



CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING

Hayward City Hall – Conference Room 2A
777 B Street, Hayward, CA 94541-5007

February 4, 2009
4:30 p.m. – 6:00 p.m.

A G E N D A

- I. Call to Order
- II. Roll Call
- III. **Public Comments:** *(Note: For matters not otherwise listed on the agenda. The Committee welcomes public comments under this section, but is prohibited by State Law from discussing items not listed on the agenda. Items brought up under this section will be taken under consideration and referred to staff for follow-up as appropriate. Speakers will be limited to 5 minutes each; organizations represented by more than one speaker are limited to 5 minutes per organization. All public comments are limited to this time period on the Agenda.)*
- IV. Approval of Minutes of January 7, 2009
- V. President Obama's Green Economic Stimulus Plan and Beyond
Tiffany Roberts, Administrative Intern
- VI. General Announcements and Information Items from Staff
OptiSolar Presentation and Tour, March 20, 2009, 7:30 am to 9:30 am
- VII. Committee Referrals and Announcements
- VIII. Next Meeting: Wednesday, March 4, 2009
Projections 2009 and SB 375
Christy Riviere, Principal Planner, Association of Bay Area Governments
- IX. Adjournment



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CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING
Hayward City Hall – Conference Room 2A
777 B Street, Hayward, CA 94541-5007

January 7, 2009
4:30 p.m. – 6:00 p.m.

MEETING MINUTES

I. Call to Order-4:37 pm

II. Roll Call

Members:

- Michael Sweeney, Mayor
- Olden Henson, Councilmember
- Bill Quirk, Councilmember
- Rodney Loché, Planning Commissioner (absent)
- Julie McKillop, Planning Commissioner
- Al Mendall, Planning Commissioner
- Doug Grandt, Keep Hayward Clean and Green Task Force Member

Staff:

- Fran David, Assistant City Manager
- David Rizk, Director of Development Services
- Erik Pearson, Senior Planner
- Tiffany Roberts, Administrative Intern (recorder)

Others:

- Sandy Frost, Hayward Community Gardens
- John Morra, Hayward Community Gardens
- Avalon Schultz, Associate Planner, City of Union City

III. Public Comments: No public comments.

VI. Approval of Minutes of December 3, 2008- Revised minutes adopted.

V. Solar and Energy Efficiency Financing, and Mandatory Solar for New Development.

Development Services Director Rizk presented an overview of financing options, indicating that benefits are indisputable and include reducing greenhouse gas emissions, savings on utility bills, and assisting in meeting three City of Hayward Climate Action Plan strategies that focus on solar photovoltaic (PV) power. He reviewed typical costs of a PV system before and after rebates. Tax credit, state financing, and PG&E rebate information was presented in the presentation. In addition, he highlighted programs

from a several cities; gave a brief overview of AB811 and reviewed considerations for adopting a mandatory program. He also summarized staff's recommendation.

Councilmember Henson inquired if staff found consistency between cities and if mandatory solar had the potential to discourage development. He also inquired if there is a consortium of several cities.

Development Services Director Rizk answered that Sonoma County cities formed a Solar Power consortium, and that Hayward needs to engage other agencies and cities in the area to form a similar consortium.

Councilmember Henson directed staff to look into the possibilities to forming a Solar Power consortium with other cities.

Planning Commissioner Mendall referenced the staff report and questioned the City of Culver City Building Official's information regarding the number of years it takes for a solar PV system to pay back when installed on a commercial project.

Task Force Member Grandt said that he's seen payback in 16 years.

Planning Commissioner Mendall stated that his PV system will pay for itself in 13 years and requested that staff verify the information in the staff report.

