
MEMORANDUM

To: East Contra Costa Fire Protection District
From: Townsend Public Affairs
Date: February 6, 2020
Subject: Legislative Report for ECCFPD — January 2020

State Legislative Update

The Legislature reconvened on January 6 for the second year of the 2019-2020 legislative session. Since then, lawmakers have been focused on introducing new legislation and meeting the January 31 house of origin deadline. Legislation that was introduced in 2019 that did not pass out of its house of origin by January 31 is now considered dead for the year. Legislators have until February 21 to introduced new legislation to be considered in 2020.

Lawmakers have also been busy analyzing the Governor's January Budget proposal. Trailer bill language is expected from the Administration in early February which will provide additional details about the Governor's budget proposals. After that, the Budget Subcommittees will begin their work on the Fiscal Year (FY) 2020-21 Budget to meet the June 15 deadline. The new budget bill will take effect on July 1, 2020.

Below is a list of upcoming legislative deadlines:

February 19: State of the State presented by Governor Newsom

February 21: Last day for bills to be introduced

April 2: Spring Recess begins

Impact fees Update

The topic of impact fees continues to be a focus as we enter the new legislative session. AB 1484 (Grayson, D-Concord), remains in the Senate Governance and Finance Committee. As you recall this bill would have implemented recommendations from the Turner Center's report on residential impact fees in California. Assemblymember Grayson did a statewide tour that included local governments, developers and special districts to discuss their experiences and challenges from impact fees. The members and the consultants of the Senate Governance and Finance Committee did not participate in any of the meetings which make it appear that AB 1484 will remain in committee and not be voted on unless both parties can come together and agree on the language in the bill.

On January 14, 2020 Assemblymember Grayson introduced a spot bill, AB 1924, that will serve as a vehicle to address impact fees in the Assembly. As drafted, AB 1924 would have impact fees be based on square footage. The goal of the Assemblymember is to spur housing development with the reasoning that developers are likely to build more units if they are smaller in size. Currently the California Special District's Association is gathering feedback from their members on impact fees being determined by square footage.

On January 17, TPA and the District met with the Assemblymember in his district office in Concord to further discuss impact fees. Although the meeting was cut short due to the Assemblymember's schedule, there was a good discussion and commitment to continue working together on this important issue.

On February 26, the Senate Governance and Finance Committee will be holding a joint informational hearing on impact fees. TPA will be present to monitor the hearing and will share additional information as it is received.

Governor's January Budget Proposal

On January 10, the Governor released his January Budget Proposal for the FY 2020-21 State Budget. This marks the official beginning of the State Budget process.

The Governor's January Budget Proposal contains \$222.2 billion in proposed expenditures, \$153.1 billion of which would be from the State's General Fund. These proposed expenditures represent a 2.2 percent increase in spending over the budget that was adopted last year. The January Budget proposal includes a \$5.3 billion surplus for FY 2020-21, which is over \$1 billion lower than was projected by the Legislative Analyst's Office in November 2019. The Governor accounted for this difference due to the uncertainty of the federal approval of the Managed Care Organization (MCO) tax.

During his two and a half hour press conference, the Governor reinforced that his proposed budget makes a number of innovative investments, but does so in a way that acknowledges that the State's economy is seeing a slowing in its growth and could slip into a recession in the near future. As such, the Governor's budget proposal focuses largely on one-time spending items, in addition to investing in the State's Rainy-Day fund and other budget reserves. The proposed budget would increase the State's Rainy-Day fund to \$18 billion by the end of FY 2020-21 and would reach the constitutional 10 percent reserve cap in FY 2021-22.

During his press conference, the Governor touched on nearly all of the major items within his budget proposal; however, the main focus of his budget is education, housing, homelessness, and climate resiliency. Below is a summary of some of these major provisions:

Housing and Homeless: The Governor's budget contains \$750 million in one-time funding to establish the California Access to Housing and Services Fund, which would be administered by the Department of Social Services. This funding would be used to reduce homelessness by moving individuals and families to permanent housing and to increase the number of units available to those that are at risk of becoming homeless.

The budget proposes to disperse the funding through regional administrators that can provide short and long-term rental subsidies, make contributions to the development of units, and stabilize community facilities through capital projects and operating subsidies.

The Governor's budget also continues to build on the investments that were made in last year's budget to expand the amount of affordable housing that is produced in the State. Several of the major programs that were included as part of the FY 2019-20 State Budget, including funding for infill infrastructure and multi-family housing, are just now being made available through grant programs through the Department of Housing and Community Development. This year's budget proposal would increase state funding to help expedite the release of those funds, as well as provide over \$6.8 billion in funding to over 25 different programs aimed at increasing the amount of housing in California.

