

**CITY OF OAKLAND**  
*Agenda Report*

CITY OF OAKLAND

To: Chairperson and Council President Ignacio De La Fuente  
Rules and Legislation Committee  
From: Lupe Schoenberger, City Council Legislative Analyst  
Simón Bryce, Office of the Mayor  
Date: April 27, 2006  
Re: Proposed State Legislative Agenda for 2006

**SUMMARY**

Each year, the City prepares a legislative agenda to serve as the foundation for a focused advocacy strategy in Sacramento. A list of proposed legislative priorities for 2006 has been prepared by the City's state lobbyist, Townsend Public Affairs, Inc., (TPA) based on input received from the Mayor, City Council and City Department Heads.

This report provides the City Council with a list of recommendations to consider for inclusion in the City's 2006 State Legislative Agenda. This year, the recommendations are grouped in three categories: Legislative Priorities, Funding Priorities and Development of Legislation. While the deadline for introducing bills for the 2005-2006 legislative session has already passed, the issues identified in this report are for tracking purposes and provide the groundwork to develop future legislation.

The proposed agenda does not include every issue or concern that may arise throughout the course of the year. Therefore, staff will continue to work with TPA to identify and monitor other important legislative issues and submit them to the City Council for consideration. Additionally, TPA will also work to support grant proposals submitted by the City and to identify additional funding opportunities for City proposals as they arise throughout the year.

**BACKGROUND**

Townsend Public Affairs, Inc. (TPA) was hired by the City of Oakland to provide State Government Consulting Services to the City of Oakland from October – December of 2005. The objective was to prepare recommendations for a 2006 State Government Advocacy Agenda for the City. On April 4<sup>th</sup>, 2006, the City Council voted to retain the services of TPA for state advocacy work during the 2006 calendar year.

RECOMMENDATION

Staff is recommending that the Rules and Legislation Committee accept and forward this report to the City Council.

Respectfully submitted,



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Lupe Schoenberger  
City Council Legislative Analyst



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Simón Bryce  
Office of the Mayor



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**M E M O R A N D U M**

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**To:** Simon Bryce, Office of the Mayor, City of Oakland  
Lupe Schoenberger, City Council Legislative Analyst, City of Oakland

**From:** Christopher Townsend, President, Townsend Public Affairs  
Isaac Kos-Read, Director of Northern California Operations  
Jennifer Thompson, Senior Sacramento Associate  
Casey O'Connor, Northern California Associate

**Date:** April 4, 2006

**Subject:** 2006 State Government Advocacy Priorities for the City of Oakland

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Townsend Public Affairs, Inc. (TPA) was hired by the City of Oakland to provide State Government Consulting Services to the City of Oakland from October – December of 2005. The objective was to prepare recommendations for a 2006 State Government Advocacy Agenda for the City. We implemented the following protocol in our preparation of the preliminary 2006 State Government Advocacy Agenda:

1. Prepared a briefing for the Mayor, City Council, and City Department Heads (the City) on opportunities at the state level of government in 2006.
2. Conducted briefing sessions with the City regarding the opportunities identified and gather feedback and input regarding additional issues to include in the agenda.
3. Synthesized feedback and input from City into a report and draft recommended agenda for final review, consideration, revision, and approval by City Council.

We have since continually monitored new developments relevant to the City of Oakland and included those in the attached updated Agenda. The following Preliminary 2006 State Government Advocacy Agenda represents the culmination of the protocol described above. Not all representatives of the City were able to provide feedback prior to the preparation of this report, and it is therefore additional modifications may be needed both in terms of content and priority. This is not intended to be comprehensive but representative of the input gathered from the majority of the representatives of the City and incorporating recent developments at the state level relevant to the City of Oakland.

Please note that the order of the following agenda is meant to reflect relative priority based on the likelihood of their being significant activity on a given issue in Sacramento this legislative session. For example, the number one priority this year in Sacramento is the potential infrastructure bond; similarly, this is the first on our agenda. There may be issues that are significant priorities for the City but that are not yet prominent in Sacramento, and therefore would require more resources from the City and its advocacy team than might otherwise be optimal, especially given that there are significant funding and policy opportunities that are both priorities in Sacramento and priorities for Oakland, and thus behoove our primary attention.

## 2006 STATE GOVERNMENT ADVOCACY PRIORITIES FOR THE CITY OF OAKLAND

### LEGISLATIVE PRIORITIES:

1. **STATE WIDE INFRASTRUCTURE BOND MEASURE:** Ensure that the City of Oakland's priorities are met by the measure provided the legislature places such a bond on the November ballot.

