

ADDENDUM - RESPONSE TO COUNCIL QUESTIONS RE: 1/24/2023 CITY COUNCIL AGENDA

Agenda Item #: 3

Title: Approve the Non-Residential Housing Mitigation Fee Nexus Study and Adopt a Resolution Amending the Housing Impact Fee for Non-Residential Development (Study Issue) and Find the Actions are Exempt from the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Section 15378 (b)(4)

Council Question: Were any study sessions carried out on this study issue with either previous Council or the Planning/Housing Commissions?

Staff Response: No Study Sessions were conducted for this item which is typical for less complex studies such as this one.

Council Question: What public outreach was conducted on this study issue other than the developer focus group?

Staff Response: During the preparation of the Nexus Study, our consultants, BAE Urban Economics, conducted one-on-one interviews with non-residential developers active in Sunnyvale, and one public outreach meeting was held. The public outreach meeting was held on September 22, 2022 and three members of the public attended; the meeting was advertised on social media, the City website and through an interested parties e-blast. The interested party e-blast included over 100 recipients. Public Hearings for the Housing and Human Services Commission, Planning Commission, and City Council were advertised in the *Sunnyvale Sun* and email notifications were sent to interested parties, including non-residential developers active in Sunnyvale. No members of the public spoke at the HHSC and one member of the public spoke at the Planning Commission hearing. The draft Nexus Study was made available on the City's website on November 30, 2022 and Staff has accepted public comment letters on the draft. Two public comment letters were received via email and are included as Attachment 7 to the Report to Council.

Council Question: Could Council adopt the proposed rates for Office/R&D suggested by staff while sending this back for further study, particularly on industrial and retail?

Staff Response: Council may choose to Alternatives 4 and 5, adopting Staff's recommended fee rates for Office/R&D and direct Staff to study industrial, retail, and hotel fee rates. However, this Nexus Study includes an extensive feasibility study including a comparison of fees in neighboring jurisdictions, an analysis of Housing Mitigation Fees as a percentage of development cost, and a financial pro forma analysis. The pro forma analysis, in particular, is an in-depth study of project prototypes for office/R&D, industrial, retail, and hotel developments based on one-on-one interviews with developers that are active in Sunnyvale, data from industry databases, and other sources. This analysis determines the feasibility of each project type (including industrial, retail, and hotel) based on local data. Findings from proforma analysis are included in detail in the Nexus Study as Appendix B. The current nexus study had a project budget of \$90,000. If additional analysis were directed by Council an additional appropriation would be required.

Council Question: The Housing Commission recommended targeting rates of 15\$/30\$ for Office/R&D rather than the 11\$/22\$ proposed by the Staff recommendation. The consultant report indicates that the Staff recommendation would have minimal impact on the feasibility of Office/R&D development. What would the expected impact of the Housing Commission's proposed 15\$/30\$ number be?

Staff Response: The Nexus Study's financial feasibility analysis finds that new Office/R&D developments may face feasibility challenges with a significant increase in Housing Mitigation Fee rates. Housing and Human Services Commission's recommendation of Alternative 6 would substantially increase the existing Housing Mitigation Fee rates by approximately 54 percent (as opposed to Staff's recommendation, which would increase fee rates by approximately 13 percent). An increase of this magnitude may significantly impact nonresidential developments that are currently in the planning and predevelopment stage.

The Housing and Human Services Commission's recommendation would also place Sunnyvale's fee rates at the upper end of neighboring jurisdictions. This could negatively impact future nonresidential development and decrease Housing Mitigation Fee revenue as a result. However, as other neighboring cities also see strong development trends, the increase in this fee alone may not impact existing demand in Sunnyvale.

Council Question: Will current applications be subjected to higher fees? pre-applications?

Staff Response: New fee rates must take effect no sooner than 60 days after adoption (i.e. March 25, 2023). Housing Mitigation Fees are calculated at the time of complete building permit application submittal. Therefore, projects that submit a complete building permit application on or after March 25, 2023 will be subject to the new fee rates.

