

# FOCUS

Analysis, Commentary and Updates on Legislative and Policy Issues that Affect California Cities

**February 25, 2005**

**Issue #8-2005**

**COMING UP:**

**NLC ANNUAL CONGRES-  
SIONAL CITY CONFER-  
ENCE**

**MARCH 11-15, WASH-  
INGTON, D.C.**

**WORKSHOP ON ECONOMIC  
DEVELOPMENT AND  
REDEVELOPMENT**

**MARCH 10, DISNEYLAND  
HOTEL, ANAHEIM**

**MARCH 24, MONTEREY  
CONFERENCE CENTER**

**Want More Details  
on Bills?**

Visit the League of  
California Cities  
Website at  
[www.cacities.org/  
legtracking](http://www.cacities.org/legtracking).

## **SENATE DEMOCRATIC LEADERS ANNOUNCE HOUSING, TRANSPORTATION PACKAGE**

Senate President pro Tem Don Perata (Oakland), along with Senate Transportation and Housing Committee Chair Tom Torlakson (Antioch) and Senate Environmental Quality Committee Chair Alan Lowenthal (Long Beach) this week announced unveiled a package of bills intended to "combat sprawl, reduce traffic, maintain open space and farmland, and improve air quality in California." *For more see page 7.*



## **LEAGUE SUBCOMMITTEE TO STUDY NEW VLF/PROPERTY TAX SWAP IMPACT ON CITY INCORPORATIONS, ANNEXATIONS**

As part of the FY 2004-05 budget agreement, the state instituted a "swap" of Vehicle License Fee (VLF) monies for property tax. In addition, the state permanently lowered the VLF rate to .65% of the assessed value of the vehicle (from a previous 2% rate). *For more see page 5.*



## **KEY REGULATORY TAKINGS CASE ARGUED**

On February 22, the United States Supreme Court heard arguments in a case that may have a profound effect how local entities take private property for public use. *For more see page 7.*

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## LAO RELEASES STATE BUDGET ANALYSIS

On Tuesday, the independent Legislative Analyst's Office (LAO), released a review of the 05-06 proposed budget. The "2005-06 Budget: Perspectives and Issues" provides an updated review of the state's current fiscal issues (revenues, expenditures), along with detailed perspectives on the governor's proposed 05-06 budget and major policy reform items.

The report provides some good news – the LAO projects that state revenues are \$2.2 billion higher (for the current and budget years combined) than reflected in the governor's budget. When combined with the ongoing solutions in the proposed budget, this would result in a balanced 05-06 budget, and a solid reserve. The LAO goes on to caution that without ongoing solutions of the magnitude proposed in the governor's budget, the structural deficit projected for future budget years would likely increase.

The report includes overviews of many issues of concern to locals including (but not limited to) reimbursable mandates, transportation funding, and pension reform. In addition, the LAO released an item by item analysis of the entire proposed 05-06 budget on Thursday (not available for review prior to press time). The full text of both of these reports can be accessed at [www.lao.ca.gov](http://www.lao.ca.gov).

For questions or comments related to the budget proposals, contact Jean Korinke, League Legislative Representative, at (916) 658-8245 or [jkorinke@cacities.org](mailto:jkorinke@cacities.org), or Frances Medema, Legislative Analyst, at (916) 658-8218 or [fmedema@cacities.org](mailto:fmedema@cacities.org).

## STORM WATER AND FLOOD CONTROL FEES – LEGISLATION INTRODUCED TO AMEND PROPOSITION 218

In last week's Priority Focus, we reported that Assembly Member Harman will carry the administration sponsored bill to exempt flood control and storm water fees from the voter approval requirements of Proposition 218. That bill was introduced this week as ACA 13 (Harman).

While the League has identified some drafting problems relating to the flood control exemption, the League **supports** exempting flood control and storm water fees from the voter approval provisions of Proposition 218.

In its current form, ACA 13 only adds flood control to the three types of fees that are exempt from Proposition 218 – sewage, refuse and water. ACA 13 will be amended to add storm water fees as well.

A bill must be in print for thirty days before it can be amended or heard by a committee; thus, the new version of the bill will not be available for at least a month. During this time, the League will work with the author and the administration on the exact wording of the storm water fee provision. The League will also review the other bills in the package of flood control legislation being sponsored by the administration.

### 2005 LEAGUE OF CALIFORNIA CITIES ANNUAL CONFERENCE

OCTOBER 6-8  
MOSCONE CENTER  
SAN FRANCISCO

## HOUSING FORUMS – ORANGE COUNTY

The Kennedy Commission is holding housing forums to discuss various issues and concerns relating to housing issues. Some examples that may of interest to city officials:

**March 3 – Orange:** The Kennedy Commission's March General Membership Meeting will focus on two important issues: funding challenges to the Section 8 and Community Development Block Grant (CDBG) programs and housing development opportunities in the City of Orange. John Hambuch of the County Housing Authority will lead a discussion on the current budget proposals and programmatic changes proposed by the Bush administration. The Commission's Orange Working Group will also present an update on the East Orange General Planning (and EIR) process.

The March meeting is scheduled for Thursday, March 3rd, 2005 from 11:30 a.m. to 1:00 p.m. and will be held in the library conference room at the St. Joseph Justice Center; 480 S. Batavia, Orange, CA 92868. Free parking is available. A buffet lunch will be provided for a charge of \$8 per person (or feel free to bring your own lunch). Please RSVP to the Kennedy Commission at (949) 470-9134 or via email at [EricG@kennedycommission.org](mailto:EricG@kennedycommission.org).

**March 23 – Santa Ana: Anaheim Affordable Housing Development.** The Kennedy Commission, the Building Industry Association of Orange County and the City of Anaheim are hosting this event at which the City of Anaheim Mayor, city council and city staff will discuss affordable housing development opportunities in their city.

City staff will describe Anaheim's innovative Affordable Family Housing Ordinance (AFHO). The ordinance provides development incentives that help achieve the incorporation of affordable low-income family units into developments throughout the community. The city staff will also release a Request for Proposals for selected city-owned sites.

The briefing will be held on Wednesday, March 23, 2005 from 8:00 a.m. to 10:00 in the Garden

Room at First American Title: 1 First American Way, Santa Ana, CA 92707. Breakfast and refreshments will be served. The cost is \$25 per person. For more information or to register, please contact Cesar Covarrubias at (949) 470-9134 or [cesarc@kennedycommission.org](mailto:cesarc@kennedycommission.org).

### NEW LEAGUE NEWSLETTER TO *FOCUS ON HOUSING*

With expanded housing supply and affordability a key League goal for 2005, the League in March will launch a new free, monthly electronic newsletter focused entirely on the subject of housing.

Entitled *Focus on Housing*, the newsletter will report on pending legislation and policy developments, as well as carry short stories about what cities are doing to address the housing challenges in their communities. Interviews with city officials, policy makers, housing advocates, planners, builders, realtors and others concerned with housing will be a regular feature of each issue.

The newsletter will also report information about housing forums and other events throughout the state.

City officials and others with information about housing developments in their communities are encouraged to submit the information, or short (200-400 word) articles, to League Communications Director Megan Taylor (email: [mtaylor@cacities.org](mailto:mtaylor@cacities.org); tel: [916.658-8228](tel:916.658-8228)).

