

PRIORITY FOCUS



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LEAGUE HONORS GOVERNOR WITH "SUSTAINABLE COMMUNITY LEADERSHIP AWARD" **Award Recognizes Commitment to the Long-Term Vitality of Cities**

On Wednesday, May 21, the League of California Cities presented Gov. Arnold Schwarzenegger with its inaugural Sustainable Community Leadership Award. This award was created to honor California leaders who advance a broad vision and agenda of community sustainability for California and its cities. *For more, see Page 2.*



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BUDGET ACTION DAY DRAWS CITY OFFICIALS FROM AROUND STATE **LAO's Alternative Budget Proposal Presents Several Wild Cards for Cities**

More than 70 city officials descended on Sacramento on Wednesday, May 21 to lobby legislators as part of the League's first Budget Action Day. *For more, see Page 2.*

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NEARLY EVERY CALIFORNIA NEWSPAPER OPPOSES PROP. 98

Leading organizations and nearly every California newspaper have come out against Proposition 98, the deceptive initiative on the June 3 ballot. As of the printing of this issue of *Priority Focus*, more than 50 newspaper editorial boards have urged readers to vote NO on Prop. 98. The proposition exposes local land use decisions to endless litigation, eliminates renter protections and rent control, guts environmental protections and jeopardizes the state's ability to rebuild aging infrastructure. *For more, see Page 4.*

'Sustainable Community Award' Continued from Page 1...

In presenting the Sustainable Community Leadership Award, League President and San Diego City Council President Pro-Tem Jim Madaffer remarked that the Governor has a unique appreciation for the role of cities and their importance to California's quality of life.

"The Governor not only cares about global warming, renewable resources and air quality, but he understands the broader concept of 'sustainability,' and how it is connected to the practical challenges of making our communities work," said President Madaffer. "For cities, this means working to have cleaner water and reduced green house gas emissions, but it also means having balanced budgets, the ability to keep police officers on the street, attractive parks and well-maintained infrastructure."



(From left to right) Harry Armstrong, Ken Cooley, Jim Madaffer, Gov. Arnold Schwarzenegger, Judy Mitchell, Robert Jehn, Pat Eklund and League Executive Director Chris McKenzie.

Gov. Schwarzenegger expressed appreciation for both the meaning behind the award and its construction. The award is engraved on an actual section of a solar panel with a "live" wire in the back that can generate electricity if attached to a device. The specially-designed logo features a globe surrounded by a cityscape.

With this award, the League hoped to capture the spirit of the Governor's belief in the future of California as a leader in renewable energy development, clean technology and green communities. Madaffer commented how "Gov. Schwarzenegger's commitment to

excellence in rebuilding our infrastructure and leadership in environmental quality has established a positive roadmap for California's future."

President Madaffer was joined by several other members of the League's executive committee and board of directors: Harry Armstrong, mayor pro-tem, Clovis; Judy Mitchell, council member, Rolling Hills Estates and League second vice-president; Pat Eklund, mayor, Novato and League immediate past president; Ken Cooley, council member, Rancho Cordova; and Robert Jehn, mayor, Cloverdale.

The board members all thanked the Governor for his ongoing commitment to local government through his support for Propositions 1A and 42.

'Budget Action Day' Continued from Page 1...

Because the League's annual Legislative Action Days this year occurred in April, before the release of the Governor's May budget revise, Budget Action Day was planned for city officials to voice their concerns on the revised budget proposal to lawmakers, underscore the importance of city-provided services to residents, and remind them that the economic downturn has hurt cities' budgets, as well.

The day began at 10 a.m. at the Sheraton Grand Hotel Sacramento, where League President Jim Madaffer gave a welcoming address and provided some background on the state budget. He reported that both the Governor's original budget proposal, released in January, and the May revise are positive for cities because neither proposes to borrow cities' share of property taxes through Proposition 1A and each continues to provide full Proposition 42 funding.

In his May revise, the Governor proposed to securitize the state lottery to close the budget gap and fund a budget stabilization account with \$5.1 billion of revenue going into the FY 2008-09

budget. The proposal provides an “insurance policy” guarantee of a 1 percent sales tax increase trigger should the proposal fail at the November ballot.

