
M E M O R A N D U M

To: The Honorable Pauline Russo Cutter, Mayor of San Leandro
Honorable Members of the San Leandro City Council

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

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Subject: Summary of 2020 State Legislative Activities

Townsend Public Affairs, Inc. (TPA) has prepared this report for the City of San Leandro following the end of the 2020 State legislative session. This report summarizes our efforts to date including our legislative advocacy actions on behalf of the City.

Summary of 2020 State Legislative Highlights

Since the Legislature adjourned on August 31, TPA has been proactive in beginning conversations with the City's Legislative Liaisons and State Legislative Delegation and will continue to have robust discussions in the following weeks and months leading up to the 2021-22 legislative session. As such, TPA has assisted City staff in the preparation of a preliminary 2021 State Legislative platform for discussion and potential adoption (legislative platform document is attached separately). The platform includes the framework for both action on relevant legislative proposals, as well as monitoring and recommending actions on potential funding proposals.

The Legislature is currently in interim recess and will reconvene on January 4, to resume legislative activities. Legislators may begin introducing new pieces of legislation, many of which may be similar to bills that did not advance in 2020, the second year of the two-year legislative cycle.

In 2020, the Legislature sent 428 bills to the Governor's Desk this year. Of those, there were 137 Senate Bills and 291 Assembly Bills. Of that total, 372 bills were signed, and 56 bills were vetoed, indicating a 13% veto rate. This is a significantly smaller volume of bills than was brought to the Governor's Desk last year, which totaled 1,042 bills.

This past year, TPA worked with the Mayor and City Council, City Staff and Department Heads to develop and advocate for City initiatives through various means, including: writing position letters on priority legislative proposals, drafting language for legislative amendments, engaging in numerous meetings with Senate and Assembly offices, and working directly with committee consultants, senior

staff, and San Leandro's elected leaders in Sacramento. Despite the COVID-19 pandemic and a vastly different legislative session, TPA and San Leandro were able to secure important funds, and help pass and halt legislation that have an impact on the City. Please note the following state legislative highlights:

COVID-19 Funding and Recovery

As the Covid-19 crisis unfolded, Townsend Public Affairs sent and continues to send regular updates on policy actions, legislation, and funding opportunities to support the City during this unprecedented time.

As Federal Stimulus dollars for Local Governments were being considered, TPA worked closely with City staff to draft, finalize, and distribute COVID specific funding request letters to San Leandro's Legislative Delegation, Budget and Policy Committee Staff, State Legislative Leadership, and the Governor's Administration.

- TPA followed up and received confirmation that our requests were appreciated and discussed within all the previously mentioned offices, including with the Pro Tem and Speaker's lead local government policy advisors.
- TPA also engaged in aggressive advocacy efforts to get local governments more funding from the State's allocation of Federal CARES Act dollars. When coronavirus relief dollars were allocated, *San Leandro received nearly \$1.1 million from the State for COVID-19-related expenses.*

Impacts of COVID and Interfacing with State Agencies

With the shelter in place in effect, the City was seeking support for its homeless population. Through the County, the City was able to secure hand washing stations and portable bathrooms. The ideal location to provide direct support to a portion of the City's homeless was on Caltrans right of way. The TPA and City team, working with Senator Skinner's office, the Governor's office, and Caltrans secured the necessary support and approval for the placement of the washing stations and portable bathrooms, thereby ensuring vulnerable populations received as much support as possible.

Local Revenue Streams

One significant policy topic that became a priority for San Leandro this year was Utility User Tax. TPA worked with City staff to draft a letter and advocate in support of **Senate Bill 1441 (McGuire)** which would help protect a City's existing utility user tax revenue by removing from state law the current sunset provision. This bill passed through the Legislature and was signed by the Governor

Transportation and Mobility

One of TPA's priorities on behalf of the City of San Leandro was to identify, support, and advance legislative proposals encouraging transportation infrastructure and related transit funding streams.