VI. City FIRST: Financing Initiative for Renewable and Solar Technology
Cisco DeVries, Managing Director, Renewable Funding

Mr. De Vries gave his presentation. He noted that the biggest issue is the upfront costs for programs like Berkeley FIRST. He continued to describe the CityFIRST program and similar programs that can be established so that a city's general fund is not exposed to liability. The process would require revenue bonds for funding and establishment of an assessment or Mello-Roos district, where residents voluntarily participate in the program and pay back loan through an assessment on their property taxes. Thirty-seven cities currently are working on similar financing programs including San Diego, Santa Cruz, San Francisco, and Boulder, Colorado.

He proceeded to discuss the services that Renewable Funding offer, which includes assistance with the program adoption process, education and administration, an on-line system for residents of participating cities, and financing, including an incremental bond purchase agreement. In addition, the program guarantees a seamless flow of capital where money is available on demand.

Planning Commissioner Mendall inquired why a 20 year pay-back period was established, and asked if the arrangement would be revenue neutral or revenue positive.

Mr. DeVries explained that there is no magic in 20 years; that although AB811 may cap at 20 years, the payback period can't be longer than the expected life of the equipment, making 20 years for financing a PV solar system an easy sell. Also, Mr. DeVries indicated that 20 years spreads payments out to be affordable. He indicated that cash flow depends on the property. In Berkeley, for example, he stated there is not a positive cash flow, but Palm Desert has a positive cash flow, because they use so much power to cool their homes in the summer.

Planning Commissioner Mendall inquired if the target of the program is single-family homes as opposed to townhomes, condos, etc.?

Mr. DeVries responded yes for PV solar systems.

Planning Commissioner Mendall asked if energy efficiency improvements would be covered by the program.

Mr. DeVries responded yes, but in Berkeley there is a \$5,000 minimum.

Councilmember Henson expressed concern of the timing of a solar and energy efficiency improvements financing program due to the current economic climate.

Mr. DeVries responded that bond markets are a disaster, so obviously, it makes everything more expensive. He continued that two years ago this program would have been cheaper and added that one of the challenges is to work to find the resources.

Councilmember Henson asked for confirmation that Berkeley received grants to start- up the program.

Mr. DeVries replied that Berkeley received a Bay Area Air District grant and EPA grant. He pointed out that there will be energy block grants available. The funding that Berkeley received was used for the pilot program. He also pointed out that the EPA grant doesn't support on-going operation of program, but that the Air District grant does.

Councilmember Henson asked how Berkeley engaged its community regarding this program.

Mr. DeVries replied that Berkeley is not that different than Hayward; however, Berkeley traditionally has an on-going effort to engage and

educate. He indicated that when you try to get people to make these changes, it's more about what peoples' neighbors are doing. The City of Berkeley is looking for ways to solve this climate crisis, but specifically with this program, he stated that solar companies were out there promoting it as well. It was also advertised on the City of Berkeley's website well in advance of implementation.

Taskforce member Grandt asked if there is anything in the program that suggests looking at the incremental return on an investment. He also inquired if there are provisions in the program to allow the installation of a larger PV system after installing a smaller system.

Planning Commissioner Mendall mentioned that solar companies calculated the appropriate size of the PV system.

Mr. DeVries continued to answer that rebate programs require system size to match last year's utility bill. The program doesn't monitor or enforce the system; however, the program requires residents to use the state rebate program. However, that being said, he said a resident could execute a new lien on the tax bill, for example, if the PV system installed did not meet required energy needs.

Development Services Director Rizk asked if participants have to provide evidence of the size of system needed.

Mr. DeVries replied that participants don't receive funding until the system has been installed. The program pays property owners directly; not the installers. Mr. DeVries indicated that Berkeley doesn't want the responsibility to decide when that contract between the owner and installer has been fulfilled, which could represent a liability issue for Berkeley.

Councilmember Quirk asked if it is a big deal to remove an old roof to have solar installed.

Mr. DeVries responded that it's not insignificant and may cost \$1,000 or more. Mayor Sweeney inquired if residents prefer to remove old roofs prior to the installation of a PV system. Everyone agreed that this is preferred.

