



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Annual Review of New Laws (Information Only)

DISCUSSION

The League of California Cities (LCC) published its annual LCC Legislative Report, which summarizes laws passed in the 2017 calendar year and includes an analysis of potential impact on cities. This informational report provides a summary by department, on the impact of some of the newly passed laws to Sunnyvale, as well as consideration of potential legislation that may impact the City.

Human Resources

AB 1487 (Rodriguez) Public Employees' Retirement System. Limited Term Appointments.

Summary: This measure establishes a 960-hour limit per fiscal year on out-of-class appointments, in which employers temporarily place existing employees into upgraded interim positions.

Service/Operational Impact: This new law limits the duration an employee can serve in an out-of-class appointment during the recruitment of the higher level vacant position. The Department of Human Resources has established a mechanism to track the hours of service in the out-of-class appointment since the new law has taken effect. For extended periods of vacancy, departments may have to rotate different employees into the out-of-class appointment to comply with the new law.

AB 119 (Committee on Budget) State Government Chapter 21.

Summary: This measure requires state and local public employers to provide the exclusive representative access to new employees for a new employee orientation. Specifically:

- Time, place and manner of the orientation including frequency, duration, compensated time, in-person or not would be decided locally through the bargaining process.
- Should impasse occur, parties would then go to binding interest arbitration whereby both parties would evenly split such costs.
- The public employer has the option to go through PERB but would then default to current law whereby the employer is responsible for all costs and
- Employer must provide information for new and existing employees every 30 days or in conjunction with payroll. Information includes: work phone, work address, email, home phone and home address. (Note: This information is already available for exclusive representatives under the California Public Records Act).

Service/Operational Impact: The Department of Human Resources conducts a half-day new employee orientation every two to three months. With this new law, the Department of Human

Resources invited all bargaining units to present to employees after the new employee orientation. IFPTE Local 21 and SEIU have asked to meet with their employees following the new employee orientation; the other bargaining units declined to have such a meeting. IFPTE Local 21 requested a formal Agreement with the City to memorialize the details, and that Agreement was completed.

NOVA

AB 1149 (Arambula) Workforce Investment Boards. Funding.

Summary: Currently, the Local Workforce Development Boards (LWDBs) are mandated to set aside a minimum of 10% of leveraged funds for federally identified workforce-training programs. This measure expands the definition of the types of services that may be applied to the 10% credit to include supportive services and the types of leveraged funds that may be applied to the 10% credit to include federal, state, local and private funds.

Service/Operational Impact: This new law will provide greater flexibility for NOVA in setting aside funding to comply with the minimum 10% mandated requirement for specified workforce-training programs. It will also free up funding that would have been set aside for this requirement to go towards other important services beneficial to NOVA job seekers.

SB 1 (Beall) Transportation Funding (workforce development services incentive).

Summary: This measure generates \$5.2 billion annually upon full implementation for California's transportation network. Of the \$5.2 billion, cities and counties will receive approximately \$1.5 billion for local streets and roads, with \$750 million of the city share distributed to cities statewide on a per capita (population) basis.

Service/Operational Impact: This new law is also expected to generate \$25 million over five years for workforce development services to prepare workers for careers in the building and construction trades with an emphasis on disadvantaged workers. The California Workforce Development Board will be administering this funding and is expected to distribute these funds through competitive grants, which NOVA intends to pursue.

Pending Legislation:

AB 1743 (O'Donnell) California Career Technical Education Incentive Grant Program

Summary: Proposed bill would specify that the current California Career Technical Education Incentive Grant Program would encourage and maintain the delivery of high-quality career technical education programs and the development of a career readiness matrix during implementation of the school district and charter school local control funding formula. The grant program would make available \$500,000,000 in funding to prepare students for future careers. This bill is in the very early stages of development and may be amended as it progresses.

Service/Operational Impact: NOVA is committed to supporting youth in their successful transition from school to career and works in partnership with the local school districts to achieve this end. This bill, as proposed, would enhance local school districts' capacity to provide these services. It also represents tremendous potential for augmenting youth funding in the state and depending on how the program is implemented, it could enhance available resources for youth programs for local workforce boards such as NOVA.

Public Safety

AB 1069 (Low) Local government: Taxicab Transportation Services (commencing January 1, 2019).

Summary: This bill transfers authority for regulation of taxicabs from cities and counties to regional authorities, and establishes statewide standards for licensing practices such as driver testing and vehicle inspection.

