



TO: Monterey County Legislative Committee

FROM: Ashley S. Walker, Senior Policy Advisor

DATE: June 8, 2020

RE: Legislative Program: State Advocacy Updates

a. Status of the Legislature:

The Capitol continues to strictly limit the number of staff and public that enter the building. Participation in committee hearings continues to be urged through remote access. Both houses have passed their House of Origin policy committee deadlines, and are focused on hearing bills in the appropriations committees. Bills that have a significant impact to the state budget will be held on the Suspense File, and taken up after internal discussions between Members and Leadership regarding policy and fiscal priorities. All Assembly bills must be passed by the Assembly prior to June 19, and the Senate has until June 26. The Senate and Assembly are still running on different legislative calendars, but they align after summer recess. The Assembly will be on summer recess from June 19 – July 13, and the Senate will take a shorter recess, from July 2 – July 13.

b. State Budget Update – May Revision:

On May 15, the Governor released the May revision of the 2020-21 State Budget, representing a starkly different fiscal position than the State was in when he released his January budget proposal. The May revision projects a budget deficit of \$54.3 billion. Over the last couple weeks, the Assembly and Senate have held several budget committee hearings to discuss the Governor's proposals, and craft their own plans in preparation for negotiations with the Administration on a final budget package. The budget must be passed by the Legislature by June 15 and signed by the Governor by June 30.

i. Senate and Assembly Budget Proposals:

Both the Senate and the Assembly have their own versions of proposals for the 2020-21 State Budget, and they differ in some ways from the Governor's May revision.

The Senate proposal rejects certain proposals in the May Revision, including ones on Medi-Cal, Department of Developmental Services, childcare, IHSS, and Housing and Homelessness. Additionally the Senate proposal includes \$600 million in funding for county realignment, \$250 million for homelessness programs, and \$42 million for expansion of the Earned Income Tax Credit (EITC). Another difference between the Senate proposal and the May revision, is what will occur if federal funding is not received.

We understand the Assembly also crafted a budget proposal, but the details have yet to be released.

As of June 3, we understand the Senate and Assembly have reached a budget agreement, which will be discussed on June 4. We have heard the Legislature

hopes to come to a budget agreement with the Administration as early as June 7. Additional details will be provided verbally, as this is a fluid and evolving discussion.

ii. Assemblymember Rivas \$25 Million Budget Request to Expand Project Roomkey to Agriculture Workers:

Assemblymember Rivas submitted a budget request for \$25 million to expand the Governor's housing initiative, Project Roomkey, and provide temporary accommodation to sick or at-risk agriculture employees during the COVID-19 pandemic. While the Budget Committees are not entertaining Member requests this year, Assemblymember Rivas continue to work diligently on this issue and the need to keep our essential workers safe.

c. Governor's Executive Orders that Impact Monterey County:

The Governor has signed many Executive Orders and started programs to aid local governments and communities in addressing the COVID-19 pandemic. Since our last Legislative Committee meeting, below is a list of those orders. We can provide additional details about any of the following, should the Committee desire.

- Governor Issues Executive Order on Local Eviction Protections, Housing and Homelessness Grants, Childcare for Essential Workers, and More
- Governor Newsom and First Partner Siebel Newsom Announce New and Expanded Support for Victims of Domestic Violence
- Counties Statewide Can Reopen Places of Worship for Religious Services and Retail Stores
- Governor Newsom Launches California Connected – California's Contact Tracing Program and Public Awareness Campaign
- Governor's Task Force on Business and Jobs Recovery Urges Congress to Pass Emergency Relief for State & Local Governments
- California Workers, Businesses & Community Organizations Join Governor Newsom, State Legislative Leaders' Call for Federal Relief
- Western States Pact Urges Federal Support for States and Cities Responding to COVID-19 Pandemic
- Governor Newsom issues an Executive Order to protect public health by mailing every registered voter a ballot ahead of the November election
- Governor Newsom issues an Executive Order on extending deadlines impacted by COVID-19
- Governor Newsom signs Executive Order that waives penalties for property taxes

d. Monterey County COVID-19 Related Advocacy:

Nossaman has worked with the County to support several COVID-19 specific advocacy efforts, in coordination with the County's legislative delegation. Since the last Legislative Committee meeting, we have worked on two COVID related issues: 1) the need to include Spanish translated COVID-19 industry guidance and checklists, and 2) the need to preserve safety net services (Realignment Funding).

Spanish Translation of COVID-19 Industry Guidance and Checklists: The County sent a letter to the Governor, California Department of Public Health, and CalOES urging the immediate Spanish translation of the COVID-19 industry guidelines and checklists for reopening the economy under the State's Resiliency Roadmap. This request is urgently needed for the communities within the County to be successful in moving through Stage 2 of the modified Stay-at-Home orders.

Realignment Funding: Nossaman updated all of the County's legislative members about the importance to preserve safety net services, even under budget constraints, as led by CSAC. The key advocacy points included:

- Counties provide critical human services, public health, behavioral health, and public safety programs on behalf of the state.
- The revenues to deliver these services through 1991 and 2011 Realignment are projected to decline by \$3.3 billion combined in 2019-20 and 2020-21.
- An economic decline this rapid and severe was never anticipated.
- State funding is needed to avoid extreme cuts to programs that serve vulnerable populations at the time they are needed the most.
- There can be no economic recovery without a strong safety net.

e. Senate Housing Package:

The Senate has introduced a package of housing related bills that in summary by CSAC, aim accomplish the following:

- Allow residential uses on some commercial sites.
- Allow duplexes and lot splits in existing neighborhoods; optional streamlined rezoning by cities and counties.
- Streamlined CEQA litigation for large residential projects; master environmental review.
- Density bonus incentives for mixed income and moderate income projects.
- Relief for tenants and landlords.

