

-----  
1909 K Street, NW  
12th Floor  
Washington, DC 20006-1157  
TEL 202.661.2200  
FAX 202.661.2299  
www.ballardspahr.com

### MEMORANDUM

TO Legislative Committee

FROM Ballard Spahr LLP

DATE March 4, 2026

RE Federal Legislative Update

-----

This memo provides a Federal Legislative Update for items appearing on the agenda for the March 9, 2026, Legislative Committee Meeting.

a. Federal Government Update

*i. Congressional Overview*

Since the last update, Congress has been focused on challenges regarding the remaining Department of Homeland Security (DHS) appropriations bill. Originally, legislators were able to reach a consensus on a two-week continuing resolution, which expired on February 13th, causing a partial government shutdown. The lapse in DHS funding affects agencies such as FEMA, TSA and the Coast Guard. The gridlock on the DHS funding bill is related to unsolved debates over immigration enforcement and border policy. The recent military strikes in Iran put even more pressure on lawmakers to end the DHS shutdown, especially because the agency plays an important role in counterterrorism and domestic security.

Across the nation, midterm elections are now in swing, with the first primaries taking place on Tuesday March 3, 2026. Key issues for voters across the nation have been housing and affordability. Congress is also focused on housing and affordability legislation, with the Senate voting to advance a bipartisan housing affordability package during the first procedural vote on the bill.

Additionally, in late February, President Trump gave the State of the Union address which showcased his domestic and foreign policy agenda and highlighted the highly partisan nature of this Congress. Shortly after, the United States engaged in military strikes on Iran, which caused members of Congress to call for a War Powers Resolution vote to limit additional

action without Congressional authorization. At the time of writing, Congress is set to hold a vote on the President’s military operations, although dual efforts in the House and Senate face an uphill battle. We will continue to provide updates as this situation progresses.

*ii. Executive Order Updates*

On February 6, 2026, the President signed an Executive Order “Protecting the National Security and Welfare of the United State and its Citizens From Criminal Actors and Other Public Safety Threats,” which stated that DHS immigration authorities need access to criminal history record information (CHRI) in the custody of Federal criminal justice agencies in order to protect the “welfare and security of its citizens, from criminal actors.” To enact this policy, the Executive Order requires the Attorney General to provide DHS with access to CHRI available to or maintained by the Department of Justice. It also authorizes the Security of Homeland Security to exchange CHRI with border security and immigration authorities of Visa Waiver Program countries, countries with which the United States has a “Preventing and Combating Serious Crime” agreement or other trusted allies. The Secretary of Homeland Security is empowered to provide CHRI to these countries for the sole purpose of “screening travelers and immigrants seeking to enter or stay in the VWP or other country.”

In response to the recent Supreme Court decision, holding that many of the President’s existing tariffs exceeded the Presidential powers as given by Congress, President Trump signed an Executive Order “Ending Certain Tariff Actions” on February 20, 2026. The Court and the Order do not go into detail about how and whether the federal government should refund the entities and individuals who paid the tariffs. The Order repealed only the tariffs imposed under the International Emergency Economic Powers Act (IEEPA), meaning the President can still use other tools to impose tariffs under different legal authorities.

b. Appropriations Update, including Community Project Funding Requests

On February 25, 2026, the Appropriations Committees officially released guidance for Fiscal Year 2027 Community Project Funding and Congressionally Directed Spending (“earmarks”). The Ballard team has been coordinating with department heads to prepare applications and submit them to the federal Congressional delegation. Below is a FY27 appropriations chart for the County of Monterey’s approved projects, which the Ballard team will update throughout the appropriations process.