Persons interested in subscribing may sign up for *Focus on Housing* at [www.cacities.org/housingnewsletter](http://www.cacities.org/housingnewsletter).

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## 2,947 NEW BILLS INTRODUCED

The February 22 introduction date for new bills in the 2005-06 Legislative Session passed this week. Legislators and their staff, the administration, interest groups and interested citizens are now sifting through the 2,947 introduced bills, trying to figure out which measures might affect issues nearest and dearest to their hearts.

In many cases the bills themselves are "spot bills"; they amend or add a section of law in minor ways, but don't provide much of a clue as to what the authors or sponsors really want to accomplish, or how they will do it. This is a standard practice. The spot bill becomes a placeholder while the author and sponsors continue to research the subject matter or meet with other stakeholders to work out common ground and the detailed language that will be amended later into the bill.

Bills must be in print for 30 days before they can be amended, so in many cases it will be weeks before anyone sees the specific language the author intends to take to a policy committee.

City officials concerned about certain bills should understand that the introduction of bills is simply the opening act of a much longer play. League staff will review all bills that look as though they might have an impact on cities, and begin logging these bills into the League's legislative tracking system. While existing League policy may be sufficient to dictate a League "support" or "oppose" position on a bill, in many cases the bill will not be sufficiently fleshed out to justify the League taking a position. In those cases the bill will simply be logged into the tracking system with no position recorded, or perhaps a "watch" position.

In some other cases, a bill may raise issues that require decisions by League policy committees and the board of directors.

City officials interested in legislation are encouraged to use the League's online legislative tracking service to view the text of a bill, its status, committee assignment, hearing dates

and other information (including the League lobbyist assigned to the bill).

To track a bill, use the "Bill Search" link on the navigation bar of the League's Website ([www.cacities.org/billsearch](http://www.cacities.org/billsearch)). To monitor bills by subject area, visit the various policy issues pages on the Website in the Issues and Legislation area of the site.

### POLICY LEADERS WORKSHOP ON ECONOMIC DEVELOPMENT AND REDEVELOPMENT

Mayors and council members interested in strengthening their city's economic climate should act quickly to sign up for workshop on this topic offered practical briefing and workshop to be held. Learn what you need to know and do to assure that your policies and programs effectively meet your needs. Do you know all the resources available to you to build a healthy commercial base? Do you know when redevelopment is appropriate and how to make it serve your community without undesirable side effects? What criteria should you have to assess your economic development efforts? How can you avoid and answer criticism about your city's plans and programs? Get the answers to these and many other questions by attending either of two sessions:

√ Thursday, March 10, Disneyland Hotel, Anaheim

√ Thursday, March 24, Monterey Conference Center

Sign up on line at [www.cacities.org/events](http://www.cacities.org/events) or print the registration form at that site and return it as indicated. Act now!

**ANNEXATION from page 1** .....

Certain components of this "swap" of property tax for VLF revenues result in negative revenue impacts for new city incorporations and some annexations. Assemblymember John Laird, Chair of the Assembly Budget Committee, has introduced a spot bill with the intent of addressing this issue (AB 1602).

Additionally, the League of California Cities has created a subcommittee under the Revenue and Taxation Policy Committee that is exploring potential options to resolve these financing issues.

As a part of these efforts, we'd like to collect some information from cities that are considering, or are actively involved in annexing land. Please use the form below and send your responses Frances Medema, by Friday March 4<sup>th</sup> at e-mail: [fmedema@cacities.org](mailto:fmedema@cacities.org) or fax: (916) 658-8240.

<p align="center"><b>ANNEXATION INFORMATION</b></p> <p>City Name: _____</p> <p>Contact Name/Phone: _____</p> <p>1. Does your city anticipate annexations within the next:</p> <p>a. Year? Yes ___ No ___</p> <p>b. 1 – 3 Years? Yes ___ No ___</p> <p>c. 3 – 5 Years? Yes ___ No ___</p> <p>d. Over 5 Years? Yes ___ No ___</p> <p>1. If yes, please tell us:</p> <p>a. Annexations involving uninhabited* land:          _____ acres _____ approximate assessed value</p> <p>b. Annexations involving inhabited land:          _____ acres _____ approximate population _____ approximate assessed value</p> <p>*i.e., no residential dwellings.</p>
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In the meantime, it's important that cities understand the issues pertinent to their growth plans that result from the VLF/Property Tax swap. A description is contained in "The New Vehicle License Fee: Impact on New City Incorporation and Annexation".

**THE NEW VEHICLE LICENSE FEE: IMPACT ON CITY INCORPORATION AND ANNEXATION**

Vehicle License Fee (VLF) revenues are an important component of the fiscal viability of annexations and incorporations. Prior to 2004, state law required that a city whose population increased by virtue of annexing an area would receive additional VLF revenue to fund services to the area.

Additionally, for its first seven years, a newly incorporated city would receive its VLF allocation based on three times the number of registered voters at the time of incorporation, a somewhat higher figure than actual population.

Although the funds to new city populations in annexations and new incorporations were funded from the VLF, these allocations were made possible without significant fiscal effects on other cities, because annual growth in the statewide MVLF account was more than adequate to fund them. The effect of funding these new incorporations and allocations was an imperceptibly smaller level of growth in VLF for cities throughout the state. County VLF revenues are allocated from a statewide share for counties based on countywide population whether incorporated or not. Consequently, when a city incorporates or annexes territory, the county's VLF revenue is not affected.

With the VLF for Property Tax Swap of 2004, more than 90% of city VLF (and VLF backfill) revenue has been replaced with property tax revenue. But in the closing days of the 2004 budget negotiations, changes were made that severely reduce the amount to VLF revenue available to go to annexations and new incorporations in the future. These changes are described in greater detail in League fiscal consultant Michael Coleman's report, *The VLF for Property Tax Swap of 2004: Problems for Annexations and New Incorporations*, available on-line at [www.CaliforniaCityFinance.com](http://www.CaliforniaCityFinance.com).

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## VLF from page 5 .....

### Annexations

Most annexations of undeveloped property will not be negatively impacted since they would not have a population base at the time of annexation to receive VLF funding in any case – and future assessed value (AV) growth within the annexation will increase the city's property tax in lieu of VLF. However, many annexations of developed property and unincorporated islands will receive an inadequate boost in property tax in lieu of VLF to compensate for the smaller VLF allocation. This is because the new law directs county auditors to disregard the existing AV upon incorporation when determining the annual change in the city's property tax in lieu of VLF payment. As a result, no increase for the annexation is added to the property tax in lieu payment base and the funds are lost in perpetuity. (See Section III of Coleman's report, *The VLF for Property Tax Swap of 2004: Problems for Annexations and New Incorporations.*)

### Incorporations

Changes in the law under the swap currently make virtually any new incorporation fiscally unviable. Because they were not in existence in FY04-05, new cities will not have a base year property tax in lieu of VLF established. Consequently, under current law, these cities would receive no property tax in lieu of VLF as existing cities do. In addition, while the law preserves the "bumped up" VLF basis for recently incorporated cities (cities that received such funding as of August 15, 2004), there is no bumped up basis for new cities in the future. (See Section V of Coleman's report, *The VLF for Property Tax Swap of 2004: Problems for Annexations and New Incorporations.*)

## MILITARY BASE REALIGNMENT AND CLOSURE MEETING SET FOR MARCH 16

California congressional delegation co-chairs, Representatives David Dreier and Zoe Lofgren, will be hosting a roundtable discussion on the upcoming 2005 Base Realignment and Closure (BRAC) round during the annual National League of Cities Conference in Washington, DC, March 11-16.

