

March 13, 2015
Issue #24

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**League Members Advocate for City Priorities
During 2015 NLC City Congressional Conference**
House Staff Briefing on Local Streets Successful

More than 2,000 city leaders from throughout the nation met in Washington, D.C. this week for the 2015 National League of Cities Congressional City Conference. Attendees heard from a variety of Cabinet-level officials on issues of importance to cities, as well as President Barack Obama himself on his new [TechHire](#), a multi-sector effort to empower Americans with skills needed to compete in a 21st century economy.

For more, see Page 2.



Upcoming Legislative Hearings of Interest March 17-April 22

The League's lobbying team continues to review the flood of bills introduced before the Feb. 27 deadline, determining which of them may be of significant interest to cities. As the Legislature begins to assign legislation to policy committees, it is also holding a number of oversight and informational hearings on policy areas of interest to cities. *For more, see Page 2.*



**California City Solutions: Mixed-Use Historical Development Brings Arts and
Entertainment District to Downtown Vallejo**

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](#). Vallejo's Temple Art Lofts project was submitted in 2014 for the Housing Programs and Innovations award category.

The city of Vallejo has a long and diverse history. It served as California's first state capital in the mid-19th century, a cornerstone of maritime history at the Mare Island Naval Shipyard, the U.S. Navy's oldest West Coast (closed in 1996) and home to a vibrant music community in the mid-to-late 20th century. Even under significant financial distress, Vallejo saw an opportunity to invest in its historical assets and boost its economy by developing the Temple Art Lofts. *For more, see Page 4.*

In addition to conference activities, League representatives advocated in the Capitol on city and priorities. The delegation was led by officers President Stephany Aguilar, First Vice President Dennis Michael, Second Vice President JoAnne Mounce and Immediate Past President José Cisneros. The officers held meetings with Sen. Diane Feinstein (D-CA) and Senator Barbara Boxer (D-CA) to discuss transportation and water infrastructure, the Internet Tax Freedom Forever Act and the Marketplace Fairness Act. The League's [advocacy materials](#) are available for use by cities throughout the year.

The League took advantage of a break in the House calendar to brief the staff of California congressional delegation on the [2014 California Local Streets and Roads Needs Assessment](#), stressing the importance of a long-term transportation bill to support the maintenance and preservation of the existing system. The League thanks the offices of U.S. Representative Zoe Lofgren (D-19) and U.S. Representative Ken Calvert (R-42) for hosting the successful briefing.

During the briefing, League staff warned inaction will cost the taxpayers an additional \$11 billion in a short five years. The current federal transportation reauthorization expires in May 2015, so Congress must act now to not only stabilize, but also increase, transportation funding. The League encourages city officials to reinforce this message in district meetings with their congressional representatives.

'Hearings of Interest' Continued from Page 1...

Here are a number of upcoming hearings of interest to cities:

March 17

- **Senate Energy, Utilities and Communications**, State Capitol, Room 3191, 9:30 a.m.
 - Hearing will cover CPUC and Public Safety: A Focus on Energy Infrastructure
- **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
- **Assembly Jobs, Economic Development, and the Economy**, 9 a.m. – noon, State Capitol, Room 127
 - Informational Hearing: Major Economic Development Policies and Programs in 2015

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 the Department of Housing and Community Development

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
- **Senate Budget and Fiscal Review Subcommittee No. 5 on Corrections, Public Safety and the Judiciary**, 1:30 p.m., State Capitol, Room 437
 - Hearing will cover 2014 Drought Funding
- **Senate Elections and Constitutional Amendments**, 1:30 p.m., State Capitol, Room 3191
 - Oversight Hearing: Statewide Voter Turnout
- **Assembly Environmental Safety and Toxic Materials**, 1:30 p.m., State Capitol, Room 444
 - Hearing will cover items relating to hazardous waste and substances, uncollectible accounts, liability recovery actions, and response and cleanup capabilities

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
- **Senate Budget and Fiscal Review Subcommittee No. 4 on State Administration and General Government**, 9:30 a.m., Room 2040
 - Hearing will cover State Finance, including Oversight on the Debt and Financial Management Overview the State Treasurer, California Alternative Energy and Advanced Transportation Financing Authority, the Department of finance, Oversight on Tax Compliance Programs and more

April 8

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

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 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 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
- **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 the State Controller and a Financial Information System for California

April 22

- **Assembly Budget Subcommittee No. 3 on Resources and Transportation**, State Capitol, Room 447, 9 a.m.
 - Hearing will cover all departments.
- **Assembly Budget Subcommittee No.5 on Public Safety**, 1:30 p.m., State Capitol, Room 437
 - Hearing will cover the Prop. 47 workload

'Downtown Vallejo' Continued from Page 1...

In recent years, the city struggled with record-high foreclosure rates, high crime rates, and high commercial vacancy rates — especially in its downtown. In 2008, the city filed for Chapter 9 bankruptcy protection, emerging in late 2011. After filing for bankruptcy, two of the city's most historical buildings fell into foreclosure, prompting the city council to approve plans to create a mixed-use development and foster its growing arts district.

