
MEMORANDUM

To: City of Beaumont
From: Townsend Public Affairs
Date: January 31, 2020
Subject: Monthly Report for the City of Beaumont — 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

SB 50 Update

SB 50 (Wiener, D–San Francisco), the legislative vehicle for a major statewide housing initiative, failed to pass the Senate by the January 31 house of origin deadline and is now dead. However, after the final vote was tallied, Senate President Pro Tempore Atkins addressed the Senate and indicated that the Senate will continue to address this issue and work on “a housing production bill to help alleviate our housing crisis this year.”

This is the second vote in as many days for SB 50. After the bill failed to garner 21 votes, Senator Wiener was granted reconsideration of the bill on January 30. The bill failed to pass yet again as Senators argued that the bill would not prevent displacement and gentrification, would fail to

produce enough affordable housing, the potential for development in high wildfire danger zones, and the negative impacts that this bill could have on communities across the State.

SB 50 failed to garner support from stakeholders after the Senator amended the bill on January 6. The amendments that were adopted were intended to provide additional *local flexibility* and *community preference*. Below is a summary of the adopted amendments:

Local Flexibility:

- A two-year delayed implementation date (January 1, 2023).
- SB 50 would allow for an alternative compliance for cities that have a plan certified by the State.
 - An alternative plan would need to be approved by the city, such as a housing element or zoning ordinance;
 - The alternative plan would need to accommodate a comparable amount of housing as would otherwise be authorized by SB 50;
 - The alternative plan would need to accommodate similar transportation efficiency;
 - The alternative plan would need to be consistent with fair housing findings.
- The idea behind the alternative compliance would be to allow local governments to be able to plan locally for growth in the areas that are best for the City, which may or may not be areas covered by SB 50.
- The alternative plans can be items that have already been adopted by local governments through previous planning efforts.
- The Departments of Housing and Community Development and the Office of Planning and Research (HCD/OPR) will be responsible for developing guidelines of what a local government would need to provide as part of an alternative plan.
- Local governments that choose not to pursue an alternative plan would be subject to the SB 50 provisions related to jobs-rich and transit-rich housing areas. Should a local government decide they would like to develop and submit an alternative plan at a later date, they are free to do so.

Community Preference:

- 40 percent of affordable units that are created pursuant to SB 50 would need to be made available (through lottery) to people who currently live within 0.5 miles of the project.

After SB 50 failed, Senator Wiener introduced two spot bills related to housing that may serve as legislative vehicles for broader housing proposals to be considered later this year. The first bill, SB 899, makes non-substantive changes to the Housing Density Bonus Law which requires cities and counties to provide developers with density bonuses if the project includes a certain amount of affordable housing units. The second bill, SB 902, would require cities and counties to disclose whether they are involved in a court action related to State housing law in their annual report to the State.

TPA will continue to monitor, advise, and advocate on behalf of the City as the Legislature continues to consider housing legislation in 2020.

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 these major provisions:

Education: The Governor's January budget proposes \$84 billion in Proposition 98 funding for K-12 and community college districts, up approximately \$3.8 billion from the current fiscal year. The bulk of this increase focuses on continued efforts to strengthen underperforming schools, close achievement gaps, and improve student services in K-12 districts. Governor Newsom specifically highlighted efforts to improve funding for teacher recruitment and retention, which total \$900.1 million.

An additional \$100 million will be allocated to provide stipends for individuals who elect to teach at some of the state's most needy districts. Expansion of school meal programs, increased focus on STEM, and additional funding for school facilities are also among the increases outlined in the proposal.

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.

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.

Now that President Trump's lawyers have finished presenting their case, Senators will have up to 16 hours to question either side through written queries submitted to Chief Justice John Roberts, who is presiding over the trial. The prosecution and defense will then argue whether to subpoena witnesses or documents. Democrats have demanded the inclusion of witnesses while most Republicans oppose.

Should the call for witnesses be rejected by the full Senate, the impeachment trial is likely to end quickly, with a predicted vote against removal from office. If witnesses are called, it is likely that the trial will last several weeks longer. Either outcome will continue to impact the Senate's ability to address appropriations and other legislative priorities.

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.

H.R.5659/S.2318 Protecting Community Television Act

In January, Senator Ed Markey (D-MA) and Congresswoman Anna Eshoo (D-CA) jointly introduced the “Protecting Community Television Act (H.R.5659/S.2318),” which would specifically protect frameworks and fee structures developed between municipalities and cable companies. If passed, the “Protecting Community Television Act” would set a clear precedent by requiring franchise fees to be limited specifically to cash payments; new FCC rules have made this classification unclear by indicating that cable companies can deduct “in kind” services from their fees. The bill has already obtained support from at least 24 members of Congress, who agreed to become bill co-sponsors prior to introduction.

