



2020 Q1 and Q2 Legislative Actions

Below is a summary of the actions that were taken during 2020 Q1 and Q2 as they align to the City of Santa Clara's 2020 Legislative Advocacy Positions (LAPs), guiding principles for legislative advocacy, or approved City policies (e.g. City Council Goals and Priorities). The letters are attached to this document.

Affordable Housing and Homelessness LAP

- January 12, 2020 Letter to Senator Wiener regarding SB 50 (Oppose)

COVID-19 Legislation LAP

- April 13, 2020 Letter to Senators Feinstein and Harris and Congressmember Khanna regarding Request for Phase 4 COVID 19 Economic Stimulus Package (Support)
- April 17, 2020 Letter to Santa Clara County Board of Supervisors regarding Request for Distribution of Coronavirus Relief Funding
- April 29, 2020 Cities Association Mayors Letter to Santa Clara County Board of Supervisors regarding COVID-19 Testing
- May 18, 2020 Letter to Senators Feinstein and Harris and Congressman Khanna regarding HEROES Act
- June 5, 2020 Letter to Assembly Member Chu and Senator Wieckowski regarding CARES Act Funding to Cities

Regional and State-wide Water Supply and Conservation LAP

- May 6, 2020 Letter to Assembly Member Rivas regarding AB 3005 (Support)
- May 14, 2020 Call in to Committee Hearing regarding AB 3005 (Support)
- June 5, 2020 Coalition Letter to CA Legislature regarding AB 3005 (Support)

Regional Issues and Collaboration LAP

- June 1, 2020 Letter to President pro Tempore Atkins and Speaker Rendon regarding Excess Education Revenue Augmentation Fund (ERAF)
- June 23, 2020 Cities Association Mayors Joint Letter regarding ERAF

Santa Clara Federal Legislative Priorities LAP

- February 21, 2020 Letter to Senator Feinstein regarding City of Santa Clara FY 21 Appropriations

Council Priority: Promote and Enhance Economic, Housing and Transportation Development

- June 15, 2020 Letter to Assembly & Senate Budget Committees regarding Budget Request from Office of Assembly Member Chu (Support)



January 21, 2020

The Honorable Scott Wiener
Senator, California State Senate
State Capitol Building, Room 5100
Sacramento, CA 95814

**RE: SB 50 (Wiener) Planning and Zoning. Housing Development Incentives
Oppose Unless Amended (as amended 01/06/2020)**

Dear Senator Wiener:

The City of Santa Clara must continue to oppose SB 50 unless the measure is further amended to address our key concerns. The City of Santa Clara is pleased to see that recent amendments attempt to create an alternative planning process for jurisdictions to develop a "local flexibility plan" that, if approved by the California Department of Housing and Community Development (HCD), would exempt cities from nearly all aspects of SB 50 with the exception of requiring fourplexes in single-family zones. The amendments taken on January 6, 2020, however, do not consider our primary objections to SB 50. The City continues to be concerned with the shift in decision making represented by SB 50 from the local jurisdiction to a single mandated approach. We continue to believe that the local jurisdiction is the appropriate level to conduct land use planning that fully incorporates the involvement of local community members and an understanding of conditions unique to the community.

Specific Concerns with the January 6, 2020 Amendments

It appears that the intent of the most recent amendments is to provide local governments with an opportunity to develop their own plan to meet the goals and objectives of SB 50. Although the goal of increased density around transit is clear; the goal of the bill regarding a jobs-rich housing project is not.

The amendments, as drafted, raise the following concerns:

- **Without clearly identified criteria, we are unable to evaluate** whether the "local flexibility plan" is actually viable alternative planning option.
- **OPR and HCD are tasked with developing "rules, regulations, or guidelines"** for the submission and approval of a local flexibility plan" without sufficient direction from the Legislature. This rulemaking process is exempt from the Administrative Procedures Act, thus allowing the Office of Planning and Research (OPR) and HCD to craft rules, regulations, or guidelines with little to no public input or oversight.
- **The elements of the plan are not clear:** Further Legislative direction is required.
 - "Achieve a standard of transportation efficiency as great or greater than if the local government were to grant equitable communities' incentives." SB 50 does not contain any language regarding "transportation efficiency." Therefore, it is not possible to determine how HCD, OPR or a local government will determine how to meet this standard or how a "local flexibility plan" is expected to comply with this standard.
 - "Increase overall feasible housing capacity for households of lower, moderate, and above moderate incomes, considering economic factors such as cost of likely construction types, affordable housing requirements, and the impact of local development fees." The override provisions of SB 50 do not contain any language

regarding “feasible housing capacity for households of lower, moderate, and above moderate incomes,” nor does it address “economic factors such as cost of likely construction types, affordable housing requirements, and the impact of local development fees.” Therefore, it is not possible to determine how HCD, OPR or a local government will determine how to meet this standard.

- SB 50’s “community plan” for sensitive communities provides a much clearer alternative and should be considered as a possible alternative planning process for all jurisdictions.

The preparation of a local flexibility plan will mandate allocation of additional resources by the local jurisdiction beyond those already required for preparation of the Housing Element, maintenance of the General Plan, and other required activities already established by the State to address the need for housing production. Refinement of these existing tools would provide a more efficient process for the State to address the current concerns with housing production. If a city elects not to develop a “local flexibility plan” or if HCD does not approve a submitted “local flexibility plan” by January 1, 2023, a city is required to give a developer an “equitable communities incentive”, which overrides locally developed and adopted height limitations, housing densities, and parking requirements and allows development to move forward absent a cohesive plan for the design of new neighborhoods, provision of infrastructure, incorporation of public amenities and other requirements for the eventual development of a successful community. Furthermore, the proposed deadline for preparation of the local flexibility plan does not consider the time that may be required by the State to provide criteria for such plans.

Many statewide standards, enacted by the Legislature, are included in the State’s Planning law. Standards should be established by the Legislature, not by individual developers. Undermining established land use planning tools; SB 50 would greatly undermine locally adopted General Plans, Housing Elements (which are certified by the HCD, and Sustainable Community Strategies (SCS) and local land use policies typically enacted with significant participation by the local community. The City of Santa Clara has invested significant resources, working with the community, to develop Specific Plans and other policies that are resulting in the production of a significant amount of new housing, along with parks and other public infrastructure improvements necessary to build complete neighborhoods. SB 50 does not in any way recognize these local efforts and the jurisdictions that are taking good faith efforts to produce new housing.

For these reasons, the City of Santa Clara opposes SB 50 unless amended.

