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League of California Cities® Applauds Investment in California's State and Local Transportation System

The Senate and Assembly on Thursday night passed SB 1 (Beall), the Road Repair and Accountability Act of 2017. The \$5.2 billion that will now be generated annually for California's state and local transportation system will ensure that Californians have safe and reliable streets, roads and bridges and a solid transportation network. Both houses also passed ACA 5, which upon voter approval will ensure that revenues generated in SB 1 are spent only on their intended purpose. *For more, see Page 2.*



Three Weeks Remain to Apply for Two League Board of Directors Positions *Application Deadline is April 28*

The League of California Cities® is now accepting nominations from elected officials interested in serving in one of six at-large board positions (two-year term), or as second vice president (one-year term). All nominees for second vice president must currently be serving or have previously served on the board of directors. Applications for second vice president from northern California are encouraged. April 28 is the deadline to apply. *For more, see Page 2.*



Appellate Court Affirms State's Cap-and-Trade System

California's Third District Court of Appeal on April 6 affirmed the legality of the state's Cap-and-Trade system. The court joined two lawsuits by the California Chamber of Commerce and Morning Star Packing Company that alleged that the California Air Resources Board (ARB) exceeded its authority by imposing the Cap-and-Trade system and that the Cap-and-Trade system itself is an illegal tax. *For more, see Page 3.*

'Transportation Deal' Continued from Page 1...

This accomplishment would not have been possible without the leadership of Gov. Jerry Brown, Senate President pro Tem Kevin de León (D-Los Angeles), Assembly Speaker Anthony Rendon (D-Lakewood) and Sen. Jim Beall (D-San Jose) and Assembly Member Jim Frazier (D-Oakley), chairs of their respective houses' transportation committees, on SB 1 and ACA 5 and the legislators who voted in support.

League members played a significant role in the passage of SB 1 and ACA 5. The votes are a result of their collective and tireless commitment as California city officials and engagement with the League to ensure that cities have the resources needed to maintain and repair streets. The first League members came together in 1898 to share information on the road building technologies of the day and to protect city revenues for local services. California cities' support of SB 1 and ACA 5 today in many ways shows how relevant and strong the organization was then and remains now.

The passage of this historic investment package in California's transportation infrastructure is a culmination of almost a decade of work by the League from the launch of the biennial Local Streets and Roads Needs Assessment in 2008, to the development and adoption of [eight guiding principles for new transportation revenues](#) in 2013 and to leadership in the Fix Our Roads Coalition, which formed in 2015 to advocate for increased transportation funding.

The League, its members and coalition partners have participated in countless legislative hearings in recent years to elevate the awareness of how the failure to invest in our local streets and roads has led to worsening roads. [The Local Streets and Roads Needs Assessment](#) has come to serve as the definitive authority on local street and road conditions among local governments and legislators alike. According to the report, the average pavement condition statewide for local streets and roads has now dropped to the "at risk" category, which is precisely what SB 1 and ACA 5 are intended to address.

SB 1's provisions are consistent with all of the funding principles the League board of directors adopted in February 2013. These principles have guided the League's lobbying efforts to increase transportation funding and set the stage for every level of negotiation on the final provisions of SB 1.

SB 1 will generate \$5.2 billion annually for transportation improvements split equally between state highways and local streets and roads in California cities and counties. For cities and counties, this includes \$1.5 billion annually to fix local streets and roads. This is nearly double what is available today. It also includes \$750 million annually to improve transit operations and capital improvements. These transit investments will help improve air quality by reducing the number of cars on the road and traffic congestion. In addition to the new resources, the League also applauds the strict accountability provisions in SB1 and ACA 5 that will ensure these revenues are spent wisely on state highways, as well as on local streets and roads.

Now that SB 1 has passed, cities can get to work repairing and maintaining their streets. In the coming week, the League will release city-by-city funding estimates.

'Board' Continued from Page 1...

Board Composition

The board of directors comprises the League's officers — president, first vice president, second vice president, immediate past president and executive director — a representative from each of the League's 16 divisions, and a representative from each of the League's 11 functional departments, the mayors or designees (alternates) of the mayors of the 10 largest cities by population, and 12 at-large positions, with one reserved for a representative of a small city (under 12,000 population).

City officials serving on the National League of Cities (NLC) board of directors also serve on the League of California Cities board of directors for the duration of their term on the NLC board (two-year term).

