



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Sarah Zárate

**SUBJECT: SUMMER INTERGOVERNMENTAL
RELATIONS REPORT**

DATE: July 18, 2022

Approved:

Date:

7/20/2022

RECOMMENDATION

- (a) Accept the Summer Intergovernmental Relations Report.
- (b) Reaffirm all City positions summarized in the 2022 Intergovernmental Relations Priority Legislation Log (Attachment A).

OUTCOME

The Administration will continue legislative advocacy efforts to advance the City of San José's (City) priorities.

EXECUTIVE SUMMARY

The Summer Intergovernmental Relations (IGR) Report provides an update on the City's top advocacy priorities and outlines legislative positions for City Council reaffirmation.

From the period of March 29, 2022, through July 29, 2022, the IGR team took the following actions in relation to the City's legislative priorities:

- Active engagement in the state budget process with the Governor's office and legislative leadership to secure additional funding or favorable legislation in the following areas:
 - \$1 billion dollars in funding for rail projects such as Bay Area Rapid Transit (BART) phase two and Caltrain electrification.
 - Advocacy with Big City Mayors to secure \$1 billion dollars in additional funding for the Homeless Housing Assistance and Prevention program (HHAP) to provide flexible homelessness funding.
 - Active Transportation Program (ATP) eligibility for new projects instead of only backlogged projects, making the City eligible for additional funding.

- \$10.8 million in state earmarked funding including \$10 million for an East San José Vision Zero project and \$800,000 for the Responsible Landlord Funding Initiative in collaboration with Assemblymember Ash Kalra.
- \$8.5 million in federal Community Project Funding/Congressionally Directed Spending (formerly known as “earmarks”) for Homelessness and Infrastructure projects, including the Airport Connector. In addition, \$2.7 million for CityTeam San José and the Guadalupe River Park Conservancy projects that were supported by the City of San José.
- Approximately 40 meetings with legislative offices and staff to discuss the City’s policy priorities.
- Approximately 50 letters to support or oppose legislation, advocate for City grant applications, support earmark proposals, and communicate City of San José state and budget priorities.
- Four City Council Action requests on legislation.

Additional information related to this activity is found in the Analysis section and is organized as follows:

- Federal and State Updates Related to Legislative Principles
 - COVID-19 Recovery and Endemic Response
 - Homelessness Funding
 - Safety and Vision Zero Initiatives
 - Funding to Advance Smart, Sustainable, and Reliable, Infrastructure
- Other Policy Updates of City Interest
 - Federal Legislative Updates
 - State Updates (2022-23 State Budget and Legislation)
 - City Positions and Actions Taken on Legislation: December 2021 – June 2022 (Attachment A)

BACKGROUND

The Administration provides regular updates on legislative and regulatory advocacy efforts to ensure the City Council stays informed of actions the City has taken when the United States Congress and/or the California State Legislature is in session.

The Administration last reported to City Council on March 29, 2022 ([Item 3.4, 22-400](#)). City Council accepted the report and approved four updated advocacy priorities for 2022: (1) COVID-19 Recovery and Endemic Response; (2) Homelessness Funding; (3) Safety and Vision Zero Initiatives; and (4) Funding to Advance Smart, Sustainable, and Reliable Infrastructure. The following analysis is framed around the top advocacy priorities.

ANALYSIS

COVID-19 Recovery and Endemic Response

This section summarizes major policy developments and activities related to the first advocacy priority: COVID-19 Recovery and Endemic Response.

Federal Update: Legislation: COVID-19 Recovery and Endemic Response

- ❖ [H.R. 7007](#), the COVID Supplemental Appropriations Act, would provide \$15.6 billion for purchasing vaccines, therapeutics, and other pandemic-related expenses.¹ The bill was agreed to in the House of Representatives on March 9, 2022, but has not passed the Senate. Other COVID supplemental legislation, such as the [bipartisan legislation](#) led by Sens. Schumer (D-NY) and Romney (R-UT) in the Senate is also currently pending. The [Schumer-Romney COVID supplemental](#) is smaller than the House-passed version and would allocate \$9.25 billion to the Department of Health and Human Services to purchase new vaccines and therapeutics and \$750 million would go towards COVID research efforts, with the eventual goal of producing additional variant-specific vaccines.²

State Update: 2022-23 State Budget and State Legislation

The Administration has continued to advocate for investments towards long-term recovery from the effects of COVID-19 endemic.

