

**Feb. 27, 2015
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**First Hearing on Redevelopment Dissolution Proposal Scheduled for Tuesday;
Hearings of Interest March 3-April 16**

City Officials Encouraged to Attend RDA Hearing in Sacramento

Bills, bill, bills. Today marks the final day legislators may introduce bills for the current legislative session. At last count, 1,071 bills have been introduced in the Assembly and 591 in the Senate; however, a handful of straggler bills are expected to emerge next week. The League is currently reviewing all legislation introduced thus far and will notify members as positions are taken and hot bills are identified. *For more, see Page 2.*



Revised HUTA Estimates Following Gas Tax Reduction Now Available

The California state Board of Equalization (BOE) earlier this week approved a 6 cent per gallon reduction in the variable gas tax rate, bringing the total state gas tax rate down to 30 cents per gallon. This will be effective on July 1. *For more, see Page 4.*



League Staff Presents Local Street and Roads Needs Assessment Update

Two hearings held this week provided the League and transportation advocates the opportunity to bring attention to the deteriorating condition of the state's local streets, roads and other vital transportation infrastructure. *For more, see Page 5.*

City Officials Invited to Sacramento

City officials are strongly encouraged to come to Sacramento on Tuesday, March 3 and attend the [Assembly hearing](#) on Gov. Jerry Brown's redevelopment dissolution budget proposal and voice concerns (see hearing information below). The League took an oppose-unless-amended position this week on the proposal as it contains a number of very harmful provisions for local agencies. For more details, please see "[League Takes Oppose Unless Amended Position on DOF Redevelopment Dissolution Budget Package.](#)" *CA Cities Advocate*, Feb. 25, 2015.

If you plan on attending, please contact your [Regional Public Affairs Manager](#) to RSVP and receive more information.

Upcoming Hearings

In the coming weeks the Legislature will begin to hold hearings on bills. The Legislature is also holding a number of oversight and informational hearings on a variety of policy areas of interest to cities. Here are a number of upcoming hearings of interest to cities:

March 3

- **Assembly Budget Subcommittee No. 4 on State Administration**, 1:30 p.m., State Capitol, Room 447
 - Hearing will cover a number of items including the Governor's Dissolution of Redevelopment Process Proposal and the Governor's Office of Business and Economic Development
 - **NOTE:** The League urges members to send a representative to this hearing, contact their League regional manager to join various upcoming in-district legislative meetings they may be coordinating and call legislators to inform them about your city's concerns. More information about the Governor's proposal is available on the [Department of Finance's website](#).
- **Assembly Public Safety Committee**, 9 a.m.- noon, State Capitol, Room 126
 - Informational Hearing: Law Enforcement Use of Body Cameras: Policies and Pitfalls

March 4

- **Joint Hearing of the Assembly Public Employees, Retirement and Social Security and Senate Public Employees and Retirement Committees**, 1:30 p.m., State Capitol, Room 3191
 - Informational Hearing: Orientation and Report of the California Actuarial Advisory Panel
- **Assembly Budget Subcommittee No. 3 on Resources and Transportation**, 9 a.m., Budget Subcommittee No. 3 on Resources and Transportation, State Capitol, Room 447
 - Hearing will cover the State Water Resources Control Board and Department of Water Resources
- **Assembly Budget Subcommittee No. 5 on Public Safety**, 1:30 p.m., State Capitol, Room 437
 - Hearing will cover a number of items including Proposition 47, realignment under AB 109 and City Law Enforcement Grants

March 10

- **Joint Hearing of Senate Natural Resources and Environmental Quality Committees**, 9:30 a.m., State Capitol, Room 112
 - Oversight Hearing: Ensuring Groundwater Protection: Is the Underground Injection Control Well Program Working?
- **Joint Hearing of the Assembly Budget Subcommittee No. 4 on State Administration and Revenue and Taxation Committee**, 1:30 p.m., State Capitol, Room 126
 - Hearing will cover the State Board of Equalization

March 11

- **Assembly Budget Subcommittee No. 3 on Resources and Transportation**, 9:00 a.m., State Capitol, Room 447
 - Hearing will cover the Department of Resources Recycling and Recovery and the Department of Toxic Substances Control
- **Assembly Budget Subcommittee No. 5 on Public Safety**, 1:30 p.m., State Capitol, Room 444
 - Hearing will cover the Commission on Peace Officer Standards and Training, including the new trends, deficiencies and the Assembly's budget priorities on this topic
- **Assembly Housing and Community Development Committee**, 9:00 a.m., State Capitol, Room 126
 - Informational Hearing: Affordable Housing Construction and Finance: Challenges and Opportunities

