



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: January 20, 2006 REPORT NO.: 06-009

ATTENTION: Public Safety and Neighborhood Services Committee
January 25, 2006

SUBJECT: FY 2006 Homeland Security Urban Area Security Initiative
(UASI) Grant Update - INFORMATIONAL REPORT ONLY

REFERENCE:

REQUESTED ACTION: Information only

STAFF RECOMMENDATION: Accept Report.

SUMMARY: This report summarizes:

- San Diego impacts of grant funding changes announced earlier this month by the Department of Homeland Security
- Highlights efforts to appeal DHS's decision to include San Diego under a "sustainment" category, rather than the "high-risk" designation.

FISCAL CONSIDERATIONS: City homeland security grants are at issue. Last year, The San Diego region received \$13.5 million.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

KEY STAKEHOLDERS & PROJECTED IMPACTS (if applicable):

Originating Department
Officer

Deputy Chief/Chief Operating

BACKGROUND

The Federal government created two Homeland Security Grant programs in FY 2003 designed to improve the capacity of local emergency management teams to respond to potential terrorist attacks:

Urban Area Security Initiative (UASI): Regions of the country were designated to apply based upon a combination of factors including population density, critical infrastructure and threat/vulnerability assessment. Funds are awarded directly to the regional entity.

State Homeland Security Grant Program: States were awarded funds based on a formula that provided a minimum funding level to all states – with the balance awarded according to population. The states distributed funds to eligible sub-grantees within their boundaries according to federal guidelines.

The San Diego region was originally eligible the later of these two programs - but was added to the UASI eligible list prior to the first round of funding. President Bush has, with support from this and other large cities and states, increasingly moved funding from the formula grant to risk based programs. San Diego’s risk factors include hosting one of the largest military installations in the world, well known tourist attractions, a sea port that shares military operations, and proximity to the most crossed international border in the world.

The City has worked cooperatively with all other law enforcement agencies of the region to build a County-wide homeland security approach focused on:

- 1. Interoperable Communications
- 2. Joint Prevention, Detection & Deterrence capability
- 3. Coordinated emergency response

The following charts summarize Federal funding for this program – and the San Diego region’s benefit:

UASI Allocations – National Funding Levels	
Federal Appropriation	Amount Allocated
FY 2003 (7 cities)	\$100,000,000
FY 2003 – Supplemental (30 cities)	\$700,000,000
FY 2004 (50 cities)	\$675,000,000
FY 2005 (50 cities)	\$854,000,000
FY 2006 (35 urban areas eligible to apply)	\$765,000,000
Total	\$3,094,000,000

UASI Allocations – San Diego Urban Area	
Federal Appropriation	Amount Allocated
FY 2003 – Supplemental	\$11,359,682
FY 2004	\$10,418,116
FY 2005	\$13,503,618
FY 2006	Competitive grant applications due 2/32/06 to State OHS. Final applications due 3/2/06 to Federal DHS.
Total	\$35,281,416

Summary of Homeland Security Department Proposed Changes

On January 3, 2006 Secretary of Homeland Security Michael Chertoff announced significant changes to the Urban Areas Security Initiative Grant program:

1. Grants would no longer be made to all regions designated high risk. Instead, high risk regions are eligible to submit proposals which would be competitively ranked and funded based on the assessment of the regional plans merit to address risk. Under the previous UASI program, funds were allocated among designated “risk” areas by DHS – with that area then eligible to determine how to spend those funds consistent with federal regulations.

2. The DHS calculation of UASI area "risk" was altered – with the calculation being expanded to include significant numbers of risk assessments that combined to provide a “score” for the region. Facts included levels of threat, vulnerabilities, and consequence to a potential terrorist attack, including:
 - *Critical Infrastructure:* Assessment of asset categories (e.g. transportation, agriculture, utilities), determined by Intelligence expert review of the intent and capability of terrorists to successfully attack those assets, as well as the vulnerability to, and impact of, an attack on those assets.

 - *Geographic Area Characteristics:* Reported credible threats, investigative information, population density, proximity to borders and similar factors deemed likely to make a community more likely to be a terrorist target.

DHS used an algorithm or matrix that produced a quantified risk assessment for each region based on these factors. DHS asserts that the number and quality of inputs this year are enormously greater than prior years – increasing from 42,000 cells of data and 2 million calculations in FY2005, to 20 million cells of data and more than 3 billion calculations in FY 2006. These factors will be recalculated annually to determine funding eligibility.

The new application process requires urban areas to identify their regional needs, but does NOT permit them to make a case for being a “high-risk” area. The major components of the application are:

- Relevance to the National Preparedness goals and priorities

- Regionalization and effective collaboration
- Sustainability
- Implementation approach
- Impact (most bang for the buck)

Federal law establishes the following timeline for DHS to award funds:

- Applications are due 90 days from issuance of regulations equating to an application deadline of March 2, 2006.
- DHS decisions are expected 90 days after application submission – roughly early June 2006.

Other technical changes were proposed – with local impacts explained below.

