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MEMORANDUM

TO Legislative Committee

FROM Katlyn Koegel and Maria Tripplaar

DATE February 4, 2026

RE Federal Legislative Update

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

a. Federal Government Update

i. *Congressional Overview*

Congress has been working for the last two months to pass the remaining appropriations bills before the continuing resolution expired on January 30, 2026. In mid-January, both chambers passed a three-bill spending package which President Trump signed into law. These bills provided funding for the departments of Justice, Interior, Commerce and Energy, the EPA, water programs, and federal science initiatives for the remainder of Fiscal Year 2026 (FY2026). This included Community Project Funding for water projects, such as the San Lucas drinking water project, discussed under appropriations below. Three additional appropriations bills had previously been enacted, so this brought the total number of enacted appropriations bills up to six.

In late January the House reached a deal to fund the rest of the federal government which passed the chamber and was expected to easily pass the Senate. However, due to recent events, many Democrats in the Senate raised concerns with passing the funding bill for the Department of Homeland Security. Subsequently, the Senate reached a funding deal late on January 30th to fund most of the federal government. The solution included a two-week extension of stopgap funding, called a continuing resolution, for the Department of Homeland Security, which will give lawmakers an opportunity to debate funding for the Department, and specifically Immigration and Customs Enforcement. The negotiation also included a commitment for the Senate Majority Leader to hold a vote on Sen. Graham's

proposed bill to “prohibit the obstruction of immigration laws by official interference,” by ending sanctuary city policies. The other five bills passed the Senate and will provide full funding for the remainder of FY2026 for the rest of the Federal government. However, since the Senate solution differed from the legislative package passed by the House, it required another vote by the House. As a result, the federal government entered into a partial shutdown. On February 3rd, the House held this vote and passed the package, which President Trump quickly signed into law and ended the shutdown.

ii. Executive Order Updates

On January 20, 2026, President Trump signed an order “Stopping Wall Street from Competing with Main Street Homebuyers” which seeks to prevent large institutional investors from purchasing single-family homes. The order seeks to “preserve the supply of single-family homes for American families and increase the paths to homeownership.” The order empowers the Secretary of Agriculture, the Secretary of Housing and Urban development, the Secretary of Veterans Affairs, the Administrator of the General Services, and the Director of the Federal Housing Finance Agency to issue guidance preventing agencies and Government -sponsored enterprises from engaging or facilitating the acquisition of single-family homes by large institutional investors, and disposing of Federal assets in a way that transfers ownership to a large institutional investor. The order also encourages legislation to codify the administration’s policy against institutional investors.

On January 27, 2026, President Trump signed an Executive Order “Addressing State and Local Failures to Rebuild Los Angeles After Wildfire Disasters.” This Executive Order states that “despite the Federal Government expeditiously clearing debris and doing its part to support survivors, the actions of State and local authorities have ensured that the vast majority of the tens of thousands of homes and businesses destroyed in the wildfires have not yet been rebuilt a year later.” The order states that all federally funded reconstruction for homes in the Pacific Palisades and Eaton Canyon areas must proceed with “maximum speed consistent with public safety,” and that “Federal assistance not be frustrated by unnecessary, duplicative, or obstructive permitting requirements that prevent families and businesses from rebuilding.” Specifically, the order encourages the Administrator of the SBA and the Secretary through the Administrator of FEMA to promulgate regulations that preempt State and local permitting processes and other pre-approval requirements and allow for self-certification to a federal designee.

b. Appropriations Update, including Community Project Funding Requests

The funding package passed in mid-January included Interior and Environment Appropriations and, specifically, Community Project Funding. We are pleased to announce that the County received \$1,092,000 of this Community Project Funding for the San Lucas Clean Drinking Water project. Additionally, we are thrilled to share that the spending package that ultimately passed both chambers was signed into law on February 3rd, included \$500,000 in Community Project Funding for the Salinas Soccer Project. We will continue to monitor and assist the county with ensuring these funds are disbursed in a timely manner.

