



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Sarah Zárate

**SUBJECT: WITHDRAWAL
FROM THE CALIFORNIA CITIES
GAMING AUTHORITY**

DATE: September 13, 2023

Approved

Date

9/18/23

RECOMMENDATION

Adopt a resolution authorizing the City Manager or designee to withdraw the City of San José from the California Cities Gaming Authority Joint Powers Authority.

SUMMARY AND OUTCOME

The California Cities Gaming Authority (CCGA) works to protect the interests of member cities and monitor the activities of the California Gaming Commission, the California Bureau of Gambling Control, and the Department of Public Health Office of Problem Gambling.

The City of San José has two cardrooms and joined the CCGA through City Council approval on January 5, 2021 ([Item 2.9 21-026](#))¹ to increase and focus advocacy in the State legislature, particularly in response to legislative efforts to limit cardroom activities. Since joining the CCGA, in fiscal year 2022-2023, the City Council increased the advocacy capacity of the Intergovernmental Relations team by one Senior Executive Analyst. As a result of this increased internal staffing capacity, and due to budget limitations, staff recommend withdrawal from CCGA. Staff will continue to monitor and advocate on gaming issues in collaboration with its state lobbyist.

BACKGROUND

The CCGA was formed in 2019 by the cities of Gardena and Inglewood. It is a Joint Powers Authority that advocates for the interest of cities that have medium-sized cardrooms. Annual membership dues are \$30,000. The CCGA's purpose is to protect the interests of member cities and monitor the activities of the California Gaming Commission, the California Bureau of Gambling Control, and the Department of Public Health Office of Problem Gambling. The CCGA membership has evolved and now consists of the cities of Bell, Colma, Gardena,

¹ <https://sanjose.legistar.com/View.ashx?M=F&ID=9025706&GUID=A6CD6B39-E032-470C-9DBD-00AE40B5F410>

Inglewood, and San José. The City of San José has one voting member delegate, currently Councilmember Davis with Councilmember Torres as an alternate, who is supported by the Intergovernmental Relations team.

ANALYSIS

Cardroom issues have continued to evolve in recent years and advocacy has been pursued both through the CCGA and the City's state lobbyist, Cruz Strategies. The City of San José consistently engages on gaming issues through the City's state lobbyist to advocate on issues that advance the City's interests. This advocacy has been done in collaboration with cardrooms and staff has been present in Sacramento ahead of crucial votes on priority legislation and the release of regulations. After a comprehensive analysis of the benefits of CCGA membership, and in the context of budget limitations, staff recommend withdrawing from the CCGA.² Staff have internal capacity to monitor these issues and will continue working with the City's lobbying team on gaming issues.

EVALUATION AND FOLLOW-UP

The Administration will continue to engage on cardroom-related advocacy in concert with City's state lobbyist and will include updates, when available, in its regular reports to City Council on the Intergovernmental Relations program. In addition, the Intergovernmental Relations team will work with the City Attorney's Office and the CCGA to effectuate the City of San José's withdrawal in accordance with the CCGA Joint Exercise of Powers Agreement.

COORDINATION

The Administration coordinated this memorandum with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the October 3, 2023 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

² Membership dues to the CCGA were budgeted on a one-time basis in prior fiscal years.

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CEQA

Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

A handwritten signature in black ink that reads "Sarah Zárate". The signature is written in a cursive style with a capital 'S' and 'Z'.

SARAH ZÁRATE
Director, City Manager's Office of
Administration, Policy, and
Intergovernmental Relations

For questions, please contact Zane Barnes, Chief Intergovernmental Relations Officer, at zane.barnes@sanjoseca.gov.