The discussion will be held on Wednesday, March 16 from 11:00 a.m. to 12:00 p.m. in Room HC-5 of the U.S. Capitol Building. Participants will include:

- California members serving on the House Armed Services Committee
- Top officials from the Department of Defense, including Patrick O'Brien, Director of the Office of Economic Adjustment
- State of California BRAC officials

We urge your participation in this important discussion on this critical California city issue.

### Leaving City Office? Retiring?

The League wants to stay in touch! Just because you are leaving your position with the city doesn't mean you stop caring about or wanting to be involved in city issues. Keep abreast of developments affecting cities and the League by becoming part of the League's alumni group. Members will receive periodic updates on city issues and League activities. This is the League's way of saying "thank you" for your public service—there is no fee for this service.

To join, go to [www.cacities.org/alumni](http://www.cacities.org/alumni) or send your contact information to [dharrison@cacities.org](mailto:dharrison@cacities.org).

**KELO from page 1** .....

In *Kelo v. City of New London*, a group of homeowners are challenging the city's decision to take their property to make way for a new hotel, office space and higher-income housing. It is anticipated that the development, adjacent to a new \$300 million Pfizer, Inc. research facility, would bring the city an additional \$680,000 a year in higher tax revenues.

Under the Fifth Amendment to the U.S. Constitution, the government may take private property for a public purpose, as long as just compensation is paid. In *Kelo*, the landowners argue that the city is trying to expand the definition of "public use" to include "economic development." Their property is being taken not to eliminate slums or blight, they assert, but rather solely to increase city tax revenues and improve the local economy.

Because of the potentially devastating consequences that an adverse decision may have on a city's ability to exercise its eminent domain powers for economic development purposes, the League joined with the National League of Cities, the International Municipal Lawyers Association, and the State and Local Legal Center in submitting a friend-of-the-court brief supporting the city of New London. (A total of 32 friend-of-the-court briefs were filed in the case; 23 on behalf of the property owners and 9 on behalf of the city.

Andrew Schwartz, formerly with the San Francisco City Attorney's Office and currently with the firm of Shute, Mihaly and Weinberger, attended Tuesday's court arguments on behalf of the League. Speaking at the 2005 City Attorneys MCLE Conference in Newport Beach, Schwartz, a co-founder of the Community Land Use Project of California, a special project of the Institute for Local Government, shared his thoughts and opinions on the *Kelo* case with city attorneys from throughout the state. Schwartz predicted that the Court would rule in favor of the city, noting that the Court seemed concerned with trying to impose a "public use" standard that could realistically be imposed on all 50 states.

A decision is expected to be handed down later this year.

**HOUSING from page 1** .....

The bill package includes the following:

**SB 832 (Perata/Torlakson/Lowenthal) Incentives for Building Smarter, Preserving Open Spaces, Mitigating Regional Impacts of Local Projects.** This spot bill proposes to create greater certainty for urban "infill" projects by streamlining regulatory requirements and expanding the current urban infill exemption under the California Environmental Quality Act (CEQA).

The authors say that the bill also will establish new procedures to resolve regional conflicts between and among local governments that approve projects despite significant adverse impacts on regional and interregional transportation, air quality or water supply and quality.

**SB 575 (Torlakson) Building Affordable Housing.** SB 575 would clarify and strengthen the anti-NIMBY law relating to the approval of affordable housing projects.

**SB 44 (Kehoe) Air Quality Elements for General Plans.** SB 44 will require local governments to adopt an air quality element or air quality strategies in their general plans to ensure development in the area is undertaken in a manner that reduces air pollution. The bill is modelled after legislation passed two years ago, which requires the Central Valley to include air quality strategies in each local agency's general plan to address the air pollution problems that often accompany urban and suburban sprawl.

**SB 521 (Torlakson)—Encouraging Transit Oriented Development.** This bill incorporates ideas proposed in prior-session bills, including allowing redevelopment agencies to use a financing tool (tax incremental financing) available only to them, to fight blight by developing high-density projects around or near a transit station.

At the press conference announcing the bills, Senator Perata also said "the Senate will also have as a top priority working with the Governor to fix Proposition 42. .. We need to make sure Prop. 42

*Continued on Page 8*

**HOUSING from page 7** .....

funds are meeting our most urgent needs and providing incentives for smart land-use decisions."

**League Housing Task Force**

Housing is a top concern for the League; the League board of directors identified as a top priority for 2005 the need to **expand housing supply and affordability** consistent with the League's smart growth principles .

A League Housing Task Force has been meeting for several months with representatives of the building industry to try to find common ground on a range of policy issues.

While the Senate bills address some of the same issues and concerns discussed in the task force meetings, the Senate package raises other concerns that would undoubtedly be the subject of much debate as the bills move through the legislative process. Among these are issues relating to preserving local decision making in land use decisions, and concerns about possible new state mandates.

**League Spot Bill: SB 968**

It should be noted that the League has also introduced a housing bill, currently in spot bill form (SB 968 –Torlakson). It includes findings and declarations that set forth important policy statements on which both both the builders and the local officials on the League task force reached agreement. These include the importance of:

- Cooperative and coordinated problem-solving approaches to address the costs of public services and infrastructure.
- Long-range, comprehensive perspectives on the communities' housing needs, encouraging infill development.
- Identifying sufficient funding for local governments to complete necessary planning and environmental reviews.
- Providing certainty regarding where and what

type of housing can be constructed;

- Streamlining approvals of projects that are consistent with local general plans.

**A Long Way to Go...**

While the legislative session is still in its earliest days, the release of the Senate package underscores the importance that housing, transportation and other infrastructure issues are likely to have in the months ahead. The state's continuing deficit problems increase the challenge state policymakers face in making progress on these issues.

***Economic Development Handbook***

***Economic Development, Business Growth & Decline, and The Strategic Planning Process***

**A tool to help educate city officials about ways to tackle serious economic policy issues.**

Plus:

- Best practices and case studies
- Secrets for developing economic development success
- Tools for understanding and analyzing a community's economic base
- Developing and implementing a strategic economic development plan
- Benchmarking tools and tips on putting it all together.

This publication is available from the League for \$15 plus shipping and handling. There is a ten percent discount on orders of five or more.

Questions? Contact League Publications at 916/658-8257 or order online at: [www.cacities.org/store](http://www.cacities.org/store).

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legtracking](http://www.cacities.org/legtracking).