Sincerely,



Lisa M. Gillmor
Mayor
The City of Santa Clara

- cc. Robert A. Wieckowski, California State Senate, District 10
Kansen Chu, California State Assembly, District 25
Seth Miller, League of California Cities Public Affairs Manager (via email)
League of California Cities, cityletters@cacities.org



**City of
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The Center of What's Possible

Mayor

Lisa M. Gillmor

Councilmembers

Raj Chahal
Debi Davis
Karen Hardy
Teresa O'Neill
Kathy Watanabe

April 13, 2020

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

The Honorable Kamala Harris
United States Senate
112 Hart Senate Office Building
Washington, DC 20510

The Honorable Ro Khanna
United States House of Representative
221 Cannon Office Building
Washington, DC 20515

Dear Senator Feinstein, Senator Harris and Congressman Khanna:

As Mayor of Santa Clara, I want to thank you for the swift action undertaken to address the immediate needs of our nation during the COVID-19 pandemic. While emergency funding provided to state and local governments through the recently passed CARES Act was urgently needed, it is by no means sufficient. Despite the uncertainty and rapidly changing nature of this crisis, local jurisdictions are on the front lines and are increasing efforts to ensure the health and safety of residents. To meet this challenge, it is imperative that Congress provide increased state and local fiscal support in the "Phase 4" COVID-19 Economic Stimulus Package.

State and local governments have been at the forefront of the response to COVID-19, allocating hundreds of millions of dollars to respond to challenges created by COVID-19. Santa Clara County, specifically, has been disproportionately impacted when compared to other California regions. As we continue to take significant and costly steps to mitigate the spread of this virus while providing essential governmental functions to residents and businesses, we will need the next round of economic relief to provide direct funding allocations to cities and states to counteract budget shortfalls. Additional aid should include the following:

- General Fund reimbursement to mitigate extreme loss of revenue
- Reimbursement to our municipal electric utility for extreme loss of revenue due to Silicon Valley businesses being shut down
- Reimbursement for providing supplemental food programs for our vulnerable and low-income residents
- Reimbursement of expanded sick leave and FMLA leave for government employers, who are currently ineligible for the "Phase 2" tax credit
- Reimbursement of lost revenue due to cancelled events at the Santa Clara Convention Center and Levi's Stadium which have a direct impact on the City's General Fund, e.g. cancelled concerts, events, conferences, and luncheons

- Expanded and extended Unemployment Insurance provided to workers, including individuals who are unemployed, partially unemployed, or unable to work due to COVID-19
- Additional Personal Protective Equipment (PPE) for all front line and gig workers who have been deemed essential personnel
- Stabilization of the municipal bond market, which helps finance operations for localities nationwide

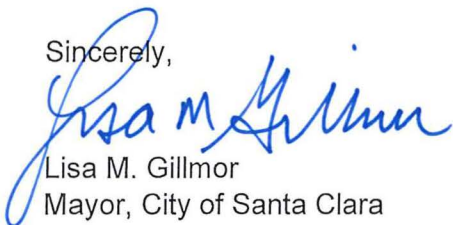
In addition to the aforementioned requests, we believe that it is equally important to create economic growth to help stimulate our economy and bring us all back from this crisis, stronger than ever. We believe that federal investment in infrastructure should be a major focus in any recovery package. Incorporating infrastructure into a stimulus package directed at local governments will provide new job opportunities and help local economies implement a sound path to financial recovery from COVID-19. The next stimulus package should reimplement previous programs such as the Build America Bond Program, which allowed state and local entities to issue bonds for financing surface transportation projects following the Great Recession. Projects such as the expansion and improvements to the bicycle/pedestrian/creek trail systems in Santa Clara and the implementation of a City of Santa Clara shuttle program would benefit directly from this type of bond issuance. Additionally, the upcoming stimulus should include the following infrastructure priorities:

- Funding for modern highways & highway safety investments to increase pedestrian safety, reduced congestion and carbon pollution, and deliver better roads and bridges faster, by prioritizing fixing broken and outdated infrastructure
- Funding for rail investments to expand passenger rail networks, giving travelers a reliable, low-carbon option to travel both short and long distances
- Funding for airport investments to keep up with travel demand and accelerate research into noise reduction efforts in communities near airports
- Funding for clean water and wastewater infrastructure to build new, modern clean water and wastewater infrastructure to address local water challenges such as PFAS “forever chemicals” in drinking water, flood and disaster protection, and harbor maintenance
- Funding for broadband and communications to expand broadband access to unserved and underserved suburban and urban communities

Above all, the COVID-19 pandemic has created a major impact on local communities. Additional federal funding is essential so local governments can continue to provide the necessary support to address the increase in unemployment, minimize the economic impact of business closures, ensure all students have access to education, and meet the childcare and housing needs of residents.

Again, thank you for your efforts and I look forward to working with you to overcome this crisis.

Sincerely,



Lisa M. Gillmor
Mayor, City of Santa Clara



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Councilmembers

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April 17, 2020

The Honorable Cindy Chavez
Santa Clara County Board of Supervisors
70 West Hedding Street
East Wing, 10th Floor
San Jose, CA 95110

Re: COVID-19 Response: Access to Coronavirus Relief Fund

Dear President Chavez:

I would like to thank you and your staff for your leadership, tireless work, and focus on maintaining public health and recovery during this time of unprecedented vulnerability. I appreciate your assistance in keeping our residents informed and directing them to relief resources. As the County looks forward to the long-term recovery from COVID-19, I would like to extend our support and partnership.

As the Mayor of the Santa Clara, I write to respectfully request that the County work to secure funding from the Coronavirus Relief Fund, approved as part of the CARES Act, and quickly distribute the funding to the cities in Santa Clara County that have been on the front lines of the COVID-19 pandemic.

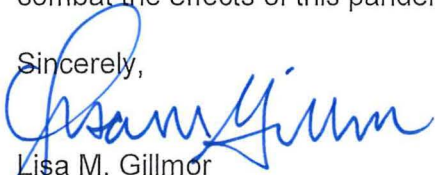
As part of the CARES Act that President Trump signed into law on March 27th, the Coronavirus Relief Fund was established to provide state and local government assistance for those local governments with a population that exceeds 500,000. While Santa Clara County is the sixth largest county in California, only San Jose qualifies for a direct allocation of federal funding, yet the remaining cities in the County, home to nearly one million residents, are still expected to respond to the impacts from COVID-19 while maintaining an ongoing level of city services demanded by a densely populated, high-risk area.

