

MEMO

To: Mayor Pauline Russo Cutter and Members of the San Leandro City Council
cc: Chris Zapata, City Manager
Eric Engelbart, Deputy City Manager
From: Christopher Townsend, President, Townsend Public Affairs, Inc.
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Date: December 5, 2016
Subject: Summary of 2016 State Legislative Activities

SUMMARY

Townsend Public Affairs, Inc. (TPA) has prepared this report for the City of San Leandro following the end of the 2016 State legislative session. This report lists our efforts to date including a summary of our legislative advocacy actions on behalf of the City.

2016 State Legislative Highlights

TPA worked with the elected City leaders and the City Manager's executive staff to develop, advocate for, and secure several major City initiatives. San Leandro-specific initiatives were accomplished by working directly with Assembly Member Bonta and his office, Senator Hancock and her office, the office of the Senate Pro Tem, the Office of the Assembly Speaker, the Governor's Administration, and others including Assembly Member Quirk.

Below is a summary of the 2016 state legislative session highlights that were of importance to the City of San Leandro and reflect the adopted legislative priorities of the Mayor and City Council.

San Leandro Hospital

One of TPA's top priorities was to identify, support and advance legislative proposals supporting the City's efforts related to San Leandro Hospital. From this initial work, two bills were introduced in support of the City and County's efforts. They were;

- Assembly Bill 2737 (Bonta) - *Nonprovider health care districts*, which was signed into law. This was a specific City of San Leandro-sponsored piece of legislation. Working closely with Assembly Member Bonta and the Mayor with support directly from the City Manager and his team, this ground-breaking legislation was signed by the Governor.

This bill requires specified healthcare districts to spend at least 80% of their annual budget on community grants awarded to organizations that provide direct health



services, and prohibits more than 20% of their annual budget to be spent on administrative expenses. This bill only applies to "nonprovider healthcare districts," which must meet all of the following criteria: a) the district does not provide direct health care services to consumers; b) the district has not received an allocation of real property taxes in the past three years; c) the district has assets of \$20 million or more; d) the district is not located in a rural area that is typically underserved for health care services; and, e) the district, in two or more consecutive years, has dedicated an amount to community grants that is less than twice the total administrative costs and overhead not directly associated with revenue-generating enterprises. The parameters of this bill were established to address one healthcare district, Eden Township Healthcare District, d.b.a. Eden Health District.

Our efforts included, but were not limited to, securing the author for the bill, helping prepare background sheets, one-pagers, and draft support letters, briefing various legislators and their staff, committee members and their staff, associations, impacted advocates, and many others. In addition, we helped draft speaking points for the Mayor's testimony before Assembly and Senate Committees, worked with the bill's co-supporters, met on multiple occasions with the Governor's office, and other various efforts necessary to help get the bill signed into law.

- AB 2471 (Quirk) - *Health care districts: dissolution*. The City of San Leandro was an active supporter of this legislation, working closely with Assembly Member Quirk, his office, and Alameda County (the official sponsor). This bill was held in the Senate Governance Committee.

Our efforts included, but were not limited to, working with Assembly Member Quirk, the author of the bill, and his staff on many day-to-day matters, briefing the various legislators and their staff when the bill was in committee, supporting the Mayor and Deputy City Manager of San Leandro, as well as the Mayor of Hayward who all testified in various committees, helping draft speaking points, and working with associations, impacted advocates, and many others.

Affordable Housing

- With the dissolution of redevelopment agencies statewide, an ongoing source of funding for affordable housing has been lacking. Another of TPA's top priorities for the City was to identify, support and push forward legislative proposals supporting and encouraging affordable and work force housing.

The Assembly submitted a package of bills to provide funding for the construction of affordable housing and, on behalf of the City of San Leandro, we were actively involved in these bills, specifically:

- AB 2200 (Thurmond) Affordable Housing/teacher housing
- AB 2319 (Gordon) California Infrastructure and Economic Development Bank
- AB 2441 (Thurmond) Housing: Workforce Housing Pilot Program
- AB 2475 (Gordon) Loan Program: California Infrastructure and Economic Development Bank



- SB 1069 (Wiecowski) Land use: zoning
- By Right Housing Proposal.

Seismic Safety

- This was another key priority for the City in 2016. Working closely with Assembly Member Nazarian, the first-ever seismic safety account was created in the State Budget to set aside \$10 million for family-owned or small-scale property owners of multi-unit buildings to make much-needed seismic upgrades and ensure the safety of these units.

With recent earthquakes in California and across the world, an earthquake can occur at any given moment and it remains imperative that structures are suitable to withstand a catastrophic earthquake. Creating this seismic safety measure will improve California's resilience against earthquakes, saving the public money that would otherwise have been required for disaster relief, and protecting aging housing stock and the tenants who live there.

Medicinal Cannabis Statewide Regulations

- After years of unsuccessful attempts, the Legislature finally approved a package of bills to create a medicinal cannabis regulatory framework at the State level. However, additional elements needed to be addressed, such as guidelines for cities that are seeking to permit manufacturing and extraction businesses. TPA once again served as an instrumental member of a statewide coalition that supported the views of both local government and the industry.

TPA actively drafted language and advocated with legislators and staff to ensure the 'clean up' regulations would be in the best interests of San Leandro and future operators in the City. We also worked on AB 21 (Wood) which supported cultivation regulations, and AB 2679 (Cooley), which supported the extraction regulations.

Senate Plan on Homelessness

- Since the beginning of the year, TPA informed the City regarding discussions that Senate Democrats were having to bring forward a budget proposal to address homeless issues impacting cities throughout the state. As the discussions went on, we briefed the City on key points, spoke with staff members in various capacities in the Capitol to explain the needs of urban, dense cities. When the proposal was finalized, we also testified to express the City's support.

Transportation Funding

- TPA has been active on the City's behalf surrounding a possible transportation infrastructure funding package. Over the past year there were many different transportation proposals put forward during the legislative session, but none of them were able to garner the two-thirds support needed for passage. As we have been briefing the City, there was discussion about a possible effort during the lame duck session to deal with transportation. While there have not been any announcements of convening a special session, Assembly Member Frazier and Senator Beall have been talking with their colleagues to see if there is support for passage of a transportation



funding proposal. A funding proposal would be somewhere in between what the Assembly Democrats are looking for (\$7.4 billion per year) and the Administration (\$3.6 billion). We have been working with key legislative leaders, the Big 10 Mayors, trade groups and others to identify and secure the needed votes to move forward on a comprehensive transportation funding package.

Weekly Updates

In addition to the work mentioned above, TPA continues to provide the City with ongoing, weekly legislative updates on bills, relevant statewide policy topics, and other matters of interest to ensure the City has up to date information and is directly involved in the decision-making process. These updates include specific bills we are working on for the City, along with other legislation that we may suggest the City monitor, support or oppose.