Agenda Item #: 4

Title: Approve Calendar Year 2023 Community Events and Neighborhood Grant Program Applications

Council Question: How were the four technical assistance sessions publicized?

Staff Response: The session dates and details were included in the CENG grant application and city website when the grant cycle was open. Subsequent outreach and marketing efforts in support of the CENGP process were conducted, all of which included direct website links or attached application information where the technical assistance information could be found.

Council Question: The Diwali festival was a huge success, and I look forward to seeing a Sunnyvale Holi festival this year. Have Staff made proactive efforts to reach out to representatives of other cultural and faith communities to let them know about the CENGP?

Staff Response: Staff conducted broad outreach efforts that included posting on Next Door, City website, Community Center's Facebook Page, emailed past applicants, Council announcement and various City publications such as Update Sunnyvale, Recreation E-newsletter, etc. We emailed our current list of local non-profit and faith based organizations, schools; as well as adding any residents or organizations that emailed us throughout the year inquiring about the CENGP process.

Agenda Item #: 5

Title: Approve the Proposed 2023 Priority Advocacy Issues and Review Long-term Legislative Advocacy Positions (LAPs)

Council Question: The proposed PRIs are substantially similar to 2022's. When was the last time that there was a thorough Council review of the PRIs, e.g. by Council Study Session? of the LAPs?

Staff Response: Every year, the Council adopts the City's advocacy platform that includes the priority advocacy issues for the year. The Policy 7.4.14 was adopted in 1995 and has been amended as follows:

(Adopted: RTC 95-018 (1/17/1995); Amended: 96-016 (3/23/1996), 97-002 (1/14/1997), 98-008 (1/13/1998), 98-246 (7/14/1998), 98-264 (7/21/1998), 98-304 (8/18/1998), 99-009 (1/12/1999), 00-020 (1/25/2000), 01-002 (1/9/2001), 02- 018 (1/15/2002), 03-021 (1/14/2003), 04-018 (1/13/2004) 05-009 (1/11/2005); (Clerical/clarity update, Policy Update Project 12/2005); 06-038 (2/7/2006); (Index added 5/22/06); 07-036 (01/30/2007); Clarity update (6/21/07); 08-063 (2/26/08); 09-046 (2/24/09); 10-016 (1/26/10); 11-022 (2/8/11); Adopted: RTC 12-009 (2/7/12); Amended: RTC: 12- 048 (2/28/12); Updated for clarity (9/5/12); Adopted w/ modification: RTC: 13-020 (1/29/13); Adopted w/ modification: RTC 14-006 (1/7/14); Adopted: Council Policy Update, RTC #14-0061 (November 25, 2014); Adopted w/ modification: RTC: 15-008 (1/6/15); Adopted w/ modifications: RTC 16-0005 (1/5/16); Adopted w/ modifications: RTC 17-0011 (1/10/17); Information Only RTC 17-0132 (1/24/17); Adopted w/ modifications: RTC 17-0632 (6/20/17); Adopted w/ modifications: RTC 18-006 (1/9/18); Adopted: RTC 18-1064 (1/15/19); Adopted RTC 20-0253 (2/25/20); Adopted w/ modifications: RTC: #21-0025 (January 12, 2021); RTC: #22-0061 (January 25, 2022))

Council Question: When was the last time that Policy 7.4.14 was reviewed by Council?

Staff Response: Priority Advocacy Issues are contained with Council Policy 7.4.14, *Legislative Advocacy Positions* and therefore reviewed every year in January. The policy was last modified in via RTC 22-0061 on January 25, 2022 (policy attached). The Policy was renumbered from Policy 7.3.2 to 7.4.14 via RTC 14-0061 on November 25, 2014 and at that time some formatting edits were made (redline attached).

Council Question: The LAPs are written in a much more structured manner than the PRIs. Does Staff know why this is the case?

Staff Response:

- Priority Advocacy Issues are issues where legislative activity is either already underway or imminent and expected to have significant impact on City business.
- Legislative Advocacy Positions are short-term in nature, typically speak to pending legislation and current issues, and support the General Plan and guide Council and staff on intergovernmental matters. They are a component of the City's Council Policies, which provide guidelines for City action in all areas of City business. City business is defined as all matters directly related to service delivery, or otherwise contributing to the City's operational success.
- Long-term Advocacy Positions or LAPs are ongoing policy positions.

