

PRIORITY FOCUS



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SB 375 SET FOR THE ASSEMBLY COMMITTEE ON APPROPRIATIONS NEXT WEDNESDAY

SB 375 (Steinberg) is scheduled to be heard Wednesday, Aug. 22 at 9 a.m. in the Assembly Committee on Appropriations in Room 4202. The measure would require regional transportation agencies to develop growth plans tied to transportation funds and offers ineffective CEQA relief. *For more, see Page 2.*

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CRITICAL BILLS FOR CITIES AT THE END OF THE SESSION

The Legislature resumes Monday from summer recess and will have three weeks to complete its business before the session adjourns on Friday, Sept. 14. At this point in the process, the following bills are either in appropriations committees or on the Senate or Assembly floor. *For more, see Page 2.*

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LEAGUE HOLDS PRESS EVENT IN SACRAMENTO

The League invited members of the Capitol Press Corps to a briefing held at the League's offices on Tuesday, Aug. 14. Reporters attended from both print and broadcast media. The event served as an opportunity for the press to learn about the issues of greatest concern to cities. *For more, see Page 3.*

The League and other organizations opposed to SB 375 have made multiple requests to the author to make it a two-year bill. This will provide time to address the many flaws in the language as well as reorient the bill to its stated purpose of emissions reduction instead of regional growth control.

The League encourages cities to oppose this measure and notify their legislator. Please visit the League's Web site for a copy of the League's opposition letter and a sample city opposition letter.

Committee members:

- Leno (D-San Francisco) (Chair)
- Walters (R-Laguna Niguel) (Vice Chair)
- Caballero (D-Salinas)
- Davis (D-Los Angeles)
- DeSaulnier (D-Martinez)
- Emmerson (R-Redlands)
- Huffman (D-San Rafael)
- Karnette (D-Long Beach)
- Krekorian (D-Burbank)
- La Malfa (R-Biggs)
- Lieu (D-Torrance)
- Ma (D-San Francisco)
- Nakanishi (R-Lodi)
- Nava (D-Santa Barbara)
- Runner (R-Lancaster)
- Solorio (D-Santa Ana)

'Critical Bills for Cities at the End of Session' Continued from Page 1...

To keep you focused during the final weeks of the session, below is a list of bills of critical interest to cities organized by subject areas of importance.

The League's List of Hot Bills with links to our oppose or support letters can be found at <http://www.cacities.org/index.jsp?displaytype=§ion=issues&zone=locc>.

Land-Use

SB 375 (Steinberg). Oppose. Requires the development of regional growth plans that link access to transportation funding to compliance with the plans.

AB 414 (Jones). Oppose. Restricts how local agencies can count sites for housing designated on non-residential land and imposes these conditions for all local agencies regardless of size, circumstance, or performance.

AB 70 (Jones). Oppose. Provides that a city or county may be subject to liability for property damage caused by a flood resulting from failure of a state controlled levee.

ACA 8/AB 887 (De La Torre). Support. The Constitutional amendment and its statutory companion will provide strong new protection for homeowners and small business owners against eminent domain for private development.

AB 1542 (Evans). Support. This bill would continue to allow local rent control ordinances to keep mobile homes at an affordable rate for those on a fixed income.

Transportation Bond Implementation/ Public Works

SB 286 (Lowenthal). Support. Defines an allocation schedule for the \$2 billion included in Proposition 1B as a direct allocation to cities and counties to fund transportation funds. These will likely contain clarifying language once the budget is adopted.

SB 619 (Migden). Oppose. Requires that contract retention proceeds not exceed five percent of the payment of all contracts entered into after January 2008, between a public entity and an original contractor, between an original contractor and a subcontractor, and between all subcontractors.

Labor Relations

Last week, *Priority Focus* reported on the top five worst employee relations bills identified by public agency advocates. That story can be accessed at www.cacities.org in the August 10, 2007 *Priority Focus* issue.

AB 419 (Lieber). Oppose. Provides extended temporary disability workers' compensation benefits to specified public safety employees for 100 percent of salary for up to one year of disability.

AB 220 (Bass). Oppose. Duplicates the Public Safety Officers Procedural Bill of Rights and would permit firefighters to engage in special political activities and provide procedures and conditions for the investigation and interrogation of an employee that could lead to a punitive action.

AB 213 (Fuentes). Oppose. Eliminates an employer's right to object to a specific location by an injured employee for an adjudication of a claim.

AB 553 (Hernandez). Oppose. Authorizes the Public Employees Relations Board to determine, under the Meyers Milias Brown Act, whether to seek from a court of competent jurisdiction injunctive relief involving employee strikes, work stoppages, or lockouts.

SB 942 (Migden). Oppose. Requires an employer to reinstate an employee to their pre-injury job within five working days upon release of the treating doctor or reimburse the worker for lost wages and work benefits.

