

**Dec. 11, 2015**  
**Issue #103**

**IN THIS ISSUE:**

- Page 4: Internet Tax Freedom Act Included in Trade Agreement, Cities Need to Email U.S. Senate Immediately
- Page 5: U.S. Communities Home Depot Rebate Program  
League-Sponsored Bond Agency Finances Affordable Housing Projects in Moreno Valley and Montebello
- Page 6: Registration Open for 2016 Municipal Law Symposium

## **Legislature Reconvenes Jan. 4, New Year Begins with Speaker Election and Budget Proposal**

Sacramento has been relatively quiet since the Legislature adjourned on Sept. 11, with the Gov. Jerry Brown making his final decisions on legislation on Oct. 11. That all changes in four weeks when legislators return to the Capitol on Jan. 4 to begin the start of the second year of the 2015-16 legislative session. *For more, see Page 2.*



### **Calling All Outstanding City Street Projects**

*Nominations for the 2016 Local Streets and Roads Awards due Jan. 13*

The [Save California Streets](#) Coalition has opened the nomination period for its annual Local Streets and Roads Awards. Submissions should highlight a street infrastructure project or program that has demonstrated a significant improvement in your community's street system. The coalition comprises a number of organizations including the League of California Cities® and the California State Association of Counties. *For more, see Page 3.*



### **California City Officials Appointed to National League of Cities' Policy and Advocacy Committees**

The [National League of Cities](#) (NLC) on Dec. 7 announced the appointment of members to the organization's 2016 [policy and advocacy committees](#) by NLC President Melodee Colbert Kean. California in the coming year will have 15 city officials serving on NLC's seven key committees. These committees are responsible for developing national municipal policy positions that form the basis for NLC's engagement on behalf of cities before Congress, the courts and federal agencies. Members are appointed for a one-year term and can be re-appointed annually. *For more, see Page 3.*

The few first weeks of January will set the pace and priorities for the session. Most 2015 statutes signed into law by Gov. Jerry Brown will take effect Jan. 1. The Legislature reconvenes Jan. 4 and will adjourn on Aug. 31. Governor Brown must submit his proposed FY 2016-17 budget during the first week of January to meet the Jan. 10 constitutional deadline. The Governor will also deliver his annual state-of-the-state address in early January, though no details have been released yet.

Bills held over from 2015, known as two-year bills, are under pressure to make the Jan. 31 deadline to pass out of their house of origin. Fiscal committee bills from 2015 must be heard in policy committees by Jan. 15 and a week later, Jan. 22, is the deadline for policy committees to hear and report on floor bills introduced in their house last year.

In response to these deadlines, cities should expect a flurry of amendments offered on bills that did not move last year. The League will publish new bill lists shortly after Jan. 4, but for now is closely tracking the following two-year bills that may be set for hearing early in the year:

- AB 45 (Mullin) Household hazardous waste. *League position: Oppose.*
- AB 1159 (Gordon) Product stewardship: pilot program: household batteries and home-generated sharps waste. *League position: Support.*
- AB 1315 (Alejo). Public contracts: water pollution prevention plans. *League position: Oppose.*
- SB 47 (Hill) Environmental health: synthetic turf. *League position: Oppose.*
- SB 608 (Liu) Homelessness. *League position: Oppose.*

In addition, the League expects clean-up legislation to be quickly introduced to delete the preemption of local marijuana cultivation ordinances.

The full text of these bills and committee hearing schedules, as well as the League's position letters, can be found at [www.cacities.org/billsearch](http://www.cacities.org/billsearch). Plug the bill number into the search function to access information.

Capitol watchers can also expect a flood of bills to be introduced early in the year with Feb. 19 being the last day that legislators can introduce bills for the regular session.

Transportation remains a top priority for cities and the Special Session on Transportation will continue into 2016. The joint conference committee held several hearings early in the fall and then public negotiations slowed down with a shift to conversations behind the scenes. Cities can expect new announcements related to how to fund the state and local transportation system in early January.

### **League's 2016 Strategic Goals to Drive Legislative Engagement**

The League set its course for 2016 in November when the organization's officers, board of directors and leaders of policy committees and divisions met in Sacramento to set the [2016 Strategic Priorities](#).

The 2016 Strategic Priorities are:

- Increase Funding for Critical Transportation and Water Infrastructure;
- Improve Housing Affordability; and
- Update the Local Government Tax Structure to Respond to the New Economy and Stimulate Economic Growth.

### **Leadership Changes in Both Houses**

Changes in term limits are beginning to have a significant effect on the leaders of both houses with members elected after 2012 having the ability to serve up to 12 years in one house or two.

The Legislature's most recent leadership shakeup began this fall and will culminate in Spring 2016. Speaker Toni Atkins on Dec. 7 announced that the Assembly will hold its speakership election for Assembly Member Anthony Rendon (D-Los Angeles) on Jan. 11. The swearing-in

ceremony will be held on March 7. Elected in 2012, Assembly Member Rendon terms out in 2024.