March 12

- **Senate Budget and Fiscal Review Subcommittee No. 4 on State Administration and General Government**, 9:30 a.m., State Capitol, Room 2040
 - Hearing will cover the Department of Housing and Community Development

March 13

- **Senate Transportation and Housing Committee**, 1:30 p.m., Los Angeles County Metropolitan Transportation Authority, METRO Board Room, 3rd Floor, One Gateway Plaza, Los Angeles
 - Informational Hearing: Transportation Funding

March 17

- **Joint Hearing of the Senate Transportation and Housing and Environmental Quality Committees**, 1:30 p.m., State Capitol, Room 4203
 - Oversight Hearing: The Road to 2020 and Beyond: The Role of the Transportation Sector in Meeting California's Climate Goals

March 18

- **Assembly Budget Subcommittee No. 3 on Resources and Transportation**, 9:00 a.m., State Capitol, Room 447
 - Hearing will cover the Department of Water Resources and State Water Resources Control Board
- **Assembly Budget Subcommittee No. 5 on Public Safety**, 1:30 p.m., State Capitol, Room 437
 - Hearing will cover a number of items including Body Cameras
- **Joint Hearing Assembly Local Government Committee and Assembly Revenue and Taxation Committee**, 1:30 p.m., State Capitol, Room 4202
 - Information Hearing: Transient Occupancy Taxes and the Home-Sharing Phenomenon

March 19

- **Senate Budget and Fiscal Review Subcommittee No. 2 on Resources, Environmental, Protection, Energy and Transportation**, 9:30 a.m., State Capitol, Room 112
 - Hearing will cover the Department of Water Resource, Delta Stewardship Council and State Water Resources Control Board
- **Senate Budget and Fiscal Review Subcommittee No. 4 on State Administration and General Government**, 9:30 a.m., State Capitol, Room 2040
 - Hearing will cover State Finances, including the Department of Finance, State Board of Equalization and the Franchise Tax Board

March 24

- **Assembly Budget Subcommittee No. 4 on State Administration**, 1:30 p.m., State Capitol, Room 447

- Hearing will cover a number of items including Commission on State Mandates and Public Employees' Retirement System

March 25

- **Assembly Budget Subcommittee No. 3 on Resources and Transportation**, 9 a.m., State Capitol, Room 447
 - Hearing will cover a number of items including Department of Transportation and the California Transportation Commission

March 26

- **Senate Budget and Fiscal Review Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation**, 9:30 a.m., State Capitol, Room 112
 - Hearing will cover a number of items including Cap-and-Trade, the Strategic Growth Council and High-Speed Rail Authority
- **Senate Budget and Fiscal Review Subcommittee No. 5 on Corrections, Public Safety and the Judiciary**, 9:30 a.m., State Capitol, Room 113
 - Hearing will cover Realignment

April 9

- **Senate Budget and Fiscal Review Subcommittee No. 4 on State Administration and General Government**, 9:30 a.m., Room 2040
 - Hearing will cover a number of items related to Local Government and Economic Development including Redevelopment Agencies Dissolution Status and Issues, the Governor's Office of Business and Economic Development and the Commission on State Mandates
- **Senate Budget and Fiscal Review Subcommittee No. 5 on Corrections, Public Safety and the Judiciary**, 9:30 a.m., State Capitol, Room 113
 - Hearing will cover Public Employees' Retirement System

April 8

- **Budget Subcommittee No. 3 on Resources and Transportation**, 9 a.m., State Capitol, Room 447
 - Hearing will cover a number of items related to the Air Resources Board, California Coastal Commission and the Office of Planning and Research

April 14

- **Assembly Budget Subcommittee No. 4 on State Administration**, 1:30 p.m., State Capitol, Room 447
 - Hearing will cover the State Controller's Office and Secretary of State

April 16

- **Senate Budget and Fiscal Review Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation**, 9:30 a.m., State Capitol, Room 112
 - Hearing will cover the LAO's Overview of the Transportation Budget, the California Transportation Commission and the Department of Transportation

'HUTA' Continued from Page 1...

The rate comprises an 18 cent base rate that is allocated under streets and Highways Code Sections 2104-2108 to the state highway system, cities and counties, and a variable rate, established with the Fuel Tax Swap of 2010 that is intended to replace the Proposition 42 state sales tax on gasoline.

