



DISCUSSION ITEM
AGENDA ITEM # 12

AGENDA REPORT SUMMARY

Meeting Date: June 8, 2021

Subject: Materials under Agenda Item #12 - Council Legislative Subcommittee Update And Potential Council Action

From: **Andrea Chelemengos, City Clerk**

Please note the following materials have been provide by Vice Mayor Enander and have not yet been reviewed by the Council Legislative Subcommittee

Legislative Committee Report
June 4, 2021

All of the bills listed in the most recent report (May 25, 2021 Agenda report) that were going to floor votes passed their original houses. Draft letters for 13 of those bills and a separate letter regarding the State budget are presented for consideration.

Most of the bills have not yet been scheduled for committee hearings in the second house, but those hearings will likely happen in short order between now and late August. The legislative committee is seeking concurrence on the positions for these bills, for authority to customize each of the draft letters for the various committees that will hear the bills between now and late August, and for floor vote letters to Assemblymember Berman and Senator Becker for any bills that move to floor votes before late August.

Council has previously approved letters for 7 of the 13 bills (AB 215, SB 9, SB 15, SB 278, SB 556, SB 612, and SB 640) and deferred action on 2 others (AB 1401 and SB 16). Council previously approved letters for 2 others for which further action is not warranted: AB 415 failed to move from the Assembly, and AB 339 was amended to apply only to cities of more than 250,000. Of the 7 bills for which the City has previously sent letters, CalCities has changed its position only on SB 9, from “Oppose Unless Amended” to a straight “Oppose.” The new draft letter for SB 9 reflects that change, but has not been discussed by the committee.

Letters on AB 14, AB 602, AB 989, and SB 4 are new and represent the evolving recommendations of CalCities from “watch” to having a specific position. AB 14 and SB 4 are virtually identical bills. There is also a new letter regarding the state budget, as requested in an alert by CalCities; it was drafted by the Vice Mayor and is being reviewed by Council member Weinberg and the staff.

AB 14 – New recommendation

[Senate Committees, as assigned]

**RE: AB 14 (Aguiar-Curry) Broadband Services: California Advanced Services Fund.
Notice of SUPPORT**

Dear Senator _____

The City of Los Altos is pleased to support AB 14 (Aguiar-Curry), which would prioritize deployment of broadband infrastructure in unserved and underserved communities throughout California through the ongoing collection of the California Advanced Services Fund (CASF) surcharge.

As local governments mobilized to address the spread of COVID-19, lack of access to reliable and affordable broadband service was highlighted as communities struggled to stay connected to school, work, and healthcare in the new digital environment. While Californians are increasingly using the internet to connect with others, local governments have taken to online platforms to ensure civic engagement during these unprecedented times.

AB 14 is a step in the right direction, ensuring the continued collection of an essential source of broadband funding. This measure not only authorizes the ongoing collection of the existing CASF surcharge but also makes it easier for local governments to access these grants. Additionally, AB 14 would create a Broadband Bond Financing and Securitization Account to fund broadband infrastructure deployment by local governments. These funding opportunities would allow local governments to continue to play a vital role in deploying broadband infrastructure in their communities.

In addition to these essential funding opportunities, AB 14 also would expand the definition of "unserved." Expanding this definition increases eligibility for CASF grants, which are currently reserved for areas with internet at dial-up speeds or lower leaving out many communities where Californians struggle to stay connected with slightly faster but still obsolete speeds. This measure would also take important steps to address local education agencies' connectivity needs, increase service plan transparency by internet service providers, and ensure anchor institutions are eligible for CASF funding.

While Los Altos generally has access to good quality broadband, it is important to sustain the ability of cities to access CASF grants for the expansion and upgrade of services. Further, AB 14 is critical to giving students and others equitable access – something that will benefit all Californians.

For these reasons, the City of Los Altos supports AB 14.