**Background:** Governor Schwarzenegger and legislative leadership are negotiating the terms of a potential November 2006 statewide bond measure to address the state's infrastructure needs, broadly defined to include transportation, housing, school facilities, water resources, and even parks, multipurpose facilities, infill development and open space. Though proposals differ on key issues, bipartisan support does exist for an unprecedented level of state investment in infrastructure. It should be a principal objective of the City of Oakland to capitalize on this unprecedented opportunity, seeking to secure funding within the 2006 infrastructure bond proposals from project earmarks or program funding sources with the appropriate priority and eligibility criteria to address the following infrastructure and related needs (attached please find a table listing additional specific transportation project funding needs):

- **Local street repair:** An issue that all officials in Oakland mentioned as a funding priority is basic road repair. Oakland is 96<sup>th</sup> among all of the cities in the nine-county Bay Area in terms of pavement resurfacing. Of the approximately \$560 million in transportation funding needs identified by the Public Works Department, about 49% or \$275 million is for street resurfacing, sidewalk and curb repairs.
- **School repair:** Funding to improve the learning environment for Oakland school children by making necessary capital improvements and repairs to our school buildings, classrooms, playgrounds, and playing fields.
- **Air quality:** Funding for the mitigation and, even more importantly, the prevention of air pollution is critical if Oakland is going to continue to have a successful working port and also a vibrant city with "elegant density" living around transportation nodes.
- **Storm drain repair:** In addition to the basic infrastructure needs, the Oakland Hills in particular are in vital need of renovation of its storm drain system. The current system is easily overwhelmed in a storm and could lead to dangerous flooding and on-going contamination of Lake Merritt and the Estuary into which the system drains.
- **Housing, infill, and TOD's:** Oakland needs funding and incentives for urban infill and affordable housing, especially for Transit-Oriented Developments.
- **Emergency preparedness:** Building on the current low-interest financing to provide homeland security funding for ports, promote a similar fund within the bond package to fund homeland security and disaster preparedness capital expenditures for local governments, especially dense urban areas. Also, pursue opportunities outlined in the attached document entitled "State Funding for Emergency Planning, Response, and Mitigation".
- **Resources, including parks and recreation:** Secure funding for priority capital improvement projects with local matching funds, especially Lake Merritt and Estuary improvements. Ensure that any new parks and open space funding goes to dense urban areas, and is slated toward improving existing parks rather than building new ones.

2. **TRANSIT VILLAGE DEVELOPMENT:** Support legislation that appropriates funds and/or offsets the cost for Transit Village planning, implementation, and construction, particularly replacement parking at the villages in the process of development and construction.

**Background:** In addition to and concomitant with the infrastructure bond negotiations, there are preexisting legislative efforts regarding Transit-Oriented Development, and with the passage of a bond measure, there will be further trailer legislation to modify implementation of new funding programs for TOD's. The City must ensure that any TOD-related legislation addresses the priorities of Oakland's multiple developments.

3. **CALIFORNIA ENTERPRISE ZONE:** Ensure the continuation of the designation of Oakland as a California Enterprise Zone and the benefits associated with this designation.

**Background:** There are currently 42 Enterprise Zones (EZ) in the state, with 18 expiring in 2006. Oakland's designation is scheduled to expire September 27, 2008. The EZ Program represents one of the city's strongest economic tools to attract and retain businesses in Oakland. Oakland's zone recently passed an audit by the Department of Housing and Community Development (HCD), but continues to be cited by state legislative proposals and agencies as an example of the need for reform of the EZ Program. The close of 2005 saw a major effort to overhaul the program in the form of AB 1766 (Machado & Dymally), which would have curtailed the areas that would qualify for inclusion in a zone and would limit the types of individuals who could qualify for zone hiring tax credits. Since this time, Assemblyman Juan Arambula, chair of the Assembly Committee on Jobs, Economic Development & the Economy, has been conducting a series of joint hearings with the Assembly Committee on Revenue and Taxation chaired by Assemblyman Johan Klehs to evaluate how best to reform the EZ Program. Meanwhile, HCD has continued moving forward with reforms to the zone designation process, auditing procedures, and vouchering requirements. These regulatory and legislative efforts are significant for the City of Oakland's economic development strategy. The City must ensure the continuation of its designation as an EZ and the optimal benefits and flexibility that come with the designation.

