EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
Meeting of April 11, 2003

Vice Chairman Mickey Cafagna (North County Inland) called to order the Executive Committee meeting. Committee members in attendance were Hal Ryan (East County), Greg Cox (County of San Diego), and alternates Christy Guerin (North County Coastal), Jim Madafer (City of San Diego), and Art Madrid (East County).

1. PUBLIC COMMUNICATIONS/COMMENTS

SANDAG Executive Director announced that the Federal Government has notified SANDAG that the 2030 Mobility Regional Transportation Plan has been found in compliance with the air conformity regulations.

REPORTS

2. LEGISLATIVE UPDATE:

A. AB 361 (KEHOE): REGIONAL COMPREHENSIVE PLAN (SUPPORT IF AMENDED)

Vice Chairman Cafagna noted that the Ad Hoc Working Group on AB 361 has met two times. The first meeting was to discuss whether or not SANDAG could support the bill - it was determined that SANDAG could support the bill with amendments. The second meeting of the Ad Hoc Group was to discuss the amendments with Assemblymember Kehoe. A letter which included SANDAG’s proposed amendments was drafted and sent to the Assemblymember prior to the bill being heard in the Assembly Transportation Committee on April 7, 2003. During the hearing, the need for a directly elected governing board and a public vote was brought up. Assemblymember Kehoe testified that the bill has been supported by the League of Cities, the League of Women Voters, Supervisor Ron Roberts, the Quality of Life Coalition and the San Diego County Water Authority. Assemblymember Kehoe commented that the bill still has a ways to go and expressed concern with adjusting the timing of the LAO report, as SANDAG has suggested. Councilmember Kellejian indicated he testified before the Committee that the elected officials in the region are busy implementing SB 1703 and introducing the bill at this time could present some challenges in this effort, as well as in passing a TransNet extension. The
bill passed the Committee without opposition, 15-0. The bill is tentatively scheduled to be heard in the Assembly Local Government Committee on April 30, 2003.

Executive Committee members expressed concern that this bill is untimely and premature, given the fact that SB 1703 has not fully been implemented. Passing this bill now is not allowing the current legislation to work and the bill should be discussed after the LAO issues its report in December 2004. It was noted that the meeting between Assemblymember Kehoe and the Ad Hoc Working Group on AB 361 was positive and the Assemblymember was in concurrence with all of SANDAG’s concerns. Committee members stressed the importance to keep a working relationship with the Assemblymember and indicated the willingness to support a bill, as long as it doesn’t interfere with the region’s current work.

Action: The Executive Committee voted to oppose AB 361, unless amended, and to put this item on the April 25, 2003 Board of Directors agenda for action.

B. SALES TAX AND RELATED TRANSPORTATION LEGISLATION (PENDING)

Councilmember Joe Kellejian, Chair of SANDAG’s Transportation Committee, and Mayor Lori Holt Pfeiler attended the Self-Help Counties Coalition meeting and Lobby Day in Sacramento on Tuesday, April 8, 2003. The meeting started with an overview of critical transportation issues for 2003 and included a recap of the following bills.

ACA 7 (Dutra): Changes the voter threshold for transportation sales tax measures to 55%.
ACA 9 (Levine): Flip flop. 2/3 vote for general taxes, majority vote for special taxes.
ACA 11 (Levine): Majority vote for local government GO bonds for general types of infrastructure including transportation.
ACA 14 (Steinberg): Majority vote for special tax to fund quality of life projects including transportation.
SCA 2 (Torlakson): Changes the voter threshold for transportation/smart growth sales tax measures to majority vote.
SCA 11 (Alarcon): Majority vote for local government GO bonds for some infrastructure including transportation.

During the Self-Help Counties meeting, there was a discussion to protect Proposition 42 which is a dedicated sales tax on gasoline for transportation purposes. The Governor is proposing to take $1.7 billion in Proposition 42 monies to aid the General Fund. This action would delay and cause the cancellation of some transportation projects. There also was discussion on requiring any transportation monies loaned out to be repaid with interest. A discussion on truck weight fee problems was held. Last year, the legislature passed a change in the way the trucking weight fees were calculated. This change was billed as revenue neutral but has reduced transportation revenues by millions of dollars.

