THE CITY OF SAN DIEGO

REPORT TO THE CITY COUNCIL

DATE ISSUED: January 6, 2010 REPORT NO:

ATTENTION: City Council

SUBJECT: Proposed 2010 Legislative Program

SUMMARY:

The Intergovernmental Relations Department (IRD) is charged with developing the City's draft annual legislative program for approval by the City Council. The legislative program is the City's proactive list of legislative, budgetary or regulatory priorities for the upcoming year in both Sacramento and Washington D.C.

BACKGROUND:

As was the case the last three legislative efforts, specific criteria were used as a guide in establishing the City's 2010 legislative priorities:

1. Does the proposal provide significant revenues or funding opportunities to the City?
2. Does the proposal provide significant cost savings if enacted?
3. Does the proposal enhance public safety?
4. Does the proposal provide the City with greater ability or flexibility to provide municipal services to its citizens?

DISCUSSION:

While the continuing budget situation made the passage of state legislation difficult, the 2009 state and federal efforts can still be classified as successful. Despite the fact that bill limits were imposed and many important bills were not even getting hearings due to budget negotiations, the City saw 5 bills pass the legislature. IRD was able to secure passage of SB 167 which would allow money collected for tire waste to be used on projects in Mexico, SB 572 which recognized Harvey Milk Day and AB 599 which relieve California crime laboratories from double proficiency testing, outdated employee requirements, and lengthy approvals for laboratory use. Intergovernmental Relations was also able to secure the passage and Governor's signature for the Children's Pool Seal Legislation at a time when the Governor was refusing to sign any legislation. The City was also able to secure passage through the legislature of AB 1336 which would have allowed cameras on street sweepers to aid our storm water pollution prevention efforts only to have the bill vetoed by the Governor.

This year saw a long term goal of the City and region come to fruition--a statewide water package that included a workable plan for the Bay Delta. Because of the crisis in the Sacramento-San Joaquin Bay-Delta, the San Diego region and most of California is experiencing a serious water crisis that affects citizens and businesses alike. IRD actively and successfully lobbied, along with our regional partners, for the Bay-Delta bill package (SBX7-1) which provides an opportunity to overcome longstanding disagreements over the operation of the state's water system and restore water reliability in the Delta through construction of an alternative conveyance system. Eleven of the twelve members of the San Diego delegation supported at least parts of the package and were critical to its passage.

IRD partnered with California League of Cities and the Big 10 Cities to fight off a potential state raid of local funds. The coalition was successful in preventing a run on Highway User Tax Account (HUTA) funds that cities and counties use for transportation projects. The coalition was also successful in structure a Prop 1A loan and subsequent clean up legislation that resulted in full securitization of the lost property tax revenue. Unfortunately the State again raided redevelopment funds despite the fact that taking is being legally challenged. The State of California continues to run a significant deficit and we anticipate another year of budget fights and potential raids.

At the federal level, a tremendous amount of effort went into securing stimulus dollars for the City and the region in 2009. The City of San Diego can expect to see at least $340 million in stimulus funding including $49 million directly to the City and $127 million to partner organizations including SANDAG, Workforce Partnership and the Metropolitan Transit System. These funds are in addition to the City's lobbying team successfully advocating for the $185 million Federal Courthouse Project. While not ARRA driven, freeing up the funding for this project allows it to commence immediately and provide 2,000 construction jobs.

IRD's efforts on the border proved particularly successful. Stimulus money was directed to SR 905 and for new planning efforts for the Otay Mesa I Port of Entry. Combined with the funding secured through Prop 1B in 2007 for the SR 905 freeway and the $195 million secured in 2008 for the expansion of the San Ysidro Port of Entry, the border zone will be better equipped to handle goods movement in the years to come. In addition, the City was able to secure emergency permitting for dredging the Tijuana River Valley as well as reimbursement from FEMA for some of the costs of that dredging. Additionally, the City has opened a dialogue with the Army Corps of Engineers about long term fixes for the Tijuana River Valley.

IRD was also able to secure additional funding for brush management, homeland security, transportation, affordable housing projects, as well as supporting the City in securing a new five year waiver for the Point Loma treatment plant and outfall. The Intergovernmental Relations Department recommends the City Council consider the following proposals and adopt them as the City's 2010 Legislative Program.