The Governor's budget proposal also contains funding for the State to continue to assess and make recommendations to improve the Regional Housing Needs Assessment (RHNA) process. The Governor has directed the Department of Housing and Community Development to work with stakeholders to revamp the RHNA process by 2023. This aligns with the Governor's stated goal of working with the Legislature to expedite housing production, including making changes to local zoning and permitting processes and by adding predictability and reducing the cost of development fees.

Natural Resources/Climate Change Bond: The Governor's January budget proposal contains a new \$4.75 billion climate resiliency bond that the Governor proposes to be placed on the November 2020 ballot. The bond measure would provide funding to five major areas: Drinking Water, Flood, Drought (\$2.9B), Wildfire (\$750M), Sea Level Rise (\$500M), Extreme Heat (\$325M), and Community Resilience (\$250M). In addition to the new bond measure, the Governor's budget proposes \$1.7 billion in climate related investments in FY 2020-21 and \$12.4 billion in investments (including the bond) over the next five years.

Next Steps: In the coming weeks, the Senate and Assembly Budget Committee, and the various Budget Subcommittees, will conduct hearings to receive more detail about the various items within the Governor's budget proposal. Additionally, the committees will begin the process of determining legislative priorities for inclusion in the budget.

These hearings will continue for several months until the Governor releases his May Revise of the budget, which will contain updated revenue and expenditure figures, revised policy proposals, and incorporate certain legislative items. Once the May Revise is released, the Legislature will move swiftly to make final changes to the FY 2020-21 budget, which they will need to approve by June 15th.

CSDA is currently gathering member input on what grant programs would be beneficial to have funded through the bond efforts as well as any concerns regarding funding efficiencies. TPA is working closely with the Administration as well as the author's of other bond efforts on language which would appropriate funding to the Natural Resources Agency for projects that would be beneficial to the District.

Statewide Water Resilience Plan

On January 3, the California Natural Resources Agency, Environmental Protection Agency, and Department of Food and Agriculture released a draft water resilience portfolio to help the State address and respond more effectively to challenges such as droughts, floods, aging infrastructure, and rising temperatures. These agencies were directed to release this proposal to fulfill Governor Newsom's April 29 executive order that called for action to better secure the State's long-term water and ecosystem health.

The actions outlined in the draft proposal include more than 100 actionable recommendations divided into four broad categories. These actions aim to help regions build water resilience, improve water infrastructure, and protect natural ecosystems. The four categories are outlined below:

- **Maintain and diversify water supplies:** State government will continue to help regions reduce reliance on any one water source and diversify supplies to enable flexibility amidst changing conditions. Diversification will look different in each region based on available water resources, but the combined effect will strengthen resilience and reduce pressure on river systems.
- **Protect and enhance natural ecosystems:** State leadership is essential to restore the environmental health of key river systems to sustain fish and wildlife. This requires effective standard-setting, continued investments, and more adaptive, holistic environmental management.
- **Build connections:** State actions and investment will improve physical infrastructure to store, move, and share water more flexibly and integrate water management through shared use of science, data, and technology.
- **Be prepared:** Each region must prepare for new threats, including more extreme droughts and floods and hotter temperatures. State investments and guidance will enable preparation, protective actions, and adaptive management to weather these stresses.

Public comments on the draft proposal are due by February 7. Shortly after, a final water resilience portfolio will be released in order to guide State policy on water and climate related issues.

Governor's Executive Order – Homelessness

On January 8, Governor Newsom issued an Executive Order related to homelessness. The order was released in order to increase State action of providing homeless Californians with additional housing opportunities. Below is a summary of the major provisions of the order:

- A proposed one-time \$750 million allocation included in the January Budget proposal to establish the California Access to Housing and Services Fund. The Fund will receive future state appropriations, as well as donations from philanthropy and the private sector, to provide much needed dollars for additional affordable housing units, providing rental and operating subsidies, and stabilizing board and care homes.
- The Governor will task the Department of General Services with identifying properties from the inventory of excess state lands that can be used by local partners, including counties, cities, or non-profit agencies, on a short-term emergency basis to house individuals who are homeless.
- Similarly, CalTrans, the Office of Statewide Health Planning and Development, and the Department of Food and Agriculture will be directed to conduct assessments of properties that can provide services to homeless individuals.
- The Governor will direct the Department of General Services to supply 100 camp trailers from the state fleet, and the Emergency Medical Services Authority to deploy modular tent

structures, to provide temporary housing and delivery of health and social services across the state.

- The Governor will create a state crisis response team to assist local governments in addressing street homelessness. The strike team shall provide technical assistance and targeted direct support to counties, cities, and public transit agencies seeking to bring individuals experiencing homelessness indoors and connecting them with appropriate health, human, and social services and benefits.

