

**Distributed on:**  
MAY 21 2014  
City Manager's Office

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Betsy Shotwell

**SUBJECT:** CITY OF SAN JOSE TRIP TO  
THE STATE CAPITOL

**DATE:** May 20, 2014

Approved

Date

5/20/14

## INFORMATION

On April 30, 2014, Councilmembers Kalra, Khamis, and Rocha, Roxanne Miller, the City's Legislative Advocate in Sacramento, and Betsy Shotwell, the City Manager's Director of Intergovernmental Relations traveled to Sacramento to meet with the State Legislators representing San José.

This annual trip provided an opportunity for City officials to meet with the City's legislative delegation including: Senator Corbett, Assemblymembers Campos, Stone, Wieckowski and Fong and the Legislative Assistant to Senator Monning. Discussions in each meeting highlighted the City's top priorities and issues of concern including economic development and affordable housing conditions post-Redevelopment, public safety, the City's transportation infrastructure backlog, the State Budget and the City Budget, and many other issues that directly impact San José, the Silicon Valley region and the State.

The primary goal of the trip was to present information regarding:

- **The status of the State Budget and impacts on the City's Budget** both past, present and future and its impacts to City services and staffing levels. Also included a discussion of issues related to the City's projected \$2.5 million surplus for 2014-2015, and the anticipated deficit of \$4.2 million for FY 2015-2016.
- **Post-Redevelopment and the need for new Economic Development Tools and Affordable Housing** and the City's support for SB 391 (DeSaulnier) to fund the development of affordable housing. Provided information on the City's economic development proposal for advancement of technology and the need for State funding support for the State's Innovation Hub (iHub) network including the San José/Silicon Valley Emerging Technology Hub.
- **Public Safety and Realignment** and the need for increased funding in order to ensure that police departments are provided the necessary funding and tools to operate and access to the Statewide data sharing platform in addition to the need for additional

officers. Also shared were the City's concerns over graffiti along Caltrans roadways, and the increase in copper-wire theft. The Delegation was asked as to the status of legislation related to medical marijuana and the regulation of massage parlors.

- **The Current Condition of the City's Local Streets and Roads** including the City's growing backlog of deferred maintenance in the amount of \$400 million.
- **Transportation Funding Opportunities and City's support for the Constitutional Amendments** pending which would lower the voter threshold from the current two-thirds vote to 55% for special taxes and G.O. bonds for infrastructure, public facilities and libraries.
- **Cap and Trade Revenues** to align potential funding with the City's adopted Cap & Trade Guiding Principles.

Many of the State bills and those with City positions are highlighted in the attached bill list. In summary, the information presented and focused on the long term impacts that the City's recent budget deficits have had on the City's service delivery and infrastructure. The Council's advocacy succeeded to raise awareness on the policy and budgetary issues that are critical to the City and to express our concerns over retaining the ability to foster economic development and affordable housing in the post-redevelopment world. The Council and staff in attendance thanked our State Legislators for their past support or opposition on bills supported or opposed by the City.

The City Manager's Intergovernmental Relations Office will continue to keep the Mayor and Council apprised on these issues of critical importance in the coming weeks. In addition staff is reviewing the Governor's May Budget Revise that was just issued. Meanwhile, we continue to work with our delegation, legislative leadership, other legislators, the Governor and his staff and with coalitions of interest groups to maximize our efforts to advocate for the City's priorities.

Staff greatly appreciates our City officials taking the time to lobby our delegation both in Sacramento and locally, and want to extend our gratitude to Councilmember Kalra for his leadership and Councilmembers Khamis and Rocha for participating in the annual City Legislative Day in Sacramento.

/s/

BETSY SHOTWELL  
Director, Intergovernmental Relations  
408-535-8270

/s/

ROXANNE MILLER  
Legislative Advocate  
916-443-3946

Attachments:

Materials distributed to the City's Legislative Delegation in Sacramento – April 30, 2014.  
2014 State Legislation – Priority Bills - City of San José – May 8, 2014.

# City of San José 2014 Legislative Guiding Principles



The following legislative principles form the foundation of the City's advocacy efforts in 2014:

- **Protect Local Control**

The City values its ability and authority to exercise local control, enable excellent public services and protect and enhance the quality of life for San José residents and businesses. The City supports efforts to streamline regulations that simplify the job of running the City and opposes efforts that erode the City's authority to control its own affairs.

- **Ensure Region's Competitiveness Through Strategic Economic Development**

The City embraces efforts to obtain funding for economic development and environmental initiatives, including planning and implementation of regional transportation and traffic congestion relief projects, the creation of affordable housing, and the creation of a Clean Technology economic sector.

- **Protect and Increase Local Funding; No Unfunded Mandates**

Oppose legislation, policies, or budgets that have negative impacts on City services, revenues or costs. Support legislation that aids recovery of City costs stemming from state and federal mandates.

- **Pursue or Retain Federal and State Funding for Key Efforts**

In order to support the City's efforts and key policies to provide quality services, affordable housing, transportation, and public infrastructure for its residents and businesses, it is necessary that the federal and state governments act as partners with local government and provide appropriate levels of funding for these City and regional efforts.

- **Create New Financing Tools for Local Government to Support Economic Development and Build Affordable Housing**

The City supports legislation and policies that support local initiatives to develop or redevelop the community to strengthen the local and regional economy and to accommodate local workers' housing needs in places close to transit.

- **Promote Livability, Sustainable Development, and Environmental Protection**

The City values a sustainable quality of life in an urban environment, including child care, aging and youth services, urban parks and open space, recreation facilities, environmental and climate protection, resource conservation, vibrant libraries, arts and culture. The City supports legislation and policies that emphasize sustainable development; improve environmental standards and the regulatory process; provide incentives and financial support for preservation of natural resources; promote sustainable energy policies; and are consistent with the Green Vision.