- TPA worked closely with the City to identify priority projects and strategize how to work them into the provisions of major Legislative proposals.
- TPA was extremely active in advocating for San Leandro's transportation infrastructure needs to the Senate and Assembly Transportation Committee Chairs, Members, and Key Committee Consultants. Often times, our team met with Legislators and staff on a weekly basis.
- We also engaged with the sponsors a major piece of transportation infrastructure financing legislation and other key stakeholders, holding various meetings to highlight priority projects and how they would benefit the City and Bay Area Region as a whole.
- We emphasized projects such as railway grade separation projects at the Niles Subdivision crossings at Hesperian Boulevard, Halcyon Drive, and Washington Avenue, as well as the Interstate-880/Interstate-238 connection reconfiguration and Northbound 880 HOV lane extension.

- We advocated for a non-sales-tax proposal, and subsequent conversations were had about alternative financing methods amongst the author, staff, proponents of the bill, and other stakeholders.
- TPA partnered with the Mayor and City staff to draft support letters, attended all relevant committee hearings, and met with legislative offices to express San Leandro's positions and demonstrate the necessity for transportation funding bills.
- **Senate Bill 278 (Beall): A Bill Relating to FASTER Bay Area**
 - This was a bill that was set to be the vehicle for a major legacy project, resulting in \$100 billion in revenue for transformative transit projects and transit operation in the Bay Area over the next 40 years.
 - Due to the fiscal restraints of the Covid-19 pandemic, this bill did not come to full fruition this legislative session. However, our constant efforts, in conjunction with previously mentioned parties, resulted in Transportation Committee Members, Senior Transportation Committee Staff, and others being highly educated on San Leandro's priority projects and aware of the benefits they could provide if incorporated in future legislative proposals.

Tobacco Legislation

This year, there was a major push in the Capitol to ban the sale of flavored tobacco products in California. TPA advocated in support of this proposal on behalf of the City of San Leandro, meeting with Legislators and staff, attending and providing public testimony at committee hearings, and working with coalition groups to ensure passage.

- **Senate Bill 793 (Hill) Flavored tobacco products**
 - Prohibits a tobacco retailer, or any of the tobacco retailer's agents or employees, from selling, offering for sale, or possessing with the intent to sell or offer for sale a flavored tobacco product or a tobacco product flavor enhancer. Exempt from this bill are premium cigars sold and consumed on the premises of a cigar lounge, and flavored shisha tobacco products sold by a hookah tobacco retailer.
 - This bill passed through the Legislature and was signed by the Governor.

Homelessness

Homelessness continued to be an issue of major importance at the local and state levels in 2020. This year, there was a push by Assemblymember David Chiu which aimed to create standards for homeless reduction statewide. TPA engaged the Assemblymember's office to get relevant information about the bill, how it might affect San Leandro, and communicated this intel with the City team.

- **AB 3269 (Chiu) State and local agencies: homelessness plan**
 - Would have established the Housing and Homelessness Inspector General position, require the Homeless Coordinating and Financing Council (HCFC) to conduct a specified needs and gaps analysis, require local governments to develop actionable plans to address homelessness, and create a public right of action for the Inspector General to compel compliance with those new plans.
 - This bill was held in the Senate Appropriations Committee, but we anticipate a similar piece(s) of legislation coming back in 2021.

Affordable Housing

One of TPA's ongoing priorities for the City of San Leandro is to identify, support and advance where appropriate, legislative proposals fostering and encouraging affordable and workforce housing. As the cost of housing in the Bay Area and throughout the state continued to rise, San Leandro prioritized legislative efforts creating support for low-income residents and working families. There were multiple pieces of legislation this session that sought to encourage more affordable housing

production, build more housing for the homeless population, protect tenants, remove barriers to larger development, encourage ADUs, increase land availability, and finance production.

TPA was an active member of various efforts and coalitions to help craft legislation that would do help meet the above stated goals. TPA also kept the City Manager's office informed on the status and movement of the Senate Democrats' Housing Production package, they major set of bills which TPA was invited to work on by Senate Pro Team Atkins. However, a number of factors led to many housing bills failing on the last day of session, mostly due to time constraints. The bills included:

- **Senate Bill 902 (Wiener) Planning and zoning: housing development: density**
 - Would have allowed a local government to zone any parcel for up to 10 units of residential density, at a height specified by the local government, if the parcel was located in a transit-rich area, a jobs-rich area, or an urban infill site.
 - This bill was held in the Assembly Appropriations Committee.

