



Date: November 20, 2007

To: State Legislation Committee Members

From: Patrick H. West, City Manager *phw cfw*

Subject: **Legislative Highlights for the 2007 State Legislative Year**

Attached is a memorandum from Michael J. Arnold and Associates providing a general overview and highlighting some of the key issues the City addressed during the 2007 legislative year. Also attached is the more comprehensive "Legislative Status Report" generated by our bill tracking system that shows all the bills the City tracked and the final position taken.

For more information, please contact Tom Modica, Manager of Government Affairs, at 8-5091.

cc: Mayor and Members of the City Council
Christine Shippey, Assistant City Manager
Reginald Harrison, Deputy City Manager
All City Department Heads
Tom Modica, Manager of Government Affairs
Jyl Marden, City Council Liaison
Mike Arnold and Associates

Attachment
PHW: TM: pc
M:\IGR\State\State Leg Comm\Memos 2008\LegislativeHighlights_FY07_11-20-07.doc

Michael J. Arnold and Associates, Inc.

Legislative Advocates and Consultants

Phone: (916) 446-2646 ♦ Fax: (916) 446-6095 ♦ 1127 11th Street, Suite 820, Sacramento, CA 95814

City of Long Beach

LEGISLATIVE HIGHLIGHTS 2007 LEGISLATIVE YEAR

November 20, 2007
Sacramento

Prepared by:
Michael J. Arnold, Legislative Advocate
Kristian E. Foy, Legal Counsel

These “Legislative Highlights” consist of both a general overview highlighting some of the key issues addressed during the 2007 legislative year and a more comprehensive “Legislative Status Report” generated by our bill tracking system. The status report is attached at the end of the highlights and shows the final status of all the legislation we followed during 2007. As you will note, the status report includes the following information on all of the bills we followed:

Bill Number, Author, and Title
Our Final Position on the Measure
Final Location or Chapter Number
Brief Summary

Importantly, the status report reflects the final position taken on the bill. The final position may be different from the position taken on the bill as originally introduced. Amendments to a bill frequently lead to a new position. This is especially true when the amendments are made at our request. For example, we may adopt a position of “Oppose Unless Amended” and move to a “Watch” position after our amendments are adopted.

Two-Year Bills

Since 2007 was the first year of the 2007-2008 biennial session, bills not passed to the Governor’s desk remain alive for consideration during 2008. The rules provide that these measures must pass the house of origin by the end of January 2008 to remain alive for additional consideration. Thus, January will be a busy month. Proponents of two-year bills will be attempting to move them through the house of origin prior to the January deadline.

Effective Dates of New Legislation

The bills that were passed by the Legislature and signed by the Governor will take effect on January 1, 2008, unless they include an urgency clause or contain a provision calling for some other effective date. Urgency measures take effect immediately upon chaptering by the Secretary of State. Bills are normally chaptered on the day following their signature by the Governor.

Key Issues of Interest During 2007

1. 2007-2008 State Budget

The Legislature finally passed the 2007-2008 state budget on Tuesday, August 21st, after a 52-day delay. The Governor then used his “blue pencil” authority to delete over \$700 million, as per a promise made to Senate Republicans who fought for a balanced budget and refused to put up the necessary votes to pass the budget until the agreement was finally reached. Governor Schwarzenegger signed the budget on August 24, 2007. This will be remembered as the State’s 3rd longest budget impasse in the past 30 years, eclipsed only by stalemates in 1992 and 2002.

The 2007 Budget Act signed by Governor Schwarzenegger includes the largest reserve of any budget act in the state’s history. The May Revision proposed a total reserve of \$2.2 billion. Due to the shortfall in revenue collections that came to light in June, and in recognition of the state’s continuing structural deficit and other potential threats, the Legislature took actions to reduce spending and increase funds available, thereby increasing the total reserve to an unprecedented \$3.4 billion. The Governor further reduced spending with \$703 million in General Fund vetoes, raising the total reserve to \$4.1 billion.

