



Ermina Karim,
President/CEO

895 Monterey St.
San Luis Obispo,
CA 93401

805.786.2763

slochamber.org
visitslo.com

April 18, 2017

City Council
City of San Luis Obispo
990 Palm St.
San Luis Obispo, CA 93401

Subject: City Budget Goal Setting Process 2017-19

Dear Mayor Harmon and Council Members:

The San Luis Obispo Chamber of Commerce Board of Directors respectfully submits our recommendations for the City's 2017-19 Major City Goals Work Programs. We were pleased to see that the four Major City Goals and Important Objective adopted by the Council for the coming two years reflect priorities that our organization has long advocated for, including the devotion of resources towards housing, multi-modal transportation infrastructure, long-term fiscal sustainability and addressing climate change.

We continue to appreciate City's staff's outreach and engagement with our organization and the community. The recommendations listed below were developed following a recent meeting of our Economic Development and Legislative Action committees, composed of nearly 50 Chamber volunteers, who heard a comprehensive presentation on the proposed two-year work plans from City staff leadership. These kinds of opportunities continue to be a hallmark of the many processes that the City readily offers to its residents, allowing for education, transparency, open dialogue and an informed citizenry.

Our recommendations for the City's investment of time, money and resources for its 2017-19 Financial Plan include:

1. Housing

As this continues to be a top priority for the local workforce, we would like to see the strategies (and their results) that the City has identified in various planning documents to increase its housing inventory for a variety of income levels - as described in the General Plan, Housing Element, Economic Development Strategic Plan and Climate Action Plan - be quantified and tracked. By tracking specific metrics and reporting out results annually, such as by specific neighborhood districts, the community can work toward shared efforts that will accomplish this Major City Goal.

In addition, as the lack of infrastructure is a major obstacle to achieving progress in this Goal, we recommend that the City recommit to the fair distribution of the costs required to support the development of new housing. These include those for improvements in roads, highly congested areas and services so as not to further impede the production of housing.

2. Multi-Modal Transportation

The Chamber recommends that the City continue to contribute financial resources to the Infrastructure Investment Capital Fund (IICF) in order to build a useful pool of resources for critical City-wide infrastructure financing that unlocks housing opportunities in our community. For example, reallocate budget funds away from other potentially less timely infrastructure projects and consider allocating future funding from the Diablo Canyon Power Plant closure settlement agreement to the IICF. As we have suggested in the past, the goal for funding the IICF should be at a minimum on par with the amount set aside to the Open Space Acquisition Fund.

3. Fiscal Sustainability and Responsibility

Our Chamber continues to be supportive of the continued implementation of the City's Fiscal Responsibility Philosophy. As in our original recommendation towards this Major City Goal, we believe that there is value in the establishment of an outside third party Task Force, one that is composed of business and municipal finance professionals to assist City elected leadership in navigating this highly complex topic and provide examples of best practices. Their task would be to independently better understand what tools and strategies might be available to the City to control escalating pension and benefits costs in order to support the City's long term financial health.

4. Climate Action

Because of the City's jobs/housing ratio imbalance, the primary cause of our local greenhouse gas emissions is the significant amount of commuter vehicle miles traveled daily to and from San Luis Obispo. If the City wishes to truly have a high impact in the area of climate action, we recommend that the role of a Sustainability Coordinator be focused on the highest impact opportunities to address the objectives in the City's Climate Action Plan and Major City Goal of working towards a "net-zero carbon city"- housing and multi-modal transportation infrastructure. We urge the City to address solutions that decrease commuting impacts by focusing on efforts to create new housing inventory and support the infrastructure necessary to advance housing and promote alternative transportation.

Thank you for your consideration of these recommendations and for your continued diligence on behalf of our City's residents and workforce.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ryan Caldwell', with a stylized, cursive flourish.

Ryan Caldwell
Chair of the Board 2017