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GOVERNOR EXPECTED TO SIGN BILL TO DISTRIBUTE FEDERAL TRANSPORTATION FUNDS

The Assembly on Thursday, March 26, passed ABxxx20, a bill that establishes the process through which highway funding from the American Recovery and Reinvestment Act (ARRA) will be distributed in California. *For more, see Page 2.*

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LOCAL IMPACTS OF FEDERAL STIMULUS FOCUS OF ASSEMBLY HEARING

The Assembly Committees on Local Government and Housing and Community Development (HCD) invited local government officials to testify at a joint hearing held March 25 investigating the impact of the American Recovery and Reinvestment Act (ARRA) at the local level. The federal funding is extremely important to California, especially given how the economic crisis has contributed to the state's significant cash flow problems. *For more, see Page 2.*

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EPA RESOURCES TO HELP OFFICIALS WITH ARRA CLEAN ENERGY FUNDING

Under the American Recovery and Reinvestment Act of 2009 (ARRA), state, local and tribal governments will receive substantial funding to implement clean energy efficiency initiatives in their jurisdictions. *For more, see Page 3.*

'Transportation Funds' Continued from Page 1…

This bill provides a preferred way to distribute the funds in California. Funds will be distributed through the Surface Transportation Program (STP). This process has several benefits to cities including increasing the funding available to cities and providing more flexibility in using the funds. The bill also states the Legislature's intention that at least 40 percent of funding allocated to Metropolitan Planning Organizations (MPOs) be allocated to cities and counties.

The League has prepared a summary of the bill's highlights. The figures reported below are rounded.

California is receiving a total of $2.57 billion in highway funds. Based on federal law, the state would receive $1.79 billion (70 percent), and MPOs would receive $771 million (30 percent). There is no requirement in federal law that funds be given directly to cities and counties.

Existing state law requires that federal highway funds be distributed through the State Transportation Improvement Program (STIP) process, which tends to be more lengthy than the STP and would make it difficult for regional and local governments to meet the time requirements in the ARRA.

Under ABxxx20, the funds will be distributed through the STP process, which allocates more money to MPOs, and increases the flexibility for using funds when compared to the STIP. Using STP formulas, CalTrans will receive $963.7 million (37.5 percent), and MPOs will receive $1.6 billion (62.5 percent). The legislation also states legislative intent that at least 40 percent of the regional funding (totaling $642.5 million) go to cities and counties. If cities and counties don't obligate the funding, the funds will revert back to the region to be reallocated within that region.

ABxxx20 is now awaiting signature by Gov. Arnold Schwarzenegger.

'Hearing' Continued from Page 1…

In her opening statement, Assembly Local Government Chair Anna Caballero (D-Salinas) commented on how ARRA funds going to local governments will create jobs, stressing that job creation is the most important thing the government can do to help turn the tide on the economic downturn. Assembly Member Norma Torres (D-Pomona), chair of HCD, said that she is focused on getting these federal funds out the door as fast as possible and asked the panelists to tell legislators what kind of support they need from the state to do this.

Greg Jolivette, principal fiscal and policy analyst with the Legislative Analyst's Office told the Assembly members that of the $1 billion the state receives in formula based housing funding, 65 percent will go directly to the local level. Panelists from a variety of jurisdictions and local agencies addressed funding needs and realities at the local level.

Stockton Vice-Mayor Kathy Miller testified about how her city will benefit from the funds. The city stands to receive $12.1 million of the $529 million of Neighborhood Stabilization Program (NSP) funds allocated to California. Stockton is known world-wide as the foreclosure crisis' ground zero so while these funds will help the city address this problem it will only make a small impact according to Miller. The city has allocated $7.2 million for the acquisition of single family homes to renovate and resell. This will cover about 200 homes initially with the goal that the resale of the homes will replenish the funds so more can be purchased and fixed.

Miller conveyed the importance of ARRA funds to Stockton. "It's not just about individual buildings or projects. It creates ripple effects in the community," said Miller "Stockton has an unemployment rate of 18 percent so you can't underestimate the impact that these funds will have on a community like Stockton."

The San Diego region stands to reap benefits from ARRA funding according to Gary Gallegos, San Diego Association of Governments executive director. He told the committee that ARRA funds allocated for San Diego projects will create 2,600 jobs and also help other regions because many of the products used to complete the projects will come from other areas.

There was consensus among the panelists that ARRA's emphasis on transparency and accountability is extremely important. However, several raised concern that this would put extra burden on local agencies which are grappling with the fact that declining revenues have made layoffs necessary to bring budgets into balance.