<b>FY27 Projects to be submitted</b>	<b>Description</b>	<b>Submissions</b>	<b>Funding Requested</b>	<b>Submitted to House/ Senate Committee</b>	<b>Draft Funding Level</b>	<b>FY 2027 Awarded Funding</b>
<b>San Lucas Clean Drinking Water (PWFP)</b>	Partial funding request for a project to permanently address water quality problems in San Lucas, which have occurred since	Sen. Padilla 3/13	\$4,000,000			
		Sen. Schiff 3/6	\$4,000,000			

Federal Legislative Update  
 March 4, 2026

	2006 and caused its residents to live under bottled water orders.	Rep. Lofgren 3/15	\$4,000,000			
<b>Nacimiento and San Antonio Dams and Reservoirs Safety Project (MCWRA)</b>	Partial funding request for the Nacimiento and San Antonio Dams Reservoirs Safety Projects (sometimes referred to as the Low-Level Outlet Works Rehabilitation Project) to ensure the safe operation of the dams during the state mandated replacement of the San Antonio Dam spillway.	Sen. Padilla 3/13	\$6,000,000			
		Sen. Schiff 3/6	\$6,000,000			
		Rep Panetta 3/4 ; 3/11	\$6,000,000			
		Rep Lofgren 3/15	\$6,000,000			
<b>Nacimiento Lake Drive Repaving Project (MCWRA)</b>	Funding request to repave a degraded two-mile segment of Nacimiento Lake Drive, directly over the Nacimiento Dam crest. The road serves emergency responders, residents, and recreational visitors.	Sen. Padilla 3/13	\$2,100,000			
		Sen. Schiff 3/6	\$2,100,000			
		Rep Panetta 3/4 ; 3/11	\$2,100,000			
		Rep Lofgren 3/15	\$2,100,000			
<b>Reclamation Ditch Restoration (MCWRA)</b>	Funding request to rehabilitate 6.8 acres within the existing Salinas Reclamation Channel (Reclamation Ditch No. 1665) system and maintain lands to support public use and enjoyment and improve the riparian zone and waterway.	Sen. Padilla 3/13	\$500,000			
		Sen. Schiff 3/6	\$500,000			
		Rep. Lofgren 3/15	\$500,000			
<b>Salinas Regional Soccer Complex (PWFP)</b>	Partial funding request for the next phase expansion of the Salinas Regional Soccer Complex, envisioned to become the most significant sports complex between Los Angeles and San Francisco, with the potential to serve 18,000 children/ youth weekly (plus their families). This project is in partnership	Sen. Padilla 3/13	\$4,719,200			
		Sen. Schiff 3/6	\$4,719,200			
		Rep. Lofgren 3/15	\$4,719,200			

	with the Salinas Regional Soccer Authority.					
<b>Skate Park and BMX Pump Track (PWFP)</b>	Partial funding request for development of a bike and skate park in Salinas. The site, and its connection to multi-use trails, offers unique regional recreation options for the tri-county area. This project is in partnership with the Salinas Regional Soccer Authority.	Sen. Padilla 3/13	\$3,000,000			
		Sen. Schiff 3/6	\$3,000,000			
		Rep. Lofgren 3/15	\$3,000,000			

c. Federal Advocacy

*i. Meetings with Federal Congressional Delegation*

Chair Root-Askew, Supervisor Alejo and County staff were in Washington, DC recently for the NACo conference. During their stay, the Ballard Team worked to set up meetings with all members of the Federal Congressional Delegation. On February 23, 2026 the Ballard Team met with the County to prepare for the lobbying day, and on February 24, 2026, accompanied the County cohort to the Hill. The Ballard Team was able to secure face-to-face meetings with Rep. Lofgren and Rep. Panetta, and attendance at Sen. Padilla and Sen. Schiff’s California Counties briefing.

