



1400 K Street, Suite 400 • Sacramento, California 95814
Phone: (916) 658-8200 Fax: (916) 658-8240
www.cacities.org

2014 FEDERAL PRIORITIES

APPROPRIATIONS/DEFICIT REDUCTION

The League fully understands the need for federal fiscal responsibility and tough choices that are required to achieve a balanced budget as cities during this economic downturn have been forced to make challenging, painful cuts annually. We urge the President and Congress to adopt a bipartisan and balanced approach to appropriations that also minimizes spending cuts. California cities have already faced deep reductions in spending, forcing cuts to a number of critical local services and dramatic job losses for first responders. Additional cuts will imperil the services that city residents desperately need. In addition, government shutdowns such as the one the nation experienced last November harm the already lagging economic recovery of our state.

COMMUNITY AND ECONOMIC DEVELOPMENT/MUNIBONDS

With the statewide unemployment rate hovering around 9% and ongoing state debt of over \$25 billion that has resulted in severe cuts in local budgets, California cities need jobs and economic investment to overcome the national economic crisis. The League urges Congress to:

- Preserve full funding for the Community Development Block Grant (CDBG) program, which is critical in assisting urban and rural cities throughout California with creating jobs, providing affordable housing, revitalizing communities and leveraging new economic investment. In addition, seek flexibility in the CDBG state program to enhance the use of the program by California's 314 non-entitlement cities (cities under 50,000); and
- Maintain the tax exempt status of municipal bonds and oppose proposals to cap the investor tax deduction on municipal securities investments, which are a critical tool used by local governments to finance much needed community and capital improvement projects.

TRANSPORTATION

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 administering the local streets and roads that connect with the state and federal highway system, a total of 82% of the total roadway miles in the state. Our transportation systems face rapidly growing vehicle use by an ever increasing number of new drivers. The cost of building new lane miles rises much faster than inflation and road maintenance needs increase with the age of the freeway system. In a recent survey of cities and counties, California's local streets and roads system was found to be at risk of falling into "poor" condition. In order to bring the local streets and roads

system up to best management practices – the most cost effective condition – California local governments need additional funding of \$82.1 billion over the next 10 years. With MAP-21 set to expire September 30, 2014, Congress will be setting priorities to include in the next iteration of the surface transportation law during the 113th Congress. Questions remain on how transportation programs will be funded in the future. As Congress considers options to address the shortfall in the highway trust fund and other areas of transportation, the League urges Congress to:

- Adopt a long-term transportation authorization that provides a stable and reliable revenue stream for transportation;
- Ensure funding is available to support current and future federal, state and local transportation priorities and identify new funding streams capable of supporting future transportation needs; and
- Make reconstruction and preservation of the existing system a high priority for expenditures; and target funds for maintenance to local agencies, which are charged with administering the system.

IMMIGRATION REFORM

Like the National League of Cities and many others across our nation, the League of California Cities believes it should be an urgent priority of Congress to enact comprehensive immigration reform. Every day cities are affected by the current dysfunction in our immigration system, and the need for action is critical. The League encourages Congress to act promptly on immigration reform legislation and supports the following federal Immigration Reform Principles:

- Consistent and vigorous federal enforcement is required to eliminate illegal entry at the borders, visa overstays, working without proper documentation, and employing undocumented workers.
- The federal government must increase enforcement of visa overstays through the full implementation and staffing of the US-VISIT and SEVIS programs.
- Local personnel should not be conscripted into federal service because the federal government has not adequately funded and staffed its immigration enforcement agencies; and the federal government must not transfer the responsibility of enforcing U.S. immigration laws to local personnel by making undocumented status in the U.S. a criminal offense.
- The federal government must strengthen its worksite enforcement capacity and dramatically increase enforcement efforts at places of employment, as well as providing employers with a universal, reliable, effective, secure, non-discriminatory, and non-counterfeitable employee verification system, using the most up-to-date technology that will minimize fraud.
- The federal government must increase its capacity and infrastructure to enforce the laws and provide efficient means for foreign nationals to obtain legal authorization for temporary visas or legal permanent residency.
- The federal government must provide an appropriate, legal means of immigration, as is determined to be necessary and effective for the United States, for foreign nationals that want to work here temporarily, become legal permanent residents, or gain citizenship.

- The federal government should establish a process whereby undocumented immigrants currently living in the United States may earn legalized status through payment of appropriate fees and back taxes, background checks, absence of criminal or gang activity, consistent work history, and meeting English and civics requirements; and that the immigrants who have earned such legal status should also be able to apply for citizenship through additional processes, as appropriate and practical, as long as they do not move ahead of applicants with proper documentation waiting to adjust their status or those waiting on lists in their home countries.
- The federal government should provide local governments with financial and technical assistance to alleviate the local impact of new immigrants, including the costs of providing social services, health care, education, language services, and civic integration.

