



SUMMER INTERGOVERNMENTAL RELATIONS REPORT

San José City Council 8.10.21
Item 3.3

Presenters:

Sarah Zárata, Director, Office of Administration,
Policy, & Intergovernmental Relations

Alexandria Felton, Intergovernmental
Relations Officer

Lauri Hettinger, Holland & Knight

Steve Cruz, Cruz Strategies

Summer Report

Federal Highlights

- COVID-19 Relief Update
- Infrastructure
- Congressional earmarks

State Highlights

- State Budget
- City-sponsored bills
- Other critical policy advocacy

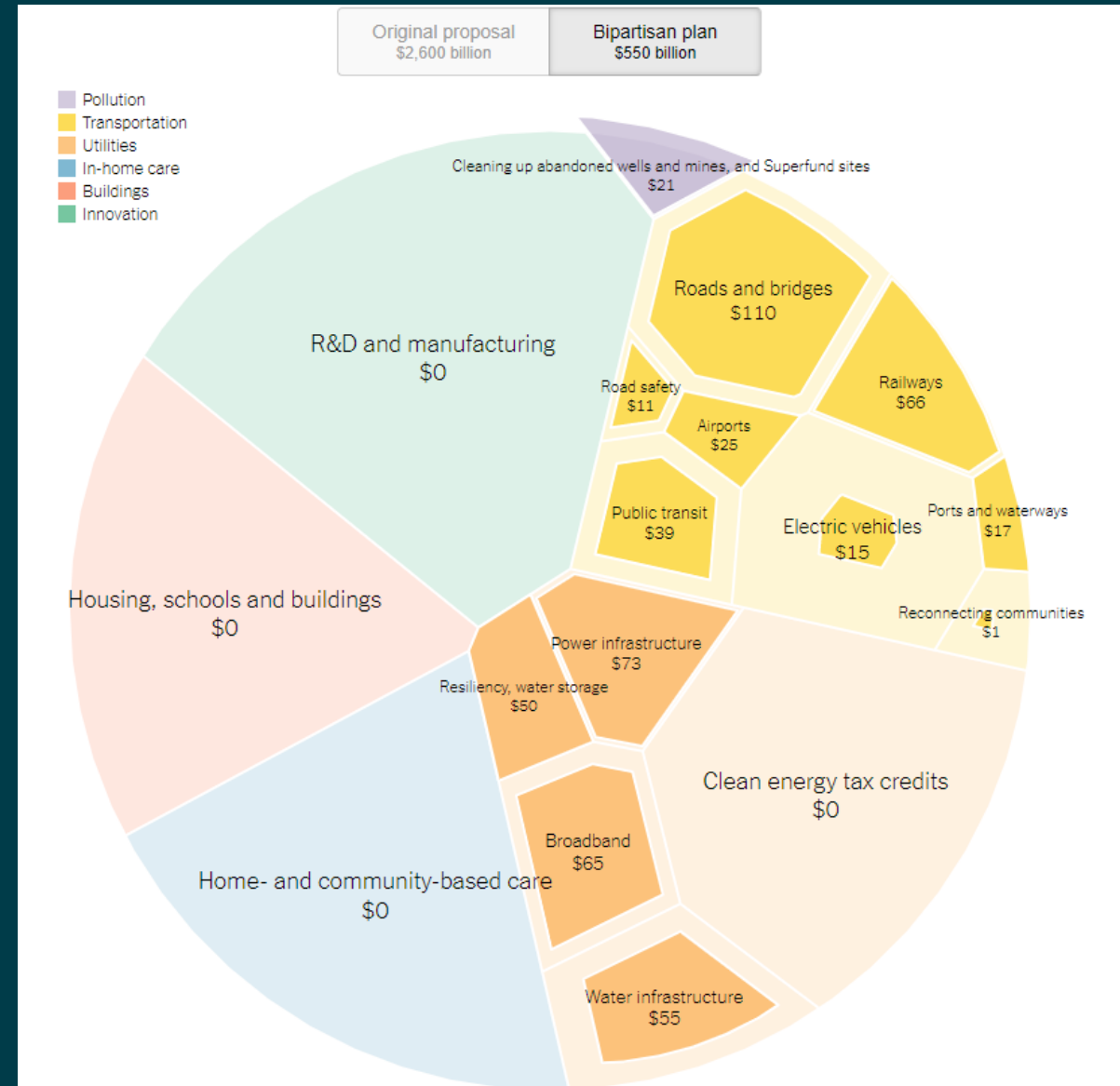
Federal Highlights COVID-19 Relief Update

