
The Governor's FY 19-10 Budget Proposal was unveiled in January and proposes \$144 billion in General Fund Spending. The various elements are currently being reviewed by Legislative Budget Sub Committees, with another round of revisions expected in the May Revise.

Key Areas of Interest for Cities:

- **Securing Workable Revisions to Planning/Incentive Trailer Bill:** The Governor is proposing to allocate \$750 million to local agencies, of which \$250 million would be for enhanced planning for housing and \$500 million dispersed as rewards for achieving various "milestones."

While the League has significant concerns with the proposed initial language – which included the state allocating hundreds of thousands of additional housing units directly to cities and empowering regional agencies with more supervisory authority as enforcers of state policy, and tying performance to the receipt of local SB 1 Street and Road Funds – recent discussions with the Administration have been encouraging. The League and CalCOG have jointly advocated for a better approach that would build off the existing RHNA process and foster continued collaborative relationships between local agencies. On transportation funding, the Administration may be shifting more toward making housing element compliance a condition of eligibility for various discretionary transportation planning funds.

Key Message: City officials support additional funds to assist with local housing planning efforts and financial rewards, but it's important that any such program be workable for cities and not establish unrealistic conditions. No tie to SB 1 should be considered as that breaks faith with commitments made to voters.

- **Supporting Additional Funding For Housing Development:** Cities support the Governor's proposals to provide additional resources to build affordable housing, which include:
 - Increasing the annual amount of available affordable housing tax credits from \$85 to \$500 million.
 - Allocating \$500 million for moderate income housing development.

Key Message: With the loss of redevelopment, there has been little funding available for building affordable units. We appreciate the Governor's focus on establishing a major ongoing allocation of tax credits and making sure affordable workforce housing gets built.

- **Supporting Additional Emergency Homeless Housing Funds for Cities:** Cities support the Governor's proposal to allocate an additional \$500 million in additional funds for cities to help put roofs over the heads of the people without housing in our streets.

Key Message: The funds need to be allocated directly to cities so that they can put them to use quickly.