2. Special Legislative Sessions on Water and Health Reform

At the end of the regular session, the Governor called two concurrent special extraordinary sessions on water and health reform. Many hours have been spent by staff and Legislators attempting to reach a compromise on these two significant issues. In mid November, claims were made that the parties were close to a deal on both issues. However, major sticking points were still yet to be resolved. It is unclear if either issue will ultimately make it out of the special sessions.

3. \$8 Million in Local Street and Road Funds appropriated to Long Beach

We are pleased to report that success was achieved, working with the League of California Cities and others, in securing an appropriation of approximately \$8 million in Proposition 1B local streets and roads funding for Long Beach. Long Beach strongly advocated for a minimum of \$500 million for cities from Proposition 1B to fund local street and road improvements. These monies were made available pursuant to the state budget and passage of AB 196, a budget trailer bill adding an additional \$350 million to the original \$600 million apportion in the budget, with \$550 million dedicated to cities and the remaining portion dedicated to counties.

4. \$5.9 Million for the Long Beach Courthouse – Budget Issue Success

In January, the Governor’s Budget proposed \$14.8 million from the State Court Facilities Construction Fund for the acquisition of four new Trial Court Facilities in Madera, Riverside, San Bernardino, and San Joaquin Counties. Funding for the Long Beach Courthouse was not included. We worked closely with the City to aggressively lobby to include funding for the Long Beach Courthouse project in the 2007-2008 State Budget. The Governor’s May Revision significantly increased the Judicial Council Infrastructure Fund from \$19.5 to \$100.7 million, including a recommendation from the State Department of Finance for \$5.9 million for the equity buy-out of Los Angeles County’s interest in the Long Beach courthouse. The buy-out will allow the State’s Administrative Office of the Courts (AOC) to assume full title and equity to the existing courthouse. The final budget funds the Long Beach Courthouse at \$5.9 million for fiscal year 2008. The budget bill also included special language recognizing that a unique public-private partnership approach will be pursued in Long Beach.

5. SB 974 (Lowenthal) Container Fee Proposal - Environmental Enhancement

SB 974 requires the Ports of Los Angeles, Long Beach and Oakland to impose a maximum \$30 fee per 20-foot equivalent unit (TEU) on the owner of containerized cargo moving through the ports. The bill earmarks 50 percent of revenue generated by the fee to the California Transportation Commission (CTC) to fund projects that improve the movement of containerized cargo in California, and 50 percent to the Air Resources Board (ARB) to fund projects that mitigate pollution caused by the movement of all cargo in California. Southern California will be funded by fees generated from the Port of Los Angeles and Long Beach; Northern California will be funded by the Port of Oakland. The volume and value of cargo moving through the ports has expanded dramatically. While this has contributed to strong commercial activity in several regions, it has also stressed transportation networks and contributed significantly to emissions of air pollutants in air basins already plagued by air pollution. We strongly supported this bill through its legislative progression as it will offset the cost to repair/improve the environment and local infrastructure hardship caused by containerized cargo. This bill was placed on the Assembly Inactive File at the request of the author. SB 974 is now a two-year bill and Senator Lowenthal and Governor Schwarzenegger are expected to work together on this bill over the next few months. It is eligible for consideration when the Legislature reconvenes in January 2008.

6. SB 886 (Negrete-McLeod) - South Coast Air Quality Management District

This bill creates a new seat on the South Coast Air Quality Management District (SCAQMD) board for the City of Los Angeles, and rebalances the current Eastern and Western Cities seats that represent the other cities in Los Angeles County by moving the Gateway COG cities from the Eastern to the Western sector. This change will increase local government representation on the board, allows the Gateway COG to be reunited with Compton and Avalon, who are currently in the Western Sector, while adjusting the two regions to be fairly equal in population and providing a solid governing structure for the SCAQMD. Further, this bill allows the current Long Beach Councilmember on the SCAQMD Board (who represents the Eastern Cities) to serve out the remainder of her term as the Western Cities representative, effective January 1, 2008. We strongly supported SB 886 to provide better representation for cities in our region, and worked with the author to craft sections of this bill to advance Long Beach's interests. SB 886 was signed by the Governor as Chapter 664, Statutes of 2007.

