
MEMORANDUM

To: Mayor Pauline Russo Cutter and Members of the San Leandro City Council

CC: Jeff Kay, City Manager
Eric Engelbart, Deputy City Manager

From: Christopher Townsend, President, Townsend Public Affairs, Inc.
Niccolo De Luca, Senior Director, Townsend Public Affairs, Inc.
Alex Gibbs, Associate, Townsend Public Affairs, Inc.

Date: December 17, 2018

Subject: Summary of 2018 State Legislative Activities

Townsend Public Affairs, Inc. (TPA) has prepared this report for the City of San Leandro following the end of the 2018 State legislative session. This report lists our efforts to date including a summary of our legislative advocacy actions on behalf of the City.

Summary of 2018 State Legislative Highlights

TPA worked with the elected City leadership and Administration to develop, advocate, and secure several major City initiatives through various means, including: legislation, the drafting of administrative guidelines, and working directly with our elected leaders in Sacramento.

Homelessness

San Leandro, like many communities in California, has seen an increase in the homeless population. Support is needed not only for the construction and rehabilitation of permanent supportive housing and shelters, but also immediate support to address the street encampments and provide other support services.

- **Homelessness.** Cities have the direct, daily perspective and response to conditions that contribute to homelessness in their areas; however, additional state funding is needed to provide additional tools and support to maintain access to support services, treatment, housing, and jobs. Creating and securing funds for cities to immediately help address homelessness was a top priority for the City.
 - TPA worked closely with a large coalition of cities to sponsor Assembly Bill 3171 (Ting) that sought to provide cities with additional funding and resources to directly address homelessness.
 - *Our efforts included:* TPA was very active on the homeless issue throughout the year. TPA had ongoing discussions with key Assembly leaders, Senate leaders, their respective staff members, committee staff and others on how to advance the legislation, explaining the daily demands on cities, and other items.

- *Summary.* Our efforts to create resources to address issues related to homelessness resulted in the creation of the HEAP program, including \$500 million in funding in the State Budget. This was an intensive 6-month effort. San Leandro ultimately received \$390,000 via an allocation formula that was managed at the County level.

Affordable Housing legislation

Another of San Leandro's top priorities that TPA actively supported was to identify, support and advance legislative proposals supporting and encouraging affordable and workforce housing. TPA was a very active member of multiple efforts and coalitions to help advance housing legislation approved this year.

- **Affordable Housing.** With the dissolution of redevelopment several years ago came the decrease in affordable housing funds. In addition, due to the high cost of housing in the Bay Area and throughout the state, legislative support for working families is needed.
 - There were multiple pieces of legislation this session that sought to encourage more affordable housing, build more housing, remove certain barriers that have prevented accessory dwelling units, and other proposals to encourage more development. Some of the bills in their original form would have been harmful to the City, or otherwise caused unnecessary steps that could have impeded the City's progress on approving housing.
 - *Our efforts have included:* TPA alerted the City to some of the major housing proposals before they were introduced. This gave us an opportunity to get in front of the proposals and work with the author to make some necessary changes to the legislation. In addition, TPA met directly with our legislative delegation to express San Leandro's position, explain why some aspects of draft legislation could be beneficial for the City and why some of it raised significant concerns, along with outlining support for their efforts to make the needed changes, all the while providing the City with ongoing status updates.
 - *Summary:* Four of the six pieces of legislation were signed into law.

Cannabis Regulations and Legislation

This year there was a significant legislative effort to codify the new adult-use framework and make it compatible with the statewide rules already in place for medical use, while ensuring that the new framework reflected the needs of local governments, law enforcement and the industry. TPA served as an instrumental member of a statewide coalition that supported all stakeholders while working with the Governor's Administration and regulators to ensure the proposed cannabis regulations worked for local government, consumers, and businesses.

- Assembly Bill 2020 (Quirk) *Cannabis: local jurisdiction licensees: temporary event license.* This bill would authorize the Bureau of Cannabis Control to issue a temporary state license to provide on-site sales and consumption of cannabis at a temporary event located at a venue expressly approved by a local jurisdiction.
 - This bill seeks to provide cities like San Leandro an opportunity to support local economies and small businesses. By adjusting the law to allow local jurisdictions to issue such permits for any venue they approve of, more communities will have the chance to take advantage of this new economic opportunity. In addition, this bill included enforcement language to help crack down on illegal cannabis events.
 - *Our efforts included:* TPA was the lead working with Assembly Member Quirk's office and provided expert testimony in four committee hearings, helped navigate this bill through 6 policy committee hearings, 3 floor votes,

securing by partisan support, securing 2/3rds support in both houses, and ultimately negotiating the final language with the Governor's office.