4. **PROTECT REDEVELOPMENT POWERS:** Protect the redevelopment powers of the City of Oakland by advocating for the City in the state legislative and regulatory process regarding recent proposals to modify redevelopment agency and eminent domain law.

**Background: Objective:** There are a number of bills currently pending in the legislature that would transform redevelopment practices in California. Last fall, Senator Christine Kehoe (D-San Diego) held a series of oversight hearings on redevelopment in an attempt to evaluate and develop reforms for current redevelopment law. Suggestions from the hearings have been incorporated into a number of legislative proposals including the following:

- SB 1206 (Kehoe) is a comprehensive redevelopment reform measure which would strengthen the definition of blight; make it easier to challenge redevelopment decisions; and increase state oversight.
- SCA 12 (Torlakson and Kehoe) would prohibit government agencies from using eminent domain for the taking of "owner-occupied residential property" for private use.
- SCA 15 (McClintock) and ACA 22 (La Malfa) are identical measures that prohibit private property from being taken for private use. Under these constitutional amendments, property taken under eminent domain must be owned and occupied by the condemner and must be used only for the stated public purpose. If the property ceases to be used for that purpose, it must be offered to the original owner or the owner's heirs for the amount of compensation originally received, or the property's new fair market value, whichever is less.

- SB 53 (Kehoe) would require new redevelopment plans to declare whether eminent domain will be used, including prohibitions on the use of eminent domain, and a time limit for the commencement of eminent domain proceedings not to exceed ten years. For plans adopted prior to January 1, 2006, the plan must be amended by July 1, 2006 to include such declarations, including a time limit of January 1, 2009 for the commencement of eminent domain proceedings.

Given the impact of the passage of these bills on redevelopment practices in the City of Oakland, it will be in the City's best interest to be actively engaged in the legislative progress of all redevelopment bills.

- 5. FLOOD CONTROL AND STORM WATER FEES:** Secure passage of ACA 13 (Harman, R-Huntington Beach) or similar legislation that would allow local governments more flexibility to achieve reductions in stormwater and urban runoff pollution.

**Background:** If passed by a 2/3 vote in the legislature, Assembly Constitutional Amendment 13 would appear on the next statewide general election ballot. If subsequently passed by voters, it would authorize cities and counties to raise storm water and flood control fees without voter approval. Currently, sewer, water and refuse collection services fees are exempt from the voter approval process of Proposition 218, but flood control and storm water fees are not. Without this change in the state constitution, cities and counties will continue to have no new source of dedicated revenue for flood control and stormwater programs and structural best management practice operations and maintenance. Heal the Bay and the California League of Cities is promoting this legislation.

- 6. AFTER SCHOOL PROGRAMS:** Ensure that Oakland receives the largest amount of funding possible when the State allocates after-school funding under Prop 49 and ensure no gap in funding for the 25 existing after-school programs of Oakland's After School Initiative.

**Background:** Officials in Sacramento are currently considering various funding formulas for the Prop 49 After-School Initiative passed by voters in 2002(?). Therefore, it is critical to monitor this discussion and provide input to encourage a formula that benefits Oakland. The No Child Left Behind Act of 2001 was signed into law in January 2002, authorizing the California Department of Education (CDE) to administer California's 21st Century Community Learning Centers (21st CCLC) program. Grants are made each year by the CDE, contingent upon funding becoming available from the federal government. President Bush has proposed no increase in program funding for FY 07, leaving the funding below what was available in 2002 when the program was established. Such a low level of funding could potentially jeopardize a number of existing programs. Though Proposition 49 will provide funding for after-school programs in California, those funds might not be available in the coming year. Therefore, if CDE does not renew the 21<sup>st</sup> Century funding at existing after-school sites in Oakland, legislation may be necessary to ensure the seamless continuation of the existing programs.

- 7. URBAN INFILL HOUSING PROJECTS:** Support specifically defined CEQA exemption legislation without compromising environmental due diligence.

**Background:** Legislation such as SB 832 (Perata) and AB 1387 (Jones), would provide a specifically defined CEQA exemption for urban infill housing projects within certain limits on acreage, housing units, city population, and given certain local approvals, including City Council support of the specified acreage and units. As Oakland continues to seek the creation of affordable housing opportunities for all of its residents, expediting the redevelopment of urban infill properties is a crucial step in creating needed housing. AB 1387 is supported by the

California League of Conservation Voters (CLCV) and the issue of CEQA modification for specific cases is beginning to garner bi-partisan support.