To consolidate documents, underscore important issues, and focus the City's limited advocacy resources, Policy 7.4.14 includes the City's annual priority issues. Council developed the concept of the LAP in 1982 (RTC 82-590). Following annual Council approval, the current year's City Priorities and Legislative Advocacy Positions are attached to Policy 7.4.14.

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Policy 7.4.14 Legislative Advocacy Positions

POLICY PURPOSE:

It is the purpose of this policy to establish guidelines and standards regarding City resources and support for Councilmembers. This policy is supplementary to and in no way intended to conflict with the City Charter. For further information on this subject, see:

- City Charter, Section 807
- Code of Ethics and Conduct for Elected Officials (available on the City's internal Web site or in the Office of the City Clerk)

Additionally, the Legislative Advocacy Positions identify the City's broad advocacy positions on issues and legislation. As defined by the General Plan (Policy 7.3B4), the Legislative Advocacy Positions are short-term in nature, typically speak to pending legislation and current issues, and support the General Plan and guide Council and staff on intergovernmental matters. They are a component of the City's Council Policies, which provide guidelines for City action in all areas of City business. City business is defined as all matters directly related to service delivery, or otherwise contributing to the City's operational success.

POLICY STATEMENT:

- I. Each year the City Manager shall present for Council's consideration draft Legislative Advocacy Positions. Once approved by City Council, these "advocacy positions" become the official City advocacy position on pending legislation.
- II. The LAP is utilized by Councilmembers and staff throughout the year to determine City positions on legislation and intergovernmental issues and minimizes the need for staff to request direction from Council on legislation and issues as they arise. The LAP should not duplicate policies already cited in other Council Policy documents, i.e. the Council Policy Manual, General Plan, Municipal Code, etc.
- III. During the year, staff monitors and researches pending legislation to identify bills that could significantly impact Sunnyvale. Research actions range from web site research to contacting legislative analysts in government offices and city associations. Staff may also conduct limited advocacy should issues arise throughout the year that significantly impact the City, and if Council positions have previously been established by the LAP.
- IV. To consolidate documents, underscore important issues, and focus the City's limited advocacy resources, Policy 7.4.14 includes the City's annual priority issues. Council developed the concept of the LAP in 1982 (RTC 82-590). Following annual Council approval, the current year's City Priorities and Legislative Advocacy Positions are attached to this policy.
- V. Implementation.
The City Manager shall monitor those provisions of this policy within the City Manager's Charter responsibilities. Disagreement in interpretation shall be resolved by the City Council. The City Manager shall institute administrative policy to implement this policy. At the time a

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new Councilmember is seated, the Mayor and City Manager should review this policy with him/her.

Annually, the City Manager shall review the resource requirements necessary to support the level of service specified in this policy, and recommend as a part of the proposed budget necessary changes of budget resources.

(Adopted: RTC 95-018 (1/17/1995); Amended: 96-016 (3/23/1996), 97-002 (1/14/1997), 98-008 (1/13/1998), 98-246 (7/14/1998), 98-264 (7/21/1998), 98-304 (8/18/1998), 99-009 (1/12/1999), 00-020 (1/25/2000), 01-002 (1/9/2001), 02-018 (1/15/2002), 03-021 (1/14/2003), 04-018 (1/13/2004) 05-009 (1/11/2005); (Clerical/clarity update, Policy Update Project 12/2005); 06-038 (2/7/2006); (Index added 5/22/06); 07-036 (01/30/2007); Clarity update (6/21/07); 08-063 (2/26/08); 09-046 (2/24/09); 10-016 (1/26/10); 11-022 (2/8/11); Adopted: RTC 12-009 (2/7/12); Amended: RTC: 12-048 (2/28/12); Updated for clarity (9/5/12); Adopted w/ modification: RTC: 13-020 (1/29/13); Adopted w/ modification: RTC 14-006 (1/7/14); Adopted: Council Policy Update, RTC #14-0061 (November 25, 2014); Adopted w/ modification: RTC: 15-008 (1/6/15); Adopted w/ modifications: RTC 16-0005 (1/5/16); Adopted w/ modifications: RTC 17-0011 (1/10/17); Information Only RTC 17-0132 (1/24/17); Adopted w/ modifications: RTC 17-0632 (6/20/17); Adopted w/ modifications: RTC 18-006 (1/9/18); Adopted: RTC 18-1064 (1/15/19); Adopted RTC 20-0253 (2/25/20); Adopted w/ modifications: RTC: #21-0025 (January 12, 2021); RTC: #22-0061 (January 25, 2022))