Sincerely,

AB 215 – No change in position from prior letter

[Senate Committees, as assigned]

**Re: AB 215 (Chiu): Housing Element; Regional Housing Need; Relative Progress Determination
Notice of Opposition (As amended April 5, 2021)**

Dear Senator _____

The City of Los Altos respectfully opposes AB 215, which would create a new, mid-cycle regional housing needs progress determination process and mandates cities and counties with “low progress” in meeting those housing targets to consult with the California Department of Housing and Community Development (HCD) and adopt pro-housing policies. Our chief concern is regarding the mandate to achieve HCD’s designation as a pro-housing jurisdiction.

As you know, the 2019 Budget Act directed HCD to promulgate emergency regulations no later than July 1, 2021, to establish a prohousing designation program. AB 215 turns what was intended to be an incentive program into a mandatory requirement for cities to adopt state supported policies and strategies regardless of whether those policies and strategies would result in increased housing development and whether those policies and strategies are appropriate for our community.

We also question whether the “relative progress” metric is truly calibrated to produce the intended outcome. The cycle of moving from development proposal to entitlement to building permit – the point at which a project would be “counted” in reporting to HCD – takes at least 18 months, assuming the developer moves forward. This leaves little time for cities to show the required progress mid-cycle. Further, the bill takes no account of possible economic forces outside the city’s control that might deter developers from moving to the permitting stage and actual construction.

Several recent changes in the law have given the State new enforcement tools. HCD can review any action or failure to act by a jurisdiction that is inconsistent with the jurisdiction’s adopted housing element; revoke the Department’s prior findings that a city’s housing element is compliant; and refer a non-compliant city to the Attorney General, who can in turn bring the city to court to compel compliance. The State should remain focused on using the tools in existing law to promote housing element adoption and implementation.

Los Altos remains committed to increasing affordable housing. However, we cannot support the transition of an incentive-based approach to a mandatory program, especially considering that the prohousing program has yet even to be implemented.

For these reasons, the City of Los Altos opposes AB 215. If you have questions, or wish to discuss our position, please do not hesitate to contact me at nfligor@losaltosca.gov.

Sincerely,

AB 602 – New recommendation

[Senate Committees, as assigned]

RE: Assembly Bill 602 (Grayson): Development Fees – Impact Fee Nexus Study Oppose Unless Amended (As amended May 4, 2021)

Dear Senator _____:

The City of Los Altos respectfully asks that you oppose AB 602, by Assembly Member Grayson, which would make significant changes to laws governing local development impact fee programs. Given the complexities of taxation and public finance in California, and the significant limitations on local taxation imposed by the state constitution, development impact fees are a vital tool that we must rely upon to ensure the new developments are supported necessary infrastructure.

While some concerns regarding exactions were dealt with in the most recent amendments in the Assembly, we remain opposed to development of a nexus fee template by the Housing and Community Development Department (HCD). While HCD has extensive experience in funding housing, and has occasionally provided grant funding to support infrastructure improvements on a project-by-project basis, the Department does not have experience related to planning, building and funding infrastructure at a community scale. We also note that the Mitigation Fee Act extends beyond residential projects, to include commercial developments, which have very different infrastructure impacts and needs.

We support the proposal by the League of California Cities to create a clearinghouse through the Office of Planning and Research for nexus studies. This would allow smaller cities to learn from peers with similar infrastructure needs and provide an opportunity for interested parties in the development community, public works officials, and academic researchers to analyze trends and recommend changes in public policy.

For these reason, we respectfully ask that you oppose AB 602 and hope you can persuade the author to work with the Local Government Committee, the Assembly Housing and Community Development Committee, and other stakeholders to improve California development impact fee programs while protecting public infrastructure needed by our constituents who will live in new developments.

If you have questions, or wish to discuss our position, please do not hesitate to contact me at nfligor@losaltosca.gov.