The state budget bill provides over \$17 billion in fiscal relief to Californians, small businesses, and nonprofits including:

- \$1.4 billion for assistance to active utility customers with past due electricity utility bills incurred during the COVID-19 pandemic bill relief period.
- \$9.5 million to provide direct tax rebates to 17.5 million California tax filers based on income.
- Additional financial assistance for Californians enrolled in the Supplemental Security Income/ State Supplementary Payment program and the CalWORKs program.
- Tax relief for union workers and families with young children.

¹ The bill would allocate \$5 billion to buy COVID therapeutics and another \$4.75 billion for a broader range of purchases, such as COVID tests and vaccines. It would also provide \$750 million for developing future COVID variant vaccines; \$4.45 billion would address global COVID mitigation efforts; and \$425 million would be distributed to fund food and clean water services to address humanitarian concerns caused by COVID.

² The bill omits the \$5 billion initially proposed for global health efforts, a provision included in the House bill. The Senate has yet to pass the supplemental, as some Senators voiced concerns over an ongoing policy dispute about pandemic-era border policy.

- \$2.3 billion to support small businesses and non-profits.
- \$30 million to increase funding for legal aid for those facing eviction.
- \$1.95 billion in emergency rental assistance for eligible applicants who applied through March 31, 2022.

Additional COVID-19 recovery investments can be found on page 93 in Attachment B.

The Administration has continued to advocate for legislation that supports long-term recovery from the effects of COVID-19 endemic. Relevant legislation includes:

- ❖ **SB 847 Hurtado: COVID-19 Relief: Tenancy: Grant Program – SUPPORT**
This bill establishes a framework for a grant program to support landlords who have been unable, by any other means, to obtain payment for their tenants' unpaid pandemic-era rent. Letter of support sent to Senator Hurtado on May 9, 2022.
- ❖ **AB 2179 Grayson: COVID-19 Response & Homelessness Funding – SUPPORT**
This bill extended, through June 30, 2022, two key components of COVID-19 pandemic relief for residential landlords and tenants: (1) protections against eviction for nonpayment of rent in cases where an application for emergency rental assistance was pending as of March 31, 2022; and (2) preemption of additional local protections against eviction for nonpayment of rent that were not in place on August 19, 2020. Letter of support sent on March 30, 2022. This bill was signed into law on March 31, 2022.
- ❖ **AB 1944 Lee: Brown Act Reform.** This bill would have removed the requirement for local legislative body members to publicly disclose their teleconferencing location or make those locations publicly accessible. While we worked with Assemblymember Lee on this legislation, his office decided not to pursue this legislation as committee amendments detracted from original bill intent.

Homelessness Funding

This section summarizes major policy developments and activities related to the second advocacy priority: Homelessness Funding. While the City pursues annual and one time funding, there is continued advocacy for ongoing system change to create sustainable funding streams to maintain and expand homelessness services.

Federal Update: FY23 Federal Budget and Federal Legislation

The Administration engaged with our federal delegation on various efforts related to homelessness funding. As part of its federal budget advocacy, the team presented several Community Project Funding Requests related to homelessness funding and successfully gained the support of all members of our House delegation for the City's Emergency Interim Housing projects—a critical budgetary milestone— but now, the funding request must be included into

the Federal budget to be realized. A list of the projects that are moving forward in the earmark process, which total \$4 million, are found in Attachment D.

The Administration has continued to advocate for legislation supporting homelessness funding.

❖ **S.3788 Padilla: Housing for all Act – SUPPORT**

This bill takes the following actions: (1) Investing in cities response efforts by funding Housing Choice Vouchers, Project-Based Rental Assistance, and the emergency solutions grant program which includes services such as rapid re-housing assistance; (2) Allowing governments to better understand the connections between evictions and homelessness via a study by the Government Analyst's Office; (3) Supporting cities that are taking innovative approaches to addressing homelessness by supporting pilot programs on the local level, and by investing in immediate solutions such as hotel and motel conversions that allow for the creation of additional supportive housing units. A letter of support was sent to Senator Padilla on February 18, 2022.

State Update: 2022-23 State Budget and State Legislation

In the City's 2022-23 state budget advocacy, staff underlined the need for additional, flexible, and ongoing funding to operate the City's homelessness assistance programs. This includes advocacy for additional funding for homelessness programs, especially for capital dollars (Homekey Program) to build housing solutions alongside programming dollars to holistically address our homeless neighbors' needs. The Administration also successfully partnered with Assemblymember Kalra on an \$800,000 Community Project Funding Request which will fund the Responsible Landlord Engagement Initiative. Additional information can be found in Attachment D.

