

Proposed 2015 Priority Issues and Legislative Advocacy Positions

2015 Priority Issues

1. Investment Funding for Workforce Development

As in the past few years, “Investment Funding for Workforce Development” will continue to be a Priority Issue for the City in 2015. Financial resources from federal and state governments for workforce development, education and training programs are critical to effectively preparing the workforce for the changing demands and churn of the Silicon Valley technology-driven economy as new industries replace the obsolete. Even in an economic recovery, workers are being left further behind without the skills to compete in today’s demanding market place. In California, 36.4 percent of the unemployed are considered long-term unemployed, specifically, out of work for 27+ weeks. These workers, who may face barriers to employment, require job-driven retraining and support services for the skilled employment that the new and emerging industries will bring. The new Workforce Innovation and Opportunity Act (WIOA), which takes effect July 1, 2015 and replaces the Workforce Investment Act, will offer new opportunities, as well as threats to the local workforce investment system. WIOA will not ensure any additional resources to serve the continued high demand from customers, and local government’s authority and control over local/regional designation and how best to allocate these limited resources may be diminished. Given the current climate at the state and federal levels, funding for workforce development for this region is vulnerable in 2015 and could potentially threaten the sustainability of these local and essential programs and the economic prosperity of this community.

The City department will continue to apply for state and federal grants to address customer need and achieved some success in 2014 with the U.S. Department of Labor Ready to Work grant award. In addition, over the years, the department has applied for State Additional Assistance grants. The City will track and take positions on federal and state proposals that will impact education and training of the local community’s workforce. This is in alignment with Council Policy 5.0 *Long-term Advocacy Positions - Socio-Economic, Section 5.2 — Economy and Employment and Section 5.3 – Education and Training.*

2. Interoperability/Public Safety Communications System

The Silicon Valley Regional Interoperability Authority (SVRIA) represents the interests of all public safety agencies in Santa Clara County through its 15 municipal members. SVRIA was formed to provide interoperable communications solutions to its members. SVRIA exists to identify, coordinate and implement communications interoperability solutions to its member agencies. The purpose of these projects is to seamlessly integrate voice and data communications between law enforcement, the fire and rescue service, emergency medical services and emergency management for routine operations, critical incidents and disaster response and recovery. SVRIA provides consolidated guidance and participation in larger regional efforts including participation in the Bay Area Regional Interoperable Communications System (BayRICS) that represents the Bay Area Urban Area Security Initiative (UASI) 10 county region.

One of the prominent issues in public safety communications today is interoperability, defined by many as “the ability for public safety first responders to communicate with whom they need to, when they need to, when authorized.” Ensuring that our nation’s emergency responders can communicate effectively is of the utmost importance, whether during everyday situations, localized emergencies, statewide emergencies or national emergencies. It is a priority for the City to support resolving interoperability problems that affect

emergency communications systems, remedying the current shortage of broadcast spectrum availability for public safety needs, and providing funding for interoperable equipment.

On February 22, 2012, the Middle Class Tax Relief and Job Creation Act created the First Responder Network Authority (FirstNet). The law gives FirstNet the mission to build, operate and maintain the first high-speed, nationwide wireless broadband network dedicated to public safety. FirstNet will provide a single interoperable platform for emergency and daily public safety communications. This network is designed to bring together voice and data communications throughout the nation allowing more flexibility for collaboration. In 2015, the City will continue to monitor and potentially perform advocacy at the local, state and federal level to encourage the establishment of the network and an efficient sustainment model.

3. Environmental Regulatory & Conservation Issues

In 2015 continued interest in environmental issues at both the state and federal levels will likely result in regulations and legislation that could significantly impact the City. Monitoring and advocacy efforts will be geared to ensuring that emerging legislation is in alignment with the City's interests. Issues of importance to the City include solid waste reduction and recycling; product stewardship or Extended Producer Responsibility programs; marine debris regulation; industrial and municipal storm water permit regulations; application of "cap and trade" GHG regulations to landfills; hazardous materials and clean-up of toxic sites; green building standards and requirements; greenhouse gas emissions regulation; and fossil fuel energy/renewable energy alternatives.

Specific items of interest include:

Water

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

Renewable Energy and Community Choice Aggregation

The City will continue to monitor discussions regarding clean energy related issues including energy conservation, renewable energy, energy storage, distributed energy, and Community Choice Aggregation. It is in the City's interest to support policy that enables, accelerates and supports the deployment of clean energy. The City has particular interest in any discussions related to Community Choice Aggregation as it has a potentially large impact on the City's Climate Action Planning efforts. The City should be aware of any legislation that may have a regional and local impact on greenhouse gas emissions.

