



Office of Administration, Policy, and Intergovernmental Relations

San José City Council 01.14.25

Item 3.4: 2025 Legislative Program and Priorities
Item 3.5: 2024 Fall Intergovernmental Relations Report

Presenters:

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Lobbyist Support:

Steve Cruz, Cruz Strategies

Leslie Pollner and Lauri Hettinger, Holland & Knight

IGR By The Numbers

- ✓ Advocated for \$5.5 million in federal earmark funding
- ✓ 355+ Bills Actively Monitored
- ✓ 50+ Advocacy Letters
- ✓ 1 Sponsored Bill Passed (SB 969)
- ✓ Legislative Advocacy Trip to Sacramento

And...dozens of meetings with Legislators and Agency Staff to advocate for San José priorities

2024 Fall IGR Report

➤ Federal Highlights

- Funding Advocacy
- Key Legislation
- 119th Congress Preview

➤ State Highlights

- Funding Advocacy
- Key Legislation
- 2025-2026 Legislative Session Preview

2024 Federal Highlights

- \$5.5 million in pending Federal earmarks:
 - Alum Rock Business Corridor improvement, Cahalan Park, Yerba Buena bridge reconstruction, sideshow deterrence, and Happy Hollow microgrid
- Commitment of \$5.1 billion in federal funding for BART Silicon Valley Phase II
- Continuing Resolution on federal budget passed through March 14, 2025
- Pending reauthorization of the Workforce Innovation and Opportunity Act which impacts the City's work2future programs
- IGR continues to monitor the Presidential transition and the associated impacts on City priorities and residents
- Continued and regular engagement with Federal delegation on priority issues including BART funding, grant advocacy, quiet zones, housing, etc.

119th Congress Preview

- **FY 25-26 Appropriations**
- **Budget Reconciliation (likely 1-2 bills)**
 - 1st Package: Border security, energy, defense
 - 2nd Package: Extension of 2017 Tax Cuts and Jobs Act (e.g.: Low Income Housing Tax Credit expansion, alternative fuel, Opportunity Zones)
 - To offset spending in bills: Potential repeal of some Inflation Reduction Act tax credits and unobligated funding; reform to healthcare programs
- **Substantial Action on Immigration**
- **Debt Ceiling**
- **Surface Transportation Reauthorization**
- **Farm Bill**
- **Confirmation of Judicial and Presidential appointments**

2024 State Highlights

■ Funding Advocacy:

- ✓ Protected \$1 billion of flexible funding for a fifth round of HHAP grants (w/ Big City Mayors)
- ✓ Protected prior-year earmarks, totaling \$3.5M despite major deficit
- ✓ Prevented diversion of city property tax and other revenues including ERAF (approx. \$41M)
- ✓ Protected state transit funding for BART from major cuts
- ✓ Secured support from Governor Newsom for VTA's application to the FTA for \$6.296 billion in funding for the BART Silicon Valley Phase II

■ Legislative Advocacy:

- ✓ Successfully worked with the City's delegation to negotiate priorities in SB 1031 transportation revenue measure
- ✓ Positioned San José as a prominent leader in Artificial Intelligence
- ✓ Advanced downtown activation efforts through entertainment zones (SB 969)
- ✓ Engaged on Legislative ballot measures: Propositions 2 (School Bond), 3 (Same-sex Marriage), 4 (Climate Bond), 5 (Infrastructure Voter Threshold), 6 (Involuntary Servitude)
- ✓ Continued efforts to protect revenues from City cardrooms

Preview of 2025-2026 Legislative Session

- New Influx of Legislators (34 open seats this cycle)
- Responding to Actions by Incoming Federal Administration
 - Special Session called by Governor Newsom to fund 'affirmative litigation' and legal defense including support for DACA students and immigration cases
- Cost of Living and Affordability (ex. utilities; housing; groceries; education)
- Artificial Intelligence
- Implementing 2024 Public Safety Reforms
- Cap and Trade Reauthorization Efforts
- Housing and Homelessness Funding Accountability
- Permit Reform for Housing and Transportation Projects (CEQA Streamlining)

2025 Legislative Program & Priorities

- Legislative Priorities
- Legislative Program Development

Legislative Priorities 2024

Approved by City Council November 2023

- Reduce Unsheltered Homelessness, Support Unhoused Residents, and Increase Affordable Housing Supply
- Enhance Community Safety and Promote Vision Zero Initiatives
- Advocate for Educational and Employment Opportunities that Foster Equitable Outcomes for San José Families
- Catalyze Downtown Revitalization and Cultivate Equitable Investment in our Neighborhoods
- Pursue Funding for Equitable, Sustainable, and Resilient Infrastructure and Advance San José's Climate Smart Goals

