
M E M O R A N D U M

To: **The Honorable John Bauters, Mayor of Emeryville**
 The Honorable Ally Medina, Vice Mayor of Emeryville

CC: **Christine Daniel, City Manager**

From: Christopher Townsend, President, Townsend Public Affairs, Inc.
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Date: **October 30, 2018**

Subject: **Summary of the 2018 State and Federal Legislative Agenda and Proposed 2019**
 State and Federal Legislative and Funding agenda

Townsend Public Affairs, Inc. (TPA) has prepared this report for the City of Emeryville following the end of the 2018 legislative year. This report provides a summary of our efforts to date for the advocacy objectives of the City. Attached to this report is a matrix of the specific legislation on which the City has taken a position and the status of the legislation.

TPA has participated in meetings with City leadership and, based on those meetings, prepared a recommended 2019 State and Federal Legislative agenda for discussion and adoption. This includes the framework for legislative proposals for the 2019 legislative year, with both legislative and funding priorities for action.

Summary of 2018 Legislative Session

Governor Brown considered 1,217 regular session bills this year and vetoed 201, which marks the highest veto rate (16.5 percent) of any of his terms as Governor. The Governor's veto percentage during his past two terms has ranged from 12 to 16.5 percent, a vast difference from his average veto percentage of 4.6 from 1975 to 1983. Governor Brown has considered nearly 20,000 bills during his 16-year combined tenure as California's Governor.

The Legislature is currently in interim recess and will return on December 3rd to swear-in the new Legislature. After being sworn in to office, the new legislators will be able to begin introducing legislation; however, there will not be any significant legislative activity until the Legislature reconvenes in January.

Summary of 2018 Legislative Advocacy

The City/TPA team was very active on state legislation this session, taking formal positions on 312 different measures. Attached to this report is a matrix of the bills and the end result.

The process for taking an official position on a piece of legislation and advancing that position includes: TPA making a recommendation to the City regarding specific legislation; the City taking formal action on the legislation; TPA drafting letters for signature; delivering and explaining the legislative position to the impacted author, our legislative delegation, committee staff, leadership and others; TPA testifying at committee hearings on behalf of the City; and, when appropriate, drafting and securing amendments to legislation to benefit the City.

Below is a recap of some of the legislative highlights from 2018.

- **Homelessness.** Cities and counties have the direct, daily perspective and responses to conditions that contribute to homelessness in their areas; however, state and federal funding is needed to provide additional tools and support to maintain access to support services, treatment, housing, and jobs.
 - There were two major proposals that were introduced to provide cities resources to address homelessness; Senate Bill 912 (Beall) and Assembly Bill 3171 (Ting) sought to provide cities with additional funding and resources. The City supported both pieces of legislation.
 - *Our efforts included:* This was one of the top priorities for TPA and we were very active on the homeless issue throughout the year. TPA had ongoing discussions with the Assembly author, Senate author, their respective staff members, committee staff and others on how we work to advance the legislation, explaining the daily demands on cities, and other items. In addition, TPA was in close communication with other cities looking to make friendly amendments to ensure funding can be used with a regional focus.
 - *Summary.* While neither SB 912 nor AB 3171 became law, the 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.
- **Affordable Housing.** With the dissolution of redevelopment came the decrease in affordable housing funds. In addition, due to the high cost of housing in the Bay Area and state, legislative support for low income residents and working families is needed.
 - There were multiple pieces of legislation this session that seek to encourage more affordable housing, build more housing for the homeless, remove certain barriers that prevent accessory dwelling units, and other items.
 - *Our efforts have included:* The City/TPA team was very active by formally supporting six housing related bills. Some of our efforts include directly presenting the City's official letter to the author's office and committee staff in person; working with them on strategy and a path forward; informing our legislative delegation on the City's position; briefing leadership staff; testifying in support when the bill is up in committee; and other efforts.
 - *Summary.* Four of the six the pieces of legislation the City supported were signed into law.
- **Lead Paint Legislative Package.** As background, in 2000, ten California cities and counties sued lead paint manufacturers over the 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 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.

- *Our efforts have included:* Directly presenting the City's official letter to the offices of all six bill authors; speaking with committee staff on our positions; providing testimony and support in committee; and working with the coalition to help this legislative package move forward.
- *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.