Sincerely,

AB 989 – New recommendation

[Senate Committees, as assigned]

RE: Assembly Bill 989 (Grayson) Appeals. Housing Accountability Committee. Notice of Opposition (As Amended May 3, 2021)

Dear Senator _____:

The City of Los Altos joins the League of California Cities in strongly opposing AB 989 (Gabriel), which would create a new state appeals committee within the California Department of Housing and Community Development (HCD) composed of eight members, all appointed by the Governor, with a panel of five members hearing each appeal.

Housing affordability is a critical issue, and we are working to expand the opportunities for housing projects consistent with the numerous State laws that govern our Housing Element and relevant zoning standards. These laws include the Housing Accountability Act which allows a city – subject to proper notice, public hearings, and strict time limits – to impose conditions to mitigate the environmental impact of the project under CEQA and to require compliance with “objective quantifiable, written development standards, conditions and policies.” AB 989 allows a majority of the panel to overturn either or both of these actions if a developer argues they violate the HAA.

The HAA further allows a city – again with proper notice, public hearings, and strict time limits – to deny a project because it would have a specific, adverse impact upon the public health or safety. AB 989 again allows majority of the panel to substitute their judgment about the public health or safety of a community and overturn the denial following procedures that are not subject to public review and comment.

Adding a hearing by the Executive Branch of State Government will not get housing built faster. Rather, it will slow development, increase conflict, and add time to the process. For these reason, the City of Los Altos OPPOSES AB 989.

If you have questions, or wish to discuss our position, please do not hesitate to contact me at nfligor@losaltosca.gov.

Sincerely,

AB 1401 – Provided previously; held for further Council discussion

[Senate Committees, as assigned]

**RE: AB 1401 (Friedman) Residential and Commercial Development. Parking Requirements.
Notice of Opposition (As Amended April 19, 2021)**

Dear Senator _____ :

The City of Los Altos respectfully opposes AB 1401 (Friedman), which would prohibit a local government from imposing a minimum automobile parking requirement, or enforcing a minimum automobile parking requirement, on residential, commercial, or other development if the development is located on a parcel within one-half mile walking distance of public transit.

AB 1401 would essentially allow developers to dictate parking requirements in large areas of our city because the definition of public transit includes entire bus corridors, not just high frequency bus stops or major transit stops. Restricting parking requirements within one half- mile walking distance of a high-quality transit corridor does not guarantee that individuals living, working, or shopping on those parcels will have access to public transit since proximity to a corridor does not equate to a convenient bus stop.

Further, AB 1401 would give both developers and transit agencies the power to determine parking requirements. Transit agencies would be able to dramatically alter local parking standards by shifting transit routes and adjusting service intervals, with no guarantee that such service would even be in place at the time a given project is completed or thereafter.

AB 1401 could negatively impact the application of the State's Density Bonus Law by providing developers parking concessions without also requiring developers to include affordable housing units in the project. The purpose of the Density Bonus Law is to provide concessions and waivers to developers in exchange for affordable housing units. Such a reduction in our ability to compel the inclusion of affordable housing is contrary to the interests of California to increase the availability of such housing.

We recognize that amendments have allowed for imposition of some requirements regarding electric vehicles. However, as amended, and while well intended, AB 1401 prevents local jurisdictions from establishing appropriate parking requirements based on community needs. A one-size fits all approach to an issue that is project and location specific just does not work. For these reasons, we ask for your NO vote on AB 1401 on the Assembly Floor.

If you have questions, or wish to discuss our position, please do not hesitate to contact me at nfligor@losaltosca.gov.

Sincerely,

SB 4 - New recommendation (nearly identical to AB 16)

[Assembly Committees, as assigned]

SB-4 Communications: California Advanced Services Fund: deaf and disabled telecommunications program: surcharges

Dear Assemblymember _____

The City of Los Altos is pleased to support SB 4 (Gonzalez), which would prioritize deployment of broadband infrastructure in unserved and underserved communities throughout California through the ongoing collection of the California Advanced Services Fund (CASF) surcharge.