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FY26 Project Submitted	Description	Submissions	Funding Requested	Submitted to House/ Senate Committee	Draft Funding Level	FY 2026 Awarded Funding
San Lucas Clean Drinking Water (PWFP)	Partial funding request for a project to permanently address water quality problems in San Lucas, which have occurred since 2006 and caused its residents to live under bottled water orders.	Sen. Padilla Sen. Schiff Rep. Lofgren	\$3,668,000 \$3,668,000 \$3,668,000	 \$3,668,000 \$3,668,000	 \$1,092,000	 \$1,092,000
Nacimiento and San Antonio Dams and Reservoirs Safety Project (MCWRA)	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 Sen. Schiff Rep Lofgren	\$6,000,000 \$6,000,000 \$6,000,000	\$6,000,000 	 	
Skate Park and BMX Pump Track (PWFP)	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 Sen. Schiff Rep. Lofgren	\$3,000,000 \$3,000,000 \$3,000,000	 	 	
Salinas Regional Soccer Complex (PWFP)	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 Sen. Schiff Rep. Lofgren	\$2,500,000 \$2,500,000 \$2,500,000	 \$2,500,000	 \$500,000	 \$500,000

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	with the Salinas Regional Soccer Authority.					
County Parks Outdoor Education and Environmental Stewardship Project (PWFP)	Funding request to construct outdoor education facilities at Toro and San Lorenzo Parks.	Sen. Padilla Sen. Schiff Rep. Lofgren Rep. Panetta	\$635,500 \$635,500 \$635,500 \$635,500			
County Parks Outdoor Accessible and Inclusive Fitness Project (PWFP)	Funding request to construct outdoor inclusive physical fitness facilities at Toro and San Lorenzo Parks to further support public health and wellbeing.	Sen. Padilla Sen. Schiff Rep. Lofgren Rep. Panetta	\$509,600 \$509,600 \$509,600 \$509,600			
Nacimiento Lake Drive Repaving Project (MCWRA)	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 Sen. Schiff Rep. Panetta	\$2,100,000 \$2,100,000 \$2,100,000			
Homeless Encampment Resolution – Reclamation Ditch Restoration (MCWRA)	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 Sen. Schiff Rep. Lofgren	\$500,000 \$500,000 \$500,000			
Porter-Vallejo Library and Mansion Historical Restoration Project	This project would undertake critical infrastructure and building improvements, adding safety and egress features and enabling more of the structure to be used by the public and as a hub for County services, including a public library.	Rep. Lofgren	\$3,500,000			

c. Federal Advocacy

i. *Water Resources Development Act (WRDA)*

In mid-January, Rep. Panetta's office released an information guide related to the Water Resources Development Act (WRDA) and stated that it was currently accepting requests for WRDA 2026 projects. We informed the county of the solicitation and met with the Department of Public Works, Facilities and Parks (PWFP) and Water Resources Agency (WRA) to discuss potential projects. Once identified, we scheduled a meeting with Rep. Panetta's office to discuss these potential projects prior to submission. One project stood out as the best WRDA candidate: Study on the flood risk management and ecosystem restoration of the Carmel River. We worked with WRA to submit the project for consideration to both Rep. Panetta and Rep. Logren. We also submitted the San Lucas Clean Drinking Water Project for a WRDA designation with Rep. Lofgren. We will continue to monitor and provide updates as they become available.

ii. *CRFREE*

The Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project is a multi-benefit, "green infrastructure" Project in partnership between Big Sur Land Trust and the County of Monterey. The Project was conceived after the devastating floods of the 1990's that impacted the Highway 1 corridor along Carmel which connects Carmel to Big Sur. It is designed to provide significant flood protection benefits to Highway 1, the myriad of businesses and utilities at the mouth of Carmel Valley, as well as homes on the north side of the Carmel River in Mission Fields, and Rio Road. The project has two inter related components; 1) a causeway (new opening) under highway 1 with notched levees, and 2) floodplain restoration and trails on the east and west side of the highway. The project is intended to reduce repetitive, high-loss flooding by directing high river flows to the restored floodplain, then to the river mouth under a new causeway on State Route 1 (SR 1). The highway is an economic corridor that affects various sectors including hospitality and other commerce within the region. The causeway will significantly reduce ponding and upstream backwater flooding. An agricultural preserve will be built on the project site to maintain the agricultural history of the area.

The CRFREE project is shovel ready and more than half (\$33.7 million) of the needed \$56 million has been raised from State and local funders. The remaining \$27 million has been expected from the FEMA Hazard Mitigation Grant (HMGP), applied for in 2018.

The Secretary of Homeland Security (the agency where FEMA resides) has to sign off on the project in order for the \$27M from HMGP to be awarded. However, a procedural hurdle, a Large Project Notification (LPN) and Record of Completion (REC) (both from FEMA) has been in this limbo since September of last year. County staff was told the this part of the process normally takes 1-2 weeks. The project is currently at a critical juncture, and the \$27M FEMA money is now in question. Unfortunately, the delay in disbursing the FEMA

funds also raises the risk of expired grant funds from CA. Consequently, if the \$27M does not become available in the very near term, millions of dollars will be lost, and thousands of hours of effort to get this project on the ground will have been wasted. And more importantly, property and the area's economic vitality will be at risk in the event of future flooding. The project can begin aspects of construction as soon as the FEMA award is made. However, to date, FEMA has not allowed us to begin construction until they award the grant.