**LEAGUE BOARD ACCEPTS PENSION REFORM REPORT  
VIEWED AS 1<sup>ST</sup> STEP IN LEGISLATIVE NEGOTIATIONS**

The League board of directors has accepted a report from the League's Pension Reform Task Force as a first step in negotiations with the Legislature on this very controversial topic. *For more see page 7.*



**KEY 2005 HOUSING/LAND USE BILLS**

As of the bill introduction deadline of February 22, the Legislature had introduced more than 2,800 bills. *For more see page 6.*



**AB 194 (DYMALLY) BROWN ACT VIOLATIONS: OPPOSE**

The League is opposed to AB 194 (Dymally), which seeks to nullify the right of a local agency to correct any alleged violation of open meeting laws prior to the commencement of judicial action — even in those situations where the violation was inadvertent or due to a misunderstanding. *For more see page 9.*

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## THE LEAGUE WANTS YOUR HOUSING STORIES

Do you have a good story to tell about how your community is dealing with housing issues? The League would like to hear about it for possible publication in one or more of several venues:

**Western City Magazine.** The League's award-winning monthly magazine will start a 6-month series on housing, beginning with the June 2005 issue. Each month will focus on a different aspect of the housing issue.

**A New "Focus On Housing" Monthly Electronic Newsletter.** Set to launch in March 2005, the newsletter will include feature stories about policy, legislative and legal developments relating to housing; "good news stories" about what cities are doing to address housing issues in their areas; guest columns by a city or state official, housing advocate, planner, developer, homeowner, renter or others; and letters or comments to the editor. The style of these stories will be short, quick and to the point - 200-300 words are optimum.

**A New Housing Resource Center.** This new addition to the Institute of Local Government Website ([www.ilsg.org](http://www.ilsg.org)) will be sponsored by both the League and the Institute. With sections for both the newcomer to housing issues, as well as housing "wonks", we hope that this new resource center will become the one-stop shop for anyone interested in learning more about housing in California. Mostly, this site will link visitors to other resources. It will also include story summaries with links back to the cities or other organizations providing the information.

**Planning Department's Quarterly Newsletter.** The League's Planning and Community Development Department publishes a quarterly newsletter focusing on planning issues around the state. The issue published in February focused on affordable housing stories, and the spring issue will focus on redevelopment success stories.

**Why the Focus on Housing?** A key League goal for 2005 is to work to "Expand Housing Supply and Affordability consistent with the planning and environmental quality objectives of the League's Principles for Smart Growth, and in balance with the creation of new jobs." These publications are a way to share information, and encourage member-

ship discussion and debate on housing policy issues.

**How to Contribute:** Simply send any stories you have written, or ideas you may have to Jennifer Lewis, [jlewis@cacities.org](mailto:jlewis@cacities.org), (916) 658-8226.

**How Long Should The Story Be?** About 200 - 400 words for newsletters; up to 800-1000 words for Western City.

**Do We Accept Photos?** Definitely. Pictures help to tell the story. Please send electronic photos to us when you submit your story, and provide a caption for each photo.

**When to Contribute?** You don't have to wait till the final chapter is written to tell us what is going on. A housing project in the works is of interest, as are local decisions or processes that can have an impact on housing.

Thank you in advance for your interest and support.

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## LEAGUE SEEKS DEPLICATION OF COURT OPINION

In the January 7, 2005 edition of Priority Focus, we told you about the case of *Nasha v. City of Los Angeles* (2004) 125 Cal.App.4<sup>th</sup> 470, wherein the 2<sup>nd</sup> District Court of Appeal overturned a planning commission's decision on due process grounds. The court found that a planning commissioner's authorship of an article hostile to the project before the commission gave rise to an unacceptable probability of bias against the project and that the commissioner should have recused himself from participating in the decision.

On January 26, the Legal Advocacy Executive Committee recommended that a letter brief requesting depublication of the opinion be filed on behalf of the League with the state Supreme Court. The League would like to thank Brad Fuller and Michael Colantuono for writing the letter brief, which may be reviewed at: <http://www.cacities.org/recentfilings>.

### LEAGUE PRESIDENT APPOINTS BOARD OF DIRECTORS NOMINATING COMMITTEE

Pat Eklund, President and Council Member, Novato, has appointed the 2005 Board of Directors Nominating Committee. Appointed to the committee and charged with the responsibility of nominating League officers and at-large directors, are: Paul Luellig, Council Member, Barstow — Chair; Harry Armstrong, Council Member, Clovis; Mike Doyle, Council Member, Danville; Lee Ann Garcia, Council Member, Grand Terrace; Terry Henderson, Council Member, La Quinta; Carol Herrera, Mayor Pro Tem, Diamond Bar; Rudy Natoli, Council Member, Pismo Beach; Marland Townsend, Mayor, Foster City; Judith Mitchell, Mayor, Rolling Hills Estates; Tom Cooke, Mayor, Fortuna; and Marty Simonoff, Council Member, Brea.

The Nominating Committee will meet on July 30 before the July 30-31 Board meeting, to review the applications of potential nominees. The committee's recommendations will be announced during the Opening Plenary Session of the League's Annual Conference on October 6, 2005.



### INTERESTED IN SERVING ON THE LEAGUE BOARD OF DIRECTORS?

The League of California Cities welcomes nominations from elected officials interested in serving in five at-large positions (two-year term), or Second Vice President (one-year term). All nominees for Second Vice President must have previously served on the Board of Directors.

If you are interested in submitting your name (or another elected official's name) for nomination to the League Board of Directors, please provide the information requested on the Nomination Form, along with a bio and letter requesting consideration, to the League's Sacramento headquarters on or before end of business on Friday, July 8, 2005. Nomination materials can be found on the League's website at [www.cacities.org](http://www.cacities.org) or can be obtained by contacting League Staff Mimi Sharpe at 916/658-8232 or [sharpem@cacities.org](mailto:sharpem@cacities.org).

### NLC CONGRESSIONAL CITY CONFERENCE

City officials attending the NLC Congressional City Conference in Washington, D.C. won't want to miss these California events scheduled for March 14-16:

#### Monday, March 14

**5:30-6:30p.m. League Reception at Washington Hilton and Towers.** Monroe East-West Room 1919 Connecticut Ave., NW. Special Guests: Ruben Barrales, Director of White House Intergovernmental Affairs and Departmental/Agency Intergovernmental Affairs officials

#### Tuesday, March 15

**12:00-12:30p.m. Meeting with Senator Barbara Boxer.** 226 Dirksen Senate Office Building

**5:30-7:00p.m. California State Society Welcome Back to Congress Reception for California City Officials and California Congressional Delegation.** Rayburn Cafeteria, Rayburn House Office Building

#### Wednesday, March 16

**11:00a.m.-12:00p.m. California Congressional Delegation Roundtable Discussion with Members of California City Officials on Base Realignment and Closure (BRAC).** HC-5 of the U.S. Capitol Building

California Congressional delegation Co-Chairs, Representatives David Dreier and Zoë Lofgren, are hosting a roundtable discussion on the upcoming 2005 Base Realignment and Closure round. Participants will include:

- California Members of the House Armed Services Committee
- Top officials from the Department of Defense
- State of California BRAC officials

If you haven't RSVP'd please do so with Genevieve Morelos at [gmorelos@cacities.org](mailto:gmorelos@cacities.org)

## CCS WORKSHOPS FOCUS ON "STRETCHING COMMUNITY DOLLARS"

The Cities, Counties & Schools (CCS) Partnership, in conjunction with the City of Pasadena and Inderkum High School in Sacramento, is offering two unique one-day workshops focusing on innovative collaborative successes occurring throughout California, and how jurisdictions can use cooperative approaches to help secure funding for projects, and save money providing services.

