

CITY OF OAKLAND

Agenda Report

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To: Council President Ignacio De La Fuente
Chairperson, Rules and Legislation Committee
From: Lupe Schoenberger, Rules Committee Legislative Analyst
Date: November 1, 2007
Re: **An Informational Year End Report from Townsend Public Affairs,
the City's State Lobbyist, Regarding Oakland's 2007 State Legislative
Agenda**

SUMMARY

The City's State Lobbyist, Townsend Public Affairs (TPA), has prepared a year end report regarding their lobbying efforts on behalf of the City of Oakland during the 2007 State legislative session. The report is attached for the City Council's review.

RECOMMENDATION

Staff requests that the Rules and Legislation Committee accept the report and forward to the City Council for their review and information.

Respectfully submitted,



Lupe Schoenberger
Rules Committee Legislative Analyst



MEMORANDUM

To: City of Oakland
From: Townsend Public Affairs, Inc.
Date: October 18, 2007
Subject: 2007 State Government Advocacy Summary Report

Following the end of the first year of the 2007/2008 legislative session, Townsend Public Affairs, Inc. (TPA) is submitting this 2007 Year-End Report: State Advocacy Priorities for the City of Oakland to reflect the current status of our state legislative and funding advocacy efforts on behalf of the City.

The main focus in the state legislature this past year was the implementation of the major accomplishments from last year: The 2006 State Infrastructure Bonds and AB 32, the Global Warming Solutions Act of 2006. In what was otherwise considered a relatively uneventful year given the lack of consensus on both healthcare and water infrastructure, significant strides were made on appropriating and beginning to spend last year's historic investment in California's infrastructure. We responded in kind with the City of Oakland, working to secure funding, appropriations, and implementing language in several top priority transportation and housing programs. In addition, to help the City tackle some of the on-going challenges of public safety and development, we worked to develop and advocate for several major City-sponsored initiatives. The attached report will provide a summary of the full scope of work for the City and where we stand on on-going issues. To give you a quick summary of the highlights, please note the following:

1. **SB 67 (Perata):** Oakland's top priority legislation to reinstate the 30-day impoundment provisions for vehicles involved in sideshow-related activities was passed and signed.
2. **AB 508 (Swanson):** The controversial food stamps for ex-offender legislation sponsored by the City made it all the way through the legislative process, further than was expected, but was vetoed by the Governor at the last hour on the last day he had to act on bills.
3. **Prop. 1B Corridor Mobility Improvement Act Funding:** The City joined in the effort to secure over \$465 million in funding for regional transportation projects in Alameda County.
4. **Prop. 46/1C Affordable Housing Funding:** We worked with the City and local partners to secure over \$12 million in funding for affordable housing through Propositions 46 and 1C.
5. **Prop. 1B Local Streets & Roads Funding:** The City spearheaded the effort to expedite disbursement of \$550 million from Prop. 1B, providing \$6 million in FY08 for Oakland.
6. **Gang Prevention and Suppression Funding:** We led the effort to secure \$13 million in the budget for comprehensive programs to address gang violence in urban centers like Oakland.
7. **Infrastructure Bond Implementation:** Working with the City and similar interests in Sacramento, we made substantial progress on appropriating and beginning the regulation development and disbursement of significant transportation and housing bond funding that will be released through competitive programs starting in 2008.

2007 STATE GOVERNMENT ADVOCACY REPORT

LEGISLATIVE PRIORITIES:

IMPLEMENTING LEGISLATION FOR THE 2006 STATEWIDE INFRASTRUCTURE BONDS:

Ensure that the City of Oakland's priorities are met by any legislation that would implement, amend, or affect any of the potential funding opportunities from the \$43 billion in statewide infrastructure bond measures approved by California voters in November 2006.