AB 32

AB 32, the Global Warming Solutions Act of 2006, set the 2020 greenhouse gas emissions reduction goal into law. In 2008, the State approved the AB 32 Scoping Plan, which contains the main strategies California will use to reduce the greenhouse gases (GHG) that cause climate change. The initial Scoping Plan has a range of GHG reduction actions which include direct regulations, alternative compliance mechanisms, monetary and non-monetary incentives, voluntary actions,

market-based mechanisms such as a cap-and-trade system, and an AB 32 program implementation fee regulation to fund the program. In May 2014, the California Air Resources Control Board approved the first update to the AB 32 Scoping Plan to highlight progress to date, refine program parameters, defines priorities for the next five years, and sets the foundation for how post 2020 reduction targets will be achieved. The updated Scoping Plan focuses on nine key topics areas for the post-2020 element. These include: (1) transportation, fuels, and infrastructure, (2) energy generation, transmission, and efficiency, (3) waste, (4) water, (5) agriculture, (6) natural and working lands, (7) short-lived climate pollutants, (8) green buildings, and (9) the cap and trade program. It is in the City's interest to continue to monitor progress and implementation of this effort as it relates to its utility functions of wastewater, water, and landfill management and to the City's greenhouse gas reduction goals and approaches.

Sunnyvale Salt Ponds

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

California Environmental Quality Act Reform

The 2014 California legislative session involved considerable discussion regarding substantive reforms to the California Environmental Quality Act (CEQA). CEQA is recognized as an important tool for ensuring public disclosure of potentially significant environmental impacts and for ensuring that adequate mitigation measures are included to reduce or avoid these impacts. Growing concerns have been expressed, however, that some groups are using CEQA inappropriately to delay a project, and often the opposition is not truly predicated on environmental concerns. Environmental impact reports are increasingly challenged in the courts. Along with causing significant project delays, cities must commit considerable staff resources and incur substantial financial costs to defend these legal challenges. While CEQA reform has been a topic of regular discussion with numerous revisions enacted since the law was passed in 1970, the revisions have generally been incremental and ineffective in streamlining the CEQA process.

The 2014 legislative session expected significant CEQA reform, however an overall CEQA reform proposal did not proceed and SB 731 was introduced, which proposed CEQA reform specific to infill projects. In the last days of the session, SB 731 was shelved and SB 743 was approved. SB 743 includes provisions modifying the expedited judicial review provisions for environmental leadership projects, and adopting some streamlining provisions for infill projects in transit priority areas. SB 743 removes parking, transportation Level-of-Service (LOS), and aesthetics standards as grounds for legal challenges against project developments in urban infill areas. These standards are most commonly used in CEQA litigation to slow or terminate a new development project. The standards will remain in place to demand a higher threshold for green-field

developments.

It is expected that additional CEQA reform will be necessary in the future.

Referendum to Repeal SB 270 (Statewide ban on single-use plastic grocery bags)

Sunnyvale has in place an ordinance that bars stores from providing single-use plastic carryout bags and requires stores to collect a ten cent charge for paper or reusable bags provided to customers.

On September 30, 2014, Governor Brown signed SB 270, which bans single-use plastic carryout bags at large stores on July 1, 2015 and at small grocers, convenience stores, liquor stores on July 1, 2016. The law requires a store to charge at least 10 cents to provide a paper bag or reusable bag. SB 270 also provides \$2 million in loans to plastic bag makers to help them with transition to manufacturing reusable bags.

SB 270 does not supersede Sunnyvale's bag ordinance (or any local ordinance introduced by September 1, 2014 and adopted by January 1, 2015). It does bar changes to local ordinances, which may be amended only to raise their bag charges to 10 cents.

A plastics industry group, led by bag manufacturer Hilex Poly has filed for a referendum to overturn the bill. They are expected to succeed in collecting the required signatures by December 29, 2014 to qualify the referendum. If so, bag ban implementation will be put on hold until after a vote in November 2016. The referendum would overturn everything in SB 270 except the loans to plastic bag makers. City staff will monitor and oppose legislative actions to repeal SB 270.