Local governments are encouraged to work closely with state organizations and their Metropolitan Planning Organizations on how to access the federal funds.

The League is continuing to update its "City Funding Book, which has information for cities on how to access and apply for ARRA funds. The most recent version is now available on the Federal Economic Stimulus section of the League's Web site at http://www.cacities.org/federalstimulus.

'EPA Resources' Continued from Page 1…

The Environmental Protection Agency (EPA) offers a suite of resources focused on maximizing the benefits of ARRA funding:

American Recovery and Reinvestment Act of 2009: State and Local Guide to U.S. EPA Climate and Energy Program Resources
This guide has been designed to help state and local governments see which EPA programs could be leveraged to expand or develop clean energy initiatives in their locality. It includes synopses of 14 EPA climate and energy partnership programs. Each program description includes: basic information and contact details, potential target audiences, highlights of ready-to-go tools and resources, and possible actions a state or local government could take.
www.epa.gov/cleanenergy/documents/slb_guide_to_program_resources.pdf

American Recovery and Reinvestment Act of 2009: A Guide to Renewable Energy and Energy Efficiency Opportunities for Local and Tribal Governments
This 16 page guide provides an overview of funding sources in ARRA that local governments can use to implement clean energy programs and EPA resources that can support clean energy efforts. The guide covers funding and resources for energy, energy in water treatment, schools, affordable housing, transportation, and green jobs.
www.epa.gov/cleanenergy/documents/local_guide_to_arra.pdf

Webcast: Using EPA Resources to Maximize Clean Energy in Economic Recovery Spending
This webcast was recorded March 5 and featured a crosswalk of available funds and EPA resources, including an overview of the Energy Efficiency and Conservation Block Grants, an overview of clean energy opportunities in the state water revolving funds, and a Q&A session with EPA staff. The recording, presentations, transcript and a 16-page guide of funding opportunities and resources are available.
www.epa.gov/cleanenergy/energy-programs/state-and-local/webcast.html

Rapid Deployment Energy Efficiency (RDEE) Toolkit (in development)
The toolkit will provide detailed program design and implementation guides for five-to-10 broadly applicable energy efficiency programs that have extensive, proven field experience with documentation on program design, program cost, and results. The RDEE toolkit is being developed through a joint effort of the U.S. EPA and the U.S. Department of Energy, building upon technical information provided by the Leadership Group of the National Action Plan on Energy Efficiency.
http://epa.gov/cleanenergy/energy-resources/ee_toolkit.html

ENERGY STAR Webcasts
U.S. EPA's ENERGY STAR team offers a series of Web trainings that can help you leverage ENERGY STAR tools to get the most out of your stimulus funding. Visit www.energystar.gov/index.cfm?c=business.bus_internet_presentations to view upcoming or pre-recorded trainings.

Energy Star Webcast Example: Maximize Stimulus Funding with Performance Contracting and ENERGY STAR. This practical session provides you with the knowledge you need to understand the benefits and nuances of performance contracting and how to leverage ENERGY STAR tools in your contract to get the most out of stimulus funding.

EPA will update materials on the State and Local Clean Energy Web site as additional information becomes available. Please keep an eye on the “what’s new” section of the EPA’s Web site http://www.epa.gov/cleanenergy/energy-programs/state-and-local/index.html for the latest information and resources.

Deadline Approaching for PPIC Survey on the Economic Climate for Cities

California cities can make their economic issues and concerns known by participating in a Public Policy Institute of California (PPIC) survey. The deadline to participate is April 1. Only 25 percent of cities have completed the survey and the researchers need at least 60 percent participation to accurately complete their analysis.

The survey seeks to gather information about cities' adjustment to the current fiscal and economic climate. While there are a range of topics, it is not a long survey, and the League recommends that your city take the time to complete it. PPIC will strive to elicit participation from as many cities as possible, since it is important that the views of every type of city are represented in the study.

PPIC will contact city officials and supply a link to the survey questions. Each city will be given a unique link for the survey.

PPIC abides by the strictest human subjects protection policies and is committed to ensuring the anonymity and confidentiality of respondents. Individuals and names will never be used in a way that links responses to reports or findings or any PPIC publications unless explicit permission is received from the individuals concerned.

For further questions about the survey, please contact Max Neiman at neiman@ppic.org or (415) 291-4441 or Daniel Krimm at krimm@ppic.org or call (415) 291-4423.

