

The City of San Leandro, CA

Federal Affairs Update
January 6, 2020

Jen Covino, President
Simon and Company, Inc.



Executive Branch

President Donald J. Trump

Vice President Mike Pence

Acting Chief of Staff Mick Mulvaney

The Cabinet

Agriculture Secretary Sonny Perdue

Commerce Secretary Wilbur Ross

Defense Secretary Mark Esper

Education Secretary Elisabeth DeVos

Energy Secretary Dan Brouillette

Health and Human Services Secretary Alex Azar

Housing and Urban Development Secretary Ben Carson

Interior Secretary David Bernhardt

Labor Secretary Eugene Scalia

State Secretary Mike Pompeo

Transportation Secretary Elaine Chao

Treasury Secretary Stephen Mnuchin

Veterans Affairs Secretary Robert Wilkie

U.S. Trade Representative Robert Lighthizer

Attorney General Bill Barr

EPA Administrator Andrew Wheeler

Acting SBA Administrator Chris Pilgerton

Legislative Branch

House Leadership

- 235 Democrats
 - Speaker Nancy Pelosi
- 200 Republicans
 - Minority Leader Kevin McCarthy

San Leandro Congressional Delegation

- US Representative Barbara Lee

Senate Leadership

- 53 Republicans
 - Majority Leader Mitch McConnell
 - 45 Democrats
 - Minority Leader Chuck Schumer
 - 2 Independents
-
- US Senators Dianne Feinstein and Kamala Harris

116th Congress

- House agenda: campaign finance and ethics reforms, voting rights, prescription drug costs, climate change, immigration, gun control, and LGBTQ rights
- Senate agenda: Administration's appointments and judicial confirmations, the United States-Mexico-Canada (USMCA) trade agreement, and bills to reduce prescription drug prices
- Congress just passed two minibus packages (H.R. 1865 and H.R. 1158) with 12 spending bills authorizing \$1.4 trillion through September 30, 2020
 - The Commerce, Justice, Science, and Related Agencies (CJS) bill has a \$2.5 billion cap adjustment and \$7.56 billion in new discretionary funding for the Census Bureau to conduct the 2020 Census
- On December 17, 2019, the House of Representatives approved two articles of impeachment in the inquiry against President Donald J. Trump, including abuse of power by a vote of 230-197-1 and obstruction of Congress by a vote of 229-198-1
 - The Senate is expected to conduct a trial beginning in January

Public Health

- Congress appropriated \$94.9 billion for the U.S. Department of Health and Human Services (HHS) in FY 2020, an increase of \$4.4 billion.
- The funding includes:
 - \$5.9 billion for the Substance Abuse and Mental Health Services Administration (SAMHSA)
 - \$3.8 billion for substance abuse treatment and \$206 million for prevention efforts
 - \$1.6 billion for the Health Centers program
 - \$12.5 million for firearm injury and mortality prevention research, and
 - \$50 million for the first year of a multi-year effort to support modernization of public health data analytics at CDC, State and local health departments

Legislation

- Improving Access to Remote Behavioral Health Treatment Act of 2019 (H.R. 4131)
- Improving Mental Health Access from the Emergency Department (S. 1334/H.R. 2519)
- Mental Health Access Improvement Act (S. 286)
- Mental Health Services for Students Act of 2019 (H.R. 1109)
- Restoring, Enhancing, Strengthening, and Promoting Our Nation's Safety Efforts (RESPONSE) Act (S. 2690)
- Supporting the Health and Safety of Law Enforcement Act of 2019 (H.R. 2696)

Housing and Homelessness

- Dr. Benjamin S. Carson, Sr., M.D. is the Secretary of Housing and Urban Development (HUD) and he has an agenda focused on “revitalization, innovation, and deregulation”
- Secretary Carson’s goals are to 1.) increase affordable housing stock by eliminating costs of building or development and 2.) promote self-sufficiency among those receiving public assistance
- Robert Marbut was appointed as the new Executive Director of the U.S. Interagency Council on Homelessness in December, while U.S. Department of Labor Assistant Secretary John Pallasch serves as the current Chair
- President Trump recently established the White House Council on Eliminating Barriers to Affordable Housing

Legislative Activity

- Congress recently appropriated \$3.4 billion for Community Development Block Grants (+\$100 million) and \$1.35 billion for the HOME Investment Partnership Program (+\$100 million) administered by the U.S. Department of Housing and Urban Development (HUD) in Fiscal Year (FY) 2020
- The Housing is Infrastructure Act of 2019 (H.R. 5187) - House Financial Services Committee Chairwoman Maxine Waters and Senator Harris
- The Ending Homelessness Act of 2019 (H.R. 1856/S.2613) - Chairwoman Waters and Senator Harris
- The Fighting Homelessness with Housing and Services Act (H.R. 1978/S.923) – Senator Feinstein and Congressman Lieu