- **Support Efforts to Keep San José Safe**

The City supports legislation and policies that enable local officials to access resources to provide quality police, fire, emergency management, emergency medical services, youth violence prevention initiatives, and to engage the community in its own safety.

- **Promote Investment in Infrastructure Maintenance and Rehabilitation**

The City supports legislation and policies that promote investing in the maintenance and rehabilitation of aging infrastructure and build system capacity expansion to support smart growth principles.



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For more information contact:

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# City of San José Budget Briefing

## **Economic Environment**

- ❑ The March 2014 employment level of 990,800 jobs in the San José region was 4.3% above the March 2013 level, however, is slightly below a recent peak of December 2013 of 991,900. Unemployment rates continue to decline with a rate of 6.3% in March 2014, down from the March 2013 rate of 7.4% and below both the State (8.4%) and the nation (6.8%).
- ❑ Residential real estate activity and prices show growth resulting in anticipated growth in Property Tax receipts
  - Strong growth of 8.1% in property tax receipts projected in 2013-2014 when compared to 2012-2013, additional 3.5% growth estimated in 2014-2015.
  - Median home price of \$755,500 in March 2014 was far above (15.3%) the price of \$655,000 in March 2013.
- ❑ Strong Sales Tax and Transient Occupancy Tax performance in both 2012-2013 and 2013-2014 with collections projected to exceed pre-recession levels.

## **City Addressed Decade of Budget Shortfalls (2002-2003 to 2011-2012)**

- ❑ General Fund budget shortfalls in each year during this period, cumulatively totaling \$680 million.
- ❑ Combination of strategies used to address shortfalls: revenues, cost savings, and reduced/eliminated services.
  - Four ballot measures to increase or sustain existing revenues, transfers from other funds, fee revenue
  - Wage freezes for several employee groups and 10% ongoing total compensation reductions for all employees
  - Outsourcing, new service delivery models, efficiencies, consolidation of services and departments
  - Severe service reductions and eliminations, impacting all service areas including public safety
- ❑ Cumulative elimination of over 2,000 positions (28% of the workforce).

## **2013-2014 Adopted Budget Actions**

- ❑ A two-year budget strategy was once again used to address a small General Fund shortfall of \$3.8 million in 2013-2014 and one-time funding to address an estimated \$13.7 million shortfall in 2014-2015 was set aside.
- ❑ Major actions approved in the 2013-2014 Adopted Budget include a net addition of 133 positions (all funds) and:
  - Provided for limited service enhancements in core areas across the City; addressed immediate and critical unmet/deferred infrastructure needs; continued services funded on a one-time basis in 2012-2013; added development fee program resources to meet service delivery needs; implemented more effective and efficient service delivery models; and set aside reserve and contingency plans as appropriate to plan for uncertainties.
- ❑ Targeted investments to meet community needs included: the addition of 21.0 Police Community Service Officers, Homeless Rapid Rehousing Program, and the Homeless Response Team.

## **Looking Forward – Budget is in a fairly stable position over the next five years**

- ❑ \$2.5 million General Fund surplus anticipated in 2014-2015, deficit anticipated in 2015-2016 (-\$4.2 million).
  - Small projected surplus/shortfalls over the Five-Year Forecast all less than one percent of anticipated General Fund revenue and expenditures annually.
  - Forecast does not include: fiscal reform plan measures not yet implemented, tax increment funding for the Successor Agency related to the PERS Levy, full funding for annual contributions for Police retiree healthcare, restoration of key services to January 1, 2011 levels, unmet/deferred maintenance and infrastructure needs, costs associated with Police Restoration Strategy, and one-time revenue or expenditure needs including those funded in 2013-2014.
  - Library Parcel Tax sunsets in 2015 and, if not renewed, there will be significant service delivery impacts for the Library which relies on this tax revenue to support operations and the capital program (special fund).
- ❑ No painful service reductions anticipated in 2014-2015 - limited investments targeted to keeping our community safe (broad public safety needs), investing in our future (support growth and development, ensure fiscal stability, infrastructure), and effectively deliver services (technology investments, cost reductions, additional revenues).
- ❑ Continues to be major gaps in services across the board that impact our community from public safety to parks, libraries, and community services.
- ❑ Administration's goal is to build capacity to meet the City's basic service delivery needs, continue to recruit, retain, and develop top talent, and address the significant backlog of unmet/deferred maintenance and infrastructure needs.



## San Jose/Silicon Valley Emerging Technology Hub

The San Jose/Silicon Valley Emerging Technology Innovation Hub (iHub) was one of the first ten designated Innovation Hubs by the State of California in 2010. The San Jose/Silicon Valley iHub will modernize San Jose's/Silicon Valley's long-standing tradition of innovation and national leadership in emerging technologies by encouraging greater collaboration among business, researchers, inventors and policymakers.

The primary objectives of the iHub is to coordinate and catalyze emerging technology company formation and growth that result growth in the job base, entrepreneurship, and research funding in the region.

Partner and Resource Network includes:

*San Jose State University*

*UC Santa Cruz*

*Stanford Office of Technology and Licensing*

*Lawrence Berkeley National Laboratory*

*Silicon Valley Economic Development*

*Alliance*

*SV Forum*

*San Jose BioCube*

*San Jose Chamber of Commerce*

*Businessownerspace.com*

*Silicon Valley Space Center*

To date, activities, programs, events and marketing of the State of California's iHub Program has been solely reliant on individual iHubs and their partners to promote, brand the State's iHub Program.

