



Memorandum

TO: RULES COMMITTEE

FROM: Betsy Shotwell

**SUBJECT: 2007 LEGISLATIVE GUIDELINES
AND PRIORITIES**

DATE: January 19, 2007

Approved

Deanna Sabre

Date

1/19/07

RECOMMENDATION

Accept the 2007 Legislative Guidelines and Priorities for the first year of the two-year Legislative Session in Sacramento and the 110th Congress. A one-week turnaround to the City Council is requested so that staff can begin carrying out Council direction in Sacramento and Washington, D.C.

OUTCOME

Input from the Rules Committee will be incorporated into the 2007 Legislative Guidelines and Priorities and will be forwarded to the City Council for adoption this month. The Legislative Guidelines and Priorities represent a new framework for organizing the City's legislative interests and is a starting point for the development of a manageable workload in Sacramento and Washington, D.C.

BACKGROUND

In the fall of 2006, the City Service Areas (CSA's) developed legislative principles that have been consolidated into the draft City's 2007 Legislative Guidelines. The Guidelines document was presented before the All Children Achieve, Building Better Neighborhoods and Driving a Strong Economy Committees during the month of November for review and feedback. This document provides a framework for formulating City-sponsored legislation and directing the City's support, opposition, or co-sponsoring of State and Federal legislation.

Concurrent to the development of the Guiding Principles, staff has developed the 2007 Legislative Priorities which consist of some actionable items of high priority to the City, (and the legislative work plan). These items include both legislation and Federal appropriation requests. Issues range from sponsoring of legislation to assist with funding the construction of the Airport's rental car garage to seeking State and Federal funding opportunities for transportation, housing and education programs. Together, the documents form the foundation for proactive participation with our State and Federal delegation on those issues of highest priority to the City in 2007.

ANALYSIS

The Legislative Guidelines are organized by the following legislative guiding principles:

- Protect Local Control
- Ensure Region's Competitiveness/Protect Revenue Base
- Protect/Increase Local Funding/No Unfunded Mandates
- Pursue Federal and State Funding for Key Efforts
- Preserve Redevelopment as a Tool for Revitalization
- Promote Livability/Sustainable Development and Environmental Protection
- Support Efforts to Keep San José Safe

The Legislative Priorities identify prioritized actionable items briefly described under the categories as follows:

- Advance Airport Construction Projects
- Maximize Transportation Funding
- Funding for Education and Literacy Programs
- Secure Housing Program Funds
- Advance Environmental Initiatives
- Ensure Public Safety

In summary there are 28 high level priorities of which 11 are State priorities and 22 are Federal priorities with some priorities being issues at both the State and Federal levels.

As stated in the Legislative Guidelines, the City supports legislation that will enhance the City's ability to maintain a balanced budget, deliver stable quality City services, and minimize the costs of operations. With the State's continuing structural budget deficit it will again be critical that the City support legislation and policies that reduce any negative impacts to City services, revenues, or costs resulting from State and Federal legislation or budgets that impact the City.

As these "living" documents concern circumstances that will be in play during the entire legislative year, staff will update the Council regularly and provide amendments to the documents as needed for Council review and direction.

PUBLIC OUTREACH



Criteria 1: Requires Council action on the use of public funds equal to \$1 million or greater.

(Required: Website Posting)

- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Staff presented the Guidelines document to various Council Committees in late 2006. This document will be posted on the City's website for the January 24 Rules Committee meeting where Council and the public have the opportunity to comment. Distribution of this item in the Rules packet on January 19 will meet the ten day requirement for being heard at the January 30 City Council meeting.

COORDINATION

The documents were coordinated with City Departments, City Service Area's, the Redevelopment Agency, the City Attorney's Office, the City's Legislative Representative in Sacramento, and the City's Federal lobbyist firm of Patton Boggs.

POLICY ALIGNMENT

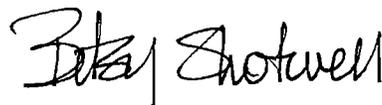
The 2007 Legislative Guiding Principles and Legislative Priorities, will further the City's legislative policy goals and form the foundation of the City's efforts to work with our State and Federal partners on issues of concern and interest to the City.

COST IMPLICATION

Not applicable.

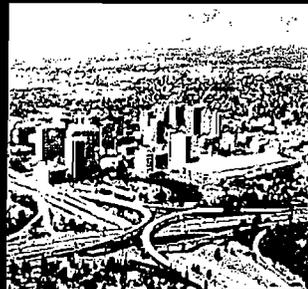
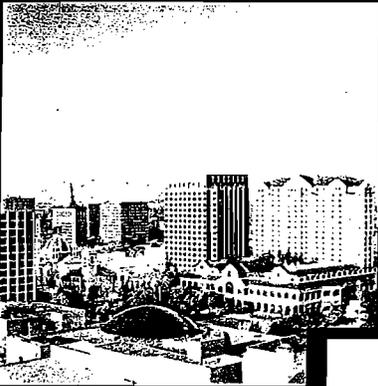
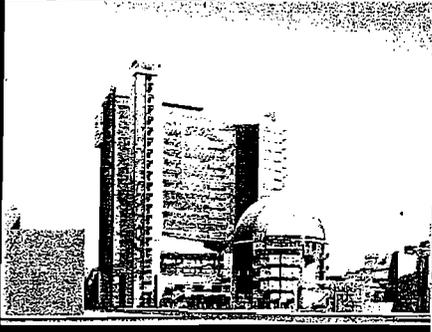
BUDGET REFERENCE

Not applicable.



BETSY SHOTWELL
Director, Intergovernmental Relations

City of San Jose 2007 Legislative Guiding Principles



San José, the “Capital of Silicon Valley” and county seat of Santa Clara County, is the third largest city in California, tenth largest in the nation and home to a population of 945,000 residents. While San José and Silicon Valley are largely associated with the technology industry, the City's business profile is diverse and healthy with the presence of robust commercial, retail, industrial, professional and service businesses. San José is the Safest Big City in America, with the best public safety record of any metropolitan area in the country. The City is proud of the cultural and ethnic diversity of its population and workforce and the rich cultural identity of its many neighborhoods. The City is one of the cleanest cities in the United States and was voted America's most livable city. City residents speak more than 52 different languages. San Jose ranks first in the nation in terms of the number of college graduates per capita.