Mayor Sweeney directed staff to work on the next steps to move this forward on a financing program. He pointed out that there are different issues regarding mandatory solar. He also felt that the Committee has more questions than answers. He suggested that staff do some work to get more questions and observations on the table.

Planning Commissioner Mendall inquired about the cons of mandatory solar and pointed out that the expense to a homeowner would not be like a

regressive tax if there is a financing mechanism. He indicated he favored a Mello-Roos type district, if it covered new and existing homes, and he recommend that financing be put in place for new and existing.

Councilmember Quirk pointed out that most of the projects that will be built in 2011 already have vested tentative maps, but if the City has a funding program in place, we may be able to convince the developers to go ahead and participate in the program.

Mayor Sweeney commented that there are issues about orientation of PV systems. He question what the City should do about a tree that blocks access. He requested that Committee members provide comments to direct staff.

Councilmember Henson commented that financing as an incentive works better for developers with large developments. He pointed out that there may be new incentives at the federal level that the City will need to consider. He stated that staff needs to work on some of the details. He stated that he likes the idea of a hybrid policy.

Taskforce member Grandt stated that the California Energy Commission allows cities to create their own energy ordinances which can allow a resident who doesn't have good access to light have their project installed on, for example, a factory roof. He inquired if the City FIRST program addresses those types of projects.

Mr. DeVries answered that it is his understanding of state law that residents are not currently allowed to do that, because the energy generation system has to be on the roof of the home. The exception is for municipal governments, and is very restrictive otherwise.

Planning Commissioner McKillop stated that she has reservations with adopting mandatory requirements of any kind, but is very excited about a solar and energy efficiency improvements financing program. She inquired what the lead time would be to initiate this program. Mr. DeVries answered four to six months.

Planning Commissioner McKillop pointed out the City could start social marketing in tandem with the adoption of a financing program.

Planning Commissioner Mendall stated that the key is to put in enough flexibility within any solar program so residents have options. Councilmember Quirk stated that he has reservations about adopting a mandate, particularly for a specific technology. He pointed out two constraints: limited staff time and the time it takes to get financing going. He advocated starting with education, including working with homeowners

and developers, then look at mandates later. He recommended concentrating first on financing and education.

Mayor Sweeney asked Mr. De Vries if he has any comments about new construction. Mr. DeVries stated so far, the financing program has been used for existing buildings. There are cities looking at it for new construction.

Mayor Sweeney inquired how a consumer would be protected if the cost of a system is misquoted. Mr. DeVries answered that some protections are built into state program regulations, but the city can exercise a great deal of discretion over the program if it feels the state system is not sufficient enough to protect the consumer.

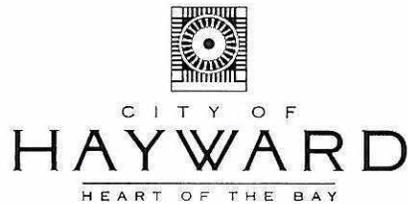
Taskforce member Grandt point out as a matter of education, that the financing program should not just be solar PV, but solar thermal and other alternative energies.

Mayor Sweeney summarized by indicating the Committee's desire to move forward with financing, and stated there appears to be some reluctance on mandating solar right now. He suggested that the City work with developers to provide solar on projects that have been approved. He also suggested that staff examine consumer protections. He continued that for new construction, the Committee needs to think of more programs and suggested bringing these issues to future meetings.

Development Services Director Rizk stated that he agrees with Councilmember Quirk that the focus on a financing structure is probably most important. He stated that staff could propose a funding mechanism/program.

Mayor Sweeney stated that the item should move forward to a joint worksession. He asked for announcements. He then reminded everyone that the next meeting scheduled for Wednesday, February 4th will examine President Obama's Green Initiative.

Adjourned at 6:10 pm



DATE: February 4, 2009

TO: Mayor and City Council Sustainability Committee

FROM: Director of Development Services Department

SUBJECT: President Obama's Green Economic Stimulus Plan and Beyond

RECOMMENDATION

That the Sustainability Committee reviews and comments on this report.

