

PRIORITY FOCUS



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LEAGUE BOARD MEETS IN SAN DIEGO **Strategic Priorities, Eminent Domain, SB 375, and Other Issues Discussed**

The League of California Cities board of directors met on Friday, Feb. 8 and Saturday, Feb. 9 in San Diego. The board addressed a variety of legislative and administrative issues and received an update on the League's strategic goals for 2008. *For more, see Page 2.*

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LEGISLATURE SET TO VOTE ON BUDGET TODAY **Package Includes Five Month Deferral of Highway User Tax**

As of the *Priority Focus* print deadline, the both houses of the Legislature were expected to vote on and pass a package of budget related bills on Friday, Feb. 15. This package contains a variety of program cuts, payment deferrals and other mechanism designed to address cash flow issues in the current fiscal year. Included is a five month deferral of the Highway User Tax Account (HUTA). *For more, see Page 3.*

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CITIES BEGIN TO RECEIVE PROP. 1B LOCAL STREET AND ROAD FUNDS

The Department of Finance (DOF) announced this week that 46 cities will receive their FY 2007-08 Proposition 1B local street and road funds on Friday, Feb. 15. A city-by-city list of funds can be found on the League's Web site at www.cacities.org/infrastructure. *For more, see Page 4.*

Strategic Priorities

The board learned that its first priority of "protecting funding for vital community services" was advanced when Gov. Arnold Schwarzenegger's proposed budget did not contain a recommendation to borrow property taxes from local governments through Proposition 1A or Prop. 42/Prop. 1A transportation funds.

League President Jim Madaffer reported on a number of meetings that he attended with the Governor in recent months to discuss the impact of the budget on cities as well as how to increase infrastructure investment to help jump-start the economy. Cities will be affected directly and indirectly by the Governor's proposed across the board reductions in funding for state services, including the Community Oriented Policing Services (COPS) program, as well as the early release of non-violent prisoners.

The board learned that its priority to "support green and sustainable cities" is being advanced in a significant way through the Institute for Local Government (ILG). Board members received a copy of "Climate Action Network Best Practices Framework," developed by ILG. This document includes a set of voluntary best practices cities and counties can take to address climate change. The document is available on ILG's Web site at www.ca-ilg.org/climatepractices.

The board also reviewed and approved new *League Climate Change Principles*. These policies were developed by the Climate Change Working Group and approved by the EQ, HCED, and TCPW policy committees when they met in Sacramento in January. The League's Climate Change Policies are now on the environmental quality page of the League's Web site at www.cacities.org/eq.

The board was advised that its third priority, "expand infrastructure investment," will be addressed this legislative session by continued efforts to commit the 2006 infrastructure bonds. These efforts include plans for the Department of Finance allocation of the Prop. 1B local street and road funds, the full funding of Prop. 42 for FY 2008-09, proposals for use of the spillover funding for the Public Transportation Account, and the Governor's proposed \$771 million in Prop. 1C funding for FY 2008-09. The Governor has also proposed issuing new bonds and other initiatives under his Strategic Growth Plan.

Finally, the board was briefed on the status of its efforts to "enact honest and responsible eminent domain reform." This included reports on the qualification of Prop. 98 (League opposed) and Prop. 99 (League supported) for the June 2008 ballot.

The board learned that Eminent Domain Reform Now, the coalition supporting Prop. 99, the Homeowners Protection Act and opposing Prop. 98, is growing dramatically. Groups are joining forces to support responsible eminent domain reform and oppose Prop. 98 with its hidden agendas to eliminate rent control, put critical water projects in jeopardy, destroy local land use planning and gut environmental protections. The board was urged to get involved with the campaign on their own personal time.

SB 375

The board spent a considerable amount of time on SB 375 (Steinberg), a bill which would require that green house gas (GHG) emissions, from cars and light trucks, be addressed through the regional transportation planning process.

The board has kept an open mind on how to approach the issues involved with AB 32 (2006) and emissions from cars and light trucks, but last year it opposed SB 375 unless it became a two-year bill. In the interim, the League has worked with other local government groups, planners, and the author and sponsor of SB 375 to identify and attempt to address some of the League's major concerns.

