

**SLOAT HIGGINS JENSEN**

& ASSOCIATES



# City of San Diego 2014 State Legislative Update

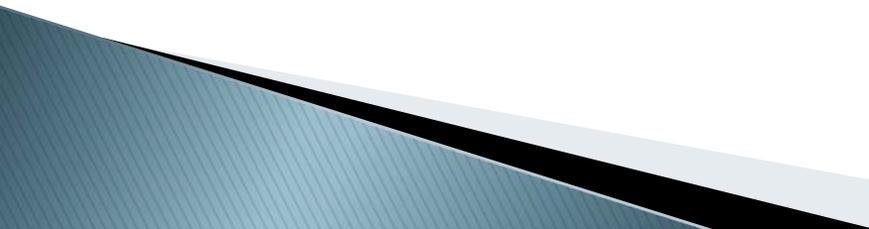
June 11, 2014

# 2014 Budget Overview

The 2014–15 Budget – at least \$108 billion as recommended by the Governor. Assembly proposes to spend \$111 billion and the Senate proposes to spend \$110 billion.

Last year's spending was \$101 billion.

Differences to be resolved by the June 15 constitutional deadline.



# 2014 Budget

## Cap and Trade

The Governor, Assembly and Senate each proposed different plans to allocate the expected funds derived from the auction sales of GHG offsets.

However, each plan included funds for:

- ✓ Sustainable Communities Strategies
- ✓ High Speed Rail
- ✓ Low-Carbon Transportation

# 2014 Budget

## Transportation

HUTA revenue projections are down by over 20%. San Diego will face a \$5.8 million reduction as a result.

However, the Governor proposed an additional \$100 million which would partially offset the reduction.

The Senate and Assembly increased the Governor's proposal to \$134.8 M in the Senate and \$220 M in the Assembly.

# 2014 Budget

## Local Public Safety

- ▶ Increase the City Law Enforcement Grants Program by \$12.5 million. This change increased existing grants for city police activities to \$40 million.
- ▶ \$6.4 million increase to continue the state's practice of reimbursing local law enforcement agencies for the cost of backfilling officers attending training courses.
- ▶ \$9.2 million for the next round of California Gang Reduction and Intervention Program (CalGRIP) grants.

# 2014 Legislation

## Transportation Infrastructure

- ▶ Pursue reform of the Caltrans High Cost Policy
- ✓ Meeting informally with Caltrans staff to find administrative solution
- ✓ May need legislation for long term solution

# 2014 Legislation

## Border Infrastructure to Enhance International Trade

Support efforts to decrease border wait times, like SB 397 (Hueso) which authorizes the use of enhanced drivers' licenses.

- ✓ SB 1228 (Hueso) Reintroduced Enhanced Drivers' License bill. Senator Hueso held the bill due to concerns raised by DMV.
- ✓ SB 928 (Correa) Creates a California office of trade and investment in Mexico City.

# 2014 Legislation

## Affordable Housing and Community Development

- ▶ Support SB 391 (DeSaulnier) and efforts to create a funding stream for low and moderate-income housing.
  - ✓ SB 391 still pending in Assembly. Though passage not likely.
- ▶ Support redevelopment reform legislation and clarity in the wind down process.
  - ✓ AB 1582 (Mullin)
  - ✓ AB 1963 (Atkins)
  - ✓ AB 2493 (Bloom)
  - ✓ SB 1129 (Steinberg)

} All improve the ROPS process in varying degrees.
- ▶ Support legislation and grants that promote the development and enhancement of affordable and/or accessible housing.
  - ✓ Assembly included \$200 million GF in their version of the budget
  - ✓ AB 1690 (Gordon) promotes low and mod-income housing in mixed-use projects.
- ▶ Support programs that provide funding for foreclosure assistance, homeless services, and veterans housing.
  - ✓ AB 1393 (Perea) Conforms the state's law related to the federal American Taxpayer Relief Act of 2012 to debt that was discharged by 2014.