Lead Department: Office of the City Manager

For Reference see also: 7.4.15 Council Advocacy, 7.4.16 Ballot Measure Positions.

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2022 Priority Advocacy Issues

1. Investment Funding and Local Strategy for Workforce Development

The City will track and take positions on federal and state proposals that will impact the education and training of the local community's workforce and local elected official's authority over the local workforce development system. 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*.

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 of the Silicon Valley's technology-driven economy. Even in a robust economy, workers are often left further behind without the skills to compete in today's highly competitive job market. Individuals who face barriers to reemployment require job-driven retraining, apprenticeships/internships and support services to acquire the skills, credentials and confidence necessary for the new and emerging industries. Due to COVID-19, the local workforce development system is facing even greater challenges in addressing the devastating economic impact on industries, in particular the travel, hospitality and retail industries, and their workforce. This economic downturn is expected to have long lasting consequences that will require reskilling for those workers who may never be able to return to their previous occupations. COVID-19 has also intensified growing inequities in access to employment that will require innovative approaches to support a diverse workforce.

The federal Workforce Innovation and Opportunity Act (WIOA) has brought opportunities, as well as potential threats to the local workforce development system. WIOA will not ensure any additional resources to serve the continued high demand from customers. Local government's authority and strategic oversight over local/regional planning, one-stop procurement and how best to allocate these limited resources may also be diminished. Given the financial constraints at the state and federal levels and uncertainty with future Congressional priorities, funding of workforce development is vulnerable in 2022 and could potentially threaten the sustainability of these local and essential systems and the economic recovery of this community.

2. Interoperability/Public Safety Communications System

Ensuring that our nation's emergency responders can communicate using readily available technology is of the utmost importance. 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.

The Middle Class Tax Relief and Job Creation Act of 2012 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 provides a single interoperable platform for emergency and daily public safety data communications allowing more flexibility for collaboration. The City supports an efficient, sustainable build-out of the network and may consider joining it when it reaches full capacity.

3. Environmental Regulatory & Conservation Issues

Staff will monitor emerging legislation to ensure alignment with the City's interests. Issues of importance to the City include solid waste reduction and recycling; Product Stewardship/Extended Producer

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Responsibility programs; marine debris regulation; industrial and municipal storm water permit regulations; potential 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 climate resiliency; and fossil fuel energy/renewable energy alternatives.

Specific items of interest include:

Water

The City supports state policy and National Pollutant Discharge Elimination System permit regulations that are attainable and reflect local conditions and circumstances. New regulations and/or permit requirements that include numerical limits for municipal urban runoff discharge and prescriptive approaches for treating stormwater should be opposed as an infeasible and 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 appropriate and attainable standards based on local circumstances.

Renewable Energy and Community Choice Aggregation

The City will continue to monitor discussions regarding clean energy issues including energy conservation, renewable energy, energy storage, distributed energy, and Community Choice Aggregation (CCA). It is in the City's interest to support policy that enables, accelerates and supports the deployment of clean energy as the City's effective implementation of the Climate Action Playbook is heavily reliant on the local CCA Sunnyvale helped to form, Silicon Valley Clean Energy. The City should monitor legislation that may have a regional and local impact on greenhouse gas emissions to advocate for effective and equitable approaches to accelerating the deployment of affordable clean electricity and to emissions reduction.