○ **Various Cannabis Legislation and Regulations**

- With over 50 cannabis bills introduced in the Assembly and Senate this session, TPA tracked a lot of cannabis related legislation, though recommended a few for the City to support. These include legislation addressing taxes, creating a new banking system, and allowing cities to select where temporary, special events take place. Additionally, the Administration drafted and revised the emergency regulations which will become final by the end of the year.
- *Our efforts have included:* TPA has been very active on cannabis legislation and continues to provide the City with frequent updates. TPA drafted the City's support letters, then once signed hand delivered it to the various authors offices, committee offices, coalition members, and leadership. In addition, we provided testimony in the various committee hearings.
- TPA has also been very active on this policy topic and constantly updating the City on its status and next steps. We have had numerous meetings with the Governor's Administration, Governor's Cabinet, the Bureau of Cannabis Control, legislators and others. Through TPA's efforts the City was able to secure waivers for certain regulatory matters.
- *Summary:* The special events bill was signed into law, the bill creating funding for cities with equity programs was signed into law, but the other measures that advanced to the Governor were vetoed. We anticipate that many of the bills that were unsuccessful this year will be reintroduced next session. Additionally, we are already hearing a significant amount of interest in possible legislation on testing requirements, new license types, and hemp consumer products.

○ **Public Safety Bills**

- There were a handful of bills introduced this year that focused on reducing gun violence, protecting victims of violence, and improving community and police relationships while ensuring the public has trust and faith in transparent decision-making by public safety officials.
- *Our efforts have included:* TPA drafted the City's support letters, then once signed hand delivered it to the authors office. In addition, we provided the letters to the policy committee and maintained close contact with the authors office.
- *Summary:* Three of the public safety related bills the City supported were signed into law.

○ **Environmental Protections/Single Use Straws and Single Use Cigarettes.**

- One of the bills supported by the City, AB 1884, prohibits a food facility, where food may be consumed on the premises, from providing single-use plastic straws to consumers unless requested by the consumer. This legislation seeks to provide an opportunity for people to change their behavior towards single-use plastic items. This measure aligns with the City goal of environmental stewardship.

- *Our efforts have included:* TPA drafted the City's support letter, then once signed hand delivered it to the authors office. In addition, we provided the letter to the policy committee and advocated for other cities and municipalities to join the coalition of entities supporting the measure.
 - *Summary:* The single use straws bill was signed into law.
- **Small Business Assistance Act of 2018/AB 2463**
 - The Governor's budget included \$20 million annually for five years to fund this program which seeks to provide matching funds for federally designated small business assistance centers. The bill the City supported, AB 2463, would establish a statutory program that would use \$17 million of \$20 million as capitalization. This supports the City goals of providing help to small businesses.
 - *Our efforts have included:* TPA drafted the City's support letter, then once signed hand delivered it to the authors office. In addition, we provided the letter to the policy committee and have worked with many other cities and municipalities to support and join this coalition.
 - *Summary:* This legislation was merged with the Budget process and ultimately approved.
- **Community Redevelopment Law of 2018/AB 3037**
 - This bill would allow cities and counties to create redevelopment housing and infrastructure agencies (RHAs) to fund infrastructure and would require that 30% of funding generated be set-aside for affordable housing activities.
 - *Our efforts have included:* TPA drafted the City's support letter, then once signed hand delivered it to the authors office. In addition, we provided the letter to the policy committee. We also provided testimony in committee in support of the bill.
 - *Summary:* As expected, AB 3037 did not make it to the Governor's desk but there is a growing coalition supporting the same effort for the 2019 session.
- **Net Neutrality**
 - Senate Bill 822 establishes a strong Net Neutrality policy in California by banning practices by Internet Services Providers (ISPs) that block or slow access to websites or that discriminates among websites or applications. The bill empowers the California Attorney General to enforce and hold ISPs responsible for violations. SB 822 ensures that consumers who pay for internet access decide whether, when, and for what purpose to access the internet. This supports the City goal of providing open, free internet and closing the digital divide.
 - *Our efforts have included:* TPA drafted the City's support letter, then once signed hand delivered it to the authors office. In addition, we provided the letter to the policy committee and have worked with many other cities and municipalities to support and join this coalition.
 - TPA also provided detailed updates on Federal Communications Commission actions governing net neutrality at the national level and has continued to engage on the topic with Emeryville's elected representatives.
 - *Summary:* SB 822 was signed into law.
- **Opposition to SCA 20**
 - This bill is titled, "Local sales taxes: online sales: place of delivery" seeks to amend the Revenue and Taxation Code, Section 7205, to change the allocation of tax revenue for online transactions by requiring all online retailers to deem the location of a sale based on point-of-destination rather than point-of-sale. This bill could have a major impact on the sales tax revenue coming into Emeryville.
 - *Our efforts have included:* Understanding the need to protect all sources of revenue in addition to protecting the City as a shopping destination, TPA is part