Assembly Member Chad Mayes (R-Yucca Valley) will take over the mantle of Assembly Republican leader on Jan. 4 from Assembly Member Kristin Olsen (R-Modesto), who terms out at the end of 2016. Assembly Member Mayes won't term out until 2026, giving him the opportunity for a long leadership tenure.

And while the Senate's leaders are not currently changing, Sen. Jean Fuller (R-Bakersfield), who terms out in 2018, transitioned into the role of Senate Minority Leader just before session adjourned in September. Sen. Kevin De León (D-Los Angeles), who terms out in 2018, remains President pro Tempore.

### **New Mayors and Council Members to Head to Sacramento for League Training in Late January**

The League's annual training for newly elected mayors and council members will be held Jan. 20-22 in Sacramento. Cities still have a few weeks to sign up their newly elected members before the [Jan. 6 registration deadline](#).

The event will bring together more than 200 mayors and council members for education on the nuts and bolts of effectively serving on a California city council. The three days will feature sessions on a range of topics such as advocacy, the legal powers and obligations of office, land use, city finance and strategies to run effective city council meetings. Attendees can also take the AB 1234 ethics training.

---

#### **'Awards' Continued from Page 1...**

Nominations for this prestigious award are due by Wednesday, Jan. 13. Winners will be announced in February and awards will be presented during the Public Works Officers Institute and County Engineers Association of Counties conference March 9-11 in Sacramento. They will also be featured later in 2016 in *Western City*, the League's monthly magazine.

Projects nominated should address one of three categories that promote a comprehensive improvement of local streets:

- Efficient and Sustainable Road and Bridge Preservation, Maintenance and Construction and Reconstruction Projects;
- Complete Streets and Multi-Modal Mobility Projects; or
- Safety or Intelligent Transportation System Projects.

Applications must be [submitted online](#).

Please contact [Meghan McKelvey](#) with any questions on the award program and application process.

---

#### **'NLC' Continued from Page 1...**

The Community and Economic Development Committee includes the following California members:

- Ventura Council Member Neal Andrews;
- Temecula Mayor Jeff Comerchero;
- Brea Council Member Cecilia Hupp; and
- Burbank Council Member David Gordon.

The Energy, Environment and Natural Resources Committee includes the following California members:

- Rosemead Mayor Margaret Clark; and
- Sacramento Director of Government Affairs Randi Knott.

The Finance, Administration and Intergovernmental Affairs Committee includes Culver City Council Member Jim Clarke.

The Human Development Committee is vice chaired by Cathedral City Mayor Pro Tempore Gregory Pettis.

The Information Technology and Communications Committee includes San Leandro Council Member Corina Lopez.

The Public Safety and Crime Prevention Committee's vice chair is Thousand Oaks Mayor Joel Price and includes the following additional California members:

- Sunnyvale Council Member Jim Davis;
- Los Angeles Council Member Mitchell Englander;
- Brea Mayor Marty Simonoff; and
- Ontario Council Member Alan Wapner.

The Transportation and Infrastructure Services Committee's vice chair is Santa Monica Council Member Pam O'Connor and includes Sunnyvale Council Member Pat Meyering.

### **NLC Board of Directors**

The Golden State is also well represented on the [NLC board of directors](#) with four members serving this year. Joining Mountain View Council Member and former League President Mike Kasperzak are Los Angeles Council Member Joe Buscaino and Rancho Cordova Council Member David Sander represent cities. Kasperzak's term ends in 2016. Buscaino and Sander were just elected and will serve through 2017. League Executive Director Chris McKenzie is one of the four municipal league directors and will serve through 2017.

---

### **Internet Tax Freedom Act Included in Trade Agreement, Cities Need to Email U.S. Senate Immediately**

This week Congress moved to make the Internet Tax Freedom Act (ITFA) permanent when a conference committee included it in an unrelated Customs Reauthorization Conference Report. This action came without notice and was completely unexpected. The League joined with other stakeholders to urge the removal of the provisions of the Customs bill prior to its passage, but help is needed from individual cities.

Cities are urged to immediately email California Sens. Barbara Boxer and Deanne Feinstein to urge them to oppose the Customs bill, officially known as the Trade Facilitation and Trade Enforcement Act of 2015.

A vote on the conference report is expected next week before Congress breaks for the winter break.

Cities can use the [League's letter](#) as a sample, and sent the emails to [ellen\\_freedman@feinstein.senate.gov](mailto:ellen_freedman@feinstein.senate.gov), [eric\\_haren@judiciary-dem.senate.gov](mailto:eric_haren@judiciary-dem.senate.gov) and [sean\\_moore@boxer.senate.gov](mailto:sean_moore@boxer.senate.gov).

The House has already acted on a bill to permanently extend ITFA, therefore the best opportunity to stop the extension is in the Senate.

Originally enacted in 1998, this legislation would place a permanent moratorium on taxes imposed on access to the internet. While there is no city in California that imposes such a tax, the League has raised concerns regarding the evolving nature of the internet and how a permanent moratorium will impact city revenues. For example, city utility user tax revenues are being eroded as consumers migrate from traditional phone lines to broadband-based telecommunications services.