Climate Change and Greenhouse Gas Reduction Policy

In 2005, Governor Schwarzenegger signed an Executive Order S-3-05 to reduce emissions by 80% by 2050, spurring a series of legislative and gubernatorial actions to establish California policy and targets for greenhouse gas (GHG) reduction to address climate change. The Global Warming Solutions Act of 2006 (AB 32) set a 2020 GHG emissions reduction goal into law and required the California Air Resources Board (CARB) to develop a Scoping Plan, which contains the main strategies California will use to reduce GHGs. The most recent (2017) version of the plan strengthens existing programs and seeks to further integrate efforts to reduce both GHG and air pollution, guided by additional State law (SB 32) to target emissions reductions by 40% by 2030. Most recently, SB100 set a state target of 100% carbon-free electricity by 2045, and Executive Order B-55-18 established a statewide goal to achieve "carbon neutrality" by 2045. In 2021, CARB is currently developing the 2022 Scoping Plan, which will assess progress towards the 40% by 2030 target and also outline a path for the State to achieve carbon neutrality by 2045. It is in the City's interest to continue to monitor the progress and implementation of California GHG and climate change policy and plans as they relate to advancement of the City's climate action goals, impacts to City operations and services, and funding for the City's climate action initiatives.

SB 1383 and CARB

In September 2015, CARB announced its intent to ban landfill disposal of food waste and other organics by 2025 in hopes of further reducing methane emissions from landfills. SB 1383 (Lara), signed into law by Governor Brown on September 19, 2016, reinforced CARB's focus on

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diverting organics from landfill. The bill establishes 2014 disposal as a baseline, then sets a state target of reducing disposal 50% by 2020 and 75% by 2025. The City incorporated SB 1383 implementation plans into the development of the waste hauler franchise agreement. Diverting more organics from disposal is consistent with the goals of the City's Zero Waste Strategic Plan and Climate Action Playbook. However, creating the infrastructure needed to process the additional food waste required to meet these goals will require overcoming significant statewide challenges. The City should advocate for legislation that addresses these challenges, including funding, siting and land use and environmental permitting. The City should also support any legislation that provides funding for local agencies to build infrastructure to utilize organic waste to produce renewable energy or biofuels.

It is in the City's interest to continue to monitor the progress and implementation of these efforts as they relate to its utility functions of wastewater, water, and solid waste management and to the City's greenhouse gas reduction goals and approaches.

South Bay 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 are 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 should be tracked, due to its proximity and possible impact on the City's Water Pollution Control Plant.

South Bay Shoreline Protection Project

Shoreline areas along San Francisco Bay, including Sunnyvale, risk damages from coastal flooding, with potential impacts to human health and safety, due to future sea level rise. The South San Francisco Bay Shoreline Project is a Congressionally authorized study by the US Army Corps of Engineers together with the Santa Clara Valley Water District and the State Coastal Conservancy to identify and recommend flood risk management projects for Federal funding. The Corps is looking at projects that will reduce flood risk, restore some of the region's lost wetlands, and provide related benefits such as recreation and public access. The shoreline areas of Sunnyvale are included in a proposed Phase III of the Shoreline Project. This project, and other Bay Area resiliency planning efforts, should be tracked to advocate that Sunnyvale's infrastructure and community assets are considered and protected as the Bay Area plans and constructs resiliency projects.

California Environmental Quality Act Reform

The California Environmental Quality Act (CEQA) is recognized as an important tool for ensuring public disclosure of potentially significant environmental impacts from development projects and ensuring adequate mitigation measures are included to reduce or avoid these impacts. After growing concerns that some groups were using CEQA inappropriately to derail a project and not truly predicated on environmental concerns, the legislature passed SB 743 to modify the expedited judicial review provisions for environmental leadership projects and streamline some provisions for infill projects in transit priority areas. SB 743 removed 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

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higher threshold for green-field developments. It is expected that additional CEQA reform will be necessary in the future.

