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**IN THIS ISSUE:**

Page 3: City Managers' Department Call for Distinct Award Nominations is Now Open

Page 4 : League-Sponsored Bond Agency Issues \$2.5 Million in Tax-Exempt Bonds for Affordable Housing in Camarillo

## **Congress Unveils Federal Tax Plan Eliminating State and Local Tax Deductions**

Yesterday, House Republican leadership released the full details on its long-awaited tax reform plan, the "[Tax Cuts and Jobs Act.](#)" Among other items, the bill introduces a new structure of income tax brackets, lowers the corporate tax rate and doubles the standard deduction while eliminating most deductions, including the deductibility of state and local income and sales taxes. The plan would cap the deduction for property taxes. *For more, see Page 2.*



## **Fix Our Roads Coalition Holds Press Conference in Dublin Highlighting Projects Underway from New SB 1 Funding**

City and county officials joined Caltrans, business, labor and transportation group representatives on Wednesday, Nov. 1 for a news conference in Dublin to highlight transportation projects made possible with SB 1 funding. *For more, see Page 2.*



## **Call for Entries Open for Outstanding City Street Projects** *Nominations due Jan. 10*

The [Save California Streets](#) Coalition has opened the nomination period for its annual Outstanding Local Streets and Roads Awards Program. 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.*

**'SALT' Continued from Page 1...**

Repealing the state and local deduction, known as SALT, means that millions of Americans will be taxed twice on the same income, once by the state and then again by the federal government. Rather than lowering taxes, a repeal would in effect shift the tax burden from the federal level to the local level.

Utilized by more than 6.1 million California taxpayers in 2015, the SALT deduction benefits taxpayers in all income levels and makes the high cost of living more affordable in states like California. In 2015, the average SALT deduction amounted to \$18,438.

Eliminating the deduction for state and local income taxes and capping the deduction for local property taxes at \$10,000 and for home mortgage interest for newly purchased homes at \$500,000 would eliminate a key incentive for homeownership in California and destabilize the housing market. Millions of California taxpayers would face thousands of dollars in higher taxes if this proposal becomes law. Ending these deductions would also impact the industries that depend on a strong housing market. In addition, the sales tax deduction incentivizes spending and economic growth; ending it could harm the economy.

The SALT deduction reflects a longstanding partnership between the federal, state and local governments. It ensures that local governments are able to provide essential public services and infrastructure to our residents, including police, fire, roads, and schools. A recent report from the Government Finance Officers Association notes, that if the SALT deduction is eliminated it would "...result in job losses, reduction in spending on capital equipment and decrease in infrastructure investment."

To ensure that taxpayers are not double taxed, local governments are able to maintain critical public services, and homeownership retains key incentives, the League of California Cities is continuing to urge Congress to maintain the full SALT deduction.

**Next Steps**

The House Ways and Means Committee will likely start taking up the proposal on Monday, Nov. 6. If the committee approves the bill, it would go to the full House a week later.

Also the week of Nov. 13, the Senate Finance Committee will likely consider its version of tax reform. If approved, the full Senate would take up the bill prior to Thanksgiving.

Both chambers hope to go to conference with the House and Senate versions of the bill and to have the conference report to the President for approval before Christmas.

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**'Press Conf' Continued from Page 1...**

The news conference featured a major Bay Area freeway project Caltrans accelerated due to SB 1 funding: a \$40.4 million traffic management systems project to improve traffic flow and ease congestion on Interstate 680 which is a major freeway bottleneck. The project includes installing ramp meters, ramp carpool bypass lanes and traffic operations systems along Interstate 680 from Scott Creek Road to Alcosta Boulevard near the cities of Fremont, Pleasanton and Dublin.