Revenue and Taxation

AB 1222 (Laird). Support. Implements a number of reforms to the procedures involving processing claims to establish the existence of a reimbursable state mandate, including parameters and guidelines for mandate determination and procedures for development of statewide cost estimates.

SCA 12 (Torlakson). Support. Includes fees for storm water management programs to those extensions already included in Proposition 218 making it easier for cities to fund and comply with new and increasingly stringent storm water quality permit requirements adopted by the regional water quality control boards.

'League Holds Press Event in Sacramento' Continued from Page 1...

The League's legislative staff provided reporters with a comprehensive overview of our strategic priorities—infrastructure, housing and eminent domain—and information on current legislation that impacts cities.

The League's legislative director, Dan Carrigg, discussed SB 375 (Steinberg) and why the League recently took an 'oppose' position on the bill. He explained how California cities have already been addressing climate change through a variety of mechanisms and make land-use decisions to reduce emissions and more effectively plan for growth. Carrigg said that SB 375, in its current form, would implement radical limits on local land-use authority.

Patrick Whitnell, the League's legal counsel, updated reporters on the recent California Supreme Court decision *O'Connell v. City of Stockton*, which ruled that state law preempts local vehicle forfeiture ordinances. The League is working with Assembly Member Dave Jones (D-

Sacramento) and other legislators to craft a legislative fix that would allow cities to use vehicle forfeiture as a crime-fighting tool.

Bill Higgins, the League's housing and land-use lobbyist, discussed why funding is so critical to expanding the supply of affordable housing in California. Higgins explained that 170 cities and counties have adopted inclusionary housing ordinances. Statewide, these ordinances are responsible for the development of an estimated 30,000 affordable units between 1999 and 2005. While this housing stock is helpful, it is not sufficient to adequately solve California's affordable housing shortage. To address these problems, the League has joined a coalition of other interested parties to work on securing a permanent subsidy for affordable housing.

After the briefing, reporters asked questions on a number of issues including how the budget delay will affect cities. Liisa Stark, the League's lobbyist on transportation issues, noted that the allocation of transportation bond funds is one of the most important items for cities in the budget and its trailer bills. The budget delay directly impacts projects that are ready to go. Stark explained that SB 88, the bond implementation "trailer" bill which would allocate funds to cities and counties for local streets and roads (Prop. 1B funds), currently has some drafting errors which will require subsequent clean-up legislation.

The League's press briefing was a success and plans are already underway for the next event in early 2008.

Public Utilities Commission Orders Southern California Edison to Reallocate Rule 20A Money

In a Resolution issued by the California Public Utilities Commission (CPUC) last month, Southern California Edison was ordered to take Rule 20A money from those cities and counties deemed to have "inactive" undergrounding programs and transfer some of the funds to the city of La Habra for an undergrounding project. Rule 20A refers to funds that are available to finance electrical utility undergrounding projects.

The Commission's order was in response to a request by La Habra to "mortgage" its Rule 20A allocation for a 10-year period to provide sufficient funds to offset the costs of its undergrounding project. The CPUC denied this request citing its previous decision to allow cities to mortgage Rule 20A funds for no more than five years. Instead, the CPUC ordered Edison to take money from allocations of cities that the commission determined to be inactive.

The CPUC identified those cities and counties using two criteria:

1. The city had not completed an undergrounding project since 1999
2. The city had not formed a utility undergrounding district, which is a prerequisite for accessing Rule 20A money

Using the criteria, the CPUC identified 37 cities and six counties as "inactive" in Edison's territory. However, before making this determination, the CPUC did not first contact any of the identified municipalities to find out if they had plans to use their Rule 20A funds for future undergrounding projects.

Survey of "Inactive" Cities

After the Resolution was approved by the CPUC, the League surveyed the 37 "inactive" cities and received 20 responses. These responses were quite consistent with the cities reporting that they did not know about the resolution until informed by either the League or their local Edison representative.

In addition, many cities indicated that they had been "banking" their allocations for some years to accumulate sufficient funds to do an undergrounding project. Smaller cities pointed out that accumulating sufficient funds was a challenge given the small size of their annual allocations and that the loss of any portion of their Rule 20A funds would significantly set back their efforts.

Lastly, many cities informed the League that they had identified projects for which they intended to use their Rule 20A allocation. These projects were in different stages of development, but one city did inform the League that they were currently in construction on an undergrounding project. Because the project was not yet complete, the CPUC determined that the city was “inactive”.

The League Takes Action

The League is extremely concerned with the CPUC’s order and the precedent it sets. On Aug. 15, the League filed an application for rehearing with the CPUC. The application discusses the flaws in the manner in which the CPUC determined some cities were “inactive,” and discusses results of the League’s survey of “inactive” cities. Further, we point out that the cities that have Rule 20A allocations at risk were unaware of this proceeding, and therefore, never had a meaningful opportunity to participate.