Background: On November 7, 2006, the voters of California approved approximately \$43 billion in general obligation bond funding to invest in the infrastructure of the state. Propositions 1B, 1C, 1D, and 1E will provide \$37.3 billion for transportation, housing and urban infill infrastructure including parks and transit-oriented developments, schools, and flood protection. Proposition 84, an initiative placed on the ballot by voter initiative, also authorizes \$5.4 billion for water quality, conservation, and park programs. Some of this funding was allocated by formula, some through existing programs, and some will be spent according to programs and criteria that were defined this year or will be defined in the 2008 session by the Governor and Legislature. TPA was and will continue to be actively involved in ensuring that the implementing legislation and the grant guidelines address the needs of Oakland. Given the magnitude of opportunities at the state level and the need in Oakland, securing funds from these measures must continue to be one of the top priorities for the City in the 2008 legislative session.

Status: The infrastructure bond implementation process has begun for a number of programs. TPA and the City of Oakland have been actively involved in the implementation of Proposition 1B and Proposition 1C. We successfully worked to secure the appropriation of significant funding from several important programs to the City in the FY08 budget: \$550 million from the Prop. 1B Local Streets and Road Program; \$300 million from the Prop. 1C Urban Infill program; and \$95 million from the Prop. 1C Transit Oriented Development program. We have since monitored all implementation workshops, submitted public comment, and advocated for changes to the programs so that the City is positioned to secure funding in the coming fiscal year.

TPA has been particularly active on the implementation of Proposition 1B. We worked with City staff on the Corridor Mobility Investment Account (CMIA), the Local Streets and Roads account, the State and Local Partnerships fund, and the Goods Movement Account. TPA, on behalf of the City of Oakland, coordinated efforts with the League of California Cities to ensure timely distribution of the local street and roads funding and the City of Oakland will receive \$13,005,603 in two allocations of approximately \$6 million, with the first coming in FY08. Lastly, at the request of the City, TPA has met with the Port of Oakland to ensure coordination of our legislative efforts to maximize the funding allocated to the City of Oakland.

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

Background: The California Enterprise Zone Program has been subject to extensive legislative, regulatory, and executive scrutiny and modifications in recent years. The California Department of Housing & Community Development (HCD) just concluded a process of redesignating 23 zones that expired in 2006 or will expire in 2007. Oakland's designation is scheduled to expire September 27, 2008, and since the EZ Program represents one of the City's strongest economic tools to attract and retain businesses, it is critical that Oakland be redesignated as well in the next application cycle. The City must ensure the continuation of its designation as an EZ and the optimal benefits and flexibility that come with the designation. We are actively ensuring that the benefits derived from the designation remain to the maximum extent possible, that Oakland continues as a zone, and that there is optimal flexibility for administering the zone

Status: In the 2007 session, TPA successfully worked with Senator Lowenthal to secure passage and signature of SB 341 to permit the City of Oakland to move forward on an Enterprise Zone application without completing a full Environmental Impact Report (EIR). Under the new legislation, applicants for designation may submit only an initial study with their application if their initial study shows that a full environmental impact report (EIR) is not required. Later, if the applicant becomes conditionally designated, it may submit either a negative declaration or mitigated negative declaration instead of the EIR previously required of all newly-designated enterprise zones. In addition to our work on SB 341, the City of Oakland was recently audited and TPA worked with the Department of Housing and Community Development to ensure that Oakland staff was prepared for the audit and ready to address the State's concerns. The City of Oakland will be submitting an application by the November 16, 2007 deadline, at which point TPA will further ramp up our efforts to secure redesignation, which affords important benefits to businesses within the City.