The City of San José is often recognized as a leader in municipal services, economic prosperity, and for its quality of life. This reputation is an outgrowth of City government's ability to make informed public policy decisions and influence the direction in which the City is headed at a regional, State, and national level. Over the past years, the City of San José has experienced a tremendous amount of growth and prosperity. This has presented significant public policy challenges related to the municipal services that the City provides and the ability to respond effectively to changing needs. The challenge of effectively responding to emerging trends with informed policy and legislative initiatives will continue to increase, along with the complexity of the issues and diverse expectations from residents. This document highlights the City's legislative guiding principles; together with the City's legislative priorities, they form the basis of the City's efforts to work with our federal and State partners. This document is organized by the following legislative guiding principles:

- Protect Local Control
- Ensure Region's Competitiveness/Protect City Revenue Base
- Protect/Increase Local Funding/No Unfunded Mandates
- Pursue Federal and State Funding for Key Efforts
- Preserve Redevelopment as a Tool for Revitalization
- Promote Livability/Sustainable Development and Environmental Protection
- Support Efforts to Keep San Jose Safe

PROTECT LOCAL CONTROL

The City values its ability to exercise local control, enable excellent public services and protect and enhance the quality of life for San Jose residents. The City supports local control efforts to streamline regulations that simplify the job of running the City.

Specifically, the City supports efforts, legislation, and policies that:

1. Protect local government revenues by maintaining local authority over the collection of fees and generation of revenues.
2. Reward cities that routinely provide their fair share of housing, while relieving them of slow, unnecessary, or unproductive regulatory review.
3. Allow greater local control regarding the location and permitting of group homes, while ensuring reasonable accommodations to the disabled.
4. Protect the rights of cities to manage local integrated waste management facilities, programs, and materials.
5. Promote legislation and policies that increase local control of utility infrastructure.
6. Promote the ability of cities, in the area of telecommunications, to have control over the collection of fees and raising of revenues through franchise agreements.

ENSURE REGION'S COMPETITIVENESS/ PROTECT CITY REVENUE BASE

The City embraces efforts to obtain funding for economic development initiatives, including planning and implementation of regional transportation and traffic congestion relief projects and creation of affordable housing.

The City supports efforts, legislation, and policies that:

1. Provide resources and incentives for workforce training, job creation, small business development, and research and development.
2. Give more flexibility to Workforce Investment Boards and enable WIBs to target services according to local needs.

3. Oppose policies that undermine San Jose's competitiveness and the City's revenue base, or that adversely impact San Jose-based businesses.
4. Fuel innovation and employment that results in the development of new products, technology, and services (e.g., bioscience incubators, solar technology, nanotechnology, informatics, and alternative fuel technology).
5. Improve the method of assessment, collection, and allocation of local revenues, and oppose efforts that threaten the sources and flexibility of existing revenues.
6. Support the implementation of the San Jose International Airport Terminal Area Improvement Program, a \$1.5 billion capital development program to improve airport facilities in two phases.

PROTECT/INCREASE LOCAL FUNDING/ NO UNFUNDED MANDATES

Legislation and policies that reduce any negative impacts to City services, revenues, or costs resulting from state and federal legislation or budgets are high priorities.

The City supports efforts, legislation, and policies that:

1. Provide funding to offset the local costs of managing environmental programs, including water quality protection, energy efficiency, and water supply protection.
2. Support the cost of public safety overtime associated with federal actions and mandates, including changes in alert color codes.
3. Promotes policies that provide a more sustainable and cost-effective delivery of workers' compensation benefits for injured City employees.
4. Provide State funding and efforts that strengthen the monitoring of sex offenders.
5. Ensure sufficient funding for security efforts, including funding for staffing, facilities, training, and equipment.
6. Support innovative State and federal transportation funding mechanisms that focus on aviation issues such as greater

flexibility in airport Passenger Facility Charges and surface transportation needs such as vehicle license surcharges, indexing of gas tax, and approval of local transportation and infrastructure funding measures by less than a 2/3 majority.

7. Support policies that incorporate the costs of handling, recycling, and disposal to the users/generators of hazardous materials.

PURSUE FEDERAL AND STATE FUNDING FOR KEY EFFORTS

The City supports legislation that increases federal and State funding for efforts that:

1. Fund affordable housing (Low Income Housing Tax Credits, Mortgage Revenue Bonds, HOME Investment Partnership, HOPWA), including the creation of permanent dedicated revenue sources at the federal, State, and local levels.
2. End chronic homelessness in 10 years.
3. Fully fund the CDBG Program and the HUD Section 108 Program, and ensure that the City gets its fair share.
4. Support workforce training, job creation, and research and development efforts.
5. Fund traditional infrastructure repair and replacement, including redevelopment areas (e.g., flood control, storm damage, retention basins, water systems, sanitary sewers, storm drainage systems, and recycled water systems).
6. Preserve and pursue California's and San Jose's share of federal and State transportation funding, for planning and implementation of State and regional transportation and traffic congestion relief projects.
7. Enable the development and protection of transportation funding for the maintenance and operations of local streets and roads.
8. Provide transportation investment to preserve existing facilities, support multi-modal travel, and enhance community livability.
9. Pursue funding to create sustainable long-term water supplies.
10. Improve the conditions of local waterways and facilitate watershed restoration.

11. Provide funding for library construction activities and enhanced library services.
12. Ensure adequate funding and continuation of programs that support programming and operating costs and provide equitable reimbursement for the library's inter-system handling costs.
13. Enable the construction of high quality child care centers and improve professional development and training of child care.

PRESERVE REDEVELOPMENT AS A TOOL FOR CITY REVITALIZATION

The City supports legislation and policies that maintain the local autonomy of the Redevelopment Agency and supports efforts to protect the Agency's flexibility to use redevelopment funds, while opposing efforts to limit or divert the use of redevelopment funds (including 20% funds).

1. Oppose efforts to limit the reasonable use of eminent domain in the implementation of the City's redevelopment and neighborhood revitalization efforts.
2. Oppose efforts to reduce the powers of redevelopment agencies to continue efforts to reduce blight and improve our neighborhoods.

PROMOTE LIVABILITY/ SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PROTECTION

The City values a sustainable quality of life in an urban environment, including: child care, aging and youth services, libraries, urban parks and open space, recreation facilities, environmental protection, and arts and culture. The City supports legislation and policies that emphasize sustainable development; improve environmental standards and the regulatory process; provide incentives and financial measures for preservation of natural resources; and promote sustainable energy policies.

The City supports legislation that promotes livability, sustainable development, and environmental protection that:

1. Protect the environment and emphasize conservation and renewable energy sources.
2. Support implementation of the 2005 United Nations Accords 21 Actions.
3. Promote water efficient practices and ensure a clean, affordable water supply.
4. Expand and maintain the City's system of trails and recreational facilities.
5. Promote the successful delivery of transportation projects that include delivery and environmental streamlining.
6. Streamline the CEQA process, particularly for infill housing and high-density housing near public transportation or corridors.
7. Promote research, development, production, and purchase of alternative fuel and hybrid vehicles as well as the conservation and preservation of natural resources.
8. Enable the Airport to be a good neighbor by limiting excessive noise and reducing negative environmental impacts.
9. Maintain the effectiveness of housing and community development efforts, including the administration of the City's Housing Authority. Support efforts to make the City Housing Authority a Moving to Work jurisdiction.
10. Continue to promote education attainment and literacy and learning programs.
11. Ensure that public utility companies prioritize and efficiently deliver utility under grounding projects.
12. Promote research into effectiveness of green building and economic incentives for builders who build sustainable and green buildings.
13. Promote funding for long-term habitat and watershed restoration efforts.
14. Provide for funding for development and replacement of utility infrastructure such as water, waste water, recycled water levees, and flood control.
15. Promote sustainable development, and improved environmental and conservation standards.