### Proposal

While much has been done with other financial resources, the California iHub program could benefit from additional resources to support and market the program. A request of \$300,000 - \$500,000 (per year) support from the State to each of the sixteen iHubs, for a total of \$4.8 - \$8.0 M annually would allow for the development of more programs through the iHub which could include:

- Develop STEM Programs through high schools promoting internships into companies that create pathways for youth to become entrepreneurs and the next generation of makers
- Develop Grants programs support that university research or support business plan competitions for undergraduates and graduates to develop the next generation ideas and products.
- Provide a web based platform for direct referrals between local incubators, accelerators and shared work environments, and continued connections with local product development services that help emerging technology companies get their products to market quickly and cost-effectively.
- Provide opportunities to connect entrepreneurs to dedicated hardware accelerator programs that provide support and services including office and shop space, new product introduction services, design and advanced engineering support, and access to supply chain and manufacturing expertise.

**Public Safety – Realignment  
Legislative Priority for 2014 as Adopted by the San José City Council**

**Support for increased funding in the Governor’s Proposed FY 14-15 Budget**

The Governor has currently allotted \$27.5 million to local police departments statewide in his FY 14-15 Budget proposal. As an effort to support local police departments regionally and statewide the California Police Chiefs Association has requested an increase of \$100 million to the Budget ensure that departments have the tools needed to ensure effective utilization of the newly implemented statewide data sharing platform “Smart Justice” and to field the additional officers needed to meet our communities’ public safety demands.

**Background:**

Under State Assembly Bills 109 and 117, over 3,000 inmates have been released from state prisons and placed within Santa Clara County under the supervision of the Santa Clara County Department of Probation. The majority of these inmates have been placed within the City of San José limits and it is anticipated that this program will impact public safety. Under this legislation, supportive funding will not be directly allocated to local police departments despite the increased service demands created by this program. The State legislature needs to provide for greater representation of city officials on local Community Corrections Partnerships. Currently AB 109 provides for only one city official on the 13 member body.

**Status:**

With the passage of Proposition 30 in 2012, “Temporary Taxes to Fund Education. Guaranteed Local Public Safety Funding,” funding is guaranteed for public safety services realigned from the state to local governments, however without additional permanent and dedicated source of fund for City police departments, cities will not be able to keep pace with the increased service demands generated by the release of offenders. Without allocations of supportive funding for municipal enforcement programs designed to mitigate the impact of the infusion of offenders into the community, crime rates may increase.

Funding is needed for municipalities to successfully handle potential increases in offenders re-offending and to offset the expenses of increased call for service. The funding will support the collaborative efforts between local and county law enforcement entities.

## City of San José

### 2013 Local Streets and Roads – A Local Perspective

- City of San Jose has a 2410 mile street system.
- Annual need is \$100 million – average funding level is \$20 million
- The City has a growing backlog of deferred maintenance of \$400 million
- The need for Pothole Repair has increased 200 percent in five years (from 6,700 in 2007-08 to 19,700 in 2012-13)
- In the City of San Jose the overall roadway network has an average PCI of 62.

<b>Transportation Infrastructure Needs (in Millions)</b>		
<b>Transportation Asset</b>	<b>One-Time Funding Need</b>	<b>Annual On-Going Shortfall</b>
Pavement	\$434.0	\$77.0
Traffic Signals	\$9.1	\$2.7
Roadway Markings	\$3.2	\$1.5
Roadway Signs	\$3.4	\$0.4
Streetlights	\$27.9	\$1.1
ADA Curb Ramps	\$59.4	\$0
Trees	\$2.3	\$0.4
Landscaping	\$17.7	\$3.3
Bridges	\$30	\$0.1
Missing Sidewalk	TBD	TBD
<b>Total</b>	<b>\$587.0</b>	<b>\$86.5</b>

### Transportation Funding Opportunities

- **Gas Tax** – Gas tax funding continues to lose ground as cars with higher mpg or those using alternative fuels increase. Due to the decrease in funding from this source transportation officials are looking into other opportunities such as those listed below.
- **55% Vote –Threshold Proposals** - The current bills SCA 4 (Liu) and SCA 8 (Corbett) were supported by the San Jose City Council in 2013. Both bills lower the voter threshold to 55% for the imposition, extension or increase of a special tax as well as General Obligation Bonds for transportation infrastructure.

Support for this legislation is included in the Council approved 2014 Legislative Guiding Principles.

- **1% Vehicle Registration Fee** – For transportation purposes that ensures that users of the system help maintain the system. It is estimated that a 1 percent annual vehicle registration fee would generate \$2.7 billion to \$3 billion annually, The funds should be



distributed using the 40/40/20 formula (40 percent for the state, 40 percent for cities and counties and 20 percent for transit) with a twist – instead of the 40 percent for cities and counties being split evenly between cities and counties – more discretion should be given to Congestion Management Agencies (CMAs) at the county-level to distribute the funds. This would better address the needs of rural counties and urban cities.

**Vehicle Mile Traveled (VMT)** - As revenues for transportation that are generated by the gas tax decline due to vehicles with higher mpg ratings and more alternative fuel vehicles on the road there continue to be discussions on the development of a long-term stable transportation revenue source. One of the possible sources of funding is a vehicle miles traveled (VMT) fee. A VMT fee charges motorists based on their road usage measured in mileage. The charges can be either a flat fee or a variable fee based on considerations such as time of travel, congestion levels on a facility, type of road, type and weight of the vehicle, vehicle emission levels, and ability to pay of the owner – or a combination.

Several states are reviewing or are currently pursuing VMT pilot programs or policies that would support a VMT pilot program. They include:

- Minnesota
- Nevada
- Oregon
- Washington

Senator Mark De Saulnier has introduced SB 1077, which would require the Department of Motor Vehicles to develop and implement, by July 1, 2015, a pilot program designed to assess specified issues related to implementing a vehicle-miles-traveled fee in California.

The San Jose City Council approved 2014 Legislative Guiding Principles and Priorities includes language that supports the facilitation of new transportation funding mechanisms such as mileage-based user fees, vehicle license fees/tax (VLF/VLT) and congestion pricing to offset declining gas tax revenues associated with mandated improvement to fuel efficiency.