of a large coalition fighting this bill as its may have major negative consequences to the City's fiscal health. TPA has been very active on this legislation continues to provide the City with frequent updates. TPA drafted the City's opposition letter, then once signed hand delivered it to the various offices, committee offices, coalition members, and leadership. In addition, we provided testimony in the committee hearing against the bill.

- *Summary:* SCA 20 was held in the Senate Appropriations Committee. There will be legislation on this policy topic in 2019 and we are already positioning the City to be included in the discussions for any future legislation.

Additional legislative updates

The following is a summary of additional significant issues from the Legislative Session and the action taken by the Governor in September:

- **Wildfire Liability and Vegetation Management**—On July 22nd, following some of the most destructive wildfires in California history, Governor Brown and legislative leaders announced plans to improve disaster preparedness. In March, Governor Brown committed to delivering a solution that would make California more resilient against future disasters. Building on this effort, and in the wake of the continued fires, legislative leaders moved **Senate Bill 901** (Dodd) to a conference committee for a series of topical hearings related to the issue.

The bill would allow utilities that caused last year's devastating wildfires in Northern and Central California to issue bonds to help pay for their liability costs; and opens the door for those costs to be passed on to ratepayers. Starting in 2019, the California Public Utility Commission would be allowed to consider a broader range of factors when deciding if costs can be passed on to ratepayers.

The bill would also allocate \$1 billion to fire prevention work, like forest thinning and brush clearing, over the next five years. It would also streamline the processes for that sort of prevention work, particularly for small landowners, with a focus on allowing the removal of more small and mid-sized trees. The idea is to reduce the fuel load and make wildfires less likely, or, when they do break out, less devastating.

The Governor **signed** this bill on September 21st.

- **Renewable Energy—Senate Bill 100**, authored by Senator Kevin de León, was introduced last year to increase the State's procurement of renewable energy. The Legislature approved the bill during the last days of Session and sent it to Governor Brown. Specifically, the bill would increase the requirement for renewable energy to 50 percent by 2026, 60 percent by 2030, and 100 percent by 2045.

The Governor **signed** this bill on September 10th.

- **Tax Deductions**—Senator Kevin de León introduced legislation (**Senate Bill 539**) that was approved on the last night of Session to help California taxpayers facing larger federal tax payments following the Trump Administration's recent actions. The bill would allow taxpayers to claim a charitable deduction for State tax payments above the \$10,000 limit set in the tax cuts passed by Congress last year.

At the end of August, the Internal Revenue Service announced that it believed such actions by states such as California, were meant to avoid taxes and is working to pass a rule to nullify them by the end of the year.

The Governor **vetoed** this bill on September 29th.