The state budget bill includes the following aligned with the City of San José's homelessness funding priority and advocacy:

- \$700 million for Encampment Resolution grants over two years to help local governments with resolving critical encampments and transitioning individuals into permanent housing, including a set aside for encampments on the state right-of-way.
- \$2 billion total funding over two years for the Homeless Housing, Accountability, and Prevention Program (HHAP). This includes \$1 billion in 2022-2023 and \$1 billion in 2023-2024.
- \$150 million in additional funding for Project Homekey in the current fiscal year. Projects can now also be submitted and reviewed on a continuous basis as determined by the Department of Housing and Community Development (HCD).³

³ A total of \$91 million was awarded in 2022 to the City so far. This includes project support for the Arena Hotel, the Homekey site at Branham Lane, and at the Pavilion Inn.

In addition to homelessness related funding, the following investments were made for affordable housing:

- \$410 million over two years for Adaptive Reuse, including a \$10 million reappropriation of existing funding.
- \$425 million over two years for the Infill Infrastructure Grant Program.
- \$100 million over two years for mobile homes and manufactured housing.
- \$150 million over two years for the preservation of existing affordable housing.
- \$100 million over two years for affordable housing on state excess sites.
- \$350 million over two years for the CalHOME program.
- \$500 million to establish the California Dream for All program to make homeownership more achievable for first time homebuyers.
- \$250 million for the HCD Housing Accelerator Program, which advances affordable renting housing projects seeking tax credit funding by closing funding gaps.
- \$50 million to continue the Veterans Housing and Homelessness Prevention Program created by Proposition 41.
- \$50 million to help homeowners finance accessory dwelling units on their property.

The IGR team is also advocating for state legislation that has impacts on homelessness funding. Bill details are found below.

- ❖ AB 2339 Bloom: Housing Element: Emergency Shelters – **MONITOR**
This bill would revise the requirements of the housing element, in connection with zoning designations that allow residential use, including mixed use, where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit.
- ❖ AB 2325 Rivas: Coordinated Homelessness Response: Office of the Interagency Council on Homelessness – **MONITOR**
This bill establishes the Office of Interagency Council on Homelessness as the lead entity for ending homelessness in California, embeds the California Interagency Council on Homelessness into the newly created office and creates a funding workgroup with various duties. This bill died in Assembly suspense.

State Update: Legislation: Eviction Moratorium 2022-2023

On March 31, 2022, Lieutenant Governor Eleni Kounalakis, serving at the time as Acting Governor, signed AB 2179 into law.⁴ AB 2179 passed out of the Legislature with bipartisan support doing the following:

- Extended, through June 30, 2022, legal protections against eviction based on nonpayment of rent or other financial obligations under the lease that accumulated between March 1,

⁴ Staff report March 22, 2022: <https://sanjose.legistar.com/View.ashx?M=F&ID=10663969&GUID=E64505D6-86C1-45B9-AE85-41431AFB6976>

2020 and March 31, 2022, provided that, as of March 31, 2022, there was an application pending for emergency rental assistance;

- Updated the content of notices that landlords must provide to tenants after March 31, 2022, and before July 1, 2022, prior to seeking a court order for eviction based on nonpayment of rent; and
- Extended, through June 30, 2022, a statewide preemption of local laws. Local jurisdictions are preempted from applying new or additional local protections against eviction for nonpayment of rent, if that rent accrued on or before June 30, 2022.
- The State closed the COVID-19 Rent Relief Program to new applications on March 31, 2022.⁵

There is no legislation proposing further protection extensions for tenants with pending State COVID-19 Rent Relief applications; those protections expired June 30, 2022. However, the state budget bill does include \$30 million to increase funding for legal aid for those facing eviction.

Safety and Vision Zero Initiatives

This section summarizes major policy developments and activities related to the third advocacy priority: Safety and Vision Zero Initiatives.

Federal Update: Federal Grant Advocacy: Highway-Rail Safety Infrastructure

IGR and the City's Department of Transportation led advocacy efforts on grant applications to the Federal Consolidated Rail Infrastructure and Safety Improvements Program. On May 26, 2022, the City was notified it was awarded two grants, totaling \$8.72 million to support highway-rail safety projects. Those projects are as follows:

- Bascom Ave Highway-Rail Crossing Queue Cutter Traffic Signal (Vasona Corridor) - \$1,220,000.
- Southern San José Grade Separation Design/Environmental (Monterey Rd) - \$7,500,000.

These projects align with both the (1) Vision Zero Pedestrian and Bicycle safety infrastructure and (2) the Highway-Rail Grade Separations entries on the City's Strategic Project List. IGR will continue to support City efforts to obtain additional funding for Vision Zero priority projects and grade separation safety improvements.