The League has asked Congress to consider a short-term extension, instead of the permanent extension, to provide Congress an opportunity to revisit the policy in regular intervals. The [Center on Budget Policy and Priorities](#) has posted a blog that underscores the harm a permanent ban on internet access taxes would have on state and local revenues.

---

## **U.S. Communities Home Depot Rebate Program**

During 2015, through the League of California Cities<sup>®</sup> sponsored U.S. Communities program, California cities have purchased more than \$3 million in products and services from The Home Depot. By enrolling in the rebate program provided for under The Home Depot contract with U.S. Communities, a city spending a minimum of \$10,000 during 2015 can receive a cash rebate for all Home Depot online and in-store purchases.

Retroactive to Jan. rebate levels are:

- 1 percent on spends of \$10,000 to \$25,000
- 2 percent on spends of \$25,000 to \$100,000
- 3 percent on spends of \$100,000+

Cities interested in the program should request information from the city's accounts payable department to determine the amount spent with Home Depot during 2015.

To participate, a city must enroll in the rebate program for 2015 before Dec. 31. Call (866) 333-3551 or [enroll online](#).

### **About U.S. Communities**

The U.S. Communities Government Purchasing Alliance, a strategic partner of the League of California Cities, is a government purchasing cooperative that reduces the cost of goods and services by aggregating the purchasing power of public agencies nationwide.

For additional information, please visit [www.USCommunities/LCC](http://www.USCommunities/LCC) or contact [Norman Coppinger](#), administrative services director, League of California Cities.

---

## **League-Sponsored Bond Agency Finances Affordable Housing Projects in Moreno Valley and Montebello**

Some of the most significant benefits of League membership for cities since 1988 have flowed from the League's co-sponsorship of the [California Statewide Communities Development Authority](#) (CSCDA). This program provides a variety of public agencies and developers access to low-cost, tax-exempt financing and economic development tools. CSCDA issued \$49.6 million in tax-exempt multifamily bonds that helped finance affordable housing projects in several California cities.

### **Moreno Valley: Cottonwood Place Apartments**

Cottonwood Place Apartments is an acquisition and rehabilitation of 108 multifamily affordable housing apartments by Moreno Valley Cottonwood 1R Partners LP. The project sponsor is Palm Communities. Cottonwood Place will continue to be 100 percent affordable and provide 54 three-bedroom and 54 four-bedroom apartments to low-income families in Moreno Valley.

CSCDA and Palm Communities partnered with Citibank to provide \$9.9 million in tax-exempt and taxable multifamily affordable housing bonds for Cottonwood Place. The rehabilitation will include new kitchen appliances and cabinets, bathroom and lighting fixtures, ADA accessible unit conversions, exterior paint, upgraded HVAC systems, playground improvements, and a renovated community room. The financing of Cottonwood Place will maintain the affordability of units for low-income tenants for 55 years.

### **Montebello: Beverly Hospital**

Beverly Hospital is a not-for-profit, leading and independent 224-bed acute care facility that is proud of the medical services and comfort provided to patients. From emergency room and hospitalization to outpatient procedures, Beverly offers a full range of services with the latest technology on diagnostic and treatment options. A medical staff of over 350 physicians, representing a wide spectrum of specialties, is supported by experienced and dedicated employees and volunteers, who strive to deliver high-tech, high-touch services, preventive education and patient care.

CSCDA partnered with Wells Fargo Securities to underwrite the \$39.7 million in tax-exempt bonds for Beverly. The proceeds of the investment grade rated bonds will be used to refinance two taxable bank loans, make seismic related renovations, expand the hospital's emergency department, and make various equipment purchases to maintain and enhance the services offered by Beverly.

## **Background**

CSCDA is a joint powers authority created in 1988 and is sponsored by the League of California Cities<sup>®</sup> and the California State Association of Counties. It was created by cities and counties for cities and counties. More than 500 cities, counties and special districts are program participants in CSCDA, which serves as their conduit issuer and provides access to efficiently finance locally-approved projects. CSCDA has issued more than \$50 billion in tax exempt bonds for projects that provide a public benefit by creating jobs, affordable housing, healthcare, infrastructure, schools and other fundamental services. Visit <http://cscda.org> for additional information on the ways in which CSCDA can help your city.

---

## **Registration Open for 2016 Municipal Law Symposium**

The 2016 Municipal Law Symposium will focus on the challenging issues public agency attorneys face in the areas of water and public works. Panels will focus on: water rights, drought, and enforcement; water issues related to CEQA and land use; alternative water supplies, including storm water, groundwater, and recycled water; water and public works finance issues including those related to Proposition 218; and conflicts of interest, including an update on the new FPPC Regulations and conflict of interest issues relevant to public works projects.

Titled "Ensuring Integrity in 21st Century California: Water & Public Works in Our Arid State," the symposium will be held on Feb. 5 from 8 a.m. to 4 p.m. View information and register [online](#).

This annual event is co-sponsored by the Municipal Law Institute of the League of California Cities<sup>®</sup>, McGeorge School of Law, the County Counsels' Association and the State Bar of California Public Law Section.

---