2010 LEGISLATIVE AND ADMINISTRATIVE SPONSORSHIP PRIORITIES

Storm Water Pollution Prevention

The City is required to comply with federal and state storm water pollution prevention mandates. In order to accomplish these requirements, the City needs to: a) develop a sustainable revenue source for the storm water pollution prevention program; b) remain in compliance with storm water regulations (Chollas Creek is identified as an impaired water body, and to meet expected TMDL requirements for copper, lead, zinc and bacteria will have a considerable financial impact to the City, and anticipated impacts to the Chollas Creek surrounding communities.); c) maximize the City's ability to win grants from existing funding programs; and d) decrease existing state regulations that impede maintenance of existing storm water facilities and/or impede the creation of new storm water facilities.

Proposed Solutions:

1. Seek legislation to regulate the content of copper in vehicle brake pads (this mobile source of copper pollutants has been identified as the most significant contributor of copper within the Chollas Creek watershed).
2. Seek state and federal funding for storm water pollution prevention programs and City CIP.
3. Seek federal legislation to create a trash cleanup fund for border regions.
4. Continue to work with Army Corps of Engineers and other appropriate state and federal agencies to secure funding and improvements to the Tijuana River Valley.

Water Reliability

As the provider of safe drinking water to San Diegans, it is a continued priority to ensure the adequate availability of safe drinking water. While the City of San Diego will continue to work with the San Diego County Water Authority, our regional water partner, there are actions that the City can pursue at the state and federal level to better manage water supplies within the region and also to increase water supplies available from outside the region.

Additionally, the State's regional boards are inconsistent in their application of reuse standards/regulations thereby creating regulatory obstacles. Where feasible, the City should pursue legislative and administrative actions to help decrease the regulatory costs associated with infrastructure projects.

Proposed Solutions:

1. California's Clean Water Act Section 303(d) List – Drinking source water reservoirs: Highly managed man-made impoundments designed for the storage of drinking source water shall be distinguished from natural water bodies in the state board's biannual Water Quality Control Policy for Developing California's Clean Water Act Section 303(d) List and shall have unique water quality objectives represented in each region's Water Quality Control Plan(s).
2. Support legislation that resolves potential constitutional conflicts for the State's contribution to the mitigation requirements of the water transfer agreements due to the recent Quantification Settlement Agreement legal decision.

3. With the success of the authorization for the four reservoir intertie feasibility study, seeking an appropriation for the funding of that study shall be a priority for the City. The project, once constructed, will provide San Diego with a better ability to manage its surface storage capacity, enabling raw water to be transferred within the system to improve efficiencies.
4. Seek clean-up legislation related to the language in SBX7 7 to assure that the City's Indirect Potable Reuse water produced will be deducted from the City's gallons per capita per day calculation for purposes of meeting the state's 20x2020 requirement.
5. Support legislative efforts, related to the previously passed water package, to provide additional benefit or opportunities for the City from regulations or funding categories previously adopted.
6. Seek state legislation to establish a tax credit or rebate program for reclaimed water retrofit costs. This would be a similar program to what is offered to utility customers who install systems that generate solar powered electricity.
7. Seek legislation that will enable greater individual metering, allow sub-metering and/or advance automatic meter reading to enhance water conservation

Transportation, Airport and Border Funding

At the federal level, 2010 promises to be a unique opportunity to secure major transportation infrastructure dollars for the City of San Diego. In addition to the economic stimulus package, the federal government will begin discussion of their next Transportation Reauthorization, their next Airport Reauthorization and potentially major Rail legislation. IRD has already opened discussions with SANDAG to strategize how best to ensure our fair share of these dollars.

As noted earlier, the City strives to reduce the economic impact of border wait times and protect and enhance the binational region's global competitiveness while maintaining secure and efficient ports of entry. As a result of the regions success in securing border project funding the City and SANDAG are poised to launch several major projects within the border zone.

Proposed Solutions:

1. Seek Transit, Highway and Rail Funding in the transportation reauthorization.
2. Seek rail and high-speed rail money for the San Diego region including funds for grade separations.
3. Seek federal legislation which would allow CEQA Environmental Impact Reports to serve in place of NEPA EIR's for federal projects.
4. Seek federal funding for the state of California's Goods Movement Action Plan.
5. Advocate for another round of funding from the Department of Transportation for the Urban Partnership Agreement program while simultaneously working with our regional partners to develop a competitive proposal.
6. Continued advocacy on San Ysidro Port of Entry expansion, Otay Mesa II Port of Entry and seek additional funding for expansion of Otay Mesa I Port of Entry.

San Diego Fire Protection

While significant progress has been made, fire fighting capabilities have been underfunded for some time compared to the population growth local governments across California have experienced.

