REPORT TO MAYOR AND COUNCIL **NO: 13-020**

Council Meeting: January 29, 2013

SUBJECT: Discussion and Possible Action Regarding Proposed 2013 Priority Issues and Legislative Advocacy Positions

BACKGROUND

A goal of the City's intergovernmental relations program is to enable timely and effective advocacy of City interests on pending legislation and issues that significantly impact City business.

This report provides Council with the opportunity to review Council Policy 7.3.2, *Legislative Advocacy Positions*, which identifies the City's priority advocacy issues and short-term legislative positions not yet addressed by City policy (the Council Policy Manual, General Plan, etc.).

The annual identification of priority issues focuses the City's limited advocacy resources on Council's advocacy priorities. Priority issues are those "hot" issues where activity is either already underway or expected within the upcoming calendar year and where the pending legislation or issue is expected to have significant impact on City business.

EXISTING POLICY

Council Policy 7.3.2, *Legislative Advocacy Positions*

DISCUSSION

Staff has drafted Attachment A, *Proposed 2013 Priority Issues and Legislative Advocacy Positions*, for Council consideration.

Attachment B, *2012 Legislative Advocacy Positions Proposed for Modification or Deletion*, notes 2012 LAPs that are proposed to be transferred to appropriate long-term policy documents.

FISCAL IMPACT

None.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

ALTERNATIVES

1) Approve Attachment A, *Proposed 2013 Priority Issues and Legislative Advocacy Positions* and Attachment B, *2012 Legislative Advocacy Positions Proposed for Modification or Deletion.*
2) Approve Attachment A, *Proposed 2013 Priority Issues and Legislative Advocacy Positions* and/or Attachment B, *2012 Legislative Advocacy Positions Proposed for Modification or Deletion* with modifications.
3) Other direction as provided by Council.

RECOMMENDATION

Staff recommends: Alternative 1) Approve Attachment A, *Proposed 2013 Priority Issues and Legislative Advocacy Positions* and Attachment B, *2012 Legislative Advocacy Positions Proposed for Modification or Deletion.*

Reviewed by:

Robert Walker, Assistant City Manager
Prepared by: Yvette Blackford, Senior Management Analyst

Approved by:

Gary M. Luebbers, City Manager

Attachments

A. Proposed 2013 Priority Issues and Legislative Advocacy Positions
B. 2012 Legislative Advocacy Positions Proposed for Modification or Deletion

Policy 7.3.2 Legislative Advocacy Positions

The Legislative Advocacy Positions identify the City's broad advocacy positions on issues and legislation. As defined by the General Plan (Policy 7.3B4), the Legislative Advocacy Positions are short-term in nature, typically speak to pending legislation and current issues, and support the General Plan and guide Council and staff on intergovernmental matters. They are a component of the City's Council Policies, which provide guidelines for City action in all areas of City business. City business is defined as all matters directly related to service delivery, or otherwise contributing to the City's operational success.

The LAP is utilized by Councilmembers and staff throughout the year to determine City positions on legislation and intergovernmental issues and minimizes the need for staff to request direction from Council on legislation and issues as they arise. The LAP should not duplicate policies already cited in other Council Policy documents, i.e. the Council Policy Manual, General Plan, Municipal Code, etc.

While the LAP is updated to reflect Council direction throughout the year, a comprehensive review is conducted annually. At the Council Workshop each year, staff recommends changes, deletions and/or additions to the LAP for preliminary review and feedback by Council. Staff then incorporates Council feedback into the LAP and the LAP is adopted by Council.

To consolidate documents, underscore important issues, and focus the City's limited advocacy resources, Policy 7.3.2 includes the City's annual priority issues. Council developed the concept of the LAP in 1982 (RTC 82-590). Following annual Council approval, the current year's City Priorities and Legislative Advocacy Positions are attached to this policy.

