



Memorandum

**TO: RULES AND OPEN
GOVERNMENT COMMITTEE**

FROM: Joseph Horwedel

SUBJECT: SEE BELOW

DATE: August 29, 2007

Approved

Ray Winer

Date

8/31/07

Council District: All
SNI: All

**SUBJECT: SB 732 (STEINBERG) – SAFE DRINKING WATER, WATER QUALITY
AND SUPPLY, FLOOD CONTROL, RIVER AND COASTAL PROTECTION
AND BOND ACT OF 2006**

RECOMMENDATION

The Department of Planning, Building and Code Enforcement recommends that:

1. The Mayor and City Council oppose SB 732 (Steinberg) and recommend that it be made a two-year bill to allow additional time to resolve fundamental problems associated with the current proposal.
2. The Committee provide a one-week turn around for Mayor and City Council review.

OUTCOME

If the Rules and Open Government Committee and the Mayor and City Council accept staff's recommendation, the City lobbyist could begin opposing SB 732.

BACKGROUND

The bill was introduced on February 23, 2007 by Senator Darryl Steinberg, was heard in and passed by the Senate Committee on Natural Resources and Water, and has been referred to the Senate Committee on Appropriations for a future hearing. Organizations in support of the bill include: Aquarium of the Pacific; California Park & Recreation Society; California ReLeaf; City of Claremont; City of Glendale Parks, Recreation and Community Services Department; County of Los Angeles; Peninsula Open Space Trust; Sacramento Tree Foundation; The Nature Conservancy; TreePeople; Morris B. Vance, Mayor, City of Vista; and Barry E. Weiss, Director, City of San

Carlos Parks and Recreation Department. Organizations in opposition include: California Association of Realtors (unless amended); California Building Industry Association (unless amended); California Business Properties Association (unless amended); Consulting Engineers & Land Surveyors of California (unless amended); California Major Builders Council (unless amended); East Bay Municipal Utility District; Friant Water Authority (unless amended); and Southern California Water Committee.

ANALYSIS

A fact sheet and analysis of SB 732 is attached.

PUBLIC OUTREACH/INTEREST

- 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)**

This legislative item does not meet any of the above criteria.

COORDINATION

This memorandum was coordinated with the City Attorney's Office, Department of Transportation, Housing Department, Department of Parks, Recreation and Community Services and the Environmental Services Department.

POLICY ALIGNMENT

The attached fact sheet and analysis are consistent with the Council-adopted 2007 Legislative Guiding Principles, and the Council-adopted guidelines.

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CEQA

Not a project.


 JOSEPH HORWEDEL
Director of Planning, Building, and
Code Enforcement

For more information call Carol Hamilton, Senior Planner, at (408) 535-7837

SB 732 (Steinberg) – SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD CONTROL, RIVER AND COASTAL PROTECTION AND BOND ACT OF 2006

What's the issue the bill is trying to resolve?

The *Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006* (Proposition 84), approved by the voters in November 2006, makes approximately \$5.4 billion in bond funds available for safe drinking water, water quality and supply, flood control, natural resource protection, and park improvements. The *Housing and Emergency Shelter Trust Fund Act of 2006* (Proposition 1C), also approved by the voters in 2006, makes available \$200 million for housing-related parks grants subject to criteria the Legislature is to establish by statute. SB 732 seeks to guide the dispersal and use of funds made available under these two propositions.

How would this bill resolve the issue?