Scheduled for April 15 in Pasadena and May 13 in Sacramento, "*Stretching Community Dollars: Building for the Future*" is a one-day intensive workshop to provide in-depth technical assistance to individual communities on joint use of resources, including: land use planning, facilities, community programs, youth services and administrative procedures. Community leaders who have successfully experienced the collaborative process will provide one-on-one "peer" training to develop and implement joint projects. Agenda features include:

- Small discussion groups to offer the opportunity to share ideas with one another and to apply these concepts to your own communities.
- Gain an understanding of how to plan and implement collaborative projects
- Develop joint-use agreements for action by community teams
- Infrastructure projects; libraries, parks, schools and other community facilities
- One-on-one training from community leaders who have successfully experienced the collaborative process
- In-depth team training/consultation from a national expert in cross-jurisdictional planning
- Work with experienced collaborators and community partners to develop cooperative plans for joint land use, facilities, services, programs and policies.

For more information, please visit [www.ccspartnership.org](http://www.ccspartnership.org), or contact the CCS Partnership at 916-323-6011, or [ccspartnership@counties.org](mailto:ccspartnership@counties.org).

The CCS Partnership is a joint effort of the League of California Cities, California State

Association of Counties, and California School Boards Association representing California's 478 cities, 58 counties and almost 1,000 school districts.



## NLC EFFORTS WIN DELAY IN IRS FUEL TAX REGULATIONS

The Internal Revenue Service (IRS) has announced that it will delay the implementation of regulations related to federal motor fuel excise taxes that were slated to go into effect March 1. The delay is intended to give Congress time to address concerns of state and local governments and non-profit educational organizations.

As reported in *Priority Focus* on February 18, the regulations were prepared to implement the American Jobs Creation Act, which was enacted in 2004. The act contained provisions that would change the procedures under which state and local governments (and nonprofit educational organizations) may claim an exemption from federal motor fuel excise taxes and apply for a refund of any taxes paid.

Credit card and fleet card companies that have been handling the administration of tax refunds on these types of purchases would no longer have been able to do so as of March 1, 2004. As a result, local governments would have had to begin collecting information on their retail gasoline purchases so that they can be in position to apply directly for refunds.

After lobbying by the National League of Cities (NLC) and others, the chairmen of the Senate Finance Committee and the House Ways and Means Committee forwarded a letter to the IRS requesting that they re-issue regulations that would allow fleet credit card issuers to continue administering state and local fuel tax refunds. The IRS decision to give Congress time to address the issue legislatively was announced this week.

Thanks to Janine Jones Smith at NLC for her excellent work on this issue. Please contact Janine at [jones-smith@nlc.org](mailto:jones-smith@nlc.org) or Nicole Young if you would like a copy of the IRS's letter.

## HAVE YOU REGISTERED TO ATTEND THE 2005 PUBLIC WORKS OFFICERS INSTITUTE AND MINI EXPO?

Registration is still open for this year's Public Works Officer Institute and Mini Expo in the beautiful coastal city of Monterey, March 30 - April 1. Network with your peers and take the opportunity to learn the latest trends in your field.

### Program highlights include:

- A presentation from the newly appointed Caltrans Director, Will Kempton
- Listen to motivational speaker Dan Walters, Sacramento Bee Columnist
- Learn about the hot topics with Air Quality and CalPERS

New to the Institute this year is the 1<sup>st</sup> Public Works Mini Expo. Learn from key vendors in your industry how to improve efficiencies, reduce costs and make better purchasing decisions. Don't miss this opportunity to "meet and greet" potential business contacts during the Welcome Reception, Thursday, March 31, 5:00-7:00pm,

For more information about participating visit [www.cacities.org/events](http://www.cacities.org/events), or contact Paul Flint at [pflint@cacities.org](mailto:pflint@cacities.org).

## OPR RELEASES TRIBAL CONSULTATION GUIDELINES

This week the Governor's Office of Planning and Research (OPR) released interim Tribal Consultation Guidelines, as a supplement to the General Plan Guidelines. The Tribal Consultation Guidelines went into effect on March 1, 2005, as required by SB 18 (Burton, 2004), and are intended to help local officials meet the new obligations required by SB 18.

Specifically, SB 18 requires cities and counties to notify and consult with California Native American tribes about proposed local land use planning decisions. As of March 1, 2005, counties and cities are directed to send their plan proposals to California Native American tribes that are on the Native American Heritage Commission's contact list, if the tribes have traditional lands within the county or city. Also starting on March 1, cities and counties must allow tribes to request a consultation with local officials before a general plan or specific plan is adopted or amended.

The Tribal Consultation Guidelines are available on OPR's website at [www.opr.ca.gov](http://www.opr.ca.gov). These interim guidelines are a work in progress. If you have recommendations for changes to the guidelines, please contact OPR at: [state.clearinghouse@opr.ca.gov](mailto:state.clearinghouse@opr.ca.gov) and copy Jennifer Lewis at the League: [jlewis@cacities.org](mailto:jlewis@cacities.org).

## POLICY LEADERS WORKSHOP ON ECONOMIC DEVELOPMENT AND REDEVELOPMENT

Mayors and council members interested in strengthening their city's economic climate should act quickly to sign up for workshop on this topic offered practical briefing and workshop to be held. Learn what you must do to ensure that your policies and programs effectively meet your needs. Do you know all the resources available to you to build a healthy commercial base? Do you know when redevelopment is appropriate and how to make it serve your community without undesirable side effects? What criteria should you have to assess your economic development efforts? How can you avoid or answer criticisms about your city's plans and programs?

Get the answers to these and many other questions by attending either of two sessions:

- Thursday, March 10, Disneyland Hotel, Anaheim
- Thursday, March 24, Monterey Conference Center

Sign up on line at [www.cacities.org/events](http://www.cacities.org/events) or print the registration form at that site and return it as indicated.

**LAND USE BILLS from page 1** .....

As expected, there are many housing and land use bills. Below is a list containing a brief description of some of the major housing/land use bills for 2005.

The League will analyze and develop positions on these and other bills in the near future. City officials are also encouraged to review these bills to determine local impacts. City officials and others interested in legislation are encouraged to use the League's online legislative tracking service to view the text of a bill, its status, committee assignment, hearing dates and other information (including the League lobbyist assigned to the bill). The League's position on a bill will also be added to the system, when that information becomes available.

To track a bill, use the "Bill Search" link on the navigation bar of the League's Website ([www.cacities.org/billsearch](http://www.cacities.org/billsearch)). To monitor bills by subject area, visit the various policy issues pages on the Website in the Issues and Legislation area of the site.

**Zoning/ Housing**

**SB 435 (Hollingsworth)** Makes additional changes to state density bonus law, following last year's controversial SB 1818 (Hollingsworth).

**AB 549, as introduced, Salinas.** Authorizes communities that produce an unspecified amount of affordable housing to self-certify their housing elements. Provides for actual damages against local governments that deny affordable housing developments.

**SB 575 (Torlakson)** Prohibits local disapproval of housing development that is not in compliance with the general plan, if the jurisdiction lacks a certified housing element.

**AB 1233 (Jones)** Requires regional housing need numbers to include any unmet share of housing need from the previous planning period.

**SB 326 (Dunn)** Provides that a housing development (could be multifamily or single-family) that is proposed to be placed on a parcel zoned for multifamily or single family use is not subject to a conditional use permit on any parcel

zoned for housing, under specified conditions.