- **SB 995 (Atkins) Environmental quality: Jobs and Economic Improvement Through Environmental Leadership Act of 2011: housing projects**
 - Would have provided State funds for lead agencies/local governments to develop a Master EIR to facilitate more seamless, but locally controlled housing development in their respective jurisdictions.
 - This bill failed due to time constraints.

- **SB 1120 (Atkins)**
 - Was introduced to require a proposed housing development containing two residential units to be considered ministerially, without discretionary review or hearing, in zones where allowable uses are limited to single-family residential development.
 - This bill failed due to time constraints.

- **SB 1085 (Skinner)**
 - Would have expanded the number of incentives available to housing developers to build moderate income units.
 - This bill failed due to time constraints.

- **SB 1385 (Caballero)**
 - Would have allowed a housing development on land zoned as office or retail commercial use so long as no commercial tenants occupied 50% of the property for at least 3 years.
 - This bill was held in the Assembly Local Government Committee.

Impact Fees

With the understanding that impact fees and other development fees are an important source of funding for San Leandro, and that any legislative changes to adjust impact fee levels would directly affect the city's social services, TPA worked to communicate the local government perspective to key Legislators and staff in the Capitol. Specifically, we engaged with: The Pro Tem's office, The Speaker's office, Senate Governance and Finance Committee, Senate Housing Committee, Assembly Local Government Committee, and the Assembly Housing and Community Development Committee.

We specifically framed the issue by shedding light on already existing economic difficulties as a result of the COVID-19 pandemic. After a push from TPA and other local government lobby coalitions, all impact fee bills were held in the committee process. Some of the bills that were kept from advancing included:

- **Assembly Bill 1924 (Grayson) Housing development: fees**
 - Would require that a fee levied or imposed on a housing development project by a local agency be proportionate to the square footage of the proposed unit or units.
 - The bill was held in the Assembly Local Government Committee.

- **Assembly Bill 3145 (Grayson) Local government: housing development projects: fees and exactions cap**
 - Would prohibit a city or county from imposing a specified fee or exaction if the total dollar amount of the fees and exactions that a city or county would impose on a proposed housing development is greater than 12 percent of the city's or county's median home price unless approved by the Department of Housing and Community Development.
 - The bill was held in the Assembly Local Government Committee.

- **Assembly Bill 3148 (Chiu) Planning and zoning: density bonuses: affordable housing: fee reductions**
 - Would require cities and other local jurisdictions to reduce an impact fee or other charges imposed on the construction of a deed restricted affordable housing unit that is built pursuant to a density bonus, to a specified percentage of a market rate unit.
 - This bill was held in the Assembly Housing and Community Development Committee.

Support with Grant Writing

TPA has been working collaboratively with staff on re-applying for funding for the Memorial Park Renovation through the Proposition 68 Statewide Parks Program: Creating an All-inclusive Park for All Abilities.

TPA, in partnership with the City Manager's Office and the Office of Human Services, is working on revamping the application to make it more competitive, while also editing to meet new criteria for this round of funding. TPA maintains ongoing conversations with the City team in order to refine our efforts and secure funding this round.

Cannabis Regulations

2020 was once again a very active legislative year with regard to cannabis. TPA made sure the City was up to date with the latest information on legislation, news from the Governor's Administration, and aware of every regulatory proposal.

Specifically, keeping staff informed about conversations related to State Regulatory Agency consolidation and how that could affect the legal industry and local cannabis businesses, while mitigating the prevalence and harmful effects of the illicit market.

Other Items

TPA worked with the City Manager's office to secure a draft municipal resolution in support of California Proposition 15, The Schools and Communities First Initiative, which would have increased funding for public schools, community colleges, and local government services by changing tax assessments of commercial and industrial property.

Daily and Weekly Updates

In addition to the work mentioned above, TPA has and continues to provide the City with ongoing legislative updates on bills, relevant statewide policy topics, COVID-19, 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, and 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, COVID-19, and funding opportunities in updates that include our efforts on the City's behalf, status of priority legislation, and other time-sensitive matters.