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League Board Establishes Legislative Goals for 2018 *Organization's Long-Term Strategic Planning Process Underway*

The League Board of Directors, as well as the leaders of the League's divisions, departments, policy committees and diversity caucuses, met in Santa Cruz late last week to review the organization's 2017 accomplishments and adopt legislative goals for 2018. The annual League Leaders event is an opportunity for the organization to reflect on the year's work and look forward. The goals established build upon the successes of prior years and set a course for the organization as it continues to serve as the leading voice of California cities. League President Rich Garbarino, council member, South San Francisco, led the 160 League leaders in attendance through the goal-setting process. *For more, see Page 2.*



Hundreds of California City Officials Call on California Members of Congress to Save SALT and Key Economic Development Tool

Hundreds of California city officials today sent a letter urging California members of Congress to support a proposal from U.S. Representatives Leonard Lance (R-NJ) and Josh Gottheimer (D-NJ) to improve the Tax Cuts and Jobs Act (H.R. 1). Provisions in the proposal would preserve the state and local tax deduction (SALT) and protect the tax-exempt status of Private Activity Bonds. *For more, see Page 4.*



Energy Upgrade California Program Encourages Cities to "Do Your Thing"

Energy Upgrade California is calling on cities to help educate their residents and businesses about energy conservation. Sponsored by the California Public Utilities Commission, the "Do Your Thing" campaign is part of an effort to support California on its quest to double energy efficiency and reduce greenhouse gas emissions by 40 percent before 2030. The program is part of a statewide marketing, education and outreach initiative to promote energy management concepts, energy efficiency actions and clean energy opportunities for the state's residents and businesses. *For more, see Page 4.*

President Garbarino welcomed the leaders and acknowledged the significant impact their commitment to the League makes. "We are here because we believe in the League and the strength of our mission to serve the cities of California. When we take a step back and look at the many accomplishments of the past year, it is clear that we are successful because this organization brings the full representation of our membership to the table on each and every issue. It is an honor to serve with you," remarked President Garbarino.

2017 Accomplishments Set Stage for 2018

League Executive Director Carolyn Coleman joined President Garbarino in welcoming the leaders and thanked them for their engagement. Coleman highlighted some of the legislative victories the League achieved this year, including Gov. Jerry Brown's veto of SB 649 (Hueso), the small cell bill. She noted that, while similar legislation had moved in other states, California was the only one successful in getting the Governor's veto, which she credited to the over 300 cities who joined the League in lobbying against this bill.

"What you contribute as a leader of our organization matters, not just to the cities represented on this board of directors, but to all the cities in California. Our effectiveness as a League comes from the united voices of all California cities," said Coleman.

Besides legislative highlights, Coleman also shared that, in response to rising pension costs, California cities have had a major presence at recent CalPERS Board of Administration meetings. In the October and November CalPERS' meetings, more than 40 city officials testified calling for new tools and strategies to address retirement system sustainability.

League Legislative Director Dan Carrigg gave an overview of the year's legislative accomplishments. He reported that the Legislature took action on a large number of major issues, including passing a housing package, an extension of the Cap-and-Trade program, investments in parks and funding for transportation infrastructure, all of which will benefit cities. He also described the League's effective efforts to defeat several attacks on local control, demonstrating the strength of cities working together.

Board Takes Action on Several Measures Slated for 2018 Ballot

With statewide ballot measures affecting cities expected to be in play in 2018, the board received an overview of the League's prior successes with ballot measures, including on measures enacting stronger protections for local control and funding, and were briefed on the mechanics of successful ballot measure campaigning. In all cases, the keys to the League's effectiveness resulted from engaged members, strong coalitions, and grassroots organizing.

The board heard a presentation on a number of the ballot measures that have already qualified or may appear on the June or November 2018 statewide ballot. These cover a wide range of issues, many of which have implications for local government. Several of the measures that have already qualified are a result of League-supported legislation. The Board of Directors took action on four measures, three that have qualified and one that is on the street for signature collection. These are:

- ACA 5 (additional protection for transportation funding): Support
- SB 5 (Park and Water Bond): Support
- SB 3 (Housing Bond): Support
- Pending ballot measure to repeal existing transportation funding for California cities: Oppose

Strategic Goals Adopted for 2018

The goal setting process is an important aspect of the League's final board meeting each year. The discussion and debate is an opportunity for all the League's leaders to examine the most pressing priorities for California cities and map out the League's direction for the coming year. The goals focus the organization by providing a framework for advocacy.

The League Board of Directors approved four strategic goals for 2018. These are:

- **Address Public Safety Concerns of California Cities.**

Address public safety concerns arising from recently enacted reduced sentencing laws.

Protect local funding and authority in the implementation of the Adult Use of Marijuana Act.

Continue to preserve city rights to deliver emergency medical services (Health and Safety Code 1797.201).

Seek additional tools and resources to address critical community challenges such as homelessness, mental health, domestic violence, drug rehabilitation, ex-offender reentry, and human trafficking.

