



## **Value of League of California Cities (Cal Cities) Membership**

Prepared for: City of Newport Beach

City's 2024 Annual Dues: \$24,799

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### **Return on Investment**

Cal Cities has delivered consistent fiscal benefit to the City of Newport Beach that far exceeds the dues the city pays annually. The customized return on investment (ROI) report below details various funding allocations and revenue protections that Cal Cities secured on behalf of members.



### **Cal Cities Membership — A Great Investment**

Membership in Cal Cities is an invaluable investment. The fiscal benefit to cities outweighs the annual dues, providing members with unique opportunities to advocate for the state-wide interests of cities and learn from each other. Investing in Cal Cities strengthens the collective power of local communities.

#### **Customized Return on Investment Report — December 2023**

NEWPORT BEACH	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Total
Dues	22,016	22,676	22,676	23,357	24,057	24,779	139,561
VLF/PropertyTax Swap <sup>(1)</sup>	4,447,635	4,928,178	5,025,426	5,322,388	5,693,806	6,695,711	32,113,144
Local Revenues Protected by Prop. 22 <sup>(2)</sup>	1,763,345	2,194,324	1,724,489	2,115,419	2,343,190	2,309,188	12,449,955
SB 89 VLF Shift	-519,837	-543,692	-566,527	-590,321	-615,115	-747,883	-3,583,375
SB 1 - Local Streets and Roads Funds	1,477,319	1,550,370	1,593,608	1,726,128	2,129,176	2,063,464	10,540,065
CARES Act			1,059,137				1,059,137
American Rescue Plan Act <sup>(3)</sup>				10,141,272			10,141,272
Total Return	7,168,463	8,129,180	8,836,133	18,714,886	9,551,057	10,320,480	62,720,198
Rate of Return	326:1	358:1	390:1	801:1	397:1	417:1	449:1

1. Net gain in revenues by virtue of the VLF/Property Tax Swap. Growth in PropTax in Lieu of VLF versus estimated growth in VLF had it remained.

2. Prop. 22 ended the Legislature's ability to borrow or delay HJTA and Prop. 42 gas tax funds.

3. American Rescue Plan Act allocations were allocated in FY2021-22 and distributed as two tranches of funding over two years (2021-22 and 2022-23).

Our mission is to expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.



- The City's membership has provided a ROI of \$449:1 on average since FY 2018-19, with a low of 326:1 that year and a high of 801:1 in FY 2021-222.
- Cal Cities was an essential leader in the development and passage of Prop 1A (2004) and Prop 22 (2010) to protect Newport Beach's revenues from state raids and backfill lost revenue.
- Cal Cities was the primary stakeholder advocating for California cities during the development of the CARES Act and American Rescue Plan. Cal Cities also provided a detailed [Guide to Local Recovery](#) for its members to take full advantage of these grants.

### Membership Engagement

The City continues to take advantage of event, roundtable, and webinar opportunities. City Clerk Leilani Brown was elected by City Clerks statewide to serve as 2<sup>nd</sup> Vice President of the City Clerks Department, where she is on track to have a substantial role in guiding our City Clerks programming throughout her tenure as an officer. This includes directing staff in content development for Cal Cities' annual City Clerks New Law and Elections Seminar. If the City did not renew its membership, City Clerk Brown would no longer serve as an officer.

Fire Chief Jeff Boyles served as President of the [Fire Chiefs Department](#) in 2021-2022, where he played an instrumental part in the development of the 2021 Cal Cities Fire Chiefs Leadership Seminar and remains an active participant in Department activities. Membership is required to be involved in the Fire Chiefs Department.

Council Member Grant was elected by her peers to serve as the 5<sup>th</sup> District Representative on the Orange County Division Board of Directors. Her regular participation provides the City an important voice on the Board and her perspective is highly valuable for the entire Orange County Division.

City staff/Council Members have participated in the following conferences:



- City Managers Conference (Feb. 2024) – City Manager Grace Leung, Assistant City Manager (ACM) Tara Finnigan, ACM Seimone Jurjis
  - City Manager Leung elevated the City's profile among city managers across the state by speaking on a panel discussing [civility and effective resident engagement](#). City Manager Leung touted the City's Citizens' Police Academy, Distinguished Citizens Program, Community Emergency Response Team and Mayor's Youth Council.
- Fire Chiefs Leadership Seminar (Dec. 2023) – Fire Chief Jeff Boyles, Assistant Fire Chief Justin Carr, Fire Marshal James Gillespie, Fire Captain Adam Novak, Training Battalion Chief Phil Puhek, Fire Captain Chad Spiker
- City Clerks New Law and Elections Seminar (Dec. 2023) – City Clerk Leilani Brown
- Orange County Q4 Division Meeting at Mission San Juan Capistrano (Dec. 2023) – Council Member Robyn Grant
- Annual Conference (Sep. 2023) – Fire Chief Boyles, Fire Marshal Gillespie, City Manager Leung, Fire Battalion Chief Brian McDonough, Deputy City Attorney Chris Sorich, Fire Battalion Chief Nicholas Stocks, Assistant City Attorney Yolanda Summerhill
- Orange County Q3 Division Meeting at Huntington Beach Senior Center (Aug. 2023) – Council Member Robyn Grant
- City Attorneys Spring Conference (May 2023) – Asst. City Attorney Summerhill, Deputy City Attorney Joseph Meeks
- Public Works Officers Institute (Mar. 2023) – Deputy Public Works Director Jim Houlihan, Public Works Finance/Admin Manager Theresa Schweitzer
- City Managers Conference (Feb. 2023) – City Manager Leung, ACM Finnigan
- New Mayors and Council Members Academy (Jan. 2023) – Council Member Robyn Grant

City staff/Council Members have participated in the following recent webinars at no cost as a member benefit:

- New Legislation Overview (Mar. 2024) – Council Member Grant



- Understanding California's Fire Insurance Crisis (Dec. 2023) – ACM Finnigan, Asst. City Attorney Summerhill, Fire Marshal Gillespie, Deputy City Attorney Jeremy Jung
- Practical Tips for Implementing New Human Resources Laws (Dec. 2023) – Human Resources Director Barbara Salvini
- Bipartisan Infrastructure Law Grant Opportunities Webinar (Oct. 2023) – City Engineer Jim Houlihan, Budget Analyst Abigail Marin
- New Laws Impacting Cities (Oct. 2023) – Council Member Grant
- How CA's New Single-Use Packaging and Plastic Pollution Prevention Law Will Impact Local Governments (Oct. 2023) – Deputy City Attorney Jung

The City has two appointed representatives to Policy Committees this year. Policy Committees debate, shape, and steer Cal Cities' policy-making process and advocacy efforts and meet up to four times annually to provide recommendations to the Board of Directors. It is crucial for Orange County to have strong voices in these committees to ensure the region's perspective is conveyed during discussions on bills and regulations. Participation in policy committees is contingent on membership.

- Council Member Robyn Grant – Community Services Committee (appointed as Orange County Division representative by Division President)
- Fire Battalion Chief Brian McDonough – Revenue and Taxation Committee (appointed as Fire Chiefs Department representative by Department President)

A representative from the Newport Beach City Attorney's office serves on the City Attorneys Department ad hoc housing group, where she plays an important role in determining the content of training provided to city attorneys statewide on housing and land use laws.

Cal Cities also manages a [Coastal Cities Group](#) comprised of 61 cities within the state's coastal zone. The group works with Coastal Commission representatives



on issues related to sea level rise mitigation efforts, other land use regulations that impact cities in the coastal zone, and the updating of local coastal programs.

### Legislative Advocacy

Cal Cities remains actively engaged in legislation with positions that consistently align with the City's [2023 Legislative Platform](#). Cal Cities is perceived by lawmakers and regulators as the premier representative for cities on policy matters. Cal Cities utilizes a Legislative Director, seven lobbyists covering different issue areas of municipal interest, and three policy analysts to achieve legislative victories for cities. Though not intended to be comprehensive, the list below highlights how Cal Cities has worked recently to support Newport Beach's legislative platform and cities statewide:

#### **Sober Living Facilities**

- In 2024, Cal Cities is sponsoring AB 2547 (Valencia), AB XX (Dixon), and SB XX (Umberg), and co-sponsoring AB 2081 (Davies). Cal Cities remains committed to pursuing this legislation and supporting further legislative proposals to empower local governments and increase accountability among residential recovery facility operators.
  - [AB 2547 \(Valencia\)](#) would codify *Dana Point v. New Method Wellness, Inc.*, a case that determined that unlicensed sober living homes that operate a part of a licensed drug treatment facility located elsewhere may be considered an unlawful business use within a residential zone (*consistent with Platform Issue II, section a*).
  - AB XX (Dixon) would enforce distancing requirements between sober living facilities licensed by the Department of Social Services and the Department of Health Care Services (*consistent with Platform Issue II, section a*). Details for this legislation are in development and the bill number is not yet determined at the time of writing.