The Administration continues to monitor upcoming grant opportunities aligned with the Infrastructure Investment and Jobs Act implementation, including several grant opportunities that will be available in the late summer and fall of 2022.

⁵ Staff report March 22, 2022: <https://sanjose.legistar.com/View.ashx?M=F&ID=10663969&GUID=E64505D6-86C1-45B9-AE85-41431AFB6976>

State Update: 2022-23 State Budget and State Legislation

Staff strongly advocated for funding to support infrastructure and policy objectives of the City's Vision Zero action plan. This included successful advocacy on the Active Transportation Program to consider newly submitted projects, not just backlogged projects from previous years. The Governor's original January budget proposal language would have excluded City of San José proposals which address the emerging needs of residents.

That state budget bill includes \$1 billion in the current year for the Active Transportation Program which funds bicycle and pedestrian infrastructure.

The IGR team worked with Assemblymember Kalra to secure a \$10 million Community Directed Spending request for East San José Corridor Safety Improvement Project (please see Attachment D for additional information)

The IGR team is also advocating for state legislation that has impacts on Vision Zero initiatives. Bill details are found below.

❖ **AB 1938 Friedman: Traffic Safety – SUPPORT**

Last year's AB 43 [Chapter 690, Statutes of 2021] was designed to provide local jurisdictions flexibility in setting speed limits on a limited number of streets designated as safety corridors, in business activity districts, or near locations where vulnerable populations gather, such as bike lanes or near senior centers. AB 1938, as amended, clarifies a provision of AB 43 to ensure cities maintain existing, pre-AB 43 authority to lower speed limits based on engineering judgement. The City worked closely with the author in creation of this bill and sent a letter of support to Assemblymember Gonzalez on June 16, 2022.

❖ **AB 2336 Friedman: Speed Safety – SUPPORT**

This bill creates a five-year pilot program authorizing San José and five other cities to use speed cameras to enforce speed limits on their highest injury streets, in school zones, and on streets with a history of speed contests and motor vehicle exhibitions of speed. IGR worked with the mayor's office and submitted a letter of support on March 2, 2022. Despite the City's advocacy efforts, this bill died in committee.

❖ **SB 932 Portantino: General Plans: Circulation Element: Bicycle and pedestrian plans and traffic calming plans – MONITOR**

Requires the circulation element of a general plan to include specified contents related to bicycle plans, pedestrian plans, and traffic calming plans, and provides that failure to implement the plans creates a cause of action for victims of traffic violence. This legislation poses major fiscal, design immunity, and liability implications. The Department of Transportation and IGR met with the bill author's office on May 11, 2022.

Funding to Advance Smart, Sustainable, and Reliable Infrastructure

This section summarizes major policy developments and activities related to the fourth advocacy priority: Funding to Advance Smart, Sustainable, and Reliable Infrastructure. This includes funding advocacy for clean energy, water, transportation, and green infrastructure projects.

Federal Update: Federal Grant Advocacy:

Diridon Station

The Administration coordinated advocacy efforts in support of the City's Department of Transportation's grant application to the federal Rebuilding American Infrastructure with Sustainability and Equity program. This grant funding would help redesign Diridon Station to accommodate the planned integration of High-Speed Rail, an electrified Caltrain service, BART Silicon Valley, and other public transit services. This effort aligns with the Transforming Diridon Station entry on the City's Strategic Project List. The Administration will continue to support City efforts to obtain additional funding for Diridon Station-related projects.

Norman Y. Mineta San José International Airport

Staff coordinated with airport leadership for a successful \$10 million grant from the Federal Aviation Administration. This funding will be used to make the airport's terminals and ground transportation more accessible for people with disabilities. This grant is part of a \$5 billion Airport Terminals Program established by the Infrastructure Investment and Jobs Act.

State Update: 2022-23 State Budget and State Legislation

In the City's 2022-23 state budget advocacy, IGR placed heavy emphasis on leveraging federal funding to make transformational investments in public transportation infrastructure, including (1) completing BART's Silicon Valley extension; (2) transforming Diridon Station; (3) connecting high-speed rail to Silicon Valley; (4) electrifying Caltrain; (5) separating highway and rail crossings within the City (grade separation); and (6) a rapid build-out of Vision Zero traffic safety infrastructure.

