
MEMORANDUM

To: City of Fullerton
From: Townsend Public Affairs
Date: November 5, 2018
Subject: Monthly Report for the City of Fullerton — October 2018

Legislative Platform	Topic	Specific Activity	Status
FUNDING			
Guiding Principles: Support Funding Opportunities Parks and Recreation: Support funding for the acquisition of additional land in West Coyote Hills.	West Coyote Hills Funding	TPA is working with City staff and Blaise on creating and tracking a funding strategy for West Coyote Hills. <i>Statewide Legislation:</i> TPA is working with Assemblymember Quirk Silva to schedule a meeting with City staff to discuss the allocation of \$15 million.	<i>Statewide Legislation:</i> Assemblymember Quirk Silva was successful in reallocating the \$15 million that was secured in the 2017 State Budget. The funding will be approved by the Department of Finance and must be used to “enhance public access and for other public purposes in the West Coyote Hills area.”
LEGISLATION			
Legislative Action	Pending Legislation	The State Legislature is out of session, however TPA has provided updates on homeless planning grant opportunities. Focus has shifted to Washington DC where action is being taken on key items such as wireless infrastructure.	TPA has provided timely updates on several state and federal issues of importance to the City including homeless funding, cannabis regulations and the federal wireless infrastructure regulations.

State Political Update

With the Legislature having adjourned, and the Governor having taken action on all pending legislation, most of the focus in the Capitol for the past month has been on the upcoming November General Election. Legislative leadership has been focused on a handful of races across the State that are likely to determine whether or not the Democrats will hold a two-thirds super-majority when they begin the new session in December. At the same time, Governor Brown

has focused most of his efforts on defeating Proposition 6, which aims to repeal the transportation infrastructure package that he negotiated with the Legislature in 2017.

Below is a list of upcoming dates in the Legislature:

- **November 6** – 2018 General Election
- **December 3** – Swearing-in of Newly Elected Legislators

State Economic Update

In October, the California Department of Finance released its latest economic and revenue report. The report indicated that the State's unemployment rate remained at a record-low 4.2 percent for the fifth-straight month. The U.S unemployment rate dropped to 3.7 percent, the lowest it has been since 1969. Contributing to the low unemployment, the State added 44,800 jobs, representing more than 20 percent of all jobs added in the U.S last month. Growing industry sectors include educational and health services, professional and business services, government, construction, and trade. California personal income for the first half of 2018 grew at 4.5 percent, mirroring slight wage growth.

General Fund agency cash for the first three months of the fiscal year was \$1.032 billion higher than the forecast of \$27.51 billion based on higher than expect revenues. Personal income tax revenues for the first three months of the fiscal year were \$990 million above forecast. Corporate tax revenues were \$66 million above forecast. Sales and use tax receipts for the first three months of the fiscal year were \$61 million below forecast, suggesting a slight decline in consumer spending.

Election Update

Statewide Elections

In October, the Public Policy Institute of California (PPIC) released the results of its statewide survey. Heading into the election, this survey indicates that 48 percent of Californians approve of Governor Brown's job performance. With Governor Brown termed out this year, Democratic Lieutenant Governor Gavin Newsom holds an 11-point lead over John Cox in the upcoming Gubernatorial Race. California Incumbent Senator Democrat Dianne Feinstein leads her opponent, fellow Democrat Kevin De Leon 43 percent to 27 percent.

Proposition 6

Proposition 6, the repeal of recently enacted fuel taxes and vehicles fees, faces an uphill climb as a majority of like voters indicate they would vote "No" (48 percent to 41 percent). Support for the repeal effort is highest in Orange and San Diego Counties (52 percent) and lowest in the Central Valley and the San Francisco Bay Area (36 percent each).

Proposition 10

Proposition 10, which seeks to expand the authority of local governments to enact rent control, has seen a drop-off in support with 60 percent of likely voters opposing the measure.

Federal Legislative Update

October saw most members of Congress make a quick departure to campaign before the midterms. Although Congress spent the majority of the month in recess, negotiations on the Farm Bill and spending measures continued.

Budget and Appropriations

Congress is out of session leading up to the midterm election on November 6. Below is an update on the federal appropriations process.