The League board typically meets on a quarterly basis at locations throughout the state. Nominees are expected to make a commitment to attend all meetings. All travel-related expenses to attend League board meetings are reimbursed by the League.

Nomination Process

The 2017 Board Nominating Committee will meet on June 30, prior to the June 30-July 1 board meeting, to interview at-large finalists and all applicants for the position of second vice president.

The nominating committee members:

- Stephany Aguilar (Chair), council member, Scotts Valley
- Helen Schneider, mayor, Santa Barbara
- Sam Spagnolo, mayor pro tem, Rancho Cucamonga
- Christopher Cate, council member, San Diego
- Jerry Thorne, mayor, Pleasanton
- Ali Sajjad Taj, mayor, Artesia
- Kirsten Keith, mayor, Menlo Park
- Randi Johl, city clerk, Temecula
- Tony Dahlerbruch, city manager, Palos Verdes Estates
- Janet Arbuckle, council member, Grass Valley
- Curtis Hunt, council member, Vacaville

The committee will make recommendations to the board of directors at its June meeting. If the board approves the candidates, the recommended candidates will then be announced during the opening session of the League's 2017 Annual Conference and Expo in Sacramento on Sept. 13. Following confirmation of the final candidates, the 2017–18 board of directors will be announced at the closing session of the League's Annual Conference and Expo on Sept. 15.

Submission Process

If you are interested in submitting your name for nomination to the League board of directors, please provide the information requested on the nomination application, along with a biography and letters of endorsement, to the League's Sacramento headquarters on or before 5 p.m. on Friday, April 28.

The forms are available on the League website:

- [At-Large Director](#)
- [Second Vice President](#)

Nominations may be sent via email to msharpe@cacities.org

Or mail to:

Mimi Sharpe
Executive Assistant
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Board nominations packets can also be faxed to the attention of Mimi Sharpe at (916) 658-8240.

'Cap-and-Trade' Continued from Page 1...

In its decision, the Court made two major rulings. First, it held that ARB did have the authority to impose Cap-and-Trade based on action the Legislature took when it passed AB 32. Further, the Legislature affirmed this when it spent the funds garnered through Cap-and-Trade auctions. Second, the Court held that the auction is not a tax; rather participation in the auction is a voluntary decision instead of reducing emissions.

In a statement in response to the ruling, ARB Chair Mary D. Nichols stated: "The Court's decision affirms the basic purpose and structure of the program — to deliver carbon reductions in a cost-effective and flexible manner."

Despite Thursday's ruling, legislative efforts to extend Cap-and-Trade beyond 2020 are expected to continue. Gov. Jerry Brown in his January budget proposal sought a two-thirds vote from the Legislature for this purpose. Senate President pro Tem Kevin de León (D-Los Angeles) made a statement on social media that "the Senate will continue work to extend/expand our climate program & ensure legal footing to meet the 2030 targets in SB 32."

Historic 5-Year California Drought is Over, Declares Gov. Brown

Executive Order by Governor Lifts State of Emergency, but Pushes for Continued Conservation

Gov. Jerry Brown on Friday morning officially announced the end of the drought state of emergency in California by issuing [Executive Order B-40-17](#). "This drought emergency is over, but the next drought could be around the corner," said Governor Brown, "conservation must remain a way of life."

The Executive Order lifts the drought state of emergency in all California counties except Fresno, Kings, Tulare and Tuolumne, where emergency drinking water projects continue to help address diminished groundwater supplies.

This declaration marks the end of one of most severe droughts in recent memory. According to the Governor's Office, the 2012 through 2016 drought included both the driest four year period on record and the smallest Sierra-Cascades snowpack on record (2015).

The April 7 Executive Order highlights the need to continue water conservation as a way of life by keeping [Executive Order B-37-16](#) intact, which will maintain urban water use reporting requirements and prohibitions on wasteful practices such as watering during or after rainfall, hosing off sidewalks and irrigating ornamental turf on public street medians. State agencies concurrently issued [a plan](#) "making water conservation a California way of life" to establish long-term water conservation measures and improve planning for more frequent and severe droughts.

Leveraging the League Health Benefits Marketplace for Medicare-Eligible Retiree Health Benefits

May 4 Webinar Focuses on Health Benefits for City Retirees Eligible for Medicare

The League of California Cities[®] Health Benefits MarketplaceSM will host a [one-hour complimentary webinar](#) on May 4 focusing on health benefits for your city's Medicare-eligible retirees.