Through the quick distribution of this vital funding, cities will be able to greatly expand the number of testing sites serving our communities, secure and distribute personal protective equipment, provide our law enforcement and first responders with appropriate equipment, provide increased services to our residents in need, and work with community based organizations to help ensure the public health and safety of all our residents. While we have begun to engage in many of these activities, in addition to launching a Small Business Assistance Grant Program and a supplemental food program for our vulnerable and low-income residents, access to the funds from the Coronavirus Relief Fund will enable us to greatly accelerate these efforts, reduce the number and severity of future COVID-19 cases, and begin the process of recovering from this devastating pandemic.

I respectfully request the County quickly provide cities, including Santa Clara, with resources from the Coronavirus Relief Fund that will be directly available to the County. It is critical that cities in the county receive this direct financial support to be able to sustain our workforce, our businesses, and our local economy.

Thank you for your consideration of this request. I look forward to working with the County to combat the effects of this pandemic.

Sincerely,



Lisa M. Gillmor
Mayor, City of Santa Clara

cc: Vice President Wasserman
Supervisor Cortese
Supervisor Ellenberg
Supervisor Simitian



P.O. Box 3144
Los Altos, CA 94024
<https://citiesassociation.org>
408-766-9534

April 29, 2020

Board of Supervisors
Santa Clara County
70 West Hedding Street
San Jose, CA 95110

Dr. Jeff Smith
County Executive Officer
Santa Clara County
70 West Hedding Street
San Jose, CA 95110

Dr. Sara Cody
Public Health Director
Santa Clara County Public Health
976 Lenzen Avenue
San Jose, CA 95126

RE: Covid-19 Testing

Dear Board of Supervisors, Dr. Smith, and Dr. Cody:

We write with gratitude and appreciation for your swift action and response to COVID-19, which has undoubtedly saved thousands of lives.

As the County navigates the next phases, we respectfully request accelerated action to ramp up testing, a critical pre-requisite for economic re-opening. We believe that we can work together to support your important work and leadership in this regard. Specifically, we seek that the County:

- Identify a clear goal or threshold—in unambiguous, quantitative terms—for testing frequency sufficient to safely re-open schools and most businesses in our County.
- Make a comprehensive list of testing sites available to the public, including a description of the specific tests offered;
- Identify the specific needs with regard to identification of testing sites, so that cities might help.
- Identify the number of persons sufficient to deploy ample contact-tracing teams for a safe re-opening of the economy.
- Specify whether it needs cities to assist in lending their staff or identifying unemployed residents able to undergo training to support testing or contact tracing activities, and the number of persons needed for those tasks.

The Governor's Covid-19 Testing Task Force is asking for partnership and more testing sites for our communities but have not yet offered specific details. We encourage you to consider forming a Santa

Clara County Covid-19 Testing Task Force. Without dramatic scaling of testing from the current levels of approximately 600 tests per day to several thousand tests per day, we cannot reopen our county.

Although the County is best positioned to lead, we stand ready to contribute.

Our best regards,



Mayor Larry Klein
City of Sunnyvale




Mayor Howard Miller
City of Saratoga



Mayor Lisa Gillmor
City of Santa Clara



Mayor Sam Liccardo
City of San José



Mayor Adrian Fine
City of Palo Alto



Mayor Margaret Abe-Koga
City of Mountain View



Mayor Rich Constantine
City of Morgan Hill



Mayor Liz Lawler
City of Monte Sereno



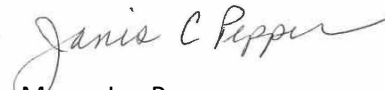
Mayor Rich Tran
City of Milpitas



Mayor Marcia Jensen
Town of Los Gatos



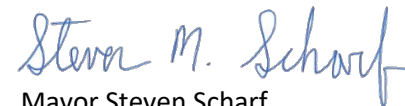
Mayor Michelle Wu
Town of Los Altos Hills



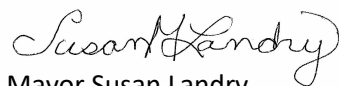
Mayor Jan Pepper
City of Los Altos



Mayor Roland Velasco
City of Gilroy



Mayor Steven Scharf
City of Cupertino



Mayor Susan Landry
City of Campbell



Councilmember Liz Kniss
City of Palo Alto



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May 18, 2020

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

The Honorable Kamala Harris
United States Senate
112 Hart Senate Office Building
Washington, DC 20510

The Honorable Ro Khanna
United States House of Representative
221 Cannon House Office Building
Washington, DC 20515

Re: HEROES Act

Dear Senator Feinstein, Senator Harris and Congressman Khanna:

On behalf of the City of Santa Clara, I write with gratitude and appreciation for your swift action and response to the COVID-19 Pandemic. As Congress considers the HEROES Act and future stimulus packages, the City would like to share the following areas of need for our community:

Direct Relief Funding to Mitigate Extreme Loss of Revenue

As a result of the necessary stay-home measures that the State of California, Santa Clara County and City of Santa Clara have undertaken to mitigate the spread of COVID-19, the City has and will continue to experience an extreme loss of revenue from hotel taxes, sales taxes, utility taxes, property taxes, charges for City services, and the temporary closing of Levi's Stadium and Santa Clara Convention Center. The City anticipates a shortfall of \$10 million for this fiscal year, and an additional \$22.7 million for FY 2020/21 based on current projections that economic activity will return to a reduced level after the State and County's shelter-in-place orders are eased.

We request that you continue to advocate for direct relief funding for local jurisdictions, especially small to medium-sized cities, and reimbursement of COVID-19 related expenses in the HEROES Act and any future stimulus packages. Without such funding, the City of Santa Clara will have to cut levels of much needed services to our community.

Continued Support for Individuals and Businesses

As the COVID-19 Pandemic continues to disrupt our economy and impact the lives of many, there is a significant need for continued support for individuals and businesses. The City of Santa Clara has implemented supplemental food programs since the beginning of Santa Clara County's Shelter-In-Place Order in March 2020 and has provided over 77,000 meals to our most vulnerable and low-income residents. Separately, the City has created a Small Business Assistance Program and to date, has provided \$800,000 in grant funding to over 100 small

HONORABLE DIANE FEINSTEIN, KAMALA HARRIS AND RO KHANNA

Re: HEROES Act

May 18, 2020

businesses. There are many more residents and businesses in our community that require additional assistance.

We strongly support efforts to provide continued economic relief for individuals and businesses and additional funding and support for COVID-19 treatment, childcare, housing, food assistance, and other key priorities in the HEROES Act.

Efforts to Stop the Spread of COVID-19

It is clear that our economy will not be able to return to normal until we stop the spread of COVID-19. Until then, our first responders and staff will continue to require Personal Protective Equipment to provide essential services to our community. Additionally, our public health agencies require more testing supplies, funding and support to expand testing and contact tracing related to COVID-19.

