



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: January 23, 2008 REPORT NO:08-004
ATTENTION: City Council
Docket of the January 29, 2008
SUBJECT: Proposed 2008 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:

Just as in the 2007 legislative effort, specific criteria were used as a guide in establishing the City's 2008 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:

The 2007 legislative effort was a successful one. The City of San Diego sponsored three bills and was an active participant in negotiating a fourth bill with direct impacts to the City. The passage and chaptering of SB 373 carried by Senator Kehoe allowed the City to dedicate 6600 acres of open space. The passage and chaptering of AB 1431 carried by Assembly Member Garrick allows local government candidates and elected officials to create a separate account for the purpose of creating and maintaining a legal defense fund as is already allowed for state candidates and elected officials. IRD was unable to move forward the City's third bill, AB 802, which would have established a statewide board modeled after the San Diego Gang Commission. While the bill was not able to move off the Assembly suspense file, many pieces of the bill were added to the subsequent legislation pushed by the Governor. Finally, IRD was an active participant in negotiating

out SB 10 carried by Senator Kehoe which revamped the Regional Airport Authority. In the final bill the City was able to gain the right for the Mayor to name the chair and a weighted vote system modeled after SANDAG.

Intergovernmental Relations was also active at the federal level. With the enactment of the Water Resources Development Act (WRDA), the City was successful at receiving federal authorization for a feasibility study of the four reservoir intertie project.

The City of San Diego also had a good year when it came to securing federal and state funding spurred by the Mayor's lobbying efforts in Washington D.C. and in Sacramento. The Mayor made two trips to the nations capitol and three trips to Sacramento, as well as additional trips to CTC hearings around the state. In addition to securing a \$16 million USAII grant, IRD and our federal lobbyists continue to work on several key appropriations requests that are still alive in congress. At the state level, the City has worked jointly with SANDAG to secure \$451.5 million in CMIA funding under Proposition 1B and more recently \$250-\$400 million in TCIF funding under Proposition 1B. There were not any significant funding opportunities within this calendar year under Proposition 1C and Proposition 84.

Finally in 2007, Intergovernmental Relations was actively involved in securing federal and state disaster aid and resources during the Soledad Landslide and the 2007 Wildfires, as well as coordinating the visits of numerous electeds and agency officials.

The Intergovernmental Relations Department recommends the City Council consider the following proposals and adopt them as the City's 2008 Legislative Program.

2008 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 new 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. Support, SCA 12, a Constitutional Amendment to exempt fees or charges related to flood control, storm water drainage or surface water drainage from the Proposition 218 voter approval requirements. (Storm water fees could then be imposed by Mayor/Council via the same current process for water and wastewater fees).

2. 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).
3. Modify Proposition 13 and Proposition 50 grant requirements from 3 year to 5 year grant project completion date.
4. Seek federal EPA and State Water Resources Control Board policies that require the preparation of watershed-based comprehensive Total Maximum Daily Load (TMDL) Programs, rather than numerous pollutant-specific TMDLs. Due to federal EPA pressure to issue TMDLs, state agencies are currently issuing pollutant specific TMDLs, making compliance strategies difficult to develop because all future TMDLs should be considered simultaneously.
5. Seek state and federal legislation that would allow a one time permit and one time mitigation for storm water canal maintenance and cleaning.
6. Seek state and federal funding for storm water pollution prevention programs and City CIP.

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, with the passage of the \$1.4 billion March 2007 water/sewer rate case to repair the City's aging infrastructure the City must look for ways to maximize those funds. As is the case with most infrastructure improvements, the costs for expanding the system are expensive. 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. 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.
2. The Federal Clean Water State Revolving fund (CW SRF) and the Drinking Water State Revolving Fund (DW SRF) provide crucial federal funds for state loan accounts for communities to use in repairing and modernizing wastewater and water infrastructure systems. The City's Water and Wastewater Departments are eligible to apply for these loans as a lower cost alternative to private bond financing of projects in the Capital Improvement Program. The City should advocate for protecting and enhancing SRF funding levels in the President's FY09 Budget.

3. Support the creation of a state water bond which would enhance water supplies, fund local surface storage, authorize conveyance around the Sacramento-San Joaquin Delta and fund environmental mitigation projects on the Sacramento-San Joaquin Delta.
4. Seek state infrastructure bond funding for Integrated Regional Water Management Plan projects.
5. 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.
6. Support efforts that will result in a uniform enforcement of reclaimed water and conversion regulations. Efforts could be, but not limited to:
 - Legislation for uniform enforcement of regulations
 - California DHS (Department of Health Services) to establish a uniform recycling criteria
 - Advocate for the SWRCB Water Recycling Guidance document to remain on schedule, be completed, and for the City to comment as the document is developed

Transportation and Border Funding

The City strives to reduce the economic impact of border wait times and protect and enhance the binational region's global competitiveness while maintain secure and efficient ports of entry. As a result of the regions success in securing border project funding in the TCIF portion under Proposition 1B, the City and SANDAG are poised to launch several major projects within the border zone.

Proposed Solutions:

1. Funding for improvements to existing Ports of Entries is administered by the Department of Homeland Security, Customs and Border Protection. The City should advocate making funding for the SY Port of Entry, the Otay II Port of Entry and SR 11 a priority within DHS.
2. Seek a Presidential Permit for the Otay II Port of Entry
3. Seek state legislation which would allow tolling on SR 11 to help finance the construction of SR 11 and the construction, operations and maintenance of the Otay II Port of Entry.
4. Seek federal funding for state of California's Goods Movement Action Plan.
5. Initiate discussions and planning with the Department of Transportation and relevant Congressional members to begin preparing for the next transportation reauthorization bill expected in FY2010.
6. Seek Prop 1B transportation dollars for regional projects that will benefit the City of San Diego.
7. 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.

