



CITY OF CUPERTINO

DRAFT MINUTES

LEGISLATIVE REVIEW COMMITTEE

Friday, March 12, 2021

9:30 AM

SPECIAL MEETING

ROLL CALL

The meeting was called to order at 9:31 a.m.

Present: Vice Mayor Chao, Councilmember Moore, City Manager Deborah Feng, Assistant to the City Manager Katy Nomura, Townsend Public Affairs (TPA)

APPROVAL OF MINUTES

1. Subject: Consider approving the February 26, 2021 Legislative Review Committee minutes

Recommended Action: Approve the February 26, 2021 Legislative Review Committee minutes

Councilmember Moore motioned to approve the February 26th Legislative Review Committee minutes with edits to Items two, five, and six. Vice Mayor Chao seconded. The motion carried unanimously.

ORAL COMMUNICATIONS

Jennifer Griffin expressed concern about a lack of information on money donated to the legislature.

TPA explains that the Secretary of State maintains all of the contribution information. During election years, there are daily reports regarding campaign contributions and on non-election years, there are quarterly reports.

PUBLIC COMMENT (including comments on all agenda items)

This item was not conducted as the Chair decided to take public comments on agenda items when the agenda items were discussed.

AGENDA REVIEW

This item was not conducted.

ACTION ITEMS

2. Subject: Legislative Update

Recommended Action: Receive legislative update and provide any input

TPA explained that the Assembly introduced about 1,600 bills, which was expected, while the Senate introduced about 800 bills, which is only about 2/3 of the amount of bills that are normally introduced. Budget subcommittees have been meeting to discuss elements of the Governor's Budget. Most committees have not been able to meet regularly due to social distancing requirements. The Policy Committee deadline is on April 30th and the legislature will shift back into focusing on the budget. The budget should be finalized by June 15th and then the legislature will go back to focusing on policy.

There is a pending recall election against Governor Newsom, which has received enough signatures to get on the ballot. If the signatures are verified, then there will be a recall election period that will last about three months. Though this recall would not directly impact the legislature, it can still play an important role. TPA expects the election to be sometime around August or September, which will coincide with the end of the legislative session, which is on September 10th.

TPA provided a brief recap of some of the bills on the Watch List:

- AB 115 (Bloom): Relates to housing development in commercial zones. If this bill moves forward, it will be reconciled with other bills that also move forward regarding housing development in commercial zones.
- AB 339 (Lee): Relates to teleconference public meetings. The League and other public agency associations are opposing this bill because of the costly requirements around translation services and other requirements, as well as the fact that the requirements in this bill would be mandatory instead of at the discretion of local governments.
- SB 37 (Cortese): Regarding renaming and modifying the "Cortese List" to Hazardous Waste Site and Clean Up Act, is also on the Watch List.
- SB 780 (Cortese): Regarding public investment authorities and their composition as it relates to taxing entities, is also on the Watch List.

Councilmember Moore added SB 290 (Skinner) to the Watch List, regarding Density Bonus Law and 2/3 residential requirements. She also asked about SB 364 regarding free school lunches. TPA explained that SB 290 is a reintroduction of SB 1085.

Councilmember Moore asked about what would happen if multiple bills regarding 2/3 requirements, for example, pass the legislative process. TPA reiterated that these types of bills will get combined/reconciled if they have varying requirements regarding the same topic.

Public Comment:

Jennifer Griffin expressed interest in the legislative process of combining/reconciling bills and expressed concern about Senator Cortese.

Vice Mayor Chao asked if there is a way to track nonprofit contributions to bills or legislators. TPA explains that sometimes contributors are listed as sponsors on some bills.

3. Subject: Update on positions taken by the League of California Cities (League) and the Cities Association of Santa Clara County (CASCC)
Recommended Action: Receive update on positions taken by the League and CASCC and provide any input

TPA explained that the attached matrix includes the bill positions that the League and CASCC have taken.