7. AJR 32 (Karnette) – C-17 Support Effort

We continued to advocate in Sacramento for additional C-17 production orders. Securing additional production orders for the Boeing C-17 plant in Long Beach is a federal issue, but the State plays a role in efforts to convince Congress and the Pentagon. We worked with Assembly Member Karnette's office to introduce AJR 32, a resolution to implore Congress and the President to more quickly make available the funding necessary to ensure the continued vitality of the C-17. The resolution passed the Senate and the Assembly with no opposition.

8. SB 7 (Oropeza) – Smoking

This bill prohibits smoking in a car with a minor child passenger. This bill makes it an infraction for a person to smoke a cigar, cigarette or pipe in a vehicle, whether in motion or at rest, in which there is a minor. The City Council adopted a resolution in support of SB 7. We strongly supported this measure as it passed both houses of the Legislature and was sent to the Governor. SB 7 was signed by the Governor as Chapter 425, Statutes of 2007.

9. AB 554 (Hernandez) – Public Employees: Benefits

This bill expands the group of employers eligible to participate in the California Employers' Retirement Benefit Trust Fund (Pre-Funding Plan) administered by the California Public Employees' Retirement System (CalPERS) to include all California public employers. The Pre-Funding Plan allows agencies that contract with CalPERS for employee health benefits to pre-fund the future cost of their retiree health insurance benefits and other post-employment benefits (OPEB). Specifically, this legislation will provide Long Beach with greater flexibility to meet its OPEB obligations by permitting, but not requiring, participation in CalPERS' OPEB pre-funding program. We strongly supported AB 554, as it could help reduce the City's liability by 15.7 percent or \$14 million. The bill passed through the legislative process and was sent to the Governor. AB 554 was signed by the Governor as Chapter 318, Statutes of 2007.

10. AB 57 (Soto) – Safe Routes to School

The City of Long Beach has always strongly supported legislation to improve safe routes to school. AB 57 repeals the sunset date for the Safe Routes to School (SRTS) grant program, thereby extending the program indefinitely. This bill's sponsor, Safe Routes to School National Partnership, reports that since 2000, California's SRTS program has provided funding to improve the safety and physical environment of children traveling to and from schools. We supported AB 57 as it moved through the legislative process. The bill was passed off the floor of both houses and sent to the Governor's desk. We are very happy to report that AB 57 was signed into law by the Governor as Chapter 673, Statutes of 2007.

11. AB 300 (Nunez) – 2016 Olympic Games and Paralympic Games

AB 300, an urgency measure, authorizes the Governor to sign agreements required by the United States Olympic Committee (USOC) as part of the City of Los Angeles 2016 Olympic Games bid process. The bill authorizes the Governor to make the state jointly liable with the Organizing Committee for Olympic Games (OCOG), a nonprofit corporation, for obligations of the OCOG and for any financial deficit relating to the games. The bill also establishes the Olympic Games Trust Fund. We supported AB 300 to help make the case for the Olympic Organizing Committee to select Los Angeles and Long Beach for the sites of the 2016 Olympic games. The bill was passed by both houses of the Legislature and sent to the Governor. AB 300 was signed into law by the Governor as Chapter 4, Statutes of 2007.

12. AB 411 (Emmerson) – Residential Care Facilities – Over Concentration

This bill would permit a city or county to submit to the Director of Social Services information regarding the proposed location of residential care facilities with 6 or fewer residents. In addition, this bill allows the director to suggest the applicant find an alternate location for the facility if he/she finds the submitted information compelling. AB 411 would have provided an opportunity for the director of DSS to have full information of the conditions that exist at a proposed location, which could have promoted improved site decisions. Unfortunately, the bill was held in the Assembly Appropriations Committee on the Suspense File.