Service/Operational Impact: The City of Sunnyvale City Charter requires that Council approve and issue franchise agreements with taxicab companies, and Sunnyvale Municipal Code Chapter 5.36 provides the regulatory guidelines for both taxi franchises and driver/vehicle standards. AB 1069 will require the City to revise SMC Chapter 5.36 to align with state law by November 30, 2018. The revised ordinance will also address necessary changes to the terms and conditions for issuance of a taxicab franchise agreement, both to taxicab companies and individuals.

LCS - Library

AB 1127 (Calderon) Baby Diaper Changing Stations

Summary: This bill requires new construction or renovation of a public building owned by a state or local agency open to the public such as theater, sports arena, or library to install and maintain at least one baby diaper changing station per building that is available to both men and women.

Service/Operational Impact: This will have a financial impact to the construction and renovation of new City facilities that are open to the public. Library and Community Services will upgrade any restrooms needing a baby changing table as they are constructed or renovated.

Pending Legislation:

Summary President Trump's 2019 budget proposal calls for the elimination of all federal funding for the Institute of Museums and Libraries.

Service/Operational Impact: This could have a significant impact to Sunnyvale libraries as it is the only source of federal funding for libraries and is often a source for matching state grants.

SCA-3 (Dodd) Local Government Financing: Public Libraries: Voter Approval.

Summary: In early 2017, Senator Dodd introduced SCA-3 Dodd to lower the local vote threshold for the passage of library construction bonds from the current two-thirds vote to a 55% vote. The measure passed Senate Governance and Finance Committee and Senate Elections and Constitutional Amendments Committee. This measure is a constitutional amendment, and as such, requires a two-thirds vote of the legislature and the Governor's signature. In late 2017, some state congressional members had stepped down, resulting in a loss of enough support for passage. Due to the timing needed for special elections, the bill is not likely to move forward in 2018.

Service/Operational Impact: This would be a high priority for the Library as this could greatly impact the City's ability to fund a new Main Library.

LCS - Community Services

AB735 (Maienschein) Automated External Defibrillators at Public Swimming Pools.

Summary: This bill would require public swimming pools, as defined by the state, that are required to

provide lifeguard services and that charge a direct fee, to additionally provide an Automated External Defibrillator (AED) during pool operations.

Service/Operational Impact: Sunnyvale currently manages three pools that are used for swim lessons, classes and aquatic sports. All pool facilities have AED equipment, and are therefore compliant with the new law.

Environmental Services

AB 1284 (Dababneh) California Financing Law. Property Assessed Clean Energy (PACE) Program. Program Administrators.

Summary: The law strengthens consumer protections related to PACE programming by:

- Giving the CA Department of Business Oversight (DBO) oversight over PACE administrators.
- Adding new underwriting standards, including evaluating a property owner's ability to pay.
- Strengthens and standardizes current underwriting standards.
- Adds oversight of program advertising and PACE contractors (solicitors).

Law requires PACE providers be licensed by the Department of Business Oversight (DBO) by January 1, 2019. The law creates a regulatory authority over PACE providers that did not exist previously. This should improve PACE providers' contract performance and consumer protections (most of which are effective April 1, 2018). However, the law does not address the Federal Housing Finance Agency's position regarding PACE financing.

Service/Operational Impact: This bill supports the City's environmental goals by streamlining the financing program that allows homeowners to make home clean energy improvements.

SB 242 (Skinner) Property Assessed Clean Energy Program. Program Administrator.

Summary: Law adds statewide consumer protections for residential consumers to the PACE program:

- Requires telephone confirmation of PACE terms and conditions by a property owner.
- Provides property owners with a three-day right to cancel.
- Prohibits PACE administrators from providing incentives to contractors or property owners.
- Requires reporting of PACE program impact data to local governments.

Service/Operational Impact: Many of these consumer protections were included in the ABAG PACE Provider Agreement but now apply to all PACE Providers doing business in California. However, the law does not address FHFA position regarding PACE financing, which was of significant interest and concern when Sunnyvale approved the PACE program's expansion.

AB 398 (E. Garcia) California Global Warming Solutions Act of 2006. Market-based Compliance Mechanisms. Fire Prevention Fees. Sales and Use Tax Manufacturing Exemption.

Summary: Extends the California Cap and Trade emissions control program through 2030.

Service/Operational Impact: This bill ensures a continued source of funding for Green House Gas (GHG) reduction programming. In the past, emphasis has been on serving Disadvantaged Communities, further analysis will be need to determine whether the City will benefit directly from the Cap and Trade revenue.

ACA 1 (Mayes) Greenhouse Gas Reduction Reserve Funds.

Summary: Places a constitutional amendment on the June 2018 ballot that would require a special two-thirds vote of the Legislature to appropriate Greenhouse Gas Reduction Fund (GGRF) funds in 2024.

