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Transportation Dominates Policy Discussion in Capitol and Throughout California

With legislators back in the Capitol after their month-long recess, the special session on transportation funding was front and center this week with the first committee hearing on specific legislation and several events in Northern and Southern California. The special session is not subject to deadlines imposed on the regular session, but Gov. Jerry Brown and legislative leaders are working to craft a deal before the regular session adjourns on Sept. 11. The League is part of Fix Our Roads, a [broad coalition](#) of local government, transportation, labor and business organizations advocating for a seven principle approach to transportation funding that would dedicate \$6 billion annually, split 50-50 between the state and locals, in the coming decade. *For more, see Page 2.*



DOF, Senate Again Attempt to Move RDA Trailer Bill, AB 113 Set Thursday, Aug. 27

*League Remains Opposed Due to Harmful Provisions; Concerned Cities
Should Contact Legislators Immediately*

Here we go again. An end-of-session effort to move the Department of Finance's (DOF) bill, [AB 113 \(Committee on Budget\)](#), was launched today when the Senate File revealed that the bill has been set for Thursday, Aug. 27 in the [Senate Budget Committee](#). AB 113 is a 100-page bill drafted by DOF that contains significant revisions to the redevelopment dissolution process, some of which seek to reverse recent court decisions benefitting affected cities. While there are currently several other bills listed on the Senate Budget Committee's agenda, all of them are "spot bills" with nothing in them. *For more, see Page 3.*



California City Solutions: Volunteers Help Beautify Public Places in South San Francisco

*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](#). South San Francisco's Improving Public Places was submitted in 2014 for the Enhancing Public Trust, Ethics, and Community Involvement award category. *For more, see Page 5.**

Press Conferences and Roundtables

The Governor joined Assembly Speaker Toni Atkins (D-San Diego) along with elected and appointed officials from Bay Area cities and counties, transportation agencies and representatives of labor and business on Wednesday morning at the Port of Oakland for a well-attended news conference. Participants all stressed that California can't wait any longer for a solution to fund the state's crumbling roadways. There is great consensus that the chronic deterioration of local streets and roads and bridges, along with the state highways, threatens jobs, the economy and California's quality of life.

Members of the Fix Our Roads coalition emphasized the group's [seven principles](#) that focus on the need to maintain and rehabilitate California's existing system. The coalition believes revenues need to be raised through a broad range of options, with funds divided equally between the state and local governments. Strong accountability requirements are needed to protect the taxpayers' investment, along with consistent funding levels to ensure reliability.

Oakland City Council President Lynette Gibson McElhaney told reporters that her city has an estimated \$42 million in shovel-ready road repair projects alone.

When pressed about how to increase transportation funding, Governor Brown declined to offer specifics. He's quoted in the [San Francisco Chronicle](#) as saying: "I'm not going to try to say where the revenue's going to come from, how we're going to get it."

Several hours later, Assembly Member Jim Frazier (D-Oakley) convened a roundtable discussion in Walnut Creek with Assembly Member Jimmy Gomez (D-Los Angeles) and Assembly Member Susan Bonilla (D-Concord). The legislators, labor and business leaders and local government reiterated the message from the morning press conference. Each pressed how transportation funding affects their areas. Clayton City Council Member Julie Pierce represented cities in the discussion. "No one likes to talk about raising fees and taxes. But it's undeniable that the current funding is insufficient. The gas tax has not kept up with inflation or our local maintenance needs, as cars have become more fuel efficient despite doing the same amount of damage to our roads." Contra Costa County Supervisor Candace Anderson represented counties.

Today in Los Angeles two transportation events were held at the Los Angeles Chamber of Commerce that included leaders from the Legislature, local government, transportation, business and labor. The day began with a news conference with Los Angeles Mayor Eric Garcetti joining Speaker Atkins, California State Transportation Agency Secretary Brian Kelly, Los Angeles County Supervisor Hilda Solis and Ruben Gonzalez, senior vice president with the Los Angeles Chamber of Commerce, at the podium.