Vallejo selected a development company to transform the foreclosed-upon landmarks, its original City Hall, built in 1872, and the Masonic Temple, built in 1917. Urban issues plagued the infill project. Security coverage was needed 12 hours per day because of frequent theft prior to the start of construction. The long-vacant building was dilapidated and home to squatters, thieves and vermin. It took more than two years to develop a viable parking strategy that met planning, financing and neighborhood requirements.

Neighborhood residents expressed concerns about adding more affordable housing in the downtown area, which already had a high percentage of such units. There were also concerns about the artist-preference, and the effect the project would have on economic development.

During construction, a number of unforeseen and unique issues resulted in change orders totaling \$1.5 million — 19 percent of the total construction budget. [Temple Art Lofts](#) project also had the most complicated financial structure in the developer's portfolio.

The historic preservation component of this project required the city to address preservation of a number of spaces that produce no income, including the grand performance hall, historic jail, oversized staircase, bank vault, and other areas. The project was incomparable to any of the city's other affordable housing ventures.

The large scale of historic preservation and reuse of the existing building made the task complex. City staff conducted a multipart environmental review of each property, requiring consultation and approval from the State Office of Historic Preservation, Advisory Council on Historic Preservation, Vallejo Architectural Heritage and Landmarks Commission and the U.S. Department of Housing and Urban Development. Bringing the building up to code required structural and seismic upgrades, new foundations, new transformer vault, installation of an oversized elevator, creation of Americans with Disabilities Act-compliant entries, abatement of lead and asbestos and upgraded mechanical, electrical and plumbing systems.

The building had ample damage and repair issues, like a broken sub-pump system, through which groundwater leaked into the basement, and a partially collapsed roof. At the same time, the

contractors had to preserve the historical architecture. Original wood windows were preserved and outfitted with new panes that were safe and functional, while upgrades to structural improvements, such as metal brace forms, were concealed.

A combination of financing brought the Temple Arts Lofts to fruition. Alliant Capital provided more than \$5 million in combined equity for both Low-Income Housing Tax Credits and Historic Tax Credits, while U.S. Bank provided \$7 million in the form of a construction loan and Tax-Exempt Bond Financing. The city made a significant investment, too, contributing more than \$5 million directly or indirectly. The city also made use of more than \$1.3 million in HUD Neighborhood Stabilization Program funds, nearly \$1 million loaned from Community Development Block Grant and HOME Investment Partnership programs and \$2.5 million combined in Tax-Increment Financing from Vallejo and Solano County. The Vallejo Redevelopment Agency provided a loan of \$750,000 for the purchase of the buildings and initial rehabilitation costs. Additional financing was made possible through an impact fee loan and a deferred-developer fee.

Completed in April 2013, the restoration played a critical role in the revitalization of Vallejo's downtown waterfront area and its growing Arts and Entertainment District. The adjacent Express Theatre also underwent a comprehensive renovation. It has not yet attracted the type of increased patronage the city envisioned, but the neighboring Temple Art Lofts are expected to increase foot traffic and activity in the emerging Arts and Entertainment District.

Vallejo celebrated the completion of its decorative streetscape improvements during the same week as the ribbon cutting ceremony for Temple Art Lofts. Since then, Loft residents have championed the renovation of the nearby historic Odd Fellows building — with the goal of including art-serving retail — and become leaders in a program placing art in downtown Vallejo storefronts. The Temple Art Lofts project has helped revive the once-depressed downtown of a city hit hard by the Great Recession.

A hallmark of Vallejo is its rich racial and ethnic diversity, and that is reflected in the creative residents of Temple Art Lofts. Residents have access to individual spaces in the 2,280-square-foot community art studio and the 2,590-square-foot performance hall, which has hosted events such as art shows, a reggae singer and a gospel choir.

The project has earned a number of awards, including a Preservation Design Award from the California Preservation Foundation. The National Housing and Rehabilitation Association selected it as a finalist for the J. Timothy Anderson Award for Most Advanced Financial Structure. These and others have singled out Temple Art Lofts because of the significant impacts the project has made on Vallejo during its rise from bankruptcy and the depths of the Great Recession.

Register Today for the 2015 Drought Briefing

Free Event Scheduled for April 9 in Sacramento

California has entered its fourth year of drought with far-reaching impacts on water supply, agriculture, habitat, fish and wildlife and water conservation. The drought's severity has not escaped public attention, with some 94 percent of voters calling the situation "serious" in a recent Field Poll.

As this natural disaster retains its grip, local, state and federal officials are hunkering down by extending existing drought-response actions and developing new ones to grapple with unprecedented challenges. What is the outlook for 2015 and what impacts can we expect on water operations, the environment, fire response, agriculture and water conservation?

These crucial issues will be the focus of a special [2015 drought briefing](#) featuring local, state and federal officials. The free event is scheduled for 8:30 a.m. to 12:20 p.m. on Thursday, April 9, at the Crest Theater in Sacramento. The briefing will be webcast for those unable to attend in person. There is no cost to attend but participants must [register online](#).

The event is sponsored by the Association of California Water Agencies in partnership with the California Department of Water Resources, the California State Association of Counties, the

U.S. Bureau of Reclamation, the League of California Cities, the California Farm Water Coalition, the California Farm Bureau Federation, the Metropolitan Water District of Southern California, the California Office of Emergency Services and Cal Fire.

For more information, see www.acwa.com or contact Paula Currie at (916) 441-4545.