Beginning in 1984, cable franchises included requirements designed to ensure that cable systems served the needs and interests of the community. Additionally, they required cable operators to pay a rent for use of public property in the form of a franchise fee of up to 5 percent of gross revenues from service provision. Congress also further reinforced this mandate by stipulating that franchise requirements should not be treated as franchise fees. The FCC recently overturned this longstanding practice and precedent, and instead determined that localities must either eliminate franchise requirements or allow the operator to deduct the “fair market value” of the requirements from the franchise fee owed.

Introducing this legislation in both chambers is advantageous, as it increases the likelihood of the bill’s passage while also reducing the chance of any further FCC actions on this topic.

Federal Grant Opportunities

WaterSMART Small-Scale Water Efficiency Projects Grant Program

In January, the U.S. Department of the Interior announced a notice of funding for the Bureau of Reclamation's (BOR) the Small-Scale Water Efficiency Projects Program. This program provides funding opportunities for projects that conserve and use water more efficiently, mitigate conflict risk in areas at a high risk of future water conflict, and accomplish other benefits that contribute to water supply reliability in the western United States.

To be competitive, projects should be identified as priority projects in planning efforts and be in the final design stage, have secured non-Federal funding, and have initiated or completed environmental/cultural compliance along with any other required approvals. Grants of up to \$75,000 will be awarded, with a required non-Federal cost share of at least 50% of total project cost. In general, total project cost should be \$200,000 or less. BOR expects to make between 20 and 30 awards for this cycle. Applications will be due on March 4, 2020 for the first round of the program for this year and a second 2020 deadline will be forthcoming.

Nationally Significant Freight and Highway Projects (INFRA) Grant Program

This month, the U.S. Department of Transportation announced a notice of funding opportunity for its Nationally Significant Freight and Highway Projects (INFRA) Grants Program. INFRA advances a grant program established in the FAST Act of 2015 to help rebuild America's aging infrastructure. INFRA utilizes selection criteria that promote projects with national and regional economic vitality goals while leveraging non-federal funding to increase the total investment by state, local, and private partners. The program also incentivizes project sponsors to pursue innovative strategies, including public-private partnerships. INFRA promotes the incorporation of innovative technology such as broadband deployment and intelligent transportation systems, which will improve the national transportation system.

A total of \$906 million is available for funding, and grants may be used for up to 60 percent of future eligible project costs. The Department will make awards under the INFRA program to large and small projects. For a large project, the INFRA grant must be at least \$25 million. For a small project, the grant must be at least \$5 million. Applications will be due on February 25, 2020 to ensure sufficient time for a comprehensive evaluation process.

Office of Community Oriented Policing (COPS) Grant Program

This month, the Office of Community Oriented Policing (COPS) announced a notice of funding opportunity for the Hiring Grant Program as well as the Microgrants Program. Both applications will be due on March 11, 2020.

The COPS Hiring Program provides funding to hire and re-hire entry level career law enforcement officers in order to preserve jobs, increase community policing capacities and support crime prevention efforts. The Hiring Grant provides 75 percent of the approved entry-level salaries and fringe benefits of each newly hired and/or rehired full-time officer, up to \$125,000 per officer position, over the three-year (36 month) grant period. The grant requires you to identify a specific crime and disorder problem/focus area and explain how COPS funding will be used to implement community policing approaches to that problem/focus area. Total available funding is \$400 million

with a maximum of \$125,000 per officer hired. Applicants are required to contribute a local cash match of a minimum of 25% towards the total cost of the approved project during the award period.

The COPS Microgrants Program funds are used to develop the capacity of law enforcement to implement community policing strategies by providing funding to local, state, and tribal law enforcement agencies. Applicants are invited to propose demonstration or pilot projects to be implemented in their agency that offer creative ideas to advance crime fighting, community engagement, problem solving, or organizational changes to support community policing in one of ten areas. 23 awards are available with a maximum award amount of \$100,000. There is no requirement for cost sharing or a local match for Microgrants awards.

Assistance to Firefighters Grant (AFG) Program

In January, the Federal Emergency Management Agency (FEMA) announced a notice of funding for the upcoming round of the Assistance to Firefighters Grants (AFG) Program.

The Assistance to Firefighters Grant (AFG) Program is one of three grant programs that constitute the Department of Homeland Security (DHS), Federal Emergency Management Agency's (FEMA) focus on enhancing the safety of the public and firefighters with respect to fire and fire-related hazards. The AFG Program accomplishes this by providing financial assistance directly to eligible fire departments, nonaffiliated emergency medical service (EMS) organizations, and State Fire Training Academies (SFTA) for critical training and equipment.

Funding for this year is set at \$700 million. There is a requirement for cost sharing or a local match based on population. An applicant must provide 5% for populations under 20,000, 10% for populations between 20,000 and 1 million, and 15% for populations over 1 million. This requirement must be a hard cash match and is not required at the time of application OR at time of award. Applicants only need to show proof of submission of a cash match in close-out reports at end of first year performance period. The AFG application period will open on Monday, February 3, 2020, and the due date is Friday, March 13, 2020.