#### Low Carbon Transportation

- The Budget included \$30 million 2013-14 and \$200 million in 2014-15 and 2015-16 to support the expansion of the Air Resources Board's (ARB) existing clean transportation program. These activities include: incentive programs for zero and low-emission passenger vehicles, clean buses and trucks, and sustainable freight technology.

# Growing Road Repair Deficit

## San Jose Perspectives

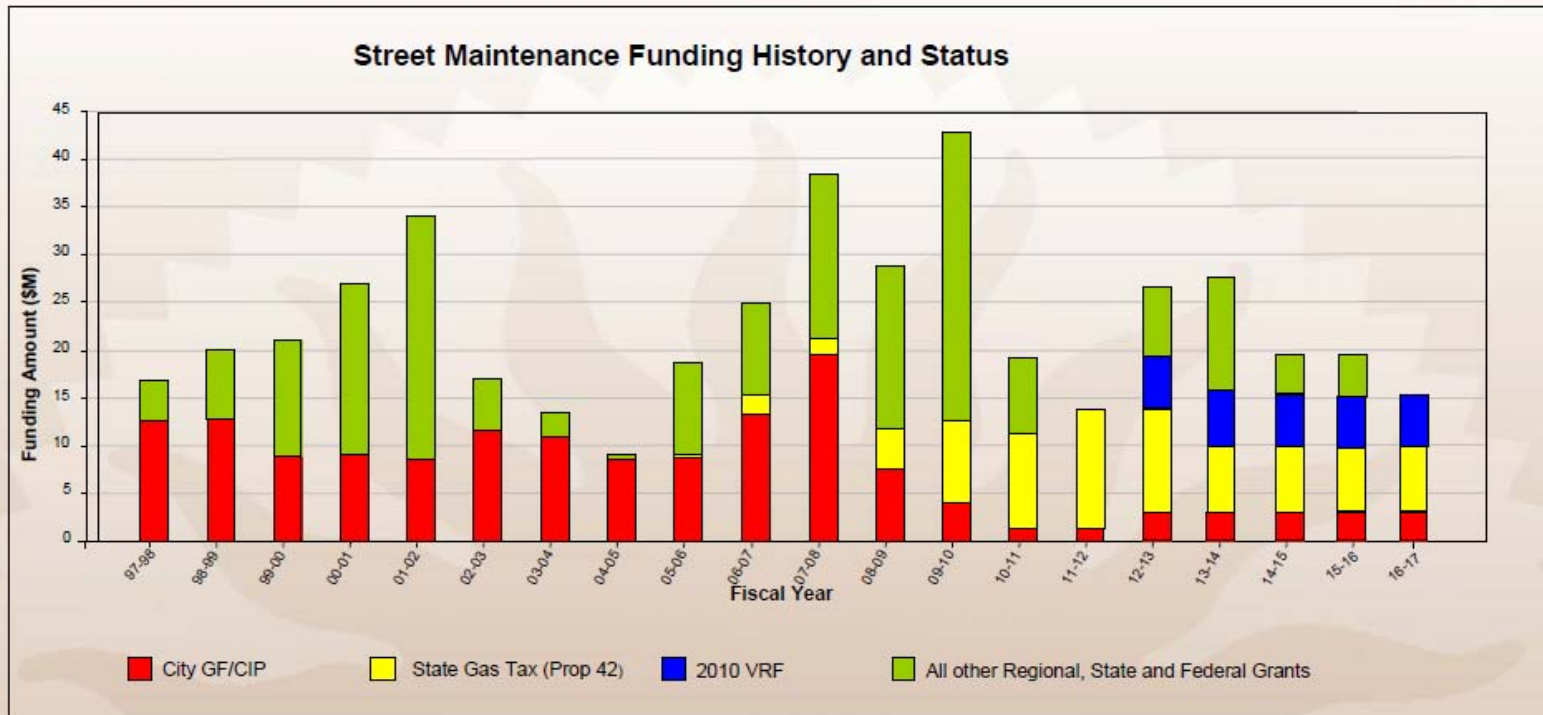


CA Senate Budget Subcommittee Hearing  
December 16, 2013

# Status of San Jose Streets

- 2410 mile street system
- Overall condition is declining
  - Age, lack of investment for preventative maintenance
  - Declining revenue, escalating cost
- Annual need is \$100M; Funding is \$20M
- Growing backlog of deferred maintenance
  - \$400M
- More streets in poor condition

