
MEMORANDUM

To: Mayor Stephen H. Cassidy and Members of the San Leandro City Council

CC: Chris Zapata, City Manager
Lianne Marshall, Assistant City Manager
Eric Engelbart, Assistant to the City Manager

From: Christopher Townsend, President, Townsend Public Affairs, Inc.
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Date: November 3, 2014

Subject: Summary of 2014 State Legislative Activities

Townsend Public Affairs, Inc. (TPA) has prepared this report for the City of San Leandro following the end of the 2014 State legislative session. This report lists our efforts to date including a summary of our legislative and funding advocacy actions on behalf of the City.

2014 State Legislative Highlights

Starting in mid-February 2014, TPA immediately began working with the elected City leaders and City Manager's executive staff to develop, implement, advocate and secure several major City initiatives. The San Leandro specific initiatives were accomplished through legislation, advocating for grants and working directly with Assembly Member Bonta and his office, Senator Corbett and her office, Senator Hancock and her office, the office of the Senate Pro Tem, the Office of the Assembly Speaker, and the Governor's Administration.

1. Our top accomplishment for the legislative year was the TPA led efforts to secure the passage of Assembly Bill 2292 (Bonta) which provides cities and counties with new tools to expand broadband projects that would bring high-speed communications, jobs, and new businesses to local communities. Specifically, this bill simply allows cities and counties to finance broadband projects using infrastructure financing districts.

Our extensive efforts through the entire legislative process included:

- Providing research on past related legislation;
- Securing Assembly Member Bonta as the author;
- Drafting a one-page bill summary to explain the topic and solution, drafting the City's sponsorship letter and support letters for other entities, and other marketing materials;
- Resolving concerns from stakeholders such as Comcast, AT&T, and others, regarding the goals of the bill, and then securing their support in our legislative efforts;

- Drafting the testimony for our two key witnesses, Mayor Cassidy and City Manager Zapata, when the item was before the Senate and Assembly Local Government Committees;
 - Briefing the office of every Assembly and Senate committee member to explain why the City of San Leandro and State need this bill, what the impact is, and what the City is hoping to achieve;
 - Testifying before the Assembly and Senate Appropriations committees;
 - Working with the author, his office, the City, and Legislative leadership to successfully move the bill out of the Assembly;
 - Working with the Senate Governance and Finance committee members and staff to successfully move the bill out of committee with bipartisan support;
 - Working with Assembly Member Bonta and his office to secure Senator Padilla as the legislator to manage the bill on the Senate Floor and successfully moving out of the Senate Floor; and
 - Partnering with Assembly Member Bonta, the Mayor, City leadership, and others to advocate to the Governor and his staff to sign the bill into law.
 - Those groups include California Library Association, California State Association of Counties, Central Coast Broadband Consortium, City of Dublin, City of Oakland, San Leandro Chamber of Commerce and IBEW Local 595.
 - This bill was signed into law by Governor Brown on September 29, 2014.
2. Additionally, TPA provided immediate, direct, and extensive advocacy efforts on behalf of the City of San Leandro regarding additional, specific legislation of interest to the City.

SB 962 (Leno) Smart Phones-Support

This bill, in an effort to curb cell phone theft, requires a 'kill switch' on all smart phones sold after July 2015 in the state of California. The goal of the legislation is to remove the profit motive for those who would attempt to steal smart phones. Our efforts included working closely with Senator Leno and his office, Assembly Member Skinner (the coauthor) and her office, numerous public safety associations, consumer associations, and additional cities to ensure this bill moved through both houses. Once the bill was on the Governor's desk, TPA helped organize an intensive and focused letter writing campaign to the Governor outlining the need for the bill. SB 962 was signed by Governor Brown in August.

AB 1147 (Bonilla) Massage Therapy-Support

As one of the top City legislative priorities, TPA was actively engaged on this legislative initiative. This bill substantially revises the existing massage therapy law, incorporating changes that were recommended as a result of the 2014 sunset review process. This bill would revise, recast, and update multiple provisions of current law to give local government's greater authority to regulate massage establishments and businesses while creating a more robust statewide regulatory system for massage professionals. TPA worked closely with Assembly Member Bonilla's office, the City of San Leandro, Assembly Member Bonta's Office and the offices of Senator Hancock and Senator Corbett to ensure massage parlor legislation was crafted with the City of San Leandro in mind. The bill was signed into law by the Governor.

