



Agenda Report

21-1273

Agenda Date: 1/26/2021

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 1 with Townsend Public Affairs, Inc. for Legislative Advocacy Services

COUNCIL PILLAR

Enhance Community Engagement and Transparency

BACKGROUND

The City of Santa Clara engages in a variety of legislative efforts, including developing an annual legislative platform through its Legislative Advocacy Positions (LAP), advancing the City's goals and policy positions with regional, state, and federal elected officials and agencies, participating in regional and state committees, boards, and commissions, responding to requests for legislative support or comments for bills, ballot measures, and initiatives, identifying budget opportunities and applying for grant funding to support City programs and infrastructure. In the absence of fulltime legislative City staff, consulting services enhances staff's ability to continue to successfully implement the City's legislative program and corresponding LAP Policy. The Council approved \$150,000 annually in the City's FY 2019/20 and 2020/21 Biennial Operating Budget for consultant services to support the City's legislative advocacy efforts that are outlined in the LAP Policy.

In Fall 2019, the City conducted a competitive Request for Qualifications process and selected Townsend Public Affairs, Inc. (Townsend) out of seven firms that submitted proposals to provide the City with state and federal legislative advocacy services. As a Top Ten lobbying firm in California specializing in both legislative advocacy and grant funding in Sacramento and Washington, D.C., Townsend has represented over 200 public agencies, including cities, counties, transportation agencies, water and sanitation districts, school districts, community college districts, park and recreation districts, and other special districts, as well as nonprofit organizations. The firm has secured over \$1.8 billion in public sector funding for its clients and has had over 100 client-sponsored bills signed into law.

In January 2020, the City entered into an agreement with Townsend (Attachment 1) for state and federal legislative advocacy services including the following:

- Conducting detailed orientation
- Developing legislative strategy
- Implementing the legislative strategy
- Building and strengthening relevant relationships
- Leveraging relationships for strategic advocacy plan
- Coordinating advocacy trips and legislative appointments
- Tracking legislation of importance to the City and its many services

- Budget funding opportunities and advocacy for the City's interests
- Grant application development and support
- Post-grant submittal advocacy
- Crafting testimony and position letters
- Drafting bill language
- Providing progress reports
- Preparing and filing lobbying disclosure reports

The current agreement expires on January 29, 2021 and allows for four (4) one-year extensions beyond the initial term.

DISCUSSION

During the initial term of the agreement, Townsend has performed a wide range of advocacy services for the City. Townsend's vast knowledge about the state and federal legislative processes, long standing relationships with elected officials and agencies, and extensive staffing resources, including a team of grant writers, have provided staff with significant support in both legislative and operational areas of work. Their support has resulted in saving countless hours of staff time and ensuring that city departments are aware of and in compliance with new state and federal regulations and corresponding deadlines.

As Townsend's first assignment, its consultants attended the City Council Priority Setting Sessions in January 2020 to learn more about the Council's priorities and goals and provided recommendations for the proposed 2020 LAPs based on their observations. Due to COVID-19, the legislative process has changed significantly, as well as the normal conferences where legislation is typically reviewed. Townsend has additionally advocated for the City's interests through these changing COVID-safe changes; however, as travel has been restricted, we have not been able to implement the in-person meetings and other activities.

Townsend's 2020 Performance/Accomplishments

Since the 2020 LAPs were adopted, Townsend has used them as a legislative platform/strategy to guide the following tasks and accomplishments in 2020:

- Monitored and tracked over 160 state and federal bills pertaining to the City's interests and priorities.
- Assisted with the preparation of agenda reports and public presentations for quarterly Council updates and legislation that required additional Council discussion and action, such as AB 398.
- Provided quarterly legislative briefings to staff regarding issues pertaining to their respective department's LAPs.
- Assisted staff with preparing legislative analyses and recommendations for Council members attending legislative meetings such as the League of California Cities' Annual Conference, monthly Cities Association of Santa Clara County's Legislative Action Committee, and Santa Clara/Santa Cruz Airport Roundtable.
- Advised staff and Council on sensitive legislative issues and requests for support from regional, state, and federal elected officials and agencies such as regional ballot measures (FASTER, Caltrain's Measure RR, Santa Clara Valley Water District's Measure S, and Open

Space Authority's Measure T), Santa Clara County's excess Educational Revenue Augmentation Fund (ERAF), housing, water, and infrastructure initiatives, COVID-19 legislation related to employee protections, public records, social media and the Brown Act, police reform and social justice legislation, and AB 398 - COVID-19 Local Government and School Recovery and Relief Act.