# Irregular & Insufficient Funding

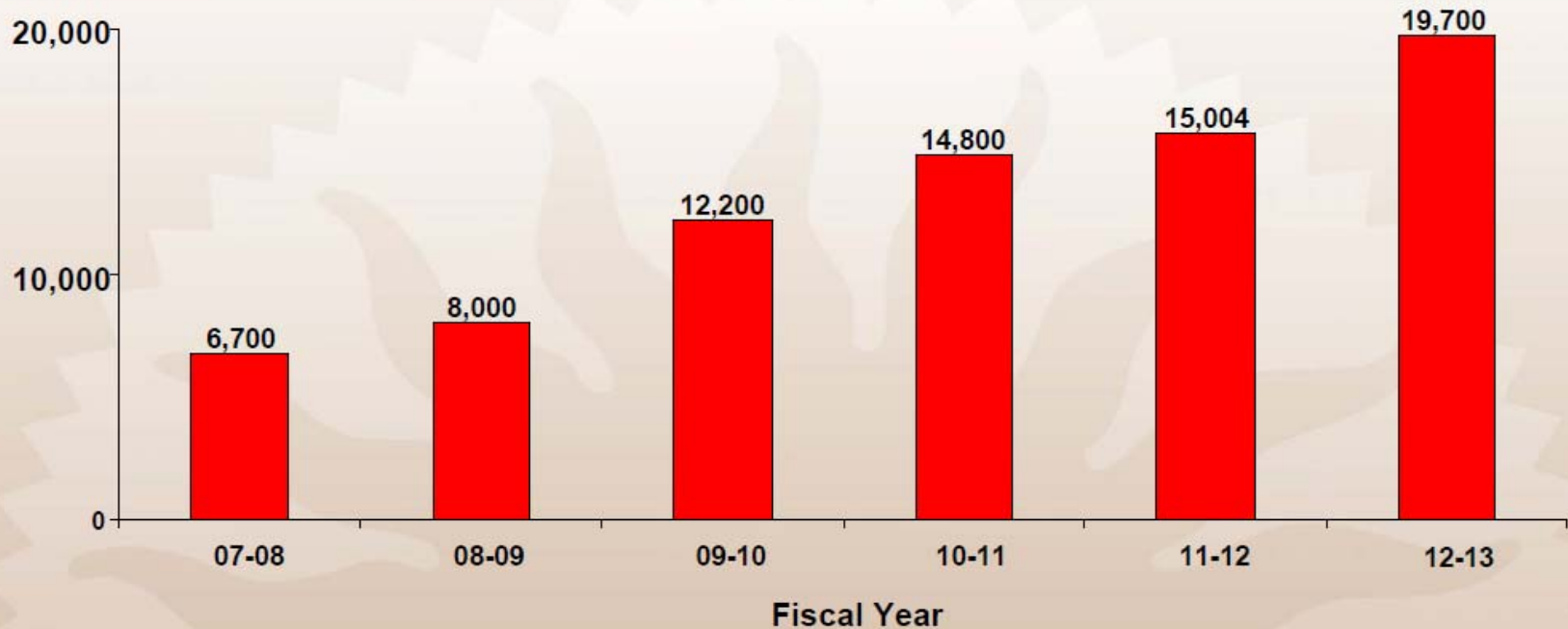




# Increasing Need for Pothole Repair

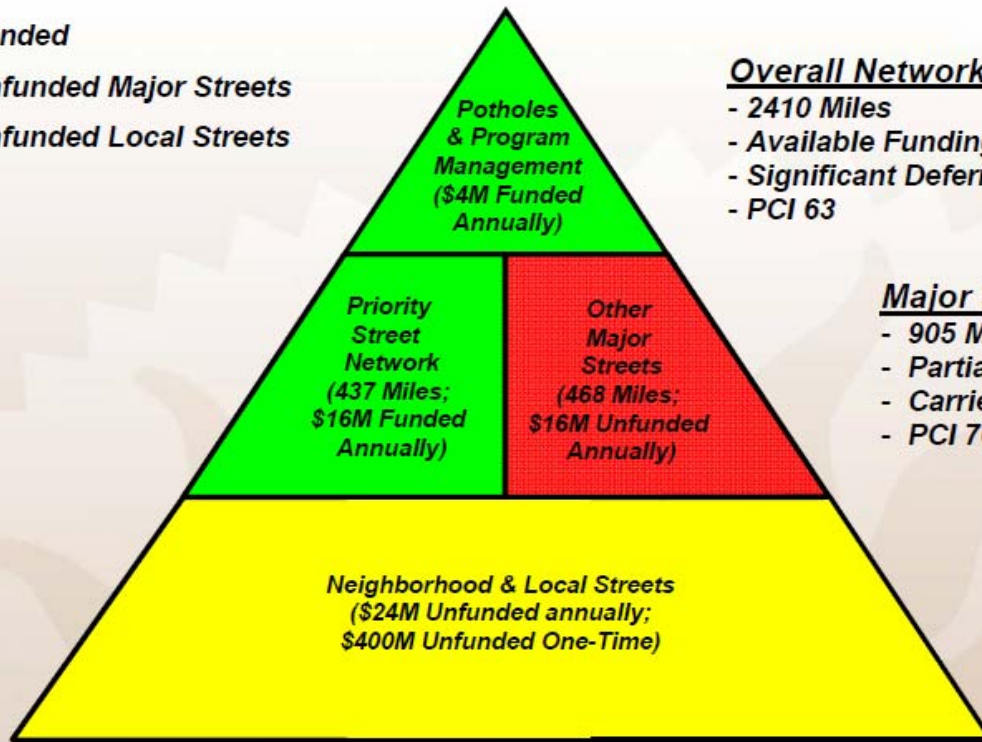
Up 200% in 5 Years

Total Number of Pothole Repairs



# Pavement Needs “Pyramid”

- **Funded**
- **Unfunded Major Streets**
- **Unfunded Local Streets**



## Overall Network

- 2410 Miles
- Available Funding is \$20M Annually
- Significant Deferred Maintenance
- PCI 63

## Major Streets

- 905 Miles
- Partially Funded
- Carries 87% of Traffic
- PCI 70

## Local Streets

- 1505 miles
- Unfunded
- PCI 58

PCI = Pavement Condition Index Ratings: Good (100 to 70); Fair (69 to 50); Poor (under 50)

# Other Perspectives

- Public Cost to Fully Fund Pavement Maintenance Program
  - \$200 to \$300 annually per household
- Public Cost of Poor Streets
  - \$600 to \$700 annually per vehicle
  - Reduced property value
- Increased Public Concern
- Past Polling Results for Street Repair Tax
  - 52% to 64% support

**2014 State Legislation – Priority Bills**  
**City of San José**  
**Intergovernmental Relations**  
**Sacramento Legislative Office**  
**(Partial List May 8, 2014)**

**AB 503 Wieckowski Health Facilities: Communities Benefits**

Requires a private nonprofit hospital and nonprofit multi-specialty clinics to provide community benefits to the public by allocating available community benefit moneys to charity health care and community building activities. Requires such entities to establish a community benefits statement for approval by the entity's board. Requires submitting a community benefits plan to the Office of Statewide Health Planning and Development. Requires the Office to develop and adopt related regulations. The original bill introduced by the City of San Jose and the Santa Clara School District (SCUSD) to authorize the City of San Jose and the school district to purchase the Agnews property for school and city park. An agreement was reached between the City, SCUSD, and State General Services.

