

# Memorandum

**TO:** RULES AND OPEN GOVERNMENT COMMITTEE      **FROM:** Betsy Shotwell

**SUBJECT:** PRIORITY RANKING OF THE 2009 LEGISLATIVE PRIORITIES      **DATE:** January 22, 2009

Approved

*Christine J. Shippig*

Date

*1/22/09*

## RECOMMENDATION

Accept the staff report describing the criteria for ranking of the City's legislative priorities for 2009 per City Council direction on December 16, 2008.

## OUTCOME

The purpose of this memorandum is to present a multi-tiered ranking of the City's 2009 Legislative Priorities for the first year of the two-year legislative sessions in Washington, D.C. and in Sacramento.

## BACKGROUND

Each year, the City of San José sponsors legislation and develops requests for appropriations. In addition, the City plays an active role in influencing the outcome of numerous legislative and State budgetary items. The City's annual Legislative Priorities and Legislative Guiding Principles documents are presented and adopted by the City Council, which forms the foundation for the City's advocacy at the local, regional, State and Federal levels. Upon acceptance of the City's 2009 Legislative Priorities on December 16, the Council requested that a ranking system of priorities be developed along with talking points.

## ANALYSIS

As the first year of the two-year State and Federal sessions are just commencing and the City's Legislative Priorities are being brought forward by the City's lobbyists at this time, staff has developed the following system for prioritizing the various categories of need and desired outcomes.

### **Tier 1**

The City of San José's General Fund structural budget deficit is estimated at \$60 million in FY 2009-10 and grows to almost \$77 million over of the next five years. When the City's unmet/deferred infrastructure and maintenance needs are considered in the total, the structural budget deficit is estimated to be \$106.3 million by 2013-14. In light of these projected deficits, the highest priority for the City should be to seek budgetary assistance at both the State and Federal levels. Accordingly, continuing to seek funding from the State bond measures that the voters passed in November 2006 is recommended as a Tier 1 priority for 2009 State legislative efforts. The same rationale is proposed at the Federal level in seeking Congressional appropriations and agency funding.

Additionally, each legislative session, the City of San José sponsors and supports legislation in Sacramento that could provide fiscal support and/or establish critical programs and policies to benefit the City (and in many cases, the State and local government.) Therefore, staff recommends that the City's proposals for State and Federal legislation also be categorized as Tier 1 of the legislative priorities.

### **Tier 2**

The City also plays an active role in influencing the outcome of numerous policy issues at the State and Federal levels and staff recommends that these priority policy issues be placed in a Tier 2 category. (For more detailed background information, please refer to the 2009 Legislative Priorities matrix adopted at the December 16, 2008 City Council meeting.)

With the State's continuing structural budget deficit, and the nationwide economic crisis, it will be critical that the City first, and foremost, support legislation and policies that reduce any negative impacts to City services, revenues, or costs.

As this is a "living" document affected by serious budgetary circumstances in play during the entire legislative year, staff will update the Council regularly and provide amendments to this document as needed for Council review and direction. For example, with the development of the City's Clean Tech Summit's legislative agenda for 2009 -- an outgrowth of its December 12 meeting -- staff will be formulating related priorities at the local, regional, State and Federal levels which will require proactive advocacy with policy-makers and regulatory agencies, active partnerships and collaborations with a wide variety of organizations. When finalized, the Mayor's Clean Tech legislative agenda for 2009 will be brought forward to the City Council for review and adoption.

**Additions to the Council Approved 2009 Legislative Priorities**

The following three priorities have been developed for inclusion in the 2009 Legislative Priorities:

***Skills to Succeed Program – Discharge Planning and Homeless Prevention for Incarcerated Women -***

The impact of incarcerating females is especially significant due to the ripple effects on their children and families. The majority of female inmates have been victims of domestic violence and many of the women reported that they were also victims of physical and sexual abuse as children. The most commonly reported needs of the incarcerated women include: job skills and employment, housing, and social support systems for themselves and their children. The Women at Elmwood's Correctional facility are mostly single mothers of young children, who cycle in and out jail, which creates harmful effects on their children. This recidivism is detrimental to their children and without some form of intervention the cycle of incarceration will likely be repeated by both the mother and child. This request totals \$400,000 for the *Skills to Succeed* program. This program will serve 50 women and will be based at the Elmwood Correctional facility and help them to navigate the system, plan for their release from jail, and prepare for employment opportunities. The goal of the program is to create self sufficiency, permanent housing opportunities and reduce recidivism. This pilot program will be operated by the Office of Women's Policy, the County of Santa Clara Department of Corrections, and the City of San Jose's Housing Department, in partnership with a broad range of service providers. (Tier 1)