LEGISLATIVE MONITORING:

In the 2007 session, TPA monitored on behalf of the City all legislation related to the following priority topics and lobbied those bills that the City chose to take a position on. Attached to this report is the full legislative matrix including all bills of relevance to the City. The following is a summary of the bills the City took a position on and a succinct summary of the status of the various topics of interest to the City in 2007

Status of Bills on which the City took a Position:

	Bill	Oppose	Support	Status
1.	AB 21 (Jones): EITC		X	2 Year
2.	AB 45 (Swanson): OUSD Local Control		X	Vetoed
3.	AB 57 (Soto): Safe Routes to School		X	Signed
4.	AB 77 (Lieber): State Parole System Reform		X	2 Year
5.	AB 161 (Bass): Anti-Recidivism Grants		X	2 Year
6.	AB 167 (Bass): Cal WORKS Eligibility		X	2 Year
7.	AB 334 (Levine): Firearms: Loss and Theft		X IA*	2 Year
8.	AB 444 (Hancock): Vehicle Reg Fee for Congestion Relief		X	2 Year
9.	AB 658 (Bass) Crime: Homicide		X	Vetoed
10.	AB 1471 (Feuer): Firearms: Microstamping		X IA*	Signed
11.	AB 1502 (Lieu): Banking Development Districts		X	2 Year
12.	AB 1540 (Bass): Student Financial Aid		X	Signed
13.	AB 1648 (Leno): Police Records		X	2 Year
14.	SB 2 (Cedillo): Group Homes	X		Signed
15.	SB 46 (Perata): Proposition 1C Urban Infill Implementation		X IA*	2 Year
16.	SB 286 (Lowenthal): Transportation Bonds		X	Inactive
17.	SB 752 (Steinberg): CA Kids Invest. & Dvlpmt. Savings Acct Act		X	2 Year
18.	SB 840 (Kuehl): Single Payer Health Care Coverage		X	2 Year
19.	SB 1019 (Romero): Police Records		X	2 Year
20.	SB X2 1 (Perata): 2008 Water Bond		X	Active
21.	SB X2 2 (Perata): Safe Drinking Water Act of 2008		X	Active
22.	SCA 12 (Torlakson): Local Government: Property Related Fees		X	2 Year

* IA (If Amended)

State Budget: Monitor and advocate for the City in the state budget process, including all relevant trailer bills.

- TPA was actively involved in the budget process including opposing the cuts to Cal Works and supporting new funding opportunities for anti-gang violence programs.

Redevelopment and Eminent Domain: Advocate for the City regarding proposals to modify redevelopment agency and eminent domain law.

- TPA closely monitored ACA 2 (Walters) and ACA 8 (De La Torre) which both addressed eminent domain issues, providing regular briefings to the City. Neither measure made it to the Governor's desk.

Transit Oriented 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.

- TPA worked with the City of Oakland to submit feedback to the Department of Housing and Community Development on the draft guidelines for the TOD Housing Grant Program. Additionally, TPA provided the City with updates on AB 1091 (Bass), which was ultimately vetoed by the Governor.

Urban Infill: Support specifically defined CEQA exemption legislation without compromising environmental due diligence.

- TPA monitored the implementation of AB 32 to determine its impact on the CEQA requirements of local governments. Additionally, TPA provided the City with information on AB 29 (Hancock), SB 46 (Perata) and SB 86 (Budget Committee). SB 86 was signed by the Governor and is the general government trailer bill which allocated \$300 million of the \$850 million in funding in Proposition 1C for the implementation of the Urban Infill Incentives Program.

Flood Control and Storm Water Fees: Support legislation that would allow local governments more flexibility to achieve reductions in storm water and urban runoff pollution.

- TPA advocated for and the City of Oakland actively supported SCA 12 (Torlakson) related to Stormwater and urban runoff management fees.

Incentives for Green Business: Support legislation to create incentives for green business including energy and environmental technology and recycled material product development.

- TPA actively monitored legislative opportunities on this front, though ultimately no major green business incentive proposals came forward that City decided to take a position on.

Crime and Violence Prevention: Support legislation that appropriates funds for violence prevention programs, which includes, but is not limited to, youth empowerment and after-school program-related legislation.