- Kept staff apprised of state and federal activity with regular updates on key legislative issues to ensure compliance with adopted legislation and regulatory activity, including over 100 updates on COVID-19-related activity since the beginning of the pandemic. These pertinent updates helped guide the implementation of City COVID-19 programs, including meal distribution and small business assistance, and are shared with the Council and community.
- Assisted with the preparation of position letters and engaged state and federal officials and agencies on key Santa Clara priorities like COVID-19 relief funding, Santa Clara County's excess ERAF, waivers for school meal programs, airplane noise mitigation, direct aid for public power utilities during the pandemic, and funding for affordable housing, on behalf of the City. Through these engagements, the City has experienced positive outcomes for the following: distribution of COVID-19 relief funding, budget action on Santa Clara County's excess ERAF which eliminated provisions for penalties and reduced retroactive activity, extension of the waivers for the school meal programs, and access to contacts at California's FAA Ombudsman to discuss airplane noise concerns.
- Identified budget and grant funding opportunities for the City and provided grant application assistance. Among these efforts include preparing an appropriations request letter to Senator Feinstein in early 2020 and working with staff in late 2020 to proactively prepare information for four infrastructure projects, totaling over \$165M in requested funding, for submittal if Congress approves the return of federal earmarked projects in early 2021. The City also engaged Townsend for grant writing support services on two sustainability related grant efforts. The first was a \$2.5 million application to the California Energy Commission's Phase II Electric Vehicle (EV) Blueprint Implementation grant. While the City did not receive the EV Blueprint grant, the project developed through this application process did result in the development of a strong, multi-prong EV strategy that can be implemented through other funding opportunities and folded into existing City efforts. The second effort included exploration of a Clean Mobility Options funding program through the California Air Resources Board. Townsend's involvement in the Clean Mobility Options grant resulted in saving weeks of wasted staff time due to State error in the solicitation timeline and availability for this funding cycle. While this year's grant was not a viable option for the City, this allowed staff to reset efforts on preparing a project for this grant's 2021 funds, scheduled for release in summer.

Townsend's 2021 Deliverables and Future Work Efforts

With the change of federal leadership and anticipated high volume of policy changes, now more than ever there is a greater and continued need for Townsend's services as staff anticipates a busy legislative year at the regional, state, and federal levels of government. At the state level, Townsend anticipates approximately 2,500 bills being introduced during the 2021 legislative session, which reflects an increase from the approximately 2,400 bills that were introduced in 2020. On the federal side, priorities will likely shift under President Biden's administration and the new Congress and result

in more opportunities for local governments, including a prioritization of infrastructure and climate change initiatives.

In preparation for the 2021 legislative year, Townsend and the City Manager's Office (CMO) have met with Councilmembers and key departmental staff to identify their legislative priorities. Their feedback has been incorporated into the proposed 2021 LAPs that Townsend has helped prepare and will present to the Council for consideration at an upcoming February 2021 Council meeting.

With the increased focus on sustainability and the hiring of Sustainability Manager, the City is now poised to proactively monitor climate and sustainability related funding opportunities and explore new initiatives that help the City move the needle on Greenhouse Gas emissions reductions, resource conservation, waste reduction and community based sustainability. Staff anticipates utilizing Townsend's assistance for at least seven (7) different potential funding opportunities in 2021. In addition to known and anticipated grant opportunities, the California Office of Planning and Research recently presented a proposed 2021/2022 budget that includes the potential for over \$4 billion for climate change and environmental protection projects. While allocation of those funds is yet to be determined, there is discussion about projects that support climate health such as transportation electrification, equity, natural spaces and other general climate adaptation projects.