We request that you continue to advocate for more equipment and testing supplies for first responders and local government staff providing essential services to our community and funding and support to expand testing and contract tracing related to COVID-19 in the HEROES Act and future stimulus packages.

Local Control for the City's Utility Services

Lastly, I want to share with you our concerns about provisions in the HEROES Act that unnecessarily intrudes on local control for the City's utility services. As you know, the City provides our residents with utility services at competitive rates, reliable service, and the ability to set policies that reflect local needs, values, and circumstances. The advantages of this local control are evidenced in our response to the COVID-19 pandemic. We have voluntarily suspended customer shut offs of electric and water services in recognition of the financial pressures and uncertainties that many in our community are experiencing, and we have also implemented the following measures to reduce customers' bills:

- Provided a \$30 Energy Efficiency bill credit to all residential customers;
- Provided alternative payment arrangements;
- Expanded our rate assistance program to provide a 25% discount to residential customers who were affected by COVID-19; and
- Re-established a "HELP Your Neighbor" program for donations towards utility bills

Regrettably, the HEROES Act ignores the multiple steps we have taken and imposes one-size-fits-all mandates on utility services that do not account for local needs or regional differences. These mandates could threaten the financial viability of our utility; limit our local authority to craft solutions tailored to the needs and resources of our community; and impose rigid requirements to "fix" a problem that has already been addressed.

We urge you to take action and continue to allow for the local control of non-profit, community-owned utilities like ours.

Thank you for your consideration.

HONORABLE DIANE FEINSTEIN, KAMALA HARRIS AND RO KHANNA

Re: HEROES Act

May 18, 2020

Sincerely,



Lisa M. Gillmor
Mayor



**City of
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The Center of What's Possible

Mayor

Lisa M. Gillmor

Councilmembers

Raj Chahal
Debi Davis
Karen Hardy
Teresa O'Neill
Kathy Watanabe

June 5, 2020

The Honorable Kansen Chu
State Capitol, Rm 3126
Sacramento, CA 95814

The Honorable Bob Wieckowski
State Capitol, Room 4085
Sacramento, CA 95814

Dear Assembly Member Chu and Senator Wieckowski:

The City of Santa Clara thanks you for your efforts to protect and support Californians during this unprecedented public health crisis. Since the beginning of the COVID-19 outbreak, cities have been coordinating across jurisdictional lines, enacting emergency measures to slow the spread of the coronavirus pandemic, taking action to protect individuals and small businesses, and incurring significant unplanned expenses to protect public health and the economy. These actions have saved lives and serve as a model for the country, but these actions come at a cost.

The City of Santa Clara appreciates the May Revision allocation of \$450 million of the state's CARES Act funding to cover COVID-19-related costs by cities. However, under the current formula our city will only receive \$1.3 million. This is not nearly enough to provide adequate levels of personal protective equipment to front line workers, to disinfect and sanitize public facilities, or to take other needed public health actions to begin the process of reopening.

We are calling on the Legislature and the Governor to increase the state's CARES Act funding allocation to cities to \$500 million and establish a floor allocation of \$50,000 per city. Cities need additional funding and a minimum allocation to ensure that CARES Act funding is distributed fairly and equitably and is a meaningful amount for all jurisdictions.

CARES Act funding will help our city recover from this pandemic faster and reopen our communities without furthering city revenue shortfalls and threatening core city services.

It is important to note that CARES Act funding is only for COVID-19-related expenses. Our city still needs direct state and federal funding to address the devastating impact stay-at-home orders have had on our budget and local economy. In total, cities around the state are facing a nearly \$7 billion revenue shortfall over the next two years, and this shortfall grows by billions of dollars as modified stay-at-home orders extend into the summer months and beyond.

The City of Santa Clara appreciates your consideration of our budget requests and looks forward to further discussing how together we can continue to best protect Californians and reopen our economy. Thank you again for your leadership and partnership during these uncertain times.

Sincerely,



Lisa M. Gillmor
Mayor, City of Santa Clara

Cc: Governor Gavin Newsom, ExternalAffairs@gov.ca.gov
Seth Miller, League of California Cities, smiller@cacities.org
Meg Desmond, League of California Cities, cityletters@cacities.org



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May 6, 2020

The Honorable Robert Rivas
Member, California State Assembly
State Capitol, Room 5158
Sacramento, CA 95814

**Subject: AB 3005 (R. Rivas) Expedited Dam Safety for Silicon Valley Act --
SUPPORT**

Dear Assembly Member Rivas,

On behalf of the City of Santa Clara, I would like to express our strong support for your bill, AB 3005, which will expedite the expert removal and replacement of the Leroy Anderson Dam and Reservoir. Located in the hills above Silicon Valley, this dam has been determined by dam safety officials to be vulnerable to damage during a 6.6 magnitude earthquake and failure with a 7.25 quake. The failure of Anderson Dam at full capacity would result in catastrophic losses of life and property, inundating an area that includes several cities across Santa Clara County and cities to the south, all the way to the Monterey Bay. The social and economic costs would be felt immediately at the local and regional levels.

AB 3005 will help ensure the state does its part to expeditiously eliminate the risk of a devastating loss of life, property, and thousands of job-creating Silicon Valley businesses. The bill smartly authorizes the Anderson Dam Seismic Retrofit Project (Anderson Project) to use the "Best Value" method of contractor selection. A project of this size and importance should be awarded to the most qualified contractors offering the best value, and not necessarily to the lowest bidder. In matters of public safety, expert construction is critical.

This bill also requires expedited judicial review of challenges to environmental documents issued in compliance with the California Environmental Quality Act (CEQA). This is the same treatment afforded to selected sports arenas and the new legislative office building in Sacramento, none of which have the urgent public safety benefits of this project. Because court delays would increase the risk to public safety, it makes sense that these provisions apply to the Anderson Project.

Another critical component of delivering the Anderson Project's public safety, water supply, and flood protection benefits is the timely issuance of state permits. AB 3005 sets reasonable deadlines for state permit issuance, helping to ensure construction starts promptly after design and CEQA review are completed. Not only will the

Anderson Project protect our residents and businesses from inundation and destruction, this project will create 5,400 good paying jobs with an economic impact multiplied across the California economy.

Additionally, it will be vital that significant federal and state funding be pursued and awarded for a project of this size, scope and expenditure in order to lessen the rate impacts on the City Santa Clara and Silicon Valley rate payers.

The City of Santa Clara thanks you for authoring AB 3005, and urges your colleagues in the Legislature to support, and Governor Newsom to sign, this critically important bill to protect Silicon Valley from the devastating impacts of dam failure during an earthquake.