- **Monitoring Legislative/Emergency Declaration Changes**
- **Monitoring allocation & implementation of key funding streams**
 - **ARPA is the last Covid-related relief bill – No future direct, local funding expected**
 - **Tracking rules and program development, including state allocation**
- **Submitted comments on State & Local Fiscal Recovery Fund Interim Final Rules**
 - **Final Guidance expected in September**

American Rescue Plan Funding	
Program	Amount to San José
State & Local Fiscal Recovery Fund	▪ \$212.3 million
HOME Investment Partnership Program	▪ \$11.6 million
Emergency Rental Assistance Phase 2 (ERA 2) Program	▪ \$24 million in ERA 2 funds ▪ \$12.2 million in ERA 2 High Need funds
Airport Funding	▪ \$48.9 million for ongoing operations ▪ \$6.6 million for concession relief
Broadband	▪ Eligible for broadband funding through the Federal Communications Commission's Emergency Connectivity Fund Program

Federal Highlights Infrastructure

- Senate vote imminent on \$1.2 trillion Bipartisan Infrastructure Package
- Invests in transportation, water, resiliency, and broadband infrastructure
 - Includes \$550 billion in new spending
 - Timeline: House expected to vote week of August 23
- “Human infrastructure” priorities in forthcoming Budget Reconciliation bill
 - Timeline: Final vote on Budget Reconciliation → September



Source: New York Times - www.nytimes.com/interactive/2021/07/28/upshot/infrastructure-breakdown.html

Federal Highlights Congressional Earmarks

- House and Senate Democrats reinstated earmarks in early 2021
- Projects in House Appropriations Package
 - ✓ San José Public Library Digital Inclusion, Virtual Learning, and Caregiver Support Program (Representative Eshoo & Representative Khanna) - **\$1.5M**
 - ✓ City of San José Police Department Mobile Crisis Assessment Team (Representative Lofgren) - **\$1M**
- Projects put forward for consideration by the Senate Appropriations Committees
 - ✓ City of San José Police Department Mobile Crisis Assessment Team (Senator Feinstein & Senator Padilla) - **\$1M**
 - ✓ City of San José Public Safety Radios (Senator Padilla) - **\$2.5M**
 - ✓ North & West San José Bike Network Gap Closures (Senator Padilla) - **\$2.2M**
 - ✓ Alum Rock Pedestrian Safety & Transit Access Improvement Project (Senator Padilla) - **\$505K**

Appropriations Timeline: Continuing Resolution likely in September, final vote most likely in December

State Highlights State Budget

- **Fiscal Year 2021-2022 California State Budget** passed July 12, 2021
- **\$263 billion General Fund spending plan with big wins for:**
 - ✓ Homelessness and Affordable Housing
 - ✓ Transportation ("Jr. Bill")
 - ✓ Broadband
 - ✓ Childcare
- **Most City-specific allocations still uncertain**
 - ✓ Trailer bills still forthcoming
 - ✓ Cap-and-trade

State Budget Info Memo published July 26, 2021:
www.sanjoseca.gov/home/showpublisheddocument/75601

State Highlights State Budget

Key funding related to City priorities, policies, & programs	Grant or Formula Funds	Funding amount to San José (if applicable)	Status of allocation
Homeless Housing, Assistance, and Prevention (HHAP) Program	Formula	San José Direct Allocation: \$29.1 million San José/Santa Clara City & County CoC: \$14.5 million	TBD
Project Homekey	Competitive Grant	Total available funding is \$1.45 billion statewide for eligible local projects	TBD
Rental Assistance and Evictions Protections	Block Grant	Includes the state share of \$2.6 billion, Cities and counties with populations of 200,000 or greater are eligible to apply for round two block grant funding, which will be allocated based on the local jurisdiction's share of the state's population from the 2019 federal census data	Grantees were required to submit by July 28, 2021
Youth Workforce Development	TBD	\$150 million to 13 largest cities	TBD