13. AB 414 (Jones) – Zoning for Housing

AB 414 places limits on the ability of a city or county to include non-residentially zoned sites that also allow, but do not require, residential uses in its housing element's inventory of land suitable for residential development. This bill places limits on the ability of cities and counties to count sites zoned to allow, but not require, both non-residential and residential uses toward accommodating a portion of their share of the

regional housing need when preparing their housing elements. Under the provisions of this bill, the housing unit capacity for a vacant site that allows both nonresidential and residential uses and that is identified as an available site for lower-income housing would be limited to one-half of what the site's total housing capacity would be if it were to be developed with exclusively residential uses. Mixed-use sites, which are defined as sites on which both residential and nonresidential uses are allowed and which must be developed with a mix of both uses, are exempt from this limitation. We carefully watched this bill. AB 414 was passed by the Legislature and sent to the Governor. The Governor vetoed AB 414, October 13, 2007.

14. AB 597 (Committee on Education) – Career Technical Education Website

AB 597 requires the California Department of Education (CDE) to select an elementary or secondary career technical education (CTE) program to develop comprehensive Web site pages with information about opportunities and programs available in the state on CTE in elementary and secondary schools.

This bill is the product of the Assembly Education Committee's CTE Working Group. The group met for six weeks and heard from a variety of business, industry, labor and education about the state of CTE in K-12 schools. This bill directs CDE to create Web pages with information about the CTE Standards and Frameworks, various programs and funding sources, best practices for schools to consider replicating, staff development opportunities, career paths for kids to explore and other related information that would be helpful and easily accessible for students, parents, teachers, business and industry and workforce analysts. AB 597 was passed by the Legislature and sent to the Governor's desk. AB 597 was signed by the Governor as Chapter 529, Statutes of 2007.

15. AB 666 (Karnette) – Pupil Instruction: Home Economics and Career Technical Education

AB 666 extends the sunset date for the Home Economics Careers and Technology Career Technical Education (HECTCTE) incentive program until January 1, 2013, and requires the Superintendent of Public Instruction to complete and submit to the Legislature an evaluation of the program by January 1, 2012. Existing law establishes an incentive grant program for the purpose of improving, expanding and establishing instructional programs in home economics careers and technology career technical education to improve the academic achievement and career preparation of pupils in those fields and repeals this program on January 1, 2008. The program provides for two-year grants awarded on a competitive basis to sites that meet specified criteria. The intent of the HECTCTE program is to prepare students for personal and family living, entry level and technical level employment in eight industry-based areas, advanced education at the college and university level, and managing home and work responsibilities for increased productivity in the workplace. The bill was sent to the Governor. The Governor vetoed AB 666, October 11, 2007.

16. AB 724 (Benoit) – Sober Living Facilities

AB 724 provides a definition of a sober living home, which is defined as a residential property operated as a cooperative living arrangement to provide an alcohol and drug free environment for persons recovering from alcoholism or drug abuse, or both, who seek a living environment in which to remain clean and sober, and which meets other specified requirements. AB 724 is important because it defines what constitutes sober living facilities for the purpose of providing operations and local government with a definition of these facilities. We supported this bill as it moved through the Assembly and to the Senate. AB 724 was strongly opposed by the California Association of Alcohol and Drug Program Executives and the Western Center on Law and Poverty. The bill failed passage in the Senate Health Committee. It was granted reconsideration and thus stays alive as a two-year bill. AB 724 can be acted on when the Legislature returns in January.

17. AB 790 (Karnette) – Witness Intimidation

In March, the City Council adopted a resolution in support of AB 790, a bill that enhanced penalties for witness intimidation. As introduced, the bill would have made witness intimidation a felony and provided an additional four-year term of imprisonment for a person who intimidates a witness. However, after learning that witness protection funds were inadequate, Assembly member Karnette decided to refocus the bill to provide enhanced funding for witness protection programs. As amended, AB 790 redirects 4 percent of funds from the state's Driver Training Penalty Assessment Fund and allocates that money to the Department of Justice to be used to support the California Witness Protection program (CWPP). We strongly supported this bill. AB 790 was held in the Assembly Appropriations Committee suspense file due to fiscal concerns. The bill is now a two-year bill.

