

PRIORITY FOCUS



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2009-10 LEGISLATIVE SESSION CONVENED New Members Are Sworn Into Office as Governor Calls Special Session

Monday was a busy day under the dome of the state capitol. At the same time that the members of the 2009-10 legislative session were being sworn into office and choosing their leadership teams, Gov. Arnold Schwarzenegger was using his authority under Proposition 58 to announce that he was proclaiming a fiscal emergency and calling a special session of the budget. *For more, see Page 2.*

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LAWSUIT FILED TO BLOCK UNCONSTITUTIONAL RAIDS OF REDEVELOPMENT FUNDS

City officials will recall that the 2008-09 state budget included a one-time raid of \$350 million in redevelopment funds, which redevelopment agencies would be required to pay in Spring 2009. The League and the California Redevelopment Association strongly opposed this raid and repeatedly warned state lawmakers and the Administration that taking redevelopment funds to balance the state's budget is unconstitutional. *For more, see Page 2.*

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CITY OFFICIALS' PRESENCE NEEDED AT ARB MEETING ON DEC. 11

The California Air Resources Board (ARB) will meet the morning of Thursday, December 11, at 9 a.m. in Sacramento to consider approval of the AB 32 Scoping Plan -- and the League needs local officials to weigh in. The AB 32 Scoping Plan contains the main strategies California will use to reduce the greenhouse gases with actions that include direct regulations, alternative compliance mechanisms, monetary and non-monetary incentives, voluntary actions, and market-based mechanisms such as a cap-and-trade system. *For more, see Page 3.*

Term limits continue to result in a large turnover in both houses of the legislature: 29 new members in the Assembly, and 12 new members in the Senate. These new members will have a steep learning curve as they settle into their new offices and positions. The issues will not be new to all members, however, as several are moving from the Assembly to the Senate, and many others are transitioning to the legislature from local government.

The Governor's action has already decided the first item on the agenda – the budget.

The state deficit is currently estimated at \$28 billion over the next year and a half. The Governor indicated that the state would be out of money by February or March if the legislature doesn't act quickly.

The Governor's proposals are similar to those he offered last month. They are intended to address the budget shortfall, solvency issues of the Unemployment Insurance Fund, and the foreclosure crisis. His plan also includes an economic stimulus package.

The real challenge for legislators is to find a package of budget actions that can garner the two-thirds vote needed to pass. Republicans have once again indicated that they oppose any tax increases. They argue now, as they did last year, for budget reforms, principally a hard cap on year-to-year budget growth, keyed to inflation and cost of living increases. They also hope to use the budget debate to leverage changes on non-budgetary issues that top their list of concerns. These include changing a number of state laws and regulations to achieve what they believe will lead to a more business-friendly environment and greater investment in California's economy.

Under the provisions of Proposition 58, the legislature has 45 days to act on the proposals submitted by the Governor, or submit proposals of their own. If they do not act within the 45-day period, the legislature will be prohibited from acting on any issue other than those included in the Governor's proclamation.

'Lawsuit' Continued from Page 1...

Yesterday the California Redevelopment Association and the City of Moreno Valley's Redevelopment Agency filed a lawsuit in Sacramento Superior Court seeking to block budget trailer bill AB 1389, the legislation which authorizes the one-time raid of \$350 million in redevelopment funds. The lawsuit seeks both to invalidate AB 1389 and prohibit the state from forcing county auditors to divert redevelopment funds to the Educational Revenue Augmentation Funds (ERAF).

The lawsuit contends that state raids of redevelopment funds to balance the state's budget violate Article XVI, Section 16 of the constitution on multiple counts. First, the constitution requires that redevelopment funds can only be used to finance specified redevelopment activities. Diverting redevelopment funds to pay the state's obligations is therefore illegal. Second, raiding redevelopment funds could also unconstitutionally impair bond contracts. [Click here to read a press release, fact sheet and Q&A on the litigation.](http://www.cacities.org/resource_files/27484.CRALawsuit-Release-Facts-QA.pdf) (http://www.cacities.org/resource_files/27484.CRALawsuit-Release-Facts-QA.pdf)

We believe we have presented the courts with strong legal arguments, but time will tell if the court agrees with our position. These cases can take months or longer to resolve. We will keep you apprised of developments.