Additionally, while brush management is not a silver bullet to fight wildfires, it does help by decreasing fuel loads and providing more defensible space.

Proposed Solutions:

1. Seek state and federal funding for local and regional firefighting equipment.
2. Seek legislation that would enable insurance fees to be levied to enhance fire protection.
3. Continue to seek brush management funding at the federal level.

Budget and Infrastructure Proposals

While a federal bailout for the state or local governments is highly unlikely, there are legislative and administrative remedies that IRD can pursue to help with the City's budget crisis.

1. Seek Federal support for local infrastructure projects and enhanced public safety.
2. Continue to advocate for state budget solutions which leave local governments whole while remedying the state's budget crisis.
3. Seek legislation which provides tax breaks and incentives for local government bonding, as well as supporting other federal mechanisms to relieve local government fiscal distress.
4. Seek legislation to allow for distribution of port revenues generated by maritime operations to local governments that experience economic, social and environmental impacts caused by maritime operations.

Economic Development

The City of San Diego has received federal Renewal Community (RC) designation; a program which provides federal income tax incentives for investment in older neighborhoods with small business properties, making the business community a key partner in inner city revitalization. The designation has had a positive impact in stimulating new investment and job creation in areas that have historically experienced disinvestment and blight.

A key neighborhood that was included in the City's application for RC designation was disqualified for a technical reason. The census tracts in this neighborhood were excluded because they are separated from the rest of the RC by a small gap, violating the RC law's requirement of a "continuous boundary." The excluded neighborhood, City Heights, encompasses a third of the application area's population and is an area of poverty, unemployment, distress, and crime.

An additional avenue to spur economic development and jobs would be to seek funding and legislation which supports the City's burgeoning clean tech industry. In particular, the City should seek to foster the economic sector that will be generated by the City's Property Assessed Clean Energy Program.

Proposed Solutions:

1. Seek federal legislation to amend the definition of "continuous boundary" to permit HUD to include census tracts that are adjacent to each other, rather than continuous.

2. Seek federal funding for regional economic cluster planning to aid economic development within the City of San Diego.
3. Seek legislation that would site a clean energy research headquarters here in San Diego.
4. Seek funding for the City of San Diego, other partner public agencies that could be used for clean energy projects, smart grid and energy efficiency.
5. Seek federal legislation that would allow cites to issue non-taxable municipal bonds for Property Assessed Clean Energy Programs like the City's Clean Generation Program.
6. Seek legislation at the state and federal level which would provide direct incentives and/or ease barriers for private funding for companies and other entities engaged in bio-fuel research, development, and commercialization.
7. Seek federal and state legislation which would provide consumer and business tax incentives for companies engaged in the manufacturing or development of clean technologies.

Housing and Planning
IRD hopes to build on recent success in securing planning and housing money by partnering with the Redevelopment Agency, the Housing Commission and SANDAG to undertake several housing initiatives.

Proposed Solutions:
1. Seek additional state and federal funding the Neighborhood Stabilization Program, homeless services, veterans housing and other affordable housing projects.
2. Seek federal legislation and programming that creates grant funding for smart growth planning and transit oriented development.

Homeland Security Funding/Eligibility for UASI Program
Since January 2007, the Department of Homeland Security has consistently included San Diego as an urban area eligible to apply for Urban Area Security Initiative funding.

Proposed Solution:
1. Continue efforts to ensure San Diego remains on the high risk urban area list and eligible for the UASI program. Efforts may include working directly with the Department of Homeland Security to ensure data collection and risk assessment methodology that benefits San Diego or potential federal legislation which substantially increases the region's likelihood of remaining eligible.
2. Advocate for stable or increased funding of the UASI program.

Public Safety and Gang Prevention
Criminal gang activity continues to be a persistent problem throughout the City of San Diego and the nation. Numerous attempts at establishing funding programs and crafting legislation to proactively address gang involvement as well as suppression activities have been introduced and enacted at both the state and federal level.

This past year the Council directed Intergovernmental Relations to seek legislation that would allow cities to better regulate pedicabs within their local jurisdictions.

Proposed Solution:

1. IRD, in close cooperation with the Commission on Gang Prevention and Intervention, will pursue legislative and budgetary opportunities for the City to continue and/or expand its current prevention and intervention activities. IRD will also continue to assist in the pursuit of grant funds from existing and newly created opportunities at both the state and federal government.
2. Seek legislation that would allow cities to regulate pedicabs.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

Originating Department
Job Nelson

Chief of Staff
Kris Michell