

FULL FUNDING FOR CRITICAL FEDERAL PROGRAMS

California 481 cities are home to approximately 30 million of the State's 37 million population. Our cities are expected to receive the majority of the projected 8 million increase in the State's population over the next 15 years. As California cities struggle during this economic downturn to provide services to current residents and make plans to accommodate future population increases, maintaining full funding of federal programs is critical. These programs, which include the Community Development Block Grant (CDBG), Community Oriented Policing Services (COPS), the Byrne-Justice Assistance Grants (JAG) program, the Neighborhood Stabilization Program (NSP), the Clean Water State Revolving Loan Fund (CWSRF), Transportation Investment Generating Economic Recovery (TIGER) and the Sustainable Communities Initiative continue to provide much-needed support in the federal-local partnership to create and maintain safe, vibrant and productive communities.

- **Community Development Block Grants (CDBG):** The need for CDBG funding in California has never been greater. CDBG grants provide critical funding for community development projects in California cities, which have been severely impacted by the national mortgage foreclosure crisis and state budget raids of California city redevelopment agencies. CDBG is a smart, long-term investment in our nation's communities. When fully funded, California cities receive over \$345 million annually to invest in our communities. For every one dollar of CDBG funds traditionally another three dollars in private and public investment is leveraged. This equates to over one billion dollars being directed into areas hit hard by economic turmoil. These leveraged funds, along with CDBG, will help to spur the economic investment needed to revitalize the lagging economy.
- **Community Oriented Policing Services (COPS) and the Byrne Justice Assistance Grants (JAG):** The COPS and Byrne JAG programs have been important resources to California cities as we work to maintain community safety. Through these programs California cities have been able to hire and/or rehire full-time officers as well as maintain crime prevention programs to increase community policing capacity at a time when local government budgets are unable to independently support these needs. Maintaining safe communities is vital to local efforts to attract and retain business, increase economic activity and contribute to national economic recovery. Over \$60 million in COPS hiring awards and over \$30 million in Byrne-JAG funding was allocated to California local governments in FY 2010, which our cities will fully utilize to implement our public safety initiatives and protect our communities. However full funding must be maintained for these important public safety programs to continue.
- **Neighborhood Stabilization Program (NSP):** California cities are experiencing significant impacts as a result of the expanding foreclosure crisis, with 69,799 default notices involving 68,338 homes in the 4th quarter of 2010. In all of 2010, more than half

a million homes in California were involved in some stage of foreclosure, and California continues to be ranked in the top 5 of states with the highest foreclosure rates. These defaults translate into severe losses in property tax revenue, which is needed to support the provision of local services. As the crisis continues, many California cities, already experiencing revenue shortfalls, are facing serious difficulties in stabilizing affected neighborhoods. NSP has been a useful tool in addressing our stabilization efforts; directing close to \$150 million to cities across California in FY 2010. This funding has helped California cities purchase and redevelop foreclosed and abandoned homes and residential properties. Funding for this program to continue these efforts must be maintained.

- **Clean Water State Revolving Loan Fund (CWSRF):** Functioning, reliable and affordable access to water must be provided if California is to maintain service to existing residents and businesses and attract new ones to help us become more productive and economically competitive. However California's local governments lack the resources to independently finance repairs to or replacement of these aged and oversubscribed systems that support the world's eighth largest economy. The CWSRF is the only federal funding source available to local governments to assist with water and wastewater infrastructure repairs and upgrades. This funding is desperately needed in cities throughout California, as there has been almost no new investment in California's water and wastewater systems in more than 30 years. In FY 2010 EPA directed over \$146 million in CWSRF funding to California to provide low-interest loans to assist with these efforts, which, combined with existing revolving loan funds funded 21 new infrastructure projects in communities across the state. Much more remains to be done to meet California's \$21.8 billion in water infrastructure needs, however full funding for the CWSRF would significantly improve our ability to meet these needs and would create construction jobs in the process. Beyond these benefits, the CWSRF provides a \$2.31 return for every federal dollar invested in the program.
- **TIGER and the Sustainable Communities Initiative:** California has more than 186,000 miles of roadway and one of the most developed transit systems in the nation. California's cities are responsible for administering the local streets and roads that connect with the state and federal highway system, a total of 82% of the total roadway miles in the state. Our transportation systems face rapidly growing vehicle use by an ever increasing number of new drivers, and California cities rely on a strong federal-local partnership to maintain and improve our transportation systems, increase local and regional mobility and expand economic activity. In the absence of a multi-year federal transportation program authorization measure, the TIGER and Sustainable Communities grant programs have lent considerable support to California cities in making needed transportation improvements. While over \$78 billion is needed to bring the local streets and roads system up to best management practices – the most cost effective condition – this funding has helped California cities, over \$67 million in TIGER and Sustainable Communities Initiative funding was directed to California local governments in FY 2010 to assist with planning and implementation of critical transportation projects. Full funding for these innovative programs is needed to continue this important work.