18. AB 1252 (Caballero) – Proposition 84 Park Funds

AB 1252 is one of the key vehicles for allocating the \$400 million in park funds from Proposition 84. The Urban Park Act of 2006 "Act" requires the Department of Parks and Recreation (DPR) to establish a local assistance program to offer grants, on a competitive basis, to various local entities and nonprofit development, or both, of urban parks and recreational areas and facilities. Heavily urbanized counties are authorized to apply for these grants.

This bill changes the name of the "Act" to the Statewide Park Development and Community Revitalization Act of 2007. A city, regional park district, district, joint powers authority, or county, in addition to specified nonprofit organizations, would be authorized to apply for local assistance program grants. The term "critically underserved community" replaces the term "heavily urbanized county" for purposes of the "Act" and will be defined to include a community with less than three acres of usable parkland per 1,000 residents or is a disadvantaged community, as defined, and can demonstrate to DPR that the community has insufficient or no park and recreation facilities. AB 1252 was held on the Senate floor as a two-year bill.

19. AB 1338 (Huffman) – Coastal Commission Review

The City closely tracked AB 1138. This bill requires a local coastal government to include a non-point source pollution prevention element in its Local Coastal program (LCP) when adopting or amending a LCP for approval by the California Coastal Commission. The author of the bill argued that polluted run-off from urban and suburban development poses the greatest threat to the health and safety of California's coastal waters, including California's beaches. Opponents argued that AB 1338 would expand the land use authority of the California Coastal Commission by granting the Commission jurisdiction in the regulation of non-point sources of water pollution, a duty already designated in state law as the jurisdiction of the State Water Resources Control Board and Regional Water Quality Control Boards. AB 1338 failed passage in the Senate Natural Resources and Wildlife Committee. Reconsideration was granted and the bill is now a two-year bill.

20. SB 303 (Ducheny) – Affordable Housing

SB 303 requires the housing element of the general plan to identify land to accommodate a 10-year supply of housing, requires local governments to zone for five years of housing within one year of adopting the housing element, changes requirements related to the conservation and open-space elements of the general plan, and specifies that all other general plan elements be updated every 10 years. Local agencies would have to develop inventories, programs, and determine the open space needs for each income category. We opposed this bill, as requiring local governments to complete rezoning for five years worth of housing within one year is not reasonable and could place the state's record-high housing element compliance rates

in jeopardy and potentially place local governments at risk of lawsuits. There were many other problems with this bill, including how these new mandates will be funded. We managed to stop SB 303 in the Assembly Appropriations Committee. It is now a two-year bill and the City will track it next year in case the author decides to move it again.

21. SB 375 (Steinberg) - Sustainable Communities Strategy

This bill makes numerous changes with respect to regional transportation and land use planning, with the overall goal of reducing greenhouse gas emissions attributable to the transportation sector in California. Key provisions require the larger regional transportation planning agencies to develop more sophisticated transportation planning models, and to use them for the purpose of creating "preferred growth scenarios" in their regional plans that limit greenhouse gas emissions. Sponsors of this bill assert that changes in land use and transportation policy must be made to achieve the greenhouse gas emission reduction goals of AB 32. We joined the League of California Cities in opposition to the measure. While the goal the legislation is admirable, the bill as currently written requires unworkable new land-use rules that erode local control. In addition, we are concerned that SB 375 would create undue complications with respect to housing development, result in costly reimbursable state mandate for development of models and preferred growth scenarios, and potentially compromise future transportation funding. At local government's request, Senator Steinberg agreed to hold SB 375 in the Assembly Appropriations Committee.

22. SB 709 (Dutton) – Community Care Facilities

SB 709 authorizes cities or counties to submit, and requires the Department of Social Services to review, information regarding the location of community care facilities for six or fewer residents. We support the concept of this bill, as it will provide an additional mechanism for local planning agencies to affect the placement of small residential facilities. SB 709 was held in the Senate Appropriations Committees due to concerns over costs.