4. Subject: Consider adopting a position on Assembly Bill 14 (Aguiar-Curry)
Communications: Broadband Services: California Advanced Services Fund
Recommended Action: A) Adopt a support position on AB 14 and authorize the Mayor to send letters to the state legislature, unless the City Council decides to place this bill on a future Council agenda to consider as the full Council; Or B) Make a recommendation that the City Council take a support position on AB 14.

TPA explains that this bill, similar to SB 4, and would make modifications to the California Advanced Services Fund (CASF) surcharge, which is currently set to expire in 2022. This surcharge provides funding for broadband deployment. This bill would extend the surcharge and make modifications to the existing programs that distribute these funds. This bill makes it easier for public agencies to apply for CASF grants. Currently, local governments need to partner with a private provider to access this funding. This bill would eliminate that requirement and local governments could apply for funding directly. This bill also allows the PUC to issue up to a billion dollars in bonds for broadband. SB 4 does not include that. The League has taken a support position on this bill and on SB 4. Councilmember Moore asks whether Cupertino would qualify for these grants and TPA explains that Cupertino should be eligible to apply for the grants. TPA mentions that this bill may still change as it moves along the legislative process and that he will continue to monitor this bill as it moves forward.

Public Comment:

None

Action Taken:

Councilmember Moore motioned to take a watch position on SB 4. Vice Mayor Chao seconded, and the motion carried unanimously.

5. Subject: Consider adopting a position on Assembly Bill 71 (Rivas) Homelessness Funding: Bring California Home Act

Recommended Action: A) Adopt a support position on AB 71 and authorize the Mayor to send letters to the state legislature, unless the City Council decides to place this bill on a future Council agenda to consider as the full Council; Or B) Make a recommendation that the City Council take a support position on AB 71.

TPA explains that this bill will establish a long-term funding source for state homelessness programs. The legislature has included significant resources to address homelessness through the state budget in the past years, however, that is considered short-term funds and could disappear at any time. This year the legislature has emphasized that addressing homelessness is one of their top priorities. The funding stream identified in this bill is an increase in the tax rate fund of California corporations with over \$5 million in taxable revenue. In the first decade this will raise about \$2.4 billion. This will be allocated by \$400 million to the multi-family housing program, 60% of the remaining funds would go to County Continuums of Care and the remaining 40% would go to large cities with a population over 300,000.

Councilmember Moore mentions that there is a significant business exodus in California and that this will put an unfair burden on businesses and financial institutions. The LRC is concerned that this will further drive businesses out of the state, but both agree that there is an important need for long-term homeless funding. Councilmember Moore would like to watch this bill until there is more information available.

Public Comment:

Jennifer Griffin is concerned about the funding source and how the tax increase will affect Apple.

Action Taken:

Councilmember Moore motioned to take a watch position on AB 71. Vice Mayor Chao seconded, and the motion carried unanimously.

6. Subject: Consider adopting a position on Assembly Bill 377 (Rivas) Water Quality: Impaired Waters

Recommended Action: Make a recommendation that the City Council take an oppose position on AB 377

TPA explains that this bill modifies existing law as it relates to water quality and establishes goals of surface waters being fishable, swimmable, by 2050. This also makes modifications to state board and regional board processes related to enforcement, timeline, and permitting. There is significant concern from the drinking water community around the National Pollutant Discharge Elimination System (NPDES) permit process, this shortens timelines and puts additional penalties for compliance. Some jurisdictions are concerned that this bill would shorten the timeline for storm

water quality compliance. There are many terms that are undefined on this bill so there may be amendments or significant changes that will be made on this bill.

Public Comment:

Jennifer Griffin said that this bill should be specific to the Monterey area and should not be a state issue.

Action Taken:

Vice Mayor Chao motioned to take a watch position on AB 377. Councilmember Moore seconded, and the motion carried unanimously.