Scheduled for 10–11 a.m., Kathy Foster, assistant chief executive officer of Alameda County Employees' Retirement Association (ACERA) will discuss how the county leveraged a Medicare marketplace to meet its goal of making retiree health care benefits sustainable.

The webinar will cover:

- How to reduce OPEB liabilities, simplify administration and make retiree health care benefits sustainable;
- How a Medicare marketplace can provide Medicare-eligible retirees with more choice and better value for their health care dollars; and
- Details of ACERA's decision making process, communication protocol and keys to success.

Registration

[Pre-registration is now open.](#)

Information

For additional information on the Health Benefits Marketplace visit www.cacities.org/HBM or contact [Amanda Cadelago](mailto:amanda.cadelago@cacities.org) with the League at (916) 658-8226.

About the League of California Cities Health Benefits Marketplace

The League of California Cities created the Health Benefits Marketplace in partnership with Connecture and Willis Towers Watson. It features flexible tools to help all public agencies manage their unique benefits, contributions and eligibility structures for active employees and retirees.

A robust benefits administration tool, powered by Connecture, enables HR to enhance efficiencies and maximize staff time while delivering benefits to active employees via an individualized online shopping and enrollment plan.

The HBM also provides the option for cities to transition their retirees to the individual market through Willis Towers Watson's OneExchange. This consumer-oriented platform allows retirees to align their individual needs with the health care market, simultaneously allowing cities to help manage the cost and liabilities associated with Other Post-Employment Benefits (OPEB).

League-Sponsored Bond Agency Issues \$100.5 Million in Tax-Exempt Bonds for Affordable Housing in Indio and Vallejo

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](http://www.cscda.org) (CSCDA).

This program provides a variety of public agencies and developers access to low-cost, tax-exempt financing and economic development tools. CSCDA recently issued a total of \$100,500,000 in tax-exempt multi-family affordable housing bonds for the Summer Field Apartments in Indio, Harbor Park Apartments in Vallejo and La Puente Park Apartments in La Puente.

About Summer Field Apartments

Summer Field Apartments is an acquisition and rehabilitation of 268 multi-family affordable housing apartments by Summer Field Community Partners, LP. The project sponsor is Community Preservation Partners (CPP), an affiliate of WNC & Associates, Inc. Summer Field will continue to be 100 percent affordable and provide one-, two-, three-, four- and five-bedroom apartments to low-income residents in Indio.

CSCDA and CPP partnered with Jones, Lang LaSalle Multifamily to provide the \$42 million in tax-exempt multi-family affordable housing bonds for Summer Field. The project will undergo an extensive interior and exterior renovation ensuring that residents have an updated, safe, and affordable community to call home for years to come. The financing of Summer Field will maintain the affordability of units for low-income tenants for 55 years.

About Harbor Park Apartments

Harbor Park Apartments is an acquisition and rehabilitation of 182 multi-family affordable housing apartments by Menlo Harbor Park Apartments, LP. The project sponsor is Klein Financial Corporation. Harbor Park will continue to be 100 percent affordable and provide two- and three-bedroom apartments to low-income residents in Vallejo.

CSCDA and Klein Financial Corporation partnered with Deutsche Bank to provide the \$35,000,000 million in tax-exempt multi-family affordable housing bonds for Harbor Park. The project will undergo an extensive interior and exterior renovation ensuring that residents have an

updated, safe, and affordable community to call home for years to come. The financing of Harbor Park will maintain the affordability of units for low-income tenants for 55 years.

About La Puente Park Apartments

La Puente Park Apartments is an acquisition and rehabilitation of 132 multi-family affordable housing apartments by La Puente Park Preservation, LP. The project sponsor is Preservation Partners Development (PPD). La Puente Park will continue to be 100 percent affordable and provide apartments to low-income residents in La Puente.

CSCDA and PPD partnered with Citibank and Orrick, Herrington & Sutcliffe, LLP to provide the \$23.5 million in tax-exempt multi-family affordable housing bonds for La Puente Park. The project will undergo an extensive interior and exterior renovation ensuring that residents have an updated, safe, and affordable community to call home for years to come. The financing of La Puente Park will maintain the affordability of units for low-income tenants for 55 years.

Background

CSCDA is a joint powers authority created in 1988 and is sponsored by the League of California Cities[®] 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 [CSCDA's website](#) for additional information on the ways in which CSCDA can help your city.