Industrial Clear-cut Logging in California

The City supports prohibitions on industrial clear-cut logging of forests in California. The Sierra Club reports that such deforestation degrades water quality in the areas where the activity takes place, impacts wildlife habitat, reduces the capacity for carbon sequestration as a greenhouse gas reduction strategy, and makes the impacted area less resistant to fire. While such practices do not impact Sunnyvale's current water supply (it is not allowed in the Hetch Hetchy watershed and it does not impact Delta supply), the City has broader interest in the health of California's forests and watersheds. Additionally, the City's Climate Action Playbook objectives are well aligned with the interest to protect the carbon sequestration capacity that can be threatened by clear-cutting.

4. Regional and State-wide Water Supply Issues

Over 95% of Sunnyvale water comes from two sources - the Hetch Hetchy Reservoir through the San Francisco Public Utilities Commission (SFPUC) and Valley Water's State Water Project or Central Valley Project. The frequency and severity of droughts makes it essential that water conservation remain a way of life in California. Sunnyvale has implemented ongoing water waste prohibitions to make conservation and efficient water use a way of life, as listed in Sunnyvale Municipal Code 12.34.020.

The Bay Area Water Supply and Conservation Agency (BAWSCA), SFPUC and the Valley Water lead regional water supply issues. However, it is important for the City to stay current on the water resource issues to lend advocacy support when needed, especially for new water supply projects and water conservation programs.

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 (1) limiting local authority of wireless telecommunications facility to aesthetics, and not Radio Frequency (RF) exposure or the need for facilities; (2) requiring local agencies to complete review of projects within a specified timeframe; and, (3) exempting a type of wireless facility from local permit authority because it is considered a "public utility." Most recently, the FCC streamlined wireless infrastructure deployment of 5G infrastructure (small cell facilities) and shortened the review timeframe from 90 days to 60 days for co-locations and from 150 days to 90 days for new facilities. Per this order, the short clock will start even if the local agency refuses to accept an incomplete application and only gives the local agency 10 days to issue an incompleteness notice.

Additionally, in January of 2019, an FCC order pertaining to small cell facilities now prohibits a city from refusing to allow use of city-owned property in the Right of Way (ROW) (such as poles) for wireless deployment, as this would have the effect of prohibiting wireless service. These efforts continue to erode the City's ability to effectively regulate wireless telecommunications facilities and continue to remove the City's local authority on facilities that directly affect city residents.

6. School Mitigation Fees

Assembly Bill 2926 (1986) authorized school districts to levy development fees to pay for new school facilities. Maximum fees are set by the State every two years based on inflation. 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

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since 1986 and the current adjusted maximum rate does not adequately mitigate the school impacts from new development.

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 strain on school districts to implement their school modernization programs while also responding to the pressures of increasing enrollment. The City supports 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 regarding the use of Unmanned Aircraft Systems (UAS) by Law Enforcement and First Responder Immunity when interfering with Unmanned Aircraft Systems

Staff will continue to monitor future legislative proceedings closely and support any legislation that: allows local governments to adopt ordinances governing the safe use of UAS; places reasonable restrictions on law enforcement regarding use of unmanned aircraft systems; and releases liability restrictions on law enforcement agencies that interfere with drones posing a threat to emergency services.

8. Medical Marijuana/ Recreational Marijuana

In response to Proposition 64, decriminalizing marijuana in California and providing state regulation of the recreational marijuana business, the City of Sunnyvale maintained the status quo, banning all commercial marijuana activities. The City amended chapter 9.86 the Sunnyvale Municipal Code and various sections of Title 19 to update the existing prohibition against commercial marijuana activity in the city to expressly include non-medical marijuana. To remain consistent with state law, the city placed reasonable regulations on indoor personal cultivation of marijuana and prohibited the outdoor personal cultivation of marijuana.

The City has supported legislation that fundamentally promotes public health and safety, while sustaining the ability of local agencies to appropriately regulate businesses and recover costs. Staff will continue to monitor future legislative proceedings and support any legislation that maintains this position. Additionally, staff supports state legislation that promotes public health and safety by mirroring Sunnyvale's existing restrictions imposed on smoking in outdoor areas and public gathering places.