16. Promote regulatory processes that encourage collaboration and provide incentives for sustainable development.

SUPPORT EFFORTS TO KEEP SAN JOSE SAFE

The City supports legislation and policies that enable local officials to access resources to provide quality police, fire, emergency management, and emergency medical services to the community.

Support legislation and policies that:

1. Provide opportunities for community policing and public safety education programs.
2. Secure or protect ongoing funding for Homeland Security efforts to enable the City, as a local first responder, to effectively respond to all forms of emergencies.
3. Ensure that San Jose receives a proportionate share of funding for public safety/security initiatives.
4. Provide ongoing support for proposals related to interoperability of communications systems for Police and Fire.
5. Promote user pays policies as they relate to costs associated with handling, recycling, and disposal of hazardous materials.
6. Promote transportation safety and security for all modes including traffic calming within neighborhoods, safe routes to school for children, and increase local authority to set effective traffic control practices on local streets.

LEGISLATIVE PRIORITY	TYPE	A. Revenue Enhancement B. Public Policy Change C. Appropriation Request			POTENTIAL FISCAL IMPACT	SCHEDULE/ MILESTONES	LEAD STAFF/ DEPT
		A	B	C			
		1. ADVANCE AIRPORT CONSTRUCTION PROJECTS					
a. Customer Facility Charges (CFC) — The City should pursue the repeal of the 1999 state legislation sponsored to give it the ability to impose a customer facility charge on Airport rental car customers to fund interim busing service and to finance the construction of the planned consolidated rental car facility and a common use transportation system at the Airport. By repealing the 1999 legislation and coming under the jurisdiction of the current state legislation for customer facility charges, several key limitations will be removed and the City will be in a better position to finance the consolidated rental car garage and a common use transportation system.	State	X	X		Under current law, City cannot collect fees until after the facilities are constructed and occupied. New legislation would allow collection of CFC up to two years prior to construction.	Deadline for bill introduction to Legislative Counsel's Office is January 26 and the deadline for bill introduction is February 23. For the bill to become law January 1, 2008, the measure would have to pass out of the Senate and Assembly and be signed by the Governor no later than October 14. Item presented to January 17 Rules Committee for Council consideration on January 23.	Teri Gomes & Jim Webb, Airport
b. Airport Baggage System —As the City proceeds with its design-build of the Airport, a substantial federal funding investment is needed to build a state-of-the-art baggage screening system. Federal investment in the system will allow for reductions in the TSA labor costs, and will reduce impact to airline operations and passenger convenience. A federal funding commitment is needed by spring 2007 or the City will be required to build a basic baggage and lose the significant benefits of the state-of-the-art baggage system	Federal			X	Request TSA funding assistance in the amount of \$105 Million.	First secure \$35 million in TSA funding assistance for Terminal A. After securing this initial funding, in 2007, secure a commitment from TSA that San José will remain eligible for funding in the future and that SJC will be reimbursed, as funding becomes available, the remaining \$70 million to cover the federal share of the cost of the baggage project.	Dave Maas & Jim Webb, Airport
2. MAXIMIZE TRANSPORTATION FUNDING							
a. Proposition 1B – Will provide new funding for transportation needs statewide over a ten-year period. City to receive “guaranteed” amount of \$30M for local street improvements, pavement maintenance. VTA will have opportunities to compete for regional transportation funds.	State	X			\$30 Million	Discussions by stakeholders regarding the distribution levels and timing are currently occurring. Some ideas include front-loading the local street and roads program in the first half of the bond.	Jim Helmer & Hans Larsen, DOT
b. BART To Silicon Valley – The Santa Clara Valley Transportation Authority (VTA) is developing the project to extend BART service to Silicon Valley, with station stops located in Milpitas, San José and Santa Clara. The estimated cost of the project is \$4.7 billion (in 2005 dollars) and funding for 80% of the project cost is currently identified from local,	State & Federal	X		X	Local 2000 Measure A Program - \$2.62 billion. State Traffic	The completion of the BART to Silicon Valley Project will provide many benefits to the City of San José and its residents. The City should continue its partnership with VTA in seeking both federal and state funding for the BART to Silicon Valley	Hans Larsen, DOT

<p>state and federal sources. The BART Project will receive 56 % of its funding from the local 2000 Measure A Program, 32 % will come from state and federal sources, with the remaining 12 % to be sought from other sources. Funding from these state and federal sources will continue to be key in keeping the Project moving forward to meet its schedule to begin revenue service in 2016.</p>				<p>Congestion Relief Program – \$6.49 Million. State Proposition 42 - \$119 Million Federal New Starts Program – \$750 million. Other Sources –\$ 564 Million. Total –\$ 4.7 Billion.</p>	<p>Extension. San José should work with VTA:</p> <ul style="list-style-type: none"> ▪ Obtain full TCRP allocation by 2007-08 ▪ Pursue federal funding through the New Starts Program and the Budget Appropriations Process ▪ Pursue state funding from the Proposition 1B Bond Program. 	
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3. FUNDING FOR EDUCATION & LITERACY PROGRAMS

<p>a. Redesign of the Dr. Martin Luther King, Jr. Library's Teen Center—Objective is to connect the City's youth with literacy, relationships with library staff, reading information-rich experiences, and positive social interactions by reinventing the Teen Center at the Dr. Martin Luther King, Jr. Library. The new Teen Center will serve downtown youth and be a draw for youth throughout the City.</p>	Federal			X	<p>Total unofficial cost estimate of \$750,000. Amount considered for Federal request: \$300,000.</p>	<p>Submit request in early 2007 for possible Federal FY 2008 appropriation.</p> <p>Jane Light/ Kary Bloom, Library</p>
<p>b. Services to New Americans – Nearly 37% of the City's residents were born outside of the U.S., and 16.3% entered the Country between 1990 and 2000. The largest immigrant groups in Santa Clara County are Latino, Vietnamese, Filipino, Chinese, and Asian Indian. A 1999 report, <i>Bridging Borders in Silicon Valley</i>, identified three major categories of immigrant needs: Family Safety Net, Employment, and Resettlement Issues. To address these needs, the Library will offer a life skills program, "Services for New Americans" that will consist of workshops in four languages and will be augmented with culturally and linguistically relevant materials. Program focus areas will include: Health Education; Job Seeking Skills; Citizenship; and Family Safety and Resettlement.</p>	Federal			X	<p>Total project cost of \$372,000. Amount considered for Federal request: \$265,000.</p>	<p>Submit request in early 2007 for possible Federal FY 2008 appropriation.</p> <p>Jane Light/ Kary Bloom, Library</p>