State Highlights State Budget

Key funding related to City priorities, policies, & programs	Grant or Formula Funds	Funding amount to San José (if applicable)	Status of allocation
Water Debt Arrearages	Utility Application	\$1 billion statewide – State Water Board & Dept. of Community Services & Development will administer the allocation of funds to owners or operators of public water systems or treatment works	TBD – state program under development
Energy Debt Arrearages	Utility Application	\$1 billion statewide – Dept. of Community Services & Development will administer the allocation of funds to energy utilities to apply for assistance on behalf of customers	TBD – state program under development

State Highlights State Budget

Key funding related to City priorities, policies, & programs	Grant or Formula Funds	Funding amount to San José (if applicable)	Status of allocation
Broadband	Both	\$6 billion total funding \$1 billion to urban counties for last mile investments \$750 million loan-loss reserve account for local agencies, JPAs, tribal governments, & nonprofits to build broadband networks \$1 billion to rural counties	TBD
Warm Springs Quiet Zone Project	Direct Grant	\$8 million directly to the City of San José through budget request from Asm. Ash Kalra	TBD
Clean California Initiative	Needs based Formula	\$1 billion statewide with Caltrans developing formula that will be based on need, population and number of proposals. Eligible projects include litter abatement and neighborhood beautification	TBD

State Highlights State Budget

An Unprecedented Year for Housing Funding

- **Total Investment: \$12 billion in new funding for homelessness programs over the next two years**
 - ✓ **HHAP: \$2 billion in flexible funding to local government**
 - ✓ **San José Direct Allocation: \$29.1 million**
 - ✓ **San José/Santa Clara City & County CoC: \$14.5 million**
- **\$1.45 billion to Project Homekey in 2021-2022 and \$1.3 billion in 2022-2023**



State Highlights State Budget

Youth Workforce Development

- \$150 million in local assistance through the Office of Planning & Research
- Per capita funding formula for 13 largest cities for a program for young adults to improve community resilience and support the environment

Clean California

- Benefits for Beautify SJ programs
- Continuing strong engagement with CalTrans

Communitywide Benefits for Families

- Rate increases for child care & preschool providers; fees waived for subsidized child care & state preschool through June 2022
- Free, universal transitional kindergarten for all four-year-olds by 2025
- Expanded before- and after-school instruction



State Highlights City Sponsored/Supported Bills

- **SB 7 (Atkins) – *Signed by Governor***
 - Extends the AB 900 program for projects already approved under AB 900 but delayed due to COVID-19, including the San José Downtown West Mixed-Use Plan.

Sponsored (2-year bills)

- **SB 649** (Cortese) – Tenant Preferences to Prevent Displacement
- **SB 612** (Portantino) – Power Charge Indifference Adjustment
- **AB 987** (Low) – Electrical Corporations Reporting

Coalition Supported

- **AB 550** (Chiu) – Speed Safety Cameras – ***Held in committee***
- **AB 43** (Friedman) – Speed Limit Setting – ***Awaiting hearing in Senate Appropriations***



State Highlights Critical Advocacy

■ Brown Act Reform

- Exploring & advocating for various options with Legislature + Governor's Office
- Broad resistance exists; fear of slippery slope and erosion of public access and transparency
- Currently focusing efforts on exemption for the immunocompromised

■ Urban Greening & the Heat Island Effect

- Funding to support community resilience planning and implementation

■ State Transportation Package

- HSR, BART, Diridon Station, Grade Separations, Active Transportation Funding, EV Infrastructure, etc.

SUMMER INTERGOVERNMENTAL RELATIONS REPORT

San Jose City Council 8.10.21
Item 3.3

Council Actions

- Accept the IGR Summer Report
- Reaffirm City positions in Priority Legislation Log

Presenters:

Sarah Zárate, Director, Office of Administration, Policy, & Intergovernmental Relations

Alexandria Felton, Intergovernmental Relations Officer

Lauri Hettinger, Holland & Knight

Steve Cruz, Cruz Strategies