Summary of 2018 Federal Advocacy

- **Ongoing Federal Immigration Updates.** With President Trump's proposals regarding immigration and border security, there have been many aggressive, harmful actions regarding immigrants and their families. The City of Emeryville has maintained a focus to protect the safety and well-being of all Californians by ensuring that state and local resources are not used to fuel mass deportations, separate families, and ultimately hurt California's economy. The City seeks to support Federal and State actions that overturn or stop the President's current actions.
 - *Our efforts have included:* Our federal team has been very active on the City's behalf regarding the President's efforts on immigration, sanctuary city restrictions, and travel bans. TPA has sent the City ongoing, thorough, and timely updates explaining what is being proposed, its impact, the next steps, and likelihood.
 - This has allowed the City of Emeryville to use up-to-date information to respond to immigration issues as they arise and informed the City with detailed information on Administration actions to restrict funding to sanctuary cities. This information empowers the city to make crucial decisions on how to best allocate resources to apply for grants, and how to best reallocate City funds, in response to the likelihood of federal intervention.
- **Tax legislation.** At the end of the 2017 calendar year, Congress drafted and passed major tax legislation that essentially changed the tax code. Throughout the process, Congress was extremely opaque in its drafting and negotiations, resulting in a difficult to follow bill with unclear impacts.
 - *Our efforts have included:* TPA provided crucial updates as the process changed rapidly, and successfully fought to modify and eliminate many provisions that would have been detrimental to businesses and development in Emeryville. TPA also responded with specific and detailed information to inform interactions between City of Emeryville officials and the public at large.
- **Miscellaneous topics.** The TPA Team sends comprehensive weekly legislative reports to the Mayor, City Manager, and staff to ensure the City has the most up to date legislative information. Items include:
 - Summaries of various state proposals that may impact the City;
 - Fiscal Year 2017-2018 Budget proposals and Appropriations;
 - Sanctuary cities and travel ban updates;
 - Pretrial bail legislation;
 - Presidential Executive Orders; and
 - President Trump's address to Congress.

2019 State/Federal Legislative Priorities

The City of Emeryville's legislative agenda for 2019 will reflect the priorities of the Mayor and the City Council. Below please find the draft frame work. Our legislative agenda will be fluid as issues continue to be resolved and additional topics are included. The strategic agenda includes advocating for legislation, regulations, and funding that is consistent with the City's adopted goals.

TPA will actively monitor, and directly advocate when appropriate, legislation to ensure the needs of the City are met. In addition, we are constantly on the lookout for any surprises that may negatively impact the City. If legislation is introduced that impacts any of the priorities, staff will be asked to analyze and evaluate the need for City Council action. The City Council may choose to take a position on a measure, continue to monitor without a position, or determine if any further response or reaction is needed.

Policy topics

While the 2019-20 legislative session will be the first under the new Governor and his Administration, it is expected that the Legislature will maintain its focus on its recent priorities, including: climate change, affordable housing, homelessness, cannabis, and public safety. We will have more details on the legislative outlook for next year after the November election, and over the next couple of months, as the new session unfolds.

New Administration/New Legislators. Whoever the new Governor elect is, there will be a significant change in decisionmakers for not only the Governor's Office of Legislative Affairs but also potential changes in leadership at important state agencies. There are several open seats in the Assembly for 2019 and a few open seats in the Senate as well. While the outcome of these seats are certainly not going to change who the majority party is in California, it could have an impact on whether Democrats get a supermajority in both houses and whether the incoming members are more moderate or liberal with regard to policy.

Affordable Housing. With the dissolution of redevelopment came the decrease in affordable housing funds. A new, ongoing source of funding is needed for local government to construct new housing and help support low income residents and working families.

Homelessness. Cities and counties have the direct, daily perspective and response to conditions that contribute to homelessness in their areas, however state or federal funding needs to provide additional tools and support to maintain access to support services, treatment, housing, and jobs.

Transportation funding for existing infrastructure. With an aging infrastructure and an increase in commuters and residents in the Bay Area, an ongoing source of funds is greatly needed to help enhance road repair. In a city such as Emeryville that has a disproportionate number of commuters compared to households, support is needed to address road repair.

Additionally, with various entities having authority over some portions of the roads and right of way in Emeryville, legislative efforts may be needed for relinquishment and to secure authority and control to support future developments within the City.

Climate Change. Last session there was a flurry of bills that sought to address climate change, while also strengthening California's green economy. In addition, the Governor has repeatedly stated his desire and focus on pushing greater efforts to improve California's ability to enhance climate change efforts. The City has a rich history of supporting climate change proposals and this will rank high on the legislative list.

Cannabis. The Administration will finalize the rulemaking process soon and it will be completed before the end of the year. We anticipate many pieces of legislation based on the final regulations and based on a high rate of cannabis bills that were vetoed. The City has approved many operators and will have a thriving cannabis industry which means we will be hyper sensitive to any proposed legislation.