- SB XX (Umberg) would empower local governments to enforce existing state licensing laws (*consistent with Platform Issue II, section a*). The bill number is not yet determined at the time of writing.
- [AB 2081](#) (Davies) would require state-licensed and/or certified programs to disclose, on their own websites, if a legal, disciplinary, or other enforcement action has been brought by state regulators, and the program was found to be in violation (*consistent with Platform Issue II, section b*). Cal Cities' strong support of this legislation has already received coverage via [Southern California News Group](#).

### **Housing and Land Use:**

- In 2023, Cal Cities led a [coalition of cities](#) (244), including Newport Beach, in staunch opposition to SB 423, a bill applying SB 35 mandates to the Coastal Zone (*consistent with Platform Issue II and Platform Issue VIII, section d*).
- In 2023, Cal Cities secured veto of [AB 309](#), which would have clearly authorized the state to build housing on state-owned or state-leased land without abiding by local zoning standards (*consistent with Platform Issue II*).
- In 2023, Cal Cities opposed AB 68 (Ward), AB 1532 (Haney), and SB 634 (Becker). These bills would have bypassed local planning and zoning and would have mandated cities to approve certain housing projects, by-right, without public comment or environmental review (*consistent with Guiding Principle I and Platform Issue II, section i*).
- Cal Cities was on the steering committee supporting the 2017 statewide housing bond, which allocated \$4 billion for affordable housing projects and veteran housing (*consistent with Platform Issue II, section g*).
- In 2024, Cal Cities is working with key Senators to request an audit of the entire RHNA process (*consistent with Platform Issue II, sections l and m*).





## Labor Relations

- Cal Cities secured Governor's veto on [SB 799](#), which would have allowed striking city workers to collect unemployment benefits after two weeks, and [AB 504](#), which would have made sympathy striking a human right (*consistent with Platform Issue IV, sections b and c*).

## Public Safety

- Cal Cities represents cities as part of a [coalition effort](#) to reduce retail crime. In addition to providing ongoing feedback to legislators and the Governor with cities' perspectives on this issue, Cal Cities has testified to the Assembly Select Committee on Retail Theft at both of their meetings to date.
- Cal Cities sponsored legislation in 2023 ([AB 1708](#)) to reform Proposition 47 and continues to urge the Legislature and Governor to implement Prop 47 reforms through legislation in 2024 (*consistent with Platform Issue IX, section c*).
- Cal Cities strongly supports legislation to increase penalties for fentanyl distributors, including [AB 367](#) and AB 701 in 2023, the latter being signed by the Governor. Cal Cities rallied nearly 400 local leaders to sign [a letter to Assembly leadership](#) urging swift action to address the fentanyl crisis and continues to be an up-to-date resource for information on the status of bills related to this issue (*consistent with Platform Issue IX, section a*).
- Cal Cities sponsored [AB 1168 \(Bennett\)](#), which would clarify a city or fire district's right to retain its authority over emergency ambulance services if they are in a Joint Powers Authority. Cal Cities also supported [AB 40 \(Rodriguez, 2023, Chapter 793\)](#) which will establish a statewide standard for ambulance patient offload time and requires a protocol to reduce ambulance patient offload time (*consistent with Platform Issue IX, section j*).
- Cal Cities has opposed efforts for the past several years to remove local control on cannabis related to dispensaries. Cal Cities supported [AB 1448 \(Wallis, 2024, Chapter 843\)](#) which allows a 50/50 state-local split of the statutory penalties recovered in actions brought by local jurisdictions for illicit cannabis activity.



## Homelessness

- Since December 2022, Cal Cities has urged the state to [allocate a permanent funding stream](#) of \$3 billion annually to local governments directly to increase affordable housing and reduce homelessness. This [bipartisan effort](#) was supported by Senator Janet Nguyen (*consistent with Platform Issue X, sections a and e*).

## Environmental Quality

- Cal Cities has taken a Support if Amended position on multiple legislative climate bonds ([AB 1567](#) and [SB 867](#)), which would include planning and implementation bond funding for local agencies to address coastal resilience and sea level rise, water supply, water quality, solid waste, parks and open space access, wildfire preparedness, and extreme heat planning and implementation efforts (*consistent with Platform Issue VII, section a and Platform Issue VIII*).
- Cal Cities is sponsoring legislation in 2024 related to improving organic waste programs statewide (*consistent with Platform Issue VI, section b*).
- Cal Cities continues its advocacy on recyclable materials, as SB 54 (2022), the state's single use plastic and packaging material recyclability law, moves through the formal rulemaking and regulatory process in 2024. Cal Cities' nominee was appointed to the [SB 54 Advisory Board](#), representing cities statewide to ensure local authority and finances are protected in the regulatory and non-regulatory discussion with the plastic and packaging producer responsibility organization (PRO). The purpose of this law is to ensure that plastic producers are responsible for the end-of-life costs associated with recycling plastic and packaging materials, to fully reimburse local jurisdictions costs, and to mitigate plastic pollution with a \$5 Billion fund that will be administered over 10 years (*consistent with Platform Issue III, section b, and Section VI, section b*).