As local governments mobilized to address the spread of COVID-19, lack of access to reliable and affordable broadband service was highlighted as communities struggled to stay connected to school, work, and healthcare in the new digital environment. While Californians are increasingly using the internet to connect with others, local governments have taken to online platforms to ensure civic engagement during these unprecedented times.

SB 4 is a step in the right direction, ensuring the continued collection of an essential source of broadband funding. This measure not only authorizes the ongoing collection of the existing CASF surcharge but also makes it easier for local governments to access these grants. These funding opportunities would allow local governments to continue to play a vital role in deploying broadband infrastructure in their communities.

In addition to these essential funding opportunities, SB 4 also would expand the definition of "unserved." Expanding this definition increases eligibility for CASF grants, which are currently reserved for areas with internet at dial-up speeds or lower leaving out many communities where Californians struggle to stay connected with slightly faster but still obsolete speeds. This measure would also take important steps to address local education agencies' connectivity needs, increase service plan transparency by internet service providers, and ensure anchor institutions are eligible for CASF funding.

While Los Altos generally has access to good quality broadband, it is important to sustain the ability of cities to access CASF grants for the expansion and upgrade of services. Further, SB 4 is critical to giving students and others equitable access – something that will benefit all Californians.

For these reasons, the City of Los Altos supports SB 4.

Sincerely,

SB 9 – Revised to conform to CalCities change from Oppose Unless Amended to Oppose

[Assembly Committees, as assigned]

**RE: SB 9 (Atkins) Increased Density in Single-Family Zones
Notice of Opposition (As Amended April 27, 2021)**

Dear Assemblymember _____:

The City of Los Altos writes to express our opposition on SB 9, which would require a local government to ministerially approve, without condition or discretion, a housing development containing two or more residential units in on an individual parcel in single-family residential zones. Additionally, this measure would require local governments to ministerially approve urban lot splits, thus creating two independent lots that may be sold separately.

Housing affordability and homelessness are among the most critical issues facing California cities. Affordably priced homes are out of reach for many people, and housing is not being built fast enough to meet the current or projected needs of people living in the state. Cities lay the groundwork for housing production by planning and zoning new projects in their communities based on extensive public input and engagement, state housing laws, and the needs of the building industry.

While the City of Los Altos appreciates President pro Tempore Atkin’s desire to pursue a housing production proposal, unfortunately, SB 9 as currently drafted would not spur much needed housing construction in a manner that supports local flexibility, decision-making, and community input. State driven ministerial or by-right housing approval processes fail to recognize the extensive public engagement associated with developing and adopting zoning ordinances and housing elements that are certified by the California Department of Housing and Community Development (HCD). None of the current provisions of SB 9 would assure that any of the units created would be affordable – our most crucial housing need.

Los Altos is a charming and unique city that is almost fully developed. Our community, staff, and City Council recognize that California faces a housing crisis and that the solution must be regional. We stand ready to do our part to cooperate with the State and our Council of Governments (ABAG). However, we respectfully request that you and your colleagues take note of the fact that we have the least parkland and green space of all our neighbors, that our community is one of the more mature in Santa Clara County, and that SB 9 will change the longstanding character of our neighborhoods significantly. We know that other cities are facing their own challenges in balancing the goals of SB 9 with their own, unique circumstances. SB 9 is, regrettably, another attempt to impose a one-size-fits-all requirement that will not necessarily achieve the beneficial results sought. We believe giving local jurisdictions incentives is the better approach and would best achieve the intended goals of SB 9.

The City of Los Altos is committed to being part of the solution to the housing shortfall and will

continue to work collaboratively with you to spur much needed housing construction.

For the above reasons, the City of Los Altos opposes SB 9 (Atkins). If you have questions, or wish to discuss our position, please do not hesitate to contact me at nfligor@losaltosca.gov.