8. **PRISON REFORM:** Identified as a priority by the City of Oakland, SB 737 (Romero), was passed by the legislature and signed into law by the governor during this legislative session making advocacy on that specific bill unnecessary.

**Background:** Senator Gloria Romero authored SB 737, which ensures the separation of youth and adult correctional facilities and consolidated the California Department of Corrections and the Youth and Adult Corrections Agency into one Department of Corrections and Rehabilitation.

### **DEVELOPMENT OF LEGISLATION:**

The deadline for introduction of bills for the 2005-2006 legislative session has already passed. Before introducing a bill, the City, in conjunction with the City's Lobbyist, would need to prepare a white paper addressing the problem that the City would solve with State legislation. Below are issues identified by the City of Oakland as targets for future legislation:

- a. **SIDESHOWS:** Develop and secure legislation that strengthens the ability of local jurisdictions to curb reckless driving exhibitions, commonly referred to as "sideshows".
- b. **NUISANCE LIQUOR STORES:** Develop and secure legislation to provide local jurisdictions additional powers to mitigate or shut down nuisance liquor stores and to limit the types of products sold.
- c. **ANTI-PREDATORY LENDING:** Develop and secure legislation that either (a) strengthens anti-predatory lending laws or (b) enables local jurisdictions to enact their own anti-predatory lending laws. The City previously enacted its own anti-predatory lending law to protect customers, but in 2005 the California Supreme Court nullified the law, finding that existing state law preempted the City's local law.
- d. **SUPPORT FOR PAROLEES:** Secure passage of legislation that would restore the ability of drug related felons to receive food stamps under certain specified conditions.

**Background:** AB 1947 (Washington, 2002), passed by the legislature but vetoed by Governor Gray Davis, would have restored the ability of drug related felons to receive food stamps under certain, specified conditions. The Personal Responsibility and Work Opportunity Reconciliation Act, passed in 1996 by the federal government, bars those with drug-related felony convictions from receiving federal cash assistance and food stamps during their lifetime unless their state opts out of the program. To date, California has chosen not to opt out. AB 629 (Chan) would direct the State Department of Corrections to contract for the establishment and operation of a reentry services pilot program in Alameda County, which could directly support successful and proven City-run programs such as Project Choice, providing intensive post-release services and supervision to young Oakland parolees.

## **FUNDING PRIORITIES:**

In addition to the long-term opportunity offered by the potential for a major, comprehensive infrastructure bond package, for any additional state government funding Oakland will prioritize the projects listed below. Again, please note that the priority order of this list is based on the availability of funds, not necessarily on the priority of each of these projects for the City.

1. **PERALTA HACIENDA PARK:** Obtain at least \$5 million in State funding for the Peralta Hacienda.

**Background:** The Peralta Hacienda was not recommended for review by the California Cultural and Historical Endowment (CCHE) for this cycle of grant funding. The City of Oakland can reapply in later sessions, protest the recent CCHE decision, or pursue other funding sources. The CCHE was created in 2002 by Proposition 40, the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (AB 1602). There was \$267.5 million within this bond measure for "Historical and Cultural Resources Preservation." In 2002, AB 716 (Firebaugh) appropriated \$91.35 million to the Department of Parks and Recreation for "Opportunity Grants," which Governor Gray Davis awarded in late 2002. Oakland received \$1.5 million for the Chabot Space & Science Center and \$1 million for the African American Museum and Library Project. For the next phase of funding, AB 716 authorized the creation of the California Cultural and Historical Endowment within the Office of the State Library, and in 2003 the remaining \$128.4 million in funding from the Proposition 40 Historical and Cultural Resources Preservation account was appropriated to this new entity. The CCHE is charged by AB 716 with the objective of becoming the primary entity at the state level that funds projects focused on the under-represented aspects of California's people, history, and culture. The first round of \$36 million of CCHE grants was awarded at the end of 2004. Oakland received two \$2.887 million grants for the Oakland Fox Theater Project and for the Oakland Museum of California. The current round of funding, Round 2, has \$43 million available and competition is based on divisions for non-profit organizations of varying size and for public agencies, as well as for capital grant projects and planning grant projects. There are 10 applications totaling \$13.5 million in this round from organizations within the City of Oakland, including but not limited to, applications by the Oakland Zoo, 16<sup>th</sup> Street Train Station Project, Fruitvale Development Corporation, Chabot Space & Science Center Joint Powers Authority, the Eastside Arts Alliance, and the Oakland Unified School District. The OUSD application will be ineligible given the program's requirements, and the remaining ones listed all compete in different divisions, so are not in direct competition. The only application directly sponsored by the City is for the Peralta House, and the only other application with which the City of Oakland is directly involved, through the Joint Power Authority, is that of the Chabot Space & Science Center.