(Adopted: RTC 95-018 (1/17/1995); Amended: 96-016 (3/23/1996), 97-002 (1/14/1997), 98-008 (1/13/1998), 98-246 (7/14/1998), 98-264 (7/21/1998), 98-304 (8/18/1998), 99-009 (1/12/1999), 00-020 (1/25/2000), 01-002 (1/9/2001), 02-018 (1/15/2002), 03-021 (1/14/2003), 04-018 (1/13/2004) 05-009 (1/11/2005); (Clerical/clarity update, Policy Update Project 12/2005); 06-038 (2/7/2006); (Index added 5/22/06); 07-036 (01/30/2007); Clarity update (6/21/07); 08-063 (2/26/08); 09-046 (2/24/09); 10-016 (1/26/10); 11-022 (2/8/11); Adopted: RTC 12-009 (2/7/12); Amended: RTC: 12-048 (2/28/12); Updated for clarity (9/5/12))

Lead Department: Office of the City Manager

Attachment A
Proposed 2013 Priority Issues and Legislative Advocacy Positions

2013 Priority Issues

1. State Revenue and Taxation Issues

For the 2013 California Legislative Session, the City will be paying particular attention to any legislation that affects funding to local governments. It is anticipated that legislation will be introduced during the 2013 Session that will include:

- Vehicle License Fee (VLF) - Last year the Legislature swept $130 million in city VLF funding (SB 89). While there was a corresponding action that partially offset this loss by reinstating some restricted police service funding, the net negative impact to Sunnyvale's General Fund is approximately $300,000 annually. Statewide this action caused severe hardships on recently incorporated cities and cities that had annexed inhabited areas. Litigation is still pending and future legislative action on this issue is expected.

    - Public Safety Realignment (SB 1020) - This measure enacted the financing structure for the 2011 Public Safety Realignment and protections against additional mandates, and other issues. The Governor's tax initiative, Proposition 30 (November 2012) provides constitutional protection for the realignment funds, as well as the VLF revenues dedicated to the newly created law enforcement activities mentioned above. Initial estimates place the total statewide funding at $6 billion annually. The distribution to Santa Clara County and Sunnyvale are not yet estimated. The City will continue to closely monitor the distribution of Realignment funding.

    - Public Safety Realignment (SB 1023) - This measure makes numerous changes to policies enacted under the 2011 Public Safety Realignment package including booking fees and COPS funding.

- Utility User Tax (UUT) – Last year the legislature discussed how to develop a method of collecting state and local Utility User Tax from prepaid cellular customers (AB1050). Cities with UUT regulations are losing revenue due to the difficulties of collection. The measure ultimately did not move forward. However, action on this issue is expected to resume in 2013.

2. Investment Funding for Workforce Development

As in the past several years, "Investment Funding for Workforce Development" will continue to be a Priority Issue for the City in 2013. Financial resources from federal and state governments for workforce development, education and training programs are critical to address the immediate effects of the current economic downturn and the continuous churning of industries and companies in Silicon Valley and its impact on the reemployment of dislocated workers and the successful transition of downsized businesses. These vital resources are also essential to the economic sustainability of this community. Given the current financial climate at the state and federal levels and the expected slow and protracted economic recovery,, funding for workforce

development for this region is especially vulnerable in 2013 and could potentially threaten the viability of these local and essential programs. In addition, at the state and federal levels,, workforce investment proposals including the reauthorization of the federal Workforce Investment Act and the proposed state strategic plan is expected to erode the local governments' authority and control in determining how best to allocate resources, locally.

The City will track and take positions on federal and state proposals that will impact education and training of the local community's workforce. This is in alignment with Council Policy 5.0 *Long-term Advocacy Positions - Socio-Economic*, Section 5.3 – *Education and Training*.

3. Interoperability/Public Safety Communications System

One of the prominent issues in public safety communications today is interoperability, defined by many as "the ability for public safety first responders to communicate with whom they need to, when they need to, when authorized." Ensuring that our nation's emergency responders can communicate effectively is of the utmost importance, whether during everyday situations, localized emergencies, statewide emergencies or national emergencies. It is a priority for the City to support resolving interoperability problems that affect emergency communications systems, remedying the current shortage of broadcast spectrum availability for public safety needs, and providing funding for interoperable equipment.

In the 2011/12 Congressional session, the City advocated in favor of H.R. 2629, the *Next Generation 9-1-1 Advancement Act* of 2011. This measure failed to become law. In 2013, the City will continue to monitor and potentially perform advocacy on similar legislation introduced by Congress or related regulatory action initiated by the Federal Communications Commission.