9. Affordable Housing and Homelessness

Affordable housing and homelessness have been topics of intense public interest in the City and region for many years. Public interest in the topic tends to increase sharply during times of economic booms, and wane in times of recession, as home prices and rents (affordability levels) rise and fall, in relative terms. Currently the city and the region are facing housing affordability and supply deficiencies at a level not seen since before the 2008 recession; however, it is still uncertain the future impact that COVID-19 will have on housing affordability and supply. Cities around the region and in many other major metropolitan areas around the country are struggling to address homelessness and housing affordability concerns of residents and workers, including a severe shortage of housing affordable to lower- and moderate-income households in many California cities.

Housing and homelessness continue to be urgent statewide concerns, leading to increasing public debates about causes and possible solutions. The 2021 legislative season produced various new housing bills which were signed by the Governor, some of which will have significant impacts on residential zoning. Housing

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and Land Use legislation continues to aim to address the State's shortage of housing at all levels of affordability, removal of development barriers and single family zoning techniques, and increase funding for homelessness across many parts of the State..

The federal government continues to produce minimal increases to funding for Community Development Block Grants (CDBG) and HOME grants, which the City uses to fund a variety of human service programs and affordable housing developments. While the City did receive additional one time funds as a result of the pandemic, annual grants have remained stable and have included additional funding for COVID-19 related impacts, demand for services are rising steadily and the increase in available funding does not cover the high demand, especially post-pandemic.

The City continues to be a regional leader in implementing various policies and programs to provide housing in a variety of types and affordability levels for decades and continues to refine and implement its programs and policies. The City has begun to prepare its 2023-2031 Housing Element with a Regional Housing Needs Allocation of 12,000 new housing units. The City's advocacy efforts are generally guided by the 2015-2023 Housing Element of the General Plan and the 2020-2025 HUD Consolidated Plan. In addition, staff recommends the City focus advocacy efforts on:

- Encouraging the state and federal governments to provide more resources (funding, legal authority, technical support, streamlining of burdensome administrative requirements associated with federal funding, etc.) to local governments to address local housing needs, which includes housing people who are currently homeless, and providing the most vulnerable homeless people with supportive services to help them maintain their housing.
- Encouraging its neighboring cities within the County to do more to supply their respective fair share of affordable housing and to play a more active role in supporting the County in its efforts to establish facilities, housing, and programs for homeless residents within their respective city limits.
- Encourage California Department of Housing and Community Development to allocate fair and reasonable Regional Housing Needs Allocations to the cities within Santa Clara County.
- Encouraging the State and County to provide funding resources for the development of affordable rental units within a reasonable commuting distance to the workplaces, and encourage the development of higher-density housing near jobs and transit-rich areas to address the shortage of workforce housing and "missing middle-income" housing. Actively follow the development of the Bay Area Housing Finance Authority, which was created through 2019 legislation as part of the CASA Compact.
- Strongly encourage the state government to avoid legislation and regulations that are 'one size fits all,' and removes local control from cities doing their part to accommodate new housing of all affordability levels.

The City will engage in constructive dialogue with the State to seek realistic solutions to local fiscal challenges and challenges in meeting local affordable housing goals, and encourage the State to balance the need for local control with the need to address our housing crisis. Federal advocacy shall focus on encouraging level or increased federal funding for affordable housing and community development programs for local governments; preserving and strengthening the low-income housing tax credit (LIHTC) program and federal tax exemptions for private activity bonds (PAB).

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10. Engagement with the Federal Aviation Administration Regarding Airplane Noise

The City continues to track air noise activity on multiple fronts and from multiple sources that impact our residents. In Sunnyvale, the source of air noise comes from various activities from regional international airports, general aviation airports, and Moffett Federal Airfield. Ultimately, the Federal Aviation Administration (FAA) is primarily responsible for air traffic control and our region continues to advocate for air noise mitigation. While the City does not have direct authority over air space, City staff will continue to work with regional agencies and federal representatives and authorities to mitigate the effect on our residents.