Supervisor Daniels, county staff, and the Ballard team has been coordinating with Sen. Padilla and Rep. Panetta to address this growing concern. In particular, the qualified disaster expiration date, under which this funding was granted, is January 29, 2027. In the past FEMA has extended HMGP disaster fund deadlines. We are working with the federal Congressional delegation to request an extension of the qualified disaster deadline to include the full 36 month period of performance of the grant.

d. Legislation

i. ***H.R. 4776, Standardizing Permitting and Expediting Economic Development (SPEED) Act – OPPOSE***

Both PWWP and WRA identified the Standardizing Permitting and Expediting Economic Development (SPEED) Act as legislation which they wanted to learn more about for potential impact on the County of Monterey. In evaluating this legislation, the Ballard team shared with county staff that Rep. Panetta had voted against the legislation. To better understand Rep. Panetta's concerns, we met with his office and were advised of a latent amendment which empowered the executive branch to cancel permits for clean energy technologies, and which had caused the American Clean Power Association to withdraw its support for the bill. Of particular concern for the County is the limitation on standing, which could eliminate the County's recourse on Outer Continental Shelf Oil and Gas drilling based only on the scope and framing of the opposition comments it submitted.

The SPEED Act proposes significant changes to the National Environmental Policy Act (NEPA) which mandates environmental impact reviews for certain infrastructure projects. The SPEED Act is a bipartisan permitting reform bill which attempts to lower barriers and speed up the permitting process. In general, permitting reform is a desirable goal. However, as written, the SPEED Act does not contain appropriate protection for all projects and stakeholders. Specifically, as presented by members of the County's federal Congressional delegation, (1) the SPEED Act does not have sufficient safeguards against executive interference in the permitting process; (2) it does not provide adequate assurances for the fair and equitable treatment of renewable energy projects; and, (3) it raises the specter of potential reductions to judicial access and remedies—particularly for projects which had a public comment period. We also shared the results of this assessment with county staff.

Following the initial meeting with Rep. Panetta's staff, we reached out to Sen. Padilla and Sen. Schiff about the concerns now shared by county staff. In particular, Sen. Padilla's staff

reiterated his commitment to opposing any policies that might result in offshore drilling, as well as other concerns with the SPEED Act.

Based on direction previously provided by the Board of Supervisors and the policies detailed in the legislative platform, we recommend that the County take an oppose unless amended position on the SPEED Act.

Rep. Westerman introduced the legislation in the House. The bill passed the House and is now being considered in the Senate. Neither Rep. Lofgren nor Rep. Panetta voted for the SPEED Act in the House. Sen. Padilla has shared that he intends to vote no on this legislation, and we are awaiting word from Sen. Schiff following a meeting with his staff.

ii. S. 3744, To amend chapter 93 of title 18, United States Code, to prohibit obstruction of immigration laws by official interference - OPPOSE

The bill to amend Chapter 93 of title 18, United States Code, to prohibit obstruction of immigration laws by official interference would create federal criminal penalties for state and local officials who obstruct the enforcement of federal immigration laws through official actions or policies. The legislation is intended to “end sanctuary cities forever,” by deterring jurisdictions from adopting laws, ordinances or administrative practices which limit cooperation with federal immigration authorities by making such conduct a federal offense. The bill would expand federal authority to investigate and prosecute local elected officials, law enforcement leaders, and public servants for decisions made while governing.

Based on the direction previously provided by the Board of Supervisors and the clear guidance regarding the values of the County of Monterey detailed in the legislative platform, we recommend that the County take an oppose position.

Sen. Graham introduced the legislation in the Senate. There is not yet a companion bill in the House.

iii. H.R. 6644, Housing for the 21st Century Act – SUPPORT

The Housing for the 21st Century Act will modernize several key federal housing programs in addition to streamlining regulations and expanding flexibility at the county level. The bill expands eligibility for the Home Investment Partnerships (HOME) program and expands eligible uses for Community Development Block Grant (CDBG) funds. The bill will also modernize codes to promote housing development by providing planning and implementation grants to regional planning agencies and explore the possibility of a uniform federal building code. The bill will support rural housing needs by expanding access to the USDA’s Section 504 Home Repair program and will reduce barriers to manufactured housing by revoking HUD certification requirements for manufactured homes to include a permanent chassis. This bill will remove the regulatory hurdles and program constraints as obstacles to increasing housing supplies and give local communities tools to modernize local housing programs.

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.

This bill was introduced by Rep. French Hill in the House and there is not yet a companion bill in the Senate.

Attachment(s):

Federal Bill/Issues Track