4. Redevelopment Law

On February 1, 2012, redevelopment agencies were eliminated state wide. The elimination bill only allows for specific enforceable obligations to be paid out of property tax revenue generated by the redevelopment project area which excludes agreements or contracts made between a city and a redevelopment agency. For the City, this means that approximately $134 million in General Fund loan repayment is lost. Although partial relief of loan agreements between the City and the former RDA that were denied as enforceable obligations may be reinstated if the Oversight Board finds that the loan was for legitimate redevelopment purposes, the legislation places several conditions on the repayment of any reinstated loan that would restrict, reduce and severely delay any repayment to the City far into the future. It is vital that the City continue to follow legislative proceedings closely and strongly hold an advocacy position that opposes any legislation that reduces or erodes local revenues or local control.

5. Environmental Regulatory & Conservation Issues

In 2013 continued interest in environmental issues at both the state and federal levels will likely result in regulations and legislation that could significantly impact the City.

Monitoring and advocacy efforts will be geared to ensuring that emerging legislation is in alignment with the City's interests. Issues of importance to the City include solid waste reduction and recycling; hazardous materials and clean-up of toxic sites; green building standards and requirements; greenhouse gas emissions regulation; and fossil fuel energy/renewable energy alternatives.

Specific items of interest include:

Water
The City supports provisions of National Pollutant Discharge Elimination System permit regulations that are attainable and reflect local conditions and circumstances. Along the same lines, new regulations and/or permit requirements that include numerical limits for municipal urban runoff discharge should be opposed as infeasible and a very expensive way to address the problem. It is in the City's continued interest to support non-point source discharge regulations, water conservation and recycling and pollution controls that benefit the City. Policies by Regional Water Quality Boards should recognize the goals of the Clean Water Act but apply an appropriate standard based on local circumstances.

State Senate Bill 375, Transportation Planning and Sustainable Communities Strategy
The City will continue to monitor discussions regarding SB 375 (Steinberg, 2008, effective 01/01/09) which requires metropolitan planning organizations to prepare a Sustainable Communities Strategy (SCS) to reduce greenhouse gas emissions and meet future housing needs. The SCS influences the preparation of the Regional Transportation Plan and Regional Housing Needs Allocation. The intent of the law is to align planning for land use, transportation and housing, and to create specific incentives for implementing identified goals and strategies. While the SCS is nonbinding on local agencies, the City should be aware of the discussion and the potential regional and local impacts on housing elements and transportation funds.

Sunnyvale Salt Ponds
The salt pond conversion project, to restore the salt ponds to their natural ecosystem and provide flood protection, is ongoing. A large amount of fresh water enters the San Francisco Bay from wastewater treatment plants in South Bay cities, including Sunnyvale. These inputs of freshwater will be included in the hydrodynamic modeling work conducted to evaluate the impact of alternatives on such things as salinity, water quality, and water levels. The Project Management Team (Team) is comprised of the California State Coastal Conservancy, the California Department of Fish and Game, the U.S. Fish and Wildlife Service, Santa Clara Valley Water District, Alameda County Flood Control and Water Conservation District, and the U.S. Army Corps of Engineers, as well as the Lead Scientist and Collaborative Process Coordinator. The Team will work with local treatment plants to gather data needed for the modeling effort, and to determine

if there are opportunities for further collaboration. The project needs to be watched carefully, due to its proximity and possible impact on the City's Water Pollution Control Plant.

6. Regional and State-wide Water Supply Issues

The City of Sunnyvale has four different sources of water supply readily available. Over 90% of Sunnyvale water comes from two sources - the Hetch-Hetchy Reservoir through the San Francisco Public Utilities Commission (SFPUC) and the Santa Clara Valley Water District (District) State Water Project or Central Valley Project. Water supplies have been adequate for the past four years due to average rainfall and above average snowpack in winter 2011. State and Federal Water Projects supplies are also challenged due to California Bay Delta issues. In July 2012 Governor Jerry Brown outlined revisions to the Bay Delta Conservation Plan to ensure California's water system is sustainable from an environmental and economic perspective. Population growth, habitat loss and ongoing threats to levee stability and water supply have crippled the California Bay Delta, threatening the health and economies of California communities.

The Bay Area Water Supply and Conservation Agency (BAWSCA), SFPUC and the District have the lead on the primary regional issues around the water supply. However, it is important for the Council to stay current on the water resource issues as they progress, in order to lend support wherever needed by the suppliers. All support for SFPUC issues should also be coordinated with BAWSCA. In some cases BAWSCA may have suggestions, or coordinate efforts, for the suburban agencies to be sure to maintain a consistent and appropriate level of support, and any other involvement. The issue is being addressed in all areas of our State government. Support may involve meetings, letters of support, public testimony, and assignment of staff so that the City can best respond as a retailer, and work with our suppliers in the interests of the City's residential and commercial water consumers.