BBK Offers Free Webinar on Short-Term Rentals: Burdens and Opportunities

Best Best and Krieger will offer a free one-hour webinar on April 27 on short term rentals and problems that can arise for local governments. Municipalities have tools to combat these problems. During the webinar, land use attorneys Mark Easter, Josh Nelson, Sam Emerson and Todd Leishman will provide practical regulatory and litigation solutions available to public entities for dealing with short-term vacation rentals.

Short-term vacation rentals like Airbnb, VRBO, and Flipkey have made finding vacation rooms much easier, but can create problems for cities and counties. The rapid rise of this new form of travel lodging has eroded housing stock in many cities and caused rents to spike. As neighbors are replaced by tourists, it can affect the residential character of neighborhoods. Formerly peaceful neighborhoods have been converted to raucous party zones where continually parked cars, loud music, rampant littering and late-night parties are becoming the norm.

The potential for increased profits has also led some owners to make unlawful modifications to their short-term rentals in violation of applicable building, housing and fire codes. These illegal conversions, if left unchecked, can create serious health and safety hazards in residential communities. Communities wishing to permit these rentals should consider how to best regulate them and ensure that rental operators pay transient occupancy tax and other assessments.

City officials that would benefit from the webinar information include:

- City managers;
- Council members;
- City attorneys;
- Building officials;
- Community development directors;
- Planning directors;
- Police/fire chiefs;
- City finance directors; and
- Economic development directors.

Registration

The webinar is scheduled from noon to 1 p.m. on Thursday, April 27.

[Register online.](#)

Please contact [Ashley Fernandez](#) with any questions.

Enter Your City's Innovative Solution for the City on a Cloud Innovation Challenge 2017

Amazon Web Services (AWS) is sponsoring a great opportunity for cities to be recognized for integrating innovation and technology with city governance called [City on a Cloud](#). Cities can [apply online](#) for one of three City on a Cloud Innovation Challenge categories: Best Practices, Partners in Innovation and Dream Big. Winners will receive AWS promotional credits to start or continue their projects.

AWS helps local and regional governments, schools, and districts innovate by simplifying IT workloads that they struggle with and depend on every day, such as Geographical Information Systems, Content Management Systems, Open Data portals, teaching and learning solutions, and more. All of these applications run on AWS and make it easier for governments and schools to deliver services to their citizens and students.

Read the complete 2017 City on a Cloud Innovation Challenge eligibility requirements and rules [online](#).

View the [City on a Cloud Innovation Map](#) to learn what cities can do with cloud computing or see the [solutions](#) deployed by last year's winners.

Watch the City on a Cloud [video](#) to see some of the ways cities are using AWS.

Three Award Categories

Best Practices

The Best Practices Award will be granted to a local or regional government leader, or public or private school or district that has deployed an innovative solution to solve a government challenge. Qualified entries will be judged on the following criteria: (a) expansion of citizen services or local government functions currently available based on the implementation of the solution; (b) use and integration of AWS Services; and (c) the significance of the solution to the local community as measured by cost savings and measurable benefits to citizens.

Prizes:

- Large City (over 250,000) \$50,000 in AWS Promotional Credits;
- Small/ Medium City (under 250,000) \$25,000 in AWS Promotional Credits;
- Large School or District (over 35,000 students) \$50,000 in AWS Promotional Credits; and
- Small/Medium School or District (under 35,000 students) \$25,000 in AWS Promotional Credits.

Partners in Innovation

The Partners in Innovation Award will be granted to a technology partner who has deployed an innovative solution to solve a government or teaching and learning challenge. Qualified entries will be judged on the following criteria: (a) uniqueness of the application; (b) number and type of users of the application; (c) applicability and availability of the application to governments of different size and scope and in different regions; and (d) availability on the AWS Marketplace within 2017.

Prize:

- \$25,000 in AWS Promotional Credits (four prizes will be awarded).

Dream Big

If you have a great idea that you would like to implement in your city or school, we encourage you to submit it in the Dream Big Award Category. Qualified entries will be judged on the following criteria: (a) soundness of technological solution; (b) plan for implementation; and (c) the likely impact of the solution for the local community.

Prizes:

- Large City (over 250,000) \$50,000 in AWS Promotional Credits;
- Small/ Medium City (under 250,000) \$25,000 in AWS Promotional Credits;
- Large School or District (over 35,000 students) \$50,000 in AWS Promotional Credits; and
- Small/Medium School or District (under 35,000 students) \$25,000 in AWS Promotional Credits.

Entries for all categories must be submitted from March 1 to May 12.