Local Sales Tax/Online Sales. There was a Senate Constitutional amendment proposed during the 2018 session that would change the distribution of revenues derived under a sales tax imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law. It proposed to change point of sale to point of the delivery and alter County wide cost sharing.

Some of the efforts TPA will undertake to support and implement the City's State and Federal Legislative Priorities include, but are not limited to:

- TPA will continue our constant advocacy which includes, arranging for the City to meet with selected Members of Congress and/or staff, with selected Bay Area State legislators and/or staff and accompany them to such appointments;
- Schedule the City to testify at selected legislative hearings, as desired, and oversee preparation of such testimony and coordinate and develop all advocacy activities related to the City's legislative needs and formal positions;
- Continue to monitor State and Federal legislation and provide updates to the City; and
- Continue to monitor the State and Federal Budget proposals and alert the City to the impacts.

Funding Opportunities and Requests

TPA will continue our proactive efforts to immediately notify the City once various funding opportunities are announced. In addition to the specific funding opportunities listed below, we will keep the City informed of any potential funding opportunities throughout the year.

TPA will work with City staff will work with the Mayor and City Council to prioritize projects submitted to the state for funding and TPA will advocate for those approved projects as appropriate. As new funding opportunities arise, TPA will make sure to inform the city and consult in the development of the optimal strategy to maximize funding for the City.

Homelessness

- Support for more mental health and behavioral health services in Alameda County.

Planning, Housing and Land Use

- Support for increasing affordable housing inventory including transit oriented affordable housing
- Support for an Emergency Housing Assistance Fund for those at-risk of homelessness
- Support for soft-story seismic retrofits
- Support for Intergenerational LGBT housing

Education

- State funding for urban schools

Public safety

- Capital Improvements to the current police station
- Feasibility study for a new police station
- Update existing emergency preparedness plan

Transportation and Infrastructure

- Increased traffic and pedestrian safety improvements and various locations
- 40th Street Redesign/Complete streets
- Rail Crossing improvements on 65th, 66th and 67th streets
- Parking Management implementation

Parks, Recreation, Youth and Cultural Arts

- Opportunities to build new parks/create more open space/green ways
- Opportunities to further connect to the Bay Trail
- Opportunities to further connect to bicycle routes
- Opportunities to further the City's efforts on bicycle and pedestrian routes
- Feasibility studies for future parks
- Capital improvements to the ECDC structure

Stake Holder Priorities

- Measures that are of importance to our regional partners and lend opportunities to partner and work together. Regional partners include, but are not limited to, Alameda County, Alameda County Transportation Commission, MTC, ABAG, Emeryville's large employers and key sectors, and others.

Additional Advocacy Tools/Sacramento Advocacy Day

TPA recommends a one-day advocacy trip to the State Capitol to meet with our elected representatives, Administrative Officials, State agencies for funding opportunities, and other staff members.

Suggested meetings include; Senator Nancy Skinner, our new Assembly Member, Office of the Governor, Department of Housing and Community Development, Caltrans, Department of Parks and Recreation, and others. In order to support the efforts of the State advocacy trip and further the City's legislative and funding agenda at the State level, TPA provides for the development of appropriate materials for meetings and maintains records such as:

- Prepare itineraries, agendas, memos, and talking points for the meetings and other advocacy efforts that support the City's priorities;
- Develop relevant materials to document and support the City's positions, including associated research.

Additional Advocacy Tools/Washington DC Advocacy Trip

Additionally, TPA annually coordinates the federal advocacy trip to Washington, DC. TPA arranges the meetings, prepares background briefings, drafts documents to present, speaking points for meetings, and handles the follow up on any outstanding matters and next steps. The federal trip is an important tool when laying the groundwork for future federal funding.

In order to support the efforts of the Federal advocacy trip and further the City's legislative and funding agenda at the Federal level, TPA provides for the development of appropriate materials for meetings and maintains records such as:

- Prepare itineraries, agendas, memos, and talking points for the meetings and other advocacy efforts that support the City's priorities;
- Develop relevant materials to document and support the City's positions, including associated research.

Process for Reporting

In addition to weekly legislative updates and other communications we send to the City Team, TPA suggests verbal reports to the City Council when the State Legislature is on recess. For example, we

would report out in April while they are on Spring Recess and during July while they are on Summer Recess.