AB 1399 (Medina) California New Markets Tax – Support

This bill, as a means to stimulate economic growth in a post-Redevelopment Agency (RDA) world, establishes the California New Markets Tax Credit Program with the stated purpose of stimulating private sector investment in lower income communities. While financial institutions routinely extend working capital and long-term debt to larger businesses, smaller size businesses located in historically underserved areas are often bypassed. AB 1399 creates a \$200 million state New Markets Tax Credit Program for the purpose of attracting federal New Market Tax Credit activities in order to stimulate

economic development and investment in lower income areas of California. Once the City took an official support position, we personally delivered the City's letter and briefed the Governor's staff as to why it's important to the City. Additionally we worked with the League and other cities to help push this bill forward. Unfortunately, the Governor vetoed this bill along with many other RDA related bills.

AB 1717 (Perea) Telecommunications – Support

This bill establishes a new point-of-sale system for collecting and remitting specified fees, surcharges, and taxes applicable to prepaid mobile telephony services (MTS). The state's current system for collecting taxes and fees is based on monthly bills. Customers pay 911 fees and state and local fees to fund telephone service for low-income households, broadband for underserved areas, and local government services. Everyone who uses phone service pays a small monthly fee as part of their bill to help fund 911 and support other important state and local programs. However, for the fastest growing segment of wireless users, prepaid wireless services, there is no collection mechanism for customers to pay these fees. Nearly 25% of all wireless customers are now prepaid customers. TPA conveyed the City's position to the Governor's office and ensured the author's office was aware of our efforts. The Governor signed this bill into law.

AB 2145 (Bradford) Community Choice Aggregation (CCA) -Oppose

This bill restricts the expansion of a CCA to a geographic area of three contiguous counties, unless the CCA had already exceeded three counties prior to January 1, 2015; requires CCA customer solicitations and consumer communications to include the electric supply rates for that customer if he/she remains with the Investor Owned Utility (IOU) and joins the CCA; and allows complaints under an expedited complaint procedure to be submitted to the Public Utilities Commission (PUC) regarding a CCA's alleged violations of its statutory obligations. The City opposed this bill because it would thwart adopted environmental goals, infringe upon local control and local decision making, and is similar to a 2010 PGE funded ballot initiative that failed. TPA was an active member of the coalition that fought this bill. Our efforts included briefing the entire East Bay legislative delegation on the City's position, why the bill was harmful to the existing CCA process, and securing additional members to join our fight. Additionally we testified in committee against the bill. This bill was stalled in the Senate and did not make it to the Governor.

3. Monitored over 110 bills, which were identified as important to the legislative agenda of the City of San Leandro. TPA sent weekly legislative updates and bill matrices to the City. These updates included specific bills we were working on for the City along with bills we suggested the City watch, support or oppose. The legislative categories included: Public Safety, Planning, Housing and Land Use, Infrastructure, Environment, Energy and Sustainability, Economic Development, Youth, Taxes and Local Government, Constitutional changes, and Miscellaneous. Additionally, these weekly updates also included information on the State Budget, upcoming funding opportunities, and other legislative matters.
4. As soon as we were hired by the City, TPA assisted in securing funding from Caltrans, specifically from the Partnership Planning for Sustainable Transportation program for the Friends of the San Leandro Creek project. Our efforts included working closely with the offices of Senator Corbett and Assembly Member Bonta to draft and secure support letters, and then submit. The application was ultimately successful, resulting in a \$200,000 grant award.
5. TPA represented the City before a CalPERS (Public Employees Retirement System) board meeting and testified against the \$1.1 million dollar increase for fire fighters due to the recent pension reform. In addition to testifying at the PERS meeting and briefing our East Bay elected officials on our position, TPA set up a meeting with PERS, the City Manager

and the Finance Director to discuss the estimated impactsto the City, discuss potential hardship solutions, and gain some relief from this unforeseen debt. These efforts remain ongoing.

6. TPA identified and notified the City of funding opportunities to help support various other City priorities.
7. TPA also provided the City with constant, up to the minute briefings on the State Budget, the specific funding categories that would be of benefit to the City within the proposed Budget, watched out for any harmful proposals that could impact the City, and identified new, upcoming sources of funds.
8. TPA drafted a letter for the City to review and sign regarding the draft guidelines for the Draft Cap-and-Trade funding program.