- **Ensure Sustainability of Public Pension and Retirement Health Benefits.**

Consistent with the League's adopted pension sustainability principles, work with affected stakeholders, employees, CalPERS, legislators and the Governor to achieve meaningful options for cities to address growing unfunded pension liabilities that will ensure cities remain solvent and provide services to residents while continuing to offer employees meaningful and sustainable pension and health benefits.

- **Protect Existing Transportation Funding for Local Priorities.**

Protect existing transportation funding for local priorities and oppose efforts that would reduce or eliminate funding for cities.

- **Improve Housing Affordability and Support Additional Resources to Address the Homeless Crisis.**

Increase state and federal financial support and provide additional local incentives and tools to improve housing affordability and develop more workforce and affordable housing. Support additional resources and tools to address the homeless crisis and advance the recommendations of the CSAC-League Homelessness Task Force.

More information on the 2018 goals and goals from prior years are available at www.cacities.org/priorities.

Long-Term Strategic Planning Process Continues

During his year as president, Garbarino announced at the Annual Conference that, in 2018, the League would embark on a long-term strategic planning process to maximize on the organization's successes in carrying out the mission of expanding local control. To guide the planning process, which will culminate in an actionable three-year plan, he appointed a [task force](#) of League members representing the diversity of California cities. 2B Communications, a national strategic planning firm specializing in associations, is facilitating the process, which includes a member survey, stakeholder interviews, and a detailed review of the League's operations and programs to inform the development of the strategic plan recommendations.

Elizabeth Bailey, 2B co-founder and principal, gave the leaders an overview of the process emphasizing that the final product will serve as a roadmap for the organization's growth and change. It is designed to inform how the League can more effectively execute its mission and continue to build a strong and engaged membership.

The task force recommendations will be presented to the Board of Directors for approval during its summer meeting.

'SALT' Continued from Page 1...

Eliminating the deduction for state and local income taxes would hurt hard-working California families and only add to the housing affordability crisis in the state by cutting back on a key incentive for homeownership. In 2015, 6.1 million California taxpayers claimed the SALT deduction with the average deduction at around \$18,000.

Tax-exempt Private Activity Bonds (PABs) are an important tool for state and local governments to help finance major public projects, including transportation and water infrastructure, affordable housing construction, schools — all of which are essential for job growth, healthy economies, safe communities and the nation's economy. Eliminating PABs' tax-exempt status would drive up the costs of borrowing for these projects by 25–35 percent and be a disincentive to spurring private sector investment in cities.

“California city officials thank Reps. Lance and Gottheimer for putting forward a proposal that would prevent harm to California families by striking a reasonable balance that finds a solution to keep pro-growth tax reforms while simultaneously preserving critical pro-growth policies and tools,” said League Executive Director Carolyn Coleman.

The letter, along with the names of the hundreds of city officials who signed on, is available on the League [website](#).

'Energy Upgrade CA' Continued from Page 1...

Energy Upgrade California understands that change starts locally. The statewide program is requesting the leadership of local officials throughout the state to help transform the state's energy habits and landscape.

In an effort to encourage California cities to adopt energy efficiency measures in their own communities, the League of California Cities® Board of Directors recently adopted a resolution in support of Energy Upgrade California and its “Do Your Thing” Campaign.

Individual cities can get involved by:

- Using the [League's sample resolution](#) as a guideline to customize and pass a resolution for their city pledging to support the program and its goals.
- Sharing Energy Upgrade California's [website](#), [Twitter](#), [Facebook](#) and [Instagram](#) pages and content across social media channels with the hashtag #DoYourThing.
- Joining the movement by encouraging residents to “Doing Your Thing.” Whether it's upgrading light bulbs or unplugging appliances when they're not in use, encourage residents to conserve energy.

Visit [Energy Upgrade California](#) website to learn more about this program.

If you have questions about the Energy Upgrade California program, resolution language or need any additional information, contact [Matt Klink](#) at (310) 283-6267.

League-Sponsored Bond Agency Issues \$27 Million in Tax-Exempt Bonds for Affordable Housing in Fresno

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 \$27,102,000 in tax-exempt multi-family affordable housing bonds for Kings Canyon Apartments in Fresno.

About Kings Canyon Apartments:

Kings Canyon Apartments is the new construction of 134 affordable housing units by Cesar Chavez Foundation. The benefits of the Project for the City of Fresno include the following:

- 100 percent of the affordable rental housing units will be rent restricted for low-income tenant;
- The project consists of 65 one-bedroom units, 35 two-bedroom units, 34 three-bedroom units and a manager's unit; and
- All of the units will be restricted to households earning 60 percent or less of the area median income.

CSCDA and Cesar Chavez Foundation partnered with Bank of the West and Kutak Rock LLP to provide \$27,102,000 in tax-exempt multi-family affordable housing bonds for the project. The financing for the project requires the affordability of units for low-income tenants to be maintained 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.