***CommUniverCity Toolkit --***

CommUniverCity is a neighborhood, City (through the Strong Neighborhoods Initiative), and university collaborative that serves to significantly improve the lives of residents in the Five Wounds/Brookwood Terrace community in downtown San Jose. The goal of CommUniverCity is to raise living standards and social capital through community team-building. This project has resulted in increased civic engagement, violence prevention, improved housing, energy efficiency, building a college-going culture in local schools, and improving the built environment. This project has been a unique and successful program that has resulted in a cumulative contribution of over 30,747 hours of community service to the Five Wounds/Brookwood Terrace community. San Jose State University, with the support of the City of San Jose, proposes a federal funding request in the amount of \$417,000 for a three-year project. The funds would support the creation of a replication model, or community building toolkit, based on the success of this university-municipality-neighborhood partnership. This toolkit would first be rolled out through the CSU system and respective communities, then to other colleges nationally. (Tier 1)

***Elimination of the "alternative minimum tax"(AMT) penalty on Airport bonds –***

This penalty is/will cost the Airport millions in additional interest on bonds because airport bonds are considered "private activity" bonds. For example, the AMT penalty is costing the Airport an estimated \$40 million in additional financing costs on the \$725 million in bonds issued in September 2007 to finance the rebuilding of the Airport. That will be \$40 million that will not be available to build other Airport projects or to support Airport operations. The Airport director wrote to our Congressional Delegation on this issue and signed off on a joint letter with 19 other California airports to the Congressional leadership. This position was supported by the City Council in June 2007 when they approved the Airport's recommendations on provisions to be included in the FAA Reauthorization Bill. (Tier 2)

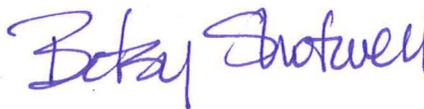
**PUBLIC OUTREACH**

- 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)**

This document will be posted on the City's website for the January 28 Rules and Open Government Committee where Council and the public have the opportunity to comment. The complete description of the priorities was initially presented to the Committee on December 10, 2008, and then was adopted by the City Council on December 16, 2008.

**COORDINATION**

This memorandum was coordinated with the City's Legislative Representative in Sacramento and Patton Boggs, LLP, in Washington, D.C.



BETSY SHOTWELL  
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For more information contact Betsy Shotwell, Director of IGR at 408-535-8270.  
Attachment: 2009 Legislative Priorities and Advocacy Issues

**CITY OF SAN JOSE-FEDERAL 2009 LEGISLATIVE PRIORITIES & ADVOCACY ISSUES**

**LEGISLATIVE PRIORITIES**

**Tier 1: Appropriations/Funding Requests**

**Airport Baggage System-** Seek up to \$32 million in TSA funding for funding for Terminal B's state-of-the-art baggage screening system.

**Increase in Passenger Facility Charge/Airport Improvement Program -**Support an increase in the ceiling of \$4.50 to \$7.50 per enplaned passenger for the passenger facility charge (PFC). Would provide up to an additional \$ 15 million a year in revenue (based on current level of passenger activity and depending on if and how much the ceiling is raised). In addition, support increasing the Airport improvement Program (AIP) funding. An increase in the federal funding of the AIP will allow the Airport greater opportunities to pursue capital funding for airside projects. The Airport has upwards of \$200 million in potential airside projects that could use AIP funding.

**New Federal Transportation Bill-** The current Federal transportation funding policy program SAFETEA-LU expires in '09 and a new Federal transportation policy is needed to support transportation system maintenance, operations and enhancement. Key issues include adequate/sustainable funding, focus on maintenance/safety, support rail transit (e.g. BART and High Speed Trains), delegated authority to local/regional level for local investments, and R&D support for new technology.

**Developing Inclusive Learning Services at the Library for Young Children-** Appropriations request between \$87,945 and \$106,220 to modify library programs and services so that they are more inclusive for children 0-5 years of age with disabilities or special needs.

**Quality Child Care Rating System-** Appropriations request of \$237,022 to develop a Quality Rating and Improvement System for use in San Jose that aligns with the California Title V and Title 22 licensing regulations and the established Smart Start San Jose quality standards.