**SB 365 (Ducheny)** Applies two existing provisions of law related to housing to charter cities.

**SB 1087 (Florez)** Requires local governments to deny an application for any residential or nonresidential development if it finds, based on substantial evidence that the water or sewer provider has failed to provide available and future services to affordable housing.

**Planning & CEQA**

**SB 968 (Torlakson)** League-sponsored spot bill intended to serve as a legislative vehicle for agreements which may emerge from the League/Homebuilders General Plan Task Force.

**AB 1020 (Hancock)** Requires federally designated metropolitan planning organizations and certain state-designated regional transportation planning agencies to develop and implement improved regional travel models incorporating smart growth concepts.

**AB 1367 (Evans)** Declares the Legislature's intent to enact legislation that would direct state and regional agencies to take into account locally passed land use initiatives when calculating the fair share of regional housing for cities and counties.

**SB 223 (Torlakson)** Establishes a revolving loan program to provide loans up to \$1 million to local governments to adopt specific plans or equivalent planning documents that provide for additional infill housing opportunities. Compliance with state housing element certification and reporting criteria is required.

**AB 926 (Chu)** Requires the licensure, certification, and regulation of adult recovery maintenance facilities, as defined.

**SB 832 (Perata)** Makes several changes to the existing CEQA exemption for infill housing.

**SB 948 (Murray)** Requires a lead agency to prepare a short form environmental impact report for a housing development project subject to CEQA if the lead agency has determined that the project meets various criteria.

*Continued on Page 9*

**PENSION REFORM from page 1** .....

The report calls for retaining the defined benefit plan model for public pension systems, but with some key reforms. (See article *League Pension Reform Guidelines*.) Copies of the complete report and the analysis by the task force actuary are available on the League's Website. (See also the article *Board Highlights*.)

**Governor, Assemblymember Richman Propose Constitutional Amendments**

The League's Task Force report addresses issues raised by proposals from Governor Schwarzenegger and Assemblymember Keith Richman. Both have introduced constitutional amendments that would require that new state and local government employees be provided a "defined contribution" pension package — a 401 (k) self-directed savings package — in lieu of the "defined benefit" pension currently available to virtually all public sector employees working in federal, state and local governments.

State Finance Director Tom Campbell presented the governor's proposal to the League board of directors at their meeting February 25 in Novato. He emphasized that the governor's goal is to ensure that employees assume a greater share of all retirement costs to better equalize the employee and employer share of the annual contribution to CalPERS. The administration estimates that this change would save the state general fund \$206 million in FY 2005-06.

A representative of the California Professional Firefighters Association also addressed the board about the reform proposals. She cautioned the board about the morale issues and other difficulties that cities would face in hiring and retaining public safety employees, if the governor's proposal were to be adopted.

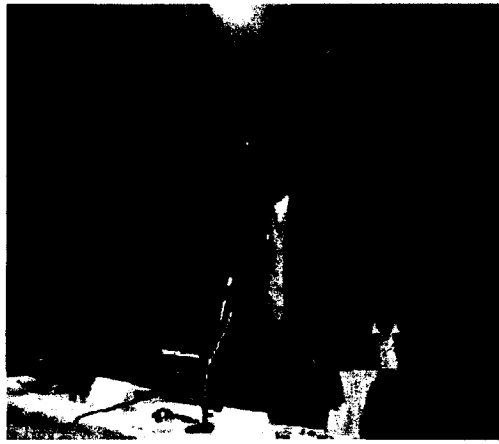
Both the governor and Richman have vowed to take their proposals directly to the voters if the Legislature fails to act on their measures. The

governor this week made good on that promise when he kicked off a ballot initiative signature-gathering at a City of Elk Grove restaurant.

**Assembly Hearing Highlights Issues**

The controversial nature of the proposals was evident at a March 2 hearing of the Assembly Public Sector Committee, a committee formed for the special session that meets concurrently with the regular session. The chair of the committee is Alberto Torrico — also Chairman of the Assembly Public Employees and Social Security Committee when the Legislature meets in regular session. Other members of the special session committee include: Tom Harman (Vice Chair), Rebecca Cohn, Mike Gordon, Paul Koretz, Cindy Montanez and Dennis Mountjoy.

The March 2 meeting was raucous at times, with the chairman asking one witness to leave after he repeatedly made disparaging remarks about public employees and legislators.



State Finance Director Tom Campbell addresses the League board of directors on the governor's pension reform proposal.

Of particular interest in the hearing were the remarks of Gerald Parsky, Chairman of the UC Board of Regents. He pointed out that the proposal by Assemblymember Keith Richman, supported by the governor, would cause serious troubles for the university in recruiting talented faculty. He emphasized that he was not opposing the governor, but that he wanted to strongly

suggest that there were many other alternative approaches to reduce the costs of public pensions without causing these serious recruitment and retention issues for the university. Parsky's comments were particularly interesting to many, given that he is a major player in Republican state politics.

**League Alternatives Focus on Fairness, Long Term Cost Savings**

Anticipating the importance of the pension

*Continued on Page 8*

**LEAGUE PENSION REFORM GUIDELINES**

- The defined benefit plan model for public pension systems should be retained.
- Current defined benefit plan options that exceed a sound, actuarial based benefit level as defined by a Cal PERS 2001 study and/or the Aon Georgia State Comparison study should be repealed and closed to future public employees.
- New and exclusive benefit levels should be enacted for future public employees that reduce excessive benefit levels but establish a fair benefit level that maintains a career employee's standard of living upon retirement. The specifics of the benefit plan recommendations are as follows:
  - **Safety Employees:** 3% @ 55 formula, offset by 50% of anticipated social security benefit for safety employees with social security coverage. Safety employees retain the current cap on retirement at 90% of final compensation.
  - **Miscellaneous Employees (Non-safety):** 2% @ 55 formula, offset by 50% of anticipated social security benefit for miscellaneous employees with social security coverage. A cap of 100% of final compensation is placed on newly hired, miscellaneous (non-safety) employees.
- The above formulas incorporate a "Three-Year-Average" for "final compensation" calculation. All "Highest Final Year" compensation calculations are repealed for newly hired employees.
- Any pension reform package should retain transferability of retirement benefits across public sector employers. No employee currently in a defined benefit plan should be required to involuntarily give up a defined benefit formula before retirement.

**PENSION REFORM from page 7.....**

reform issue, late last year the League organized a Pension Reform Task Force charged with coming up with a list of recommendations, including possible alternatives to the current reform proposals. Comprised of city managers, finance directors, human resources directors, elected officials and League staff, the goal of the task force is to develop a plan that can demonstrate cost savings to local government in the long-term. The task force ultimately retained an actuary to analyze cost savings under various scenarios.

A subcommittee of the League's Employee Relations Committee recommended the task force report to the board.

All sides in this debate concede that there is no method available to assist in immediate budget shortfalls, at either the state or local level. All reforms are directed at putting some constraints on the skyrocketing costs of employee pensions.

The League's Task Force report is designed to give cities solid recommendations for pension reform that are derived from an actuarial basis that tries to establish a fair, retirement benefit for career employees that will maintain their standard of living in retirement.