The state legislature passed a four-year, \$10.8 billion transportation package including \$5.4 billion through 2022-23, \$2.7 billion in 2023-24, and \$2 billion in 2024-25 for a comprehensive transportation infrastructure package. The package includes funding for transit, freight, active transportation, climate adaptation, and other purposes. The City advocated for and secured additional funding for the Transit and Intercity Rail Capital Program as compared to the original language in the Governor's January Budget Proposal. While this investment is encouraging, IGR will continue advocacy efforts with the California State Transportation Agency who administers the program, to support the competitiveness of City priority projects, such as BART's Silicon Valley extension and Caltrain electrification.

The Administration issued a letter of support and conducted outreach to our state delegation for a Valley Water \$10 million Community Directed Spending Request for South San Francisco Bay

Shoreline Project (Attachment D). While this project did not move forward in the July 2022 budget process, it may be included in an August 2022 Energy and Climate Package.

Transportation infrastructure package investments include:

- \$7.65 billion over three years to invest in high-priority transit and rail infrastructure projects throughout the state administered through the Transit and Intercity Rail Capital Program.
- \$1 billion in the current year for the Active Transportation Program.
- \$350 million for high-priority grade-separation projects.
- \$200 million in funding for local climate adaptation planning and projects.
- \$200 million in federal funds for adaptation projects on the state highway system.
- \$110 million over three years for the California Workforce Development Board to invest in the supply chain workforce.
- \$100 million in additional funding for the Clean California Program grant program in 2023-24.
- Appropriates the remaining \$4.2 billion in Proposition 1A funds for the High-Speed Rail Authority in addition to trailer bill language providing legislative direction for the prioritization of the construction of the Merced to Bakersfield segment of the project.
- \$19 billion in climate and energy investments including \$8.09 billion in clean energy, \$2.7 billion in drought response and resilience.

The Administration is also advocating for state legislation that advances infrastructure needs. Bill details are found below.

- ❖ AB 1814 Grayson: Transportation Electrification: Community Choice Aggregators – **SUPPORT**
This bill would have made Community Choice Aggregators eligible to participate in current California Public Utilities Commission programs. Community Choice Aggregators would be able to receive funding for transportation electrification programs in their service areas, helping to accelerate widespread transportation electrification, reduce fossil fuel dependence, improve air quality, and reduce greenhouse gas emissions. A letter of support was sent to Assemblymember Garcia on March 17, 2022. This bill died in the Assembly.
- ❖ AB 2197 Mullin: Caltrain Electrification – **SUPPORT**
This bill would have appropriated \$260,000,000 for the purpose of completing the Caltrain Electrification Project. A letter of support was sent to the author on March 19, 2022. This bill died in the Assembly.
- ❖ AB 2237 Friedman: Active Transportation Programs – **MONITOR**
This bill would have required the Strategic Growth Council, by January 31, 2023, to complete an overview of several strategies related to the California Transportation Plan and how to influence the configuration of the statewide integrated multimodal

transportation system, including a review of the potential impacts and opportunities for coordination of specified funding programs. This bill died in the Senate.

- ❖ AB 2438 Friedman: Transportation Funding: Alignment with state plans and greenhouse gas emissions reduction standards – **MONITOR**
Requires specified state transportation funding programs to align with state climate plans and goals and requires the California Transportation Plan to be fiscally constrained. This bill may affect use of funds for programs and projects funded through State Transportation Improvement Program and other SB 1 programs.
- ❖ SB 922 Weiner: California Environmental Quality Act: exemptions: transportation-related projects – **SUPPORT**
The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve, that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. Bicycle transportation plans for an urbanized area or urban cluster, as designated by the United States Census Bureau, are currently exempt from CEQA. This bill would delete the limitation that the bicycle transportation plan is for an urbanized area or urban cluster area. The bill would also extend the CEQA exemption to an active transportation plan or pedestrian plan. On March 23, 2023 IGR worked with the Mayor's office to submit a letter of support to the author.

Other Policy Updates of City Interest

Federal Legislative Updates

Gun Control

On June 25, 2022, President Biden signed into law the Bipartisan Safer Communities Act—historic gun safety legislation that will reduce gun violence and save lives in communities across the country. Specifically, this legislation will do the following:

- Expand the background check system for prospective gun buyers under the age of 21, giving authorities up to 10 business days to examine juvenile and mental health records.
- Set aside millions of dollars so states can fund intervention programs, such as mental health and drug courts, and carry out so-called red flag laws that allow authorities to temporarily confiscate guns from any person found by a judge to be too dangerous to possess them.
- Provide federal funding into mental health resources in communities and schools across the country, and it sets aside millions for school safety.
- Strengthen laws against the trafficking of guns and straw purchasing, the practice of buying a gun on behalf of someone barred from purchasing one.