4. Regional and State-wide Water Supply Issues

The City of Sunnyvale has four different sources of water supply readily available. Over 90% of Sunnyvale water comes from two sources - the Hetch-Hetchy Reservoir through the San Francisco Public Utilities Commission (SFPUC) and the Santa Clara Valley Water District (District) State Water Project or Central Valley Project. Water supplies have been strained due to the ongoing drought. Rainfall has been below average for the last three years which led Governor Brown in January 2014 to declare a Water Shortage Emergency. Following this declaration, the SFPUC and SCVWD called for water use reduction of 10% and 20% respectively. Sunnyvale City Council also declared a Water Shortage Emergency and amended the Municipal Code to restrict irrigation hours between 9 AM and 6 PM when Daylight Savings Time is in effect. State and Federal Water Projects supplies are also challenged due to California Bay Delta issues. In July 2012 Governor Jerry Brown outlined revisions to the Bay Delta Conservation Plan to ensure California's water system is sustainable from an environmental and economic perspective. Population growth, habitat loss and ongoing threats to levee stability and water supply have crippled the California Bay Delta, threatening the health and economies of California communities.

The Bay Area Water Supply and Conservation Agency (BAWSCA), SFPUC and the District have the lead on the primary regional issues around the water supply. However, it is important for the Council to stay current on the water resource issues as they progress, in order to lend support wherever needed by the suppliers. For example, should 2015 be another dry year with less than average rainfall, Council will be asked to approve a rationing plan for all residents and businesses in Sunnyvale in order to meet the dwindling water supply. All support for SFPUC issues should be coordinated with BAWSCA. In some cases BAWSCA may have suggestions, or coordinate efforts, for the suburban agencies to be sure to maintain a consistent and appropriate level of support, and any other involvement. The issue is being

addressed in all areas of our State government. Support may involve meetings, letters of support, public testimony, and assignment of staff so that the City can best respond as a retailer, and work with our suppliers in the interests of the City's residential and commercial water consumers.

5. Local Authority Over Wireless Telecommunications Facilities

The wireless telecommunications industry has made efforts to limit or exempt local control over projects such as new wireless facilities. Several actions by federal and state lawmakers have resulted in: Limiting local authority of wireless telecommunications facility to aesthetics, and not RF exposure or the need for facilities; adding the provision of a "shot clock" requiring local agencies to complete review of projects to a specified time period; and, exempting a type of wireless facility from local permit authority because it is considered a "public utility." In 2012, Congress adopted Section 6409 of the Middle Class Tax Relief and Job Creation Act which includes discussion about requiring local agencies to approve most co-located wireless telecommunications facilities. Recently, the State Assembly considered a bill that would have prohibited a local agency from denying a request for a modification of an existing wireless telecommunications facility. That bill has been postponed and may be considered in 2015.

These efforts continue to erode the City's ability to effectively regulate wireless telecommunications facilities. The efforts have continued to take away local authority on facilities that directly affect a city's residents. The most recent Assembly bill includes a broad definition of what type of modifications must be approved by a local agency. Both the assembly bill and the requirements of the Middle Class Relief and Job Creation Act attempt to define "modification" as the addition of new antennas and equipment on an existing telecommunications location, and also prohibit a local jurisdiction from denying those modifications. This could for example, result in future wireless carriers adding antennas anywhere on a rooftop without screening if a prior carrier installed a facility on the same building (which would require screening by the City).

6. School Mitigation Fees

In 1986, the Governor signed into law Assembly Bill 2926 (Chapter 887/Statutes 1986) which authorized school districts to levy development fees to pay for new school facilities and established the maximum fees that can be charged to developers that are building new residential and non-residential projects. This fee is updated every two years as adjusted for inflation. Once the maximum rate is set by the State, it is the responsibility for each school district to establish its own rate.

The school fees are earmarked for improving and expanding school facilities to serve the school-age population that would be generated from new development. Land values and construction costs have dramatically increased since 1986 and the current adjusted maximum rate does not adequately mitigate the school impacts from new development.

With increasing community concern over the ability of school districts to meet the facility needs for a growing school-age population, consideration should be given to increasing the allowable school mitigation fees. Cities and school districts are constrained by the amount set by the State, and the current rate does not adequately cover the cost for new facilities and enhancements to existing facilities. This places a formidable challenge on school districts to implement their school modernization programs while also responding to the pressures of increasing enrollment. The City would support efforts by the State Legislature and/or Allocation Board to increase the rates and/or inflation calculator to more realistically reflect current school facility costs, or consider other provisions to allow school districts to effectively mitigate the impacts of new development.

7. Anticipated Legislation Addressing Outsourcing of Public Services

In April 2014, the California State Assembly has passed the House Resolution 29 that intends to introduce and advocate for responsible outsourcing legislation in public services. The Assembly opposes outsourcing of public services, and supports processes that promote responsible outsourcing.

Since the start of the Great Recession, many state and local governments have been outsourcing public services to corporations due to cost efficiency. The Taxpayer Empowerment Agenda is one model to ensure transparency, accountability, shared prosperity, and competition in the operation of public services, e.g. requires contractors to open their books to the public, ensures governments have the capacity to adequately oversee contracts, requires contractors to pay their employees living wages and benefits, requires competitive bidding on contracts, etc.