7. Santa Clara Valley Habitat Conservation Plan

The Santa Clara Valley Habitat Plan/Natural Communities Conservation Plan (SCVHP) is expected to be adopted by Santa Clara County, Santa Clara Valley Water District, Santa Clara Valley Transportation Authority (VTA) and the cities of San Jose, Gilroy and Morgan Hill in the near future. The SCVHP was developed by these agencies to streamline environmental review for development projects through a mechanism to mitigate biological impacts on sensitive plant and wildlife habitats and the associated impacts of nitrogen deposition from vehicle emissions. Applicable projects located within the County and participating cities will pay a prescribed fee based on acreage of land disturbed and additional vehicular traffic generated from the project. The funds would be used for habitat protection and preservation within the defined SCVHP area. The California Department of Fish and Game (CDFG) and United States Fish and Wildlife Service (USFWS) have sent a joint letter encouraging other Santa Clara cities to adopt a similar habitat conservation plan. Thus, CDFG, USFWS and environmental groups will likely raise this issue for future EIRs.

A more immediate concern is that a proposal recently surfaced to study the potential of expanding the SCVHP to include other Santa Clara cities and/or adding a criterion to mitigate nitrogen deposition as a requirement for receiving federal One Bay Area Grant (OBAG) funds for transportation projects. Sunnyvale as well as other non-participating Santa Clara cities were not involved in this discussion. VTA has been vested with conducting an initial study to assess the feasibility of expanding the SCVHP area and is also developing the grant criteria for the OBAG program. The study recommendations are expected to be presented to the VTA Board in Spring 2013. It is important that staff closely monitor and actively engage in the discussions on this topic. Staff will also continue to coordinate with other Santa Clara County cities that share the same concerns about this proposal. A future decision could significantly impact future public works and private development projects in Sunnyvale and could impact the City's competitiveness for receiving certain transportation funds.

2013 Legislative Advocacy Positions

1. LAND USE AND TRANSPORTATION
1.1 The Region

(1) Support consideration of creation of a new Caltrans District for Santa Clara County in order to improve project and service delivery for Sunnyvale citizens. *[2011 DPW Staff Recommendation]* **Lead Dept. DPW**

2012 Legislative Advocacy Positions Proposed for Modification or Deletion

1. LAND USE AND TRANSPORTATION

1.1 The Region

(1) Monitor the El Camino Real Bus Rapid Transit project conceptual engineering and environmental analysis to ensure that the City's interests are addressed. *[2011 DPW Staff Recommendation]* **Lead Dept. DPW** ***DELETE – does not reflect an advocacy position and is not necessary for staff to monitor this issue.***

4. PUBLIC SAFETY

4.1 Law Enforcement

(1) Support legislation that enhances any funding that assists local governments in providing 911 Emergency Communications Services especially those that embrace new technologies. [*DPS Staff 2007, 2011 DPS staff modification*] **Lead Dept. DPS** ***MOVE to 4.0 Long-Term Advocacy Positions – Public Safety***

(2) Support efforts to provide federal and state resources for the increased use of DNA in non-violent felonies [*2010 NLC Resolution, [2011 DPS Staff Recommendation*] **Lead Dept. DPS** ***MOVE to 4.0 Long-Term Advocacy Positions – Public Safety***

(3) Support legislation that provides mental health consultation to police in the field, and formal training on how to identify the symptoms of mental illness and the most effective ways to interact with individual displaying these symptoms. [*2010 NLC Resolution, 2011 DPS Staff Recommendation*] **Lead Dept. DPS** ***MOVE to 4.0 Long-Term Advocacy Positions – Public Safety***

(4) Support legislation to expand federal and state supplemental law enforcement funding designed to increase efforts to reduce juvenile crime and juvenile gang affiliation (i.e. California Gang Reduction, Intervention and Prevention, CalGRIP) [*2011 DPS Staff Recommendation*] **Lead Dept. DPS** ***MOVE to 4.0 Long-Term Advocacy Positions – Public Safety***