<p>c. An Early Start, A Great Start! – Supports the early childhood development of children ages 0 to 5 so that they are better prepared to succeed in kindergarten. Through this program, the Library would develop and offer a 6-week series of hands-on, interactive workshops for parents and primary caregivers on the following topics: Early literacy; Childhood health; Developmental Assets; and Basic Parenting. Workshops would be culturally and linguistically appropriate for the audience and include home materials and information. Workshops would be replicated at the 18 libraries (soon 20) across the City.</p>	Federal		X	Total project cost of \$261,250. Amount considered for Federal request: \$171,250.	Submit request in early 2007 for possible Federal FY 2008 appropriation.	Jane Light/ Kary Bloom, Library
<p>d. Family Child Care Training Program –This program provides an average of 55 participants a year with a free 10-month training program that enables them to open new family childcare home businesses and to retain existing ones. Participants in the program develop and strengthen their businesses and child care program skills through classes from university and community colleges, workshops and conferences offered by the Library and local agencies. Program also helps low-income residents in the City become economically self-sufficient.</p> <p>Note: Previous federal funding of \$1,511,253 in CDBG funds since 2000.</p>	Federal		X	Total project cost of \$243,000. Amount considered for Federal request: \$200,000.	Submit request in early 2007 for possible Federal FY 2008 appropriation.	Jane Light/ Kary Bloom, Library
<p>e. Workplace Literacy in the Hospitality Industry –Building on its successful adult literacy program, Partners in Reading, the Library will offer a workplace literacy program at five hotel/restaurant sites in the City. The program will help participants improve their basic English language reading and writing skills with an emphasis on the vocabulary and skills related to this specific industry. Funding will enable the Library to develop the program and pilot it with 50 to 100 adult learners who must make a six-month participation commitment.</p>	Federal		X	Total project cost of \$160,000. Amount considered for Federal request: \$84,300.	Submit request in early 2007 for possible Federal FY 2008 appropriation.	Jane Light/ Kary Bloom, Library
<p>f. Historical Preservation of the East San Jose Carnegie Branch Library – Serving the public since 1908, the branch is on the National Register of Historic Places. It has been expanded once to its current 7,300 sq. ft. with the next expansion planned to enlarge the facility to 12,000 sq. ft. By 2020, East San Jose Carnegie Branch will serve a diverse population of nearly 61,000 members. It is in a large Latino and Asian community with many families of young and school age children. With the expansion, there will be significant project costs related to preserving the original library due to its historical status. Federal funds would help renovate and restore the original 3,000 sq. ft. facility.</p>	Federal		X	Total project cost unknown until bids come in. \$8.247 Million available by the 2000 bond measure. Amount considered for Federal request: \$300K to \$1 Million.	Submit request in early 2007 for possible Federal FY 2008 appropriation.	Jane Light/ Kary Bloom, Library

4. SECURE HOUSING PROGRAM FUNDS

<p>a. Homeless Job Training Program - The City's Homeless Strategy specifically cites lack of job skills as a major barrier to break the cycle of homelessness. The Jobs Training Initiative will provide homeless people with remedial education, peer counseling, access to temporary shelter, transportation, childcare, vocational training, and job placement assistance. Its emphasis of the individual causes of homelessness and on individual needs will help the participants maintain consistent high job placement rates. The City will partner with agencies such as the Housing Services Partnership, Workforce Investment Network (WIN) and NOVA Workforce Development Agency to provide these services.</p>	Federal		X	Total project costs \$750,000 annually. Amount considered for Federal request: \$300,000.	A request was included in 2006 for the Federal FY 2007 appropriation for Labor – HHS - Education. However, all earmarks have been deleted. Recommended to submit request in early 2007 for possible Federal FY 2008 appropriation.	Leslye Krutko/Melissa Whatley - Housing
<p>b. Emancipated Foster Youth – The City of San Jose is working in partnership with local housing and foster care advocates and County Social Services to assist in preparing foster care youth who are emancipating out of the foster care system with permanent supportive housing. Each year, approximately 200 youth emancipate for the Santa Clara County Foster Care system. The majority of these young people leave foster care still needing support to succeed in life. Recently, the City of San Jose funded the acquisition and rehabilitation of two housing projects specifically aimed at housing emancipated youth. Along with the permanent housing are supportive services to provide a range of transition services to improve outcomes for emancipating and emancipated foster youth. The City, in collaboration with these other organizations is seeking funds to help provide self- sufficiency programs which focus on life skills and reaching education goals for these emancipated foster youth.</p>	Federal		X	Total project costs \$3.9 Million with amount requested of \$200,000.	Submit request in early 2007 for possible Federal FY 2008 appropriation.	Leslye Krutko/Melissa Whatley - Housing
<p>c. Funding to end Chronic Homelessness – In San Jose there are nearly 5,000 individuals and families homeless on any given night. In the County of Santa Clara, over 20,000 people experience homelessness each year. In 2003, the City adopted a 10-year Strategy to End Chronic Homelessness, which set into motion an aggressive program to eliminate chronic homelessness by developing permanent housing and "wraparound" services to this vulnerable population. It will take funding at both the State and federal levels to assist in these efforts. In order to succeed, we need to have an extensive partnership between the three levels of governments and non profit agencies, to provide the appropriate level of funding to address the problem of chronic homelessness. Assistance will include funds to build permanent affordable housing for Extremely-Low Income households, increased supportive services, and creative programs that help leverage existing funds.</p>	State and Federal	X	X	Total project cost of over \$30 Million. The City requests some level of increased participation from the State and federal government to help meet this need.	To help in these efforts, the following assistance is being requested: 1. Assistance to build permanent affordable housing for extremely-low income (ELI) households, ongoing funding for supportive services, and other creative programs that help leverage existing funds for the homeless 2. Funding through the State's adoption of a 10-Year Homeless Plan (which is currently in draft form). 3. Support for a federal appropriation to provide seed money for a Jobs Training Program for the homeless. 4. Support for a federal earmark for the	Leslye Krutko/Melissa Whatley - Housing

