

**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



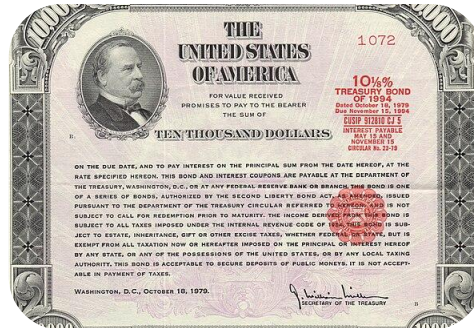
Affordable  
Housing/Homelessness  
Funding Stability



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

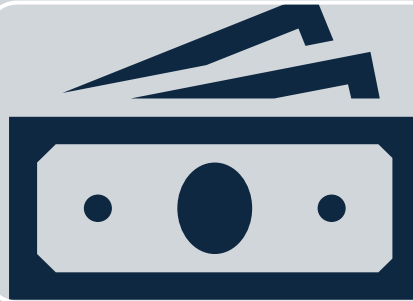
Negotiations and Budget  
Committees to Follow –  
Next Milestone during  
May Revision



## 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



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Regular check-in meetings with City staff

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

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Consistent reports and updates on priority issues

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Earmark strategy and advocacy

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Sacramento Advocacy Trip planning

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Relationship development with Legislative Delegation and Leadership





## QUESTIONS?

**Niccolo De Luca,**  
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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

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**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

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# 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