Status:

- President Trump has signed 5 of the 12 federal appropriations bills for Fiscal Year (FY) 2019 into law.
- President Trump also signed a continuing resolution, which extended FY 2018 funding levels for remaining authorized programs through December 7, 2018.
- After the midterm election, the House and Senate will return to finish work on the remaining 7 bills (Agriculture; Commerce, Justice, Science; Financial Services; Homeland Security; Interior-Environment; State-Foreign Operations; Transportation-Housing and Urban Development).
- Due to differences between the House and Senate versions of these remaining bills, congressional leaders must work to resolve these variations before they can be sent to the White House for the President's signature.
- Of the remaining bills, the Homeland Security bill is the most controversial due to disagreements on immigration and border security spending. It is the only bill that has not received a vote on the House or Senate floor.

TPA continues to work with congressional leaders to advocate for priority programs as they work to finalize these funding levels. TPA is also monitoring the midterm election and how its results, particularly any shifts in control of the House or Senate, may affect the appropriations process when Members return to Washington in mid-November.

City of Fullerton Legislative Priorities

Parks and Recreation

Legislative Platform: Policy Statements – Parks and Recreation

- *Oppose efforts that erode funding for vital regional and community services that negatively impact Californian's access to parks, open space, bike lanes and bike ways, after school programming, senior services, facilities that promote physical activity, protect natural resources*
- *Support funding for the City of Fullerton to acquire additional land in West Coyote Hills.*

Proposition 68 (2018) Park Bond Update

Voters approved Proposition 68 in the June 2018 primary election. Proposition 68, the Parks, Environment, and Water Bond authorizes \$4 billion in general obligation bonds for state and local parks, environmental protection projects, water infrastructure projects, and flood protection

projects. The following programs from Proposition 68 are either underway or are scheduled to be released shortly:

- **Statewide Parks Program** - \$650 million. *West Coyote Hills is eligible.*
 - Funds development or a combination of acquisition and development to:
 - Create a new park
 - Expand and existing park
 - Renovate an existing park
 - Draft guidelines available now
- **Urban Green Infrastructure** - \$18.5 million
 - Funds green infrastructure projects (green streets, tree planting, parks, commuter trails, etc.)
 - Anticipate draft guidelines and call for projects in early 2019
- **California Coastal Conservancy** - \$200 million *West Coyote Hills is eligible*
 - Funds projects that improve access to, and restoration of, natural resources within the coastal region.
 - Draft guidelines were released in October 2018. Public comment period will end November 13, 2018. Call for projects expected in early 2019.
- **Urban Stormwater & Waterways Improvement** - \$92.5 million
 - Funds low-impact, multi-benefit projects in urbanized areas to address flooding including stormwater capture and reuse, restoration or urban streams and watersheds and increasing permeable surfaces to help reduce flooding
 - Anticipate draft guidelines and call for projects mid-2019

Land and Water Conservation Fund

The debate over simply extending the Land and Water Conservation Fund or making it permanent could be resolved when Congress returns after the election.

As a reminder, the Fund's authorization to receive \$900 million in annual deposits expired September 30. The Fund supports conservation and recreation on state and federal land, including through land acquisition and grants to aid state outdoor recreation planning and development.

Despite pending stand-alone proposals in the House and Senate to permanently extend the LWCF, it is more likely that a reauthorization measure will be included on an end-of-year spending package.

The LWCF was last extended for three years under the fiscal 2016 omnibus spending law, which also appropriated \$450 million from the fund for its authorized activities.

Housing and Economic Development

<i>Legislative Platform: Policy Statements – Land Use Planning and Housing</i>
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- *Support local control over the licensure and regulation of alcoholism or drug abuse recovery or treatment facilities.*

Opioids and Sober Living Homes

On October 24, President Trump signed the opioids package (H.R. 6) previously approved by the House and Senate.

H.R. 6 would:

- Reauthorize \$500 million in annual funding to combat the opioid crisis;
- Provide greater flexibility to states in spending such federal funds;
- Create a grant program to support “comprehensive opioid recovery centers”;
- Lift restrictions on medications to treat opioid addiction;
- Ramp up federal efforts to get first responders’ access to naloxone, a drug that reverses opioid overdoses;
- Improve coordination between federal agencies to stop illegal drugs like fentanyl at our borders;
- Direct the Department of Health and Human Services, in consultation with other agencies and groups, to develop best practices for sober living facilities as well as a set of common indicators that could be used to identify potentially fraudulent operators; and
- Establish criminal penalties knowingly and willfully pay or receive kickbacks in return for referring a patient to a recovery home or clinical treatment facility.