					development of a self-sufficiency program for emancipating foster youth. Support for a federal funding to promote a rental security deposit program so homeless can smoothly transition into housing with the barrier of coming up a security deposit.	
d. Rental and Security Guarantee Program – The Homeless Strategy, adopted by the City Council, outlines the extent of the homeless problem in San Jose, describes the many programs and policies the City has adopted over the year, and lays out a series of policies and actions designed to eliminate chronic homelessness within ten years. This request for funding would help serve one important action, the Rental and Security Deposit Guarantee Program, which will financially guarantee voluntary agreements between the landlords and potential tenants, eliminating the need for the family to raise a large sum of money immediately prior to moving into a new place. This will help assure more permanent housing situations for people.	Federal		X	Total project costs of \$2.5 Million over 10 years. Amount requested \$250,000 which could be used on a revolving basis.		Leslye Krutko/Melissa Whatley - Housing
e. VTA – Lifeline Transportation Program for Homeless – The Transportation Assistance Program (TAP) is an integral part of the City's homeless services program. TAP provides day passes and one-way long distance travel assistance to low-income individuals and families for job counseling, employment, educational and medical purposes. Offering monthly transportation to individuals with regular transportation needs would be more efficient and cost effective than providing day passes. The City is seeking to sponsor an Auto Repair Assistance Program (ARAP) for meeting emergency automobile repair needs of qualified low income families. This program will fill a very critical need for low-income people in our community. A small amount of assistance at the right time can keep these families from joining the ranks of homelessness by allowing them to get to job, appointments, and housing.	Federal		X	Total project costs of \$540,000 with VTA helping to provide matching funds. Requested appropriation amount of \$180,000 (2-year pilot program)	In 2007, VTA will provide \$180,000 for the program and the Housing Department has committed \$80,000 each year for the next two years. Even with these commitments, there is anticipated to be a gap of \$180,000. A request for funding is being submit in early 2007 for possible Federal FY 2008 appropriation.	Leslye Krutko/Melissa Whatley - Housing
f. Eminent Domain – Legislation and voter initiatives have been introduced to limit local government's ability to use eminent domain. These proposals may have a significant impact on the City's ability to implement its capital and neighborhood revitalization programs. In 2005, the US Supreme Court ruled in <i>Kelo v. City of New London</i> that it was constitutional to acquire property through eminent domain for the purpose of economic development. This ruling triggered a contentious national debate over government's ability to take private property, and has resulted in the proliferation of legislation throughout the country to limit the use of eminent domain.	State and Federal		X		As the 2007-08 State and Federal legislative sessions begin, monitor the introduction of related bills and work closely with federal and state lawmakers. Coalition build with the League of California Cities, the California Redevelopment Association, local governments, businesses and housing developers, on legislative strategies for responding to proposals and to support local governments' ability to exercise eminent domain in limited instances.	Leslye Krutko, Melissa Whatley, Housing & Eva Terrazas, RDA

<p>Eminent domain can be a key and effective tool for revitalizing distressed local communities and must be used thoughtfully and prudently. It has been an effective tool for accomplishing the City's redevelopment, neighborhood revitalization, and affordable housing objectives. However, the City's policy is to use eminent domain as a last resort option. Several important resident supported projects would not have been possible without the use of eminent domain, including the development of community priorities, such as community centers, new parks, improvements to neighborhood districts, and affordable housing projects.</p> <p>Several bills have been introduced in Sacramento and Washington, DC that would place additional constraints on a jurisdiction's ability to use eminent domain. It is critical for local governments to retain the ability to exercise sensible land use, revitalize distressed areas, clean-up of polluted land, build new infrastructure, including affordable housing and create jobs. Even though Proposition 90 (also known as the "Anderson Initiative") was rejected by the California voters, there is another movement afoot to qualify another ballot measure in California for 2008. It is also likely that the issue of eminent domain will be on the agenda in the California State Legislature and the Congress in 2007.</p>						
<p>g. Community Development Block Grant (CDBG)- Over the last ten years, federal funding to the City of San José for the CDBG program has dropped by nearly 25%. While San Jose continues to grow and the cost of living continues to rise, federal aid for low-income families has seen a sharp decline over the last several years.</p> <p>Last year, the City of San José received a little over \$10 million in CDBG funding from the federal government. According to the Department of Housing and Urban Development's (HUD) CDBG Performance Profile for FY 05-06, San José expended 85% of its funding for residents making less than 30% of the area median income, over 36% of the money was used in lower-income neighborhoods, and over 24,000 persons were assisted using the CDBG program.</p> <p>In recent years there has been a push by the President's Administration to eliminate or drastically alter the Community Development Block Grant (CDBG), which is one of the few federal funding sources for housing and community development. The Community Development Block Grant program has been a vital tool in cities' toolboxes for improving lower-income communities. CDBG funds are allocated by the City to</p>	Federal	X	X	San Jose receives about \$10 Million per year for CDBG. Should the program be eliminated, significantly reduced, or the formula allocation be altered by Congress, it is clear that the low- income residents of San José would be the most adversely impacted.	It is recommended the City work with the U.S. Department of Housing and Urban Development (HUD) and the Congress to protect the CDBG program from further funding reductions or program changes that will adversely impact San José's entitlement.	Leslye Krutko/Melissa Whately - Housing

community-based organizations for services to San José's low-income residents and also help to fund City capital improvement projects.							
<p>h. Proposition 1C- Implementation of the Housing and Emergency shelter Bond. With the recent passage of Proposition 1C, the California State Legislature will seek to provide specific programs to the infill and transit-oriented development program highlighted in the Housing Bond. The City of San José should be engaged in these negotiations to ensure we will qualify.</p> <p>On November 7, 2006, the voters of California approved a \$2.85 billion housing bond. Of this amount, \$1.45 billion will be allocated to programs that have yet to be created by the California State Legislature. Specifically, the Legislature will be tasked during the 2007-2008 Legislative Session with the creation of four new programs. The four new programs include:</p> <ol style="list-style-type: none"> 1. Affordable Housing Innovations Fund 2. Creation of the Regional Planning, Housing and Infill Incentive Account 3. Creation of the Transit-Oriented Development Account 4. Creation of the Housing Urban-Suburban-Rural Parks Account 	State		X		There is \$1.45 billion of the Prop. 1C bond programs still to be determined. Under the previous Statewide housing bond (Proposition 46 passed in 2002), San Jose and affordable housing developers successfully competed for nearly \$50 Million.	It is recommended that the City work closely with the California State Legislature on the development of enabling legislation for the four programs not yet defined under Proposition 1C. Ideally, any programs created through legislation should allow San José an equal opportunity to successfully compete for these future funds, especially related to housing, parks, and transit-oriented development.	Leslye Krutko/Melissa Whatley - Housing
<p>i. Permanent Sources of Funding for Affordable Housing - There are very few permanent sources of funds available at the federal or State level for the development of affordable housing. The most prominent source of funds is the City's Redevelopment 20% Low- and Moderate-Income Housing Funds (LMIHF) set aside.</p> <p>While the City receives a significant amount of funding for affordable housing through its 20% Fund, this does not meet all the needs of the communities' low-income residents, including our chronically homeless population. It becomes incumbent upon the development community and local government to find additional sources of already scarce State and federal dollars to fill the financing gap for affordable housing projects. In addition to scarce resources, it is also important to note that 20% Funds will also eventually run out as State Redevelopment Law has time limits on a local governments' ability to maintain redevelopment project areas. Therefore, it is important that we seek other permanent sources of funds now through commitment and partnerships at the federal and State level to address the acute housing crisis throughout the nation. Without additional permanent, dedicated source of funds for</p>	State & Federal	X	X	X	San José's Housing Department manages an annual budget of over \$100 Million. These funds come from State, federal, and local sources for affordable housing production, homebuyer programs, housing rehabilitation, and homeless	There are several areas that should be pursued by the City to promote permanent sources of funding for affordable housing: <ol style="list-style-type: none"> 1. Support for the National Housing Trust Fund (NHTF) legislation at the federal level. Ensure that any NHTF program has a dedicated source of financing. Otherwise, without a corresponding source of funds, a NHTF will be ineffective. 2. Advocate protecting and increasing funding for federal programs like HOME, HOPWA, ESG, and Section 8. These funds are critical to the development of housing and services for low-income and homeless residents in the City. Additionally, ensure funding adequately meets the needs of low-income residents who live in high cost areas and avoid changes which would lead to a reduction in these already scarce dollars. 	Leslye Krutko/Melissa Whatley - Housing