Some Budget Wild Cards

Proposals from Legislative Analyst Elizabeth Hill have thrown some “wild cards” into the state’s budget process. On Monday, May 19, Hill released her analysis of the Governor’s revised budget and continued to offer an alternative budget.

The LAO has advanced numerous ideas on how to save the state money by shifting state parolees to county probation, but by paying for it largely by taking city public safety dollars, such as Proposition 172 funds. Other proposals have included taking all city Vehicle Licensing Fee (VLF) funds – at \$4.50 per capita – and taking enterprise special district property tax.

In addition, the LAO has proposed to save additional state dollars by eliminating funding for the Citizen Options for Public Safety (COPS) program and Booking Fees. And finally, the LAO has unveiled a new educational revenue augmentation funds (ERAF)-type proposal that seeks to shift \$200 million per year in local redevelopment funds to offset state budget expenses.

Another political “wild card” is the “Safe Neighborhoods Act: Protecting Victims, Stop Gang, Drug and Street Crime,” which is widely expected to qualify for the November 2008 ballot. This measure enhances criminal penalties for various gang and other crimes, protects state funding for COPS, booking fees and other state-funded local public safety programs, and proposes several new local public safety programs to be funded by the state General Fund. Partisan positioning has already begun on this measure. The League has not yet taken a position on the initiative and is currently analyzing its effect on cities.

For a full discussion on the Safe Act, please see “Safe Neighborhoods Act Targeted for November 2008 Ballot” on page 5.

Budget Action Day Materials

The League prepared an issue paper with messages for city officials to use in their meetings with legislators. This document is on the legislative resources page of the League’s Web site at www.cacities.org/legresources.

Guest Speakers

Three important speakers addressed attendees at Wednesday’s event.

California Department of Finance Director Mike Genest reminded city officials that the state is facing a \$17.2 billion shortfall – significantly greater than the amount faced in January due to a worsening housing market and faltering economy. He explained the components of the budget problem, and defended the “key” to the Governor’s proposal, the securitization of the state lottery, by stating that the lottery is currently under-performing and that by modernizing it and selling the future profits of the incremental revenue increase, the state can have up-front cash-flow relief now.

“We need to be a team with cities, to ensure there is budget reform and that we keep our hands off ERAF and Prop. 42 funds,” he said.

Assembly Member Roger Niello (R-Sacramento), vice-chair of the Budget Committee, said that this is the third time in a decade and a half that the state has found itself in a budget crisis.

“The problem is that we spend based on how well we’re doing,” Niello said. “There’s a built-in weakness between spending and income during the bad times. Budget reform is needed. If we just pass the budget and don’t address some of these other issues, we will have missed an important opportunity.”

On the Governor's lottery proposal, Niello said his concern is that the value of the securitization is totally dependent on the state's ability to modernize the lottery and significantly increase revenues. After that, he said, Wall Street has to be convinced of its value.

"We won't know what Wall Street says until after the budget is passed. Passing a budget with a hole in it, to be filled months later by voters in an election, is unprecedented."

Niello said he opposed raising taxes, particularly during tough economic times.

When asked how quickly he thought the budget would pass this year, Niello said, "The two Houses are working hard to be united. We are participating together in events and there is lots of communication."

Assembly Member John Laird (D-Santa Cruz), chair of the Budget Committee and a former Santa Cruz city council member and League board member, attributed the state's current financial crisis to an outdated budget structure created in the 1930s and a habit of passing bills without having the funds available to implement them.

"If we want reform, we don't vote on anything unless there's money for it."

The assembly member critiqued securitizing the lottery under the Governor's proposal, saying that in years the lottery doesn't perform well, the schools won't receive their share of the funds because the bond-holders will be paid first. He backed the LAO's lottery securitization proposal, however, saying it was a more reasonable solution.

Laird, too, emphasized reforming the budget structure so that cuts to health care and education won't have to happen in the future.

"We need to respond to this year's emergency now, but we need to fix this situation in the long-term."

'Newspapers Oppose Prop. 98' Continued from Page 1...

The League of California Cities also strongly opposes Prop. 98.

Editorials against Prop. 98 point out how supporters of the measure are using eminent domain as a Trojan Horse to mask its real agenda, and warn readers about the devastating impact this measure would have on the residents of California and the state itself.