Sincerely,

A handwritten signature in blue ink that reads "Lisa M. Gillmor". The signature is fluid and cursive, with the first name "Lisa" being the most prominent.

Lisa M. Gillmor
Mayor, City of Santa Clara



June 5, 2020

TO: The Members of the California Legislature

Subject: AB 3005 (R. Rivas) Expedited Dam Safety for Silicon Valley Act -- SUPPORT

Dear Honorable Members:

On behalf of the entities listed below, we would like to register our strong support for AB 3005, which will expedite the expert removal and replacement of the Leroy Anderson Dam and Reservoir. Located in the hills above Silicon Valley, this dam has been determined by dam safety officials to be vulnerable to damage during a 6.6 magnitude earthquake and failure with a 7.25 quake. The failure of Anderson Dam at full capacity would result in catastrophic losses of life and property, inundating an area that includes many of the cities comprising the San Jose metropolitan area and southward to Monterey Bay. The human and economic costs would be felt across California and the nation.

AB 3005 will help ensure the state does its part to expeditiously eliminate the risk of a devastating loss of life, property, and thousands of job-creating Silicon Valley businesses. The bill smartly authorizes the Anderson Dam Seismic Retrofit Project (Anderson Project) to use the “Best Value” method of contractor selection. A project of this size and importance should be awarded to the most qualified contractors offering the best value, and not necessarily to the lowest bidder. In matters of public safety, expert construction is critical.

In addition, AB 3005 will expedite state permitting for the Anderson Project, which will address the risks of dam failure and enhance habitat for fish and other species downstream in Coyote Creek. Not only will the Anderson Project protect Silicon Valley from inundation and destruction, the \$576 million project will create 5,400 good-paying jobs with an economic impact multiplied across the California economy.

We strongly urge the Legislature to support, and Governor Newsom to sign, this critically important bill to protect Silicon Valley from the devastating impacts of dam failure during an earthquake.

Sincerely,

Santa Clara Valley Water District

(Valley Water)

Association of California Water Agencies

Bay Area Council

Campbell Chamber of Commerce

California Municipal Utilities Association

Cities Association of Santa Clara County

City of Gilroy

City of Morgan Hill

City of Santa Clara

County of Santa Clara

Cupertino Chamber of Commerce

Employees Association, American Federation of State, County and Municipal Employees

101, Council 57

La Raza Roundtable de California

Midpeninsula Regional Open Space District

Milpitas Chamber of Commerce

San Jose/Silicon Valley Branch NAACP

Santa Clara and San Benito Counties Building and Construction Trades Council

Santa Clara Valley Open Space Authority

Silicon Valley Black Chamber of Commerce

Silicon Valley Central Chamber of Commerce

Silicon Valley Leadership Group

State Building and Construction Trades Council of California

Sunnyvale Silicon Valley Chamber of Commerce



June 1, 2020

The Honorable Toni Atkins
Senate President pro Tempore
California State Senate
State Capitol Building, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker of the Assembly
California State Assembly
State Capitol Building, Room 219
Sacramento, CA 95814

Dear President pro Tempore Atkins and Speaker Rendon:

On behalf of the City of Santa Clara, I write in opposition to the Administration's proposal to retroactively shift property taxes from counties, cities, and special districts, apply civil penalties to audited, good-faith actions of county officials, and install the Department of Finance as the oversight body over a single piece of the complicated process of allocating property taxes. These proposed actions are in response to disagreements between the State and five counties related to the calculation of Excess Educational Revenue Augmentation Fund (ERAF). The Cities Association urges you to reject the proposal to allow discussions between the parties to continue.

All property tax revenue remains within the county in which it was collected to be used exclusively by local governments. A portion of property tax revenue is allocated to ERAF to support local school districts. When the amount contributed to ERAF is more than the minimum cost of funding local schools, excess funds, known as Excess ERAF, are returned to counties, cities, and special districts. The County of Santa Clara is one of five Excess ERAF counties in the state.

The proposed actions would result in considerable financial consequences to the affected counties, as well as their cities. The City of Santa Clara stands to lose over \$1.6 million in annual, ongoing funds. Like other cities in our county, we are already experiencing significantly reduced sales tax and transient occupancy tax revenues due to the COVID-19 pandemic. More lost revenue would further harm our already precarious financial situations and likely lead to deeper cuts in core city services.

We recognize that there can be disagreements about how various complicated statutes relate to each other. But the proposed actions would unilaterally and retroactively reallocate local property taxes and unfairly penalize counties for actions that have already been audited and found to be proper. We urge you to reject the proposal and allow the Controller, counties, and school officials to continue to work on the development of guidance that would ensure the appropriate allocation of property taxes going forward.

We appreciate your consideration of our position on this important matter.

Sincerely,

A handwritten signature in blue ink that reads "Lisa M. Gillmor". The signature is written in a cursive style and is contained within a thin black rectangular border.

Lisa M. Gillmor
Mayor, City of Santa Clara

Cc: Assembly Member Kansen Chu
Senator Bob Wieckowski
Cities Association of Santa Clara County



P.O. Box 3144
Los Altos, CA 94024
citiesassociation.org
408-766-9534

June 23, 2020

The Honorable Phil Ting
Assembly Budget Committee
State Capitol, Room 6026
Sacramento, California 95814

Dear Chair Ting:

On behalf of the Cities Association of Santa Clara County, we write in opposition to the Administration's proposal to retroactively shift property taxes from counties, cities, and special districts, apply civil penalties to audited, good-faith actions of county officials, and install the Department of Finance as the oversight body over a single piece of the complicated process of allocating property taxes. These proposed actions are in response to disagreements between the State and five counties related to the calculation of Excess Educational Revenue Augmentation Fund (ERAF). We urge you to reject the proposal to allow discussions between the parties to continue.

All property tax revenue remains within the county in which it was collected to be used exclusively by local governments. A portion of property tax revenue is allocated to ERAF to support local school districts. When the amount contributed to ERAF is more than the minimum cost of funding local schools, excess funds, known as Excess ERAF, are returned to counties, cities, and special districts. The County of Santa Clara is one of five Excess ERAF counties in the state.

The proposed actions would result in considerable financial consequences to the affected counties, as well as their cities. The fifteen cities in Santa Clara County stand to lose a combined amount of \$26.5 million in annual, ongoing funds. Our cities are already experiencing reduced sales tax and transient occupancy tax revenues due to the COVID-19 pandemic. More lost revenue would further harm our already precarious financial situations and likely lead to deeper cuts in core city services.