Speakers and participants included:

- Scott Haggerty, supervisor, Alameda County
- Sen. Jim Beall (D-San Jose); chair, Senate Transportation and Housing Committee
- Cindy Silva, council member, Walnut Creek
- Malcolm Dougherty, director, California Department of Transportation
- Elsa Ortiz, board president, AC Transit
- John Grubb, chief operating officer, Bay Area Council
- Mark Kyle, director of Government Affairs and Public Relations, Operating Engineers Local 3
- Lily Mei, mayor, Fremont
- Newell Arnerich, vice mayor, Danville

- Kriss Worthington, council member, Berkeley
- Marvin Peixoto, council member, Hayward
- Sara Lamnin, council member, Hayward
- Rebecca Saltzman, board president, BART
- Roger Dickinson, executive director, Transportation CA
- Kristin Connelly, president & CEO, East Bay Leadership Council
- Adrienne Ursino, Government Affairs & Communications director, East Bay Economic Development Alliance

The highlighted East Bay project is just one of the many accelerated fix-it-first projects underway throughout California to improve roadways this year, before SB 1 even takes effect. Caltrans broke ground on 13 pavement projects this summer and is expediting the design of an additional 50 projects that will break ground over the next year. By late October, Caltrans and the California Transportation Commission had advanced more than \$5 billion in “fix-it-first” projects for earlier completion because of SB 1 funding.

More than \$54 billion dollars will be invested in California’s transportation system during the next 10 years with approximately half of these funds going to local cities and counties for improvements to local transportation infrastructure.

SB 1, passed in April by the state Legislature, provides approximately \$5 billion annually in new funding to make road safety improvements, fill potholes, and repair local streets, freeways, bridges and overpasses. Every single city and county in California will receive funding from SB 1. Every single driver in California will benefit from better commutes and driving on safer, smoother roads.

**‘LSR Awards’ Continued from Page 1...**

Nominations for this prestigious award are due by Jan. 10. Winners will be announced in late February and awards will be presented during the Public Works Officers Institute and County Engineers Association of Counties conference March 28–30 in Monterey. They will also be featured later in 2018 in *Western City*, the League’s monthly magazine.

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

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

Applications must be [submitted online](#).

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

**City Managers’ Department Call for Distinct Award Nominations is Now Open**  
*Deadline to Submit Applications is Dec. 5*

The League of California Cities® City Managers’ Department is now accepting nominations for prestigious awards presented annually to distinguished members of the department.

Please submit nominations no later than Dec. 5 by 5 p.m. Additional information about the awards is below:

The [John H. Nail Memorial Award](#) is presented to an outstanding municipal assistant who has contributed significantly to his or her city government and to the advancement of the community as a whole. The department created the award in memory of a highly regarded city manager known for his great personal integrity.

The [Wes McClure Award of Distinction](#) honors a leader making a difference for the profession. It honors one city manager's outstanding career service, leadership, ethics, expertise and innovation.

Nomination forms can be found at: [www.cacities.org/managers](http://www.cacities.org/managers). Please send completed forms to [Meghan McKelvey](#) with the subject line "award nomination" or submit nominations by mail to:

League of California Cities  
Attn: Meghan McKelvey  
1400 K Street, 4th Floor  
Sacramento, CA 95814  
Phone (916) 658-8253  
Fax: (916) 658-8240

A confirmation will be emailed to you upon receipt of your completed nomination form.

Please direct any questions to [Meghan McKelvey](#) or call (916) 658-8253.

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## **League-Sponsored Bond Agency Issues \$2.5 Million in Tax-Exempt Bonds for Affordable Housing in Camarillo**

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 recently issued a total of issuance of \$2,500,000 in tax-exempt multifamily affordable housing bonds for Park Glenn Senior Apartments in Camarillo.

### **About Park Glenn Senior Apartments**

Park Glenn Senior Apartments is an acquisition and rehabilitation of 18 multi-family affordable housing apartments by Park Glenn Senior 2016 LP. The project sponsor is KDF Communities. Park Glenn will continue to be 100 percent affordable and provide apartments to low-income senior residents in Camarillo.

CSCDA and KDF partnered with R4 Capital Funding, LLC and Orrick, Herrington & Sutcliffe, LLP to provide the \$2,500,000 in tax-exempt multi-family affordable housing bonds for Park Glenn. 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 Park Glenn will maintain the affordability of units for low-income senior 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.

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