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**M E M O R A N D U M**

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**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 1, 2017

**Subject:** Summary of 2017 State Legislative Activities

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Townsend Public Affairs, Inc. (TPA) has prepared this report for the City of San Leandro following the end of the 2017 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 2017 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.

**Affordable Housing legislation**

One of the City's top priorities was affordable housing. With that direction TPA began to identify, support and advance legislative proposals supporting and encouraging affordable and workforce housing. TPA, on behalf of the City, was a very active member of multiple efforts and coalitions to help advance landmark housing legislation approved this year, which included:

- **SB 2 (Atkins)** Establishes the Building Homes and Jobs Act (Act) and imposes a \$75 fee on real estate transaction documents, excluding commercial and residential real-estate sales, to provide a permanent source of funding for affordable housing. Half of the funds collected in the first year are to be spent towards persons experiencing homelessness and the remaining half to be made available to localities to update planning documents and zoning ordinances. In year two and beyond, 70% of the funds shall be distributed directly to local agencies and 30% shall go to the state.
  - **SB 3 (Beall)** Authorizes \$3 billion in general obligation bonds for existing affordable housing programs, including multi-family rental and homeownership. This bill will be put before the voters on the November 2018 ballot.
  - **SB 35 (Weiner)** Creates a streamlined, ministerial approval process for in-fill development in localities that have failed to meet their regional housing needs assessment. Localities that fail to meet their moderate-income unit construction must have a 10% inclusionary requirement, and localities that fail to meet their lower-income unit construction must have a 50% inclusionary requirement.
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- **SB 166 (Skinner)** Requires local jurisdictions to ensure they are adequately addressing unmet housing needs throughout the housing element planning period. For example, if a city were to zone residential, but then build commercial in that zone, this bill would require the city to then identify additional sites to accommodate its residential housing needs.
- **SB 167 (Skinner)** Increases the burden on local jurisdictions when denying an affordable housing project, would impose fines for a violation of the Housing Accountability Act (the Act), expand judicial remedies for violations of the Act, and permits attorney's fees for organizations that bring a successful lawsuit.
- **SB 540 (Roth)** Allows local jurisdictions to create workforce housing opportunity zones ("WHOZ"), which is similar to a specific plan and must contain a specified amount of affordable housing, with an inclusionary requirement. The establishment of a WHOZ would require an initial environmental review process; however no project level environmental review will be required for the subsequent five years.
- **AB 72 (Santiago and Chiu)** Gives the Department of Housing and Community Development (HCD) authority to find a housing element out of compliance if a city's action or failure to take action, including down-zoning sites, is inconsistent with state housing element law. The bill would also give HCD authority to refer a violation of existing state housing laws to the Attorney General for action.
- **AB 73 (Chiu)** Incentivizes local governments to zone at high densities around transit and complete environmental review in advance on those sites. The state would provide an incentive payment once zoning and environmental review is complete and a second payment once building permits are issued for housing units on the sites. Sites in the zoned area would not be subject to additional CEQA review.
- **AB 1505 (Bloom and Chiu)** Authorizes the legislative body of a city or county to establish inclusionary housing requirements as a condition of the development of residential rental units. This legislation will restore an important tool that cities can use to increase the supply of affordable housing units.

TPA worked closely with the City Manager, his office and the City's Housing staff, and others to help move these bills forward. Our efforts included, but were not limited to, drafting support letters, testifying in support at committee meetings, meeting directly with legislative offices to express San Leandro's support and to explain why these bills are needed. Related efforts included working with affordable housing advocates to speak with targeted offices, and meeting with the Governor's Office to address any concerns.

#### Transportation Funding

TPA has been active on the City's behalf the past few years to support and advocate for a transportation infrastructure funding package. There have been many different transportation proposals during the last few legislative sessions, but none were able to garner the two-thirds support needed for passage.

This session there was an aggressive, coordinated approach to pass an infrastructure funding package; TPA was part of that coalition. At the beginning of the legislative session, companion bills AB 1 and SB 1 were introduced to provide a funding mechanism and investments in state and local roads. Eventually SB 1 emerged as the vehicle for the transportation proposal, which increased several taxes and fees to raise approximately \$5.1 billion in new transportation annual revenues and adjust for inflation every three years. This bill proposed that the new funding be used toward: deferred maintenance on state highways and local streets and roads, improvements to the state's trade corridors, as well as transit. TPA's efforts included drafting and submitting support letters at the beginning of the year, working with a large coalition to express support by testifying in committees and meeting with targeted offices, and currently TPA is helping the City on the process to secure these funds.

- SB 595 (Beall) is another piece of legislation that seeks to create a new funding source to address regional traffic and congestion, also known as Regional Measure 3. If authorized by voters, it will increase the toll on state-owned bridges throughout the Bay Area. TPA was very active on this bill. While the City will not receive direct funding from the Measure, the major transit agencies that serve San Leandro residents are set to receive significant new funds, including BART, AC Transit and the Transbay Transit Center.

### Park Bond

There were two bills this session that sought to place a statewide park bond before voters at the November 2018 General Election. The bills were AB 18 (Garcia) and SB 5 (De Leon), both of which TPA was actively engaged on behalf of the City and submitted amendments to better position San Leandro-specific projects. Efforts included securing support from other organizations, testifying in committee, drafting and securing letters of support, and meeting with committee staffers, among others. SB 5 was signed into law and TPA has briefed City administration on the numerous funding opportunities that could benefit San Leandro and the region if the measure is authorized by voters.

### Sanctuary State legislation.

When the President signed various Executive Orders in early 2017, along with various other accompanying Department of Homeland Security memoranda that outlined an aggressive deportation strategy, Senate President Pro Tem De Leon put forward SB 54, which limits the involvement of state and local law enforcement agencies in federal immigration enforcement. After considerable negotiations with public safety stakeholders and the Governor's Office, the Pro Tem was able to develop language that was supported by the Governor, and the measure was signed into law. TPA closely tracked this bill for the City.

### Cannabis Regulations and Legislation

In 2015, the Legislature approved a package of bills to create a medicinal cannabis framework at the State level. In 2016, the voters approved Proposition 64 for adult use of cannabis. There was a period of uncertainty as to how the new state regulations would comport with one another and the potential impact on San Leandro's regulated cannabis industry.

This year there was a significant legislative effort to codify the new adult-use framework and make it compatible with the statewide framework already in place for medical use, while ensuring that the framework reflected the needs of local government, law enforcement and the industry. TPA served as an instrumental member of a statewide coalition that represented the views of local government. Related efforts included drafting and delivering multiple support letters to the Governor and his Administration, meeting with the Assembly & Senate Budget Offices and multiple legislators to express support and address questions, as well as participating in a very active coalition and testifying in committee hearings.

### Opposition to Senate Bill 649 (Hueso) Small Cell Towers

This bill proposed to make numerous changes to the permitting and leasing process for small cell wireless facilities that had the potential to be very detrimental to San Leandro and many other cities in the state.

TPA was very active in opposing this bill throughout the entire legislative session. We worked with the offices of the mayors of the 11 largest cities and other coalitions to communicate why it was harmful to cities like San Leandro. TPA discussed this bill with our legislative delegation, offices in the Senate and the Assembly, testified in opposition in committees, and help multiple meetings with the Governor's office on this bill. Ultimately, the Governor vetoed the measure.

### 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 our priority legislation, and other time-sensitive matters.