Sincerely,

SB 15 - No change in position from prior letter

[Assembly Committees, as assigned]

**RE: SB 15 (Portantino) Housing Development Incentives. Rezoning of Idle Retail Sites.
Support**

Dear Assemblymember _____:

The City of Los Altos writes in support of SB 15 (Portantino). SB 15 would provide strong incentives for cities to rezone idle big box retail sites or commercial shopping centers to accommodate much needed housing. By providing additional resources to help address the revenue shortfall associated with such rezoning, SB 15 allows cities to make such sites available for housing, rather than redeveloping them to high-density offices that exacerbate the unfavorable ration of jobs to housing.

For these reasons, we SUPPORT SB 15 as a important tool to increase the amount and diversity of housing by providing important financial support to cities that are able to facilitate the conversion of retail sites.

If you have questions, or wish to discuss our position, please do not hesitate to contact me at nfligor@losaltosca.gov.

Sincerely,

SB 16 – Held from prior meeting for further Council discussion

[Assembly Committees, as assigned]

**SB 16 (Skinner) Peace Officers. Release of Records
Notice of Opposition (As Amended May 20, 2021)**

Dear Assemblymember _____:

The City of Los Altos respectfully opposes SB 16. While the overly punitive imposition of fines and other monetary damages have been removed from the original bill, the measure remains excessive in the types of personnel records it makes subject to disclosures.

We support maintaining the confidentiality of personnel matters and protecting public safety personnel discipline records from public disclosure, as appropriate.

As amended, SB 16 would unjustifiably expand SB 1421 by providing for the disclosure of police personnel records for every incident alleging use of force, regardless of whether the officer was exonerated or if a complaint was not sustained. This provision is neither practical from an administrative standpoint nor helpful toward to objective of fostering trust between law enforcement and the communities they serve. The release of officer records for every single incident involving any use of force, or an allegation of unreasonable or excessive force – especially those in which the officer is entirely within departmental policy – will generate the misperception that there was “something wrong” with the officer’s conduct.

Our communities can benefit from continued dialogue around law enforcement review and discipline. Unfortunately, this measure is not limited in how it would open police officer personnel records to the public. This policy imbalance that prioritizes public disclosure of records over an officer’s privacy, regardless of whether they were proven to have exhibited proper conduct, is disconcerting.

For these reasons, the City of Los Altos opposes SB 16.

If you have questions, or wish to discuss our position, please do not hesitate to contact me at nfligor@losaltosca.gov.

Sincerely,

SB 278 – No change in position from prior letter

RE: SB 278 (Leyva) Public Employees' Retirement System. Disallowed Compensation. Benefit Adjustments. Notice of Opposition (As Amended March 23, 2021)

Dear Assemblymember _____:

The City of Los Altos respectfully opposes SB 278 (Leyva), which would require public agencies to directly pay retirees and/or their beneficiaries, disallowed retirement benefits using general fund dollars. Our objections to this measure are rooted in policy, operational cost, and legal concerns that will inevitably face virtually every state and local government agency should this measure be signed into law.

CalPERS has no Incentive to Properly Calculate Benefit Payments:

SB 278 would place 100 percent of the total liability for disallowed retirement benefits on public agencies—abdicating all responsibility previously held by CalPERS to ensure that retirement benefits are calculated and administered correctly. As such, SB 278 is a de facto and retroactive benefit enhancement measure that would further strain our budget at a time where the impacts of COVID-19 and retirement obligations are making it exceedingly difficult to effectively provide critical services for the public. This would place an undefinable liability on city funds, causing uncertainty in budgeting for services, infrastructure, and otherwise-predictable retirement obligations. The uncertainty might well lead to audit notes that could impede bonding and financing mechanisms.

Requirements under SB 278 will Create Compliance and Implementation Issues:

SB 278 would require us to issue direct General Fund payments to retirees, which would trigger GASB 68 reporting requirements. Given the unique circumstances surrounding these overpayments, we would have to track and report these liabilities. Such additional responsibilities will require us to hire costly outside actuarial and legal experts to ensure that they follow federal reporting laws.