SB 732 provides a comprehensive framework to implement new programs to distribute and administer funds authorized under Propositions 84 and 1C for a broad range of purposes including: preparation of feasibility studies to preserve water supply and reduce flood risks; implementation of nature education facilities; purchase of parkland and construction of parks; implementation of urban greening projects; and preparation of local and regional land use/transportation plans. The bill requires various State departments, among other things, to adopt guidelines and regulations, consult with other entities, conduct studies, and follow certain procedures for establishing a project, or grant or loan program implementing the initiatives. The bill relies on the *Sustainable Communities Council and Fund*, created by companion bill SB 735 to align transportation funds with regional strategies to reduce vehicle miles traveled and reliance on automobile use. With membership including the Secretary of the State Resource Agency; the Secretary for Environmental Protection; the Secretary of Business, Transportation and Housing; two public members and one member of the State Senate, the Sustainable Communities Council is charged with coordinating activities of state agencies in regard to land use planning to improve air and water quality, improve natural resource protection, increase the availability of affordable housing and improve transportation. SB 732 requires this Council to develop a program (to be administered by the Office of Planning and Research) for awarding Proposition 84 grants and loans to local communities and regional agencies for urban greening projects and local and regional plans. The bill includes criteria for evaluating grant and loan applications for the preparation of local general plans. These criteria require cities to declare an intent to prepare a general plan consistent with the Regional Blueprint and give priority consideration to cities that prepare general plans in collaboration with all of the cities in the county or region, give preference to housing projects over development that generates sales tax revenues, or conform to other objectives.

How would the passage of this bill affect San José?

SB 732 would require San Jose to negotiate a web of new requirements administered by a new state agency in order to obtain funding approved by the voters in 2006 via Propositions 84 and 1C. It requires a commitment to numerous environmental programs that are generally consistent

with current City policy or are expected to be addressed through the General Plan Update process. It seeks to require conformance with a Regional Blueprint before such plan has been adopted, making it difficult to determine the meaning of conformance. The bill has the potential to put the California Transportation Commission, the Metropolitan Transportation Commission and local Congestion Management Agencies in conflict with a new level of State government, resulting in possible delays in planning processes and funding decisions. The bill's preference for housing over employment-generating development is contrary to San Jose's strategy for creating a balance between jobs and housing to reduce the length of commute trips, and its economic development strategy crucial to ensuring adequate services for residents of future housing.

Fiscal Impact:

Additional costs for the City would be associated with the bill's grant application processes, with any increased requirements for updating the general plan needed to conform to the proposed bond funding requirements, and with any need for future General Plan amendments to achieve conformance with the Regional Blueprint.

Staff's Proposed Position:

Much of what is in this bill supports the City of San Jose's approach to becoming a sustainable city as well as many initiatives the Council is embracing. Nevertheless, the bill adds a new layer of controls on local government and promotes significant participation in regional planning and the adoption of regional plans that do not yet exist and may not be consistent with the City's interest. More flexible language needs to be incorporated into the legislation. Staff recommends that the City Council oppose the bill and request that it be made a two-year bill to allow additional time to resolve fundamental problems associated with the current proposal.

Legislative Guiding Principles and Priorities Alignment:

The bill's provision of funding for statewide water planning and design, urban greening projects, nature education projects, and the preparation of general plans is consistent with San Jose's Legislative Guiding Principles regarding State funding and livability/sustainable development. The bill is not entirely consistent with Legislative Principles for protection of local control in that the bill's funding carries with it a new layer of State regulatory process that requires conformance with regional plans that are as yet unknown and may not be consistent with the City's interests. The bill's stated preference for housing development over development that generates sales tax revenue is not consistent with San Jose's Legislative Principles calling for protection of the City's revenue base and seeking rewards for cities that have provided their fair share of affordable housing.

Who are the bill's supporters and opponents?

Organizations in support of the bill include: Aquarium of the Pacific; California Park & Recreation Society; California ReLeaf; City of Claremont; City of Glendale Parks, Recreation and Community Services Department; County of Los Angeles; Peninsula Open Space Trust; Sacramento Tree Foundation; The Nature Conservancy; TreePeople; Morris B. Vance, Mayor, City of Vista; and Barry E. Weiss, Director, City of San Carlos Parks and Recreation Department. Organizations in opposition include: California Association of Realtors (unless amended); California Building Industry Association (unless amended); California Business Properties Association (unless amended); Consulting Engineers & Land Surveyors of California (unless amended); California Major Builders Council (unless amended); East Bay Municipal Utility District; Friant Water Authority (unless amended); and Southern California Water Committee.

What is the current status of the measure?

The bill was heard in and passed by the Senate Committee on Natural Resources and Water and has been referred to the Senate Committee on Appropriations for a future hearing.