



**TO: South Bay Cities COG Board of Directors**  
**FR: Jeff Kiernan, League of California Cities**  
**RE: Cal Cities Update for 1/27/2022 Meeting** *(as prepared JAN 19)*

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### GOVERNOR NEWSOM'S \$286 BILLION BUDGET PROPOSAL

Gov. Gavin Newsom unveiled his proposed 2022-23 State Budget, building on the state's efforts to address the COVID-19 pandemic, homelessness, wildfires, and drought. In total, the Governor's plan lays out billions in new spending on what he calls California's biggest challenges including: COVID-19, climate change, homelessness, the cost of living, and keeping our streets safe.

California's economy grew substantially in the past year, despite the ongoing pandemic, resulting in a projected \$45.7 billion surplus. The Governor proposed to put the state's wealth to work in a \$286.4 billion budget that rebuilds reserves and strengthens economic support for businesses and families. A vast majority of the surplus allocation is expected to be one-time investments. Of note, many of the Governor's investments of interest for cities are expansions of existing programs, a notable shift from previous budgets. Cities should be in a position to protect existing local revenues and remain eligible for billions in resources found in the Governor's budget.

Given historic revenue growth, it is anticipated that the state appropriation limit ("Gann" limit) will be exceeded. State revenues in excess of this limit must be spent on taxpayer rebates and increased funding for education. The proposed budget does not include any proposals to expend the excess revenue and postpones addressing the issue until the May Revision. Cities can expect maneuvering throughout the budget-building process to bring state spending below the constitutional limit, which can include actions to pay down additional debt, invest in infrastructure, and provide discretionary funding to local governments.

Overall, the Governor's budget is well-positioned to support local government efforts to protect residents, address public health impacts of COVID-19, and stabilize local economies.

[Click here for details on the Governor's spending plan by issue area](#)

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### AMERICAN RESCUE PLAN ACT FINAL RULE RELEASED

The US Treasury has issued the final rule for the use of the Coronavirus State and Local Fiscal Recovery Funds for the American Rescue Plan Act. The most notable change allows recipients to avoid complicated calculations by allowing the use of up to \$10 million as a standard revenue loss. More details on this new rule can be found using these resources:

- [US Treasury Coronavirus State and Local Fiscal Recovery Funds Website](#)
    - [Final Rule](#)
    - [Overview of the Final Rule](#)
  - [League of California Cities Guide to Local Recovery](#)
    - [Summary of Final Rule](#)
  - [National League of Cities American Rescue Plan Act Website](#)
    - [Final Rule on ARPA SLFRF Grants: 10 Things for City Leaders to Know](#)
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## SOUTH BAY CITY OFFICIALS AMONG THE HUNDREDS OF CITY OFFICIALS ON CAL CITIES POLICY COMMITTEES

The South Bay is well represented by these city officials who have stepped up to help recommend policy changes to the League of California Cities' Board of Directors:

- Community Services: Lomita Council Member Bill Uphoff & Rolling Hills Estates Council Member Debby Stegura
- Environmental Quality: Hermosa Beach Council Member Justin Massey
- Governance, Transparency, and Labor Relations: El Segundo Chief Financial Officer Joe Lillio
- Housing, Community and Economic Development: HCED remains very popular statewide; Council Member Uphoff was interested in HCED, but was appointed to CS due to space constraints
- Public Safety: Torrance Fire Chief Martin Serna and Rolling Hills Mayor Bea Dieringer
- Revenue & Taxation: Hawthorne Council Member Olivia Valentine
- Transportation, Communications, & Public Works: Lomita Council Member Mark Waronek

The complete roster of policy committee members can be found on the Cal Cities' [Policy Areas & Committees website](#)

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### ORGANIC WASTE (SB 1383) GRANTS NOW AVAILABLE

\$57 million in noncompetitive grants are now available to local jurisdictions to implement SB 1383 organic waste regulations. Eligible projects include collection, education and outreach, edible food recovery, capacity planning, procurement requirements, record keeping, enforcement and inspection, and program evaluation/gap analysis. Base award amounts are set at \$20,000 for eligible entities; expenditures or costs incurred prior to the term start date are not eligible for reimbursement.

- Every city is entitled to at least \$20,000, but you must apply for it. Funding is based on population, with many cities due more than the \$20,000 base grant. Here are the [funding estimates for each city](#).
- The deadline to submit the paperwork is Feb 1, 2022. There are two rounds of funding being awarded, but all applications are still due by Feb 1, 2022. Part of the requirement to apply for these funds is that a city has an ordinance setting up the requirements in SB 1383. Not all cities will have this in place by FEB 1, however there is a stipulation that if you begin the process and begin the paperwork by FEB 1, you then have until June 14 to submit your adopted ordinance.

The application guidelines and instructions are on the [CalRecycle website](#). Questions can be submitted in writing via email to [grants@calrecycle.ca.gov](mailto:grants@calrecycle.ca.gov).

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### UPCOMING EVENTS

**January 20 – 21 & 27 -28:** [New Mayors & Council Members Academy \(virtual\)](#)

**February 2 – 4:** [City Managers Conference \(Monterey\)](#)

**March 3:** [Los Angeles County Division General Membership Meeting \(Universal Sheraton\)](#)

**March 16 – 18:** [Planning Commissioner Academy \(San Ramon\)](#)

**March 23 – 25:** [Public Works Officers Institute \(Monterey\)](#)