



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Lee Wilcox

**SUBJECT: INTERGOVERNMENTAL  
RELATIONS PROCESS CHANGES**

**DATE:** October 26, 2018

Approved

Date

10/26/18

## RECOMMENDATION

Adopt an updated process for taking positions on legislation and regulations.

## OUTCOME

Adopting a modernized and streamlined internal process for Intergovernmental Relations will free up resources, allowing the Administration to more effectively advance the City Council's legislative and regulatory priorities.

## BACKGROUND

In 2016, the City Council directed the City Manager develop a short and long-term plan to modernize the Intergovernmental Relations (IGR) function, establish a stronger presence in Sacramento and Washington D.C., and pursue a more proactive approach to legislative advocacy.

The City's IGR program connects the City to other government networks and stakeholders to promote cooperative decision-making. The program also advances Council-adopted policies at the regional, state and federal levels through education, communication, coalition-building, and advocacy.

Since 2016, the IGR program underwent several changes, including hiring Cruz Strategies as the City's State Legislative Advocates in 2016, closing the City's Sacramento Office and adding additional IGR staff in 2018, and strategically aligning the IGR functions with public policy under the umbrella of the City Manager's Office of Administration, Policy, and Intergovernmental Affairs. As a part of this effort, the City Manager's Office has directed resources to meet emerging critical policy areas. This allows the City to react more quickly to emerging policy windows in Sacramento and Washington, D.C. For example, in 2018, the City brought on an additional contract lobbyist to work on San José Clean Energy and California

Public Utilities Commission issues given the multitude of mission-critical legislation and regulations in those arenas.

During the assessment period of the City's IGR program, the Administration identified roughly 45 percent of personnel time and resources were focused internally, rather than in Sacramento and Washington D.C. Specifically, the current process to take positions on legislative or regulatory issues takes far too long, causing the City to not be active on specific pieces of legislation when key decisions are being made. Additionally, the processes for internal approval were time-intensive and duplicative, using far more staff resources than should be required.

Under the current process, a month is required to take a position on legislation, even when the position affirms previous Council-adopted policy positions or approvals. Currently, Council adopts a Legislative Guiding Principles and Program each year. The Administration uses the program to screen and evaluate bills. If a bill aligns with a Legislative Guiding Principle or an item in the Legislative Program, the Administration brings the bill to Council with a recommended action.

The current legislative approval process has two paths: (1) a standard process and (2) an expedited process for legislation that is time-sensitive and requires swift action.

All legislative positions go to Rules and Open Government Committee (Rules) and Council for approval or reaffirmation of a position (in cases where the City took an expedited bill position). As mentioned above, the current standard process typically takes at least a month from writing the memo to getting final Council approval. The expedited process typically requires a few days for staff to obtain approval to conduct advocacy activities. Staff is then required to take that legislation back through the standard process after advocacy activities begin, thus, not saving limited staff resources. For both the standard and expedited processes, the legislation is required to align with one of the Legislative Guiding Principles and Priorities.

## **ANALYSIS**

The Administration's focus for the modernization of the IGR program had two important goals:

- 1) Create a less duplicative, more nimble process that allows the City to weigh-in earlier in the legislative or regulatory process. This allows the City to take advantage of policy windows when the City's input can change the legislation or regulation. These policy windows often open quickly, and legislation can be amended (or sometimes completely changed, such as through the gut-and-amend process) and voted on in as fast as 72 hours. The City should respond in days or hours, not months, in order to catch these windows; and
- 2) Focus limited resources on implementing Council-directed legislative and regulatory positions, including being proactive on developing City-sponsored legislation.

As mentioned above, the Administration conducted analysis on the City's current process and where staff was spending time and resources. The Administration found that staff spends approximately 10 to 14 hours, if not more, on the internal approval process to develop and adopt a position on a single bill or regulatory matter. This includes time to research and write the memo, coordinate internally, and prepare and attend the Rules and City Council meetings. The time staff spends on the internal process increases significantly for more complex legislation and legislation that impacts several Departments. These internal processes account for approximately 45 percent of IGR personnel time, which is time that could otherwise be spent advancing Council's legislative positions in Sacramento and Washington, D.C.