Proposed 2025 Legislative Priorities

Pending City Council Adoption

- Reduce Unsheltered Homelessness, Support Unhoused Residents, and Increase Opportunities for Affordable Housing
- Enhance Community Safety Initiatives and Realize Vision Zero
- Advocate for Educational and Employment Opportunities that Foster Equitable Outcomes for San José Families
- Drive Downtown Revitalization and Cultivate Equitable Investment in our Neighborhoods
- Pursue Funding for Equitable, Sustainable, and Resilient Infrastructure and Accelerate San José's Climate Smart Goals

Key Changes to Legislative Program

- **Immigration** – Expanding safeguards for the City's immigrant communities
- **Transgender Rights** – Protecting state and federal rights for transgender persons
- **Innovation Economy** – Added policy positions to support the expansion of emerging technology companies in San José including companies focused on improving the domestic supply chain of semiconductor chips, and companies focused on artificial intelligence
- **Living Wage** – Advocating for Increasing the minimum wage to a living wage regionally
- **Major Events Resources** – Seeking resources for 2026 major events, including Super Bowl 60 and the 2026 FIFA World Cup
- **Operations Funding for Homekey and Homekey+**
- **Artificial Intelligence** – Advocating to promote privacy, safety, transparency, accountability, and equity
- **Energy Reliability and Affordability** – Increasing electrical grid capacity, resiliency, and local control in energy decision-making
- **Law Enforcement Response Models** – Added policy positions regarding new standards to 911 response service models that address behavioral health and suicide prevention

Potential Sponsored Legislation (Top tier-major legislative effort)



**Tax Credits for
Interim Shelter
Production**



**Legislative Remedy to
Address Abandoned
Shopping Carts**



**Legislative Remedy to
Address Copper Theft**



**Raising Transactions
and Use Sales Tax Limit
(enabling legislation only)**

Additional legislation is being contemplated on Blight, Housing, Economic Development, Transportation, and Energy where IGR will have an active role (pending decisions from Members)

Other Substantive Legislative Efforts

■ **Second tier—other areas with expected considerable effort**

- Implementation of Proposition 1 and Proposition 36 (as well as their interaction with CARE Court and SB 43)
- BART funding / advocacy in partnership with VTA
- Builder's remedy clean-up legislation in association with the League of California Cities
- 2026 major events (Super Bowl 60, 2026 FIFA World Cup, NCAA Men's March Madness)
- Ongoing and sustainable funding for homelessness (HHAP, Homekey+, Prop 1, etc.)
- Regional Transportation Measure coordination with VTA, MTC
- Funding for soft story retrofits
- Youth workforce funding

■ **Third tier—will actively monitor for potential opportunities**

- Advanced Clean Fleet flexibility
- Local control to address blight and towing
- Modification of the definition of 'disadvantaged communities' in the CalEnviroScore
- Proposition 4 (Climate Bond) rollout
- Additional legislation on Housing, Economic Development, Transportation, Mental Health, Energy, etc.

Coalitions Key to Driving Legislative Wins

- **IGR engages with key California coalitions:**
 - **Big City Mayors:** Homelessness Funding, Youth Workforce, Budget
 - **League of California Cities:** Local Control, Transportation, Ballot measures, Budget
 - **California Community Choice Aggregators:** Interconnection, Regionalization, Energy Reliability and Affordability
 - **California City Transportation Initiative:** Transportation, Vision Zero, Autonomous Vehicles Regulation
 - **Bay Area Council:** Housing, Economic Development, Transportation
 - **Cities Association of Santa Clara County:** Regional priorities, Energy, Transportation, Local Control
- **IGR also engages with the following Nationwide coalitions:**
 - **U.S. Conference of Mayors:** Public Safety, Housing, Homelessness, Fiscal, Transportation
 - **National League of Cities:** Social Services, Local Control, Fiscal, Technology, Artificial Intelligence, Transportation

IGR 2025-2026 Legislative Session Focus

- Enhanced integration with other cities on new federal policies that may adversely impact in San José
- Engage new elected officials (Federal, State, Regional)
- Continue to drive on regional coordination
- Greater Citywide legislative team engagement
- Further expand alliances/work with coalitions
- Raise the profile of San José on focused areas (*tell our story!*)
- Renewed engagement with District offices (State and Federal)
- Maximize the City's reach through expanded partnerships with trade associations and organizations to further our priorities
- With challenging state budget and anticipated cuts to federal budget, increased focus on regulatory advocacy

Council Actions

San José City Council 01.14.25

Item 3.4: 2025 Legislative Program and Priorities

- ✓ Adopt the 2025 Legislative Program and Legislative Priorities

Item 3.5: 2024 Fall Intergovernmental Relations Report

- ✓ Accept the 2024 Fall IGR Report
- ✓ Reaffirm City positions in Federal Legislative Log
- ✓ Reaffirm City positions in State Legislative Log

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