The board also welcomed representatives of the California Building Industry Association (CBIA), who discussed their ideas for an alternative to SB 375 to address GHG reduction through

regional blueprints instead. The board discussed the proposal generally but did not take any position.

After further discussion of SB 375, the board changed its official position on the bill from opposed to opposed unless amended. The board created a process for deciding whether negotiated amendments would be sufficient to secure a change in position.

Tribal and City Governments Collaborative Approved

The board approved League participation in a Tribal and City Governments Collaborative upon the recommendation of a special task force chaired by Los Angeles City Council Member Tony Cardenas. The Collaborative will invite participation by representatives of tribes across California and will initially discuss issues surrounding the Indian Tribal Gaming Special Distribution Fund, federal transportation issues, and off-reservation gaming issues. Members of the League board that served on the Task Force will continue on the new Collaborative.

Nominating Committee for League Board of Directors

The board approved President Madaffer's nomination of Jere Melo, Fort Bragg council member and board member, to chair the 2008 Nominating Committee for the League board of directors. Information about opportunities to serve on the board will sent to members in the near future.

May 16 is the deadline to apply for an at-large position on the board of directors or 2nd Vice President.

2-1-1 San Diego

John Ohanian's presentation on 2-1-1 San Diego gave the board an opportunity to learn about 2-1-1 systems and its tremendous impact during the firestorms last September. Ohanian, the organization's CEO, was on board just a month when the fires started.

On a typical day, 2-1-1 San Diego receives a few hundred calls. During the firestorm, they had as many as 35,000 calls a day. The program is growing to meet the needs of 300,000 calls annually.

2-1-1 San Diego is a free, 24-hour community, health and disaster information referral service in San Diego County. In California, 18 different 2-1-1s cover 90 percent of the state. Across the country, 2-1-1 reaches 198 million people. A live person answers each call and directs people to the various services they need. Calls to 2-1-1 cover a range of issues including financial assistance, physical and mental health services, job training, disaster response and more.

Next Board Meeting

The board will next meet April 17-18 in Sacramento.

'Highway User Tax Account' Continued from Page 1...

When Gov. Arnold Schwarzenegger declared a fiscal emergency in January, it triggered constitutional provisions under Proposition 58 (2004) that required the Legislature to send the Governor legislation to address the fiscal crisis within 45 days. That deadline is Saturday, Feb. 23.

Local agencies have been concerned about the proposed deferral of HUTA. The Governor has proposed deferring payments of HUTA from April through August, with local governments receiving full repayment in September. The total amount of the deferral is approximately \$500 million.

As the budget bill package came together, as usual, it was difficult to find the proposed language associated with the HUTA deferral proposal. Once this language was obtained, the League and California State Association of Counties (CSAC) worked quickly to analyze the proposal.

While the proposed language is clear that repayment will happen in September, the League and CSAC, as of this print deadline, are continuing to pursue additional amendments to that would tighten the assurance that this repayment will be made to local governments. There is significant political momentum to pass the package as a whole without any tinkering with the proposals.

Right now there are two bills that address the HUTA issue, SBX3 5 in the Senate and ABX3 7 in the Assembly. One of these two bills will ultimately become the final budget package passed by the Legislature.

Visit the Senate Web site at www.sen.ca.gov to review SBX3 5.

Visit the Assembly Web site at www.asm.ca.gov to review ABX3 7.

'Proposition 1B Funds' Continued from Page 1...

The application materials DOF sent cities in January included a letter explaining how to apply for the Prop. 1B funds as well as a list detailing each city's proportional share of the funds. These materials, along with the Prop. 1B Implementation Guidelines are posted on the infrastructure page of the League's Web site (www.cacities.org/infrastructure).

Cities that have not already submitted their applications for Prop. 1B local street and road funds, should do so immediately.

Energy, Funding and Infrastructure Top League Federal Priorities

The League of California Cities board of directors approved the 2008 federal priorities at its recent board meeting in San Diego.