A full list of the 51 California newspapers opposed to Prop. 98 as of May 23 appears below:

<i>Bakersfield Californian</i> (5/9/08)	<i>Monterey County Weekly</i> (5/15/08)
<i>Contra Costa Times</i> (5/4/08)	<i>North County Times</i> (5/11/08)
<i>East County Times</i> (5/4/08)	<i>Oakland Tribune</i> (5/4/08)
<i>Fremont Argus</i> (5/4/08)	<i>Palm Springs Desert Sun</i> (5/20/08)
<i>Fresno Bee</i> (5/11/08)	<i>Pasadena Star News</i> (5/7/08)
<i>Hayward Daily Review</i> (5/4/08)	<i>Pasadena Weekly</i> (5/7/08)
<i>Hollister Freelance</i> (5/20/08)	<i>Riverside Press Enterprise</i> (5/1/08)
<i>Inland Valley Daily Bulletin</i> (5/12/08)	<i>Sacramento Bee</i> (5/22/08)
<i>Lompoc Record</i> (5/12/08)	<i>Sacramento News and Review</i> (5/15/08)
<i>Los Angeles Times</i> (5/12/08)	<i>Salinas Californian</i> (5/22/08)
<i>Los Altos Town Crier</i> (5/22/08)	<i>San Bernardino Sun</i> (5/12/08)
<i>Marin Independent Journal</i> (5/19/08)	<i>San Diego City Beat</i> (5/13/08)
<i>Marin Pacific-Sun</i> (5/19/08)	<i>San Diego Union-Tribune</i> (4/23/08)
<i>Merced Sun Star</i> (5/16/08)	<i>San Francisco Bay Guardian</i> (4/30/08)
<i>Metro Santa Cruz</i> (5/14/08)	<i>San Francisco Chronicle</i> (5/4/08)
<i>Modesto Bee</i> (5/15/08)	<i>San Gabriel Valley Tribune</i> (5/7/08)
<i>Monterey County Herald</i> (5/15/08)	<i>San Joaquin Valley Herald</i> (5/4/08)

San Luis Obispo Tribune (5/8/08)
Santa Maria Times (5/12/08)
Santa Rosa Press Democrat (5/22/08)
San Mateo County Times (5/4/08)
San Ramon Valley Times (5/4/08)
Santa Cruz Sentinel (5/5/08)
Sonoma Index-Tribune (5/20/08)
Tulare Advance Register (5/8/08)
Tracy Press (5/16/08)

Tri-Valley Herald (5/4/08)
Visalia Times Delta (5/8/08)
Vacaville Reporter (5/7/08)
Valley Times (5/4/08)
Weekly Calistogan (5/22/08)
West County Times (5/4/08)
Whittier Daily News (5/7/08)
Woodland Daily Democrat (5/8/08)

Proposition 99 Offers Voters Responsible Eminent Domain Reform

Many of the papers who have opposed Prop. 98 are supporting Proposition 99, the Homeowners Protection Act, which is also slated for the June 2008 ballot. This measure offers true eminent domain reform by prohibiting the government from using eminent domain to take a home to transfer to a private developer. Prop. 99 is supported by a broad coalition of homeowners, businesses, labor groups, cities, counties and environmentalists. It contains no hidden provisions. The League strongly supports Prop. 99.

For more information about the two measures visit www.no98yes99.com.

Safe Neighborhoods Act Targeted for November 2008 Ballot

Supporters of the "Safe Neighborhoods Act: Stop Gang, Gun, and Street Crime" submitted signatures to election officials on April 25 to qualify the measure for the November 2008 ballot. To date, the Secretary of State's office has not announced that the measure has qualified.

Political positioning over this measure has already begun in the Legislature with the recent action of the Senate Budget Subcommittee #4 to eliminate funding for Citizen Options for Public Safety (COPS), Booking Fees and other local public safety programs from the Senate's version of the budget. Republicans and law enforcement groups are supporting this measure, while Democrats, teachers and other groups criticize the measure for its impact on the state budget. The Governor has not yet taken a position and continues in his May revise to propose that these local public safety programs be funded at traditional levels, but subject to the 10 percent across-the-board cuts he proposed in January.

The League of California Cities has not taken a position on the initiative and is in the process of analyzing this comprehensive proposal for its potential impact on cities. Cities are encouraged to delay any action on the proposal until it qualifies for the ballot and the League completes its analysis. The measure will be tracked and updates will be provided through *Priority Focus* and on the League's Web site.