The Administration also conducted best-practices research on legislative processes in other peer jurisdictions including the City and County of San Francisco; the cities of Los Angeles, Oakland, Portland, Palo Alto, Sunnyvale; as well as the County of Santa Clara and the Santa Clara Valley Transportation Authority. While the process in each of the jurisdictions is tailored to the structure of their government and community needs, a few commonalities emerged:

- Every jurisdiction develops a legislative program that its governing board adopts at the end or beginning of the calendar year.
- Every jurisdiction, except for the City of Oakland, uses its legislative program to give direction on legislation. The staff of those jurisdictions then implements that direction and takes bill positions that align with the legislative program without returning to the governing body to reaffirm positions.

Based on this research, the Administration is recommending Council adopt a new internal framework for taking positions on legislation or regulations. The new framework retains the existing "Standard Process," refines the existing "Expedited Process," and includes two additional streamlining categories. To ensure the Council stays informed of actions the Administration has taken in Sacramento and Washington D.C., the framework also introduces a quarterly report on legislative advocacy.

- A. **Annual Legislative Guiding Principles and Program Process:** Once Council has approved the Annual Legislative Guiding Principles and Program, the Administration will begin to implement positions on legislation or regulations that are included and have already been approved by the Council. Any position the Administration takes must align with the Annual Legislative Guiding Principles and Program.
- B. **Legislative Delegation Request Process:** From time to time, members of the State Legislature or Congress who represent San José and make up our local delegation, reach out to the City for assistance on top priority issues. A streamlined process for review would help manage these requests swiftly and to the benefit of San José. Many other cities have mechanisms to assist their local state and federal delegation since many actively champion local issues. San José's delegation is not unique in this respect. For example, Assemblymember Ash Kalra secured \$5.4 million to help in the recovery from

the Coyote Creek Flood in 2017. Senator Jim Beall led efforts to pass SB 1, which provides roughly \$17 million annually for local street and road maintenance in San José, along with a host of critical transportation infrastructure improvements statewide.

- C. **Quarterly Legislative Updates:** The Administration will submit a Quarterly Legislative Report to Council that summarizes City positions and actions taken on legislation and regulations. While a majority of the positions and actions taken would have already been approved by the Council with the Annual Legislative Guiding Principles and Program, Council would be able to reaffirm all City positions summarized in the report (including Standard, Expedited, Annual Legislative Guiding Principles and Program, and Legislative Delegation Request processes).

These recommended changes would replace the current and lengthy duplicative memo approval process that requires staff to bring an issue through Rules and Council for review and approval after staff has already taken action to advance and advocate a position. The Administration anticipates that this streamlined framework will eliminate double approvals and reduce the internal approval time, resulting in additional staff capacity and focus on advancing the Council-directed state and federal legislative agenda.

**Table 1 – Proposed Internal Legislative Framework**

	<b>Process</b>	<b>Steps</b>	<b>Example</b>
1.	Standard (Existing Process)	1. City staff identifies legislation and recommends a position. 2. The Rules Committee reviews the legislation and recommended position for referral to City Council. 3. <b>CITY COUNCIL APPROVAL:</b> City Council hears and adopts the recommended position. 4. <b>LEGISLATIVE ACTION:</b> The Administration and Legislative Advocates take action to advance the approved position.	SB 831 (Wieckowski) set additional restrictions on the conditions local governments may impose on Accessory Dwelling Units. The policies in this bill were not anticipated in the beginning of the year and not explicitly called out in the 2018 Legislative Program. Under the proposed framework, the Administration would bring this bill through the standard process for Council consideration.
2.	Expedited (Revised Process)	1. City staff identifies legislation and recommends a position.	AB 1912 (Rodriguez) required member agencies of a Joint Powers Authority to