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**JANET HUSTON APPOINTED TO HOUSING AND COMMUNITY DEVELOPMENT POSITION**

Janet Huston, Executive Director for the League of California Cities' Orange County Division, has been appointed by Governor Schwarzenegger to serve as director of communications and governmental affairs for the Department of Housing and Community Development.

Janet's years of dedicated service to the League and the Orange County Division made her a much-valued member of the League "family". She also worked with the Orange County Council of Governments, where she established ongoing federal and regional funding for regional initiatives.

We warmly congratulate Janet, and look forward to working with her in her new position.

**AB 194 from page 1** .....

The Ralph M. Brown Act – the open meeting law – currently gives a local governmental agency the opportunity to cure or correct any alleged Brown Act violations prior to the commencement of any judicial action. In addition to denying a local agency the opportunity to correct an alleged violation before being sued, **AB 194** would remove the 90-day timeframe a local agency has to receive notification of an alleged violation.

The bill has been referred to the Assembly Committee on Local Government, but has not yet been set for hearing.

The following outlines the League's reasons for opposing the measure:

- **AB 194** will diminish existing protections afforded to public agencies under the Brown Act by eliminating a local agency's ability to make "good faith" efforts to correct violations that may have occurred without the intention of depriving the public's open meeting rights.
- The Brown Act gives local agencies this ability because it is in the public's best interest to identify and correct alleged Brown Act violations as soon as possible.
- Entering into litigation is time consuming and more costly than requesting a local agency to promptly correct the alleged violation.
- Removing the timeframe for violation notifications exposes local agencies to an indefinite period of time in which violations may be alleged. The lack of a timeframe can risk future decisions of a governing body, including those in reference to expenditures and entering into contracts being nullified by a court regardless of when the alleged violation occurred.
- **AB 194** will encourage litigation, force legal action upon municipalities, and generate additional legal burdens on local government. Rather than promote open government, **AB 194** can encourage individuals or entities to monitor governing bodies only to challenge alleged violations in court for monetary gain.

If you have any questions or comments, please contact Tony Cárdenas at (916) 658-8243 or at [Tcardenas@cacities.org](mailto:Tcardenas@cacities.org).

**LAND USE BILLS from page 6** .....

**AB 1387 (Jones)** Provides an exemption from findings related to traffic for residential projects on infill sites in urbanized areas, when the project complies with the traffic and transportation policies in the general plan or zoning ordinance.

**Housing/Infrastructure Financing:**

**SB 521 (Torlakson)** Authorizes tax increment financing to be used for transit village development when various conditions are met.

**AB 350 (Matthews)** Authorizes counties and cities to create infrastructure financing districts in jobs-housing opportunity zones in the Counties of Alameda, Contra Costa, Santa Clara, San Joaquin, and Stanislaus.

**AB 921 (Daucher)** Authorizes a redevelopment agency to amend its redevelopment plan to extend the time limit on the plan's effectiveness for an additional 25 years, under certain conditions, which include dedicating at least 60 percent of proceeds toward housing.

**AB 1203 (Mullin)** Declares the Legislature's intent to authorize local governments to create Greyfield housing and investment zones in coordination with a regional process, in specific areas where additional job growth and high density housing is desired to match transportation, air quality, and other regional priorities.

**SB 588 (Runner)** Authorizes the expenditure of excess surplus redevelopment housing funds for economic development or transportation infrastructure.

**AB 1259 (Daucher)** Declares the Legislature's intent to enact legislation that would reward cities and counties that exceed 80% of their Regional Housing Need Assessment (RHNA) goals over a 5 year period with an increased share of the annual tax increment that is allocated among local agencies in a county.

**AB 1461 (Salinas)** Deletes existing allocation percentages for Community Development Block Grant dispersed by the state, and requires the Department of Housing and Community Development to determine, and announce in the applicable Notice of Funding Availability, these percentage and maximum amounts.

# Legislative Bill Action

The following are summaries of just a few of the legislative bills that are currently being acted upon by the League of California Cities. For more information about these and other bills, please visit the League website's to access information about legislation, policy issues and related developments. You can track information on bills ([www.cacities.org/billsearch](http://www.cacities.org/billsearch)), locate legislators and legislative committees, send letters to legislators or the media through the online Advocacy Center ([www.cacities.org/advocacycenter](http://www.cacities.org/advocacycenter)), research League policy positions, access useful related links, and much more.

## HOUSING AND LAND USE

**AB 199 (Tran) Enterprise Zones: Limitation on Designation.** AB 199 would expand the number of enterprise zones that the Department of Housing and Community Development may designate, from 42 to 52. By extending the number of enterprise zones that may be designated, AB 199 would provide additional cities with a valuable tool to encourage business participation and economic development within their community. **Staff:** Dan Carrigg; **Status:** AsJbEcDev&Ecnmy; Hrg-3/15; **Position:** Support.

## ENVIRONMENTAL

**SB 44 (Kehoe) Air Quality. General Plans.** SB 44 would require cities and counties to either adopt a separate air quality element or amend appropriate elements of their general plan to address air quality. They would be required to share their draft element or amendments with the local air quality management district or air pollution control district, whose comments would be advisory only. Cities and counties would be required to comply with these requirements within a year of their next housing element revision after January 1, 2006.

The League's Environmental Quality and Housing, Community and Economic Development Committees (EQ-HCED) reviewed SB 44 and identified a number of concerns. While the League recognizes the impacts of air quality, the

bill as introduced appears to anticipate that all air quality problems can be resolved through the general plan or city/county action. In reality, resolution of most air quality problems is beyond a city or county's control or outside their regulatory authority. For example, air pollution may be blown in from neighboring jurisdictions, from cars traveling down a state or federal highway that runs through the middle of a city, or from stationary sources which are regulated by the local air districts.

However, the League's policy committees recommended, with the concurrence of the League board of directors, that the League withhold taking a formal position on SB 44 in order to provide time to work with the author to try to resolve these and other issues. The committees, with input from the EQ-HCED SB 44 Subcommittee, will review the bill again at their April meetings and based upon the progress made, recommend a position to the League Board. To date, the discussions with the author's office have been productive and have resulted in several early helpful amendments.

This is the classic "work in progress" so stay tuned. As amended, SB 44 passed the Senate Local Government Committee this week and is now pending in the Senate Appropriations Committee. **Staff:** Yvonne Hunter; **Status:** SenApps; **Position:** Review and Comment.

## PUBLIC SAFETY

**AB 260 (Bermudez). State Fire Marshal. Fire Response Time. Reports.** AB 260 requires that fire data reported to the State Fire Marshal

## Legislative Bill Action



from departments operated by the state, a city, city and county, fire protection district, organized fire company, or other public or private entity, include a comparison of response times and staffing levels to benchmarks found in a nationally recognized standard for fire protection. AB 260 is substantially similar to AB 2406 from the 2004 Legislative session that was opposed by the League and subsequently vetoed by Governor Schwarzenegger.

In his veto message, the Governor stated, *"Fire protection service standards are directly dependent on the local decision-making process. Local agencies are in the best position to evaluate their conditions to match community needs with available resources"*

As written, and as stated in the author's original background documents, the intent of this bill is to compare the response times and staffing levels of each reporting fire department with the standard found in NFPA 1710, the *Standard for the Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments*, a voluntary standard produced by the National Fire Protection Association.

