

2009

Special Report

February 17, 2009

2009 STRATEGIC GOALS

- Protect funding for vital community services;
- Promote economic stimulus and infrastructure investment;
- Support sustainable communities; and
- Promote reform of state governance, budget and fiscal systems.

2008 STRATEGIC GOALS

Theme: "Building Sustainable Cities"

- Protect funding for vital community services;
- Support green and sustainable cities;
- Expand infrastructure investment; and
- Enact honest and responsible eminent domain.

2007 STRATEGIC GOALS

- Effective implementation of the 2006 infrastructure bonds;
- Expanding housing supplies and affordability that reduce the barriers to improved planning and expand the financial resources available; and
- Adopt statutory and constitutional reforms of the laws governing the use of eminent domain for private economic development purposes.

Delivering Value FOR 111 YEARS



California cities are facing tough times. Like the state of California and our nation, many cities are reeling from the effects of the economic meltdown. Many are slashing programs, cutting staff and struggling to provide services with shrinking funds.

At a time when every dollar counts, the League of California Cities is pleased to be able to present this summary of the significant financial and other benefits that your League membership has brought to your city over recent years.



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We Need You!

SINCE 1898, MEMBERS MAKE THE DIFFERENCE

Since its 1898 founding, the League's strength has been the loyal involvement of its members. Your city's support and commitment makes for a strong and effective League, better able to fight for ALL cities.

Value FOR YOUR CITY

Information about the direct dollar benefits your city received from these League advocacy achievements was sent by League Executive Director Chris McKenzie to your city manager in December 2008. If you need another copy, please contact Dan Harrison at dharrison@cacities.org.

Services Supported By Dues

The combination of Legislative and Grassroots Advocacy is one of the most important services the League provides cities. Nothing takes the place of 480 cities speaking with a strong, united voice on key issues. That's why a significant share of League resources is devoted to our Sacramento and Washington, D.C. legislative lobbying, working in tandem with the League's 16 regional public affairs managers. This grassroots staff are able to rapidly mobilize city officials to participate in League advocacy, playing a large part in the League's successful advocacy work in recent years. It also explains the membership's unanimous vote in 2007 to make permanent the League's innovative grassroots advocacy program.

Over the past four years, the League has consistently supported or defeated legislation in order to protect your city's ability to govern its own affairs, keep and collect its own revenues, and protect local control in general. Details on legislative and grassroots accomplishments are included in the summary, "League Legislative and Grassroots Advocacy Achievements, 2004-2008".

League Legislative and Grassroots Advocacy Achievements, 2004-2008

The League has worked aggressively, often in coalition with other groups, to achieve a series of remarkable benefits for California cities. These achievements are resulting in thousands, hundreds of thousands or even millions of dollars of revenue and other benefits for California cities. The following summarizes these achievements:

2004 Played a lead role in negotiating Proposition 1A with Gov. Arnold Schwarzenegger and the Legislature, ending the ERAF shift of local property taxes to the state. Results for cities: Long-term protection from future permanent property tax raids and important protection for the local sales tax and vehicle license fees (VLF). The Prop. 1A package also included provisions with material financial benefit for your city.



- **Property Tax-VLF Swap.** The 2004 Prop. 1A compromise package exchanged VLF revenue for property tax revenue on a dollar for dollar basis. The rate of growth in property taxes means that most cities receive more revenue from property taxes than they would have otherwise received from VLF.

- **ERAF Return.** The Prop. 1A package included a two-year ERAF shift (i.e., ERAF 3) of \$1.3 million/year statewide for local governments that could have been permanent but expired beginning 2006-07. The expiration of this arrangement has netted your city additional critical funding worth thousands or hundreds of thousands of dollars (depending on the city size).

2005 Successfully lobbied with a coalition of transportation supporters for legislative approval to fully fund Prop. 42 starting in FY 2005-06.

2006 Successfully lobbied for a number of measures providing direct financial benefits to cities, including:

- **Direct Aid to Cities.** Helped secure \$1 billion in funding in Prop. 1B for local streets and roads, providing your city with critical infrastructure funding.
- **Prop. 42 Repayments.** Your city's share of the state's repayment of Prop. 42 funds borrowed from cities in 2003-04 and 2004-05 is worth thousands, hundreds of thousands or even millions of dollars.
- **Mandate Reimbursements Funded Again.** The League supported additional funding for mandate reimbursements of \$242 million statewide plus \$35 million in booking fee payments to cities.

2007 Successfully lobbied for the release of \$550 million of the \$1 billion in Prop. 1B funding in the FY 2007-08 budget. This provided all cities with access to additional maintenance funds in early 2008.



2008 Successfully lobbied to prevent any "borrowing" of local property tax and Prop. 42 funds to close the state's budget deficit. Also:

- **Transportation Infrastructure.** Achieved additional \$187 million of Prop. 1B transportation infrastructure funds released to cities in 2008.
- **Housing Funding.** Allocation of \$445 million from Prop. 1C Housing Bond passed by voters in 2006. Also introduced a package of housing bills benefiting cities and defeated every major bill that would have eroded local land use authority on housing.
- **Redevelopment Funding.** Supported the efforts of the California Redevelopment Association to limit the legislature's redevelopment fund raid to one year. The League will also support its lawsuit to challenge the constitutionality of the raid.
- **Green and Sustainable Cities.** Worked with many stakeholder groups in a multiyear process to reach agreement on SB 375 (Steinberg). This landmark legislation brings together existing regional planning efforts for transportation and housing to incorporate regional greenhouse gas reduction targets.