Economic Development

- Congress recently appropriated \$333 million for the Economic Development Administration (+\$29 million), including \$118.5 million for its Public Works and Economic Adjustment Assistance programs in FY 2020
- The Administration has remained largely focused on the implementation of Opportunity Zones since the new community development tool was created by the Tax Cuts and Jobs Act in December 2017
- There are 366 QOFs have been established nationwide, announcing their intent to collectively raise \$65.77 billion, according to Novogradac
- President Trump issued Executive Order 13853 to establish the White House Opportunity and Revitalization to better target federal resources to these areas
- Private investments may be directed to: partnerships with public agencies; redevelopment; commercial; retail; office; hospitality; businesses; co-working spaces, incubators, and maker spaces; urban infill; industrial use; brownfield sites; single or multi-family residential, including affordable, low-income, under-performing, market rate, workforce, student, or senior multi-family housing; health and wellness facilities; transit-oriented development; solar and renewable energy; and infrastructure investments

 Opportunity Zone

 San Leandro, CA

 Median Age

 26 - 38

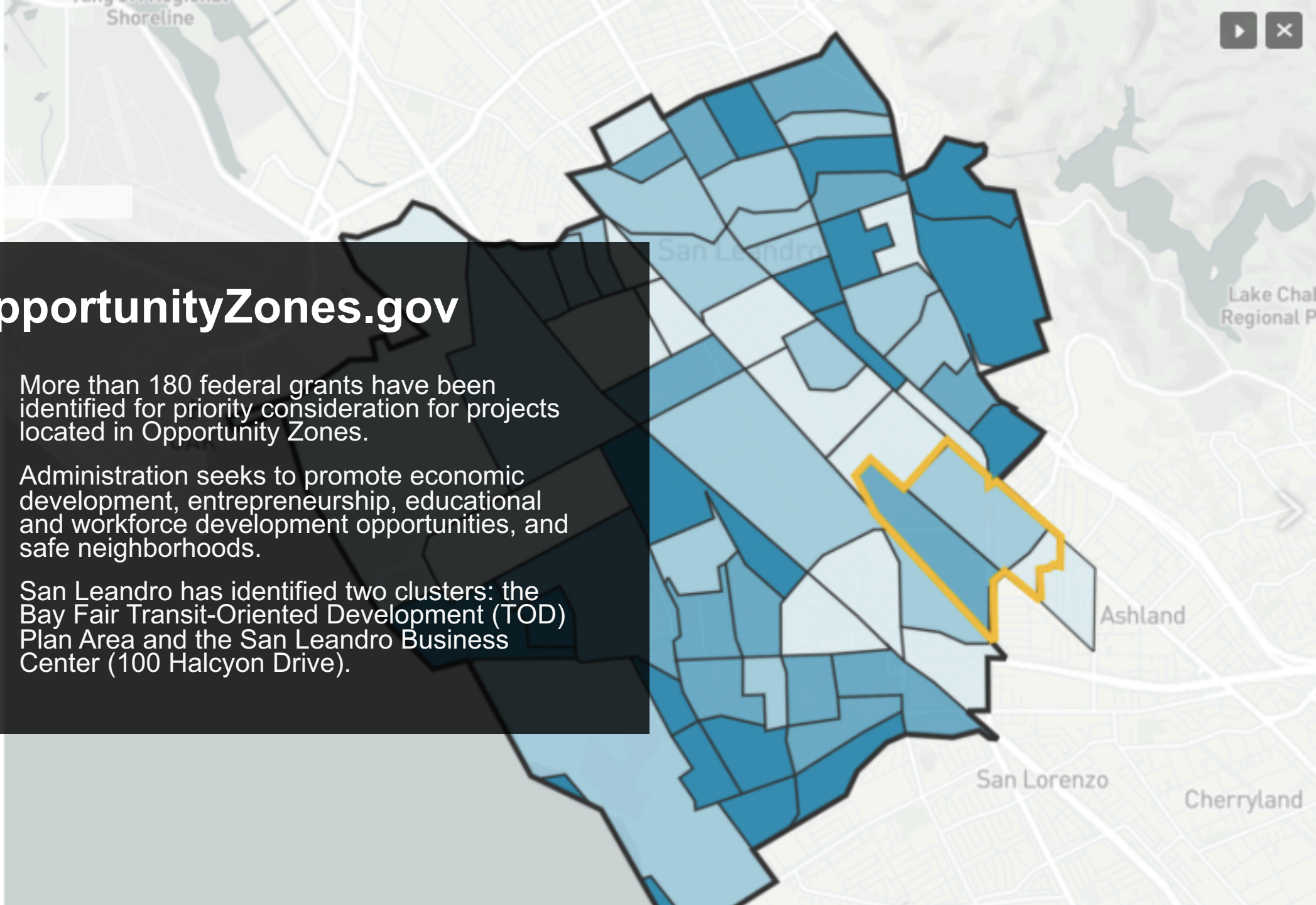
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OpportunityZones.gov

