

PRIORITY FOCUS



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TORLAKSON HONORED AS "LEGISLATOR OF THE YEAR"

Sen. Tom Torlakson was honored with the League of California Cities' "Legislator of the Year" award for 2006. The award was given at a special dinner following the League's Legislative Reception on Wednesday, January 10, at Frank Fat's in Sacramento. *For more, see Page 6.*



SCAG REGIONAL HOUSING NEEDS ALLOCATION BILL ON FAST TRACK

The Southern California Association of Governments (SCAG) is getting ready to assign the fair share housing numbers to the region's cities and counties. This year, however, SCAG is seeking a couple of changes to the process in order to help fund the Regional Housing Needs Allocation (RHNA), which receives no direct support from the state.

For more, see Page 7.



LAO RELEASES ANALYSES ON BUDGET, BONDS

The Legislative Analyst's Office (LAO) has been busy this month, releasing a preliminary analysis of Gov. Schwarzenegger's proposed budget, and a report on the implementation of the 2006 bond package.

For more, see Page 5.

**WANT MORE DETAILS
ON BILLS?**

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

FEDERAL UPDATE: HOUSE DEMOCRATS COMPLETE “100-HOUR” LEGISLATIVE AGENDA

House Democrats completed the last bill of their first “100-Hour” legislative agenda on January 18. The House finished work on the seven-measure campaign in about 42 hours of floor time.

Of all of the bills passed by the House during the “100-Hour” campaign, H.R. 1, which embodies elements of the 9/11 Commissions recommendations, would likely impose the greatest impact on California cities if it were signed into law. Other topics included legislation to reform the lobbying and earmark process, increase the federal minimum wage, expand stem cell research, permit the federal government to negotiate lower prescription drug costs, cut interest rates on student loans, and invest in renewable energy.

The bill includes provisions which would allocate homeland security grant funding based on risk of terrorist attack, and reduce the small state minimum (SSM) guarantee from the current 0.75 percent of total funding to 0.25 percent, except for a guarantee of 0.45 percent for any border state. This change would increase California’s percentage share of total funding.

While potentially good news for California cities, H.R. 1 must still receive Senate consideration. It will be difficult to secure sufficient support for reducing the SSM due to strong opposition from senators representing small population states, which greatly outnumber big population states such as California, Texas, New York, and Florida.

H.R. 1 also would establish a new interoperable communications grant program where monies, as necessary, would be authorized in the first fiscal year after the completion of a national emergency communications plan. The Department of Homeland Security also first must determine that substantial progress has been made toward development and circulation of emergency communications equipment and technology standards.

So far, the Senate hasn’t been as productive as the House, passing only lobbying and earmark reform legislation, and is currently debating a federal minimum wage increase/tax package.

Many of the other bills of the House “100-Hour” campaign must still navigate the more slowly operating and narrowly divided Senate.

Following that activity, both houses will briefly return to other legislative work and prepare to accept and respond to the president’s FY 2008 budget proposal. The president will offer the budget for the coming fiscal year on February 5.



PUBLIC WORKS OFFICERS INSTITUTE SET FOR MARCH

The Public Works Officers Institute, co-sponsored by the League of California Cities and the County Engineers Association of California, is set for March 14-16 at the Hyatt Regency hotel in Monterey.

This year the program will feature an update on the future of transportation in California, telecommunications changes, a CalPERS update, and much more! Hotel rooms are almost sold out, so be sure to register soon. The conference and hotel registration deadline is Wednesday, February 21.

To register, visit www.cacities.org/events. Those registering online will receive a \$20 CityBooks coupon. Questions about this event should be directed to Paul Flint at (916) 658-8238 or via e-mail at flint@cacities.org.