While the League agrees it is important for local governments to develop performance objectives, benchmarks and evaluations, the League is opposed to the comparison of fire department data to the controversial NFPA 1710 standard, which is opposed by most local jurisdictions in California.

The League recently attended a meeting in the author's office where we expressed our continuing concerns with the current bill language. Although amendments are planned for the bill, the substance has not yet been shared with us. Since the bill is set for hearing March 16 in the Assembly Committee on Governmental Organization, it is important that cities are aware of this bill. **Staff:** Liisa Lawson Stark, **Status:** Assembly GO 3-16, **Position:** Oppose Unless Amended.

## WANT TO SEND A LETTER IN SUPPORT OF A LEAGUE POSITION? HERE'S WHO TO CALL:

**ASSEMBLY GOVERNMENTAL ORGANIZATION (15)**—J. Horton (Chair), Plescia (Vice Chair), Aghazarian, Bermúdez, Calderon, Chavez, Coto, Garcia, La Suer, Levine, Liu, Mountjoy, Negrete McLeod, Torrico, and Yee. 1020 N Street, Room 156. Phone: 916/319-2531.

**ASSEMBLY JOBS, ECONOMIC DEVELOPMENT, AND THE ECONOMY (6)**—Arambula (Chair), Houston (Vice Chair), Baca, Canciamilla, Garcia, and Oropeza. 1020 N Street, Room 369. Phone: 916/319-2090.

**SENATE APPROPRIATIONS—(13)**—Migden (Chair), Aanestad (Vice—Chair), Alquist, Ashburn, Battin, Bowen, Dutton, Escutia, Murray, Ortiz, Poochigian, Speier, and Vacancy. Staff Director: Anne Maitland. Deputy Director: Bob Franzoia. Consultants: George Cate, Miriam Barcellona Ingenito, Nora Lynn, Lisa Matocq and Maureen Ortiz,. Assistant: Sally Ann Romo. Phone: 916/445-3284. Room: 2206.

**Stay Up-Do-date on Bills That May Impact Your City**  
**[www.cacities.org/lbillsearch](http://www.cacities.org/lbillsearch)**  
Become a regular user of the League's online Legislative Tracking System. The League's website is your gateway to all the information you need: bills sorted by subject areas, showing the bill history, current status, committee analyses, votes, and much more. You can even view League letters of support or opposition, and access the League lobbyist working on the bill.

**LEAGUE OF CALIFORNIA CITIES RESOLUTION IN SUPPORT OF  
THE RETENTION OF CALIFORNIA'S MILITARY BASES**

At its meeting on February 25 the League board of directors adopted the following resolution relating to military base closures.

**RESOLUTION**

**WHEREAS**, the next round of Base Realignments and Closures (BRAC) has begun, and the Secretary of Defense will publish his list of recommended military installations for closure or realignment on May 16, 2005;

**WHEREAS**, during the four previous BRAC rounds, California cities have been particularly hard hit with 30 military installations closed or realigned, resulting in a loss of more than 99,000 jobs and \$9.6 billion annually in Department of Defense (DOD) investments; and

**WHEREAS**, the Department of Defense annually spends more than \$32 billion in California, with a combined military and civilian workforce exceeding 270,000 employees; and

**WHEREAS**, California's history of being at the forefront of nearly all military activity continuously since World War II has resulted in a technology and intellectual infrastructure uniquely valuable to the Department of Defense; and

**WHEREAS**, the opportunities for the military's integrated training, research and development, and operation activities in California are unmatched anywhere else in the world; and

**WHEREAS**, California possesses 16 of the world's 17 climate types, and the military has training sites in all of these regions; training sites that are critical in preparing our nation's military personnel for missions overseas. California's unique geography, climate, coastline and position as a west coast platform make it invaluable to the military strategic objectives of the United States.

**NOW THEREFORE, BE IT RESOLVED**, that the League of California Cities supports the retention of California's military installations, unless the division of the League of California Cities in which the base resides supports the closure of an individual base; and further be it

**RESOLVED**, that the League of California Cities urges the Department of Defense to provide California's military installations with additional missions through realignment; thus fulfilling the needs of today's national defense strategy and our nation's long-term defense strategy; and further be it

**RESOLVED**, that the League of California Cities urges the Department of Defense (DOD) to remediate, revitalize and put back to productive civilian use, the military installations closed in California during prior BRAC rounds, as promised by the DOD.

**PASSED AND ADOPTED BY** the Board of Directors of the League of California Cities this 26th day of February 2005.

(Signed by)

\_\_\_\_\_  
Pat Eklund, President  
League of California Cities

**LEAGUE OF CALIFORNIA CITIES  
HIGHLIGHTS OF THE LEAGUE BOARD MEETING  
FEBRUARY 25-26, 2005, NOVATO**

**Board Approved a Discussion Draft for Pension Reform.** The board received a report and recommendations from the League's Pension Reform Task Force and heard presentations from state director of finance Tom Campbell and a public labor union representative. With this background, the board approved a framework for public pension reform for distribution to city officials and other interested parties as a discussion draft. The framework includes identifying appropriate levels of retirement benefits and then outlining reforms to the CalPERS defined benefit retirement plans to align them with appropriate and sustainable benefit levels. To obtain a copy of the discussion draft, contact Anthony Thomas at [athomas@cacities.org](mailto:athomas@cacities.org) or 916-658-8279.

**Board Informed on Strategic Issues.** At its November meeting, the League board set three strategic priorities for the coming year: (a) expand the supply and affordability of housing in California, (b) expand investment in infrastructure, and (c) protect redevelopment financing sources. Past President Ron Loveridge, himself a U.C. professor, arranged for a panel of eminent University of California researchers to present information concerning the nature and possible solutions to the problems the League and the state must address to make meaningful progress on these three strategic issues. The presentations were stimulating and informative.

**New Programs Designed to Solidify Our Position of Strength.** The board approved funding for two new programs that will build upon our success in last November's election. One of the programs will build the capacity of city officials to be more effective with local ballot measure campaigns. This training will also build capacity on statewide ballot measures.

The other program is the California Civic Leadership Institute, developed by the League and members of the League Partners Program. The Leadership Institute will affect public policy for the

better in California by educating prospective legislators on policy issues facing the state.

**Board Names 2005 Nominating Committee.** The board appointed a nominating committee to nominate League officers and at-large directors. In accordance with newly revised bylaws, the committee consists of eleven members, including representatives of eight designated divisions, one League department and two at-large directors. Paul Luellig, Council Member of Barstow, will serve as chair, and the committee will report its recommendations at the annual conference in October. Any city official who wishes to communicate with the nominating committee or to be considered for the position of second vice-president or at-large director may contact the committee Mimi Sharpe at [msharpe@cacities.org](mailto:msharpe@cacities.org) or 916-658-8232.

**Board to Enhance League Alumni Program.** The board received information about activities to expand and improve the League Alumni Program. The League Alumni Program exists because many retired elected and appointed city officials like to keep abreast of the League and the statewide issues affecting cities, and the League would like to keep in touch with its friends who "graduate" from city service. With expanded services, the program will become more attractive to former city officials and at the same time serve as an effective part of the "grasstops" strategy to work with community opinion leaders in pursuit of League policy goals.

**For more information on this and other  
League issues, visit [www.cacities.org](http://www.cacities.org).**