An updated memo describing these taxes and their allocations in detail may be found at on CaliforniaCityFinance.com. The memo also contains city-by-city and county-by-county estimates of revenue allocations for FY 2014-15 and FY 2015-16. These estimates were revised to take the BOE's recent action into account.

Estimates are based on California state Department of Finance estimates of statewide revenue that will be generated from the fuel taxes.

For more information on BOE's action, please see: "[Board of Equalization Acts to Reduce Variable Gas Tax Rate](#)," *CA Cities Advocate*, Feb. 25, 2015.

'Transportation Hearing' Continued from Page 1...

During the hearings, League staff presented committee members the results of the [2014 California Statewide Local Streets and Roads Needs Assessment](#). The report represents a collaborative effort between the League, the California Association of Counties and other transportation stakeholders to provide critical analysis and information on the condition of the state's local transportation networks.

League Assistant Legislative Director Jennifer Whiting highlighted several key findings from the report, including:

- To bring the average pavement condition of the state's local streets and roads into a state of good repair, or Best Management Practices, the investment in pavement maintenance would need to increase by more than four-fold.
- Investment needs to more than double the existing expenditure in street and road maintenance to keep conditions from deteriorating further.
- It costs 12 times less to maintain a pavement in very good condition, compared to a pavement that is at the end of its service life.
- By 2024, 25 percent of the state's local streets and roads will be in failed condition.
- Under the existing maintenance investment level, the state's average local street and road Pavement Condition Index is projected to drop from 66 to 55 by 2024.
- The maintenance investment needs for local street and road "essential components" — such as curb ramps, storm drains, streetlights and signals — is \$31 billion over the next 10 years, and there is an estimated funding shortfall of \$21 billion.
- The total statewide local bridge needs are estimated at \$4.4 billion over the next 10 years.

Video of both hearings is available online via the California Channel.

- [Assembly Informational Hearing on The Basics of Transportation Funding](#)
 - [Senate Information Hearing on Funding the Transportation Maintenance Backlog](#)
-

California City Solutions: Novato's Online Tool Allows Residents to Model Sample Financial Scenarios

This story is part of an ongoing series featuring Helen Putnam Award entries. The 2014 entries are available on the League's website as a resource for cities in a searchable database called [California City Solutions](#). Novato's Fiscal Sustainability Plan was submitted in 2014 for the Internal Administration award category.

The city of Novato had figured out how to survive on a budget deficit for more than half a decade, but when the Great Recession hit the city was forced to make painstaking cuts to its services and workforce. The city used this as an opportunity to develop a long-term financial sustainability strategy by analyzing all facets of the city's core functions and investments.

Several circumstances make Novato fiscally vulnerable. The city receives the lowest property tax share in Marin County at 6.8 percent, does not receive waste hauler franchise fees or utility users tax and has limited sales tax opportunities. These factors forced Novato to make years of permanent and temporary reductions. Despite these reductions the city still faced a \$6.7 million structural deficit in August 2009.

The city manager recommended a comprehensive two-year deficit reduction plan. The plan allowed staff to meet with residents, provide data and options to the city council, and transition to

a smaller workforce in a deliberative and respectful manner. City staff met residents in their homes to understand priorities and provide feedback to the city council on which services to protect and where service level reductions could occur.

This work enabled Novato to reduce its workforce by 25 percent, decrease employee compensation and benefits, as well as consolidate and eliminate several city services. In short, Novato saved \$4 million, eliminated 34 staff positions and reduced part-time staff hours by 7,500. Even with these reductions, the city still faced a structural problem. Reluctant to cut further, the city council declared a fiscal emergency and placed a temporary five-year half-cent sales tax on the ballot, which was overwhelmingly passed by the voters.

City staff prioritized the city's services and determined what level they should be funded, keeping in mind the objective to create organizational and operational sustainability, as well as fiscal sustainability.

In July 2012, the city's staff and council launched a series of work sessions to publicly analyze all aspects of the city's budget and financial position. Each session focused on a topic such as revenues, economic development, departments' operations and service levels, employee compensation, pensions, infrastructure and facilities. Sessions also included detailed PowerPoints with recent research and several policy choices intended to improve operational and/or fiscal sustainability. These 13 work sessions formed the foundation for community outreach tools.

Draft Fiscal Sustainability Plan — A [Draft Fiscal Sustainability Plan](#) was released in June 2013. The plan provides the community and decision makers with detailed information, policy options, and context regarding the fiscal and organizational topics necessary to develop a road map and long term strategy for Novato's sustainability.