The League would like to express its gratitude to Edison for bringing this important matter to our attention, and to thank them for their assistance with the application for rehearing.

Legislation Planned to Restore Local Governments’ Power to Seize Vehicles

Assembly Member Dave Jones (D-Sacramento) has announced that he will author a bill to restore local governments’ power to impound and sell vehicles used in drug use and prostitution.

The legislation is in response to a recent California Supreme Court decision, *O’Connell v. City of Stockton*, which found that state law prevented local governments from enacting their own ordinances allowing forfeiture of vehicles used in prostitution and the purchase of drugs.

Jones said he plans to amend AB 1724, a bill currently pending in the State Senate, for the new measure.

“This is about making our streets safer for children and families by putting the breaks on drive-through delinquency,” said Jones in a statement. “Cities and counties need the tools to stop poor neighborhoods from being treated like one-stop shopping centers for drugs and prostitution. Individuals cruise into poor neighborhoods, commit lewd and dangerous acts, and drive back out. Cars are essential to committing these crimes, and seizing cars is essential to combating these crimes.”

For a previous *Priority Focus* article on *O’Connell v. City of Stockton*, see “[Legal Decision Seizes Cities’ Rights to Confiscate Vehicles](http://www.cacities.org)” at www.cacities.org.

MuniLink Launches Online Interim Placement Service

The League and Public Service Skills (PSS) has transformed PSS’ interim placement service into an Internet based resource tool through MuniLink.

MuniLink is provided by the League as an online portal to give cities immediate access to vendors and services. Now, public agencies can also use the Web site to find interim staff. The interim employee directory lists retirees and consultants interested in short-term assignments. The database includes listings for city managers, finance directors, planning directors, city attorneys, human resource directors and more. New listings are being added daily.

MuniLink’s online products, services and interim employee directory can be accessed at www.cacities.org/munilink.

New Edition of Proposition 218 Implementation Guide Available for Sale at Annual Conference

Proposition 218 placed additional obligations on cities with respect to taxes, fees and other revenue generating mechanisms. Complying with Proposition 218 is a central issue for any city

contemplating raising new revenues. To assist cities with this complex and challenging area of the law, the League's City Attorneys' Department updated the Proposition 218 Implementation Guide.

The 2007 edition of the Guide will be available for purchase at the League's Annual Conference through CityBooks. Last updated in 2000, this new edition of the Proposition 218 Implementation Guide covers legal developments since the last update, including the recent Supreme Court case *Bighorn-Desert View Water Agency v. Vergil*. The Guide is an authoritative source on Proposition 218, and has been cited by the courts as such.

'Shaping California's Future' – League of California Cities' Annual Conference Opens Sept. 5

The League of California Cities' 109th annual conference opens on Sept. 5, in Sacramento. Join more than 1,800 city officials for a roundup of legislative updates on the League's strategic priorities of infrastructure, affordable housing and eminent domain reform.

The conference will also feature three diverse general session keynote speakers - Seattle Mayor Greg Nickels, Mark Sanborn, and Sir Ken Robinson, Ph.D. – who will deliver presentations on climate change, leadership and creativity, respectively.

For more information on the conference and how to register, visit www.cacities.org/ac.

The California Civic Leadership Institute Prepares the Next Generation of State Leaders

The California Civic Leadership Institute (CCLI) will convene its second of two classes next week at Southern California Edison's Big Creek hydro-electric facility near Shaver Lake in the Sierra Nevadas.

Presented by the League Partners Program, the CCLI is a competitive educational program that brings together local government officials who want to take their service to the next level in the California Legislature. The program's goal is to educate attendees on substantive issues facing California in order to produce future state leaders who will make strong policy decisions. Each year, approximately 20 city officials attend the program. This is the CCLI's third year.

CCLI attendees learn from a variety of experts and participate in discussions on complex statewide infrastructure issues including transportation, housing and the impact of increasing energy demand in our growing state. Instead of just a standard classroom format, the CCLI includes informal roundtable discussions and takes participants out into the field. The program includes a tour of Big Creek, giving participants an opportunity to see first hand how electricity is generated and moved throughout the state. The program is enriched by the broad depth of experience of participants who come from both sides of the aisle.

This year's program culminates with a final two-day session in Sacramento Sept. 4-5 on the realities of political life in the Capitol. Scheduled speakers include former Senate Republican leader Jim Brulte and political consultant Garry South.

For information about the CCLI program please contact Mike Madrid at (916) 658-8272.

HCD Publishes Transit-Oriented Development Draft Guidelines

Last week, the California Department of Housing and Community Development (HCD) published draft guidelines for its transit-oriented development program. Cities are encouraged to review the guidelines (located at www.hcd.ca.gov/fa/tod) and send in comments to HCD. Comments will be accepted through Sept. 10.

For more information, contact HCD Director of Legislation Jolena Voorhis at (916) 323-0169.

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.
