THE CITY OF SAN DIEGO

REPORT TO THE CITY COUNCIL

DATE ISSUED: December 5, 2013 REPORT NO: 13-101

ATTENTION: Rules and Economic Development Committee

SUBJECT: Proposed 2014 Legislative Program

SUMMARY:

The Intergovernmental Relations Department (IRD) is responsible for developing the City's annual legislative program for approval by the City Council. The legislative program consists of state and federal legislative, budgetary and regulatory priorities for the upcoming year.

BACKGROUND:

Similar to previous legislative efforts, specific criteria were used as a guide in establishing the City's 2014 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 economic growth or improve the quality of life for the citizens of San Diego?
4. Does the proposal provide the City with greater ability or flexibility to provide municipal services?

DISCUSSION:

The proposed 2014 Legislative Program was developed with input from the Interim Mayor, City Council, City departments, and the City's state and federal advocates. Attachments to this report include memos from the City Council and the October 23, 2013 Rules Committee presentations by Patton Boggs and Sloat Higgins.

In an effort to adequately cover the majority of proposals from the City Council and departments, goals are proposed for adoption as part of the 2014 Program. This approach allows flexibility for both IRD and City officials to advocate within the boundaries of the program. City Councilmembers can also support or oppose specific proposals on an individual basis.

In addition to these initiatives, IRD is also responsible for monitoring legislation and administrative proposals and developing strategies for support or opposition. IRD also coordinates with City departments to optimize potential for grant awards to the City.

Should legislation or initiatives fall outside of the City-adopted Program, IRD will return to Committee for discussion and direction. In the case of an emergency or inability to docket for Council consideration prior to a legislative deadline, IRD should act at the Mayor's discretion and report back to the City Council at the earliest available date.

In order to keep the Council informed of legislative activities throughout the year IRD will provide monthly written updates to the City Council and is available to present at the Committee on Economic Development and Intergovernmental Relations (ED&IR) as requested. Further, the federal lobbying representative(s) should attend ED&IR on at least an annual basis and the state lobbying representative(s) should attend ED&IR on at least a bi-annual basis to report on the Governor's proposed budget and to give a summary of significant activities from the current legislative session.

Additionally, City Council Chiefs of Staff were offered the opportunity to register with Patton Boggs to receive regular electronic updates on federal activities. Chiefs of Staff will also be included on legislative updates from Sloat Higgins once the 2014 legislative session begins. It is advised that the City Council offices work within the legislative program and include the IRD Director on correspondence to the lobbyists.

2013 LEGISLATIVE GOALS AND INITIATIVES

GOAL 1: Support federal and state funding for transportation infrastructure.
Initiatives:

- Support reauthorization of the federal Surface Transportation legislation.
- Pursue Mid-Coast Corridor Transit Project funding.
- Support future rounds of the Transportation Investment Generating Economic Recovery or "TIGER Discretionary Grants."
- Support the Transportation Infrastructure Finance and Innovation Act (TIFIA) program.
- Pursue reform of the Caltrans Bridge Program High Cost Policy.

GOAL 2: Support funding for border infrastructure and economic development to enhance international trade and cross-border relations through better trade facilitation, clearance processes, security staffing, and port of entry infrastructure.
Initiatives:

- Seek prioritization and funding from the General Services Administration (GSA) to complete the San Ysidro Port of Entry .
- Continue to work with GSA and regional partners to advance the Virginia Avenue Transit Facility Project.
- Assist the Port of San Diego with bi-national sportfishing permitting and policies.
- Support efforts to decrease border wait times, like SB 397 (Hueso) which authorizes the use of enhanced drivers licenses.
- Seek funding for the Otay Mesa Port of Entry modernization.
- In the upcoming surface transportation reauthorization bill, advocate for freight provisions that increase federal investment and intermodal good movement corridors of national significance, including border mobility, which will enhance competitiveness of

San Diego and reduce the disproportionate financial burden the region bears for the benefit of the country.

GOAL 3: Coordinate with regional partners on messaging and strategy regarding sequestration impacts, homeland security and defense industry issues.
Initiatives:

- Seek funding and preserve Tier 1 status as an Urban Areas Security Initiative (UASI) grant recipient.
- Support San Diego's application to be designated a Federal Aviation Administration UAS/UAV test site.
- Advocate for protection of defense funding priorities in the annual appropriations/sequestration negotiations, including SPAWAR and other specific assets that are unique to San Diego and critical to the broader regional economy.

GOAL 4: Support affordable housing and community development funding and streamlining of regulations.
Initiatives:

- Support SB 391 (DeSaulnier) and efforts to create a funding stream for low and moderate income housing.
- Support updating formulas for funding eligibility for HUD and homeless programs.
- Support redevelopment reform legislation and clarity in the wind down process.
- Oppose funding cuts to Community Development Block Grants (CDBG), HOME Investment Partnership Program, Emergency Shelter Grants (ESG) and Section 8 programs.
- Support efforts to protect funding for the Supplemental Nutrition Assistance Program (SNAP).
- Support legislation and grants that promote the development and enhancement of affordable and/or accessible housing.
- Support programs that provide funding for foreclosure assistance, homeless services, and veterans housing.