- *Summary:* This was a major effort culminating in the Governor signing the bill into law.
- Created the State's first 'shared space' cannabis permit.
 - TPA, working with the Department of Public Health, created the first ever regulations that would allow cannabis manufacturers to share facilities. This effort was intended to help older, urban cities that do not have vacant warehouse space to be able to maximize their use.
 - *Our efforts included:* TPA was the lead working with the Department of Public Health to draft regulatory language that allowed for operators, primarily small businesses, to share space and equipment thereby lowering their startup costs.
 - *Summary:* This too was a major effort culminating in the final, emergency regulations adding this new section.

Transportation Funding

Another of the City's top priorities for 2018 was to take steps to address the pavement condition of East 14th street, also known as State Route 185. Surrounding homeowner associations, neighborhood groups, business associations, individual residents and property owners have expressed concerns that its current condition is negatively impacting the community and its aesthetics, to the detriment of the residents, visitors, local businesses, and the travelling public.

The TPA/City team met with Assembly Member Bonta and the former Caltrans District 4 Director to discuss options and create a plan to help get East 14th street repaved. Directly from this meeting came the opportunity to authorize the California Transportation Commission to relinquish the portion of State Route 185 that runs through the City of San Leandro directly to the City which would facilitate the future ability of the City to revitalize this major corridor after Caltrans paved it.

AB 2473 authorizes the transfer of ownership of portions of Route 185 to the City of San Leandro. Transfer is contingent upon the California Transportation Commission's approval and the City of San Leandro and Caltrans' mutual agreement to a funding plan. This legislative effort gives the City options and, just as importantly, bring continuing attention to the need for the pavement condition issue to be addressed by the State.

- *Our efforts included:* TPA was the lead working with Assembly Member Bonta's office to draft a legislative fact sheet, meeting with and briefing Assembly and Senate policy committee staff, testifying in 4 committee hearings on the City's behalf, working with the legislative unit of Caltrans, and meeting with the Governor's office to explain why the condition of East 14th Street is a matter of significant concern for San Leandrans.
- *Summary:* The Governor signed the bill into law.

Park Bond

- **Proposition 68/Statewide Park Program Round 3**
 - In June of this year, California voters approved Proposition 68, which will award \$254,942,000 as part of the Statewide Park Program (SPP) - Round 3.

- The TPA team achieved great success partnering on the Statewide Park Program Rounds 1 and Round 2. As soon as the Park Bond was approved, TPA reached out to City staff to coordinate comprehensive discussions on best ways to move forward with applications for Round 3. Applications will be due in Spring of 2019 and it is expected that TPA will assist the City of San Leandro in writing and submitting an application for grant funding through this program.
 - *Summary:* As the TPA/City team continue to work together and coordinate, we will advise on strategies to create the most competitive applications possible leading up to the submittal deadline.
- **Lead Paint Legislative Package.** In 2000, ten California cities and counties sued lead paint manufacturers over impacts that resulted from their products. In 2014, the Santa Clara County Superior Court issued a lengthy decision holding The Sherwin-Williams Company, ConAgra Grocery Products Company, and NL Industries, Inc. accountable for creating a public nuisance in the ten cities and counties involved in the lawsuit. In February 2018, the California Supreme Court rejected the manufacturers' petition for review of the Court of Appeal's decision.
 - There were six Assembly bills that sought to address issues brought up in the court case, as well as a ballot initiative proposal for the November 2018 election that would have vacated the court's decision to hold paint manufacturers liable and created a taxpayer-funded bond for abatement.
 - *Summary.* There was a proposal discussed in the final days of the legislative session that attempted to forge a deal among the paint companies and the ten cities and counties involved in the lawsuit. The legislation would have effectively had the cities and counties dismiss their legal claims in exchange for a total settlement valued at nearly \$700 million. An agreement on legislation was not reached before session adjourned and, as such, we expect legislation to be introduced on this topic in the 2019 session.

Weekly Updates

In addition to the work mentioned above, TPA provided 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 included specific bills we were working on for the City along with bills we suggested the City consider monitoring, supporting or opposing.

TPA looks forward to continuing its efforts to ensure that the City is kept up to date on state legislation, matters relating to the State's Administration, and funding opportunities in written weekly updates that include our efforts on the City's behalf, status of priority legislation, and other time-sensitive matters.