## Water Supply and Coastal Resources

- Cal Cities is the lead stakeholder organizing city input to critically analyze [draft regulations](#) that would create long-term water conservation targets for urban water suppliers. According to the Municipal Water District of Orange County, these regulations would cost the City of Newport Beach an additional \$22.9M over 11 years. Cal Cities continues [mobilizing local jurisdictions](#) and has engaged in negotiations with the State Water Resources Control Board to propose alternative local pathways to achieve the water efficiency goals and reduce the technical and financial challenges associated with complying with these significant water reduction targets (*consistent with Platform Issue III, section b, and Platform Issue VII*).
- In 2024, the [Cal Cities Coastal Cities Group](#) is organizing Quarterly Forums and Newport Beach staff and elected officials have been invited to participate to elevate coastal resilience issues (*consistent with Platform Issue VIII*).
- In 2024, Cal Cities will be engaging in advocacy efforts on two sea-level rise guidance documents: the Ocean Protection Council's SLR science guidance (which is currently open for public comments) and California Coastal Commission's SLR planning guidance, required by SB 272 (2023), as part of Cal Cities' continued advocacy to protect local control in the coastal zones and support the development and implementation of city coastal programs (*consistent with Platform Issue VIII*).

## Revenue and Taxation

- Cal Cities was the lead opposition against [SB 584 \(Limón\)](#) which would have established a statewide transient occupancy tax of 15% on short-term rentals. Cal Cities defeated this measure in 2023 (*consistent with Platform Issue III*).
- In 2024, the state is facing a substantial budget deficit (ranging between \$38 and \$68 billion dollars). Cal Cities will counter any efforts by the state to skim or erode local revenues and will oppose efforts to reduce or eliminate existing funds to cities (*consistent with Platform Issue III*).



## Transportation, Communications, Public Works

- In 2021, Cal Cities took the lead to oppose [SB 556 \(Dodd\)](#), an which would have undermined local authority in broadband permitting while making no meaningful progress towards closing the digital divide in California's unserved and underserved communities. The bill was vetoed. *(consistent with Platform Issue II, section i)*.
- Between 2021 and 2023, Cal Cities took the lead role among local government organizations to testify against CARB's Advance Clean Fleet regulation related to transitioning public fleets to zero emission vehicles. In doing so, [Cal Cities successfully secured](#) nearly a dozen provisions, extensions and delays to provide local governments greater flexibility and options when complying.

## Legal Advocacy

As a member of Cal Cities, Newport Beach may bring legal issues to the Cal Cities [City Attorneys Department](#) to [request an amicus brief](#) in support of the City. The City has consistently taken advantage of this support. Additionally, Cal Cities has submitted amicus briefs supporting cities engaged in litigation on matters relevant to the City of Newport Beach and its legislative platform.

- Cal Cities submitted an [amicus brief](#) in October 2023 supporting the City of Costa Mesa in *Ohio House LLC v. City of Costa Mesa* in the U.S. Ninth Circuit Court of Appeals.
- Cal Cities submitted amicus briefs supporting the City of Newport Beach in *Pacific Shores Properties v. City of Newport Beach*, both in the [Ninth Circuit](#) and on petition for writ of certiorari to [the Supreme Court](#).
- Cal Cities supported the City of Newport Beach with amicus briefs in [Vos v. City of Newport Beach](#) and [Banning Ranch Conservancy v. City of Newport Beach](#).
- Cal Cities submitted amicus briefs supporting the City of Costa Mesa in two other cases pertaining to sober living facilities: [SoCal Recovery LLC v. City of Costa Mesa](#) and [Yellowstone Women's First Step House v. City of Costa Mesa](#).



- Cal Cities urged the Los Angeles Superior Court to rule in favor of charter cities, arguing that SB 9 unconstitutionally interferes with home rule authority in a 2023 [amicus brief](#).
- Like Newport Beach, Cal Cities submitted an [amicus brief](#) to the Supreme Court for *City of Grants Pass v. Johnson* on petition for writ of certiorari and anticipates submitting an amicus brief on the merits of the case soon.