Department of Energy, Energy Efficiency and Conservation Block Grant Guidelines Released

Federal guidelines for Energy Efficiency and Conservation Block Grants (EECBG) program were released this week by the Department of Energy (DOE). City officials will want to pay attention to the deadlines. Large cities (population over 35,000) have until June 25. Details for small cities will be released at a later date by the California Energy Commission (CEC).

Below is general information about EECBG funding. More detailed information is available on the League’s Web site.

The formal application is available online at: http://www.cacities.org/resource_files/27861.EECBGDE-FOA-00000131.pdf.

The breakdown of expected large city allocations is also available at: http://www.cacities.org/resource_files/27860.AttachmentAEECBGProgramAllocations.pdf.

Funding Criteria
EECBG funds can be used community wide, not only for government owned facilities and infrastructure. A list of eligible activities for use of program funds is provided in Section 544, Title V, Subtitle E of the Energy Independence and Security Act (EISA). Additional details on eligible activities are in the attached Funding Opportunity Announcement. The following activities are eligible:

- Development of an energy efficiency and conservation strategy and technical consultant services to assist in the development of such a strategy;
- Residential and commercial building energy audits;
- Financial incentive programs and mechanisms for energy efficiency improvements such as energy savings performance contracting, on-bill financing, and revolving loan funds;
- Grants to nonprofit organizations and governmental agencies for the purpose of performing energy efficiency retrofits;
- Energy efficiency and conservation programs for buildings and facilities;
- Development and implementation of transportation programs to conserve energy;
- Building Codes and Inspections to promote building energy efficiency;
- Energy distribution technologies that significantly increase energy efficiency, including distributed resources, combined heat and power, and district heating and cooling systems;
- Material conservation programs including source reduction, recycling, and recycled content procurement programs that lead to increases in energy efficiency;
- Reduction and capture of methane and greenhouse gases generated by landfills or similar waste-related sources;
- Energy efficient traffic signals and street lighting;
- Renewable energy technologies on government buildings; and
- Any other appropriate activity that meets the purposes of the program and is approved by DOE.

How to Prioritize Activities for Fund Use
Energy efficiency, conservation, and renewable energy programs and projects are building blocks for increased economic vitality, energy security, and environmental quality. EECBG program funds will have maximum impact if invested in ways that create and/or retain jobs and stimulate the economy in the short term while laying the foundation for a long-term and sustainable clean energy economy. DOE encourages grantees to prioritize programs and projects that:

- Leverage other public and private resources;
- Enhance workforce development;
- Persist beyond the funding period; and
- Promote energy market transformation such as revolving loans, low-cost loans, energy savings performance contracting, advanced building codes, building and home retrofit incentives and policies, and transportation programs and policies.

Criteria for Large City Formula
The formula for large cities is based in general on determining allocations to cities and counties with two weighted factors: resident and daytime (commuter) population. The resident population factor receives a weight of approximately 70 percent and the daytime population factor receives a weight of approximately 30 percent. This accounts for the energy use of these populations.

Application Process
There is a three-step registration process required to do business with the federal government. Please allow 21 days to complete the registration process. This information is also listed on page 3 of the League's City Funding Book.

Step 1: Request a DUNS Number at: http://fedgov.dnb.com/webform/displayHomePage.do

Step 2: Register with the Central Contractor Registry (CCR) at: http://www.ccr.gov/

Step 3: E-Business Point of Contact must register in FedConnect at:
https://www.fedconnect.net/FedConnect/

The Funding Opportunity Announcement has complete application instructions. It can be obtained from FedConnect by searching under Reference Number DE-FOA-0000013. Applications must be submitted through FedConnect. If you have problems, email support@fedconnect.net

FedConnect is an online marketplace where federal agencies post opportunities and make awards via the Web. More information about FedConnect is available online.: https://www.fedconnect.net/FedConnect/PublicPages/FedConnect_Ready_Set_Go.pdf

DOE's first priority is to award the formula grants. Details on applying for competitive grants will soon be provided in a Funding Opportunity Announcement. Applications can be submitted now through FedConnect.

The DOE's project management team will review each application to ensure that the grantee has developed a strategy for use of funds with activities eligible under the program, and that the proposed budgets are acceptable.

Measurement of Success
Grantees will be required to report regularly to the DOE on five metrics:

1. Jobs created and/or retained
2. Energy savings on a per dollar invested basis
3. Renewable energy capacity installed
4. Greenhouse gas emissions reduced
5. Funds leveraged

Funding Release Schedule
Based on funding levels, formula grants will be released in stages:

1. Local governments will be required to submit a proposed energy efficiency and conservation strategy either with the application or within 120 days after the effective date of the award.
2. Entities are required to obligate/commit all funds within 18 months from the effective date of the award. In the event funds are not obligated/committed within 18 months, DOE reserves the right to de-obligate the funds and cancel the award.
3. ARRA gives preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds made available by it for activities that can be initiated not later than June 17.