7. Subject: Consider adopting a position on Assembly Bill 1091 (Berman) Santa Clara Valley Transportation Authority: Board of Directors
Recommended Action: Adopt a watch position on AB 1091

TPA explains that this bill would modify the VTA board structure from its current size and reduce it down to nine members. This would include one member for each supervisorial district, two residents from San Jose, one resident from Los Altos, Los Altos Hills, Milpitas, Mountain View, Palo Alto, or Sunnyvale, and one resident from Campbell, Cupertino, Gilroy, Santa Clara, or Saratoga. This bill states that board members would get a four-year term and the board members cannot simultaneously serve as elected officials. Each board member would be nominated and confirmed by their sponsoring entity. Assemblymember Berman introduced this bill in response to past grand jury reports regarding VTA, the most recent one being from 2019.

Councilmember Moore expressed concern about having residents on the board for four-year terms instead of having elected officials who can be removed during elections. Vice Mayor Chao mentioned that elected officials would be more responsive to the community as opposed to appointed residents. She also expressed a need for VTA to improve the user experience throughout the region.

Public Comment:

Jennifer Griffin is concerned about not having elected officials on the board and that there is unequal representation from the smaller cities.

Action Taken:

Councilmember Moore motioned to take an oppose position on AB 1091 and authorize the Mayor to send letters to the state legislature.

8. Subject: Consider adopting a position on Senate Bill 4 (Gonzalez) Communications: California Advanced Services Fund
Recommended Action: A) Adopt a support position on SB 4 and authorize the Mayor to send letters to the state legislature, unless the City Council decides to place this bill on a

future Council agenda to consider as the full Council; Or B) Make a recommendation that the City Council take a support position on SB 4.

This bill is very similar to AB 14, summarized in item 4 above.

Public Comment:

None

Action Taken:

Vice Mayor Chao motioned to take a watch position on SB 4. Councilmember Moore seconded, and the motion carried unanimously.

9. Subject: Consider adopting a position on Senate Bill 278 (Leyva) Public Employees' Retirement System: Disallowed Compensation: Benefit Adjustments
Recommended Action: A) Adopt an oppose position on SB 278 and authorize the Mayor to send letters to the state legislature, unless the City Council decides to place this bill on a future Council agenda to consider as the full Council; Or B) Make a recommendation that the City Council take an oppose position on SB 278.

This bill would make modifications to current law as it relates to CALPERS retirees. The bill would require, if there is an improper calculation, that the City would have to pay the difference. Currently, the error is paid by the retiree instead of the City. Many public agencies have significant concerns regarding the potential increased cost of retirement liability as well as a constitutional concern that these funds would be considered illegal gift of public funds since the funds will be paid from the general fund to individuals. The League of Cities and other organizations have taken an oppose position on this bill. This bill was heard earlier this week at the Senate Labor Committee and passed by a 5-0 vote. Next this will be going to the Judiciary Committee and then the Appropriations Committee. This bill is sponsored by the Firefighters association and supported by other law enforcement organizations as well as Senator Cortese.

TPA explains that the reason to oppose this bill is because the miscalculations could be from multiple entities and would be an unfair burden on cities to cover a cost that was not an error on their part. Vice Mayor Chao would like to address that employees should still get the funds that they deserve but also wants to guard the public fund so that the public doesn't pay more than they should.

Public Comment:

None

Action Taken:

Councilmember Moore motioned to take an oppose position on AB 1091 and authorize the Mayor to send letters to the state legislature.

10. Subject: Consider adopting a position on Assembly Constitutional Amendment 1 (Aguiar-Curry) Local Government Financing: Affordable Housing and Public Infrastructure: Voter Approval
Recommended Action: A) Adopt a support position on ACA 1 and authorize the Mayor to send letters to the state legislature, unless the City Council decides to place this bill on a future Council agenda to consider as the full Council; Or B) Make a recommendation that the City Council take a support position on ACA 1.