2. **2006 LIBRARY BOND ACT:** Secure funding from the 2006 Library Bond Act for Oakland Public Libraries.

**Background:** SB 1161 was introduced by Senator Dede Alpert (Ret.) in early 2002 and signed by Governor Schwarzenegger in September of 2004. The California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2006 will appear on the June 2006 ballot. It provides \$600 million for public library construction and renovation, prioritizing libraries developed in conjunction with local public schools. Half of the funding will likely be awarded to unfunded projects in the Third Cycle of the previous library bond measure. The funding will be given away by a newly created seven member board consisting of the State Librarian, State Treasurer, Department of Finance, a representative from the Assembly and Senate, and two public appointees by the Governor. If the 2006 Library Bond measure is passed by the voters this year, it will likely not be an available source of funding for Oakland until



the end of the year, but it is nevertheless important to develop a plan of funding requests and priorities for this opportunity.

3. **MEASURE DD MATCHING FUNDS:** Seek state funds to restore and improve Lake Merritt and the Estuary (matching funds for Measure DD):

**Background:** On November 5, 2002, Oakland voters overwhelmingly passed Measure DD, (Oakland Trust for Clean Water and Safe Parks). The measure allows the City to sell bonds in order to raise funds for a variety of parks, clean-water protection and youth recreation projects. This significant local commitment is integral to the City's capability to obtain outside funding by providing matching funds. Specifically, Measure DD authorized \$198.25 million in general obligation bonds for Lake Merritt (\$88.25 million), Estuary Waterfront Access, Parks and Cleanup (\$53 million), Lake Merritt Channel projects (\$27 million), Recreation Facilities (\$20 million), and Creeks (\$10 million). To capitalize on this significant local investment, it is a priority of the Oakland state government lobbyist to seek state matching funds from any and every program to match the Measure DD commitment.

4. **CREEKS AND WATERWAYS:** Seek state funds for creeks and waterways restoration.

**Background:** The creek protection and restoration projects reflect the priorities of the City's watershed improvement program, which works closely with, and has the support of, community organizations such as Friends of Temescal Creek, Friends of Sausal Creek and a variety of county, state and federal agencies. Creeks will be restored by re-creating natural meanders, re-grading and stabilizing banks, removing failing structures, and landscaping with native plants. Criteria to be used when considering creek segments for restoration include potential to improve water quality, hydrology, and wildlife habitat, to prevent floods, and to increase community stewardship; degree of community support and public accessibility; and connectivity to trails.

5. **ADULT LITERACY:** Seek funding sources for adult literacy programs.

**Background:** 26% of Oakland adults cannot read above a 4<sup>th</sup> grade level, therefore, adult literacy programs are needed.

6. **EAST OAKLAND SPORTS COMPLEX:** Seek state funds for the capital campaign to develop the East Oakland Sports Complex, which will accommodate cultural, sports, educational and social events and activities for individuals and families.

**Background:** The Sports Complex is intended to facilitate the development of experiences, skills, and talents for a full spectrum of fitness interests. It is assumed that this Complex will work in conjunction with other program and event facilities found nearby and at local schools and parks within the vicinity. In addition, the Complex will include a competitive swim complex designed to accommodate national and international events.

7. **WATERFRONT POCKET PARKS:** Secure funding for pocket parks along Oakland's waterfront, including the Derby Street Park and the Lancaster Street pocket park.

8. **CRYER SITE REMEDIATION:** Obtain state funding to complete the environmental remediation at the Cryer site and to build the Cryer site park.

9. **BART CONNECTOR:** Support the efforts of Bay Area Rapid Transit (BART) for the construction of a BART/Oakland Airport Connector Project.

**Background:** This public transportation project enjoys support from a broad-based coalition, including the Bay Area legislative delegation, Metropolitan Transportation Commission, Alameda County Congestion Management Agency, Port of Oakland, and the business community. BART has issued a Request for Qualifications for a Design Build Finance Operate contract for the connector, which may preclude BART from receiving State grants. Assistance in the form of low-interest loans may still be available and could be investigated by the City's lobbyist.