

CITY COUNCIL MEETING

FEBRUARY 3, 2026

PRESENTATIONS

Item #1

RPT 26-011

**Federal and State
Advocacy and
Legislative
Developments for
the 2025-26 Session**

TOWNSEND PUBLIC AFFAIRS

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State Legislative Updates
February 3, 2026 - Revised



PRESENTATION OVERVIEW



Key State Legislative Items for 2026



State Budget Update



Overview of Funding Efforts



KEY STATE LEGISLATIVE ITEMS FOR 2026



Transportation Safety Reforms



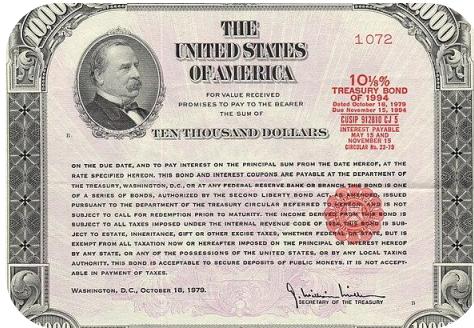
Affordable Housing/Homelessness Funding Stability



Illegal Dumping Prevention and Mitigation



SB 79 (Wiener, 2025) Clean Up



Statewide Bond Proposals



New Leadership and Administration Changes



STATE BUDGET UPDATE

Governor's Budget
Expects \$2.9B Deficit
(Smaller than \$18B
Projected by LAO)

No New Funding for
Housing/Homelessness
(Anticipated in January
Processes)

Proposition 4 Climate
Bond Roll Out

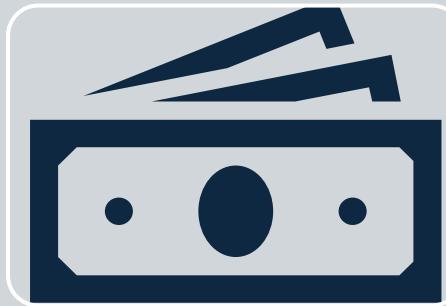
Local Exposure to
Federal Cost Shifts

Early Action Budget
Items Anticipated –
Including Bay Area
Transit Operations Loan

Negotiations and Budget
Committees to Follow –
Next Milestone during
May Revision



GRANT FUNDING UPDATE



16 years of
Partnership

\$14,611,500
in funding
secured

Strategic
engagement
on 158 +
pieces of
legislation



2025-26 LEGISLATIVE SESSION: STRATEGIC ENGAGEMENT



Regular check-in meetings with City staff

Ongoing engagement on homelessness funding stability (HHAP, SB 2), affordable housing, and community reinvestment

Consistent reports and updates on priority issues

Earmark strategy and advocacy

Sacramento Advocacy Trip planning

Relationship development with Legislative Delegation and Leadership



QUESTIONS?

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Capitol Advocacy Partners

Washington, D.C. Federal Affairs Briefing: Key Developments & What's Ahead
February 3, 2026





2025 - The Longest Government Shutdown in U.S. History

2025 brought **the longest federal shutdown in U.S. history at 43 days.** — Ended in November. The Continuing Resolution funded most agencies at Fiscal Year 2025 levels through January.

Federal Appropriations

- Six spending bills signed into law: Agriculture, Military Construction, Legislative Branch, CJS, Energy and Water and Interior.
- Six funding bills pending: short-term extensions or partial shutdown of unfunded agencies possible.
- These six bills (with funding set to expire on January 30) cover more than **75% of federal discretionary spending**, including the Departments of Defense, Labor, Health and Human Services, State, Transportation, Housing, and Homeland Security (DHS), the most contentious bill.
- The City's FY26 Community Project for \$381,000 for license plate readers was fully funded.

Affordable Care Act Subsidies

- Congress has not extended enhanced ACA marketplace subsidies that expired on December 31, 2025.
- A small group of senators from both parties are negotiating a compromise that could include a *two-year extension* with reforms like income caps, but a **bipartisan agreement remains elusive.**
- More than 82,000 Alameda County residents rely on subsidized plans; projections indicate 5,750 individuals could lose coverage without subsidies.
- Premiums could rise by ~\$125/month per person without extension.

SNAP Program Status

- SNAP is fully funded through September 30, providing stability despite broader budget uncertainty.
- California recipients should have already received their delayed November benefits.