What the Measure Proposes to Do

In brief, the Safe Neighborhoods Act would:

- Create a new state office, the "Office of Public Safety Education and Information" that would provide the public with information on crime and crime prevention via the Internet and other media outlets, administer various competitive law enforcement grant programs established under the initiative, and establish and maintain a gang database.
- Create a new state commission, the "California Early Intervention, Rehabilitation, and Accountability Commission," to evaluate publicly funded crime prevention programs.
- Lock in, prohibiting reduction or alteration by the Legislature, virtually all state funded law enforcement programs at their 2007 programmatic designs and funding levels plus annual inflationary growth. These programs include:
 - o COPS – including city/county frontline law enforcement subventions increased from \$119 million to \$125 million (plus annual growth factor thereafter)
 - o Juvenile Justice Crime Prevention subventions increased from \$119 million to \$125 million (plus annual growth factor thereafter)
 - o Jail Detention Facility (Jail Efficiency Fund) Subventions (re: Booking Fees)

- o California Multi-Jurisdictional Methamphetamine Enforcement Team (CAL-MMET)
- o Central Valley Rural Crime Prevention Program
- o Central Coast Rural Crime Prevention Program
- o Juvenile Probation Camp Funding
- Add new crimes and increase penalties for existing crimes.
- Impose new costs on the state of California for programs and facilities in excess of \$500 million (per the LAO's analysis).
- Require increased spending in excess of \$500 million on specified law enforcement programs (per the LAO's analysis).
- Prohibit all state and local agencies that are recipients of these funds (meaning all cities, counties and other recipient public agencies) from reducing the funding of law enforcement programs below FY 2007-08 or FY 2008-09, whichever is higher.

Web Resources

Safe Neighborhoods Act Web site: www.safeneighborhoodsact.com

Opponents Web site: www.ellabakercenter.org/?p=defeat_runner

Legislative Analyst's Office brief description of Safe Act:

www.lao.ca.gov/laoapp/ballot_source/BalDetails.aspx?id=684

Support Letters Needed for AB 844: Scrap Metal Theft Bill

City officials are urged to send letters of support on AB 844 (Berryhill). This bill would require that junk dealers and recyclers comply with additional record-keeping and identification procedures to ensure that they are not purchasing stolen scrap metal.

In recent years, scrap metal theft has increasingly become a public safety issue for a number of California cities. Stolen items include copper tubing, brass grave markers and platinum-laced catalytic converters. A large portion of these thefts are linked to individuals who steal the metal to fund illegal activities, such as buying drugs.

The League supports AB 844 because the bill would help reduce such thefts by requiring additional identification of consumers who recycle nonferrous materials, requiring a three-day delay in payment to consumers, and allowing local governments to go beyond state law when they feel the local needs warrant a stronger ordinance to prevent these thefts.

AB 844 will be heard in the Senate Business, Professions and Economic Development Committee on Monday, June 9.

Take Action

City officials can download a sample support letter on the League's Web site at www.cacities.org/billsearch.

Plug in AB 844 into the bill search function to find the letter and fax instructions. The letter should be sent to the Senate Business, Professions and Economic Development Committee and other key contacts.

Caltrans Committee to Hear Speed Limit Setting Policies on May 29

The California Traffic Control Devices Committee (CTCDC) will revisit the issue of how local speed limits are set at its meeting on Thursday, May 29 in San Francisco.

The current proposal under consideration is intended to help to clarify numerous issues with the way the Traffic Control Devices Manual is written to help with adherence to and enforcement of local speed limits.

During its January 31 meeting, the committee recommended that Caltrans adopt revised language into the Traffic Control Devices Manual to state that when a speed limit is to be posted, it shall be established at the nearest 10 km/h or 5 mph increment of the 85th-percentile speed of free-flowing traffic, with exceptions for hazardous road conditions, as specified.

For the full agenda and proposed language change, please visit www.dot.ca.gov and search for "California Traffic Control Devices Committee." Once on the page, click on "Meeting Agendas" on the left-hand side and look for Item Number 08-14.