- TPA advocated for two bills supported by the City of Oakland, AB 161 (Bass): Anti-recidivism grants and AB 658 (Bass): Community Homicide and Violence Reduction Program, though both were unsuccessful in 2007. Also, in coordination with the Mayor's office, TPA worked with Senator Ridley-Thomas to ensure that his bill, SB 765: California Partnership for Urban Communities, would include the City of Oakland.

Utility User Taxes: Monitor legislation that addresses utility users taxes relative to intrastate, interstate and/or international telephone, cellular or wireless communication services.

- No legislation was introduced on this topic in 2007.

Affordable Housing: Support legislation that expands affordable housing opportunities.

- The City of Oakland did not take any positions on bills related to affordable housing though TPA did monitor the following bills which will all move in the 2008 session:
 - AB 232 (Price): Economic Opportunity Initiative Program
 - AB 1254 (Caballero): ERAF reduction for affordable housing
 - SB 303 (Ducheny): Land use planning
 - SB 934 (Lowenthal): Housing and infrastructure zones

Funding Priority for Housing Element Compliance: Support legislation that links a jurisdiction's eligibility for state funding to compliance with housing element policies.

- No legislation was introduced on this topic in 2007.

Residential Care Facilities: Support legislation that would grant the City more local control over certain residential care facilities. Oakland is the site of a disproportionate share of transitional housing. Some facilities are poorly run, causing problems for the neighborhoods in which they operate. The City of Oakland has limited control over their regulation and with more control could ensure that these facilities operate safely and effectively.

- On behalf of the City of Oakland, TPA actively worked to oppose SB 2 (Cedillo) related to land planning for emergency shelters. Unfortunately, this bill was signed into law by the Governor though the author promises to submit a bill in 2008 to "clean-up" the concerns of those opposed. TPA also monitored a number of bills which will all move through the legislative process in 2008:
 - AB 411 (Emmerson): Over-concentration of residential care facilities
 - SB 530 (Dutton): Location of drug and alcohol treatment facilities
 - SB 992 (Wiggins): Adult recovery maintenance facilities

Oakland Unified School District: Advise the Council of opportunities to support legislation to improve the quality of public education in Oakland schools and ensure local control.

- TPA worked with Assemblyman Swanson in support of AB 45 regarding the governance of Oakland Unified School District. The bill made it to the Governor's desk despite opposition from the State Superintendent but was ultimately vetoed by the Governor.

Franchise Tax: Oppose legislation that hampers the City's ability to generate franchise taxes. TPA will advise the Council on developments related to implementation of AB 2987.

- TPA monitored AB 1715 by the Utilities and Commerce Committee which "cleaned up" provision of AB 2987 regarding public infrastructure and video competition.

CITY-SPONSORED LEGISLATION:

Certain issues faced by the City can only be addressed with changes to existing state law. The following list summarizes the status of City-sponsored legislation pursued starting in 2007:

SB 67 (PERATA) SIDESHOWS: Develop and secure legislation that strengthens the ability of local jurisdictions to curb reckless driving exhibitions, commonly referred to as "sideshows". The City of Oakland has previously received state funding for abatement of sideshows but they remain a problem and more local control is needed, perhaps in the form of a "race legal" program as done in San Diego.

Status: TPA successfully secured passage and signature by the Governor of SB 67 (Perata) which made permanent the provisions of SB 1489 (Perata) giving the City the ability to impound vehicles used in sideshows for 30-days. TPA coordinated its advocacy efforts with the cities of Stockton, Modesto, Fresno, Sacramento, and Elk Grove.

AB 508 (Swanson) SUPPORT FOR PAROLEES: Develop and secure passage of legislation that would restore the ability of drug related felons to receive food stamps. 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 fully opt out of the food stamps exemption.

Status: TPA worked with Assemblyman Swanson to introduce AB 508, which would have allowed everyone, regardless of criminal history, access to food stamps. Though we secured the unprecedented passage of the bill through the Legislature, the Governor vetoed the legislation.

