



City Council Staff Report

From: City Manager

Report Type: ACTION ITEMS

Lead Department: City Manager

Meeting Date: April 3, 2023

Report #: 2303-1074

TITLE

Update, Discussion, and Potential Direction regarding State and Federal Legislation

RECOMMENDATION

Staff recommends that the City Council receive an update on Federal and State Legislation. Council Members may add additional legislation to the list of bills to monitor, and Council may provide direction regarding positions on pending legislation.

BACKGROUND AND ANALYSIS

On November 7, 2022, the City Council adopted the [2023 Legislative Guidelines \(Attachment C\)](#)¹ and a tentative 2023 Legislative Workplan (**Attachment D**). The guidelines provide a baseline for the City's legislative advocates at the State and Federal level to advocate on the City's behalf in relation to proposed legislation. Where the Guidelines provide sufficient direction, the City's legislative advocates may discuss Palo Alto's interests with state legislators and their staff and / or may prepare a letter of advocacy in alignment with the guidelines for the Mayor's signature. This is key to enabling the City to weigh in on fast-moving developments. The Legislative Workplan is intended to provide a roadmap of key dates throughout the legislative year.

In February 2023, the City Council approved a contract with Townsend Public Affairs to provide State and Federal advocacy services as well as grants applications and compliance services. With respect to legislative advocacy, this contract continues the City's legislative affairs work that has been in place for many years. With respect to grants, the contract will augment the efforts of City staff to pursue grant opportunities that align with City goals, apply, and comply with reporting and other requirements.

¹ <https://www.cityofpaloalto.org/files/assets/public/city-manager/legislation/2023-legislative-guidelines-final.pdf> and also included as **Attachment C** to the April 3 staff report

For the April 3 City Council discussion, Townsend Public Affairs prepared the attached memo (**Attachment A**) on bills in the current legislative session. The memo is organized in the State updates section by pulling a handful of bills to the top and including specific Palo Alto impact information for those bills. The memo also lists other bills that Townsend is monitoring on behalf of the City. Staff will continue to analyze these bills with Townsend as they progress. If desired, Council members may also raise for discussion other legislation of Palo Alto interest that is not listed in the memo or may recommend action on any of the bills listed on the monitoring list. The memo also includes a Federal update.

The 2023 State legislative calendar (which includes deadlines and other important dates) can be found online at: [https://www.assembly.ca.gov/system/files/2023-01/2023 legislative calendar final.pdf](https://www.assembly.ca.gov/system/files/2023-01/2023_legislative_calendar_final.pdf). This calendar provides helpful context when reviewing the bills included in the Townsend memo.

Process:

The City Council expressed interest in being more involved in the legislative advocacy process, particularly related to State legislation. Going forward, Townsend and staff will regularly share legislative updates with the City Council based on the bills the City is monitoring or has taken positions on. If there are additional bills that Council members feel the City should be monitoring, please let staff know. Townsend and staff will review the bill and recommend a course of action. For context, the listed bills are being monitored in anticipation of potentially taking a position in the future depending on what happens with the bill.

Staff would like to confirm the process that the City Council will use for reviewing legislation. In prior years, the process has varied between going first to the Policy and Services Committee versus review directly by the full City Council. Given the City Council's interest in discussing and receiving the updates, staff could plan on a monthly agenda item on legislation between February and June each year. For 2023, this would mean that another update will be scheduled in May and in June.

Upcoming Visits:

Townsend and staff are working to prepare a Sacramento Day for the City Council (aiming for April 19, but the date is tentative). The intent of the day is to meet with legislators and State agencies to discuss City priorities, especially related to funding. Townsend and staff continue to work on details for this visit.

Additionally, the National League of Cities conference takes place in the last week of March. Townsend and staff are organizing meetings with relevant Federal agencies and the

Washington, DC elected officials representing Palo Alto. The Mayor will represent Palo Alto for these meetings.

Lastly, Townsend and staff are coordinating visits from the legislators to Palo Alto. There are a few ideas under review and staff will update the Council when more information is available.

Other Information:

The City sent a letter recently to California Attorney General Bonta, requesting an investigation of the winter natural gas price spike. Governor Newsom requested a federal investigation (supported by Mayor Kou) that has now received a positive response from the Federal Energy Regulatory Commission (FERC). Palo Alto's letter requests a similar investigation at the state level. On March 16, the California Public Utilities Commission (CPUC) formally opened an investigation. The letter is included as **Attachment B** for awareness (no action needed on it at this time).

FISCAL/RESOURCE IMPACT

There is no additional funding needed for this update report. The City Council budgets annually for the legislative advocacy services and these efforts are led by staff in the City Manager's Office with stakeholder support across departments on key issues.

STAKEHOLDER ENGAGEMENT

Staff from multiple departments are involved in the legislative process in helping to review the impacts of bills as well as discussing grant opportunities linked to state and federal programs.

ENVIRONMENTAL REVIEW

The City's legislative advocacy activities are not a project under section 15378(b)(25) of the California Environmental Quality Act Guidelines (administrative activities that will not result in direct or indirect physical changes in the environment).

ATTACHMENTS

Attachment A: Update Memo from Townsend Public Affairs

Attachment B: Letter to Attorney General Bonta - Natural Gas Prices

Attachment C: 2023 Legislative Guidelines

Attachment D: Tentative 2023 Legislative Workplan

APPROVED BY:

Ed Shikada, City Manager