In the meantime, if you have any questions, please contact the California Redevelopment Association at (916) 448-8760.

City officials are strongly encouraged to attend and provide comments on the Scoping Plan's impact on local government.

League Prepared Background and Talking Points on the Scoping Plan:

http://www.cacities.org/resource_files/27474.ScopingPlan_BackgroundandTalking_Points_11dec08.pdf

The League's Letter to ARB on the Scoping Plan:

http://www.cacities.org/resource_files/27475.AB32ScopingPlan_LOCCommentsFINAL14nov08.pdf

The ARB Agenda is available at: <http://www.arb.ca.gov/board/ma/2008/ma121108.htm>

The ARB is also accepting comments until **December 10th at Noon** online at:

http://www.arb.ca.gov/lispub/comm/bcsubform.php?listname=scopingpln08&comm_period=A

2009 League Strategic Goals

The League Board of Directors met in joint session on Friday, Nov. 21 with the leaders of the divisions, departments, policy committees and caucuses of the League to chart a strategic course for 2009. After small group discussions and large group presentations, the combined leadership of the League (known as the "League Leaders") endorsed four strategic goals for 2009 that will guide the League's advocacy and education efforts. During its meeting on Saturday, Nov. 22, the Board formally adopted the four goals listed below.

Protect Funding for Vital Community Services. Vigorously oppose any state efforts to erode funding for vital community services. Oppose proposals to borrow or reduce any local revenue source, including the property tax, the redevelopment (RDA) tax increment, sales tax, Prop. 42 funding or any other local financial resources needed for critical community projects and services.

Promote Economic Stimulus and Infrastructure Investment. Promote expansion of federal, state and local investment in transportation, water and other infrastructure projects that will provide immediate jobs and economic benefits for the state of California. Strongly oppose efforts to divert, reduce or steal RDA funding that is the most significant source of infrastructure investment and economic stimulus in the state today.

Support Sustainable Communities. Support the efforts of city and state leaders to build and redevelop sustainable communities that strike a necessary and achievable balance between economic growth and environmental protection. Advance sensible community sustainability within a framework of local land use control, reasonable implementation of AB 32 and SB 375, increased water supply and conservation, and reform of the profoundly broken RHNA process. Support policies that promote the increased use of renewable energy resources and public transit.

Promote Reform of State Governance, Budget and Fiscal Systems. Build partnerships for reform of the laws affecting the governance of California state government, including the timely adoption of a balanced state budget, to strengthen the ability and responsibility of the executive and legislative branches to perform their necessary and proper roles in our system of state government. Support proposals that provide local policy makers with the fiscal tools and local control necessary to deliver critical local services.

Board of Directors Adopts New Federal Priorities

Each year, the League's board of directors adopts priorities to guide the organization's federal advocacy efforts. The board approved the 2009 federal priorities at its last board meeting of 2008 in Southern California.

The League's 2009 federal priorities focuses on the following:

- Economic stimulus;
- Energy/environment;
- Community Development Block Grant;
- Affordable housing;
- Water & wastewater infrastructure;
- Reauthorization of SAFTEEA-LU;
- Public safety/homeland security/disaster preparedness; and
- Limitations on local funding.

A full copy of the League's 2009 federal priorities has been posted on the League Web site.
(http://www.cacities.org/resource_files/27477.2009_Federal_Priorities_FINAL.pdf)

New Board Officers Named

The League of California Cities announced the election of new officers at its board of directors meeting in Newport Beach on Saturday, Nov. 22. The newly elected officers form the 2008-2009 executive committee of its board of directors.