The speakers again stressed the ways in which California's roadways are in dire need of stable and sustainable funding and pressed for a bipartisan solution to adequately fund transportation.

A roundtable discussion followed the press conference. The local government panel featured Santa Monica City Council Member Pam O'Connor, Los Angeles County Deputy Public Works Director Patrick DeChellis, Lakewood Public Works Director Lisa Rapp and Hasan Ikhata, the executive director of the Southern California Association of Governments.

Several Assembly members representing communities in Los Angeles County participated in the roundtable: David Bloom (D-Santa Monica), Ed Chau (D-Arcadia) Jimmy Gomez (D-Los Angeles), Patrick O'Donnell (D-Long Beach), Adrin Nazarian (D-Sherman Oaks), Anthony Rendon (D-Lakewood) and Reggie Jones-Sawyer (D-Los Angeles).

Legislative Action

The Senate Committee on Transportation and Infrastructure Development met on Wednesday to consider some of the bills introduced in the special session. Of note, the committee passed League-supported SB 11 (Beall), which would increase several taxes and fees to raise between \$4.3 and \$4.3 billion in new

transportation revenues. SB x1 1 is similar to Sen. Jim Beall's (D-San Jose) SB 16 in the regular session that was supported by the League and many cities.

The committee also passed two other bills introduced by the Republican caucus on accountability. SBx1 12 (Runner) would make the California Transportation Commission, currently under the State Transportation Agency, an independent entity. SBx1 13 (Vidak), which would create the Office of the Inspector General. The Governor would appoint this position, which would be responsible for auditing all state agencies that work on transportation, namely CalTrans and the High Speed Rail Authority. SBx1 13 is one of the accountability proposals put forward by the Republican caucus.

The League supports two additional streamlining proposals from the Republican caucus: SB x1 11 (Berryhill), which would exempt roadway improvements within the existing rights of way from CEQA if certain conditions are met, and SB x1 14 (Cannella), which would remove the sunset date on existing law that allows CalTrans and regional transportation agencies to use public-private partnerships. The authorization is currently set to expire Jan. 1, 2017.

Many special session bills remain to be heard, but hearing dates have not yet been announced.

The League will continue to update members as developments occur.

'AB 113' Continued from Page 1...

An earlier effort to move this bill occurred in July prior to the legislative summer break when a hearing of the Senate Budget Committee was scheduled, then later cancelled due to a lack of sufficient support from the members. Nothing has changed in the bill since the last time it was set, but DOF has met with at least one senator to discuss possible amendments that might secure a vote. Such carve out tactics that have been employed through the year on this measure have been very divisive.

Because of the many League member cities that would be harmfully impacted by AB 113 in its current form, the League remains opposed unless the harmful provisions are removed. Since January, cities' main concerns with the proposal have been its effort to reverse and revise key provisions of dissolution laws offered to local agencies as incentives for resolving issues DOF and obtaining a "finding of completion."

These were promises made to cities in AB 1484 of 2012. Agencies that settled with DOF would be rewarded with the ability to have previous city-RDA loans repaid at interest rates benchmarked against a conservative fund managed by the State Treasurer. Now that many agencies have made the concessions to DOF necessary to obtain these findings, it is frustrating for affected agencies to have to spend the last eight months combating an effort to move the goal posts.

AB 113 contains many provisions, but it is important to not be distracted from the major issues. The dissolution statute gave DOF staff wide latitude with no process for oversight or review other than the courts. With the original proposal's introduction in January, one of DOF's key objective focuses on undoing court decisions that have interpreted existing law in three areas — re-entered agreements, definition of "loans," and calculation of interest rates. In these three instances the courts have overruled DOF interpretations to the benefit of the affected local agencies.

While the effort to reverse appellate court decisions affecting re-entered agreements was thankfully withdrawn by DOF in the May Revise, AB 113 continues to attempt to moot the effect of two other cases: *City of Watsonville v. California Department of Finance* (relating to the definition of loans) and *City of Glendale v. California Department of Finance* (relating to calculation of interest). If local agencies are expected to respect court decisions that have gone against them, then cities believe DOF should as well.