Small City Information
For California's smaller cities (population under 35,000), the CEC now has 60 days (until May 25) to turn in their application for the EECBG funding going to states (and then on to small cities). Once that funding has been released to the CEC, then information will be passed on to small cities about how to apply and receive EECBG funding for small cities.

Additional Information
For more information about large city block grants, please visit http://www.eecbg.energy.gov/#ld2 or for small city block grants information please visit www.energy.ca.gov/recovery.

Cities Have Additional Time to Apply for Federal Clean Water Funding

City officials who thought they had until March 24 to get their clean water projects on the State Project Priority List (PPL) for federal stimulus funding can breathe a sigh of relief because the next deadline is May 1. The State Water Resource Control Board, which operates the Clean Water State Revolving Fund (CWSRF), can amend the PPL at any time to include applicants who are ready to proceed after that date.

Application for these funds is a two-step process. First, submit the project to the PPL by applying through the CWSRF's online Financial Assistance Application Submittal Tool (FAAST) (https://faast.waterboards.ca.gov/). Second, complete the hard copy Financial Assistance Application (FAA). It is available online at http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/forms/application.doc.

There is no deadline for the FAA, but applicants will not be considered for funding unless both steps are completed.

The American Recovery and Reinvestment Act (ARRA) of 2009 provides $283 million for California's CWSRF.

The purpose of the CWSRF program is to implement the federal Clean Water Act and various state laws by providing financial assistance for the construction of facilities or implementation of measures necessary to address water quality problems and to prevent pollution of the waters of the State.

Eligible uses for the funds include construction of publicly-owned wastewater treatment facilities, local sewers, sewer interceptors, water recycling facilities, as well as, expanded use projects such as implementation of nonpoint source (NPS) projects or programs, development and implementation of estuary Comprehensive Conservation and Management Plans, and storm water treatment.

The CWSRF program has released a new fact sheet on the program and how ARRA funds will be used. This fact sheet is available on the League's Web site at:
http://www.cacities.org/resource_files/27864.arra_cwsrf_factsheet.pdf

Cities interested in applying for these funds can find the CWSRF applications and program information at:
http://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/econ_recovery_info.shtml

Cities with additional questions should submit them to cleanwaterSRF@waterboards.ca.gov or call CWSRF at (916) 327-9978.

April 28 Hearing on Proposed Changes to Workers' Comp System

Insurance Commissioner Steve Poizner is convening a hearing on April 28 in San Francisco on proposed increases to workers comp medical costs.

The Workers' Compensation Insurance Rating Bureau's (WCIRB) recently voted to recommend a 24.4 percent increase in the Workers Compensation Claims Cost Benchmark. The April 28 hearing will investigate the reason why medical costs are rising in the workers compensation system.

After WCIRB recommends a rate to the California Department of Insurance (CDI), the Insurance Commissioner holds a subsequent hearing to solicit feedback on the proposed change and can then accept or revise the WCIRB's recommended changes in the Workers Compensation Claims Cost Benchmark (WCCCB). The WCCCB is the estimated change in claim costs over the next 18 months. The CDI does not have the authority to set workers' compensation insurance rates.

California Communities Program Offers Cash Flow Relief for FY 2009-10

A California Communities program can help cities ease a potential cash flow burden in the coming fiscal year. The 2009 Tax and Revenue Anticipation Notes program (TRANs) was developed to assist local governments to finance short-term cash flow deficits. Individual participant issuance amounts have ranged in size from $100,000 up to $320,000,000. California Communities has issued over $7.8 billion in TRANs, serving more than 150 local agencies since 1993.

In this uncertain financial market environment, California Communities is pleased to announce that US Bank has agreed to provide a partial letter of credit for the 2009 issuance. This coverage is important since the traditional method of insurance for credit enhancement is no longer available.

Interested cities can enroll in the TRANs program online at www.cscdadocs.com. Legal documents and worksheets will be available to cities through the online document management system after enrollment.