- And for the first time, it includes serious or recent dating partners in a ban on domestic abusers buying firearms, tightening what is known as the boyfriend loophole.

Reproductive Freedom

On June 24, 2022, the United States Supreme Court overturned *Roe v. Wade* in a decision on *Dobbs v. Jackson Women's Health Organizations*. Prior to this official ruling, a leaked draft opinion was made public on May 2, 2022. As a result of this draft opinion, the Senate considered the Women's Health Protection Act of 2022 (S.4132) which would have made abortion legal nationwide. Despite efforts to get a vote on this legislation, the U.S. Senate was unable to pass a vote to end cloture and therefore no vote was recorded.

In addition, on July 8, 2022, President Biden signed an Executive Order to protect access to reproductive healthcare services. The Executive Order builds on the actions the Administration has already taken to defend reproductive rights by:

- Safeguarding access to reproductive health care services, including abortion and contraception – building on steps the Department of Health and Human Services had already taken to ensure medication abortion, emergency contraception, long-acting contraception are as widely available as possible and the Attorney-General's commitment to fight any attack by a state or local official who attempts to interfere with women exercising their right to travel out of state for medical care;
- Protecting the privacy of patients and their access to accurate information – building on steps of the Health and Human Services' Office of Civil Rights has taken to ensure doctors, medical providers, and health plans know that they are not required – with limited exceptions – to disclose patients' private information;
- Promoting the safety and security of patients, providers, and clinics; and
- Coordinating the implementation of federal efforts to protect reproductive rights and access to health care.

On July 15, 2022, the House passed H.R. 8296 - Women's Health Protection Act of 2022, which would prohibit governmental restrictions on the provision of, and access to, abortion services in addition to H.R. 8297 - Ensuring Access to Abortion Act of 2022, which prohibits anyone acting under state law from interfering with a person's ability to access out-of-state abortion services. In addition, the House is expected to consider H.R. 8373 – Right to Contraception Act (Rep. Manning – Energy and Commerce), which would protect a person's ability to access contraceptives and to engage in contraception, and to protect a health care provider's ability to provide contraceptives, contraception, and information related to contraception. None of these bills are expected to pass the Senate.

On July 12, 2022, the U.S. Department of Justice also announced a Reproductive Rights Task Force. This group is tasked with monitoring and evaluating state and local legislation and enforcement that may infringe on a person's ability to seek reproductive care, ban abortion-

inducing drugs, or impose criminal or civil consequences on federal employees who provide reproductive health services legally under federal law.

State Updates: 2022-23 State Budget: Overview

On June 16, 2022, the California legislature passed the [2022-23 State Budget](#). Governor Newsom signed the bill into law on June 30, 2022. The \$300+ billion budget is the largest in American history. Final details on the spending formula for investments and how they will directly impact the City of San José are forthcoming. The Governor's Budget Summary can be found in Attachment B.

Budget spending related to the City's advocacy priorities are discussed in detail above. Other budget items of City interest include:

- \$150 million of additional library infrastructure grant funding spread over 2022-23 and 23-24;
- \$180 million for local assistance grants to improve organic waste infrastructure;
- \$200 million in reproductive rights investments;
- \$85 million in local law enforcement grants;
- \$55 million for peace officer wellness and training, including \$5 million to develop statewide resources and \$50 million in grants to local agencies;
- \$5 million each year for the next three years to support for the Internet Crimes Against Children Task Force;
- \$40 million one-time funding to enforce court-ordered firearms relinquishment;
- \$10 million for de-escalation and use-of-force training for peace officers; and
- \$180 million to provide grants to local jurisdictions to assist in the implementation of regulations adopted by the Department of Resources Recycling and Recovery pursuant to Chapter 395 of the Statutes of 2016.

The Budget allocates \$1.2 billion to immediate drought support, including efforts to encourage conservation. In addition, the Budget includes an additional \$2.8 billion one-time General Fund monies over multiple years to support drought resilience and response, which includes \$1.5 billion that will be allocated in the summer after additional discussions with the Legislature. Moreover, significant investments include Immediate Drought Support, which allocates \$431.5 million to provide grants to urban water districts and smaller community water suppliers for drought relief projects; support public education campaigns; support local technical assistance and emergency drinking water response, including the purchase and pre-positioning of water storage tanks; and enhance water rights enforcement.

Though the overall dollar figures and general shape of the budget is now clear, the budget process will continue through September as legislators and the Governor continue to negotiate over its exact contents. Staff will continue to monitor these negotiations and advocate for City priorities.