The Executive Order comes at the recommendation of the Governor's Council of Regional Homeless Advisors which is co-chaired by Sacramento Mayor Darrell Steinberg and Los Angeles County Supervisor Mark Ridley-Thomas. The Advisory Council has also proposed that an initiative be placed on the November 2020 ballot that would go to California voters for approval. The initiative would include recommendations from the Advisory Council and would likely include a provision to require local and state governments to create housing and increase services to reduce the number of residents experiencing homelessness.

Federal Legislative Update

The impeachment trial of President Trump dominated Congress's time in January. The House voted on January 15 to send the impeachment articles against the President to the Senate, and House Speaker Nancy Pelosi announced the seven House Democrats who will serve as the managers in the trial. The trial commenced with House managers providing testimony supporting the two articles of impeachment.

On February 5, 2020, the Senate voted to acquit President Donald Trump on the two articles of impeachment, which clears him of charges that he abused his power and also obstructed Congress when he reportedly asked the President of Ukraine for assistance with obtaining negative information on campaign rivals in a July 2019 phone call.

Democrats fell well short of the 67 votes or two-thirds majority required to convict and remove the president from office. The first Article of Impeachment, which alleges an abuse of power, returned a vote 52-48. The second Article of Impeachment, which charges the President with obstruction of Congress, returned a vote of 53-47.

The votes were mostly along party-lines, but included Senator Mitt Romney (R-UT) voting to convict the President on abuse of power. Senator Romney's guilty vote marks the first time in history that a Senator voted to remove from office a President from the same party.

The acquittal is the final act in a trial that has spanned nearly four months. The trial originally began back in September when House Speaker Nancy Pelosi announced an impeachment inquiry after lawmakers received an anonymous complaint from a whistleblower. The House voted to impeach the President in December.

Ultimately, the impact of President Trump's impeachment will likely remain unclear November, when voters will have a chance to voice their opinions on whether the President should receive a second term.

Fiscal Year 2021 Appropriations

In January, House Democrats announced that they are preparing to move quickly on Fiscal Year 2021 appropriations bills. Party leaders set a goal of sending 10 of the 12 fiscal spending measures on the House floor by June, which would match their progress at the same point last year.

The White House announced in January that Congress should expect the President's annual budget by February 10, which will allow lawmakers to quickly begin holding relevant congressional committee hearings and markups.

PFAS/PFOA Update

The U.S. Environmental Protection Agency (EPA) recently issued Interim Recommendations for Addressing Groundwater Contaminated with Perfluorooctanoic Acid (PFOA) and Perfluorooctanesulfonate (PFOS) under federal cleanup programs, a priority action under EPA's PFAS Action Plan. With these interim recommendations, EPA is prioritizing public health impacts by focusing on addressing any groundwater that is a current or potential source of drinking water. The recommendations in this guidance may be useful for state, tribal, or other regulatory authorities who have are experiencing challenges with contaminated drinking water.

H.R. 535 PFAS Action Act

On January 10, 2020, the House passed the "PFAS Action Act" (H.R. 535), which incorporates key provisions and programs to combat PFAS contamination in drinking water. Introduced by Congresswoman Debbie Dingell (D-MI), the bill requires the EPA to designate PFOA and PFOS chemicals as "hazardous substances." In addition to the aforementioned requirement, the bill also includes several provisions intended to address the risks, particularly health risks, of using firefighting foam containing PFAS chemicals. Specifically, the bill would require the EPA to issue guidance for firefighters and first responders to limit the use of foam and other firefighting materials containing PFAS. This effort would be critical in the attempt to minimize health risks associated with PFAS exposure. This bill is now in the Senate for further consideration.

Water

This month, the House Transportation & Infrastructure Committee Subcommittee on Water Resources and Environment began the second session of the 116th Congress with a hearing on potential proposals for the upcoming Water Resources Development Act (WRDA) of 2020.

WRDA is a significant legislative package, as it determines federal water resources infrastructure policy and provides congressional approval for civil works projects for waterways and harbors nationwide. WRDA generally addresses projects covered in the U.S. Army Corps of Engineer's work plan and is usually reauthorized biannually. The current legislation is set to expire on September 30, 2020.

During the hearing, key topics of discussion included creating legislation that focuses on priorities such as providing more flexibility to non-federal entities to complete local infrastructure projects autonomously, prioritizing pending projects with high economic and public safety benefits, and streamlining the permitting process to expedite project completion timelines.

A committee hearing is the first step in a long process of finalizing water infrastructure legislation. Next, committee staff will use information discussed in the hearing to draft legislation, and the full committee will debate it in a markup before sending to the House floor for full chamber consideration.