We recognize that there can be disagreements about how various complicated statutes relate to each other. But the proposed actions would unilaterally and retroactively reallocate local property taxes and unfairly penalize counties for actions that have already been audited and found to be proper. We urge you to reject the proposal and allow the Controller, counties, and school officials to continue to work on the development of guidance that would ensure the appropriate allocation of property taxes going forward.

We appreciate your consideration of our position on this important matter.

Our best regards,

Mayor Larry Klein
City of Sunnyvale

Vice Mayor Neysa Fligor
City of Los Altos

President, Cities Association of Santa Clara
County

Legislative Action Chair, Cities Association of
Santa Clara County

Mayor Howard Miller
City of Saratoga

Mayor Lisa Gillmor
City of Santa Clara

Mayor Sam Liccardo
City of San José

Mayor Adrian Fine
City of Palo Alto

Mayor Margaret Abe-Koga
City of Mountain View

Mayor Rich Constantine
City of Morgan Hill

Mayor Liz Lawler
City of Monte Sereno

Vice Mayor Bob Nuñez
City of Milpitas

Mayor Marcia Jensen
Town of Los Gatos

Mayor Michelle Wu
Town of Los Altos Hills

Mayor Jan Pepper
City of Los Altos

Mayor Roland Velasco
City of Gilroy

Mayor Steven Scharf
City of Cupertino

Mayor Susan Landry
City of Campbell

cc: Senators Wieckowski, Beall, Hill, Monning,
Assembly Members Rivas, Kalra, Chu, Berman, Low, Stone

Who we are: The Cities Association of Santa Clara County is an association of the fifteen cities of the county and the elected representatives of more than 1.9 million Bay-Area residents. Since 1990, the city representatives have been gathering to discuss and find consensus and solutions for regional issues. Our cities are diverse and include cities of a few thousand people to a city of a million people.



City of Santa Clara

The Center of What's Possible

February 21, 2020

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

Mayor

Lisa M. Gillmor

Councilmembers

Raj Chahal
Debi Davis
Karen Hardy
Teresa O'Neill
Kathy Watanabe

Dear Senator Feinstein,

As Congress considers Fiscal Year (FY) 2021 federal funding levels through the annual appropriations process, I respectfully request your support for funding for the following programs that reflect the priorities of the City of Santa Clara and its residents. The City supports efforts to enhance housing and economic development, transportation and water infrastructure, sustainability, emergency planning and programming, public safety, and the arts.

- **Community Development Block Grant (CDBG) Program:** This program provides grants to the City and more than 1,200 other local governments to create neighborhood approaches that improve the physical, economic and social conditions in communities for low- and moderate-income residents. Throughout the program's history, communities have leveraged CDBG to fund a variety of activities including housing rehabilitation, business assistance, senior services, and infrastructure. Every \$1 of CDBG leverages another \$4 in other funding, bringing additional vital resources to low-income communities. Maintaining or increasing funding for CDBG is critical to the program's continued success.
- **HOME Investment Partnerships Program:** The HOME Program provides grants to cities and other local jurisdictions to create safe, sanitary, and affordable housing in communities nationwide. It is the only federal funding source dedicated solely to the production of affordable housing. HOME also provides critical gap financing in projects developed using the Low-Income Housing Tax Credit. Every \$1 of HOME leverages over \$4.26 in other funding. The City requests your support for level or increased funding for the HOME program.
- **Homelessness Programs:** For families who have nowhere else to turn, the federal government has provided a safety net to help them avoid homelessness. Since the rate of homeless children and youth has increased in recent years, it is especially critical that we maintain and increase funding for homelessness programs. The City supports robust funding for Homeless Assistance Grants in FY 2021.
- **Emergency Solutions Grants:** The Department of Housing and Urban Development's Emergency Solutions Grants provide essential support to homeless individuals and families, and are especially critical for youths, families with children, veterans, victims of domestic violence, and people with mental illness. This program allows states and cities to subgrant out to projects that best meet local needs. The City urges your support for robust funding for this important grant program.
- **Federal Housing Administration (FHA) Mortgage Insurance Programs:** FHA provides mortgage insurance to lenders to support service to first-time homebuyers, minority homebuyers, lower-income families, and residents of underserved communities.

Mortgage insurance is an important tool to expand homeownership opportunities. As such, the City supports robust funding for these programs in FY 2021.

- **Rental Assistance:** The Department of Housing and Urban Development provides rental assistance to millions of low-income families, seniors, and disabled individuals every year. These programs are critical to ensuring people have access to safe and sanitary housing. The City urges Congress to appropriate robust funding to rental assistance programs.
- **Section 4 Capacity Building for Community Development and Affordable Housing:** The Capacity Building for Community Development and Affordable Housing Program supports the efforts by community development corporations and community housing development organizations to serve low-income Americans. The City urges Congress to appropriate at least level funding for this program in FY 2021.
- **Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH):** The HUD-VASH Program provides housing vouchers and critical supportive services to help homeless veterans and their families find and sustain permanent housing. The City urges Congress to appropriate robust funding for this program in FY 2021.
- **Head Start:** For more than 50 years, the Head Start Program has prepared low-income children for successful academic careers by providing comprehensive early childhood education, health, nutrition, and parent involvement services. Head Start is essential to supporting our children and families. The City supports funding at or above the FY 2020 enacted level, which is critical to the program's continued success.
- **Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP):** GEAR UP provides grants to increase the number of low-income students who are prepared to attend and succeed in college. These programs provide early college awareness, tutoring, mentoring, scholarships, and other support initiatives that follow students from no later than 7th grade through their high school graduation and first year in college. GEAR UP is critical to improving access and fostering academic achievements for low-income, minority, and first-generation students. The City urges Congress to provide robust funding for GEAR UP in FY 2021.
- **TRiO:** The Department of Education's TRiO programs award grants to support low-income individuals, first-generation college students, and individuals with disabilities from middle school through higher education. The City supports federal funding of TRiO programs at or above the FY 2020 level.
- **Pell Grants:** This program provides critical financial support to undergraduate students and eligible post-baccalaureate students with exceptional financial need. To ensure all students have access to higher education, the City supports robust federal funding for Pell Grants in FY 2021.
- **Carl D. Perkins:** Career and technical education (CTE) programs are essential to preparing American workers and students for a wide range of high-skill and high-paying careers. The City urges Congress to allocate robust funding for federal initiatives that improve CTE programs in FY 2021.
- **Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grants:** The Department of Transportation's bipartisan, popular, and

effective BUILD program awards grants for high priority, innovative transportation projects, all of which are greatly needed. As we seek to invest in our infrastructure, the City supports maintaining funding for the BUILD grant program and increasing its funding and scope wherever possible.