Beyond the efforts to reverse court decisions, this measure contains several provisions that would tip the balance on matters of interpretation of dissolution laws even further by exempting DOF from the Administrative Procedures Act and eliminating language in the law (that was previously agreed to by DOF

and the Legislature in 2012) that enabled successor agencies to fund legal representation in the only due process forum where DOF staff decisions could be reviewed: Sacramento County Superior Court.

So while efforts to reverse aspects of AB 1484 and related court decisions can be purported by DOF to be “streamlining,” negatively affected cities characterize them as “unfair and harmful.” Many individual cities have directly reported to their legislators that such a change in law would collectively cost them hundreds of millions in lost loan repayments.

Below is a list of cities (and some counties) that as of Aug. 21 have re-confirmed with the League their opposition to this measure and sent letters to legislators:

- Alhambra
- Baldwin Park
- Bell Gardens
- Big Bear Lake
- Brentwood
- Buellton
- Buena Park
- Capitola
- Cerritos
- Chino
- Claremont
- Cloverdale
- Corona
- Coronado
- Covina
- Crescent City
- Culver City
- Cypress
- Danville
- Dinuba
- Downey
- Duarte
- Dublin
- Emeryville
- Eureka
- Fountain Valley
- Fresno
- Fullerton
- Garden Grove
- Glendale
- Glendora
- Goleta
- Grand Terrace
- Greenfield
- Gustine
- Hercules
- Highland
- Huntington Beach
- La Habra
- La Mirada
- La Palma
- La Quinta
- Lafayette
- Lake Forest
- Lakeport
- Lancaster
- Lawndale
- League’s Latino
Caucus
- Loma Linda
- Los Alamitos
- Los Ang. Co. Div.
- Maywood
- Merced
- Mission Viejo
- Modesto
- Montebello
- Monterey
- Monterey Park
- Napa
- Norco
- Norwalk
- Novato
- Oroville
- Oxnard
- Paramount
- Pasadena
- Pico Rivera
- Rancho
Cucamonga
- Rancho Palos
Verdes
- Rialto
- Ridgecrest
- Sacramento
- San Carlos
- San Dimas
- San Marcos
- Sand City
- Santa Ana
- Santa Clarita
- Santa Cruz
County
- Santa Fe Springs
- Santa Maria
- Santa Monica
- Santa Rosa
- Scotts Valley
- Seaside
- Selma
- Sonoma
- Sonoma County
Mayors &
Councilmembers
Association
- South El Monte
- South San
Francisco
- Suisun City
- Sunnyvale
- Taft
- Tuolumne County
COC GRC
- Union City
- Upland
- Vacaville
- Ventura
- Vernon
- Victorville
- Vista
- West Covina
- Whittier
- Winters
- Yorba Linda
- Yucaipa

The heart of the dispute is that AB 113’s definition of loan does not reflect the court’s view in *Watsonville* and is an effort to insert into the law a DOF-interpretation the court said was “improper.” The League has proposed a definition of “loans” to reflect the Court’s holding, but it has been rejected. While there are other debates about interest rates in the measure, if statutes

are allowed to be rewritten in a manner that eliminates valid loans from the possibility of repayment, it does not matter what the interest rate is.

As to the balance of the bill, there are essentially three categories of changes in the measure:

1. Adjustments to various processes that can be represented as true “streamlining.”
2. Provisions that address several outstanding dissolution-related issues of benefit to specific agencies, most significantly: San Francisco affordable housing, issuers of 2011 bonds, and clarifications on special levies for pensions.
3. Provisions that have nothing to do with redevelopment dissolution but were added into this proposal at the May Revise. These provisions (negative bailout, San Benito County, Santa Clara city tax equity and a fix to assist recent incorporations) all have individual merit and should proceed separately as did an “excess ERAF” fix that was originally inserted into this proposal then later removed and enacted with the budget.

It is regrettable that the current version of the measure remains so divisive. If the major areas of dispute cannot be appropriately resolved in a manner that accurately reflects the applicable court decisions, then the cities harmed by this measure are simply asking for existing law to be left as it is and allow the courts to continue the work of interpreting the law without interference.