**Status:** 03/13/2014 - Re-referred to Senate Committee on Health.

**Last Amended:** 3/4/2014

**AB 1035 Perez J Workers' Compensation: Firefighters/Peace Officers**

Relates to workers' compensation and firefighters and peace officers. Extend the time period to commence proceedings to collect death benefits if the proceedings are brought by, or on behalf of, a person who is a dependent on the date of death. Applies only to injuries causing death including cancer, tuberculosis, or a blood-borne infectious disease or certain skin infections. Prohibits the payment of death benefits under these provisions under specified circumstances.

**Status:** 05/08/14 - Enrolled

**Last Amended:** 04/22/2014

**AB 1147 Bonilla Massage Therapy**

Provides for the registration of massage establishments and certificate of establishment operators. Discontinues issuance of new practitioner certificates. Relates to certificate renewal periods. Requires the adoption of continuing education requirements and the inspection of schools or continuing education providers. Relates to certification denial or discipline authority. Provides disciplinary action or repeal for sexually suggestive advertising. Prohibits and allows certain regulation.

**Status:** 04/23/2014: In Senate. Read second time and amended. Re-referred to Committee on Business, Professions, and Economic Development.

**Last Amended:** 4/15/14

**AB 1193 Ting Bikeways**

Amends existing law that requires the State Department of Transportation to establish procedures to permit exceptions to the requirements that all city, regional, and other local agencies responsible for the development of bikeways or roadways where bicycles travel to utilize all minimum safety design criteria and uniform specifications for symbols, signs, markers, and traffic control devices. Requires the department to establish minimum safety design criteria for Class IV bikeways.

**Status:** 02/06/2014 – To Senate Committee on Transportation and Housing.

**Last Amended:** 1/23/2014

**City Position:** Support



**AB 1331 Rendon Clean, Safe, and Reliable Drinking Water Act of 2014.**  
Repeals the provisions that would create the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Clean, Safe, and Reliable Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in a specified amount pursuant to the State General Obligation Bond Law to finance a clean and safe drinking water program.  
**Status:** 05/08/2014 - In Senate. Read second time and amended. Re-referred to Committee on Rules.  
**Last Amended:** 5/8/2014

**AB 1521 Fox Local Government Finance: Property Tax Revenue: Annexations**  
Modifies a specified reduction and transfer provision for the 2014-15 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. (Also in SB 69, 2014 Session.)  
**Status:** 04/30/2014 - From Assembly Committee on Local Government: Do pass to Committee on Appropriations.

**AB 1564 Perez V Income Taxes: Research and Development Credit**  
Amends the Personal Income Tax and the Corporation Tax Law that allows for various credits against the taxes imposed by those laws, including a credit for a percentage of specified research expenses. Increases that percentage each taxable year for 5 years and then returns to the current rate. Limits the credit carryover period. Creates a Research and Development Tax Credit Trade Program. Authorizes taxpayers to purchase and to sell the credits.  
**Status:** 05/06/2014 - In Assembly. Read second time and amended. Re-referred to Committee on Appropriations.  
**Last Amended:** 5/6/2014

**AB 1717 Perea Telecommunications: Prepaid Telephony Services**  
Enacts the Prepaid Mobile Telephony Service (MTS) Surcharge Collection Act. Establishes a prepaid MTS surcharge based upon a percentage of the sales price of each retail transaction that occurs in this State for prepaid mobile telephony services. Includes the Emergency Telephone Users surcharge and Public Utilities Commission surcharges. (AB 300 , 2013 Session)  
**Status:** 04/22/2014 - From Assembly Committee on Utilities and Commerce: Do pass to Committee on Revenue and Taxation  
**Last Amended:** 4/2/2014

**AB 1894 Ammiano Medical Marijuana**  
Provides a revision of the procedures governing medical marijuana under Proposition 215.  
**Status:** 04/22/2014 - From Assembly Committee on Public Safety: Do pass to Committee on Appropriations.  
**Last Amended:** 4/1/2014

**AB 1970 Gordon Global Warming Solutions Act: Cap and Trade: Community Investment**  
Creates the Community Investment and Innovation Program and requires moneys to be available from the Greenhouse Gas Reduction Fund for purposes of awarding local assistance grants and other financial assistance to eligible grant applicants who submit plans to develop and implement integrated community-level greenhouse gas emissions reductions in their region. (AB 416, 2013 Session)  
**Status:** 05/07/2014 - In Assembly Committee on Appropriations: To Suspense File.  
**Last Amended:** 4/10/2014

**AB 2378 Perea Workers Compensation: Temporary Disability Payment**

Provides that the leaves of absences without loss of salary are payable in addition to the maximum aggregate disability payments for a single injury that is applicable to all workers. Makes these provisions applicable to all claims, regardless of the date of injury.

**Status:** 05/07/2014 - In Assembly Committee on Appropriations: To Suspense File.

**AB 2549 Ridley-Thomas Redevelopment: City of Milpitas**

Authorizes the City of Milpitas to organize an independent local commission to investigate and study issues related to employment, revenues, and economic activity in order to identify and recommend ways to raise revenues for specified purposes.

**Status:** 05/05/2014: In Assembly. Read third time. Passed Assembly. To Senate.

**Last Amended:** 4/24//2014

**HR 29 Gomez Outsourcing Public Services**

Opposes outsourcing of public services and assets.