- **Infrastructure For Rebuilding America (INFRA):** The INFRA program provides dedicated, discretionary funding for projects that address critical issues facing our nation's highways and bridges. To support these important projects, the City recommends robust funding for INFRA grants in FY 2021.
- **Federal Transit Administration's (FTA) Capital Investment Program:** The FTA's Capital Investment Program is the primary federal discretionary grant program supporting major transit capital projects, from bus rapid transit to heavy rail. The City urges Congress to appropriate robust funding for this program in FY 2021.
- **Federal Transit Administration (FTA) Planning Programs:** FTA Planning Programs, including Metropolitan Planning Funds, provide funding and procedural requirements for multimodal transportation planning in metropolitan areas and states. The City urges Congress to appropriate robust funds for FTA Planning Programs in FY 2021.
- **Federal Aviation Administration (FAA):** The FAA is responsible for managing the nation's air traffic control system as well as monitoring the safety of airline operations and aviation products. To ensure safe and efficient air travel for people and goods, the City supports continued robust funding for the FAA.
- **Congestion Mitigation and Air Quality Improvement (CMAQ):** The CMAQ program provides a flexible funding source to state and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act. The City urges Congress to appropriate robust funding for the CMAQ program in FY 2021.
- **Surface Transportation Block Grant (STBG) Program:** The STBG program provides flexible funding that may be used by States and localities for projects to preserve and improve the conditions and performance on any Federal-aid highway, bridge and tunnel projects on any public road, pedestrian and bicycle infrastructure, and transit capital projects. The STBG program supports such critical initiatives as the Recreational Trails Program, Transportation Alternatives Program, and the Highway Bridge Program. The City urges Congress to appropriate at least level funding for the STBG program in FY 2021.
- **National Highway Freight Program:** This program improves the efficient movement of freight on the National Highway Freight Network and is a critical investment in our infrastructure. The City urges Congress to appropriate robust funding for the National Highway Freight Program in FY 2021.
- **National Highway Performance Program (NHPP) and Interstate Maintenance (IM):** The NHPP and IM programs both provide support for the condition and performance of the National Highway System. The City urges Congress to appropriate at or above level funding for the NHPP and IM programs.
- **Urbanized Area Formula Grants:** The Urbanized Area Formula Grants program makes federal resources available to urbanized areas and to governors for transit capital and

operating assistance in urbanized areas and for transportation-related planning. The City supports at least level funding for Urbanized Area Formula Grants in FY 2021.

- **Bus and Bus Facilities Infrastructure Investment Program:** This program helps communities replace, rehabilitate, and purchase buses and related equipment, and construct bus-related facilities. The City urges Congress to appropriate robust funding for the Bus and Bus Facilities Infrastructure Investment Program in FY 2021.
- **Land and Water Conservation Fund (LWCF):** LWCF is an essential part of our nation's efforts to help state and local governments acquire, develop, and plan public outdoor areas in the United States. Since 1965, LWCF has supported park lands and recreation facilities by providing nearly \$4 billion through nearly 42,000 grants to state and local governments through its state assistance program. If any cuts were to be implemented, the consequences for public lands, parks, and other recreation areas would be catastrophic. The City supports continued funding for LWCF state assistance grants in FY 2021.
- **Pollution Prevention Grants:** The EPA's Pollution Prevention Grant Program promotes a healthier and cleaner environment by helping businesses integrate environmental responsibility into their operations in a manner that is sustainable as well as profitable. This program also supports the development and sharing of best management practices and innovations so this information may inform future technical assistance and these pollution prevention approaches and outcomes may be replicated by others. The City urges continued funding for this program in FY 2021.
- **Climate Change Programs:** The EPA's climate change programs are crucial to researching and addressing the substantial threat to our environment, public health, economic wellbeing, and national security. The EPA's research provides sustainable solutions for communities like the city of Santa Clara to reduce the impacts of climate change. The City supports robust funding for federal climate change programs in FY 2021.
- **Clean Water State Revolving Fund (CWSRF):** CWSRF supports state programs that provide low interest loans for water infrastructure projects, including constructing wastewater facilities, controlling pollution runoff, and protecting estuaries. This financial assistance program is critical to achieving the goals of the Clean Water Act. The City supports at least level funding for CWSRF in FY 2021.
- **Drinking Water State Revolving Fund (DWSRF):** DWSRF provides financial assistance to projects that ensure all communities have safe drinking water. These projects include enhancing water treatment, repairing pipes, and fixing water storage tanks. The City urges Congress to appropriate at least level funding for DWSRF in FY 2021.
- **Water Infrastructure Finance and Innovation Act (WIFIA):** The WIFIA program is an important credit tool for many water and wastewater infrastructure projects of national and regional significance. The City supports robust funding for WIFIA in FY 2021.
- **Bureau of Reclamation:** The Bureau of Reclamation helps California and other western states meet their water needs. The Bureau is the country's largest water wholesaler, bringing water to more than 31 million people, and second largest producer of hydroelectric power. The City supports at least level funding for the Bureau of Reclamation in FY 2021.

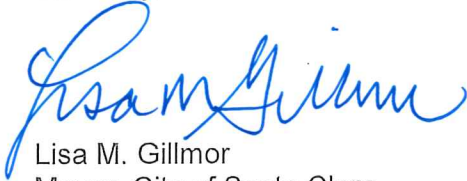
- **WaterSMART Drought Response Program (Resiliency and Contingency Planning):** The WaterSMART Drought Response Program provides financial assistance to drought resiliency projects, which help communities prepare for and respond to drought, and for the development of drought contingency plans. The City urges Congress to allocate robust funding for this program in FY 2021.
- **Community Oriented Policing Services (COPS):** The Department of Justice's COPS Office has provided much needed resources to local law enforcement agencies across the nation. The COPS hiring program, the Office's largest discretionary grant program, offers financial assistance to hire and rehire entry-level career law enforcement officers in order to increase community policing capacities and preserve jobs. The discretionary grants awarded by the COPS Office have significantly enhanced public safety and advanced proven community policing practices. The City urges Congress appropriate at least level funding for this critical public safety program in FY 2021.
- **Edward Byrne Memorial Justice Assistance Grant (Byrne JAG) Program:** The Department of Justice's Byrne JAG Program is the main source of federal assistance to state and local jurisdictions for law enforcement, prosecution, public defense, and crime prevention. This support includes funding for body-worn cameras, bulletproof vests, and up-to-date law enforcement training. The City supports robust funding for the Byrne JAG Program in FY 2021.
- **Federal Emergency Management Agency's (FEMA) Pre-Disaster Mitigation Grant Program:** This grant program reduces risk to people and structures during future disaster events. As the entire State of California continues to face heightened risk for wildfires, earthquakes, mudslides, and other natural disasters, the City supports at least level funding for this program in FY 2021.
- **Community Services Block Grant (CSBG):** The CSBG Program provides funds to states to support projects that alleviate poverty and address the needs of low-income individuals. The City urges Congress to appropriate at least level funding in FY 2021.
- **National Endowment for the Humanities (NEH):** For 54 years, the NEH has provided critical support for the preservation of our nation's cultural heritage. Local communities especially suffer, as the ability to preserve areas, artifacts, and history of cultural significance and national importance can be hamstrung by fluctuating local budgets and economies. The NEH ensures that our nation preserves its history accordingly, throughout economic highs and lows. The City supports continued funding for the NEH.
- **National Endowment for the Arts (NEA):** Since 1965, the NEA has supported projects to strengthen arts education and foster excellence and participation in the arts. The NEA also works to promote access to the arts for all Americans. The City supports at least level funding for the NEA in FY 2021.
- **Institute of Museum and Library Services (IMLS):** For over 20 years, the IMLS has supported projects to increase public access to libraries and museums, build capacity, and promote lifelong learning. The City supports continued funding of at least \$242 million in FY 2021.