Key Federal Developments Impacting Hayward

- **Immigration Enforcement:** Trump Executive Order (EO) 14159 threatens funding cuts for “sanctuary” jurisdictions — **Administration released a list of sanctuary cities – and Hayward wasn’t on it!**
- **Federal Agencies Directed to Review Funding Data:** Starting January, Federal agencies will review all federal funding flowing to 13 states, including California, potentially leading to increased scrutiny of existing and pending funding in the effort described as a **data-gathering exercise only**.
- **Medicaid Reform (One Big Beautiful Bill Act):** \$1 trillion in cuts + updated work requirements → higher local demand for housing, health, and homelessness services.
- **DOGE Initiative:** Massive federal staffing cuts slowing grant processing and reducing agency support.
- **Grant Oversight E.O.:** Increased scrutiny and risk of suspension; City must ensure strict compliance — **CAP communicates each policy shift to staff**.
- **HUD Continuum of Care:** FY25 NOFO shifts jeopardize funding for 1,400+ Permanent Supportive Housing units countywide, threatening stability for Hayward residents — **CAP is engaging congressional offices to mitigate impacts**.

Bottom Line: Federal cost-cutting and policy shifts are increasing local administrative burden and service demand. CAP mitigates these risks through targeted advocacy, including formal letters, legislative tracking, and 60+ meetings with congressional offices and federal agencies.



CAP's Ongoing Federal Priorities for Hayward

- 1. Protect Funding & Policy Alignment** – Defend sanctuary city standing; maintain compliance; safeguard current/future federal funding.
- 2. Pursue New Funding Opportunities**
 - EDA Stack Center Phase II
 - Airport modernization
 - Homelessness
 - Youth services
 - Transportation
 - Water
 - Behavioral-health
- 3. Strengthen Federal Relationships** – 60+ staff meetings with Padilla, Schiff, Butler, Swalwell, committees, and agencies; 70+ briefings; 40+ legislative position letters sent; active coordination for 2026 CPF cycle.
- 4. Support Active Grant Portfolio** – Post-award coordination FY24 CPF St. Regis Facility, AFG, and Prop 47 programs.

CAP keeps priorities visible in D.C. and City positioned for federal investment



Delivering Results: CAP's Impact Overview

2025 Funding Achievements = Funding added to Hayward's budget

- **\$15M – WRDA (Phase II):** Hayward Water Pollution Control Facility Improvements
- **\$1.78M – FEMA Assistance to Firefighters Grant:** To train and certify 19 firefighter-EMTs as paramedics
- **\$1.91M – BSCC Proposition 47 Grant:** Expansion of the Navigation Center to fund services for homeless, including diversion and reentry services
- **\$1.11M – Alameda County Youth Development Grant:** Supports mentoring and youth violence prevention
- **FY26 Community Project Funding – Project Wide Net:** \$381,000 request for ALPRs and situational awareness cameras
- **CAL FIRE Wildfire Prevention Grant - Wildfire Ready East Bay:** \$215,040 request to reduce hazardous fuels near homes and evacuation routes, expand defensible space compliance, promote community preparedness, and support long-term resilience planning

Return on Investment

- Since 2014, CAP has helped secure \$34.3 million in grant funding
- This reflects an ROI of 5,394% — approximately **\$54 returned for every \$1 invested** with CAP for federal advocacy and grant services



Thank you! Questions?



Item #5

LB 26-003

**Residential Rent
Stabilization and
Tenant Protection
Ordinance**

LEGISLATIVE BUSINESS

**Residential Rent Stabilization and Tenant Protection
Ordinance: Introduction of an Ordinance Amending Chapter
12, Article 1 of the Hayward Municipal Code to Extend the
Arbitration Decision Deadlines and Include a Cost Recovery
Process Consistent with Other Housing Program Fees**

February 3, 2026 | Mayor & City Council
Ayush Patel, Management Analyst II

RESIDENTIAL RENT STABILIZATION ORDINANCE

Applicable to all pre-1979 units (“Covered Rental Units”), except single-unit properties, consistent with State law (approximately 11,000 units):

- Sets rent increase limits and requires mediation and arbitration to resolve rent disputes
- Sets capital improvement pass-through and landlord’s right to a fair return

Applicable to all rental units:

- Provisions to protect Section 8 voucher holders from discrimination
- Requirements that landlords file rent increase notices and eviction notices
- Tenant retaliation protection provisions
- Just Cause for tenant evictions

IDENTIFIABLE DEFICIENCIES & PROPOSED AMENDMENTS

20-day arbitration decision deadline is too short

Extend deadline to 30 days

Fee collection ≠ cost recovery

Assess properties with outstanding fees

***Staff recommend discussing more significant policy issues and amendments to the RRSO when the RRS returns**
for consideration later this calendar year*

RECOMMENDATIONS

That the City Council introduces an Ordinance (Attachment II) amending Sections 12-1.07(j)(7) and 12-1.17 of Article 1, Chapter 12 of the Hayward Municipal Code that extends the arbitration decision deadline and includes a cost recovery process consistent with the process used for the Residential Rental Inspection Program (RRIP).

Questions