2007 San Diego Wildfires

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. The state and federal governments have traditionally not funded firefighting in the same way they have police protection but with the 2007 wildfires as the catalyst it appears that policy may change in 2008. One important funding priority is for the state to increase the number of spotters available during major fire emergency.

Additionally, while brush management is not a silver bullet to fight wildfires, it does help by decreasing fuel loads and providing more defensible space. The City must continue to pursue funding and regulatory changes to increase brush management.

Finally the City should pursue incentives for home owners to decrease the fire risk to their personal residences.

Proposed Solutions:

1. Seek state and federal funding for local and regional firefighting equipment.
2. Seek legislation granting 100% California Disaster Assistance Act (CDAA) reimbursement for 2007 local government costs for firefighting and recovery costs associated with the 2007 wildfires.
3. Seek legislation that would expedite permitting for brush management in extremely high risk fire areas.
4. Seek legislation or administrative action that would increase the number of spotters available during major fire events.
5. Seek legislation to establish a tax credit or rebate program for home improvements that would decrease the fire risk to personal residences. This program modeled after the federal Energy Star program might include improvements such as tile roofs, boxed eaves and non-flammable decking materials.

Statewide Grant Notification

Both State and Federal governments operate numerous departments and agencies for the benefit of the public. Often, these departments and agencies offer competitive grant opportunities for local governments.

The federal government operates a website (www.grants.gov) which is a central storehouse for information on over 1,000 grant programs and access to approximately \$400 billion in annual awards. By registering once on this site, organizations can apply for grants from 26 different Federal agencies.

The State of California, however, does not have a similar program and finding information on, or learning about new grant opportunities is much more challenging.

Proposed Solution: Sponsor an initiative to encourage the State to create a tool similar to the Federal model of <http://grants.gov>. By creating this tool, City staff would have a

single source of grant information and should be better positioned to apply for and receive state grant funding.

CONTINUING LEGISLATIVE AND ADMINISTRATIVE PRIORITIES

Implementation of Statewide Bond Measures

On November 7, 2006 the citizens of California approved the historic infrastructure bond package, Propositions 1B – 1E (Proposition 1A protected existing transportation revenues and was not a bond measure) as well as Proposition 84. Combined, these bond measures totaled over \$42 billion for improvements for: transportation; housing; education; disaster preparedness and flood control; and drinking water and natural resources protection.

Prior to the election, the City Council voted unanimously to approve Propositions 1A – 1E. Given the strong support from the Mayor and Council for these propositions and the potential for the City and the region to receive hundreds of millions of dollars for infrastructure improvements, it is necessary the City work diligently to ensure the citizens receive a fair share return on their investment.

Each of the bond measures is comprised of a variety of funding categories. Some of those funds have been dedicated to existing programs (i.e.: State Transportation Improvement Program (STIP), Local Streets and Roads, Multi-Family Housing Program, etc.) and the City will compete for funding in accordance with the existing guidelines for each funding category.

However, a majority of the funding will require the Legislature or the Administration to develop the criteria before allocation of the money can occur. Additionally, the funds must be appropriated by the Legislature before expenditure. IRD along with our state lobbyists Sloat, Higgins, Jensen and Associates were active in 2007 in helping to shape criteria both for eligible funding categories in both Prop 1B and Prop 1C and it is anticipated that we will be equally as active in 2008. Additionally, through the internal Mayor's State Bond Task Force, IRD and city departments have worked to identify worthy projects to submit for state consideration at the appropriate times.

Proposed Solution: The top priority for the City in the 2008 State Legislative Session is to receive a fair share of funding from the bond measures. To accomplish this, two key efforts must occur:

1. Engage in development of the legislative or administrative criteria for each of those categories to maximize City eligibility and probability of ultimately being awarded funds.
2. Advocate for the appropriation of funds for those programs the City is eligible to receive funding from before the Legislature.

Homeland Security Funding/Eligibility for UASI Program

In January 2007 the Department of Homeland Security identified 45 urban areas throughout the country eligible to apply for Urban Area Security Initiative funding. Of

these 45 cities, San Diego was again deemed eligible to compete for UASI funds a year after being placed on the UASI “sustainment” list for 2006.

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.

Point Loma Waiver

The City has filed its wastewater discharge permit with the federal government. The Metropolitan Wastewater Department (MWW) is currently exploring a number of options in efforts to determine the best approach for complying with federal and state discharge requirements.

Regardless of which option is recommended and ultimately approved by City officials as the final strategy, intergovernmental relations activities will play a crucial role in the success of the discharge permit.

Gang Prevention and Intervention

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.

Proposed Solution: The Intergovernmental Relations Department, 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.

Renewal Community Boundary Correction

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.

Proposed Solution: 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.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On December 6, 2007 the Council Committee on Rules, Open Government and Intergovernmental Relations voted 4-0 to forward the Proposed 2008 Legislative Package to Council for further action. On November 22, 2006 the Council Committee on Rules, Open Government and Intergovernmental Relations voted 4-0 to forward report #06-178 to Council for further action, with additional recommendation to include increased funding for the State Revolving Fund (SRF).



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