AB 960 (HANCOCK) PROBLEM LIQUOR STORES: Develop legislation that would provide local jurisdictions additional powers to mitigate or shut down nuisance liquor stores and to limit the types of products sold.

Status: TPA worked with Assemblywoman Hancock to introduce AB 960 to address the over concentration of liquor stores and the problems associated with these liquor stores in the City of Oakland. This bill was held in its first committee but will be eligible to move through the legislative process in January of 2008.

AB 499 (SWANSON) SEXUALLY EXPLOITED MINORS: The following legislative proposals will be explored to address the pervasive and growing problem of prostitution and sexual exploitation in the City of Oakland: 1) Develop legislation that creates a definition for "sexually exploited minors" in order to facilitate data collection and tracking. 2) Develop legislation that extends a sexually exploited minor's holding time in Juvenile Hall to allow more opportunity for counseling intervention. 3) Develop legislation that allows sexually exploited minors the right to have an advocate such as the advocates that sexual assault victims are entitled to have 4) Develop legislation to clarify sections of Penal Codes 647 (a), 647 (b) and 236.1 as recommended by our District Attorney.

Status: TPA worked with Alameda County to co-sponsor AB 499 (Swanson) to address the sexual exploitation of minors in the City of Oakland. This bill was held in its first committee but will be eligible to move through the legislative process in January of 2008.

AB 516 (SWANSON) HEALTHCARE: Develop and promote legislative language within pre-existing legislative proposals to expand and improve the healthcare system in the State of California, focused first and foremost on ensuring coverage for all children in Oakland, then on additionally covering the poor and working poor, though ideally on achieving universal coverage. Build upon the health policy recommendations of The Way Out, the Final Report of the Dellums Commission of the Joint Center for Political and Economic Studies.

Status: *TPA worked with Assemblyman Swanson to introduce AB 516 related to healthcare. This bill was to be used as a placeholder to develop an Oakland pilot program related to comprehensive healthcare reform. The legislature has yet to come to an agreement on healthcare reform. For the 2008 session, we will need to rethink our strategy on this legislative proposal.*

POWER TO PROSECUTE MISDEMEANORS: Develop legislation to authorize a deputy city attorney to act as city prosecutor and prosecute misdemeanor offenses arising out of violations of state laws or municipal codes. Prosecutions would be strategic and focused on Community Policing efforts and improving the quality of life for Oakland residents.

Status: *The City of Oakland successfully obtained the authority to prosecute misdemeanors through local negotiations with the Alameda County District Attorney.*

FUNDING PRIORITIES:

The City Council and City staff identified projects eligible for current and future state grant funding opportunities. TPA engaged on multiple funding programs for the City in Sacramento in 2007 and was able to both secure significant funding and create new and on-going funding opportunities.

Funding Successes in 2007:

\$465 million from the Proposition 1B Corridor Mobility Improvement Act

On the first round of funding from Proposition 1B, the \$4.5 billion Corridor Mobility Improvement Act funding, though the City of Oakland could not be a recipient as the funding was routed to regional transportation agencies, we worked closely with the City of Oakland in advocating with the MTC and AC-CMA to secure funding for regional projects that would benefit the City. In the final allocation of funding, Northern California received \$1.8 billion, of which the Bay Area received \$1.28 billion, of which Alameda County including Oakland received \$465 million, by far the most successful showing for a region when compared to the share that we would get based on population and the initial staff recommendations, which had the Bay Area, for example, receiving only \$600 million.

\$12.1 million from Proposition 46 and 1C for Affordable Housing

In 2007, the California Department of Housing and Community Development awarded the City of Oakland and its local housing partners over \$12 million in funding for affordable housing through Proposition 46 and Proposition 1C. This funding allowed the City of Oakland to facilitate homeownership opportunities, develop and rehabilitate emergency and supportive housing for homeless families and support a project of the City's choosing as an incentive for successful housing development.