23. SB 992 (Wiggins) – Sober Living Facilities

We supported this legislation that would help alleviate problems at the local level with respect to siting and operations of sober living facilities. SB 992 requires the Department of Alcohol and Drug Programs to license Adult Recovery Maintenance Facilities (ARMF). The bill will apply existing alcohol and drug abuse treatment recovery facility licensure standards to these facilities. It also defines ARMF and requires that they receive a license from the State. SB 992 was killed on the Assembly Floor on the last day of the session. Reconsideration was granted and it is now a two-year bill in the Assembly.

24. SB 1028 (Padilla) – State Air Resources Board

SB 1028 will require the California Air Resources Board (CARB) to adopt and enforce rules and regulations to meet air quality standards, and to adopt measures that are sufficient, in conjunction with measure adopted by the regional air districts and the United States Environmental Protection Agency, to attain the national air quality standards. The bill requires CARB to adopt and enforce every feasible rule and regulation pertaining to motor vehicle emissions that will lead to the state achieving the ambient air quality standards as required by the federal Clean Air Act. SB 1028 also specifies that CARB should require the development of new technologies or improvement of existing technologies, to carry out its duties under the bill. We supported the bill as it moved through the legislative process. SB 1028 passed both the Assembly and the Senate and was sent to the Governor's desk. SB 1028 was signed by the Governor as Chapter 669, Statutes of 2007.

25. AB 1602 (Nunez) Sustainable Communities and Urban Greening Grant Program

AB 1602 implements a provision of the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act (Prop 84 approved by voters at the November 2006 statewide election) that earmarks \$90 million of state general obligation bond proceeds to the development of urban greening projects. The City supported this legislation. AB 1602 passed out of its house of origin and is awaiting its first policy committee hearing in the Senate Environmental Quality Committee. This bill is now a two-year bill.

26. SB 9 (Lowenthal) Trade Corridor

SB 9 establishes guidelines and criteria that, among other things, gives priority to projects that achieve the greatest emission reduction benefits in the most cost-effectiveness manner for Prop 1B bond proceeds earmarked for trade corridor improvement projects. SB 9 was held in the Assembly Appropriations Committee, and may be considered again next year. This bill is now a two-year bill.

27. SB 19 (Lowenthal) Goods Movement Emission Reduction Program

The purpose of SB 19 is to establish the conditions and criteria by which funds from Prop 1B funds are allocated for air emission reduction projects within trade corridors. The goal of the allocation process is to select projects that reduce emissions and improve air quality in trade corridors starting at the state's airports, seaports, and land ports of entry. SB 19 was held in the Assembly Appropriations Committee and may be considered again next year. This bill is now a two-year bill.

28. SB 286 (Lowenthal) Transportation Bonds: Implementation

SB 286 sought to set forth parameters, in addition to those specified in the bond act, to govern the allocation of local street bond funds. Provisions were included in the bill to provide accountability and the timely use of local street bond funds. As this measure's language was included in the budget trailer bill, SB 286 is now moot and resides in the Assembly Appropriations Committee as a two-year bill.

29. AB 1355 (Houston) Sheriffs' Duties: Coastline, Harbors, and Inland Waterways

As introduced, this bill specified that the sheriff of each county is the sole and exclusive authority to provide security and safety for the coastlines, harbors, and inland waterways, except in counties that, prior to July 1, 2008, have vested the duties associated with the security and safety of the county's coastlines, harbors, and inland waterways to a law enforcement or public safety entity other than the sheriff. We strongly opposed this bill, as it would preempt the City's long-standing authority to provide protection of our harbor and waterways, and represents a significant loss of local control. AB 1355 was never taken up in its first committee. The bill was later amended to become a Medi-Cal bill.

30. SB 917 (Migden) Watershed Conservation Protection Program

This bill would enact the Watershed Conservation Protection Program, to fund regional cooperative conservation partnership accounts, natural resource protection and restoration programs, regional watershed protection and recovery programs, and watershed improvement programs in counties or water basins that are the sources of water that is bottled or vended in the state. The bill would create the Watershed Conservation Protection Fund in the State Treasury, administered by the Secretary of the Resources Agency. All funds available for watershed planning, management, and restoration projects and cooperative conservation partnerships, appropriated by the act or any other measure, would be

required to be deposited into the fund. SB 917 is awaiting hearing in the Senate Natural Resources and Water Committee as a two-year bill. We supported SB 917 and will continue to follow it next year.