PROTECTING LOCAL REVENUE AND LAND USE AUTHORITY

California local governments continue to endure difficult fiscal circumstances in the national economic downturn, but are beginning to see the economy turn around. Now is not the time to restrict the already limited options to generate local revenue to provide valuable services. Local government land use and revenue authority is critical to the federal-state-local partnership effort to advance community and economic development and must be preserved. As such, the League urges Congress to:

- Support legislation that will help state and local governments recover taxes from remote sellers;
- Oppose legislation that would reduce or eliminate local government resources by providing a tax moratorium for the expanding and profitable cellular telecommunications industry;
- Oppose legislative and regulatory efforts by online travel companies to circumvent remittance of transient occupancy taxes to local governments from hotel reservations purchased using the internet;
- Ensure that federal legislation addressing eminent domain does not severely impact states, like California, which have strong laws that limit the use of the tool and have strong protections for property owners; and
- Ensure that local police retain as much discretion as possible in the time, place, and manner in which telecommunications equipment may be sited on public and private property.

AFFORDABLE HOUSING

As the state's population continues to grow and California continues to grapple with the effects of the national mortgage crisis, our cities are deeply concerned with the need for affordable housing. The League urges Congress to support:

- *Resource Efficient Development:* Support legislation and proposals that provide incentives and resources to expand local redevelopment planning policies that integrate housing, transportation and land use and assist in the reorganization and replacement of existing infrastructure to support California's growing population;

- *Section 8 Housing Choice Vouchers*: Preserve full funding of the Section 8 program, which assists the elderly, disabled and very low-income families afford decent and safe housing;
- *Home Investment Partnerships Program (HOME) Program*: Preserve funding for the HOME program, which directs formula grants to local governments to create affordable housing for low-income households;
- *Preservation of Affordable Housing*: Support initiatives that provide a variety of financial restructuring options, such as loan forgiveness, payment deferrals, grants, loans and loan guarantees to preserve rental housing for long-term affordable use; and
- *Housing Tax Incentives*: Seek tax incentives to promote investment in the production of multifamily rental housing, including expanding the Low Income Housing Tax Credit to create mixed income developments.

WATER AND WASTEWATER INFRASTRUCTURE

California cities' water and wastewater systems need a significant overhaul to keep the world's eighth largest economy moving. There has been almost no new investment in California's water and wastewater systems in more than 30 years. This delay puts increasing pressure on the State for action as California is expected to grow by 10 million by 2020 and is working to meet new, more stringent standards for safe drinking water and clean water. The League urges Congress to:

- Provide adequate and reliable long-term financing solutions for municipal water delivery, maintenance and treatment needs to meet federally mandated water quality standards and maintain the vital infrastructure necessary to ensure the availability of clean water for an increasing population.
- Enact legislation that would exempt Private Activity Bonds for water and sewage facilities from the state volume caps and expand the application of innovative financing mechanisms to local water infrastructure projects in the 2013 Water Resources Development Act (WRDA), such as the Innovative Finance Pilot provisions included in the Senate Environment and Public Works Committee's draft WRDA reauthorization bill introduced late in the 112th Congress.

PUBLIC SAFETY/HOMELAND SECURITY/DISASTER PREPAREDNESS

California's cities are on the front line of the war on terrorism and crime. To strengthen California's homeland security, emergency preparedness and crime-fighting efforts, the League urges Congress to:

- Maintain federal investment in resources critical to enabling local law enforcement to adequately provide public safety, including full funding for the Byrne/Justice Assistance Grants (JAG) program and the Community Oriented Policing Services (COPS) program, and renew suspension of the COPS grant's local cost share requirement;
- Maintain full funding for the Staffing for Adequate Fire and Emergency Response (SAFER) and the Assistance to Firefighters grant programs and retain the local cost share waiver for both programs;

- Maintain funding for disaster preparedness, prevention, recovery, and response for all-hazard threats, including investment in assisting communities with necessary upgrades to existing flood control systems; and
- Support full funding for the Urban Area Security Initiative; and maximize first responder funding to California cities, as well as flexibility in the use of funds to assist areas of need (i.e. personnel, training, and target hardening).

ENERGY EFFICIENCY AND RESOURCE CONSERVATION

In California, 31 million of the state's 38 million residents live in cities. For this population California's cities continue to work collaboratively with its state and regional partners to implement community development strategies that increase energy efficiency to reduce pollution and improve public health. This effort has been effective in reducing local government operating costs and relieving the strain of the national economic downturn on struggling communities. To continue these successful campaigns and effectively accomplish the goals of local governments under these initiatives, the League urges Congress to:

- Support federal resources to assist regional and local governments in developing and implementing energy efficiency and conservation strategies that maximize available resources, reduce costs, expand community access and protect public health;
- Support federal incentives that assist local governments in integrating new growth into existing communities, and develop and implement transportation, land use and building policies that encourage maximum use of resources and lower energy consumption; and
- Ensure that local governments can continue, and not be preempted in, their efforts to achieve economic improvements through increased energy efficiency and conservation plans that seek to decrease carbon emissions.