GOAL 5: Support proposals to expand or protect funding mechanisms for cities.
Initiatives:

- Support Infrastructure Finance District reforms (IFD).
- Support lowering of voter thresholds for programs.
- Protect the ability of cities to utilize municipal tax exempt bonds.
- Support the Public Library Broadband Initiative to provide $2.25 million in state funding to assist libraries in connecting to the CENIC broadband network.

GOAL 6: Support efforts that improve workforce preparation and development.
Initiatives:

- Support efforts to attract and retain green collar jobs and provide workforce training in renewable energy, energy efficiency, green building, and other related fields.
- Support funding for technology-based career centers.
- Support initiatives to facilitate youth, veteran, and ex-offender employment.

GOAL 7: Support funding, legislation and policy to ensure water sustainability for the region. Initiatives:

- Pursue a permanent solution for the Point Loma Wastewater Treatment Plant to eliminate the need for renewals of the modified discharge permit under the Clean Water Act. Due to the complexity, pursue in parallel an extension of the permit that is scheduled to expire in 2015.
- Support reauthorization of the Water Resources Development Act (WRDA).
- Support increased certainty and streamlining of regulations for potable reuse.
- Work with partners to seek legislation to improve the state's Integrated Regional Water Management (IRWM) Program.
- Support Water Infrastructure Finance Innovations Authority (WIFIA).
- Support state water bond efforts and funding equity.
- Seek opportunities to simplify and update reporting requirements for Urban Water Management Plans (UWMPs).
- Support Title XVI (Water Reclamation and Reuse Program) to help fund recycled water efforts and offset demands for imported water.
- Support the proposed expansion of the Harbor Maintenance Trust Fund to include berth dredging and local sediment disposal activities.

GOAL 8: Support funding and proposals that assist in the compliance of AB 32, Executive Order S-3-05 and SB 375 emissions reduction goals.

- Support legislative or administrative changes to the Federal Housing Finance Authority interpretations that impede local Property Assessed Clean Energy (PACE) programs from use for single family residential homes, and other measures that enable expansion of both commercial and residential PACE.
- Approach the Public Utilities Commission (PUC) to allow the City to purchase energy directly from competitive energy providers.
- Advocate for equitable distribution for Cap-and-Trade revenues dedicated to support greenhouse gas reduction goals of SB 375 and Sustainable Communities Strategies.
- Engage in development of new State Active Transportation Program guidelines and funding.
- Support legislation and policy that provide incentives for energy efficiency, investment in renewable energy projects as well as investments in fuel-efficient vehicles, electric vehicles, and low-impact development (LID) capital improvement initiatives.
- Support easing barriers and lowering costs of distributed generation renewable energy projects including, but not limited to, rooftop solar installations.
- Support efforts to increase the Renewable Portfolio Standard for investor-owned utilities, electric service providers, and community choice aggregators

GOAL 9: Seek regulatory relief and funding sources to mitigate the financial impacts of state stormwater regulations.

GOAL 10: Support public safety related legislation and funding for activities and infrastructure needs of police, fire, lifeguard and gang prevention needs.

- Seek continued funding for AB 109 law enforcement assistance.
- Seek legislation to amend state law to allow for cameras in taxicabs.
- Seek grants to fund first responder equipment and technology.

GOAL 11: Support legislation and regulatory relief to bolster and expand San Diego's innovation economy.

- Support ABC license reform to boost San Diego's growing craft beer industry.
- Support the repeal or reform of the Medical Device Tax.
- Support legislation to encourage investment of foreign profits generated by U.S. companies into emerging technology research and commercialization as well as job creation.
- Support federal efforts to address "patent trolling" in which companies that do not invent or manufacture products buy or license patents from others, primarily for the purpose of obtaining licensing fees or filing infringement lawsuits.
- Support the reauthorization and expansion of the New Markets Tax Credit (NMTC) program.
- Support and proactively pursue participation in new federal agency initiatives relevant to San Diego's industry clusters, such as advanced manufacturing, digital economy, federal "big data" resource commercialization, and "industry-led" workforce skills training.

GOAL 12: Advocate for expanded federal and state support of local efforts to boost exports and foreign direct investment in the City.

- Support federal funding to execute tailored regional export and FDI strategies like those being pioneered in San Diego, such as prioritizing existing grants and creating the proposed Regional Export Accelerator Challenge (REACH) program.
- Advocate for federal policies and resources that facilitate international trade opportunities benefiting San Diego companies, such as border infrastructure investment, regulatory and process reforms that reduce transaction costs to businesses, completion of free trade agreements that open foreign markets, and better access to Commercial Service staff in high-priority countries.
- Support more state export and FDI efforts that align spending and programs to implement strategies identified through a formal regional planning process such as those undertaken by San Diego, Los Angeles, and Sacramento.
- Advocate for the preservation of federal research and development non-military funding in life sciences, technology, energy, and related sectors.

GOAL 13: Advocate for support of citywide promotional and community enhancing events and activities.

- Seek state and federal recognition of Balboa Park Centennial Celebration.
- Continue efforts to pursue reasonable CEQA exemptions for temporary special events.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On October 23, 2013 the Rules Committee received updates from the City's state and federal lobbying firms. As part of the development of the proposed 2014 Legislative Program, City Council offices and City departments submitted memos proposing legislative priorities to the Interim Mayor's Office for consideration.

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Attachments: 1. City Council Memos
2. October 23, 2013 Rules Committee Presentations