Next Steps

This is the time for action. Concerned cities are encouraged to contact their legislators immediately.

‘CCS: SSF’ Continued from Page 1...

The city of South San Francisco is a growing community, home to innovative biotechnology and technology corporations, industry and trade. The city’s Parks and Recreation Department maintains 200 acres of parks and open space areas, with more than 8,000 trees. When the recession forced the city to cut staff and funding for parks, Mayor Karyl Matsumoto created a volunteer force to ensure these community resources remained well-maintained.

South San Francisco’s park land and maintenance needs increased in recent years as budget constraints limited the city’s ability to add more parks staff. Due to budget cuts, the department’s staff shrunk from 25 to 19 employees and funding for many needed capital improvements and equipment replacement was put on hold.

Department staff was directed to focus on routine maintenance and emergency repairs, rather than targeted cleanups and beautification projects. Parks remained safe and useable, but often hit by vandals. Areas with potential for vibrant and welcoming landscapes were left barren. The city struggled with how to keep park areas maintained, including a 16-acre, three mile long trail from the town of Colma to the city of Brisbane, which cuts through South San Francisco. While the city received grants for construction, the estimated \$100,000 in annual maintenance costs had to be absorbed.

At the same time, South San Francisco experienced an increase in violent gang activity, graffiti, and vandalism. Areas hit by graffiti, such as restrooms, picnic areas, and recreation buildings were susceptible to vandalism and gang activity. A greater sense of community and investment was needed to help clean up after and deter this behavior.

In 2006, Mayor Karyl Matsumoto founded the Improving Public Places group (IPP) with the public works director’s support. The city called upon volunteers to help perform civic beautification projects, hoping to increase community involvement and civic pride.

The mayor and public works director collaborated and planned the group's first cleanups that included weeding, plant trimming and trash cleanup. After recruiting more volunteers, the group began organizing quarterly planting projects. Mayor Matsumoto, IPP volunteers, and city staff launched monthly meetings to discuss and budget projects, strategize priorities for future community plantings, develop partnerships, and craft long term goals.

IPP volunteers, along with the mayor, host regular volunteer planting events to perform tasks such as picking up trash, grubbing weeds, clearing pathways and trails, removing graffiti, planting native and low maintenance trees and plants, and funding installation of park furnishings, interpretive signage, and outdoor art. IPP partners with the department's grant funding initiatives, including supporting two [KaBOOM!](#), volunteer-driven playground installations and tree planting grants. KaBOOM! is a nonprofit organization that partners with companies creating and catalyzing great places to play.

IPP landscaped the award-winning Sculpture Garden, planting 50 trees along the Centennial Way Trail and renovating the landscaping at the South San Francisco Conference Center.

IPP utilizes several outreach tools to target all generations and abilities, including the city's website, distributing printed flyers, and social media to distribute. IPP's quarterly newsletter features updates on current and future programs, volunteer recruitment, park adoption, and articles on landscaping or affirming the importance of their volunteers' work. Also, given the dynamics of the community, word of mouth is an integral part of the committee's outreach and recruitment efforts.

Committee members partner with other groups as well including the South San Francisco School Unified District, high school and middle school service clubs, and other community service organizations. They promote hands on community service so that volunteers become more familiar with their community, the city's needs, and network with neighbors, and become advocates for parks and recreation programs.

IPP volunteers were the incentive for the city's first ever Adopt-a-Park program. As part of the program, individuals or groups can adopt identified sites where they maintain and improve park areas throughout the city. At least 24 sites have been adopted. While volunteers cannot replace full-time qualified crews, they have allowed maintenance workers to focus their attention on skilled maintenance tasks and repairs. This allows the city to do more work with fewer resources, and keep parks safe and clean.

Most importantly, Mayor Matsumoto and IPP volunteers create a sense of civic pride with their dedication to their community. During the past eight years, IPP has grown from two volunteers to nine committee members and more than 250 volunteers. More than 25 targeted park cleanup events have been completed including planting 4,000 native plants and trees and installing numerous park furnishings. Volunteers donated more than 15,000 hours, equivalent to one full-time maintenance person per year.