<p>affordable housing, it will not be possible to keep pace with the demand for affordable housing in the future or protect our most vulnerable populations.</p>				<p>services. In order to make significant impact, several Million dollars in permanent sources will be needed.</p>		
<p>j. Housing Element Reform – In 2005, the California State Legislature held a number of meetings with housing stakeholders throughout the State regarding the issue of requiring local governments, through its General Plan, provide a 20-year land supply for housing. While the meetings were meaningful discussions, the issue never gained full consensus among the various parties. However, in 2006, SB 1800 became the legislative vehicle for the 20-year land supply idea but it did not garner enough support to progress to the Governor's desk. It will likely resurface in 2007. This should be taken as a comprehensive effort to garner other housing element reforms. One issue that should be addressed is the requirement by the State to build and report moderate-income housing. These units are extremely difficult to achieve, as the City does not provide subsidy to this income level for rental housing. Therefore, there is no mechanism in place to track the units provided for this income category.</p> <p>The City is generally supportive of the reforms being sought by the State. These changes will generally make it easier to develop housing. While many smaller cities may have concern about provisions such as requiring a 20-year supply for housing, San José feels it can meet this challenge and hopes changes will encourage others to provide its "fair share" of housing. In 2007, the City of San Jose is beginning an update to its General Plan and is participating in the Regional Housing Needs Allocation (RHNA) process. Any changes to the State Housing Element and General Plan law could have serious impact to the processes currently underway.</p>	<p>State</p>	<p>X</p>			<p>The City should continue:</p> <ol style="list-style-type: none"> 1. To monitor the negotiations and ensure they allow enough local control, but generally support all the concepts as they seek to make development of affordable housing less complicated. 2. The City should also ensure that money is made available by the State for these purposes. 3. Support legislation that clarifies rewards, and gives incentives to cities that routinely adopt a certified housing element while at the same time relieving cities of unnecessary, slow, or unproductive regulatory review. 4. Additionally, staff should work with the City's State Lobbyist on potential changes to the RHNA process to relax the moderate-income category requirements. 	<p>Leslye Krutko, Melissa Whatley – Housing</p> <p>Laurel Prevetti - PBCE</p>

5. ADVANCE ENVIRONMENTAL ISSUES

<p>a. Plant Master Planning Project – The continued operation of the San Jose/Santa Clara Water Pollution Control Plant is necessary for the future of economic development of the Silicon Valley. The Plant Master Plan will integrate existing plans with needed future plans under a common framework and set of goals. The plan will determine the priority for new projects for the Water Pollution Control Plant and will include Cost estimates and environmental impacts of future projects. The Plant Master Plan will provide guidance to the Shoreline Study, a tidal flood protection project for the South San Francisco Bay led by the Army Corps of Engineers, the State Coastal Conservancy and the Santa Clara Valley Water District, on the future use of Pond A18 and the levees around it. The Plan will also provide significant guidance on impacts to rates for the local service area. Implementing the Plan will provide for long-term security in treating local wastewater.</p>	Federal			X	Total project cost \$5 million. Amount to be requested from Federal \$500,000.	Submit request in early 2007 for possible Federal 2008 appropriations	John Stufflebean, ESD
<p>b. San Jose/Santa Clara Wastewater Pollution Control Plant Solar Research, Development and Demonstration Project (Solar Project) – The Solar Project will initiate research, develop and demonstrate a large scale photovoltaic system (PV) at the WPCP. The Solar Project will demonstrate the use of integrate photovoltaic roofing assemblies that will be installed over an existing roof membranes, in addition to the installation of PV arrays located on WPCP grounds and evaluate the feasibility of installation of a solar "farm" on adjacent WPCP land. The San Jose/Santa Clara Wastewater Pollution Control Plant (WPCP) treats on average 120 million gallons a day from San Jose/Santa Clara service areas sewer system. The Solar Project would utilize solar electric generation to provide the facility with clean power and energy savings. Additionally, the Solar Project would create a sustainable energy system that could enable the WPCP to meet emerging state regulations for both carbon dioxide reduction and renewable power generation.</p>	Federal			X	Total project cost \$5 Million. Amount to be requested from Federal \$2 Million.	Submit request in early 2007 for possible Federal 2008 appropriations	John Stufflebean, ESD
<p>c. San Jose/Santa Clara Water Pollution Control Plant (SJ/SC WPCP) – The SJ/SC WPCP is now over 50 years old. This facility is responsible for treating an average of 160 MGD of wastewater serving many communities in the bay area. Due to wear and tear and age many areas of the plant are in dire need of renovation and repair. These include intake facilities, clarifiers, pipelines, filtration facilities, etc. There is a long list of renovation and repairs that need to be implemented over the next 10 years in order to keep SJ/SC WPCP running safely and efficiently. Status quo is no longer an option as many parts of the plant have reached critical stages and need renovation and repair as soon as possible. Failure of any of the unit operations due to deterioration of the</p>	Federal			X	Total project cost \$ 200 Million. Amount to be requested from Federal \$150 Million.	Submit request in early 2007 for possible Federal 2008 Appropriations.	John Stufflebean, ESD

