



Office of Administration, Policy, and Intergovernmental Relations

San José City Council 4.29.25

Item 3.4

2025 Spring Intergovernmental Relations Report

Presenters:

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

Zane Barnes, Chief Intergovernmental Relations Officer

Steve Stamos, Senior Executive Analyst, IGR

Nicholas Ochoa, Senior Executive Analyst, IGR

Lobbyist Support:

Stephanie Estrada & Nick Romo, Cruz Strategies

Leslie Pollner, Holland & Knight

Legislative Priorities

(Approved by City Council January 14, 2025)

- 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

IGR By The Numbers

(December 7 – April 7)

- ✓ Advocated for \$5.5 million in federal earmark funding
- ✓ 238+ Bills Actively Monitored
- ✓ 30+ Advocacy Letters
- ✓ 3 Legislative Advocacy Trips to Sacramento

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

2025 Spring IGR Report

➤ Federal Highlights

- FY 2025 Budget Negotiations
- President's FY 2026 Budget Proposal
- Advocacy Efforts
- Immigration Update

➤ State Highlights

- Governor's 2025-2026 Proposed Budget
- Advocacy Efforts
- City Sponsored Legislation

Federal Budget

- President Trump signed the Continuing Resolution on March 15, extending federal spending through the rest of FY 2025
 - This action eliminated the City's \$5.5 million in pending Federal earmarks for Alum Rock Business Corridor improvement, Cahalan Park, Yerba Buena bridge reconstruction, sideshow deterrence, and Happy Hollow microgrid
- Budget reconciliation is under consideration in the House and Senate, including raising the debt ceiling
 - Extension of tax cuts
 - Increased funding for Immigration and Customs Enforcement
 - Potential cuts to Medicaid
- President Trump's FY 2026 budget is anticipated to be released in mid-May
- Submitted FY 2026 earmarks to Senators Padilla and Schiff and Representatives Luccardo, Lofgren, Khanna, and Panetta

Federal Advocacy

- Engagement with the City's delegation and federal agencies on receiving awarded grant funding
- BART to Silicon Valley Phase II project towards full funding grant agreement by early 2026
- Funding resources for 2026 major events, including \$625 million for all 11 U.S. FIFA World Cup host regions
- Protecting the tax-exempt status of municipal bonds
- Surface Transportation Reauthorization Act funding priorities
- Continued advocacy on the Affordable Connectivity Program, increased funding for rental assistance programs, and enforcement of Quiet Zones
- Continued engagement via letters and meetings with our federal delegation on the potential reauthorization of the Workforce Innovation and Opportunity Act (WIOA)

Federal Immigration Update

- President Trump issued several Executive Orders on immigration
- Budget reconciliation priorities being negotiated include increased resources dedicated to immigration enforcement actions and border security
- MOU was executed between the Department of Housing and Urban Development and the Department of Homeland Security (DHS) to encourage cooperation and data sharing to identify undocumented immigrants
- Internal Revenue Service and DHS have agreed to share information to assist immigration authorities in locating individuals targeted for deportation
- Continued efforts by the Trump Administration to withhold federal funds from jurisdictions that do not cooperate with Immigration and Customs Enforcement
 - The City joined 15 other jurisdictions in litigation, and on April 24, a federal injunction was issued barring the federal government from withholding funds to sanctuary jurisdictions

City Staff continue to hold meetings with federal lobbyists and the City's federal delegation on the City's preparation and response

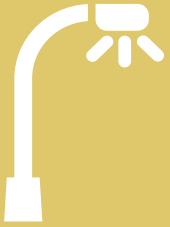
State Budget

- Governor's January 2025-2026 Proposed Budget:
 - Released proposed 2025-2026 budget on January 10
 - Included a projected surplus of \$363 million
 - Did not include funding for the Homeless Housing, Assistance, and Prevention Program (HHAP) Round 7
 - New cost pressures from wildfire response, social services, and federal actions
 - Revised Budget anticipated in early May
 - IGR will distribute a letter outlining the City's priorities
- Funding Advocacy:
 - ✓ In partnership with the Civil Prosecutors Coalition, advocated for additional funding for potential legal challenges associated with Presidential Executive Orders
 - ✓ Partnered with VTA to advocate for SB 1 funding to support the BART Silicon Valley Phase II project
 - ✓ Advocated for budget action for San José-specific funding to support community activations associated with 2026 Special Events
 - ✓ Initiated discussions on funding priorities for the reauthorization of the state Cap-and-Trade program
 - ✓ Submitted State Member Requests to the San José delegation

State Advocacy

- Legislative Advocacy:
 - ✓ Advocated for the inclusion of more flexible options in the Housing Bond legislation
 - ✓ Actively engaged in the development of the Downtown Revitalization Legislative Package
 - ✓ Actively opposing proposed changes to the Quimby Act (SB 315) which would reduce land dedication and fees that support park development
 - ✓ Engaged in discussions on Regional Transportation Measure in partnership with VTA
- Regulatory Advocacy:
 - ✓ Partnered with the City's cardrooms regarding new proposed regulations from the Bureau of Gambling Control
- Advocacy Days in Sacramento:
 - Participated in meetings with Civil Prosecutors Coalition on January 22
 - Accompanied Director of Housing in meetings with State Delegation on March 17
 - Accompanied Mayor in meetings with State Delegation on April 7
 - Accompanied Deputy City Manager Passons in meetings with State Delegation on April 23

City Sponsored Legislation



AB 476 (González) Copper Theft

- Expanding the information that junk dealers and recyclers must collect before purchasing copper
- Prohibiting the possession of additional types of scrap metal from public infrastructure
- Supporters: League of California Cities, LA Cleantech Incubator, CA Broadband & Video Assoc, various additional cities
- Committee Hearing: April 29 (Public Safety)



SB 753 (Cortese) Abandoned Shopping Carts

- Allows local governments to return carts directly to retailers, pick up carts immediately and return them to retailers without a three-day notice requirement, and recover the actual costs of managing the program
- Initial conversations with CSAC, League of California Cities, Retailers Association, Grocers Association
- Committee Hearing: May 7 (Local Government)

Other Substantive Advocacy Efforts

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

- Ongoing and sustainable funding for homelessness, including advocating for HHAP Round 7
- Regional planning and coordination to achieve functional zero unsheltered [SB 606 (Becker)]
- Cost recovery for encampment clean-up on Caltrans properties [SB 569 (Blakespear)]
- Prop 1, Prop 36, Care Court implementation [SB 28 (Umberg), SB 38 (Umberg)]
- BART funding/advocacy in partnership with VTA
- 2026 major events (Super Bowl 60, 2026 FIFA World Cup, NCAA Men's March Madness)
- Development of funding priorities for the reauthorization of the state Cap-and-Trade program
- Immigration-specific legislation to protect residents from potential federal action
- Berryessa Flea Market / Surplus Land Act exemption
- CEQA reform [SB 607 (Wiener), AB 507 (Haney), AB 609 (Wicks)]

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

- Builder's Remedy clean-up legislation [SB 457 (Becker)]
- Proposition 4 (Climate Bond) implementation (in close partnership with Valley Water)
- Funding to support the City's Soft Story Retrofit Ordinance
- Additional legislation on Housing, Economic Development, Transportation, etc.

Council Actions

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2025 Spring Intergovernmental Relations Report

- ✓ Accept the 2025 Spring IGR Report
- ✓ Reaffirm City positions in Federal Legislative Log
- ✓ Reaffirm City positions in State Legislative Log

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