San Diego Impacts

1. The proposed regulations determine that San Diego is eligible to compete for funding. Significantly, DHS designated San Diego to compete for funds under the lesser of two designations of risk. 35 areas (See Appendix), not including San Diego, were deemed to be eligible based on risk factors. An additional 11 areas, including San Diego, were deemed eligible to apply based on “sustainment” funding, not the risk analysis conducted by DHS. **The new policy is to provide “non-risk” areas with one year of “sustainment funding”. Concerns:**
 - ✓ **This indicates that DHS does NOT view San Diego’s risk to warrant significant funding**
 - ✓ **San Diego is eligible to compete for funds this year**
 - ✓ **If San Diego is similarly assessed to be low risk in next year’s evaluation, the region would be ineligible to compete for funding.**
2. *Some Contiguous/Adjacent UASI Regions have been combined, some reduced in size, and other areas expanded.* **The geographic area included in the new funding cycle include the cities of San Diego, Chula Vista and Escondido, and a 10-mile buffer extending from the border of the combined area. The changes do NOT appear to affect the number of cities participating in our region.**

City Efforts to Appeal DHS Announcement

The City began seeking an appeal of the ranking provided to the San Diego Urban Area immediately upon announcement. Mayor Sanders met with Homeland Security Secretary Chertoff on January 5, 2006 and requested a review of the data and intelligence information be conducted by DHS with city participation. The Mayor’s letter highlighted several risk factors:

- **Population/Density** - San Diego is the seventh largest U.S. city and the second largest in California. Its population density ranks higher than 14 of the 35 high risk cities on the FY2006 list.

- **International Border Proximity** - The San Ysidro International Port of Entry in San Diego is the nation's busiest border crossing. Illegal entry and activity along the border are long-standing and continuing challenges.
- **Regional Critical Infrastructure Vulnerabilities** – San Diego has a downtown airport and port; water and other utilities serving 3.5 million people and military installations; professional sports venues that host major international events; iconic infrastructure such as the Coronado Bridge; internationally recognized tourist attractions such as Sea World and the San Diego Zoo; a substantial defense industry presence; a nearby nuclear power plant; and other assets.
- **National Assets** - It is the home to several vital military bases, including MCAS Miramar and San Diego Naval Station. One third of the U.S. Naval Pacific Fleet is home ported in San Diego Bay, including nuclear carriers and submarines and is home to the busiest land border crossing in the United States.

To address the classified nature of the information used in these calculations, and the fact that there is no formal appeal mechanism provided in the DHS guidelines, the City has sought the opportunity to review the calculations through its congressional delegation. Such a strategy was discussed by Congressman Hunter and Congresswoman Davis on a border tour with Secretary Chertoff – and is supported by Senators Diane Feinstein and Barbara Boxer, as well as Representatives Davis, Filner, Hunter and Issa. The City has also requested and received the support of the Governor and the State Office of Homeland Security.

Briefings for the delegation are anticipated the week of January 23, 2006. The City's appeal of the "risk" assessment, as well as its FY 2006 UASI application, will be calibrated to the information gained in these briefings. A similar briefing for the State Office of Homeland Security, Matt Bettenhausen and local public safety officials has been requested. This meeting is expected to occur in January.

FY 2006 UASI Application

The City's Office of Homeland Security is currently developing the region's grant application for submission to the State by the February 17, 2006 deadline – with state submissions due to the federal DHS by March 2, 2006. Once transmitted to DHS, all applications will undergo a "peer review" process and will be scored with no penalty being assessed for being in the "sustainment" category. The applications will all be scored based on the merits of the application. After peer review, DHS will combine the score of the peer review with a weight factor for risk assessment. This weighted factor will likely cause "sustainment" category applicants' scores to be lowered thereby reducing the final grant amount.

The State of California will host OHS recipients January 23, 2006 to forge a statewide funding strategy.

DHS is expected to announce grants in early June, 2006.

Summary and Next Steps

- ✓ Through congressional briefings, the City hopes to identify during the month of January what factors may have been inappropriately weighted so as to result in

the lower risk assessment for the region. Classified briefings with Congressional Staff and the Governor's Office of Homeland Security are pending.

- ✓ The City's Office of Homeland Security is already preparing the Urban Area's UASI grant application to meet the March 2, 2006 deadline.
- ✓ Peer review of FY06 applications will conclude in late April, 2006.
- ✓ DHS review and announcement of grant allocations will be completed by June 2, 2006.

Appendix 1: List of eligible urban areas

Phoenix, AZ *	Twin Cities, MN
Anaheim/Santa Ana, CA	Kansas City Area, MO
San Francisco Bay Area, CA	St Louis, MO
Los Angeles/Long Beach, CA	Omaha Area, NB*
Sacramento, CA*	Charlotte, NC
<u>San Diego, CA*</u>	Jersey City/Newark Area
Denver, CO	Las Vegas Area, NV*
National Capital Region	Buffalo Area, NY*
Fort Lauderdale, FL	New York City, NY
Jacksonville, FL	Cincinnati Area, OH
Miami, FL	Cleveland Area, OH
Orland, FL	Columbus Area, OH
Tampa, FL*	Toledo Area, OH*
Atlanta, GA	Oklahoma City, OK*
Honolulu, HI	Portland Area, OR
Chicago, IL	Philadelphia Area, PA
Indianapolis, IN	Pittsburgh area, PA
Louisville, KY*	Memphis, TN
Baton Rouge, LA*	Dallas/Fort Worth Area, TX
New Orleans, LA	Houston area, TX
Boston, MA	San Antonio area, TX
Baltimore, MD	Seattle Area, WA
Detroit, MI	Milwaukee Area, WI

* - FY05 Urban Areas eligible for sustainment funding through the FY06 UASI program; any Urban Area not identified as eligible through the risk analysis process for two consecutive years will not be eligible for continued funding under the UASI program.