SUMMARY

This report provides an overview of the environmental and climate change goals of President Obama and the leadership of the 111th Congress. The report describes current proposals and considerations being made by the administration in terms of both short-term and long-term environmental infrastructure and energy efficiency programs. The report also includes a summary of the House of Representatives' recent economic recovery bill, which includes funding for local governments. The report concludes with recommendations of ways the City can prepare itself to become more competitive for potential funding. It should be noted that as plans concerning the economic stimulus continue to evolve, the goals and potential funding mechanisms mentioned in this report are subject to change.

BACKGROUND

A great deal of speculation has been made about the potential content of President Obama's economic recovery plan. In speaking about the plan, Mr. Obama has noted the energy efficiency and environmental focus of his proposals. The plans currently being considered are important to the City of Hayward, because they offer potential funding opportunities for many of the programs the Committee has discussed over the past several months, as well as programs which may be implemented under Hayward's Climate Action Plan. By staying informed of the new administration's plans, the City can better position itself to be competitive for future funding.

DISCUSSION

Overview of Environmental Goals of the Obama Administration and 111th Congress –

The overarching environmental goals of the new administration appear to be consistent with the goals of the leadership of the new Congress. The primary focus will be tackling energy and climate change issues. There has been a great deal of discussion surrounding reduction of greenhouse gas

emissions, green jobs, energy efficiency in buildings, renewable portfolio standards, smart grid investments, and clean coal technology. Though few details have yet to be worked out, most agree that a greater emphasis will be placed on stronger regulations and more vigorous enforcement.

As part of its over-arching goals on climate change, the administration has committed to re-engage with the U.N. Framework Convention on Climate Change. The December '09 Climate Change meeting in Copenhagen will focus on the establishment of an international agreement on greenhouse gas reductions and will certainly impact climate change policy in the U.S.

The administration has pledged to implement an economy-wide cap-and-trade program that would reduce greenhouse gas emissions 80% by 2050. As part of the program, the administration would like to see all pollution credits auctioned with the proceeds going to investments in clean energy, habitat protection, and rebates. Mr. Obama has pledged to increase fuel economy standards and has also committed to national renewable portfolio standards which require the production of energy from alternative sources such as wind and solar. He has proposed increasing these standards to 10% by 2012 and 25% by 2025.

President Obama's environmental appointments have also provided insight to his views on climate change (Exhibit A). Mr. Obama's decision to create a new position to oversee energy and climate change issues reveals his commitment to carrying out his clean energy mandate. Moreover, his tone on energy and climate change can be seen in proposals he has made in the context of his economic stimulus plan.

Environmental Infrastructure and Energy Efficiency: The Economic Stimulus and Beyond -

Mr. Obama and the new Congress have discussed increasing energy efficiency and sustainability in the context of both economic stimulus in the short term and in plans that would be considered long term. In terms of dollars, proposals for the economic recovery package have thus far ranged from \$650 billion to \$1.3 trillion. The Obama administration has suggested that of that sum, \$350 billion should go to infrastructure projects. The City of Hayward has already submitted a list of potential projects to the US Conference of Mayors that could compete for economic stimulus funding (Exhibit B). The Obama administration has stated that these projects should be ready-to-go projects that could commence construction by spring of this year. Projects that meet these criteria *and* can demonstrate a sustainability component will be given greater weight.

Longer term proposals have included discussions about the establishment of a National Infrastructure Reinvestment Bank, transportation programs, and other programs, such as increased brownfield redevelopment funding.

A National Infrastructure Reinvestment Bank would invest \$60 billion in large-scale transit projects of substantial regional and national significance. The program would be modeled after the Dodd-Hagel National Infrastructure Bank Act of 2007 (Exhibit C) and would be used for congestion relief, infrastructure rehab, and high-density transit oriented development.