11. Local Government Financing to Support Public Infrastructure, Including Affordable Housing

Among the top priorities for many cities and counties is the need to repair, maintain and build new infrastructure to keep up with population and economic growth. Infrastructure projects such as fixing streets and roads, constructing public safety facilities, upgrading water and sewer systems, deploying broadband for internet connectivity and maintaining parks, while critical, are very expensive to fund. Many times, local governments rely on state and federal funding initiatives that may only partially fund prioritized projects. Sunnyvale supports initiatives that help fund prioritized infrastructure projects that improve the quality of life of its residents.

2022 Legislative Advocacy Positions

No additional short-term Advocacy Positions have been identified for 2022 that aren't already reflected in the 2022 Priority Advocacy Issues.

Policy 7.4.14 Legislative Advocacy Positions

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- City Charter, Section 807
- Code of Ethics and Conduct for Elected Officials (available on the City's internal Web site or in the Office of the City Clerk)

Additionally, the Legislative Advocacy Positions identify the City's broad advocacy positions on issues and legislation. As defined by the General Plan (Policy 7.3B4), the Legislative Advocacy Positions are short-term in nature, typically speak to pending legislation and current issues, and support the General Plan and guide Council and staff on intergovernmental matters. They are a component of the City's Council Policies, which provide guidelines for City action in all areas of City business. City business is defined as all matters directly related to service delivery, or otherwise contributing to the City's operational success.

POLICY STATEMENT:

I. Each year the City Manager shall present for Council's consideration draft Legislative Advocacy Positions. Once approved by City Council, these "advocacy positions" become the official City advocacy position on pending legislation.

II. The LAP is utilized by Councilmembers and staff throughout the year to determine City positions on legislation and intergovernmental issues and minimizes the need for staff to request direction from Council on legislation and issues as they arise. The LAP should not duplicate policies already cited in other Council Policy documents, i.e. the Council Policy Manual, General Plan, Municipal Code, etc.

III. During the year, staff monitors and researches pending legislation to identify bills that could significantly impact Sunnyvale. Research actions range from web site research to contacting legislative analysts in government offices and city associations. Staff may also conduct limited advocacy should issues arise throughout the year that significantly impact the City, and if Council positions have previously been established by the LAP.

IV. To consolidate documents, underscore important issues, and focus the City's limited advocacy resources, Policy 7.4.14 includes the City's annual priority issues. Council developed the concept of the LAP in 1982 (RTC 82-590). Following annual Council approval, the current year's City Priorities and Legislative Advocacy Positions are attached to this policy.

V. Implementation.

The City Manager shall monitor those provisions of this policy within the City Manager's Charter responsibilities. Disagreement in interpretation shall be resolved by the City

Council. The City Manager shall institute administrative policy to implement this policy. At the time a new Councilmember is seated, the Mayor and City Manager should review this policy with him/her.

Annually, the City Manager shall review the resource requirements necessary to support the level of service specified in this policy, and recommend as a part of the proposed budget necessary changes of budget resources.

(Adopted: RTC 95-018 (1/17/1995); Amended: 96-016 (3/23/1996), 97-002 (1/14/1997), 98-008 (1/13/1998), 98-246 (7/14/1998), 98-264 (7/21/1998), 98-304 (8/18/1998), 99-009 (1/12/1999), 00-020 (1/25/2000), 01-002 (1/9/2001), 02-018 (1/15/2002), 03-021 (1/14/2003), 04-018 (1/13/2004) 05-009 (1/11/2005); (Clerical/clarity update, Policy Update Project 12/2005); 06-038 (2/7/2006); (Index added 5/22/06); 07-036 (01/30/2007); Clarity update (6/21/07); 08-063 (2/26/08); 09-046 (2/24/09); 10-016 (1/26/10); 11-022 (2/8/11); Adopted: RTC 12-009 (2/7/12); Amended: RTC: 12-048 (2/28/12); Updated for clarity (9/5/12); Adopted w/ modification: RTC: 13-020 (1/29/13))

Lead Department: Office of the City Manager

For Reference see also: 7.4.15 Council Advocacy, 7.4.16 Ballot Measure Positions.