Web-Based Options Tool — A web-based Fiscal Sustainability [Options Tool](#) was developed as a companion to the Draft Fiscal Sustainability Plan. It allowed users to see policy proposals under consideration, select their preferred long-range scenario for the city and see the impact on Novato's bottom line. This interactive webpage assisted staff, council members, and the community to understand the tensions and implications of various strategies to solve the city's long term deficit.

Community Outreach — Novato conducted an outreach campaign through the internet, Town Hall meetings, press releases, and more in June 2013. While more than 500 people tried the online Options Tool, less than 30 people attended Town Hall budget meetings. In an effort to increase outreach staff developed a presentation that could be delivered to any group in Novato.

The presentation focused on three significant themes:

1. Unsustainable nature of Novato's revenue structure;
2. Employee compensation and effects on recruiting and retaining quality staff; and
3. Importance of infrastructure investment and maintenance.

While city staff presented the plan to the residents, the city manager and finance manager shared it with dozens of groups throughout Novato, representing more than 600 residents. The groups included business and neighborhood associations, parent-teacher associations, service clubs, senior groups, youth athletic associations, environmental groups, and others.

In January 2014, the Novato City Council unanimously approved the following assumptions for the city's long term Fiscal Sustainability Plan:

- A long term fiscal and organizational sustainability plan;
- Maintain existing service levels;
- Maintain and improve the safety of existing infrastructure; and
- Employee compensation to keep pace with the cost of living increase.

The city council next approved a long term Fiscal Sustainability Strategy in February 2014. This strategy recognized that Novato needed a permanent and significant increase in revenue in order to fund the elements of the Fiscal Sustainability Plan by the end of 2015.

After more than five years of reductions, Novato is starting to move forward and invest in the community and organization. Based on the Fiscal Sustainability Plan, the draft FY 2014-15 Budget allocated \$1 million for infrastructure maintenance investment. The plan also recommends a modest addition of core staffing positions and funding improvements, such as retrofitting streetlights with LED and installing synthetic turf to reduce costs. A consultant plans to meet with the city to determine other outlets for sustainable revenue.

Novato's Fiscal Sustainability Plan created a road map for the city council's vision and decision-making. This multi-year strategy strengthens the city's goals and sets a clear path for improving the quality of life within the community.

Plastic Bag Ban Delayed After Referendum Qualifies

The [Secretary of State](#) announced this week the qualification of a [referendum](#) to overturn the recently passed statewide ban on single-use plastic bags.

The law, enacted under [SB 270 \(Padilla, Chapter 850, Statutes of 2014\)](#), prohibits the distribution of plastic bags in grocery stores and pharmacies starting July 2015 and from convenience and liquor stores starting July 2016. Under this bill, retailers will have to charge 10 cents or more for recycled paper bags.

By qualifying for the 2016 general election ballot, the referendum will prevent the implementation of the law until voters decide its fate at the polls.

During the previous legislative session, the League did not take a position on SB 270. However, the League worked to ensure that existing local ordinances were grandfathered into the law enabling local governments with bans to continue enforcing their local restrictions.

U.S. Communities Announces New Utility, Transportation and Golf Vehicles Contract Program

Informational Webinars Scheduled for March 3 and 4

U.S. Communities, the League-sponsored cooperative purchasing program, is now offering a new transportation program with Club Car and Columbia ParCar. The program covers utility, transportation, golf vehicles and related accessories equipment, parts and services. This contract delivers work vehicles that will help you improve safety, move people and transport loads while lowering your cost of ownership. Not only will agencies be able to save on the direct cost of vehicles, this contract provides a solution for agencies looking to lessen their environmental impact.

Club Car offers:

- Gas and diesel with two-and automatic four-wheel drive;
- Golf cars and turf utility vehicles; and
- Custom solutions for all your needs, such as trash units or hospitality van boxes.

Columbia ParCar offers:

- Electric vehicles with zero tailpipe emissions;
- Ability to haul up to 5,200 pounds or tow up to 7 tons; and
- People Movers can move up to 26 people to move large groups quietly and efficiently.

Webinar Details

U.S. Communities is hosting two information webinars for local agencies to get more information about the program. Please register online by clicking the links below.

- [Tuesday, March 3, 8 a.m.](#)
- [Wednesday, March 4, 10 a.m.](#)

Please [contact U.S. Communities](#) with questions of if you are unable to participate in one of the scheduled informational webinars.

Upcoming Webinars Offered on PACE Financing through CSCDA

Register Today for Either March 4 or 25 Webinar

The California Statewide Communities Development Authority (CSCDA) established the CSCDA Open PACE Program to offer its members a turn-key PACE solution that provides residential and commercial property owners the choice among prequalified PACE financing providers. CSCDA is sponsored by the League of California Cities.