In association with Lobby Day, visits were made with Assemblymembers Horton, Plescia, Bates and Wyland. All the Assemblymembers thanked SANDAG for keeping them up to date on regional issues and working with them during the State budget crisis. While they all acknowledged the need for transportation projects in the region, they stressed difficulty in lowering the threshold to 55%.
C. SB 491 AND SB 492 (DUCHENY): HOUSING ELEMENTS (INFORMATION)

The Executive Committee was updated on two housing element-related bills authored by Senator Denise Ducheny and sponsored by SANDAG: SB 491 and SB 492. SB 491 proposes a twelve-month extension of the housing element due date for the San Diego region. SB 492 was introduced as a legislative vehicle to address issues related to SANDAG’s self-certification pilot program. SANDAG is interested in extending the sunset date of the pilot program to allow it to operate for an additional 5-year housing element cycle (which would allow self-certification in 2009), and to grant full eligibility for all state funds and programs to jurisdictions that self-certify their housing elements. As discussed at the February and March meetings, the Executive Committee agreed to consider making changes to the self-certification process to improve it and make it more effective, such as tying it to the Regional Comprehensive Plan (RCP) and improved monitoring.

Mayor Lori Holt Pfeiler (Escondido). Councilmember Kellejian (Solana Beach) and SANDAG staff met with representatives from the Department of Housing and Community Development (HCD) on April 8, 2003 to discuss the self-certification process. HCD representatives expressed a number of concerns about the self-certification process, and noted that they may be convening a working group to work on housing element reform issues. They also stated their willingness to participate in discussions about SB 492. SANDAG staff also met with several housing advocates in Sacramento who also expressed skepticism about the pilot program.

The Executive Committee discussed: providing more information regarding our production of housing and changes to general plans; the need to recognize various types of affordable housing including rental assistance; strengthening self-certification by linking it to the RCP; and the potential for self-certification to incentivize the provision of housing. Staff recommended forwarding a letter expressing SANDAG’s interest in being involved in HCD’s housing element reform discussions. Staff will continue to work with the various interested parties on ways to improve the pilot program. The Executive Committee will be kept informed on the status of the bills.

3. STATUS REPORT: CONSOLIDATION OF THE AUTOMATED REGIONAL JUSTICE INFORMATION SYSTEM (ARJIS) INTO SANDAG (DISCUSSION)

ARJIS Chairman, Mayor Madrid, noted that during the creation of SB 1703 (Peace), consolidation of the Automated Regional Justice Information System (ARJIS) into SANDAG was discussed. Once again, it is proposed that ARJIS be consolidated into SANDAG and that a Policy Advisory Committee on Public Safety be added. Pam Scanlon, ARJIS Executive Director, indicated that most of the Police Chiefs have agreed to the concept and would encourage consolidation by July 1, 2003. However, very strict laws regarding building security and other pertinent issues need to be addressed prior to consolidation.

Executive Committee members agreed that the consolidation of ARJIS into SANDAG makes sense. The Executive Committee directed the SANDAG Executive and Deputy Executive Directors to attend the next few ARJIS meetings to be available to answer any questions that the Police Chiefs may have. The issue of membership on the Public Safety Policy
Advisory Committee was discussed and the Executive Committee recommended forwarding this issue as part of a transition plan to the SANDAG Board of Directors.

D. AB 1221 (CAMPBELL AND STEINBERG): THE CALIFORNIA BALANCED COMMUNITY ACT OF 2003 (COMMENT/MONITOR)

AB 1221 (Campbell and Steinberg): The California Balanced Community Act of 2003 is the latest in a growing number of proposals to reform the current state-local government fiscal relationship. Under AB 1221, each city and each county would swap, dollar for dollar, a portion of their sales tax revenue for an equal dollar amount of property tax revenue. The primary purpose of the bill is to improve the balance of service cost and revenues related to land use. AB 1221 would increase municipal revenues from residential, office and industrial land uses. At the same time, AB 1221 reduces (but would not eliminate) the surplus municipal revenue that taxable sales generating land uses contribute in excess of municipal service costs. The fiscal impacts of AB 1221 on each city and each county depend entirely on how the city or county property tax base and sales tax base will grow in the future.

In 1999, SANDAG staff prepared a proposal for state-local fiscal reform that was provided to our legislative delegation. The current version of AB 1221 is in line with the principles for state-local fiscal reform that provide the framework for SANDAG’s proposal.