Rolling Hills Estates Mayor Pro Tem Judy Mitchell became president in accordance to the League's bylaws, and following the departure of Sacramento Mayor Heather Fargo from the board. Rancho Cordova Council Member Ken Cooley was elected first vice president. New to the executive committee is Hemet Council Member Robin Lowe. San Diego City Council Member Jim Madaffer remains on the executive committee as immediate past president.

Green California Schools Summit, Dec. 8 - 10, 2008

Sign up now for the Green California Schools Summit, to be held Dec. 8 - 10, 2008 at the Anaheim Convention Center. Energy efficient, healthy green schools saving millions of dollars a year while lowering their carbon footprints and improving student attendance and teacher retention. Strategies and technologies for building new green schools and retrofitting existing ones are among the many topics that will be addressed at the summit.

You will learn from the experts about the new green technologies, how to pay for them and apply them to your schools and districts. The summit's educational program of almost 50 concurrent sessions on Dec. 9 and 10 will feature green school design and construction, operations and maintenance, financing operations, educational opportunities and much more. A full day of pre-conference workshops will take place on Dec. 8. These six-hour classes will provide in-depth, hands-on training for professionals committed to greening California's K-12 schools.

The Green Expo floor will feature 200 green exhibitors. Free registration is offered to attend the keynote speaker sessions and expo floor.

For information call Eric Rennie at (626) 577-5700 or go to <http://www.green-technology.org/gcschools/index.html>.

Nominations Now Being Accepted for League City Managers Department Awards

Do you have a colleague or city manager that has gone above and beyond the call of duty to contribute to their communities, or promoted the advancement of diversity within their community and workplace? If so, it's time to recognize them with a nomination for the 2009 John H. Nail Memorial Award or the 2009 Award for the Advancement of Diverse Communities.

The John H. Nail Memorial Award was created by the League of California Cities City Managers Department in honor and memory of a highly regarded city manager and individual. This award

recognizes local government administrative professionals who are serving as municipal assistants (regardless of position or title) and have contributed significantly to their communities.

The Award for the Advancement of Diverse Communities was established by the City Managers Department and honors a city manager or assistant city manager who has been most successful in promoting the advancement of diversity within the community and the workplace through the development and implementation of effective programs, policies and/or practices encouraging diversity.

Nomination applications for each award are available at www.cacities.org/managers, under "2009 John H. Nail Memorial Award ([http://www.cacities.org/resource_files/27478.John Nail 09.pdf](http://www.cacities.org/resource_files/27478.John%20Nail%2009.pdf)) & Award for the Advancement of Diverse Communities ([http://www.cacities.org/resource_files/27479.Diversity 2009.pdf](http://www.cacities.org/resource_files/27479.Diversity%2009.pdf)). The application deadline is 5 p.m., on Friday, Dec. 19. Applications should be sent to the following address:

League of California Cities
Attn: Natasha Karl
1400 K Street, 4th Floor
Sacramento, CA 95814

For more information on the awards, contact League Legislative Analyst Natasha Karl at (916) 658-8254 or nkarl@cacities.org.

2008 Legislative Report Available Online

The League's 2008 Legislative Report is now available on the League's Web site at http://www.cacities.org/resource_files/27473.Cover%20Report%202008%20Leg%20Briefing.pdf.

The Legislative Report features new laws passed in the 2008 legislative session. Paper copies of the report cost \$10 for city officials and \$20 for non-city officials.

You can also access the Report on the legislative resources page of the League Web site at www.cacities.org/legresources.

***City Advocate Weekly* Replaces *Priority Focus* in January**

The League is pleased to announce a new name for its weekly newsletter: *City Advocate Weekly*. With a tag line of "Legislation and Policy Affecting California Cities," the renamed publication will also feature a redesigned masthead. Stories will continue to focus on key legislation affecting cities and other items of interest to city officials.

The League anticipates launching *City Advocate Weekly* sometime in January. *Priority Focus* will remain in place until the rename is official and subscribers will automatically receive *City Advocate Weekly* without having to re-subscribe.

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.