Service/Operational Impact: This initiative could create a bottleneck in budget approval and expenditures of Cap and Trade revenue because of the two-thirds approval requirement.

Pending Legislation:

AB 1884 (Calderon) Solid Waste: Single-use Plastic Straws.

Summary: This bill would bar "eat in" food facilities from providing a plastic drinking straw to a consumer except at consumer's request.

Service/Operational Impact: By reducing use of plastic straws, implementation would further the City's Zero Waste and stormwater quality goals by reducing the number of floatable and non-recyclable plastic straws that get discarded in the community.

Public Works

SB 1 (Beall) Transportation Funding (Road Repair and Accountability Act of 2017)

Summary: This bill prioritizes funding towards maintenance and rehabilitation and safety improvements on state highways, local streets, roads and bridges.

Service/Operational Impact: Approximately \$2.5 million will be available annually to the City to address road maintenance, rehabilitation and critical safety needs; \$838,000 will be received in FY 2017/18. The City has received the first of five disbursements for this fiscal year (RTC 17-0749). A list has been created identifying street segments to be considered for improvements by SB1 funding and will be updated through the annual CIP budget process. The next update will go before City Council on April 24, 2018. SB1 provides flexibility to use funds on other transportation initiatives once the City's PCI reaches 80.

AB 92 (Bonta) Public Contract

Summary: This bill extends an existing law that will sunset on 1/1/2023. The bill prohibits public agencies from retaining more than 5% of a contract price until completion of a project, unless the project is substantially complex.

Service/Operational Impact: Sunnyvale already complies with the existing requirement and will continue to comply as mandated by this new law.

Pending Legislation:

SB 5 (de Leon) California Drought Water, Parks Climate, Coastal Protection and Outdoor Access for All Act of 2018.

Summary: If passed, would authorize issuance of \$4 billion in bonds to fund park improvements, acquisition, development and rehabilitation for local parks. Funding is primarily for the Central Valley and disadvantage communities

Service/Operational Impact: This is a watch for Public Works, should funding opportunities arise. Environmental Services Department should have some input related to water.

Pending ballot:

Yes on Prop 69.

Summary: This ballot initiative will prohibit the State Legislature from borrowing or diverting these revenues for non-transportation purposes. Supported by the League of California Cities, this will ensure that all revenues from SB 1 can only be used for transportation improvement purposes. Yes on Prop 69 will extend constitutional protections to the revenues generated by SB 1 that aren't currently protected and ensures these funds can only be used for transportation improvement purposes.

Service/Operational Impact: If the State Legislature succeeds in diverting SB 1 funding away from municipalities, Sunnyvale could see decreased funding for road improvements. Approximately \$2.5 million will be available annually to the City to address road maintenance, rehabilitation and critical safety needs; \$838,000 will be received in FY 2017/18. The City has received the first of five disbursements for this Fiscal Year (RTC 17-0749). A list has been created identifying street segments to be considered for improvements by SB1 funding and will be updated through the annual CIP budget process. The next update will go before City Council on April 24, 2018. SB1 provides flexibility to use funds on other transportation initiatives once the City's PCI reaches 80.

Finance

Pending Legislation:

The Tax Fairness, and Accountability Act of 2018.

Summary: A proposed initiative measure mandating a two-thirds vote for all local government taxes enacted after January 1, 2018 is being circulated for signatures. If it qualifies for the ballot in California, this initiative would amend both Proposition 26 and Proposition 218, resulting in a clear and present danger to local control over city and county revenues throughout California. The Act would impose a double hurdle of a two-thirds vote by both local governing bodies, and the electorate of individual cities and counties, to levy any new local taxes, fees, or charges of any kind, or to increase any existing tax or expand its scope.

Service/Operational Impact: This initiative would make it more challenging to levy new taxes, fees, or charges of any kind; therefore, limiting potential revenue for City services and infrastructure.

Community Development

Attached is an in-depth analysis of the 2017 Housing Package, which took effect January 1, 2018. The attached report was presented to Council on February 6, 2018 (RTC No. 17-1208).

Pending Legislation:

SB 827 (Wiener) Development Standards for Transit-Rich Areas.

Summary: This bill would exempt certain housing projects near transit from locally developed and adopted height limits, densities, parking requirements, and design standards.

Service/Operational Impact: This bill, in its current draft, could impede the City's longstanding practice of thoughtful and responsible city planning. Existing planning processes are required to ensure sustainable and equitable community development, which result in plans that can realistically be implemented and development that can be properly serviced.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

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ATTACHMENTS

1. Review of 2017 Housing Legislation