This measure also fails to consider the common practice of employees moving from jurisdiction to jurisdiction throughout their careers. Under normal circumstances, CalPERS pays out the benefit if an employee works for multiple agencies that enjoy reciprocity. However, under SB 278 it is unclear. Such confusion will lead to compliance, legal and implementation challenges. The lack of accountability by the administrator of public retirement benefits would lead to more confusion and compliance challenges for public agencies.

Gift of Public Funds is a Violation of the California Constitution:

Under SB 278, the City of Los Altos would issue unlawful payments to former employees and/or their beneficiaries. Continued payment of a disallowed benefit to a retiree would constitute a gift of public funds, in violation of Section 6, Article 16 of the California Constitution. Such

violations would leave a public agency left to defend itself from costly lawsuits filed by members of the public.

SB 278 would create an unfunded mandate by transferring legal and financial obligations from CalPers to cities and requiring us to attempt to administer retirement benefits to employees who will likely relocate during their retirement – a task far beyond the scope that can be expected of small-city staffs.

For these reasons, the City of Los Altos opposes SB 278 (Leyva). If you have questions, or wish to discuss our position, please do not hesitate to contact me at nfligor@losaltosca.gov.

Sincerely,

SB 612 – No change in position from first letter

[Assembly Committees, as assigned]

**RE: SB 612 (Portantino) Electrical Corporations and Other Load-Serving Entities.
Allocation of Legacy Resources
Notice of Support (As Amended May 20, 2021)**

Dear Assemblymember _____:

The City of Los Altos continues to support SB 612. SB 612 would ensure that resources held in the Investor Owned Utility (IOU) portfolios are managed to maximize value for all customers, and that fair and equal access to the benefits of these legacy resources.

Over the last ten years, millions of utility customers have transitioned from IOUs to Community Choice Aggregators (CCAs). The majority of Santa Clara County is served by two CCAs, Silicon Valley Clean Energy and San Jose Clean Energy. The City of Los Altos is a proud member of Silicon Valley Clean Energy.

When a customer transitions to a CCA, the customer continues to pay for resources, like energy, that were procured on their behalf through the Power Charge Indifference Adjustment (or PCIA). However, unlike a utility customer, CCA customers receive no benefits from these resources. This inequity has been exacerbated in recent years as the cost of this payment has increased by hundreds of millions of dollars, with no sign of decreasing. The impacts of COVID-19 have made the importance of righting this inequity and lowering costs for all customers even more urgent.

This bill would also ensure that these legacy contracts are managed in a way that maximizes benefits for everyone. The bill would also require the California Public Utilities Commission (CPUC) to recognize the value of clean energy in legacy contracts. However, time is of the essence. The longer the legislature takes to act, the less valuable these legacy contracts will be, and the less value customers will gain from access to them.

Accordingly, the City of Los Altos strongly supports this bill and encourages your aye vote.

If you have questions, or wish to discuss our position, please do not hesitate to contact me at nfligor@losaltosca.gov.

Sincerely,

SB 640 - No change in position from first letter

[Assembly Committees, as assigned]

**RE: SB 640 (Becker) Transportation Financing: Jointly Proposed Projects.
Notice of Support (As Amended 5/20/21)**

Dear Assemblymember _____:

The City of Los Altos strongly supports Senator Becker's efforts through SB 640 to provide for cooperative action that will allow local jurisdictions voluntarily to combine resources and simplify reporting on important transportation infrastructure projects. SB 640 will help cities maximize their SB 1 dollars on regional projects and create added flexibility for spending of that funding. We particularly appreciate that SB 640 enhances autonomy for local transportation decisionmaking, while retaining maximum flexibility for the timely and cost-effective completion of these important public works projects.

If you have questions, or wish to discuss our position, please do not hesitate to contact me at nfligor@losaltosca.gov.