On March 4 and 25 informational webinars will give local agencies more information about this funding opportunity. The webinars will be hosted by CSCDA, AllianceNRG and Renewable Funding (CaliforniaFIRST).

Webinar Details

- Register [online](#) for the March 4, 10 a.m.
- Register [online](#) for the March 25, 10 a.m.

Additional Information

CSCDA has provided an Opt-In Resolution, sample staff report and details on how to authorize the program. Information is on the [CSCDA Open PACE webpage](#).

If you have adopted a CaliforniaFIRST Opt-In Resolution already, please note that CSCDA recently expanded its PACE Program to include an additional program administrator in order to increase access and competition, and you should adopt the new form of Opt-In Resolution to include the expanded Program in your jurisdiction.

Questions about the Opt-In Resolution may be presented at the webinar or submitted separately to clanctot@cscda.org.

California Water Commission Invites Local Agencies to Complete Scoping Survey

Responses Due by March 11

The California Water Commission, following the passage of Proposition 1, is developing a competitive process to allocate bond funds for the public benefits of qualified water storage projects. An initial [scoping survey](#) is one of the first steps in developing its transparent Water Storage Investment Program. The survey will collect information about potential water storage projects from project proponents that may request Water Bond funding.

Projects must have public benefits such as ecosystem improvements, water quality improvements, flood control benefits, emergency response and recreation. The water projects receiving funding will produce real and measurable public benefits, and help address the long-term water needs for California families, farms, communities, and the environment.

Survey Information

Agencies that have a water storage project under construction that may qualify for Prop. 1 funding must complete the initial [scoping survey](#) by March 11.

The survey requests general agency information and project information, such as project type, anticipated completion dates for feasibility studies and environmental documentation, permit requirements, potential public benefits provided, project cost, and potential funding partners. The commission will use this information to inform the development of the regulations, guidelines, and implementation process.

This survey does not constitute an application for funding and is not a requirement for future funding or participating in the program, but will be useful to identify the number and kinds of water storage projects and their public benefits that are under consideration throughout California.

Please visit www.cwc.ca.gov for more information on the commission, the Water Storage Investment Program, and how to become involved.

Air Resources Board Taking Applications for Car-Sharing Pilot Program

Applications Due by April 8

The California Air Resources Board (ARB) is now taking grant applications for its \$2.5 million Targeted Car Sharing and Mobility Options in Disadvantaged Communities Pilot Project.

Using Cap-and-Trade revenues, the pilot will create a partnership between ARB and one or more grant winners meant to reduce greenhouse gas emissions and other pollution by introducing advanced car-sharing fleets into disadvantaged communities.

Funding may also go toward other mobility options like advanced technology vanpooling or shuttles. The board says will use the pilot program to collect data that could support larger scale car-sharing programs in the future.

Grant applications are due by April 8.

ARB has scheduled a pair of teleconferences to take questions about applying for grants from the program. They are planned for March 10 and March 24, both from 2 to 4 p.m. Call-in numbers and passcodes are available [online](#).

The grant solicitation and other documents are also available on the [ARB website](#).

More information on Cap-and-Trade programs — including a spread sheet identifying communities as disadvantaged by the state's CalEnviroScreen tool — is available on the League's [Cap-and-Trade hot issues page](#).

FPPC Launches Candidate Toolkit

New Tool is a One-Stop-Shop for Candidates

The California Fair Political Practices Commission (FPPC) now offers an online [Candidate Toolkit](#). The toolkit is part of an ongoing effort to make campaign reporting requirements easier for public officials to do and the public to see and provides step-by-step instructions to prospective candidates on how to comply with various state-mandated disclosure requirements. The Candidate Toolkit condenses several manuals already available by the FPPC into a comprehensive, easy-to-use format. It also includes links to the required disclosure forms, filing deadlines, regulations and frequently asked questions to the FPPC.

The FPPC has a renewed emphasis on utilizing technology to increase transparency. One of these efforts, the Top 10 Contributor Lists, was launched just before the start of the 2014 elections and was very well received by the public and interested stakeholders.

It is under this same umbrella the FPPC developed this Candidate Toolkit to help demystify the rules candidates must follow to run for office. One of the key thoughts driving this project was that not every candidate, especially at the local level, can afford or should be forced to obtain a political attorney or professional treasurer to run for office. The toolkit keeps jargon to a minimum and also leverages some of the important resources the FPPC already had into an easily digestible and intuitive webpage.