Additionally, the Senate Democrats proposed a new a renter-landlord stabilization program that would in summary by CSAC:

- Allow renters to receive immediate relief for unpaid rent by repaying past rents to the state over a 10-year period, without interest, beginning in 2024.
- Landlords would be incentivized to provide rent relief and a commitment not to evict tenants in exchange for tax credits equal to the value of the lost rents, spread equally over tax years 2024 through 2033.
- Tax credits would be fully transferable, allowing the property owner to sell them to an outside investor and get cash immediately.

f. Assembly Housing Bills:

There have been a host of housing related bills introduced by the Assembly as well. It is yet to be seen what housing related bills will be passed and then signed by the Governor this year. Some of those bills, as summarized by CSAC, include:

- AB 2345 (Gonzalez). Density bonus and concessions increases. CSAC has an Oppose Unless Amended position.
- AB 2580 (Eggman). Streamlined conversion of a motel into multifamily housing. CSAC Supports in Concept.
- AB 3040 (Chiu). Counting small multifamily towards RHNA requirements. CAC Supports in Concept.
- AB 3107 (Bloom). Housing on commercial sites with 20% affordable units. CSAC has Concerns.
- AB 3155 (R. Rivas). Subdivision Map Act: streamlined approval process: subdivisions.
- AB 3352 (Friedman). Substandard building enforcement. CSAC has an Oppose Unless Amended position.

g. Legislation:

i. AB 2043 (Rivas) Occupational safety and health: agricultural employers and employees: COVID-19 response.

This bill requires the Division on Occupational Safety and Health (Cal/OSHA) to develop workplace safety standards for agricultural employers and employees related to the novel coronavirus (COVID-19) and to develop a targeted outreach campaign for best practices.

– ***Need direction from the Legislative Committee.***

ii. AB 2164 (Rivas): Telehealth.

This bill establishes the E-Consult Services and Telehealth Assistance Program within the State Department of Health Care Services (DHCS) to award grants to eligible specified health clinics to conduct projects to implement and test the effectiveness of e-consult services and related telehealth services. The bill prohibits face-to-face contact between a health care provider and a Medi-Cal eligible patient from being required for a federally qualified health center (FQHC) or rural health clinic (RHC) to establish a patient at any time, including during an initial telehealth visit, or to render and bill for services by telehealth, subject to specified requirements.

– ***County took a support position, update only.***

iii. SB 862 (Dodd): Planned power outage: public safety.

Current law defines the terms “state of emergency” and “local emergency” to mean a duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by, among other things, fire, storm, or riot. This bill would add planned deenergization events within the conditions that constitute a state of emergency; and recast and add new requirements of electrical corporations regarding protocols for these events.

– ***Recommended Support Position.***

iv. **SB 1102 (Monning): Employers: Labor Commissioner: required disclosures.**

This bill enacts “The California Legal Rights Disclosure Act for H-2A Farmworkers” requiring employers of California employees admitted under the federal H-2A program to provide each H-2A employee, on the first day of work with the original petitioner or transferred employer, a written notice that includes specified information relative to an H-2A employee’s rights pursuant to federal and state law.

– ***Need direction from the Legislative Committee.***

v. **SB 1117 (Monning): Master-meter customers: electrical or gas service.**

This bill ensures existing consumer protections relative to electrical service provided via a master-meter customer are explicit for tenants of mobilehome parks, apartment buildings, or similar residential complexes, regardless of whether the electrical generation is provided by an entity other than an electrical corporation.

– ***Recommended Support Position.***

vi. **SB 1385 (Caballero): Local planning: housing: commercial zones.**

This bill authorizes residential development on existing lots currently zoned for commercial office and retail spaces such as strip malls or large “big box” retail spaces. The bill requires the development of residential units be at a minimum density to accommodate affordable housing, abide by existing local planning and development ordinances, and establishes financing for public infrastructure.

– ***Recommended Support Position.***

vii. **SB 1409 (Caballero) Franchise Tax Board: California earned income tax credit: non-filer: report.**

This bill would require the Franchise Tax Board (FTB) to develop a plan to implement a no-return tax filing pilot program with the goal of increasing CalEITC claims from eligible families and individuals.

– ***Recommended Support Position.***

h. **Climate Resiliency Bond Update:**

Both bond bills, SB 45 and AB 3256 are still making their way through the legislative process, even with input that the Administration is not considering a bond for the November ballot. Several legislative members sent a letter to the Administration asking for additional direction on the direction of a potential climate resiliency bond. The County signed on to a coalition letter supporting the inclusion of a \$700 million line item in any potential future climate resources bond for critically needed dam safety improvements. Some of the signatories include the City of Escondido, City of Poway, California Municipal Water Association, Northern California Water Association, and several water districts. Nossaman is now working in that coalition to advocate with key Members and staff about the importance of the need for this funding. It is still unclear whether or not a bond will make it to the November ballot.

i. **State Bill/Issues Track: See attached.**