



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 25-303

Meeting Date: 5/20/2025

TITLE:

LEGISLATIVE UPDATE AND APPROVAL OF A LEGISLATIVE PLATFORM AND LEGISLATIVE MATRIX

DEPARTMENT: CITY MANAGER'S OFFICE/GOVERNMENT AFFAIRS

PRESENTED BY: JAY BARKMAN, GOVERNMENT AFFAIRS MANAGER

CONTACT INFORMATION: JAY BARKMAN, GOVERNMENT AFFAIRS MANAGER

RECOMMENDATION:

Receive and file update on Federal and State budgets from Townsend Public Affairs. Review and adopt the proposed Legislative Platform and recommended legislative positions.

BACKGROUND:

The City contracts with the firm Townsend Public Affairs (TPA) for legislative advocacy and grant assistance to identify legislation and funding opportunities. An update will be provided by TPA on the Federal and State budgets and specifically the Governor's May Revise. In addition, staff has been working over the past year to develop a Legislative Platform. This includes meeting with the Legislative Review Team and Department Directors to identify priorities consistent with the adopted City Council Goals.

City Council Policy 000-8 (Attachment 2) authorizes the Mayor to execute legislative position letters on behalf of the City Council when the City's legislative partners have acted. Those partners are identified in the policy as the National League of Cities, League of California Cities, Association of California Cities - Orange County, or the Orange County Council of Governments.

Staff has identified state legislation that may have direct or indirect impacts to the City and has prepared a legislative matrix for City Council consideration.

ANALYSIS:

California Budget

The Governor's proposed California budget was released on January 10, 2025, and despite a projected \$2 billion deficit from the Legislative Analyst's Office, Governor Newsom's proposal was a balanced \$322.2 billion budget with no deficit and a modest surplus, backed by \$16.9 billion in reserves. However, over recent months, global and national economic conditions have become increasingly volatile, with tariffs and actions on immigration impacting revenues.

California's revenue sources are especially impacted by any volatility in trade or tourism, and in the areas of personal income tax for high income earners and capital gains. Uncertainty about federal

policy on tariffs and immigration are contributing to ongoing concerns as reflected in the recent release by the Governor of the May Revision.

Federal Budget

On May 2, 2025, the President released a "skinny" budget request. The budget request is not related to reconciliation and is the formal kickoff of the normal appropriations/spending process. The President's request is more a statement of priorities than a working document. It is also not the complete Presidential budget request.

A President's budget request rarely closely resembles the final funding levels that Congress eventually approves. The Appropriations Committee Chairs had pushed for the President's request so they could formally begin the appropriations process, which in part they had already begun by accepting member requests on April 14.

The House Appropriations Committee has begun a series of hearings with Administration officials. Further details will be provided in TPA's presentation.

Legislative Platform & Process

Over the course of 2024 and 2025, staff worked to identify issues and legislation at the federal and state levels that impact the City. This included bills that the League of California Cities, Association of California Cities - Orange County, and other groups have noted of potential concern. In addition, discussions with Department Directors on past or current legislative proposals and issue areas of concern were collected into the attached proposed Legislative Platform for the City Council to consider (Attachment 1).

The purpose of this platform is to aid staff and City advocates in identifying legislation or budget proposals aligned with the City Council adopted goals. The platform provides a streamlined process for the City Council, City Manager, staff, and legislative advocates to proactively engage on bills and budget proposals. Adoption of the platform will allow staff and advocates to engage throughout the remainder of this year.

The proposed Legislative Platform provides the framework outlining the City's policy priorities, goals, and strategies for influencing legislative outcomes. The Legislative Platform prioritizes key areas in alignment with the City Council's Goals to:

- **Strengthen the public's safety and improve the quality of life.**
- **Maintain and enhance the City's facilities, equipment, and technology.**
- **Diversify, stabilize, and increase housing to reflect community needs.**
- **Achieve long-term fiscal sustainability; and**
- **Advance environmental sustainability and climate resiliency.**

The proposed Legislative Platform is structured around these 5 key priorities reflecting the City Council's commitment to fostering a safe, sustainable, and inclusive community. Below is an overview of how these priorities would be addressed by issue area:

Public Safety & Quality of Life: Support for measures that address community risks, reduce substance abuse, and crime prevention. Additionally, support measures improving transit, housing stability, and programs that serve our youth and seniors. Oppose unfunded mandates and reductions that impact local services.

Fiscal Sustainability: Support for continued funding of essential services to residents and protecting local revenues. Oppose restrictions on fees to recoup costs for services.

Housing: Support measures that promote coordination and resources to address and prevent homelessness. Oppose eliminating CDBG or other funds that provide housing assistance or support the City's Bridge Shelter.

Facilities and Infrastructure: Support funding for parks, infrastructure and community facilities. Oppose legislation or diversion of local funds for these amenities.

Environmental and Climate Resiliency: Support investments to transition to clean energy and oppose eliminating programs that assist local agencies in planning or implementing projects to achieve sustainability.

City staff will return at the beginning of 2026 to review bills from the prior year and consider new bills introduced during the second year of the legislative two-year cycle. The goal will be to review the platform every two years, coinciding with the beginning of the two-year legislative cycle. Staff and TPA will provide the Legislative Review Team and City Council with regular updates throughout the year on the progress of legislation and budget actions.

Once the platform is approved by the City Council, any legislation consistent with the principles will be identified by City staff or TPA. Initial steps may include requesting information from a bill author, clarification of their intent, and discussions with legislative partners. Through these conversations, City staff and TPA may share with legislative staff how proposed legislation impacts City operations and recommend amendments. This process may include the City Attorney and the Legislative Review Team.

Finally, legislation in alignment with the key principles of the platform, or identified by the City's legislative partners, may be presented to the Mayor for a formal position letter. The goal of this process is for bills to be proactively identified by staff and TPA. However, Councilmembers, community members, or other groups may also request bill positions, which will be presented to the Legislative Review Team for review and consideration. The letter will then be sent to the bill's author with copies to the City Council and other stakeholders as deemed appropriate by staff.

Legislation

Various bills were presented to the Legislative Review Team on March 19, 2025, and are summarized in the attached legislative matrix (Attachment 3) with recommended positions for City Council consideration.

ALTERNATIVES:

The City Council may direct staff to revise the proposed legislative platform and present the revised platform at a future City Council meeting for approval or adopt portions of the platform and direct staff to develop additional principles.

After review and discussion of the legislative matrix, the City Council may choose to approve all or none of the recommended positions, or place bills onto a watch list and be brought back to the Legislative Review Team or City Council. Staff will track actions and updates to watched and supported legislation and report to the Legislative Review Team.

FISCAL REVIEW:

There is no direct fiscal impact to the City's Operating budget with this action. However, several principles in the legislative platform seek to identify or protect funding received by the City, which can have an impact should new funding be received or eliminated.

LEGAL REVIEW:

The City Attorney's Office has reviewed this report and has approved it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

The Legislative Platform seeks to achieve City Council goals as listed below:

- Strengthen the Public's Safety and Improve the Quality of Life
- Achieve Long-Term Fiscal Sustainability
- Diversify, Stabilize and Increase Housing to Reflect Community Needs
- Maintain and Enhance the City's Facilities, Technology and Equipment
- Advance Environmental Sustainability and Climate Resiliency

CONCLUSION:

Staff recommends that the City Council approve the proposed Legislative Platform and approve the Legislative Matrix. Staff will continue tracking legislative bills and provide the City Council with additional updates as needed.