**Status:** 04/03/2014 - In Assembly. Read third time. Adopted by Assembly.

**Last Amended:** 4/3/2014

**SB 69 Roth Property Tax Revenue: Vehicle License Fee**

Amends existing law that requires each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount for a Vehicle License Fee Property Tax Compensation Fund in each county treasury. Modifies the reduction and transfer provisions for the specified fiscal year and for each year thereafter by providing for a vehicle license fee adjustment calculated on the basis of changes in assessed valuation. (Also see AB 1521)

**Status:** 04/21/2014 - In Assembly. Read second time and amended. Re-referred to Committee on Rules.

**Last Amended:** 4/21/2014

**SB 270 Padilla Solid Waste: Single-Use Carryout Bags**

Prohibits specified stores from providing a single-use carryout bag to a customer. Requires such stores to meet other requirements regarding providing recycled paper bags and compostable bags. Imposes prohibitions and requirements on convenience food stores, food marts, and certain other specified stores. Requires bags sold or provided to a store by a reusable grocery bag producer to meet specified requirements, and bag producers to provide certification. Authorizes local civil penalties.

**Status:** 02/10/2014 – Withdrawn from Assembly Committee on Labor and Employment and Re-referred to Assembly Committee on Rules.

**Last Amended:** 2/6/2014

**SB 388 Lieu Public Safety Officers and Firefighters**

Amends the Safety Officers Procedural Bill of Rights Act and the Firefighters Procedural Bill of Rights Act. Provides that if an interrogation focuses on matters that may result in punitive action against a public safety officer or firefighter who is not formally under investigation, but is interviewed regarding the investigation of another public safety officer or firefighter, the public safety officer or firefighter being interviewed is entitled to representation.

**Status:** 01/30/2014 – In Senate, Passed to the Assembly.

**Last Amended:** 1/17/2014

**SB 391 DeSaulnier State Homes and Jobs Act of 2014**

Enacts the California Homes and Jobs Act of 2013. Imposes a fee to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded. Requires that revenues to be sent quarterly to the Department of Housing and Community Development for deposit in a related fund. Provides that fund moneys expended for supporting affordable housing, administering housing programs and the cost of periodic audits. Requires prevailing wage monitoring and enforcement.

**Status:** 08/30/2013 - In Assembly Committee on Appropriations: To Suspense File: Not heard.

**Last Amended:** 8/8/2013

**City Position:** Support

**SB 785 Wolk Design-Build**

Repeals certain authorizations and enacts provisions that would authorize the Department of General Services, the Department of Corrections and Rehabilitation and certain local agencies to use the design-build procurement process for specified public works. Authorizes the use of such process by the Marin Healthcare District when contracting for building and improvements construction to a hospital or health facility. Requires specified moneys to be deposited into the State Public Works Enforcement Fund.

**Status:** 01/27/2014 – Passed Senate. To Assembly.

**Last Amended:** 1/14/2014

**SB 848 Wolk Safe Drinking Water, Water Quality, and Water Supply**

Repeals the provisions of existing law that created the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014 which would authorize the issuance of bonds pursuant to the State General Obligation Bond Law to finance a safe drinking water, water quality and water supply program.

**Status:** 02/26/2014 - From Senate Committee on Governance and Finance. Do pass to Committee on Appropriations.

**Last Amended:** 2/20/2014

**SB 983 Hernandez E Local Sales Taxes: Card Lock Fuel: Place of Sale**

Amends the Bradley-Burns Uniform Local Sales and Use Tax Law. Provides that, in the case of a sale of fuel for card lock systems, the place at which the retail sale of card lock fuel is consummated is the point of delivery of fuel to the vehicle.

**Status:** 04/30/2014 - From Senate Committee on Governance and Finance: Do pass to Committee on Appropriations.

**SB 1014 Jackson Pharmaceutical Waste: Home-Generated**

Enacts the Home-Generated Pharmaceutical Waste Collection Disposal Act. Requires a producer of covered pharmaceuticals to submit to the Department of Resources Recycling and Recovery a product stewardship plan. Authorizes producers to submit a plan or designate a stewardship organization to act as an agent on behalf of the producers to submit a plan. Requires the plan to contain elements with regard to the collection and disposal of home-generated pharmaceutical waste. Authorizes violation penalties City Supported. SB 727 -2013 Session –**Status:** 03/26/2014: From Senate Committee on Environmental Quality; passed as amended to Business, Professions and Consumer Protections Committee.

**Last Amended:** 03/26/2014

**City Position:** Support

**SB 1077 DeSaulnier Vehicles: Mileage-Based Fee Pilot Program**

Requires the Transportation Agency to develop a pilot program designed to assess specified issues relating to implementing a mileage-based fee (MBF) in the State to replace the State's existing fuel excise tax which would require the Agency to assess certain issues related to implementing an MBF including different methods for calculating mileage and collecting road use information as well as a processes for managing, storing, transmitting such fee. Requires the Department of Motor Vehicles to submit a report on how best to implement such a fee and recommendations on public and private agency access to fee data that ensure privacy.

**Status:** 04/29/2014 - From Senate Committee on Transportation and Housing: Do pass to Committee on Appropriations.

**Last Amended:** 4/21/2014

**SB 1260 DeSaulnier Local Government: Affordable Housing**

Eliminates the requirement of an infrastructure financing district that constructs dwelling units to set aside not less than 20% of those units for affordable housing for persons and families of low and moderate income.

**Status:** 05/05/2014 - In Senate Committee on Appropriations: To Suspense File.

**SB 1262 Correa Medical Marijuana: Regulation of Physicians, Dispensary**

Requires the State Department of Public Health to license dispensing facilities and cultivation sites that provide, process, and grow marijuana for medical use and would make these licenses subject to the restrictions of the local jurisdiction in which the facility operates or proposes to operate. Requires the establishment of quality testing of medical marijuana. Requires the implementation of security measures. Provides a civil penalty for violations.