NATIONAL LEAGUE OF CITIES ADOPTS 2007 ADVOCACY AGENDA

In mid-January, the National League of Cities (NLC) adopted its 2007 lobbying priorities for the 110th Congress. The priorities include telecommunications reform, immigration, and efforts to secure continued federal funding to support local initiatives including housing, transportation, and public safety. These priorities will be the basis for the program planning for NLC's 2007 Annual Congressional City Conference in Washington, D.C., on March 10-14.

NLC's goals are summarized below:

Telecommunications

- Protecting local authority in any reform of the Telecommunications Act, in Congress or by the Federal Communications Commission, stressing the need to provide access to all services for all constituents while protecting the public rights of way, as well as insuring that new technologies such as providing telephone service over the Internet provides adequate linkages to 911 and protects the public's safety.

Immigration

- Ensuring that comprehensive immigration reform takes into account the impact on cities and towns and includes the local government perspective.

Federal Funding to Support Local Initiatives

- Ensuring that sufficient funding is included in any appropriations measures involving federal support for local activities such as the Community Development Block Grant program and other housing programs, crime programs, and transportation funding.
- Targeting federal attention on critical local housing issues, including predatory lending, foreclosure prevention, and the country's mortgage finance system.

Additionally, NLC officials recognized that there are other state and federal issues that require attention. These include:

- Developing a more holistic approach to addressing public safety issues, including federal, state and local strategies to address the current surge in violent crime.

- Participating as an equal partner in developing strategies for the next generation of transportation funding to ensure they meet the multiple demands of congestion, rehabilitation and multi-modal systems facing municipalities.

- Identifying and sharing promising practices to promote sustainable resources and energy efficiency, while seeking a responsible federal energy policy.

Similarly, every year the League of California Cities adopts its own set of federal priorities. For a copy of the federal priorities adopted in November by the League board of directors, please visit the League's Legislative Resources web page at www.cacities.org/legresources.

For more information, please contact League Legislative Analyst Genevieve Morelos at gmorelos@cacities.org.

FIND A BILL, LEGISLATORS, LEG COMMITTEE – OR ASK LEAGUE LEG STAFF

Visit (and bookmark!) the League's [Legislative Resources](http://www.cacities.org/legresources) page (www.cacities.org/legresources). You'll find a roster and contact information for the League's legislative staff; the online Bill Search program, background materials on lobbying your legislators, and more.

LEAGUE FORMS COASTAL CITIES ISSUES GROUP

First Meeting Scheduled for Early March

The League of California Cities' Coastal Cities Issue Group (CCIG) will hold its first official meeting in El Segundo on March 9. The League's board of directors approved the formation of CCIG in November 2006 to better address coastal issues of interest and to improve communication with the Coastal Commission.

The primary purpose of the initial meeting is to establish future goals and a work plan for the group. Fort Bragg Council Member Jere Melo will serve as the group's chair, having been appointed by League President Maria Alegria. Larry Clark, council member, Rancho Palos Verdes and Mike Jenkins, city attorney, Hermosa Beach, will serve as co-vice chairs.

A "save the date" notice was sent to all coastal cities. Additional background information will be available in mid-February. In the meantime, all coastal cities are encouraged to send at least one representative to the March 9 meeting in El Segundo, a coastal city near the Los Angeles airport.

LEAGUE INFRASTRUCTURE TASK FORCE REVIEWS POLICY RECOMMENDATIONS FOR 2007

The League of California Cities Infrastructure Task Force held its first meeting of the year on Thursday, January 25. The group reviewed and formulated a set of infrastructure policy recommendations to guide League advocacy on implementation of the November 2006 bond package.

The Task Force reviewed the League's Principles on Infrastructure Investment developed last year as well as the League's Smart Growth Principles. The group also received input from League policy committees, which met in early January and held discussions on infrastructure bond allocation issues.

For a complete breakdown of the infrastructure bond funding allocation, please visit www.cacities.org/infrastructure. The task force will present the guidelines and recommendations to the board of directors at the board's meeting in Oakland on February 9-10.