Another policy currently under consideration mirrors California's SB375 legislation which ties state transportation dollars to energy conservation and greenhouse gas emissions reductions. The federal program would require that energy conservation be included as part of transportation planning in order to qualify for federal funding. Funding for transportation projects through the

Transportation Equity Act would have access to up to \$450+ billion for transit, roads, bridges, and pedestrian/transit-oriented development.

A greater amount of funding under the Water Resources Development Act may be made available and would go towards flood control, navigation, ecosystem restoration, environmental infrastructure, and waterfront revitalization projects. There may also be potential new mechanisms to supplement the EPA's State Revolving Fund program under the Clean Water Act, giving access to up to \$300 billion for a water/wastewater infrastructure.

Consideration is also being given to brownfields redevelopment funding, specifically for higher funding levels and reauthorization of the Brownfields Act of 2002, under which jurisdictions would have access to more resources.

For local governments, the new administration is calling for up to \$10 billion in new Energy Efficiency and Conservation Block Grants for clean energy and clean transportation projects. The House of Representatives has proposed a lower amount of \$3.5 billion and has considered a new formula for distribution of funds where cities with populations greater than 35,000 would receive funding directly from the Department of Energy. Another proposal to help fund local government green buildings is also being considered and could potentially provide up to \$90 million through the EPA.

A new \$290 million program run through the Department of Energy has also been proposed in order to support the development of plug-in hybrid and alternative fuel infrastructure. This program may be particularly interesting to Hayward because the City Manager has been in communication recently with representatives from BetterPlace.com, a company that is working on installing plug-ins throughout the Bay Area as part of developing an electric car infrastructure. They are interested in making Hayward a showcase site as well as other Alameda County cities. Other local clean transportation funding is being considered for clean buses and green fleets.

Although no specific funding amounts have been mentioned, consideration for Community-Scale Renewables is underway and may include Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds, Smart Grid & Smart Meter funding, and Feed-in Tariffs.

The House of Representatives Economic Stimulus Bill - American Recovery and Reinvestment Act of 2009 -

The House economic stimulus bill was recently passed and forwarded to the Senate. Since its release, one of the nation's leading economists, Mark Zandi of Moody's Economy, conducted independent analysis of the bill and found that the plan would create and/or save nearly 4 million more jobs and that the unemployment rate will be 2.2 percent lower if the legislation is enacted than if it is not. A summary of the funding highlights from the bill follows:

- \$18.5B for Department of Energy, Energy Efficiency and Renewable Energy programs (pp. 69-on of bill):
 - \$3.5B for EECBG. Change in distribution formula, with 34 percent of funds going to cities over 35k/counties over 200k and 34 percent goes to cities over 50k/counties over 200k

- \$2B for R&D and demonstration projects, including \$800M for biomass and \$400M for geothermal, and advanced batteries
- Various sums to implement various DOE programs, including \$500M for DOE expenses to implement the Energy Policy and Conservation Act of 1975, which includes among many other things, efficiency money for schools, hospitals, and local government buildings (audit, technical assistance and implementation grants given through states);
- \$200M for grants to locals (and others) for plug-in hybrid electric vehicle and other electric vehicle programs
- \$400M to states and locals for alternative fuel buses and trucks
- \$1B to institutional entities for energy sustainability and efficiency under EPCA, including school districts, higher-ed, local governments
- \$6.2 billion for DOE weatherization program
- \$3.4 for State energy programs;
- \$4.5B for smart grid investments, including \$100M for worker training
- \$1B for advanced battery program at DOE
- \$100M for revolving loans to institutions for efficiency, including school districts, higher-ed facilities, local governments, and public power
- \$8B for innovative renewable and efficiency technology loan guarantees
- \$2.4B for carbon capture and sequestration demonstrations
- \$300M for diesel emission reduction grants
- \$6B for green school retrofitting via state and local educational agencies
- \$2.5B for efficiency in HUD-sponsored low income housing
- \$1B for Capital Investment Grants for new commuter rail or other light rail systems to increase public use of mass transit and to speed projects already in construction; Allocated under existing requirements
- \$2B to for fixed guideway infrastructure grants to modernize existing transit systems, including renovations to stations, security systems, computers, equipment, structures, signals, and communications. Funds will be distributed through the existing formula.
- \$6 billion to purchase buses and equipment needed to increase public transportation and improve intermodal and transit facilities. Funds will be distributed through the existing formulas; 100% no match.
- NOAA, \$400M for habitat restoration and mitigation activities
- NOAA, \$600M for accelerating satellite development and acquisition, acquiring climate sensors and climate modeling capacity (at least \$140M), and establishing climate data records
- \$100 million for brownfield assessment and cleanup grants