**Workplace Literacy-** Appropriations request between \$72,000 and \$124,000 to allow the Library through its adult literacy program to offer workplace literacy programs, at the work site, to a variety of workers in San Jose. (Item pending in the FY 09 federal appropriations cycle and will be dropped if funded).

**Preserving San Jose's Past: A Digitization-** Appropriations request for \$150,678 to preserve one-of-a-kind materials documenting the history of San Jose and Santa Clara Valley, and make them more accessible by being available on the Internet.

**Trail Funding-** Request for funds for five trail projects including: Guadalupe Creek Trail Pedestrian Bridge south of Almaden Expressway/Coleman Rd. intersection; Bay Trail Reach 9B Pedestrian Bridge in Alviso, parallel to Gold St.; Los Gatos Creek Trail – San Carlos St to Santa Clara St.; Lower Guadalupe River Trail – Montague Expwy. to Gold St.; Coyote Creek Trail – Story Rd. to 101.

**Del Monte Park-** Request of \$2.4 million for a new park to serve the Burbank/Del Monte Neighborhoods. Improvements include playground, restroom, dog park, picnic areas, walkways and open green space

**Autumn Street Parkway and Guadalupe River Park Expansion-** Appropriations request of \$1 million. Acquisition and development of the last phases of the Guadalupe River Park and creation of a river frontage road is a mandated CEQA requirement to allow for the planned expansion of downtown San Jose.

<p><b>Community Development Block Grant (CDBG)</b> - Ensure that new Presidential Administration increases funding for the CDBG. San Jose receives about \$10 million annually and if the program is significantly reduced or Congress alters the formula distribution, San Jose's low-income residents will be adversely impacted</p>
<p><b>Secure Federal Funds to Help with Foreclosures</b>- Closely monitor legislation or stimulus packages that will provide additional assistance to families and neighborhoods that are being impacted by foreclosures and seek larger portion of this funding for San Jose.</p>
<p><b>Secure Federal Funding for Affordable Housing</b>- Ensure that the new Presidential Administration prioritizes funding for affordable housing ; monitor and ensure that stimulus packages include funding for affordable housing; participate in formula design for funds distributed through the National Housing Trust Fund with funds dedicated.</p>
<p><b>Skills to Succeed Program – Discharge Planning and Homeless Prevention for Incarcerated Women –</b> Appropriations request for \$400,000 for a pilot program at Elmwood Correctional Facility that would help female inmates navigate the system, plan for their release from jail, prepare for employment opportunities.</p>
<p><b>CommUniverCity Toolkit –</b> Support for San Jose State University's Appropriations request in the amount of \$417,000 for a three-year project to create a replication model, or community building toolkit based on this university-municipality-neighborhood partnership that raises living standards and social capital through community team building. The Toolkit would be first rolled out through the CSU system and respective communities.</p>
<p><b>Support and Funding for energy efficiency, carbon reduction, and other activities that support implementation of the City's Green Vision</b>- Support legislation that is consistent with the City's current and new environmental policies and practices and provides needed funding.</p>
<p><b>San Jose Environmental Innovation Center</b>- Appropriations request for \$1 million for renovation of an abandoned warehouse space in central San Jose for the purposes of establishing a regional center providing residential and conditionally exempt small quantity generators household hazardous waste drop-offs and other environmental services, education, green building demonstration areas, etc.</p>
<p><b>Clean and Green Job Training Program</b>- Appropriations request of \$1 million to increase awareness, training and assistance with job placement of San Jose residents into careers within the clean and green industry with coordination by the local workforce investment board and work2future.</p>
<p style="text-align: center;"><b>Tier 2: City Sponsored/Supported Legislation/Regulations</b></p>
<p><b>Changing the federal poverty line to a standard that recognizes high-cost areas</b>- Support legislation that would move the federal government away from using a poverty line to a self-sufficiency standard which actually measures the amount of money needed to support a family's basic needs. Continue to be an active participant in the Step up Silicon Valley a county-wide effort led by Catholic Charities to cut poverty in half by 2010. Changing the poverty standard in San Jose would allow its residents to receive more federal dollars to assist with many direct assistance programs.</p>
<p><b>Elimination of the "alternative minimum tax" (AMT) penalty on Airport bonds –</b> Support federal legislation that would exempt airport bonds from the AMT and repeals federal tax law that classifies a vast majority of airport bonds, including the Airport's bonds, as private activity bonds which are subject to the AMT even though airports use the bonds to finance runways, taxiways and other facilities for the public's benefit. The current classification results in the Airport paying a significantly higher rate.</p>

**CITY OF SAN JOSE-STATE 2009 LEGISLATIVE PRIORITIES & ADVOCACY ISSUES**

**LEGISLATIVE PRIORITIES**

**Tier 1: State Infrastructure Bond Measures and Potential State Funding**

**Proposition 1B- In November 2006, California voters approved Proposition 1B, the \$19.9 billion bond measure for transportation system improvements** – Under Prop 1B, \$234 million has been allocated for projects in San Jose. Policy priority action is to assure timely use of already allocated funds and seek opportunities from State/Local Partnership program.