State Updates: Legislation

Over 2,100 bills were proposed in the California State Legislature since December 2021. The Administration has a focused list of City-sponsored bills this session. Additionally, a few bills of special City interest are highlighted below. The City's IGR Priority Legislation Log (Attachment A) further summarizes City positions and actions taken on legislation as of July 2022. Attachment C lists previous City Council Action Requests.

City Sponsored Bills

- ❖ **AB 2164 Lee: Disability Access Funding.** State law currently requires local governments to collect a \$4 fee for business licenses and business permit renewals to fund programs expanding physical accessibility to businesses for individuals with disabilities. Under current state law, this fee drops to \$1 on or after January 1, 2024. This projected decrease in available funds—coupled with inflationary pressures and rising costs—threatens cities' and counties' abilities to stretch limited resources and continue successful accessibility compliance programs. This bill would (1) remove the January 1, 2024 fee sunset, enabling local governments to collect the \$4 fee indefinitely; and (2) clarify local jurisdictions' ability to use these funds for accessibility-related grants for small businesses. The City has been a leading advocate for this bill that unanimously passed the California Assembly on May 25, 2022. It is now pending in Senate Appropriations.
- ❖ **SB 649 Cortese: Tenant Preferences to Prevent Displacement.** This bill creates a statewide policy supporting affordable housing preferences that prioritize local residents at risk of displacement. This policy supports residential anti-displacement efforts for lower-income households. This measure unanimously passed the California Senate on May 10, 2021 and became a two-year bill. This bill passed Assembly Committee on Housing and Community Development on June 30, 2022 and is in Assembly Appropriations.

Other Bills of City Interest

- ❖ **AB 1721 Rodriguez: Emergency Services Funding.** This bill would establish the Emergency Medical Services Mutual Aid Program, to be administered by the California Office of Emergency Services, to support local government efforts in responding to surges in demand for emergency medical services and provide effective mutual aid during disasters, as defined. The bill would also require the California Office of Emergency Services to provide noncompetitive grant funding to local governments, special districts, and tribes for the purpose of acquiring emergency medical services. IGR expects this bill to be further amended to establish additional new state funding for local emergency management programs.

- ❖ **AB 1850 Ward: Unrestricted Multifamily Housing.** This legislation would create a new financing structure using joint powers authority-issued bonds for affordable housing. The City supports AB 1850 as it would promote more judicious use of this new financing tool. The bill would help to ensure that the public and jurisdictions benefit as much as, or more than, private parties, given these projects' use of tax subsidies.
- ❖ **SB 1338 Umberg: CARE Court.** The state budget includes \$64.7 million for the Community Assistance, Recovery, and Empowerment (CARE) Court proposal to fund state departments and Judicial Branch costs for the new program, contingent on adoption of statutory changes codifying the program. Significant CARE Court policy provisions remain unresolved, such as a deliberative phase-in schedule for counties, sanctions, and housing access and availability for participants.
- ❖ **Gun Violence Reduction Proposals.** The City has taken a 'monitor' position on the following legislation to address gun violence reduction. Four of these bills remain active, three have been enrolled and are awaiting signature by the Governor, one has been signed by the Governor and three of these bills died in the committee process.
 - SB 505 Skinner: Gun Liability Insurance
 - SB 918 Portantino: Firearms: Concealed Firearms
 - AB 452 Friedman: Parental Notification of Firearm Safety Laws
 - AB 1594 Ting: Firearms: Civil Suits (signed)
 - SB 1327 Hertzberg: Firearms: Private Rights of Action (enrolled)
 - SB 1070 Melendez: Controlled Substances: Firearm Possession (dead)
 - AB 2545 Muratsuchi: Firearms: Stolen Property. (dead)

IGR has also sent letters of support on the following legislation:

- AB 2552 McCarty: Prohibiting Firearm Sales on State Property
 - AB 2551 McCarty: Firearms: Mental Health (signed)
 - SB 915 Min: Prohibiting Firearms Sales on State Property (enrolled)
 - AB 2883 Ting: Firearm Owner Notifications (dead)
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- ❖ **Gun legislation that went into effect July 1, 2022**
 - AB 1057 Petri-Norris: Firearms (2021-2022)
 - AB 2847 Chiu: Firearms: Unsafe Handguns (2019-2020)
 - AB 2571 Bauer-Kahan: Firearms: Advertising to Minors (2021-2022)

The Administration sent a letter of support for the following legislation that has now gone into effect:

- AB 1621 Gipson: Firearms: Unsterilized Firearms (2021-2022). IGR is working with the City Attorney's office to understand any pre-emption effects.
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- ❖ **Hate Crime Proposals.** The City has taken a "monitor" position on the following legislation regarding hate crimes; three of these bills remain active with one of them dying in the committee process. These proposals include:

- AB 1947 Ting: Law Enforcement Policies
- AB 2282 Bauer-Kahan: Hate Crimes: Hate Symbols
- SB 1161 Min: Public Transit Ridership Safety
- AB 2549 Bonta: End Street Harassment. (dead)

❖ **Abortion Proposals.** The City has submitted letters of support on the below state bills that protect reproductive freedom including access to abortion. One of these bills has been signed by the Governor and the others remain active in the Committee process.