**Status:** 05/07/2014 - In Senate. Read second time and amended. Re-referred to Committee on Appropriations.

**Last Amended:** 5/7/2014

**SB 1418 DeSaulnier Vehicle Weight Fees: Transportation Bond Debt Service**

Repeals provisions of existing law which allow for the transfer of weight fees on the registration of commercial motor vehicles from the State Highway Account to reimburse the General Fund for debt service on transportation bonds. Requires a specified percentage of the revenues derived from the increase in motor fuel excise taxes to be deposited in the State Highway Account to be allocated to city and county streets and roads, and another percentage to the State Highway Operation and Protection Program.

**Status:** 05/01/2014 - In Senate. Read second time and amended. Re-referred to Committee on Appropriations.

**Last Amended:** 5/1/2014

**SCA 7 (Wolk) Public Libraries; SCA 8 (Coubett) Local Transportation: sales taxes; SCA 9 (Corbett) –Local Economic Development: Special Taxes; SCA 11 (Hancock) Local Government: Special Taxes: Voter Approval; ACA 3 (Campos) Local Government Finance: Public Safety Services; and ACA8 (Blumenthal) Local Government Financing: Voter Approval.**

These proposed constitutional amendments are being considered by the Legislature for the 2014 Ballot. If passed by the voters, these measure would reduce the current two-thirds voter threshold to 55 percent.

**Status:** Pending in Senate Appropriations Committee and Senate Rules Committee

**City Position:** Support

## 2014 Redevelopment Dissolution

### **AB 471 Atkins Redevelopment: Successor Agencies**

Authorizes an infrastructure financing district to finance a project or portion of a project that is located in, or overlaps with, a redevelopment project area or former redevelopment project area. Authorizes a successor redevelopment agency to schedule Recognized Obligation Payment Schedule payments beyond the payment cycle upon a showing that a lender requires cash on hand beyond said cycle. Authorizes the use of estimates and projects to support payments. Relates to housing administrative costs funding.

**Status:** 02/18/2014 - Signed by Governor. - Chapter 1, 2014 Statutes.

**Last Amended:** 1/29/2014

### **AB 1582 Mullin Redevelopment: Successor Agencies**

Relates to the Community Redevelopment Law. Relates to payments on enforceable obligations. Revises the timeline for the preparation of the required Recognized Obligation Payment Schedule to provide that the successor agency prepare a schedule for an 12-month fiscal period.

**Status:** 05/01/2014 - In Assembly. Read second time. To third reading.

**Last Amended:** 4/22/2014

### **AB 1963 Atkins Redevelopment**

Relates to existing law that requires successor agencies to wind down the affairs of dissolved redevelopment agencies. and which suspends such requirement, except as it applies to the transfer or assets and properties for governmental use, until the Department of Finance has approved a long-range property management plan. Requires the property of a former redevelopment agency to be disposed of according to law if a long-range property management plan has not been approved by a specified date.

**Status:** 05/08/2014 - In Assembly. Read second time. To Consent Calendar.

**Last Amended:** 4/21/2014

### **SB 1129 Steinberg Successor Agencies to Redevelopment Agencies**

Authorizes a successor agency to utilize the proceeds of bonds issued during the 2011 calendar year, upon the approval of the oversight board if the oversight board, in consultation with the relevant metropolitan planning organization, determines that the use of the bond proceeds is consistent with the sustainable communities strategy. Prohibits required compensation agreements as part of the approval of a long-range property management plan. Requires the approval of a plan as expeditiously as possible.

**Status:** 05/05/2014 - In Senate Committee on Appropriations: To Suspense File.

**Last Amended:** 4/22/2014

## 2014 Post Redevelopment

### **AB 2280 Alejo Community Revitalization and Investment Authorities**

Authorizes certain local agencies to form a community revitalization authority within a community revitalization and investment area to carry out provisions of the Community Redevelopment Law. Provides for the financing of these activities by the issuance of bonds serviced by tax increment revenues.

**Status:** 03/06/2014 - To Assembly Committees on Housing and Community Development and Local Government.

### **SB 1 Steinberg Sustainable Communities Investment Authority**

Authorizes certain public entities of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law. Provides for tax increment funding receipt under certain economic development and planning criteria. Establishes prequalification requirements for receipt of funding. Requires monitoring and enforcement of prevailing wage requirements within the area. Excludes certain types of farmland.

**Status:** 09/12/2013 - In Senate, Concurrence in Assembly amendments pending. To Inactive File.

**Last Amended:** 9/3/2013

### **SB 33 Wolk Infrastructure Financing Districts: Voter Approval**

Revises provisions governing infrastructure financing districts. Eliminates the requirement of voter approval for creation of the district and for bond issuance and authorizes the legislative body to create the district subject to specified procedures. Authorizes the creation of such district subject to specified procedures. Authorizes a district to finance specified actions and projects. Prohibits financing until a certain requirement is met. Prohibits assistance to a vehicle dealer or big box retailer.

**Status:** 09/11/2013 - In Assembly. To Inactive File.

**Last Amended:** 8/26/2013

### **SB 921 Wright Local Government: Redevelopment: Property Tax**

Clarifies that any revenues derived from the imposition of a property tax rate, approved by the voters before a specified date to make payments in support of pension programs and levied in addition to the general property tax rate, be allocated to, and when collected be paid into, the fund that taxing entity.

**Status:** 03/13/2014 – To Senate Committee on Rules.

## 2014 - Drought Response Bills

### **SB 103 and SB 104 Budget and Fiscal Review Committee Drought Relief**

Amends the Budget Act of 2013 to revise appropriations to address drought conditions in the State. Provides provisions regarding drought relief to include fines for violations of permits, licenses issued by the State Water Resources Control Board, disbursement of disaster assistance, civil fines for the improper water diversion, emergency regulations regarding the diversion of water and fines for a related infraction and for groundwater replenishment, rental space for those with economic hardship, an employment training tax, and funds for water management grants.

**Status:** 03/01/2014 - Signed by Governor. SB 103, Chapter 2 and SB 104, Chapter 3, 2014

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