Mayor Matsumoto has made an effort to draw in skilled professionals to help lead volunteers and to provide professional designs. She has carefully advocated for attractive yet low maintenance and hardy native plants so not to add more burden to maintenance personnel or city resources.

South San Francisco was recognized in 2009 as a model of volunteer service and designated as a "City of Service" under the Kennedy Serve America Act. This national designation is for cities that harness power of volunteers in solving community challenges.

A 2012 study of service calls for graffiti showed a decline in vandalism and graffiti by 50 percent — credited in large part to this greater investment in the community. In making many enhancements and creating more inviting public spaces, the committee has improved public assets, and created greater commitment and investment in parks and recreation services.

Limited Space Available for Mobile Tour of the San José Environmental Innovation Center during the 2015 Annual Conference & Expo

There are 20 spots for a special tour of the San José Environmental Innovation Center on Wednesday, Sept. 3 before the start of the League's 2015 Annual Conference in San José. The center, which opened in May 2014, is a first-of-its-kind "green enterprise" facility that houses services for residents and clean tech entrepreneurs. This tour is a pre-conference event, with only 20 spots left.

With the help of the federal New Markets Tax Credit, San José transformed a marginal property into a showcase of energy- and water-efficient practices. The city's Environmental Services Department is the building owner and tenant coordinator for Prospect Silicon Valley, Habitat for Humanity's ReStore, and the County's household hazardous waste facility. During this walking tour you'll view unique environmental features and the services offered to residents and entrepreneurs.

Tour Details

San José Environmental Innovation Center Mobile Tour
Wednesday, Sept. 30
9 a.m. – noon

Space is limited and on a first come, first served basis. The cost is \$25.

To reserve a spot on the tour, please either:

- Register for the Annual Conference. When [registering online](#), there will be an option to add the Mobile Tour to your registration.
- If you have already registered for the Conference, register for the tour [online](#). The second page of the registration process has an option to register for the tour.

Reservations are non-refundable. Please contact [Megan Dunn](#) with questions.

Local Jurisdictions Must Contract with BOE for Collection of Local Charges on Prepaid Mobile Telephony Services by Sept. 1

Beginning Jan. 1, 2016, [AB 1717](#) requires local jurisdictions to contract with the [California State Board of Equalization](#) (BOE) in order to receive revenue from local utility user taxes (UUT), local 911 charges, and any other local charges imposed on consumers of prepaid mobile services.

Important Deadlines

To ensure the uninterrupted collection of these local revenues, local jurisdictions must contract with the BOE by Sept. 1. If a local jurisdiction does not contract with the BOE, any local charges imposed upon prepaid mobile telephony services (MTS) will not be collected by the sellers and the local jurisdiction will not receive local charge revenue from prepaid MTS once the new law is effective on Jan. 1.

If the local jurisdiction does not contract with BOE by Sept. 1, 2015, the next deadline is Dec. 1 for collection beginning April 1, 2016. In order to contract with the BOE, local jurisdictions must have an ordinance that applies its local charge to prepaid MTS.

New Law Requirements

Current law imposes a variety of surcharges on phone services, including prepaid mobile phone services. Currently, phone carriers are generally responsible for collecting and paying these surcharges (for example, the 911 emergency surcharge and California Public Utilities Commission surcharges) to the state. The new law replaces all current charges imposed upon prepaid mobile phone services with a new prepaid MTS surcharge. The prepaid MTS surcharge will be paid by purchasers of prepaid wireless services in California and be collected at the time of purchase.

Under the new law, the MTS surcharge will be the only method for local jurisdictions to collect taxes and surcharges imposed upon prepaid mobile telephone services sold in their jurisdiction.

For More Information

For more information about contracting with BOE for the collection of UUT and/or local 911 charges, please contact the BOE's Local Revenue Allocation Unit at (916) 324-3000 or by [email](#).

General information about the new Prepaid MTS surcharge is available on BOE's [Prepaid Mobile Telephony Services Surcharge guide](#).
