



# Council Agenda Correspondence

**DATE:** February 6, 2024February 6, 2024

**TO:** Mayor and Council

**FROM:** Greg Hermann, Deputy City Manager  
Megan Wilbanks, Deputy City Clerk

**VIA:** Derek Johnson, City Manager

**SUBJECT:** ITEM 6B - UPDATE ON SB 1439 (THE LEVINE ACT) AND INTRODUCE AN ORDINANCE AMENDING CHAPTER 2.40.040 (CAMPAIGN CONTRIBUTION LIMITATIONS)

Staff received the following questions, regarding Senate Bill 1439 and its impact on local elected officials. The questions are below with staff’s response shown in *italics*:

- 1) How many items have come to council in the last 2-3 years that would have been impacted by SB 1439 and would have required disclosure by either speakers, councilmembers or both?**

*Answer: A review of the items that came before the City Council in 2021, 2022 and 2023 that would have been subject to SB 1439 are shown in the chart below:*

Year	Land Use License and Permits	Contracts (other than competitively bid, labor or personal employment contracts)
2021	11	5
2022	13	7
2023	6	7

- 2) Would approval of things like HRC grants be impacted? Or are those considered competitive and exempt?**

*Answer: Staff will need to request advice from the FPPC to confirm the City’s process for selecting grant recipients qualifies as a “competitive” process exception under SB 1439. Currently, it’s staff’s understanding that any grant program (DEI High Impact Grants, Human Services Grants, Community Development Block Grants) where the City Council approves the funding amounts and recipients, are subject to the provisions of SB 1439, as recipients are entering into a contractual agreement with the City and have a direct financial benefit from receiving the grant funding.*

*If the FPPC determines the City's grant process does not meet the threshold to qualify for the "competitively-bid" contract exception<sup>1</sup>, staff recommends adding a SB 1439 disclosure to all grant applications, consistent with the updated administrative processes described in the staff report for planning applications and contracts.*

**3) Will SB 1439 impact our councilmembers in liaison roles on other committees (HSOC, SLOCOG, etc.) from deliberating and voting on funding those groups might award?**

*Answer: **Yes.** As an elected officer, the requirements of SB 1439 impact your regional subcommittee assignments, as you have the ability to make, participate in making, or use your official position to influence a decision in the relevant entitlement for use proceeding or you exercise authority or budgetary control over the agency officers who may do so.*

*As a courtesy, staff will reach out to our regional agency partners to make them aware of the SB 1439 disclosure requirements and encourage them consider implementing similar administrative processes discussed in the staff report. However, it is incumbent upon the official to keep track of contributions accepted from parties that are the subject of applicable proceedings.*

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<sup>1</sup> Section 84308 defines the term "license, permit, or other entitlement for use" to mean "all business, professional, trade, and land use licenses and permits and all other entitlements for use, including all entitlements for land use, **all contracts (other than competitively bid, labor, or personal employment contracts)**, and all franchises.