31. SCA 12 (Torlakson) Property Related Fees

This constitutional amendment exempts new or increased stormwater and urban runoff management fees or charges from the California Constitutions voter approval requirements for property-related fees and charges. Increasingly strict regulation of pollutants from stormwater and urban runoff has significantly increased the costs faced by local agencies responsible for controlling those pollutants, which can contaminate drinking water, spoil beaches, and endanger public health. Local agencies find themselves caught between the need to expend large amounts of money on stormwater runoff management and Proposition 218's prohibitively high requirements for approving fees to fund those efforts. This constitutional amendment gives California voters the opportunity to carve out a fourth exception to Proposition 218, which would provide a much-needed infusion of funding for local stormwater and runoff management programs. SCA 12 was strongly supported by cities, counties, environmental groups, and water agencies. However the bill was strongly opposed by the Howard Jarvis Taxpayers Association and the California Taxpayers' Association. SCA 12 did not make it out of the Senate and is on the Senate floor as a two-year bill.

32. SB 2 (Cedillo) Local Planning – Emergency Shelters

This bill requires cities and counties to accommodate their need for emergency shelters on sites where the use is allowed without a conditional use permit, and requires cities and counties to treat transitional and supportive housing projects as a residential use of property. The City of San Jose strongly opposed this measure. We joined San Jose in opposition to SB 2 because of concerns that the bill would limit local land use authority for siting emergency shelters and would penalize jurisdictions like Long Beach that have been responsible to homeless populations. SB 2 passed both the Assembly and the Senate and was sent to the Governor's desk. SB 2 was signed by the Governor as Chapter 633, Statutes of 2007.

33. Anti-Gang Funds

Governor Arnold Schwarzenegger's California Gang Reduction, Intervention and Prevention (CalGRIP) initiative was launched earlier this year. It involves several state agencies and existing state programs focused on reducing the problem of gang violence in California. We worked closely with the Governor's office and requested anti-gang money for the City of Long Beach. A competitive grant program was established for communities to apply for anti-gang funds.

Infrastructure Bond Implementation Update

Long Beach provided input to the State Legislature throughout the year to ensure that our city would be well positioned to compete for bond funding under the implementation guidelines created by the Legislature. While thus far no specific projects have been included in the infrastructure bond language, a high-priority project list was developed and sent to each of our members for their consideration when making recommendations for bond funding allocations, in the event that the Legislature would be naming specific projects in the implementation bills. While specific projects were not included and the grants will be disbursed on a competitive basis, the Budget contains implementation language for some of the programs funded under Proposition 1B (Transportation) and Proposition 1C (Housing) that will allow the State to begin the process of soliciting proposals for competitive grants. Many of the bond implementation

bills are now two-year bills, and the City will continue to track and provide input to best position Long Beach for bond funding opportunities.

2007-2008 Biennial Session

The 2007 legislative year was the first year of the 2007-2008 biennial legislative session. The State Legislature will return to Sacramento on Monday, January 7, 2008. During the interim between the 2007 and 2008 legislative years, the Legislature will be holding interim hearings on two-year bill topics for consideration in 2008. We will monitor these hearings and participate as appropriate.

We must immediately begin planning for the 2008 legislative year. The proposed State Budget for the 2008-2009 fiscal year will be released in January. If next year is even half as bad as this past year it will be a very long summer for budget negotiations. Mix into that the fact that it is an election year and it is impossible to predict how things will unfold. The Legislature will be very distracted with the early Presidential primary election in February. In addition, that ballot will contain the proposition for term limit reform, which the members of the Legislature want very badly. The primary and general elections will dominate and influence every issue next year. We will carefully monitor the session as it unfolds. We have had a good year and wish to thank you for the support and assistance provided.