# 2014 Legislation

## Expand and Protect City Funding

- Support Infrastructure Finance District reforms (IFD)
  - ✓ SB 33 (Wolk)
  - ✓ AB 2280 (Alejo)
  - ✓ AB 2318 (Pérez)
- Support state legislative proposals that seek to lower voter threshold requirements for local bonds and programs
  - ✓ ACA 3/ACA 8 Public Safety
  - ✓ SCA 4/SCA 8 Transportation
  - ✓ SCA 7 Libraries
  - ✓ SCA 9 Economic Development
  - ✓ SCA 11 Any special tax
- Support the Public Library Broadband Initiative to provide \$2.25 million in state funding to assist libraries in connecting to the CENIC broadband network.
  - ✓ Included in 2014 Budget

# 2014 Legislation

## Workforce Preparation and Development

- ▶ Support efforts to attract and retain green collar jobs and provide workforce training in renewable energy, energy efficiency, green building, and other related fields.
  - ✓ AB 1315 (Pérez) Requires Green Collar Jobs Council to develop and update a "common framework" to address specified workforce needs.
  - ✓ SB 1121 (De Leon) Creates the California Green Bank to evaluate current state financial support for clean energy projects and identify firms and projects.
- ▶ Support vocational education initiatives
  - ✓ Various 2014 budget proposals expand CTE programs.

# 2014 Legislation

## AB 32/SB 375 Compliance

- ▶ Advocate for a spending plan for Cap-and-Trade revenues dedicated to support greenhouse gas reduction goals of SB 375 and Sustainable Communities Strategies.
  - ✓ 2014 Budget allocation likely
- ▶ Engage in development of new State Active Transportation Program guidelines and funding.
  - ✓ Participated in ATP work group. Guidelines adopted and call for projects occurred March 2014.
- ▶ Support legislation and policy that provide incentives for energy efficiency, investment in renewable energy projects including rooftop solar installations, as well as investments in fuel-efficient vehicles, electric vehicles, and low-impact development (LID) capital improvement initiatives.
  - ✓ AB 2013 (Muratsuchi) – Increases cap in the "green sticker" Clean Air Vehicle program for low-emission vehicles
- ▶ Support efforts to increase the Renewable Portfolio Standard for investor-owned utilities, electric service providers, and community choice aggregators
  - ✓ AB 2145 (Bradford) Requires CCAs provide an opt-in mechanism
  - ✓ SB 1139 (Hueso) Requires geothermal energy procurement as part of the RPS

# 2014 Legislation

## Stormwater Regulatory Relief

- ▶ Work with other local agencies and stakeholders to influence the development of legislation, regulations and policies based on best available science that are also enforceable and attainable.
- ✓ Water Bond of 2014 – The various proposals contain between \$250 M - \$500 M.
- ✓ AB 2403 (Rendon) Adds stormwater to the definition of water in the Proposition 218 fee protest process.

# 2014 Legislation

## Ensure Water Sustainability

- ▶ Support increased certainty and streamlining of regulations for potable reuse
  - ✓ The 2014 Budget will include the transfer of the State's Recycled Water program from Dept. of Public Health to SWRCB.
- ▶ Work with partners to seek legislation to improve the state's Integrated Regional Water Management (IRWM) Program.
  - ✓ AB 1874 (Gonzalez) Sponsored legislation that would have reformed the IRWM program.
- ▶ Seek opportunities to simplify and update reporting requirements for Urban Water Management Plans (UWMPs).
  - ✓ AB 2067 (Weber) Reforms reporting requirements for UWMPs.

# 2014 Legislation

## Support SD's Innovation Economy

- ▶ Support ABC license reform to boost San Diego's growing craft beer industry
  - ✓ SB 1401 (Block) Improves the state's enforcement of alcohol laws which will help ensure market fairness to protect the craft beer industry and curb illegal activities by bad actors.

# 2014 Legislation

## **Boost Exports and Foreign Direct Investment**

- ▶ 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 SD, LA and Sacramento
- ✓ SB 522 (Lieu) Reestablishes the California Export Finance Office.

# 2014 Legislation

## City Promotional Activities

- ▶ Seek state and federal recognition of Balboa Centennial Celebration
  - ✓ Seek Resolution in January 2015
- ▶ Continue efforts to pursue reasonable CEQA exemptions for temporary special events
  - ✓ CEQA reform has taken a back seat this year so no action

# 2014 Legislative Highlights – Water Bond

Water Bond -- \$11.14 billion bond on Nov. 2014 ballot

- ✓ \$4 billion for local resources development
- ✓ \$4 billion for ecosystem restoration
- ✓ \$3 billion for the public benefits associated with new surface and groundwater storage projects.

Legislature considering changes before it goes before voters. There are multiple bond proposal bills pending in the Legislature.

# Remainder of 2014 Outlook

Major Issues...

Questions?



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