An overview from the US House of Representatives' Appropriations Committee can be found on the internet at: <http://appropriations.house.gov/pdf/PressSummary01-15-09.pdf> .

City of Hayward and the Green Economic Stimulus Plan -

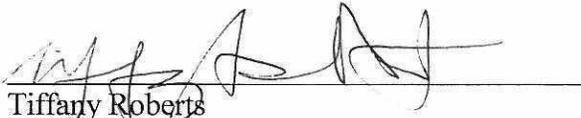
The City of Hayward has placed a priority in responding to climate change and encouraging sustainability, as evidenced by formation of the Council Sustainability Committee, support for development of a Climate Action Plan, adoption of green building ordinances, anticipated adoption of an environmentally friendly landscaping ordinance, and previous adoptions of a water efficient

landscape ordinance and waste reduction/recycling ordinance. The City's leadership in this area is in line with the tone that has been expressed by the new administration and Congressional leadership. The City of Hayward has already compiled a list of potential projects which could compete for stimulus dollars (Exhibit B). It is important that potential environmental and sustainability improvements from these projects be clearly expressed to insure even greater competitiveness. The City will also want to keep a close eye on new developments and funding opportunities.

FISCAL IMPACT

The economic stimulus plan and other measures currently being considered at the national level may serve to provide funding to the City of Hayward, which would allow for the implementation of a variety of programs and support for various public projects.

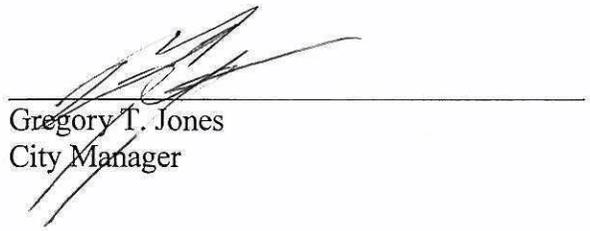
Prepared by:


Tiffany Roberts
Administrative Intern

Recommended by:


David Rizk, AICP
Director of Development Services Department

Approved by:


Gregory T. Jones
City Manager

Attachments

- Exhibit A: Presidential Appointments to Cabinet Level Environmental Positions and Incoming Chairmen of Key Environmental Committees
- Exhibit B: City of Hayward List of Projects for Economic Stimulus Program
- Exhibit C: Dodd-Hagel National Infrastructure Bank Act of 2007

Presidential Appointments to Cabinet Level Environmental Positions and Incoming Chairmen of Key Environmental Committees

Presidential Appointments to Cabinet Level Environmental Positions

Department of Interior – Ken Salazar,

United State Senator; Former Attorney General of CO and prior water & environmental attorney; not viewed as having strict regulatory philosophy; as Senator he supported legislation to promote renewable energy and reducing “addiction” to foreign oil

Department of Energy – Steven Chu, PhD,

Director of DOE; Lawrence Berkeley National Laboratory Scientist by training; focused on R&D for alternative energy technologies & greenhouse gas emission reductions

Environmental Protection Agency – Lisa Jackson,

Chief of Staff to NJ Governor Corzine; Former Commissioner of NJ Dept. of Environmental Protection; 16 years at EPA focused on Superfund sites and hazardous waste