The task force is chaired by League First Vice President and San Diego Council Member Jim Madaffer. Sacramento Mayor Heather Fargo, the League's second vice president, serves as vice chair. A complete roster of the task force can be found at www.cacities.org/infrastructure.

DECKER APPOINTED EXECUTIVE DIRECTOR OF THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

Earlier this week, California State Treasurer Bill Lockyer announced his appointment of John Decker as Executive Director of the California Debt and Investment Advisory Commission (CDIAC).

Lockyer spoke highly of Decker's experience working in the California Legislature, citing his work in crafting state budgets and addressing public policy issues as key factors why he was appointed to the position.

Decker recently served as consultant to the State Senate Appropriations Committee. His prior experience includes serving as a consultant in the State Senate Office of Research, staff director for the State Senate Budget Committee and chief fiscal advisor to the State Assembly Speaker's Office.

CDIAC provides information, education and technical assistance on public debt, investments and economic development financing tools to local public agencies and public finance professionals. CDIAC serves as the state's clearinghouse for debt issuance information and compiles data from all city, county and state government debt issuers in California. The data collected is available to public agencies. CDIAC also organizes educational seminars on public finance matters and the debt issuance process.

LEAGUE CONTINUES SURVEY ON RETIREE HEALTH BENEFITS

In November 2006, the League mailed a survey to cities asking for certain information on Other Post Employment Benefits (OPEBs). The goal of the survey was to get an assessment of the costs of public retiree health care coverage among cities. After receiving only 135 responses from 478 cities, the League chose to continue the collection period so that a more complete assessment can be made.

The Governmental Accounting Standards Board (GASB) is requiring this information be gathered and publicly disclosed to record the financial position of cities across the nation. Gov. Schwarzenegger has established a Commission on Post Employment Benefits, which will be looking at pension costs, retiree health care costs and other health care system issues.

The information we are requesting from your city is necessary to properly represent city interests with the commission, as well as the legislature and Governor's office.

The League's retiree health benefit survey is available online and can be completed by visiting www.cacities.org/rhbsurvey. Please forward the survey link to your city's budget manager, auditor, and benefits administrator or the staff most suited to complete it.

If you have any questions or would like a copy of the survey in PDF format, please contact Mary Creasey at (916) 658-8243 or by e-mail at mcreasey@cacities.org. **We request that you return the completed Retiree Health Benefits Survey by Friday, February 16!**

LAO from page 1

In its analysis, the LAO reported that the Governor's proposed budget includes only a few program expansions and instead proposes a number of budget-balancing actions. Those actions include a major redirection of transportation funds and significant reductions in social services. If the assumptions in the proposed budget were to occur, the LAO believes that the Governor's proposal would be balanced and provide a healthy reserve of the 2007-08 year.

Although that is good news for California's fiscal stability, the LAO also feels that several assumptions in the Governor's budget are either overly optimistic or risky, which could ultimately impact the reserve.

A complete analysis of the Governor's proposed budget will be released in February. LAO's preliminary budget proposal analysis can be accessed online at www.lao.ca.gov.

LAO Reviews Bond Package. On January 22, the LAO released a report entitled "Implementing the 2006 Bond Package: Increasing Effectiveness Through Legislative Oversight." In the report, the LAO noted that with more than \$18 billion allocated to new programs, effective legislative oversight is critical to the success of the programs.

The report offers recommendations to assist the Legislature in implementation of the November 2006 bond package. The report is available online at www.lao.ca.gov.

Our Mission

Restore and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.



League President Maria Alegria presents the "Legislator of the Year" award to Sen. Torlakson.

Torlakson, a former council member from Antioch and Contra Costa County supervisor, has been instrumental in authoring legislation to protect local revenues from state raids. In 2006, Torlakson authored SCA 7 to constitutionally protect Prop. 42 funds, the sales tax on gasoline, for use on transportation projects. This measure was on the November 2006 ballot as Prop. 1A, which passed by 77 percent, and will generate more than \$600 million annually for maintaining local streets and roads.