Local agencies have a long history of addressing service delivery challenges with creativity, self-reliance and innovation. Local agencies continue to face difficult budget conditions, which have been compounded by state takeaways, and expanding pension and health care obligations. This builds upon existing constitutional limitations on local agencies to raise additional revenues. Thus, local agencies are in no position to have their flexibility further curtailed.

The City will continue to follow legislative proceedings closely and hold an advocacy position that opposes any legislation that reduces or erodes local control.

8. Transportation Network Companies

The City of Sunnyvale has a long-standing support and focus on transportation for hire in the City (taxicabs, limousines, shuttles, etc.). Transportation network companies (TNCs) also fall under this area of focus; however, like limousines, TNCs are regulated by the California Public Utilities Commission, rather than the City.

California state law supersedes the City Charter and places regulatory authority over limousines and other transportation for hire, including TNCs, with the California Public Utilities Commission. The City of Sunnyvale will continue to follow the Public Utilities Commission's actions related to TNCs. Currently, the City is supportive of current proposals that would require all TNCs to provide \$1.0 million in insurance coverage for enrolled drivers at all times. This measure would align with the City's insurance requirement placed on all taxicab franchises.

9. Potential Reversal Legislation in Response to AB 1147 (Bonilla) Massage Therapy

Sponsored by the League of California Cities (LCC), AB 1147 completely revised and recast the law pertaining to massage therapy, including returning land use control back to cities. The City supported this measure as an important step in reducing the incidences of human trafficking and prostitution. The City actively engaged with the LCC to provide feedback on this clean-up legislation in response to previous legislation (SB 731, 2008) which established massage establishments as having fewer regulations than every other business in the state. The LCC suspects massage-industry legislation may be introduced in 2015 which would reverse the provisions of AB 1147. Staff will monitor legislation and take action, as necessary, to express the City's support for the provisions found in AB 1147 and oppose any efforts to reverse the legislation. .

10. Funding of Land and Water Conservation Fund (LWCF)

Monies from the Land and Water Conservation Fund (LWCF) are allocated to states, and from the state to larger cities and counties. The program, which is administered nationally by the National Park Service, was established in September 1964 and initially authorized for a 25-year period. It has since been extended for another 25 years to January 2015. Since the inception of the fund, annual appropriations have ranged from a high of \$369 million in 1979 to four years of zero funding from 1996-1999. While amounts allocated to the fund have varied, peaking at \$140 million in 2002, funding levels have continued to drop since 2003, down to almost \$28 million in 2006 and \$19 million in 2009, the lowest figure since 1992 other than the zero years mentioned above. Since FY 2010, appropriations have hovered around \$40 million.

The Santa Clara County Park Department has expressed interest to consider matching contributions from the City of Sunnyvale with County LWCF monies should they become available, for capital project improvements at Baylands Park. This would provide a direct benefit to Sunnyvale residents, but only if sufficient LWCF monies are allocated from the federal and state budgets to the County.

On July 7, 2014, Secretary of the Interior Sally Jewell signed the 2014 Land and Water Conservation Fund (LWCF) Certificate of Apportionment distributing \$43 million to the States, Territories and Washington, DC, for grants for public outdoor recreation projects. California received \$3.7 million dollars. The allocation for each State and Territory is determined based on a formula set in the LWCF Act, and is subsequently approved by the Secretary of the Interior.

The Fiscal Year 2015 House Interior Appropriations bill makes modest investments in America's most important conservation program, the Land and Water Conservation Fund, but falls far short of addressing the needs in communities across America. While the funding level is an improvement from the dangerous and harmful cuts proposed in last year's House bill, it is nevertheless a 50 percent cut from last year's final funding level. It will virtually guarantee the loss of natural areas, recreation lands, historic battlefields, and sportsmen's access opportunities from iconic places like Gettysburg National Battlefield and the Florida Everglades to the working forests of Maine, California's redwoods, national trails and other important areas throughout the country. The funding level proposed in the Subcommittee's draft does not reflect the overwhelming bipartisan support

In California, approximately \$3.7 million was available in FY 2014 for grants to local agencies: 60 percent for Southern California and 40 percent for Northern California. The application deadline for local agencies was November 1, 2013. The City did not submit any project applications for LWCF reimbursement in FY 2014; however, staff will continue to monitor grant availability for funding opportunities.

2015 Legislative Advocacy Positions

At this time, there are no short-term Legislative Advocacy Positions (LAPs) proposed for Council consideration.