Assistant to the President for Energy & Climate Change (Climate Czar) – Carol Browner

Long-serving Clinton EPA Administrator; Florida environmental chief; LD for Senator Al Gore and early environmental activist

NOAA Administrator – Dr. Jane Lubchenco

Environmental scientist and marine ecologist; passionate advocate for combating global warming

Council on Environmental Quality – Nancy Sutley

Deputy Mayor of Los Angeles; Former member of California State Water Resources Control Board; energy advisor to Gov. Davis of CA; Deputy Secretary for Policy and Intergovernmental Relations in California Environmental Protection Agency; Special Assistant to EPA Administrator Carol Browner

Incoming Chairmen of Key Environmental Committees

House

- Chairman Henry Waxman (D-CA), Energy & Commerce Committee
- Chairman James Oberstar (D-MN), Transportation & Infrastructure Committee
- Chairman Ed Markey (D-MA), Select Committee on Global Warming
- Chairman Norm Dicks (D-WA), Interior & Environment Appropriations Subcommittee

Senate

- Chairwoman Barbara Boxer (D-CA), Environment & Public Works Committee
- Chairman Jeff Bingaman (D-NM), Energy & Natural Resources Committee
- Chairwoman Dianne Feinstein (D-CA), Interior & Environment Appropriations Subcommittee



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MAINSTREET ECONOMIC RECOVERY

usmayors.org/mainstreeteconomicrecovery

["Ready to Go" Report](#)[Read the Mayors' Plan](#)[Recent Press Coverage](#)[MayorsBlog with *Tom Cochran*](#)

MainStreet Economic Recovery Survey

[Return to Participating Cities](#)

City	State	Program	Project Description	Funding Required	Jobs
Hayward	CA	Airport	Skywest T-Hangars - Construct 42 new T-Hangars	6,500,000	120
Hayward	CA	Airport	Runway Safety Project - Construction of the proposed depressed roadway to eliminate potential clearance conflict at end of runway.	34,000,000	250
Hayward	CA	Amtrak	Tennyson Road Grade Separation Bridge at UPRR to eliminate vehicle and train traffic conflict and improve pedestrian safety	13,500,000	300
Hayward	CA	CDBG	Cannery Area Pedestrian Bridge - This pedestrian bridge over Union Pacific Railroad will provide a safe and direct access between the residential community and Centennial Park.	2,500,000	80
Hayward	CA	CDBG	New City Plaza - To construct a new City Plaza in the downtown area for community gatherings.	12,000,000	200
Hayward	CA	CDBG	New Main Library - Construct a new main library to replace an outdated 50-year old existing facility.	30,000,000	300
Hayward	CA	Energy	Traffic Controllers - Replace all 150 traffic controllers with new state of the art controller system	1,500,000	40
Hayward	CA	Energy	LED Street Lights - Replace street lights with LEDs Citywide.	8,000,000	150
Hayward	CA	Energy	Solar Energy Generation for various City Facilities	4,000,000	200
Hayward	CA	Energy	Waste Water Treatment Plant 1MW Photovoltaic System	8,000,000	200
Hayward	CA	Public Safety	CAD/RMS - A new Computer Aided Dispatch/Records Management (CAD/RMS) system to support public safety with police and fire dispatch.	3,500,000	40
Hayward	CA	Public Safety	New Fire Station No.7 - Construct a new fire station to replace an existing temporary facility.	10,000,000	100
Hayward	CA	Public Safety	New Police Facility - Construct a new police facility to replace the existing 40-year old station.	75,000,000	350
Hayward	CA	Streets/Roads	Neighborhood Streets Improvements - Improvements to include pavement reconstruction and drainage system improvements.	10,000,000	100
Hayward	CA	Streets/Roads	Pavement Rehabilitation - City-wide pavement rehabilitation, including reconstruction of some streets	33,000,000	350

Totals: \$251,500,000.00 2,780.00

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Second Vice Pres



Tom Cochran,
CEO and
Executive Director

NATIONAL INFRASTRUCTURE BANK ACT OF 2007

Senator Christopher J. Dodd and Senator Chuck Hagel

OVERVIEW

The Dodd-Hagel National Infrastructure Bank Act of 2007 is a bipartisan measure that addresses the critical needs of our nation's major infrastructure systems. The legislation establishes a new method through which the Federal government can finance infrastructure projects of substantial regional or national significance more effectively with public and private capital.