Some of the advantages of issuing TRANs through the California Communities Program include:

- **Streamlined Issuance Process:** California Communities TRANs issuers estimate that the staff time requirement is less than half of the time required for a stand-alone issuance;
- **Cost Savings:** California Communities has pre-negotiated fees at significant cost savings for borrowers;
- **Experienced Team:** The California Communities financing team includes a highly skilled group of professionals with many years of experience structuring California cash flow transactions. This is the program's 17th year. In 2008 the program provided $854 million in cash flow financing to 29 local governments;
- **Market Access:** The significant transaction size of the California Communities TRANs program increases market access; and
- **Investor Relations:** Each year, the California Communities team schedules individual meetings with key institutional investors and holds investor conference calls for the TRANs Program.

Additional Information
For more information about the 2009 TRANs Program visit the California Communities Web site at www.cacommunities.org or contact Dan Harrison of the League staff at dharrison@cacities.org.

Administration Launches New Consumer Web site for Responsible Homeowners Seeking Relief

The U.S. Department of the Treasury (Treasury) and the Department of Housing and Urban Development (HUD) launched a new Web site, www.MakingHomeAffordable.gov, for homeowners seeking information about the Making Home Affordable loan modification and refinancing program introduced in February by the President.

The Administration is accelerating efforts to communicate directly with borrowers about the Making Home Affordable program. Features of the Web site include:

- Extensive information about the Administration's Making Home Affordable plan;
- Self assessment tools to allow borrowers to determine if they are eligible for the program;
- A calculator feature that allows homeowners to estimate the reduction to their monthly mortgage payment;
- Resources to find free, HUD-approved counseling services for borrowers who have additional questions; and
- A handy checklist to ensure homeowners collect all the documents they need before calling their servicers

Since March 4, when the guidelines allowing modifications to eligible mortgages were released, representatives from the Treasury, HUD and other members of a broad interagency task force have conducted detailed briefings and training sessions for more than 2,500 mortgage loan servicers and investors, nonprofit housing counselors and nationwide borrower advocacy groups who have agreed to participate in the program.

The program, aimed at preventing the destructive impact of the housing crisis on families and communities, will offer assistance to 7 to 9 million homeowners making a good-faith effort to make their mortgage payments.

NLC Program Offers Prescription Discounts

The National League of Cities (NLC) is partnering with CVS Caremark® to offer residents of NLC member municipalities a prescription discount card that gives the user an average discount of 20 percent. This can be especially valuable to residents who don't have health insurance, have prescriptions that are not covered by their insurer or who may be enrolled in the Medicare drug program and have prescription costs that fall into the several thousand dollar gap before Medicare picks up all the costs.

Some features are:

- No cost to NLC-member municipalities;
- No cost to your residents;
- No age or income limits;
- Customized cards with city's name and logo provided at no cost;
- Promotional material provided at no cost (in English and Spanish); and
- Eight weeks to set up program from receipt of a completed application form.

Membership in NLC is required, however NLC has several "introductory" membership plans giving either one or two year discounts of 15 percent or 35 percent, respectively. Given the nature of the discount program, the NLC dues might be allocated among several different accounts such as General Assistance, Senior and/or Youth Services, Health, etc.

The NLC membership dues schedule is:

Population Range	One Year's Dues [15 percent discount]	Two Year's Dues [35 percent discount]
5,001-10,000	$ 949.	$1,452.
10,001-20,000	$1,266.	$1,936.
20,001-30,000	$1,582.	$2,419.
30,001-40,000	$2,769.	$4,235.
40,001-50,000	$3,241.	$4,957.
80,001-90,000	$5,692.	$8,706.
100,001-125,000	$7,432	$11,366.

To obtain more information and an NLC membership application contact Mark Shapiro at shapiro@nlc.org or call (202) 626-3019.

Job Opening? *Western City* Magazine Can Help You Find the Best Candidate

List your job opening in *Western City* magazine. When you advertise your job opportunity in *Western City*, you also receive a Web site posting at no additional charge! Visit www.westerncity.com or call (800) 262-1801 for more information.

In a hurry to get the word out? Place your ad on our Web site today by visiting: www.westerncity.com/postjobs.

Interim Management Needs?

MuniLink is the League of California Cities' interim management employee directory. Featuring searchable categories of interim resumes, MuniLink is still the best online tool to connect with highly trained municipal veterans eager to meet your agency's needs.

SEARCHING THE ONLINE DIRECTORY IS FREE for agencies looking for products and services, and offers individuals and companies a fast and effective way of connecting with city officials in California.

MuniLink is a joint project of the League, the Institute for Local Government and *Western City* magazine. Proceeds from MuniLink benefit the League's research and advocacy efforts on behalf of cities.

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

Visit (and bookmark!) the League's Legislative Resources 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.