In the meeting with Rep. Lofgren, Chair Askew, Supervisor Alejo, and County staff were able to thank the Congresswoman directly for her work securing the FY26 earmarks for the Soccer Complex and San Lucas. Chair Askew and Supervisor Alejo also discussed the status of the San Lucas project, and the continued effort to bring potable water to the community. In the meeting with Rep. Panetta, Chair Askew presented the anticipated impact of H.R. 1’s changes to core safety net services, including MediCal and CalFresh. Chair Askew articulated the estimated numerical impact for residents, discussed current options to shift existing funding, and rearticulated the need for federal partnership. In the meeting with Sen. Padilla and Sen. Schiff, Supervisor Alejo introduced Sen. Padilla and Sen. Schiff at the California Counties briefing and moderated the following Q&A. During the briefing, the Senators discussed many topics of interest, including Sen. Schiff’s home hardening legislation, which is addressed in detail below.

d. Legislation

***i. H.R. 1340; S. 3332, the More Homes on the Market Act – SUPPORT***

Following direction from Supervisors Alejo and Daniels at the last Legislative Committee meeting regarding the Executive Order “Stopping Wall Street from Competing with Main Street Homebuyers,” we identified H.R. 1340; S.3332 the More Homes on the Market Act as pending legislation seeking the same goal as the Executive Order: more homes on the market. This legislation promotes the sale of highly appreciated homes by increasing the capital gains exclusion for the sale of a principal residence. This legislation would double the maximum exclusion to \$500,000 for single filers and \$1,000,000 for married couples, while accounting for annual inflation adjustments. This bill aims to increase the housing supply, particularly for seniors who are downsizing, by reducing the tax penalties on large capital gains of their principal residences.

Based on direction previously provided by the Board of Supervisors and the policies detailed in the legislative platform, we recommend that the County take a support position on the More Homes on the Market Act.

Rep. Panetta introduced the legislation in the House and Rep. Lofgren is a co-sponsor. S. 3332 More Homes on the Market Act is the companion bill in the Senate, which was introduced by Sen. Cornyn, with Sen. Schiff as an original co-sponsor.

***ii. H.R. 6962, the Families First Housing Act of 2026 – SUPPORT***

Following direction from Supervisors Alejo and Daniels at the last Legislative Committee meeting regarding the Executive Order “Stopping Wall Street from Competing with Main Street Homebuyers,” we identified H.R. 6962 the Families First Housing Act of 2026 as another piece of legislation which corresponds with the Executive Order’s goal of prioritizing family homebuyers over institutional investors. The Families First Housing Act of 2026 strengthens and standardizes the “first look” protections for covered properties to ensure families and communities have priority access to foreclosed homes. Strengthening these protections would ensure that families have first access to purchase certain foreclosed single family residential properties before institutional investors; it would also support community stability and affordable housing efforts.

Based on the direction previously provided by the Board of Supervisors and the policies detailed in the legislative platform, we recommend that the County take a support position on the Families First Housing Act of 2026

Rep. Harrigan introduced the legislation in the House and Rep. Lofgren is a co-sponsor. There is not yet a companion bill in the Senate.

**iii. S. 1323; H.R. 6473, the Facilitating Increased Resilience,  
Environmental Weatherization and Lowered Liability (FIREWALL)  
Act – SUPPORT**

S. 1323 The Facilitating Increased Resilience, Environmental Weatherization and Lowered Liability (FIREWALL) Act seeks to amend the Internal Revenue Code and establish a refundable federal tax credit for homeowners who invest in disaster mitigation measures for their primary residences. The bill would provide credits for any “qualified disaster mitigation expenditure” including (1) creating a secondary water barrier; (2) improving the durability, impact resistance or fire resistance of a roof covering; and (3) implementing wall components for wall assemblies that conform to ignition-resistant construction standards. Under the bill, taxpayers who make these home hardening expenditures would be eligible for an additional tax credit up to \$25,000.

Based on the direction previously provided by the Board of Supervisors and the guidance in the legislative platform, we recommend that the County take a support position on the FIREWALL Act.

This bill was introduced by Sen. Schiff in the Senate and Rep. Mullin introduced a companion bill in the House.

**Attachment(s):**

Federal Bill/Issues Track