THE PROBLEM

According to the American Society of Civil Engineers, the current condition of our nation's major infrastructure systems earns a grade point average of D and jeopardizes the prosperity and quality of life of all Americans.

According to the Federal Transit Administration, \$21.8 billion is needed annually over the next 20 years to maintain and improve the operational capacity of transit systems.

According to the Department of Housing and Urban Development, there are 1.2 million units of public housing with critical capital needs totaling \$18 billion.

According to the Texas Transportation Institute, the average traveler is delayed 51.5 hours annually due to traffic and infrastructure-related congestion in the nation's 20 largest metropolitan areas. The delays range from 93 hours in Los Angeles to 14 hours in Pittsburgh. Combined, these delays waste 1.78 billion gallons of fuel each year and waste almost \$50.3 billion in congestion costs. Furthermore, the average delay in these metropolitan areas has increased by almost 35.3 hours since 1982.

According to the Federal Highway Administration, \$131.7 billion and \$9.4 billion is needed respectively every year over the next 20 years to repair deficient roads and bridges. The average age of bridges is 40 years.

According to the Environmental Protection Agency, \$151 billion and \$390 billion is needed respectively every year over the next 20 years to repair obsolete drinking water and wastewater systems. Drinking water and wastewater systems range in age from 50 to 100 years in age.

Current Federal financing methods do not adequately distribute funding based on an infrastructure project's size, location, cost, usage, or economic benefit to a region or the entire nation.

THE DODD-HAGEL SOLUTION

The Dodd-Hagel legislation establishes the National Infrastructure Bank, which as an independent entity of the government is tasked with evaluating and financing capacity-building infrastructure projects of substantial regional and national significance. Infrastructure projects that come under the Bank's consideration are publicly-owned mass transit systems, housing properties, roads, bridges, drinking water systems, and wastewater systems.

Modeled after the Federal Deposit Insurance Corporation, the Bank is led by a five member Board of Directors, each whom are appointed by the President and confirmed by the Senate.

The Bank's Board has flexibility to develop an organization of professional civil service staff to carry out the Bank's authorized activities. An Inspector General oversees the Bank's daily operations and reports on those operations to Congress.

Infrastructure projects with a potential Federal investment of at least \$75 million are brought to the Bank's attention by a project sponsor (state, locality, tribe, infrastructure agency (e.g. transit agency), or a consortium of these entities).

To determine a level of Federal investment, the Bank uses a sliding scale method that incorporates conditions such as the type of infrastructure system or systems, project location, project cost, current and projected usage, non-Federal revenue, regional or national significance, promotion of economic growth and community development, reduction in traffic congestion, environmental benefits, land use policies that promote smart growth, and mobility improvements.

Once a level of investment is determined for a project, the Bank develops a financing package with full faith and credit from the government. The financing package could include direct subsidies, direct loan guarantees, long-term tax-credit general purpose bonds, and long-term tax-credit infrastructure project specific bonds. The initial ceiling to issue bonds is \$60 billion.

The Bank is tasked to report annually to Congress on the projects it reviews and finances. A public database is created to catalog what projects were funded and what financing packages were provided. The Bank is also tasked to report every three years on the economic efficacy and transparency of all current Federal infrastructure financing methods, and how those methods could be improved. After five years, the Government Accountability Office would be tasked with evaluating the Bank's operations and efficacy.

The Bank does not displace existing formula grants and earmarks for infrastructure. It targets specifically large capacity-building projects that are not adequately served by current financing mechanisms.