfy the requirements related to the use of state-allocated grade separation project assistance. **Staff: Liisa Lawson Stark, Status: SenTrans&Hou, Hrg. June 21, Position: Support.**

ENVIRONMENTAL

SB 668 (Kuehl). Surface Mining and Reclamation Act. Cities that are lead agencies under the Surface Mining and Reclamation Act

(SMARA) should review SB 668 carefully. The bill makes a number of minor and moderate changes to SMARA, including changes that would impact lead agencies. Although most SMARA lead agencies are counties, about 20 cities are approved as SMARA lead agencies. Interested cities should send their comments to the author and the League's Sacramento office. **Staff: Yvonne Hunter; Status: AsNatRes, Hrg. June 27; Position: Watch.**

WANT TO SEND A LETTER IN SUPPORT OF A LEAGUE POSITION? HERE'S WHO TO CALL:

ASSEMBLY NATURAL RESOURCES (10)—Hancock (Chair), La Malfa (Vice Chair), Gordon, Harman, Keene, Koretz, Laird, Nava, Saldaña., and Wolk. 1020 N Street, Room 164. Phone: (916) 319-2092.

SENATE TRANSPORTATION AND HOUSING (14)—Torlakson (Chair), McClintock (Vice-Chair), Ashburn, Cedillo, Ducheny, Kehoe, Lowenthal, Machado, Maldonado, Margett, Murray, Runner, Simitian, and Soto. Staff Director: Steven Schnaidt. Principal Consultant: Randall Henry. Consultant: Mark Stivers. Assistant Tracey Hurd-Parker. Phone: (916) 445-3182. Room 2209.

O'NEILL from page 1.....

During O'Neill's inaugural address, she stressed the importance of focusing on preserving Community Development Block Grant (CDBG) funding, gang violence, homeland security, transportation and infrastructure investment, jobs and education, housing, tax reform, military and international affairs, and metro economics.



Beverly O'Neill, newly-elected president of the U.S. Conference of Mayors, delivers her inaugural address on June 14, in Chicago.

"Metro economics are essential to the prosperity and continued health of our nation," said O'Neill. "It is a story we must continue to tell."

League of California Cities' Executive Director Chris McKenzie, who was in attendance at the conference, spoke highly of Mayor O'Neill, and the professionalism she brings to the table.

"Mayor O'Neill has earned the respect of municipal officials across the country, and her election as President of the U.S. Conference of Mayors demonstrates the high esteem in which she is held," he said. "She will do an outstanding job of leading the mayors of the nation as they work to protect the Community Development Block Grant program (CDBG), advance Homeland Security at the local level, and partner with other associations such as the National League of Cities to advance the municipal agenda."

Mayor O'Neill is the only three-term, citywide elected mayor in Long Beach. First elected in

1994, she was re-elected in 1998 with almost 80 percent of the vote, and then re-elected for a third term in 2002 as a write-in candidate – the nation's only large city mayor to have ever accomplished such a feat.

In addition to O'Neill's current duties in the city of Long Beach, she is also a member of the League of California Cities' board of directors, and served as its president during 2001-2002.

"Mayor O'Neill did an outstanding job leading the League during her year as president, and she will bring the same vision and enthusiasm to her duties as president of the U.S. Conference of Mayors," McKenzie added.

2005 ANNUAL CONFERENCE: OCTOBER 6-8, MOSCONE CONVENTION CENTER WEST, SAN FRANCISCO

Plan now to attend the 2005 Annual Conference this fall - the first time it has been in San Francisco since 1997. Suggestions for topics to include on the agenda are welcome by February 28; send them to education@cacities.org.

The conference announcement will be out by early June, and the League's reduced rate housing block at six nearby hotels will open June 1 on the League website (Reservations made before then will not be in the block or get the discounted room rate).

SB 435 from page 1

SB 435 proposed to further amend changes to the state's housing density law that were enacted by SB 1818, passed in the prior legislative session and in effect only since January 2005. The League, the American Planning Association (APA) and the California State Association of Counties (CSAC) had strongly opposed SB 1818, which required communities to provide up to three concessions and 35 percent density bonuses to developers, while reducing the amount of affordable housing that a developer was required to provide under prior law.

Implementation of SB 1818 has been difficult and confusing: city planners and attorneys have been uncertain as to how to implement its provisions in concert with other state laws and local requirements.

This year the League, APA and CSAC opposed SB 435, based on concerns that the measure would undermine inclusionary housing ordinances, allow unlimited variances from local development standards, and provide unneeded extra concessions to applicants who choose not to use the full density bonus. We were also concerned that SB 435 simply would amend SB 1818 too quickly, before cities had had an opportunity to determine the effects of the prior year measure.

Close Monitoring of SB 435 Still Important

While the amendments taken in committee this week have allowed the League to adopt a neutral position, city officials should be aware that supporters of the measure — the California Association of Realtors (CAR) and the California Rural Legal Assistance Foundation (CRLAF) — have indicated their intent to continue to press for removal of the requirement that the developer demonstrate that the development standard from which it is requesting a waiver is necessary to make the project economically feasible. Earlier alternatives to that provision from the proponents placed that obligation on the city or county.

Therefore, the League will continue to closely watch the bill as the legislative session progresses, and city officials are urged to also monitor the bill carefully.

Remember to Say “Thank You”!

City officials should be sure to thank Assemblymember Mullin for his efforts on this hard-fought bill.

In addition, city officials should thank Assembly Housing and Community Development Committee members Salinas, Hancock, Torrico, Baca, LaSeur, and Garcia for helping get the proposed amendments into the bill. The League also thanks cities for their efforts to educate legislators about the League's concerns over SB 435.

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**REGISTER NOW!
MAYORS AND COUNCIL MEMBERS
ACADEMY ADVANCED
LEADERSHIP WORKSHOPS**

Five advanced leadership workshops are being offered in Monterey next month, following the Mayors and Council Members Academy Executive Forum. Each workshop will last five to six hours spread over Friday afternoon and Saturday morning, July 29-30.

The workshops will cover topics essential for elected officials to understand. They include development and redevelopment; homeland security, effective governance processes, building collaborative processes to help govern your city, and a skill-building workshop on becoming a more effective presider at meetings.

These are important issues that elected officials face. Take this opportunity to enhance your leadership skills by registering for one or more of these workshops. For registration information, please visit www.cacities.org/events.