- AB 1666 Bauer-Kahan: Abortion: Civil Actions. This bill was passed and signed by the Governor. This legislation declares another state's law authorizing a civil action against a person or entity that receives or seeks, performs or induces, or aids or abets the performance of an abortion, or who attempts or intends to engage in those actions, to be contrary to the public policy of this state. The bill would prohibit the application of that law to a case or controversy heard in state court and would prohibit the enforcement or satisfaction of a civil judgment received under that law.
- AB 1918 Petrie-Norris: California Reproductive Health Service Corps
- AB 2091 Bonta: Disclosure of Information: Reproductive Health and Foreign Penal Civil Action
- AB 2134 Weber: Reproductive Healthcare
- AB 2199 Wicks: Birthing Justice for California Families Pilot Program
- AB 2205 Carrillo: California Health Benefit Exchange: Abortion services coverage reporting
- AB 2223 Wicks: Reproductive Health
- AB 2586 Garcia: Reproductive and Sexual Health Inequalities
- AB 2626 Calderon: Medical Board of California: License Discipline: Abortion
- SB 1142 Caballero: Abortion Services
- SB 1375 Atkins: Nursing: Nurse Practitioner

Governor Newsom also signed an executive order on July 11, 2022 to prevent any information, including medical records and patient data, from being shared by state agencies or departments in response to inquiries or investigations brought by other states or individuals within those states looking to restrict abortion access. The state is expanding efforts to protect women seeking abortions or reproductive care as well as anyone assisting those women.

❖ **AB 2011 Wicks: Affordable Housing and High Roads Job Act of 2022.** This legislation establishes certain 100 percent affordable and mixed-income residential projects as a use by right in specified commercial areas. The City issued a support if amended letter and has been actively working with the author's office to exempt San Jose's urban villages and industrial zoning to protect small business and commercial space.

City Positions and Actions Taken on Legislation: December 2021–July 2022

The City’s IGR Priority Legislation Log (Attachment A) summarizes City positions and actions taken on legislation as of July 18, 2022. While the positions and actions taken have already been approved by the City Council through the Annual Legislative Program, City Council is now asked to reaffirm all City positions summarized in the report. Attachment A is not inclusive of all legislation that the City is watching or monitoring. Attachment C also provides information related to City Council Action Requests between November 30, 2021, and June 15, 2022.

CONCLUSION

Between March 2022 and July 2022, the Administration focused its efforts on COVID-19 relief and endemic response, homelessness funding, vision zero initiatives, and funding for smart, reliable, and sustainable infrastructure. At the federal level, the City continues to monitor the rollout of expanded infrastructure grant programs as well as the City’s earmark funding requests that are advancing in the FY23 budget. At the state level, the City continues to advocate for flexible funding in the state budget to address homelessness and priority infrastructure projects.

Additionally, since the Administration’s last update to the City Council, there have been staff changes on the team. The Administration welcomed two new Senior Executive Analysts—Kailyn Kenney and Steve Stamos.

EVALUATION AND FOLLOW-UP

The Administration will continue to advance the City’s legislative program and will bring legislation forward for City Council’s consideration based on the appropriate legislative position adoption process. The Administration will continue to report on all City legislative positions on a regular basis.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

The Administration will post this memorandum on the City’s Council Agenda website for the August 9, 2022, City Council meeting.

COORDINATION

The Administration coordinated this memorandum with the City's state and federal legislative advocates, the City Attorney's Office, the City Manager's Office of Emergency Management, the City Manager's Budget Office, and the Departments of Community Energy, Housing, Transportation, and Airport.

CEQA

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

A handwritten signature in black ink that reads "Sarah Zárate". The signature is written in a cursive, flowing style.

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

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

Attachment A: Intergovernmental Relations Priority Legislation Log
Attachment B: State of California 2023 Budget Summary
Attachment C: City Council Action Request Summary November 2021 – June 2022
Attachment D: State and Federal Earmark Update