		<p>2. The legislation and recommended position is reviewed by the CMO, CAO, Department Director, and Mayor's Office for approval.</p> <p>3. <b>LEGISLATIVE ACTION:</b> The Administration and Legislative Advocates take action to advance the approved "expedited" position.</p> <p>4. <b>CITY COUNCIL APPROVAL:</b> The position is submitted to City Council in a <i>Quarterly Legislative Report</i> for reaffirmation of the position.</p>	<p>mutually agree on how to apportion the Authority's retirement obligations. The bill was amended shortly before its hearing in the Senate Judiciary Committee. This bill required a quick turnaround (72 hours), for the City to weigh-in with our delegation members before a key vote. Under the new framework, the Administration would bring this bill through the expedited process to have a timely position.</p>
3.	Annual Legislative Guiding Principles and Program (New Process)	<p>1. <b>CITY COUNCIL APPROVAL:</b> The City Council adopts the annual Legislative Program.</p> <p>2. The Administration identifies legislation that aligns with the Annual Legislative Guiding Principles and Program.</p> <p>3. <b>LEGISLATIVE ACTION:</b> The Administration and Legislative Advocates take action to advance the approved position.</p> <p>4. <b>CITY COUNCIL APPROVAL:</b> The position is submitted to City Council in a <i>Quarterly Legislative Report</i> for reaffirmation of the position.</p>	<p>AB 3171 (Ting) set-aside a portion of the state's budget surplus for local government matching grants for homelessness programs. The bill aligned with the 2018 Legislative Program policy to "Protect, increase, and see new funding and tools for affordable housing production and community development." Under the proposed framework, Council approved the policy in the Annual Legislative Program; therefore, the Administration would advance that policy direction once the bill is introduced.</p>

4.	Legislative Delegation Requests ( <i>New Process</i> )	<ol style="list-style-type: none"><li>1. The Administration fields requests from the Legislative Delegation members and recommends a position.</li><li>2. The legislation and recommended position is reviewed by the CMO, CAO, Department Director, and Mayor's Office for approval.</li><li>3. <b>LEGISLATIVE ACTION:</b> The Administration and Legislative Advocates take action to advance the approved position.</li><li>4. <b>CITY COUNCIL APPROVAL:</b> The position is submitted to City Council in a Quarterly Legislative Report for reaffirmation of the position.</li></ol>	SB 959 (Beall) required water companies to maintain, on its website, an archive of all pending, approved, or rejected advice letters on water rates. Senator Beall asked the City take a support position to help move the bill forward. Under the proposed framework, the CMO, CAO, Department Director, and Mayor's Office approves the position, and Council reaffirms this position as part of the Quarterly Legislative Report.
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### **EVALUATION AND FOLLOW-UP**

As part of these changes, the Administration will institute a bill prioritization system that ranks legislation and regulation. A bill prioritization system will better focus our Legislative Advocates and hone the City's agenda. The prioritization categories are:

1. Legislative Sponsor or lead opponent
2. Actively support or oppose
3. Position letter
4. Monitor/watch

The amount of staff and legislative advocacy resources would match the prioritization level of the issue, with the most time spent on items where the City is a sponsor or lead opponent.

Additionally, the Administration will bring forward any bill positions that are not covered under the Annual Legislative Guiding Principles Program and report on all City legislative positions on a quarterly basis.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the November 6, 2018 Council Meeting.

**COORDINATION**

Staff coordinated this memo with the City Attorney's Office and the City's State and Federal Legislative Advocates.

**COMMISSION RECOMMENDATION/INPUT**

The recommended actions do not have a Commission Recommendation.

**CEQA**

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

/s/  
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Chief of Staff

For questions, please contact Bena Chang, Director of Intergovernmental Relations, 408-975-3240.