In light of the renewed interest in state-local government fiscal reform, staff is proposing to meet with the City Managers and the County CAO to discuss the differences between SANDAG’s fiscal reform proposal and others, including AB 1221. The issue of Fiscal Reform is scheduled to be discussed at the June Policy Development Board meeting. Representatives from the authors of the bill, the Governor’s office, the League of California Cities and other regional organizations that have been part of the fiscal reform issue over the past 10 years will be invited to participate.

Executive Committee comments included the need to: send a strong message to Sacramento regarding this issue; the need for constitutional protection of funds; develop a plan that works for everyone; take an active/aggressive role in this issue. The Executive Committee suggested that staff also invite representatives from CSAC and California Special Districts to discuss this issue.

The following comments were recommended for transmittal:

1. Constitutional Protection and Fiscal Stability — AB 1221 is focused on improving the economic balance and stability of local jurisdictions, but does not address the more important political stability factor affecting municipal finances. The political stability of municipal finance requires constitutional protection (and possibly “unfunded mandate” reform). The most significant factor in the political instability of municipal finance in California may be the lack of local control over revenue allocation and rates. The fiscal restructuring called for in AB 1221 would not protect local government revenue from being taken by the state during stressful economic and fiscal circumstances, nor would local government be protected from unfunded mandates or revenue earmarking. The authors of AB 1221 should consider...
constitutionally protecting local government revenue providing long-over due political stability.

2. Fiscalization of Land Use — AB 1221 would reduce the financial distortions at the root of the “fiscalization of land use” problem. However, while AB 1221 is a step in the right direction, the basic fiscalization of land use problem will remain: 1) residential and mixed use development still won’t pay its way in most areas, and 2) sales tax generating land uses will still provide more revenue than costs to cities and counties. The authors should examine additional ways to fully offset the fiscalization of land use.

3. Encourage Regional Cooperation — The growth in property tax revenue each city and county receives as part of the exchange is attributable to the growth in assessed value within their jurisdiction. The authors should consider ways for local jurisdictions to benefit from cooperation. The growth in revenue each jurisdiction receives could be based on the performance of the regional economy, and the allocation of revenue could encourage jurisdictions within the region to work together on growth management and economic development.

Action: The Executive Committee voted to approve comments for transmittal to the authors of AB 1221 and the San Diego legislative delegation, and that the Committee direct staff to monitor the bill and come back to the Executive Committee as needed.

4. REVIEW FY 2004 OVERALL WORK PROGRAM COMMENTS (APPROVE)

In February, the Board authorized distribution of the draft FY 2004 Overall Work Program (OWP) to SANDAG’s member agencies and to the federal and state funding agencies for review and comment. Comments were received from the County of San Diego, the City of Imperial Beach, Caltrans District 11, the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA). Both the comments received and SANDAG’s responses to those comments were contained in the staff report. Based on the schedule established by the Intermodal Planning Group, Region 9, SANDAG staff and representatives from the FTA, FHWA and Caltrans met on Tuesday, April 8, 2003 to discuss the comments received and review the Draft FY 2004 OWP. The IPG representatives were satisfied with the prepared responses and thanked the Board and staff for their efforts in developing the OWP.

The final OWP is scheduled for Board review and approval on April 25, 2003. Next month, the Executive Committee will review the proposed FY 2004 Final Program Budget that will be based on the final OWP. The Board will consider the final budget at its May meeting.

Action: The Executive Committee voted to recommend approval of the FY 2004 Overall Work Program to the Board of Directors with the new Criminal Justice Research work elements and the changes outlined in staff’s responses to the comments received.
5. REVIEW OF DRAFT BOARD AGENDA FOR APRIL 25, 2003 (APPROVE)

Action: The Executive Committee voted unanimously to approve the draft Board agenda for April 25, 2003, with the following change.

Add: AB 361 (Kehoe): Regional Comprehensive Plan (Oppose Unless Amended) – Under Reports

ADDITIONAL COMMENTS

SANDAG Executive Director noted that it is staff’s goal to take the SANDAG Board members on a bus tour of each sub-regional area in the County to view key projects. The first bus tour, of the South Bay area, has been scheduled for Friday, May 9, 2003. The tour will last from 10:15 a.m. to 2:30 p.m. All Board members are encouraged to attend.

GARY L. GALLEGOS
Secretary