



November 28, 2007

BOARD OF SUPERVISORS

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William O'Brien  
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Dear William:

As you may know, the California State Association of Counties (CSAC) is currently engaged in a ballot initiative campaign related to eminent domain. On the one hand, we are supporting straightforward reasonable reform – the Homeowners Protection Act – that would prohibit the taking of a home to transfer to a private party. Our coalition recently submitted signatures to county elections offices and we are confident that measure will appear on the June 2008 ballot. At the same time, we're opposing a much more draconian initiative also aimed for the June ballot. That initiative, the California Property Owners and Farmland Protection Act (CPOFPA) is sponsored by apartment owners, the Howard Jarvis Taxpayers Association (HJTA), and other landlords and associations that represent them. Proponents are trying to use the issue of eminent domain in a dishonest attempt to sneak in far reaching and unrelated provisions – like abolishing rent control, eviscerating local land-use authority, and stopping acquisition of property for water infrastructure and other legitimate public works projects.

Clearly, the proponents of the latter initiative have a lot financially at stake with their measure, and they've taken to attacking CSAC and others for opposing their efforts. In particular, over the past few weeks, Jon Coupal with the HJTA has sent letters to supervisors implying that CSAC, in conjunction with the League of California Cities and other "taxpayer financed organizations", have spent taxpayer dollars to oppose eminent domain reform. I have received inquiries from some recipients of this letter, indicating a response is necessary. I can tell you, categorically and with 100% certainty, that CSAC has not spent one dime of public-generated funds on any political campaigns.

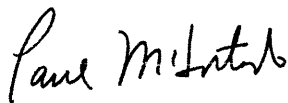
CSAC derives revenues from a variety of sources. Of course, our members pay annual dues that are used to support the association. But CSAC also receives funds from a variety of non-public, private sources. A most recent example is the sponsorships and fees paid by exhibitors at our annual conference, which topped over \$250,000. CSAC leases office space in our buildings and sells advertising space in our magazine. CSAC invests funds held in our accounts and receives interest on those investments. Through partnerships with the National Association of Counties, US Conference of Mayors, National League of Cities and others, CSAC participates in the US Communities program, which pays fees to CSAC. All of these are examples of non-public funds available to CSAC.

CSAC has participated in two campaigns regarding eminent domain: the defeat of Proposition 90; and, the current effort to pass reasonable eminent domain reform. In both instances, our contributions to those campaigns have been far less than \$1 million. Contribution limits have been carefully monitored by the CSAC Executive Committee to ensure that ONLY non-public funds are used. In fact, these contributions represent just a small portion of the non-public funds raised by CSAC.

You should be aware that the stakes in this campaign are high. The apartment and mobile home park owners obviously have a vested financial interest in the outcome. But so too do California local governments, and every resident that relies on County services. The CPOFPA goes far beyond reasonable eminent domain reform and would roll back environmental protections, restrict local land use decision-making, roll back local rent control ordinances, threaten future water and other vital public works projects, and would most certainly lead to increased costs to local government in litigation and administrative burdens. That's why CSAC has joined this coalition in supporting an alternative initiative, the Homeowners Protection Act, which does provide reasonable eminent domain reform and protects private homes.

We can expect that the proponents of the alternative measure will continue their attacks on our organization. Rest assured, however, that we will not be deterred in our mission. We have always upheld the strictest accountability to separate our non-public and public funds. And we will continue to do so. The mission of CSAC is to support our member counties and resist efforts, legislative and otherwise, that would negatively impact our members. CSAC has engaged in the eminent domain campaigns only after lengthy and thorough discussions with the CSAC Executive Committee and the CSAC Board of Directors. If you have any questions regarding this matter, or concerns you would like to discuss, please do not hesitate to contact me.

Sincerely,



Paul McIntosh  
Executive Director