- **Economic Development Administration (EDA):** Many communities face obstacles to innovation, since systems are set up to support organizations and businesses that operate within the status quo. In funding projects that maximize communities' skill sets and natural talents, the EDA promotes responsible business practices and gives the United States a comparative advantage in the global marketplace. The City supports robust funding for the EDA in FY 2021.
- **Job Training:** Our nation's well-being depends on the current and future workforces having access to the education, training, and skill sets needed to keep our infrastructure safe, maintained, and updated. On behalf of its student and future workforce residents, the City supports maintaining and increasing funding for job training, and specifically for the Workforce Innovation and Opportunity Act grants at or above the FY 2020 level.

I appreciate the challenges that you and your colleagues face in setting appropriations levels across a multitude of worthy programs and am grateful for your efforts to preserve funding for programs that are important to Santa Clara and other California communities in a challenging fiscal climate.

Thank you for your time and consideration of the City's views.

Sincerely,



Lisa M. Gillmor
Mayor, City of Santa Clara

cc: Senator Kamala Harris
Congressman Ro Khanna



June 15, 2020

The Honorable Phil Ting, Chair
Assembly Budget Committee
State Capitol, Room 6062
Sacramento, CA 95814

The Honorable Holly Mitchell, Chair
Senate Budget Committee
State Capitol, Room 5050
Sacramento, CA 95814

The Honorable Jim Cooper, Chair
Assembly Budget Subcommittee 4
State Capitol, Room 6025
Sacramento, CA 95814

The Honorable Anna Caballero, Chair
Senate Budget Subcommittee 4
State Capitol, Room 5052
Sacramento, CA 95814

**RE: Budget Request from Office of Assemblymember Kansen Chu
One-Time \$10M Investment in Small Business Retention & Worker Ownership
Transition SUPPORT**

Dear Chairs Ting, Mitchell, Cooper, and Caballero:

I am writing on behalf of the City of Santa Clara to **SUPPORT** Assemblymember Kansen Chu's request for **a one-time investment of \$10M to fund education, technical assistance, and forgivable loans to businesses that transition to worker ownership, saving jobs and struggling small businesses across the State.**

The City of Santa Clara recently adopted a Resolution in Support of Worker Cooperatives and is devoting resources to research the businesses in our own community that may be able to take advantage of this opportunity. We are early in this process, but we have been fortunate to witness firsthand via A Slice of New York, a worker cooperative in Santa Clara, how this type of business model can broaden opportunities for business owners and their workers.

Amidst the dual crises of COVID-19 and the Silver Tsunami¹, small business owners are looking for an exit. Rather than selling to large, out-of-state buyers or simply closing their doors for good, business owners can find willing buyers in the people who work alongside them every day, their workers. The State of California can support struggling business owners and workers by supporting the transition of companies to worker ownership. Doing so will anchor essential production and services in communities, save jobs, and save the State money.

¹ [The Employee Ownership Solution to the "Silver Tsunami"](#) (Democracy at Work Institute 2018)

California is at risk of losing nearly 1.7 million small businesses, representing over 3 million jobs within the next four months if it does not take immediate action to preserve them.² As the State considers historic economic protection and recovery efforts, it is essential to **preserve existing businesses that anchor communities and livelihoods.**

These smart front-end investments from multiple sources (e.g. CARES Act, Workforce Innovation and Opportunity Act funding, General Fund) will help **1) save businesses that provide critical access to goods and services, 2) keep vulnerable Californians employed, and 3) put California on a path to a more equitable economy through worker ownership³ - all at a small fraction of the cost of unemployment and workforce development programs.^{4 5}**

Sincerely,



Lisa M. Gillmor
Mayor, City of Santa Clara

Cc: Committee Members
Jason Sisney, Assembly Budget Director
Chris Woods, Senate Budget Director
Christian Griffith, Chief Consultant, Asm. Budget Committee
Farra Bracht, Consultant, Asm. Budget Sub 4
Yong Salas, Consultant, Senate Budget

² MetLife and the U.S. Chamber of Commerce [Special Report on Coronavirus and Small Business](#) found that 43% of small businesses believe they have less than six months until a permanent business closure is unavoidable. The Small Business Administration's 2018 [California Small Business Profile](#) counted 7M small businesses with 3.9M employees in California.

³ Dozens of studies on the benefits of worker ownership for businesses, workers and communities are cited in a new white paper, [The Case for Employee Ownership: Why philanthropy and government should invest in this powerful business model](#) (Project Equity 2020).

⁴ Worker-owners are significantly less likely to be laid off, reducing claims on unemployment insurance and other government benefits. A 2015 [National Center for Employee Ownership study](#) found that lower job losses among employee-owned firms saved the federal government approximately \$17B in 2014, and \$37B in 2010, a recession year.

⁵ States receive significant benefits from investing in worker-ownership. The [Ohio Employee Ownership Center](#) has created 15K worker owners at a cost of \$772 per job created or retained since 1987. In contrast, according to a study by [Good Jobs First](#), state and local governments spend, on average, \$456K on subsidies per job created. The [State of Ohio annually invests about \\$100K in support services to worker-owned businesses](#), which in return generates \$5M in state payroll tax revenue, and another \$2M in municipal tax revenue annually.