Currently, various grant opportunities are emerging in relation to energy initiatives, EV's in the multifamily residential arena, general GHG emissions reduction-based programs and community climate action and engagement. Many of these opportunities will be identified by the City's Sustainability Manager, who will also be working to support internal City sustainability changes to model the City's commitment to sustainability and climate, while also working across departments to help fund and implement the City's Climate Action Plan (CAP) initiatives. Having Townsend monitor the rapidly expanding state, and now federal climate funding sources will allow Santa Clara to seek the funding critical to support CAP implementation measures and beyond. More importantly, Townsend's support in compiling content provided by staff, guiding grant strategy, and managing and navigating the logistical and administrative heavy lifting could be the difference between busy staff being able to go after funding sources or not. This support would also allow staff to take the cross-departmental and multi-solving approach critical to creating strong and impactful projects and programs for the Santa Clara community.

As described under the background section, Townsend has a team of grant writers and the existing agreement's scope of work includes grant services and would not generate an additional cost to the City if the agreement is extended. Staff plans on utilizing Townsend to achieve the following goals for the City to support sustainability-related efforts in the upcoming years:

- Discover funding opportunities that staff may not have access to due to Townsend's connections at the state and federal levels.
- Explore the logistics and processes required by granting agencies for funding opportunities that staff identify through their contacts and connections.
- Provide information that helps staff determine the feasibility and level of priority for each grant opportunity.
- Assist in compiling the various components of a grant submittal and advising on proven success strategies for that topic or granting agency which would free up City staff time to develop the project/program, gather relevant City data, ensure the effort has community relevance/buy in and budgetary sustainability.

- Support with proposal language and narrative editing to achieve competitive submittal.
- Support with grant submittal through administrative process of granting agency.

In addition to Townsend providing their support in the areas described above, staff also anticipates having Townsend work more closely with the Water & Sewer Utilities Department on a variety of water-related legislative activity. As such, staff recommends amending Townsend's current agreement by extending the term through January 29, 2023 and increasing the total not-to-exceed amount. Staff requested a discount of Townsend based on the current COVID-19 induced budget impacts. Based on discussion with Townsend, a discount was provided for a two-year extension. The amendment reflects a discounted service cost of \$72,000 for year two and \$90,000 for year three. This brings the total three-year agreement amount to \$252,000. As noted in the fiscal impact section of this report, the funding for years two and three will come from Silicon Valley Power, the Water and Sewer Utility Funds and a portion from the General Fund.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The existing agreement with Townsend has a not-to-exceed amount of \$90,000. Staff proposes to increase the value of the contract by \$162,000 (a discounted service cost of \$72,000 for year two and \$90,000 for year three) so the amended agreement would have a revised not-to-exceed amount of \$252,000. In the General Fund, existing funds are available in the Adopted FY 2020/21 Operating Budget under the City Manager's Office's Intergovernmental Relations and Advocacy budget (\$26,000). In the Electric Utility Fund, existing funding is available under Silicon Valley Power's Administrative Services Budget (\$36,000). The Water & Sewer Utilities Department will provide funding for the remaining balance of \$10,000 using existing allocations in the Water Utility Fund (\$5,000) and Sewer Utility Fund (\$5,000).

Funds required for the agreement in FY 2021/22 are subject to budget appropriations and will be incorporated into the budget development process for that year.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

Authorize the City Manager to execute Amendment No. 1 to the Agreement with Townsend Public Affairs, Inc. to extend the term of the agreement through January 29, 2023 and increase the total not-to-exceed amount from \$90,000 to \$252,000.

Prepared by: Christine Jung, Assistant to the City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Original Agreement with Townsend Public Affairs, Inc.
2. Amendment No. 1 to Agreement with Townsend Public Affairs, Inc.