More Cities Receive Prop. 1B Local Streets and Roads Funds Now

As of mid-May, 334 of California's 478 cities had received their FY 2007-08 Proposition 1B Local Streets and Roads funds, according to the Department of Finance (DOF). To date, for FY 2007-08, \$349 million of the \$550 million of Prop. 1B Local Street and Road funds have been allocated.

The current city-by-city list of the funds is posted on the infrastructure page of the League's Web site at www.cacities.org/infrastructure.

Cities that have not already submitted their applications for Prop. 1B Local Streets and Road funds should do so immediately.

DOF sent all California cities a letter in January with Prop. 1B application instructions as well as a list detailing each city's proportional share of the funds. These materials and the Prop. 1B Implementation Guidelines are posted on the infrastructure page of the League's Web site at www.cacities.org/infrastructure.

FY 2008-09 Budget Update

As originally outlined in Gov. Arnold Schwarzenegger's January budget and reaffirmed in his May revise, there is no additional allocation of Prop. 1B Local Streets and Roads funds for cities for FY 2008-09.

Sustainable Cities Feature: South Bay Energy Saving Center

A group of 15 cities in southwestern Los Angeles County takes sustainability so seriously they've formed a coalition to collaboratively tackle the issue.

The South Bay Energy Saving Center (SBESC) is educating cities, residents, business owners and public agencies about the energy conservation programs and incentives available in the community and how to incorporate more energy saving practices into everyday life.

Established through funding from the California Public Utilities Commission, the SBESC includes the 15 cities that comprise the South Bay Cities Council of Governments (SBCCOG), and is associated with Southern California Edison and Southern California Gas Company. Member cities include Carson, El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Lomita, Manhattan Beach, Palos Verdes Estates, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, Torrance, and the Harbor City and San Pedro communities of Los Angeles.

The distribution of water brooms to business owners is one of the Center's most successful projects to date. Targeted mainly to restaurant owners, the water brooms can be used instead of a hose and nozzle or power washer. Using a combination of air and water pressure, the brooms are water efficient and clean dust, dirt, food spills, leaves, litter, sawdust, and bird droppings from concrete, asphalt, or any other hard surface.

So far, the Center has distributed 350-400 water brooms. Marilyn Lyon, SBESC program manager, estimates that each broom can save 50,000 gallons of water annually. As Southern California cities face the possibility of significant water shortages in the future, and at least one

nearby city (Long Beach) has already implemented mandated water rationing, the brooms serve as an important way to conserve one of Southern California's most valuable resources.

"It's been a hugely successful event," Lyon said. "Besides being a fun thing that also does some good, it's a great opportunity to get them thinking about other ways to reduce utility costs and be good to the earth at the same time."

The Center also hosted a community lamp exchange in Torrance last year in which about 2,000 residents exchanged their traditional lamps for lamps with compact fluorescent light bulbs, free of charge. Edison donated the florescent lamps and residents were invited to exchange up to 10 household lamps apiece. Lyon and her staff also distribute free Edison-provided fluorescent light bulbs wherever they go to entice constituents to try them.

According to Judy Mitchell, council member for Rolling Hills Estates and League second vice-president, the Center has helped raise awareness about resource efficiency and provide residents with ways to conserve.

"The community is more and more interested in incorporating energy efficient measures in their homes," Mitchell said. "People are concerned about the environment and want to do the right thing. But most of the cities in our council are smaller, with fewer resources. The Energy Savings Center allows us to collaborate in order to maximize our own efficiencies and reduce costs."

Currently, each SBCCOG city is developing its own green building standards. Leading the way is Manhattan Beach, which has already assessed its own carbon footprint and is working on ways to comply with AB 32, the Global Warming Solutions Act of 2006.

According to Lyon, one of the most rewarding aspects of the Center is that volunteers in the community are talking with their city officials and giving feedback about the green initiatives in their cities, and opening up the conversation about green to a broader audience.

For more information on the South Bay Energy Saving Center, visit www.sbesc.com.

Annual Conference Registration Open!

Conference and housing registration is now open for the League of California Cities 2008 Annual Conference and Exposition.

The event will take place September 24-27 at the Long Beach Convention Center. To register, visit www.cacities.org/events.

Look for more details in next week's *Priority Focus*.

Find a Bill, Legislators, Leg Committee, or Ask League Leg Staff

Visit (and bookmark!) the League's [Legislative Resources](http://www.cacities.org/legresources) Web 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.