During 2008, the League anticipates an aggressive federal effort working with the National League of Cities (NLC) on issues such as securing full funding of the Energy and Environmental Efficiency Block Grant program, resisting proposed cuts to the Community Development Block Grant program, continuing to make the case for increased infrastructure investment, and other matters.

Riverside Mayor Ron Loveridge, in his role as NLC 2nd Vice President, and the four other California city officials on the NLC board, give California a strong voice in national matters. California City officials will be visiting Washington, D.C. for the NLC Congress of Cities, March 8-12.

A copy of the League's 2008 federal priorities can be found on the federal priorities page of the League's Web site at www.cacities.org/fedpriorities.

League Sets Climate Change Policies and Guiding Principles

The policies and guidelines that will shape the League's legislative work on issues related to climate change have been approved. These principles will be used on a daily basis by League staff to evaluate legislation, make policy recommendations, and lobby on behalf of city needs.

The process that began in March 2007 to establish the principles with the creation of the Climate Change Working Group, culminated at the League's first 2008 board of directors meeting in San Diego last week. The board approved the principles that were drafted by the working group and reviewed by policy committees when they met in Sacramento in January.

The Climate Change Working Group consisted of representatives from three of the League's policy committees: Environmental Quality, Housing, Community and Economic Development, and Transportation, Communication and Public Works.

The League's Climate Change Policies and Guiding Principles can be found on the environmental quality page of the League's Web site at www.cacities.org/eq.

Institute for Local Government Web site Offers Resources on CEQA and Climate Change

The Institute for Local Government's (ILG) California Climate Action Network (CCAN) Web site recently launched a new page (www.ca-ilg.org/climateceqa) to help local agencies address climate change under the California Environmental Quality Act (CEQA).

Local agencies have increasingly come under pressure from the state Attorney General and others to analyze the impact of their land use decisions on greenhouse gas emissions. CCAN's CEQA web page provides a variety of resources that can help local agencies accomplish this task.

CEQA requires local agencies to identify the significant environmental impacts of their actions and to avoid or mitigate those impacts, if feasible. CCAN's CEQA Web page offers links to guidelines for evaluating the significance of greenhouse gas emissions and examples of local actions to address climate change in planning documents.

California's Global Warming Solutions Act of 2006 (AB 32) identifies global warming as "a serious threat" to the economic and environmental wellbeing of the state. In response, the Attorney General and various citizen groups have filed actions challenging environmental studies that do not analyze climate change impacts. They argue that CEQA requires both an analysis of a project's impacts on climate change and mitigation measures to reduce these impacts.

The lack of standards for determining the level of greenhouse gas emissions that have a significant impact on the environment is one obstacle to incorporating climate change in a CEQA analysis. State guidelines to assist agencies in analyzing greenhouse gas emissions under CEQA will not go into effect until 2010.

Additional climate change resources are available on the ILG Web site at www.ca-ilg.org/climateresources.

Institute for Local Government Releases New Publication: *Understanding the Basics of County and City Revenues*

The Institute for Local Government's (ILG) newest publication, *Understanding the Basics of County and City Revenues*, provides a basic overview of the sources of county and city revenues.

Hard copies of *Understanding the Basics of County and City Revenues* are being mailed to city finance officers and county administrative officers.

This is the first in a new series of "Local Government 101" publications that will provide information about the nuts and bolts of local government structures and processes. These publications are designed to be a resource for newly elected officials, newly-hired staff, the media and members of the public who want a better understanding of how local government works.

Additional hardcopy versions of *Understanding the Basics of City and County Revenues* can be ordered from the Institute for \$10 each or at a discounted bulk rate. The order form is available at www.ca-ilg.org/ilgpubs.

Hardcopy sales support the Institute's work in service to local officials. The publication is available on ILG's Web site at www.ca-ilg.org/revenueguide free of charge.

Understanding the Basics of County and City Revenues was published thanks to the generous support of MuniFinancial.

ILG is the nonprofit research affiliate of the League and the California State Association of Counties. Its mission is to develop forward-thinking resources to help local officials in their service to their communities.

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.
