



M E M O

Date: July 2, 2009  
To: Executive Board  
From: Henry L. Gardner  
Executive Director   
Subject: **Executive Director's Report**

**State Budget Update**

As of this writing the state continues to be without a budget. The big five met with the Governor on Sunday, July 5<sup>th</sup>, but did not reach an agreement. Latest word from Sacramento is that the Assembly Speaker has refused to meet with the Governor because he was not addressing the state's budget shortfall and the current budget, but was insisting that a budget package include long-term solutions to the state's budget. While the Assembly continued to meet on Monday, July 6<sup>th</sup> and the Senate was in Caucus, no compromise was in sight. Meanwhile, California Bond rating has dropped from A- to BBB, the lowest since 2004 and a group of the largest banks have said they will stop accepting California's IOU's on Friday. WAITING FOR MORE INFO FROM MIKE

**SB 406 Update**

SB 406 (DeSaulnier) passed out of the final Assembly policy committee on Monday, July 6<sup>th</sup>. It will be heard by the Assembly Appropriations Committee by August 28<sup>th</sup>. The bill has already cleared Senate Local Government Committee and Senate Appropriations. If passed and signed by the Governor, SB 406 will provide much needed planning funds for the regions and local government to support the planning efforts associated with SB 375 (Steinberg). This bill will be discussed further during the staff report on SB 375.

**RHNA**

Several cities in the Southern California Area Governments region sued SCAG over their RHNA allocations. SCAG prevailed at the trial court and the cities appealed. SCAG asked ABAG to file an amicus brief and we did so. The court of appeals has ruled that cities and counties do not have the right to sue a COG over their allocations. The sole remedy is the process provided under the Housing element law. The text of the opinion can be found at

<http://www.courtinfo.ca.gov/opinions/documents/G040513.PDF>

**San Francisco Bay Trail**

The San Francisco Bay Trail Project had a 20th anniversary event on June 6 at the Hayward Shoreline Interpretive Center. The Hayward Shoreline Area Planning Agency, East Bay Regional Park District, City of Hayward, Hayward Area Recreation and Park District and ABAG's San Francisco Bay Trail Project hosted a reception celebrating the



20th anniversary of the Bay Trail and honoring Treasurer Bill Lockyer for his vision of the trail established 20 years ago with the adoption of the Bay Trail Plan by the ABAG Executive Board.

Other notable attendees/speakers included State Senator Ellen Corbett, former Assemblymember Johan Klehs, ABAG Vice President Mark Green, MTC Commissioner Scott Haggerty, Mayor Mike Sweeney of the City of Hayward, and Alameda County Supervisor Gail Steele.

There was renewed commitment to completing the remaining 200 miles of Bay Trail. Resolutions of support were received from Congressman Pete Stark, Senator Ellen Corbett, Assemblymembers Nancy Skinner, Sandre Swanson, Mary Hayadhi, Tom Torlakson, San Mateo County, Alameda County, MTC and the Midpeninsula Regional Open Space District.

### **FOCUS Forum**

FOCUS Forum continues its series of monthly meetings with focused discussions and guest speakers that provide opportunities to learn more about specific issues concerning the creation of complete communities near transit in urbanized areas. Upcoming meetings:

- "Health in Urban Areas" with guest speaker Dr. Richard Jackson, Thursday, July 9, 9:30 am to 11:30 am, 101 8th Street, MetroCenter Auditorium, Oakland;
- Projections 2009 Conference "Building Momentum", Thursday, June 18, 8:30 am to noon, The Commonwealth Club of California, The Blue Room, 595 Market Street, 2nd Floor, San Francisco.

For more information, please contact JoAnna Bullock at JoAnnaB@abag.ca.gov or (510) 464-7968.

### **ABAG Financial Services**

Financings delivered by ABAG and its affiliated entities since my last report include:

- \$42,100,000 in Insured Hospital Revenue Bonds issued on behalf of the County of Alameda for St. Rose Hospital's major renovation and seismic retrofit project;
- \$20,000,000 in Variable Rate Revenue Bonds issued on behalf of the County of Santa Clara to fund construction of a new music conservatory at Valley Christian School in San Jose.