**Permanent Source-** The State Housing and Community Development was asked to develop recommendations for the Administration on securing a long term funding source that is dedicated to financing affordable housing. The creation of this program could result in a significant amount of revenue to fund the City’s affordable housing programs.

**Proposition 84- The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006** – With the passage of the Statewide Park Act, AB 31 in 2008, \$400 million in grants for new parks will be awarded on a competitive basis to the most critically, underserved communities. The City will be submitting an application for funds during the 2009 cycle.

**Proposition 1E- Disaster Preparedness and Flood Prevention Bond** – With the exception of \$ 3 billion set aside for the Central Valley, the City has projects that could qualify for other programs and funding will be based on the Department of Water Resources process and may be several years out.

**Tier 2: City Sponsored/Supported Legislation**

**Increased Department of Conservation grants for recycling and litter abatement-** Sponsor/support legislation to increase City/County payment program with would allocate to the City an additional \$508,000 per year and add all plastic containers not currently covered by CRV to reduce litter burden.

**Support efforts to increase state funding to create adequate infrastructure for organics and inserts-** Support/sponsor legislation to appropriate \$30 million from the Integrated Waste Management Fund to create an infrastructure for composting additional organic waste and the processing of inert waste into usable products.

**Greenhouse Gas Emissions Bill, SB 375 (2008)** – Signed into law, SB 375, which will reduce regional greenhouse gas emissions from cars and light trucks and requires the MTC to add a sustainable communities strategy to their regional transportation plan. The City will need to be actively involved in the implementation of SB 375 and any “clean-up” legislation that is introduced in the 2009-10 legislative session.

**CITY OF SAN JOSE-STATE & FEDERAL 2009 LEGISLATIVE PRIORITIES & ADVOCACY ISSUES**

**LEGISLATIVE PRIORITIES**

**Tier 1: Appropriations/Funding Requests**

**High-Speed Rail (HSR)** - The City's priority action is support State investment in the system's development as passed by the voters November 4, 2008 (Proposition 1A). Support Federal and private investment for HSR and encourage initial system construction in the SF-SJ-Fresno-LA corridor as well as financing mechanisms for expansion of Diridon Transit Center.

**BART to Silicon Valley**- City policy priority is to seek sustainable source of operating funds for BART service following the passage of County Measure B on the November 2008 ballot and to seek federal funding share of \$750 million for project construction (through New Rail Starts process starting in summer 2009)

**Grants and bonding authorities that make additional resources available for local water and waste water utilities to undertake infrastructure improvements, including water reclamation**- Continue to seek funding for much needed water infrastructure needs including funding for the San Jose/Santa Clara Water Pollution Plant (expected to need \$200 million in upgrades/replacement infrastructure), \$54 million for the San Jose Area Water Reclamation and Reuse Program, (City's FY 09 appropriation request for \$8 million is pending), and \$53 million for the South Bay Advanced Recycled Water Treatment Facility.

**Ongoing Public Safety Funding/Grant Support**- The Police Department will continue to seek and apply for funding to continue support for enhancements/upgrades/augmentations to current/ongoing grant supported projects such as the Interoperability (ECOMM) project, restoration of COPS More, Internet Crimes Against Children and the Sexual Predator Compliance Program.

**Expand Gang Intervention Services**- Seek Appropriations/State funding for gang intervention services. FY 09 Federal funding request of \$250,000 is pending as well as an application to the California Gang Reduction Intervention and Prevention (CalGRIP) grant funding to support efforts of the Mayor's Gang Prevention Task Force's San Jose BEST program.

**Tier 2: Policy/Regulatory Issues**

**Green Technologies for Green Mobility** The City policy priority action is to advocate for policies that foster new technologies that are consistent with the City's Green Vision and are environmentally friendly and could potentially lower the City's operating and maintenance costs.