\$6 million from Proposition 1B for Local Streets and Roads Funding

TPA worked closely with the League of California Cities to ensure rapid disbursement of the \$1 billion in funding for cities and counties from the Local Streets and Roads Account contained in Proposition 1B. The FY 2007/08 Budget Bill included a \$550 million appropriation from which the City of Oakland will receive \$13,005,603 in two allocations of a little over \$6 million, with the first coming in FY08.

\$1.1 million from the Proposition 40-funded California Cultural & Historical Endowment

The City of Oakland and the Oakland Redevelopment Agency applied for competitive grants from the California Cultural and Historical Endowment for the Peralta Hacienda and the Oakland Fox Theater, respectively. The Redevelopment Agency's application was recommended by staff and the City's application was not. Thus the only project for which TPA could advocate before the CCHE Board was the Redevelopment Agency's application. TPA ultimately helped the Oakland project secure \$1,064,250, one of the largest grants awarded statewide.

Development of New Funding Opportunities:

The following grant programs have not yet issued requests for proposal but TPA has been very active in developing the guidelines for the grant program to ensure the City of Oakland's priority projects are eligible for funding.

Anti-Gang Violence Prevention: The FY 2007-08 Budget appropriated new funding for local governments' anti-gang efforts, which is direct follow-up from the Governor's meeting earlier this year with the Mayor Dellums and other Mayors and police chiefs of several of California's most populous cities. \$9.5 million to the Office of Emergency Services (OES) to provide grants to cities and community based organizations as part of the Governor's California Gang Reduction, Intervention and Prevention Initiative. Additionally, the Governor directed the Workforce Development Agency to release \$2.8 million in discretionary Workforce Investment Act funds. TPA has been actively involved in the development of this new funding opportunity and we were able to designate Oakland, as a High Intensity Gang Area, thereby making the City eligible for the \$1 million in funding designated specifically for the Bay Area.

Goods Movement/Trade Corridor Improvement Fund (TCIF): The California Transportation Commission has been working on the development of guidelines for the TCIF program. Funds will be available for infrastructure improvements along federally designated "Trade Corridors of National Significance" or along corridors that have a high volume of freight movement. TPA has been actively working with Alameda County Congestion Management Agency and the Metropolitan Transportation Commission to coordinate our efforts to secure funding for the 880/23/29 project.

Urban Infill Incentives: The Department of Housing and Community Development has begun the stakeholder process for developing the grant guidelines for the \$850 million in Urban Infill Incentives Program from Proposition 1C. TPA was active in shaping the budget trailer bill language that provided \$300 million for the program this year.

Transit Oriented Development: TPA worked with Oakland staff to put together comprehensive feedback on the draft Transit-Oriented Development (TOD) guidelines published by the Housing & Community Development Department for the \$300 million in the Proposition 1C Housing Bond. This feedback was submitted to HCD Director Lynn Jacobs and communicated to Oakland's state legislative delegation for additional support.

Annual Grant Funding Opportunities:

There are a number of grant programs that occur on an annual basis. The City of Oakland submits applications to the following programs on an annual basis and TPA has provided assistance as necessary:

Safe Routes to School: TPA provided City staff with information on the Safe Routes to School Program through Cal Trans. This program provides funding for the construction of facilities that enhance the safety of K-12 student that walk and/or bike to school. This includes funding for pathways, trails, sidewalks, and crossings near a school site. The City of Oakland is eligible to submit up to three applications which may be funded at up to \$900,000 per project.

Recreational Trails Program: TPA provided City staff with information on the Recreational Trails Program through the Department of Parks and Recreation. This grant program provides funding for the development and maintenance of public trails and there is no minimum or maximum on grant funding request.

Habitat Conservation Program: TPA provided City staff with information on the Habitat Conservation Program through the Department of Parks and Recreation which provides up to \$200,000 for habitat conservation projects.