The dinner was attended by the League's executive officers and hosted by the League Partners program. In addition to the League officers, the event was also attended by Lynn Jacobs, director of the California Department of Housing and Community Development; Sen. Gloria Negrete McLeod, chair of the Senate Local Government Committee; and Assemblymember Anna Caballero, chair of the Assembly Local Government Committee.

Torlakson was a co-recipient of the 2006 League Legislator of the Year award. Sen. Bob Dutton was also honored, having received his award at the League's annual conference in San Diego last September. Dutton was a principal leader on the infrastructure deal in 2006 and went to great lengths to ensure that Prop. 1B, the transportation bond, included \$1 billion each for cities and counties.

Núñez Receives Award at League Legislative Reception

Earlier that evening, at the League's Legislative Reception at the Senator Hotel, Assembly Speaker Fabian Núñez was honored for his work on the infrastructure bond package in 2006. Núñez was presented with a ceremonial shovel to commemorate his efforts by League President Maria Alegria.



League President Maria Alegria awards Assembly Speaker Fabian Núñez with a commemorative shovel for his work on infrastructure.

Núñez joins fellow infrastructure shovel recipients Gov. Arnold Schwarzenegger, Senate President Pro Tem Don Perata, Sen. Dick Ackerman, Sen. Bob Dutton, Sen. Alan Lowenthal, Sen. Tom Torlakson and Assemblymember George Plescia. Núñez was not able to attend the League's Legislative Action Days in May 2006 when the shovels were presented.

To view a photo gallery of the League's Legislative Reception, visit www.cacities.org/leggallery.

SCAG from page 1

SCAG is aligning its housing allocation process with the growth allocation process under its regional transportation plan (RTP). The legislation SCAG is sponsoring (SB 12 – Lowenthal) seeks authorization to do this and also requests some procedural changes to assure that local agencies have enough time to bring their housing elements into compliance before the legislative deadline. Given the timeline involved, Sen. Lowenthal has introduced it as an urgency bill that will take effect before the legislative year ends.

SB 12 is specific to the region, the League's goal in analyzing this bill was to acknowledge the realities faced by SCAG in a way that did not undermine the multi-stakeholder agreement made three years ago by the Housing Element Working Group. That agreement resulted in amendments to the housing element process introduced by Assemblymember Gene Mullin (AB 2348) and then Assemblymember (now Senator) Alan Lowenthal (AB 2158).

From the statewide perspective, SB 12 does not undermine the housing element process. It makes the following changes to the RHNA allocation process:

- Aligns the RHNA process with the regional transportation plan to integrate housing planning with transportation planning
- Allows SCAG to replace the RHNA survey requirement with a series of 14 public workshops (which SCAG has already completed) to solicit local input
- Clarifies that a city or county may only file one appeal
- Requires SCAG to provide a written explanation to each city and county as to the reasoning behind providing the city or county its housing numbers

Many local officials in the SCAG area are uncomfortable with the fact that SCAG's allocations may reinforce the Compass Blueprint (www.compassblueprint.org), which has been a voluntary program to focus the region's growth in

strategic areas. The concern is that distributing the housing allocation in a way that is consistent with the Blueprint will morph a voluntary program into a region-wide mandate.

While not taking away from the important policy considerations raised by that concern, SB 12 does not address that issue. Accordingly, the League continues to watch this bill and, given the bill's regional scope, is not likely to take a position. The League encourages individual officials within the SCAG region to look closely at this bill to understand the changes and how it might affect the RHNA process within the region.

2006 CITY HALL DIRECTORY

Don't miss this opportunity to get the League's most useful reference tool. This comprehensive California directory provides important contact information for mayors, council members and city department heads. The directory also features the League's staff directory, League partners, affiliate organizations and a wide variety of advertisers.

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