This measure is a reintroduction of ACA 1 from last year. This lowers voter thresholds from a 2/3 super majority to 55% for local general obligations bonds and special taxes for affordable housing and public infrastructure projects. This includes affordable housing projects that provide workforce housing to those earning up to 150% of county-wide median income, for projects that provide housing to lower, low, and very-low-income households, and for projects that provide permanent supportive housing for those at risk of chronic homelessness. This measure includes public infrastructure projects that protect water quality, sanitary sewer, treatment of wastewater or reduction of pollution from stormwater runoff, protection of property from impacts of rising sea levels, parks and recreation facilities, open space, public safety buildings or facilities, or public library facilities. Other provisions for this measure include a citizen's oversight committee to ensure that the funds are spent on appropriate things.

As a constitutional amendment, this bill would need a 2/3 majority vote of both houses to pass. This bill is not subject to gubernatorial approval and instead will be placed on a ballot for voter approval. This bill does not have the same timeline as other bills, this will most likely be on the ballot in 2022. Last year this bill did not pass out of the Assembly floor for lack of 2/3 support. The LRC agrees that they oppose lowering the threshold and would like to watch this bill at this time.

Public Comment:

Jennifer Griffin is concerned about messing with the state constitution and lowering the threshold for voting.

Action Taken:

Councilmember Moore motioned to take a watch position on ACA 1. Vice Mayor Chao seconded, and the motion carried unanimously.

11. Subject: Consider adopting a position on Assembly Constitutional Amendment 4 (Kiley) Elections: Initiatives and Referenda
Recommended Action: Adopt a watch position on ACA 4

This measure would make a change in the constitution as it pertains to proposed ballot initiatives and referendums. Currently the title and summary are issued by the Attorney

General's office and this bill would transfer that duty to the Legislative Analyst Office (LAO). The LAO is the nonpartisan entity that provides research and recommendations to the legislature, so they are already somewhat involved in this process. This bill has been introduced but has not yet been referred to committee. This bill does not have the same timeline as other bills and is subject to voter approval.

Councilmember Moore and Vice Mayor Chao expressed their support of this bill. TPA explains that this bill is very politically charged and does not expect this bill to pass or to be assigned a hearing. TPA also mentions that the Legislative Analyst is appointed by the legislature and they serve for many years.

Public Comment:

Jennifer Griffin is concerned about messing with the state constitution and lowering the threshold for voting.

Action Taken:

Vice Mayor Chao motioned to take a watch position on ACA 4. Vice Mayor Chao seconded, and the motion carried unanimously.

12. Subject: Consider adopting a position on Senate Bill 314 Bar and Restaurant Recovery Act (Continued from February 26th meeting)

Recommended Action: Adopt a watch position on SB 314

This bill would modify the state level process surrounding alcohol that was established by the temporary pandemic state regulations. This bill would make permanent the temporary catering license to allow restaurants to serve alcoholic beverages in adjacent areas which are under control of the licensee. This also modifies state liquor licenses that allow people to operate multiple licenses at the same location for shared businesses and provide more flexibility on food regulations. This bill would authorize counties to create open container entertainment zones for outdoor festivals, street fairs, and concert venues. This bill has been referred to the Governmental Oversight (GO) Committee which deals with alcohol related issues.

Public Comment:

Jennifer Griffin does want restaurants to come back but is concerned about the open container part of this bill.

Action Taken:

Councilmember Moore motioned to take a watch position on SB 314. Vice Mayor Chao seconded, and the motion carried unanimously.

13. Subject: Online resources for the public to participate in the legislative process (Continued from February 26th meeting)

Recommended Action: Receive information on online resources for the public to participate in the legislative process and provide any input

This item was postponed to the next meeting scheduled for May 14, 2021.

FUTURE AGENDA SETTING

The next meeting is scheduled for May 14th at 11:00 a.m.

ADJOURNMENT

The next meeting was adjourned at 12:01 p.m.