Advocacy

Federal Advocacy

In addition to its financial support of and involvement in the National League of Cities, the League retains lobbyists in Washington, D.C. to support our federal legislative objectives to oppose unfunded mandates and protect critical funding for programs like the Community Development Block Grant (CDBG) program. Our current focus: a federal economic stimulus package that provides substantial infrastructure funding to cities, helping to create construction jobs and immediate economic benefits.



Ballot Measure Advocacy

Since 2004, the League has played a leadership role in protecting local revenues and land use authority in four separate ballot measure campaigns. It does this with funds it raises through its dedicated ballot measure political action committee, CITIPAC, and other non-dues sources of funding. The League's track record since 2004 is as follows:

- **Prop. 1A – 2004 (SUPPORT):** Protects local services and revenues from state raids. (Passed 84% - 16%).
- **Prop. 90 - 2006 (OPPOSE):** Would have authorized new litigation to challenge local land use decisions and effectively prevented all use of eminent domain for redevelopment. (Defeated 53% - 47%).
- **Prop. 98 – 2008 (OPPOSE):** Would have authorized new litigation to challenge local land use decisions and effectively prevented all use of eminent domain for water development and redevelopment purposes. (Defeated 62% - 38%).
- **Prop. 99 – 2008 (SUPPORT):** Prohibits the use of eminent domain to acquire single-family homes for redevelopment. No restrictions on local land use powers. (Passed 62% - 38%).

Legal Advocacy

As much as in the Legislature, the law is also made in the courts. The League has an active Legal Advocacy Program that represents the interests of California cities in both federal and state court. Through the filing of friend of the court briefs and letters, the League helps to inform courts on matters of statewide importance to cities.

Policy Development

The League devotes considerable resources to the challenging, but important, job of building a statewide consensus on policy issues affecting cities. It maintains and supports eight policy committees, consisting of approximately 50 members each, 16 regional divisions and 11 departments. The League's staff also supports the annual conference resolution process and special task forces. Recent task forces have included working groups on climate change, coastal cities' issues and flood control, and special task forces on water, CEQA reform, housing, infrastructure, and pension reform.

Education, Conferences and Information Services

In addition to advocacy, the League also was originally formed to help city officials exchange information about best practices. League conferences and workshops remain the premier source of training for mayors, council members, city managers, city attorneys, city clerks and municipal department directors. The calendar of conferences and online registration can be located at www.cacities.org/events.

In 2007 and 2008, more than 10,000 elected officials and key staff attended the League's conferences, seminars, trade shows and meetings. These events offer structured learning as well as the opportunity for city officials to network with their colleagues from across the state, while gaining information on new, cost-effective and efficient products and services.

The League also offers an online and telephonic library service and listservs where members can access sample ordinances and program information on a wide variety of services.

Other Services

The League offers other services that help cities stretch resources further. Like Ballot Measure Advocacy, all of these additional services are provided with non-dues funding.

Purchasing Discount, Public Finance, and Investment Programs

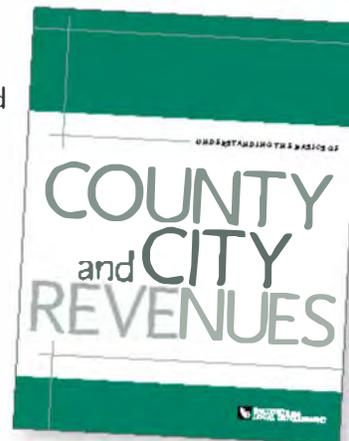
Cities are able to receive deep discounts in purchases of goods and commodities through the U.S. Communities Purchasing Alliance (www.uscommunities.org).

Through California Communities (www.cacommunities.org), cities can borrow funds to meet their own cash-flow or

infrastructure needs or help nonprofit corporations or manufacturers access low-cost tax-exempt financing services. Finally, cities can access the cash investment services of CalTRUST to invest idle funds of the city for different time horizons and needs (www.caltrust.org).

Institute for Local Government

The League's nonprofit research arm develops sample ordinances, research pieces and other information that save city staff time and help them serve their communities. The "Local Government 101" program offers basic information about local government operations and issues to newly elected and appointed officials, the public, the media and others. Other resource areas include civic engagement, public service ethics, land use, climate change, intergovernmental dispute resolution and healthy communities. Thanks to the support of the Institute's funders, all Institute materials are all available in electronic form without charge through the Institute's website (www.ca-ilg.org).



League Partners

The Partners program is an increasingly valuable asset to help the League fulfill its mission and strategic goals. The program serves as a vehicle for businesses, nonprofits and other community organizations that care deeply about city issues to connect with local officials and share their technical expertise.

Contributions support priorities such as the California Civic Leadership Institute (CCLI), which trains local officials interested in higher office on key state policy issues; and the League's prestigious Helen Putnam Award for Excellence program. Many League Partner companies contributed to recent League ballot measure advocacy work.

Western City Magazine

Every month, at no charge, all mayors, council members, city managers and department heads receive *Western City*. This award winning publication profiles major best practices in cities across the state and examines critical policy questions facing cities as well as the state and national governments. Visit www.westerncity.com for further information.

THE LEAGUE OF CALIFORNIA CITIES



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Infrastructure



Budget & Fiscal Reform

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