<p>infrastructure will result in disruption of the wastewater treatment and if this were to occur, the immediate result is major sewer line backups and incomplete treatment of wastewater. Being the only and largest wastewater treatment facility in the south bay and keeping up with population growth and stringent environmental regulations makes us a major player in protecting the environment. It is of paramount importance that this plant is kept in good shape in order to continue to serve the communities which are growing at a very rapid pace.</p>							
<p>d. FOG (fats, oil and grease) Receiving and Pretreatment Pilot Facilities – The purpose of this request is to perform design and construction of restaurant fats, oil and grease (FOG) reception and pre-treatment and equalization systems. The Plant process group identified anaerobic digestion as an alternative environmentally optimal solution for scum disposal. A pilot program at the Plant as been successfully completed for the disposal of scum and the feasibility and practicality of anaerobic digestion. The next phase is the incorporation of FOG diverted and collected at the source (e.g., restaurants) and delivered to the Plant, for anaerobic digestion and conversion to methane gas and electrical energy. This pilot project includes Receiving and Pretreatment facilities consisting of decanting hoppers, screens, hot pressure wash, heated storage tanks, strain presses and recycle stream. This project would help to reduce blockage problems for wastewater and subsequent stormwater collection systems, landfill and wastewater treatment diversion, and electrical power generation</p>	Federal			X	Total project cost \$2.4 Million. Amount to be requested from Federal \$700,000.	Submit request in early 2007 for possible Federal 2008 appropriations.	John Stufflebean, ESD
<p>e. Environmental Services and Education Center -- This request is for the renovation of abandoned warehouse space in central San Jose for the purposes of establishing a regional center providing environmental services and education, demonstration of Green Building retrofits. The Center would provide needed opportunities for San Jose area residents, particularly those at lower income levels, to receive environmental services such as household hazardous waste drop-off and low-cost purchase of home improvement supplies. In addition, the Center will provide environmental education opportunities for residents to learn about environmental issues of regional importance including, waste reduction, pollution, green building, urban runoff, and watershed protection. Many of these programs are mandated through the Clean Water Act and the Endangered Species Act. A key goal of the facility will be to reduce toxics and improve neighborhood participation in the region's environmental quality programs.</p>	Federal			X	Total project cost \$3.75 Million. Amount to be requested from Federal \$700,000.	Submit request in early 2007 for possible Federal 2008 appropriations.	John Stufflebean, ESD

<p>f. Proposition 1E – Disaster Preparedness and Flood Prevention Bond – This bond would provide a total of \$4.09 billion to prevent flooding by repairing levees and other flood control infrastructure in the Sacramento-San Joaquin River Delta and elsewhere.</p>	State	X			<p>With the exemption of \$3 Billion set aside for the Central Valley, the City has projects that should qualify for the other programs. Actual funding will be based on the number of additional applicants and the Department of Water Resources. Based on previous processes, any funding is several years out.</p>	<p>The legislature will need to appropriate the funds to the Department of Water Resources and the Department and /or Legislature will need to define additional criteria for allocating the various funds.</p>	John Stufflebean, ESD
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6. ENSURE PUBLIC SAFETY

<p>a. Proposition 83 “Jessica’s Law” –Passed in November, 2006, this is now pending in court, concerns sex offenders and sexually violent predators, proposes to broaden the definition of certain sex offenses, provide longer penalties for specified sex offenses and limits registered sex offenders from living within 2,000 feet of any park or school. In addition, it requires Global Positioning System (GPS) monitoring of individuals who are convicted of a felony sex offense (requiring registration) while they are on parole and for the remainder of their lives. Proposition 83, will enhance penalties for violent and habitual sex offenders.</p>	State		X		<p>Milestones would include: the Police Department’s ability to identify and resolve budgetary and personnel impacts; The City’s ability to manage implementation of a “broadened definition of certain sex offenders” with respect to processing registered sex offenders, identifying appropriate housing location, and any other impacts resulting from the passage of this proposition; The City working with the League of California Cities to seek funding to address additional ongoing staff and one-time and on-going equipment costs.</p>	Rob Davis, Police
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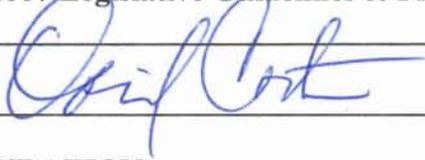
<p>b .Expand Gang Intervention Services - The City should pursue more funding grants for gang intervention services. The City has been able to use federal and state grants and \$3 million in local San José BEST funds to create a prototype gang intervention program and families and friends of youth involved with the gang lifestyle or incarcerated for gang-related crimes. The San José gang intervention program is a collaborative effort involving private citizens, city, county, state, local community-based organizations, youth commissioners, school, parents, faith-based organizations, and local law enforcement to rescue youth from gang involvement and criminal activity. The Mayor's Gang Prevention Task Force (MGPTF) 2006-2007 Strategic Work Plan combines the latest research on successful approaches to healthy youth development with a new strategy to provide more intervention services to gang-involved and disconnected youth. The 2006-2007 Strategic Plan's Mission, is to ensure safe and healthy opportunities for San Jose's youth, free of gangs and crime, to realize their hopes and dreams, and become successful and productive in their homes, schools, and neighborhoods is carried out through five strategic goals:</p> <ol style="list-style-type: none"> 1) Develop and implement an "asset-based" service delivery system aimed at connecting, coordinating, and leveraging intervention resources, 2) Create and implement a Crisis Response Protocol aimed at keeping schools, community centers, and neighborhoods safe, 3) Develop and implement a comprehensive capacity building strategy aimed at equipping Task Force members with the skills and resources necessary to re-direct youth, 4) Create an education and awareness campaign regarding the risk factors affecting youth and the resources available to them, and 5) Integrate the City of San José's MGPTF Intervention Strategy with local, state, and national initiatives <p>Additional funding would be used toward the full implementation of the strategic goals and provide added resources to the program staff and participants.</p>	<p>Federal & State Support in the past has been Federal</p>	<p>X</p>		<p>X</p>	<p>Requested funding \$300,000 to \$500,000 Currently have an OJJDP Grant for \$235,500</p>	<p>Submit request in early 2007 for possible Federal FY2008 appropriation.</p> <p>Additional funding would allow targeted expansions of resources for both services delivery and strategic goal enhancements.</p>	<p>Angel Rios, PRNS</p>
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MEMORANDUM

TO: Rules Committee **FROM:** Councilmember Dave Cortese

SUBJECT: 2007 Legislative Guidelines & Priorities **DATE:** January 23, 2007

APPROVED:  **DATE:** 1/23/07

RECOMMENDATION

It is recommended that the Rules Committee approve the 2007 Legislative Guidelines and Priorities as presented by staff with the following addition:

- Joint advocacy with the Cities of Oakland and San Francisco to ensure State allocation of Proposition 1C and 84 funds and incentives for local jurisdictions that accept additional housing, including a significant increased allocation in the current RHNA cycle

BACKGROUND

The 2007-2014 methodology for the Regional Housing Need among local jurisdiction of the nine-county Bay Area was adopted at last week's Association of Bay Area Government (ABAG) meeting. The three largest cities in the Bay Area, San Jose, Oakland and San Francisco, joined forces in a meaningful display of regional cooperation and urged that joint advocacy for the purposes of receiving State allocations as provided by Prop 1C and 84 funds be included in the resolution accompanying the methodology. The three cities argued that in order for them to meet their higher housing assignments as derived from the methodology, it was incumbent upon the State to direct funds towards housing and transportation improvement programs to these jurisdictions. The ABAG Executive Board agreed to incorporate language to this effect in the resolution (Page 3, section B), which has been attached for your reference.

