



COUNCILMEMBER DAVID ALVAREZ

City of San Diego

Eighth District

MEMORANDUM

DATE: November 6, 2013

TO: Interim Mayor Todd Gloria

FROM: Councilmember David Alvarez

SUBJECT: 2014 State and Federal Legislative Priorities

As you develop the City's 2014 State and Federal legislative priorities package the following issues are critical to the health of the City in coming years and the City absolutely must be active in Sacramento and Washington to ensure that they are addressed:

1. **Border Infrastructure:** Funding for border infrastructure is a priority for our bi-national region. According to SANDAG, border wait times have cost our region at least \$7 billion in lost revenue and 62,000 jobs. Along with funding the projects listed below, funding for more staff will help to alleviate the lengthy border wait times.
 - a. **Federal Funding of Phases II and III of the San Ysidro Port of Entry Modernization, San Ysidro:** Will complete funding for expanded vehicle and pedestrian border crossing. Border wait times have been shown to have a direct economic impact on our region. This project will add northbound capacity and make the crossing more efficient to reduce average wait times.
 - b. **Federal Funding of Otay Mesa Port of Entry Modernization, Otay Mesa:** Will complete funding for expanded vehicle, commercial vehicle, and pedestrian border crossing. Making the crossing more efficient for commercial vehicles adds to the economic growth of our region and makes the Otay Mesa area more competitive with other bi-national regions.

2. **Energy Sustainability:**

- a. Property Assessed Clean Energy (PACE) programs are becoming a successful tool for property owners to install solar on their properties. However, the federal government does not allow property owners with FHFA loans to get PACE financing. It is critical that this is addressed so that thousands of residential property owners in San Diego can take advantage of this tool in order to become renewable energy producers. There have been several attempts by Congress to address this issue through legislation, but no bill has been passed to address the problem. Recently, Governor Brown has tried to address FHFA concerns by setting up a reserve fund for any potential defaults. As of this date, FHFA has not provided any specific response to the Governor. San Diego should be a leader in pushing our federal representatives to solve this problem and working cooperatively with the State to find a solution that works.
- b. Lobby the Public Utilities Commission (PUC) to allow the direct purchase of energy by the City.

3. **General Obligation Bond Approval Threshold:** Currently, the State of California requires 2/3 voter approval for cities to pass general obligation bonds. General obligation bonds can be a valuable tool in addressing deferred maintenance and building needed infrastructure projects in San Diego. The City should pursue State legislation that changes the threshold to 55 percent voter approval.

4. **Potable Reuse State Regulations:** Updating our potable water system to provide a sustainable source of clean drinking water for years to come is a top priority. As the City moves forward to invest in a potable reuse system, it is critical that the State provide clear regulations regarding both indirect potable reuse and direct potable reuse systems for municipalities to abide by. Specifically, we must work closely with the Assembly and Senate budget subcommittees (and through the San Diego legislative delegation) with oversight of the California Department of Public Health (DPH) and State Water Resources Control Board (SWRCB) budgets to ensure that there are appropriate considerations given to the establishment of the potable reuse advisory group and expert panel and sufficient fiscal opportunity to ensure that the work can be undertaken in an expeditious manner.

5. **Support Water Bond Legislation:**

Support water bond legislation that focuses on statewide priorities that achieve the co-equal goals of improving water supply reliability and restoring ecosystems in the Delta. A water bond should also provide an equitable share of benefits to the San Diego region, including IRWM Program funding.

6. **Support Water Infrastructure Finance Innovations Authority:**

This federal credit program assists with gap funding for regionally significant projects. It provides loans, loan guarantees and lines of credit to qualifying applicants based on the government's cost of funds. The loans will then be repaid from local dedicated revenue

sources, including customer rates and local charges. This will be a critical source of funding as the City moves forward with a large potable reuse system.

Additionally, it is critical that our legislative lobbyists provide metrics showing their work on each task included in the general work plan developed by the city and lobbying firm. Each task should include a timeline so the City has an understanding of when certain milestones can be expected to take place. As such I would request that the City be provided with regular updates that include information regarding the following specific deliverables and metrics:

- Identify, analyze and track State legislative and administrative/regulatory activities related to the City's interests. Weekly legislative reports shall be provided to the City and additionally, the lobbying firm shall participate in regular strategy and update calls with the City;
- Advance issues which protect the City's interests including local control over city finances, infrastructure funding, and charter city issues;
- Develop messaging and correspondence documents;
- Work with key members of the Legislature and staff, Governor's office and Agencies;
- Engage and coordinate with key Associations including but not limited to the California League of Cities and Big Ten Mayors;
- Assist Intergovernmental relations staff with identifying funding opportunities including those available through Propositions 50 and 84;
- Attend City Council meetings and Committee meetings as requested;
- Work closely with City staff and the legislative working group on policy issues and priorities to effectively execute legislative and regulatory strategies;
- Develop messaging, public testimony and correspondence documents for use in legislative, regulatory and coalition efforts;
- Attend meetings and conference calls with representatives of the City and provide verbal and written updates, reports and advice on strategic direction related to legislative bills and events, governor's initiatives, and regulatory proceedings;

I look forward to working together in pursuing the above legislative priorities in 2014.

CC: Honorable City Councilmembers
Andrea Tevlin, IBA