Sincerely,

New letter re: State Budget, at request of CalCities

The Honorable Nancy Skinner
Chair, Senate Budget Committee
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Phillip Ting
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Anna Caballero
Chair, Senate Budget Subcommittee #4
#4
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Wendy Carrillo
Chair, Assembly Budget Subcommittee
State Capitol, Room 6026
Sacramento, CA 95814

Dear Chairs Skinner, Ting, Caballero, and Carrillo:

The City of Los Altos respectfully requests a budget commitment to cities of at least \$10 billion in the 2021-2022 State Budget to help cities recover from the pandemic, bolster investment towards meaningful solutions to homelessness, improve housing affordability, and advance critical infrastructure.

The fiscal consequences of the pandemic have had real world impacts on the city services Californians depend on daily. Nine out of 10 cities are currently experiencing a revenue shortfall due to the pandemic, 7 out of 10 cities anticipate that this shortfall will continue into next year, and 3 out of 4 cities will not, or are unsure if they can, balance their next budget without cutting services and staff.

The pandemic most significantly reduced revenues from three sources: sales tax, transient occupancy tax, and business license tax. The total loss over the second part of FY 19/20 and for FY 20/21 in these three categories will exceed \$3.2 million dollars. Additional impacts were felt as construction activity slowed and city-operated recreation activities were curtailed. The city does not anticipate a return to pre-pandemic revenue levels until at least FY 23/24.

The City of Los Altos was able to avoid layoffs by reducing city services and leaving positions vacant. We also reduced or deferred crucial infrastructure expenditures, including road improvements and construction of a critical Emergency Operations Center.

While the local relief included in the American Rescue Plan will help Los Altos continue to fight the pandemic and begin to rebuild our local economy, we anticipate a difficult revenue gap for at least two more years that will exceed the anticipated relief.

The City has made a significant commitment to affordable housing, entering into an agreement with Santa Clara County to build our first 100% affordable project. The City will forego more than \$5 million in fees to bring that project to reality – funds that will have to come from other city commitments. Flexible State aid will help replace those funds so that we can support additional affordable housing projects, restore city services, and return to a cost-effective infrastructure plan.

The state budget surplus presents a historic opportunity to invest in cities, to ensure an equitable and comprehensive recovery, and address generational crises that were exacerbated by the pandemic.

While our needs are most urgent in flexible aid to restore services, to complete critical infrastructure projects, and for affordable housing, we urge the State and Legislature to appropriate at least \$10 billion to cities as outlined by the League of California Cities, specifically:

- **\$2 BILLION IN DIRECT AND FLEXIBLE STATE AID.** To address local budget gaps left by the American Rescue Plan Coronavirus State and Local Fiscal Recovery Fund and to prevent sustained cuts to good government jobs and jumpstart core services including the easing of municipal hiring freezes.
- **\$5 BILLION FOR EVIDENCE-BASED HOMELESSNESS AND HOUSING SOLUTIONS.** To support cities in their efforts towards ending homelessness and increasing the construction of housing that is affordable to all Californians.
- **AT LEAST \$3 BILLION FOR BROADBAND INFRASTRUCTURE.** To support expansion and related infrastructure upgrades in unserved and underserved communities to help cities catalyze projects statewide.
- **\$225 MILLION TO HELP FUND THE MANDATES TO DIVERT ORGANIC WASTE FROM LANDFILLS.** To enable cities and the State stay on course to meet our ambitious goals to reduce landfill disposal

All levels of government have worked together to combat this pandemic. As our work together shifts to recovery for all, let us continue that strong partnership by ensuring that no community is left behind. Thank you for considering our request for assistance to protect local government operations and jobs, and to help the City of Los Altos.

Sincerely,

Senator Josh Becker
Assemblymember Marc Berman
Seth Miller, Peninsula Division, League of California Cities
League of California Cities, cityletters@cacities.org