Given the willingness of Oakland and San Francisco to partner with San Jose on this advocacy and the subsequent actions of the ABAG Executive Board, the City of San Jose should include this as one of its legislative priorities for 2007.

**ASSOCIATION OF BAY AREA GOVERNMENTS
EXECUTIVE BOARD**

RESOLUTION NO. 02-07

**RESOLUTION ADOPTING A METHODOLOGY FOR ALLOCATING THE
REGIONAL HOUSING NEED (2007 – 2014) AMONG LOCAL
JURISDICTIONS**

WHEREAS, the Association of Bay Area Governments (ABAG) is a joint powers agency formed pursuant to California Government Code §§ 6500, *et seq.*, and is the council of governments (COG) for the San Francisco Bay Area; and

WHEREAS, pursuant to the Housing Element Law ("Act") at California Government Code §§ 65580, *et seq.*, each COG and the California Department of Housing and Community Development (HCD) are required to determine the existing and projected housing needs in the COG's region (RHN); and

WHEREAS, under the Act, ABAG determines each city's and county's share of the RHN through the regional housing need allocation process (RHNA); and

WHEREAS, the Executive Board authorized formation of the Housing Methodology Committee (HMC) and charged it, in part, with the responsibility of advising staff on the methodology for allocating the regional housing need among local jurisdictions (RHNA Methodology); and

WHEREAS, effective November 16, 2006, the Executive Board authorized release of the Proposed RHNA Methodology for public review and comment and conducted a public hearing on January 18, 2007 to receive additional written and oral comments; and

WHEREAS, staff has reviewed the comments received during the comment period, devised alternative methodologies and presented alternative methodologies to the HMC; and

WHEREAS, the County of Marin and the Marin County Council of Mayors and Council Members have each submitted comments stating that the county and the cities within the county have agreed to allocate the RHN associated with each sphere of influence (SOI) within the county fifty percent (50%) to the county and fifty percent (50%) to the city; and

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 02-07**

WHEREAS, pursuant to the staff memorandum to the Executive Board dated January 4, 2007, the staff recommends that the Executive Board adopt *Alternative 1: Reduced Transit* as the "Weighted Factors" portion of the Proposed RHNA Methodology and adopt *Percent Adjustment Toward Regional Average* (175%) as the "Regional Income Allocations" portion of the Proposed RHNA Methodology (Alternative RHNA Methodology); and

WHEREAS, both the Proposed and Alternative RHNA Methodologies significantly advance regional "Smart Growth" policies adopted by ABAG, the Metropolitan Transportation Commission (MTC), the Bay Area Air Quality Management District (BAAQMD), the Bay Conservation and Development Commission (BCDC) and Regional Water Quality Control Board (RWQCB) (collectively, the Regional Agencies) including policies on *Jobs/ Housing Balance and Match, Housing and Displacement, Social Justice and Equity, Environmental, Natural Resources, Open Space and Agricultural Preservation and Mobility, Livability and Transit*; and

WHEREAS, compared to the prior RHNA cycle, both the Proposed and Alternative RHNA Methodologies allocate a significantly higher proportion of the RHN to the areas served by the region's transit infrastructure and the existing urban core, including Oakland, San Francisco and San Jose in order to advance these Smart Growth policies; and

WHEREAS, policies adopted by the Regional Agencies on *Local and Regional Transportation Efficiencies, Infrastructure Investments and Local Government Fiscal Health*, MTC's adopted *Transportation Land-Use Platform* and the ABAG/MTC *Focusing Our Vision* effort call for directing regional investments in public infrastructure, including transportation, and other incentives to local efforts that promote and implement these regional policies; and

WHEREAS, pursuant to Propositions 1C and 84, the State of California will be providing funds and incentives to support sustainable communities, transit-oriented development and infill housing; and

WHEREAS, pursuant to Proposition 1B the State of California will be providing discretionary state transit assistance (STA) funds to MTC for distribution pursuant to Public Utilities Code Sections 99310-99320; and

WHEREAS, MTC is beginning the process of updating the Regional Transportation Plan (RTP) to be completed in February 2009; and

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 02-07**

WHEREAS, the RHNA process requires local governments to amend the Housing Elements of their General Plans by June 2009 and to submit them to HCD for certification but does not provide any of the necessary support to ensure that the planned housing is built.

NOW, THEREFORE, BE IT RESOLVED, that the Executive Board of the Association of Bay Area Governments hereby:

A. Adopts the Proposed RHNA Methodology as the Final RHNA Methodology with the following changes:

1. Replace the existing "Weighted Factors" in the Proposed RHNA Methodology with the *Reduced Transit alternative* as more fully described in the January 4 staff memorandum,
2. Replace the existing "Regional Income Allocations" in the Proposed RHNA Methodology with *Percent Adjustment Toward Regional Average (175%)* as more fully described in the January 4 staff memorandum;
3. Amend the initial phrase in the second sentence of "Spheres of Influence" by deleting the over struck language and adding the underlined language as follows: "Except for Marin County, where a 75-50% city and 25 50% county distribution is recommended,"

B. Adopts as a top priority for the current legislative session, collaborative efforts with some or all of the Regional Agencies to ensure that the State allocation of Proposition 1C and 84 funds and incentives, recognize regional funding priorities for local jurisdictions that accept additional housing, including a significant increased allocation in the current RHNA cycle;

C. Requests the MTC to encourage, recognize and reward through its update of the RTP and its distribution of Proposition 1B funds, the local jurisdictions that support the Transportation Land-Use Platform by accepting additional housing, including a significant increased allocation in the current RHNA cycle; and

D. Directs staff to collaborate with local jurisdictions on a possible extension of the deadline to certify local Housing Elements to

**ASSOCIATION OF BAY AREA GOVERNMENTS
RESOLUTION NO. 02-07**

December 2009 in order to ensure that such Housing Elements properly identifies all incentives and supportive governmental programs, including the updated Regional Transportation Plan.

The foregoing is adopted by the Executive Board this 18th day of January, 2007.

David Cortese
President

Certification of Executive Board Approval

I, the undersigned, the appointed and qualified Secretary-Treasurer of the Association of Bay Area Governments (Association), do hereby certify that the foregoing resolution was adopted by the Executive Board of the Association at a duly called meeting held on the 18th day of January, 2007.

Henry L. Gardner
Secretary-Treasurer

Approved as To Legal Form

Kenneth K. Moy
Legal Counsel