

FUNDING FOR CRITICAL FEDERAL PROGRAMS

California's 482 incorporated cities are home to approximately 30 million of the state's growing 38 million population. As California cities continue to recover from the economic downturn, maintaining full funding for federal programs supporting vital resident services and the ability to plan for the state's future population increases is more critical than ever. Programs such as the Community Development Block Grant (CDBG), the HOME Investment Partnerships program, Community Oriented Policing Services (COPS) program, the Byrne Criminal Justice Assistance (JAG) grant program, and the Clean Water State Revolving Loan Fund (CWSRF) continue to provide much-needed support in the federal-local partnership to create and maintain safe, vibrant and productive communities.

- **Community Development Block Grants (CDBG):** The need for CDBG funding in California has never been greater. These grants provide critical funding for community development projects in California cities which have been severely impacted by the elimination of the state's 400 redevelopment agencies and mounting public employee pension liabilities. CDBG funding is unique in that it provides cities the ability to innovate and fund community benefit projects ranging from homeownership assistance to water system improvements – projects and programs that may otherwise never get off the ground without these funds. Program funds provide for smart, long-term investments that not only benefit California cities of all sizes, but communities across the nation.

In 2014, California cities received nearly \$360 million to invest in our communities. For every \$1.00 of CDBG funds, traditionally another \$3.00 in private and public investment is leveraged. This equates to over \$1 billion dollars being directed into areas hit hardest by the economic recession. These leveraged funds, along with CDBG, help spur the economic investment needed to revitalize lagging local economies and fund vital city projects and operations.

- **HOME Investment Partnership Program (HOME):** California cities are facing an affordable housing crisis. Rising property values and rents are making it increasingly difficult for cities to maintain and develop enough affordable housing to meet residential needs. Providing cities the resources necessary to tackle affordable housing needs for the state's most vulnerable populations is of paramount importance. HOME provides formula grants to states and localities that communities use to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.
- **Community Oriented Policing Services (COPS) and Byrne Justice Assistance Grants (JAG):** National spotlight has turned to local law enforcement following public outcry over recent police-involved shooting deaths. As a result, lawmakers and law enforcement are looking to update police procedures and use new technologies, such as body cameras, as means to address concerns. Cities and local law enforcement need resources like the COPS and Byrne/JAG programs so they may continue current public safety efforts while working to strengthen community trust and meet new procedural standards. Through these programs, California cities are able to hire and/or rehire full-time officers, maintain or enhance crime prevention programs and purchase updated equipment.

Additionally, California legislation shifting the responsibility for low-level offenders, parolees and parole violators from the state to local governments has proved financially challenging to cities. This “realignment” in public safety responsibilities has placed added fiscal and personnel pressures on local law enforcement budgets already stretched thin. The COPS and Byrne/JAG programs help city law enforcement fund programs and efforts vital to maintaining safe communities while managing the influx of responsibilities from the state.

Over \$17 million in COPS hiring awards and over \$11 million in Byrne-JAG funding was allocated to California local governments in FY 2014, which our cities will fully utilize to implement our public safety initiatives and protect our communities. However, full funding must be maintained for these important public safety programs to continue.

- **Clean Water State Revolving Loan Fund (CWSRF):** California is currently facing one of the most severe droughts in state history. To combat the drought, Gov. Jerry Brown has declared a State of Emergency and directed the implementation of emergency water saving measures. These measures have revealed two glaring issues: (1) the urgent need to update and address the dismal condition of local water infrastructure, and (2) local governments lack the resources to independently finance repairs to or replace aged and oversubscribed systems that support the world's eighth largest economy.

The CWSRF is the only federal funding source available to local governments to assist with water and wastewater infrastructure repairs and upgrades. The program offers low interest rates and flexible terms to municipalities on CWSRF loans. The program’s favorable terms make the loans both attractive and manageable to cities seeking financial assistance in upgrading and/or repairing vital public water infrastructure. Beyond these benefits, the CWSRF provides a \$2.31 return for every federal dollar invested in the program.

Since 2010 California has received over \$1.7 billion program funds for 133 projects. However, much more remains to be done to meet California's annual water infrastructure needs. Full funding for the CWSRF would significantly improve our ability to meet these needs and would create construction jobs in the process.

- **Formula Highway and Public Transportation Funding:** California has more than 186,000 miles of roadway and one of the most developed transit systems in the nation. California’s cities and counties are responsible for 82% of the state’s total roadway miles as well as operating municipal public transportation systems. In FY 2013-14, cities and counties relied on federal funding for 13% of their budget for pavements.

The U.S. Department of Transportation (DOT) steers billions of dollars to California's Metropolitan Planning Organizations and transportation agencies to assist with roadway maintenance and improvement projects, as well as expansion of public transportation systems. Full funding for these programs must be maintained in federal surface transportation reauthorization legislation and maintained in subsequent annual appropriations legislation.