Local Control Legislation

Legislative Platform: Guiding Principles – Preserve Local Control

- *Preserve and protect the City’s powers, duties and prerogatives to enact local legislation and policy direction concerning local affairs and oppose legislation that preempts local authority. Local agencies should preserve authority and accountability for revenues raised and services provided*

Legislative Platform: Policy Statement – Public Works

- *Oppose efforts that remove local regulatory authority on wireless infrastructure development.*

FCC Approves Wireless Rule Limiting Local Authority

At the end of September, the Federal Communications Commission (FCC) voted on a 3-1 party-line vote to approve the new rule to limit fees on wireless provider use of local infrastructure and limit the amount of time that local authorities can take to review businesses proposal for deploying wireless infrastructure.

To date, there have been 6 lawsuits filed, including 3 by local governments in the 9th Circuit court of appeals. The law firms representing local governments in this suit will be advocating for these cases to be considered in the 9th Circuit, and for a judge to issue a stay so that the new rules do not go into effect.

Barring a stay, January 13 is the effective date of the new rules. Since this occurs on a Sunday, realistically the last day to implement changes is Friday, January 11. Although the rules go into effect 90 days after publication in the Federal Register, the rule itself estimates cities will need at least 180 days to be in compliance. The law firms representing local governments are currently going through the process of requesting a stay and expect to file within the next few weeks.

TPA will continue to engage with other municipalities, stakeholders, and coalitions to react accordingly to the forthcoming court decisions.

Water Quality and Water Supply

Legislative Platform: Policy Statements – Water Quality and Water Supply

- *Monitor the development of a State framework for long term water conservation measures.*

Legislative Platform: Guiding Principles – Promote Fiscal Sustainability

- *Oppose measures that shift local funds to the County, State or Federal Governments and/or make cities more dependent on the County, State or Federal Governments for financial stability, such as unfunded mandates or mandated costs with no guarantee of local reimbursement or offsetting benefits.*

On October 23, President Trump signed into law the America's Water Infrastructure Act of 2018 (S. 3021), also known as the Water Resources Development Act (WRDA). It was previously approved by the Senate in a 99-1 vote.

Among other provisions, this legislation is typically passed biennially to authorize, reauthorize, and deauthorize projects administered by the U.S. Army Corps of Engineers (USACE). This legislation authorizes \$1.1 billion in spending, including a federal share of \$712.2 million, for flood risk management on the lower San Joaquin River.

Other provisions include:

- Allowing USACE to accept non-federal funds to review and update operational documents and flood information for non-federal, locally-owned projects
- Authorizing \$1.17 billion in Fiscal Year (FY) 2019, \$1.3 billion in FY 2020, and \$1.95 billion in fiscal 2021 for the Drinking Water State Revolving Fund;
- Requiring community water systems that serve more than 3,300 people to conduct assessments of risks from malevolent acts and natural hazards;
- Reauthorizing the Water Infrastructure Finance and Innovation Act (WIFIA), through which the Environmental Protection Agency provides loan subsidies for water infrastructure projects; and
- Extending access to WIFIA loans to irrigation districts to construct new reservoirs, below ground storage projects, and recycling and desalination projects.

Executive Order on California Water

On October 19, President Trump signed a memorandum intended to support reliable water access in California and other western states. In this document, the President directed the Interior and Commerce Departments to streamline regulatory processes, remove unnecessary burdens, and expedite ongoing environmental reviews for water infrastructure projects. This includes

expediting the biological opinions for the Central Valley Project and the California State Water Project. The memorandum also provides for convening water experts and resource managers to develop an action plan for improving seasonal forecast of water availability.

Public Safety

Legislative Platform: Public Safety

- Support measures that encourage community safety and well-being including those which support state and federal reimbursement of homeland security related expenses
- Support local control for the regulation of cultivation, storage, manufacture, transport and use of medicinal and recreational marijuana and monitor legislative and administration activity to create a regulatory structure for medical and adult use.

In 2016 Californians approved Proposition 64 which set in motion the legalization of recreational marijuana for consumption by adults over the age of 21. Over the last several years, the State has worked to establish the regulatory environment necessary to ensure the State's cannabis industry operates safely.

The California Bureau of Cannabis Control, the Department of Food and Agriculture, and the Department of Public Health released the latest draft of permanent regulations based on feedback received during the summer public comment period. The draft permanent regulations still include provisions that allow for the delivery of nonmedical recreational cannabis to any jurisdiction regardless of local laws and ordinances.

The latest round of draft permanent regulations is undergoing a public comment period which will end on November 5. The relevant State departments then have until December 3 to make any further revisions. Pending any substantial changes, the permanent regulations are set to take effect in January of 2019.