

Proposed 2023 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*.

Federal and State funding for workforce development, education and training programs is critical to effectively prepare the workforce for Silicon Valley's evolving technology-driven economy. Even in a robust economy, workers are often left behind without the skills to compete in today's highly competitive job market. Individuals who face barriers to reemployment require job search skill building, communication, job-driven retraining, apprenticeships/internships and support services. This enables them to acquire the skills, credentials and confidence necessary for the new and emerging industries. The local workforce development system is facing even greater challenges in addressing the devastating economic effects from COVID-19 on industries, in particular the travel, hospitality and retail industries, and their workforce. There are expected to be long-term consequences that will require reskilling for those workers able to return to their occupations. COVID-19 has also intensified growing inequities in access to employment that will require innovative approaches to support a diverse workforce. Recent layoffs in the Technology and Biocom/Life Sciences industries have further exacerbated an already uncertain job market.

The federal Workforce Innovation and Opportunity Act (WIOA) funding will not keep up with the demand nor adjust for inflation. This results in fewer dollars available year after year for the growing needs of both career seekers and employer customers. Local government's authority and strategic oversight over local/regional planning and how best to allocate these limited resources may also be diminished. With the proposed reauthorization of WIOA and new leadership in Congress, control over funding allocation may be further impacted. Given the financial constraints at the state and federal levels and uncertainty with future Congressional priorities, funding of workforce development is vulnerable in 2023. It could potentially threaten the sustainability of these local and essential systems and the economic recovery of this community and the entire NOVA region.

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 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 Adaptation 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 California Climate Crisis Act (AB 1279) of 2022 set a new carbon neutrality goal for the state to achieve at least 85% reductions below 1990 emission levels by 2045. The most recent version of the Scoping Plan (finalized November 16, 2022) aligns with this new state target. The plan focuses on reducing fossil fuel combustion in buildings and vehicles, reducing short-lived climate pollutants, and increasing carbon sequestration. The plan emphasizes improving the management of natural and working lands with the goal of supporting California's adaptation and resiliency strategies. 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 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. Recently, Valley Water has obtained funding to implement a project to connect Calabazas and San Tomas Aquino Creeks to the A8 pond complex just north of Calabazas Creek. That project is also being evaluated for potential changes to the Sunnyvale East Channel and Valley Water's pond A4. These projects should be tracked, due to their proximity to and possible impact on the City's Water Pollution Control Plant and the SMaRT Station facility.

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

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. The City's role was evident in the November 10, 2022, Memorandum of Understanding reached between the Governor's Water-Policy Officials, SFPUC, Modesto and Turlock Irrigation Districts relating to the Bay-Delta Plan. Councilmember Gustav Larsson, as Chair of BAWSCA Board, along with the Vice Chair, sent a joint letter to Governor Newsom urging him to support a new and improved voluntary agreement for the Tuolumne River. Without the MOU Sunnyvale could have faced water reduction of up to 40% from the SFPUC in the event of a drought. The approval of the MOU allows the investment of up to \$64 million dollars on environmental programs for wildlife and fish habitat, that will reduce the adverse impact of a drought on Sunnyvale. The technical details of the MOU are still being finalized as how each agency will be affected.

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 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 and Land Use legislation continues to aim to address the State's shortage of housing at all levels of affordability, and removal of development barriers and single-family zoning techniques.

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).

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.

2023 Legislative Advocacy Positions

No additional short-term Advocacy Positions have been identified for 2023 that aren't already reflected in the 2023 Priority Advocacy Issues.