- More than 180 federal grants have been identified for priority consideration for projects located in Opportunity Zones.
- Administration seeks to promote economic development, entrepreneurship, educational and workforce development opportunities, and safe neighborhoods.
- San Leandro has identified two clusters: the Bay Fair Transit-Oriented Development (TOD) Plan Area and the San Leandro Business Center (100 Halcyon Drive).



Transportation and Infrastructure

- Congress must reauthorize the Fixing America's Surface Transportation Act (FAST) of 2015 before September 30, 2020
- The Senate Committee on Environment and Public Works (EPW) unanimously advanced the America's Transportation Infrastructure Act (ATIA) of 2019, a five-year bill to authorize \$287 billion worth of spending from the Highway Trust Fund (HTF)
 - ATIA contains the first-ever Climate Title, which would provide:
 - \$1 billion for alternative fuel infrastructure grants;
 - \$4.9 billion over 5 years for grants to enhance resiliency of roads and bridges; and
 - \$3 billion in new funding for states over five years for projects that reduce highway-related carbon emissions
- The House Transportation and Infrastructure (T&I) Committee, led by Chairman Peter DeFazio presented a draft outline of a companion measure to the House Democratic Caucus
- They hopes the two chambers can reconcile differences between the forthcoming House bill and ATIA by late spring 2020

Environment and Climate Resiliency

Funding

- Department of Homeland Security (DHS) Pre-Disaster Mitigation Program
 - The purpose of the \$250 million program is to support projects and planning that lower the risk of natural hazard damage, reducing risk of future losses of life and property before disaster strikes - **closing January 31, 2020.**

Administration Actions

- Secretary of State Mike Pompeo announced that the Administration will withdraw from the Paris Climate Agreement on November 4, 2020, one day after the election
 - A bipartisan coalition of 25 governors, including Governor Newsom, pledged to uphold the Agreement regardless of the Administration's decision
- The U.S. Environmental Protection Agency (EPA) and National Highway Traffic Safety Administration (NHTSA) jointly published the final rule entitled "Safer Affordable Fuel-Efficient (SAFE) Vehicles Rule"
 - A group of state Attorneys General filed lawsuit against the Administration, while the House Oversight Committee held a hearing on these actions and impacts on air quality

Environment and Climate Resiliency

Legislative Actions

- Bipartisan Senate Climate Solution Caucus with 4 Republicans, 3 Democrats, and 1 Independent launched in November
- House Climate Solutions Caucus, established in 2016, has 63 members
- The House Select Committee on the Climate Crisis was formed in the Spring of 2019 to provide legislative recommendations to leadership and committees
 - They have held a series of hearings throughout the year
 - The Select Committee is expected to produce a report examining federal climate policy alternatives to be released in March 2020 with legislation expected thereafter
- Disaster preparedness and mitigation activities are a key area for reform in Congress, especially following the tragic California wildfires and hurricane seasons in recent years
- There are a few carbon pricing related bills that have been introduced this Congress, but the *Energy Innovation and Carbon Dividend Act of 2019* (H.R. 763) has the most support thus far. The bill would impose a \$15 fee per metric ton of carbon and then increase \$10 per year. There are currently 75 cosponsors including one Republican

Cybersecurity and Smart Cities

Legislation

- Congress recently appropriated an additional \$325 million for cybersecurity and infrastructure security activities in FY 2020 minibuss package
- The State and Local Government Cybersecurity Act (S. 1846)
- State Cyber Resiliency Act of 2019 (H.R. 2130/S. 1065)
- State and Local Cybersecurity Improvement Act (H.R. 4217)
- Smart Cities and Communities Act of 2019 (H.R. 2636/S.1398) would promote smart technologies and systems to improve community livability, services, communication, safety, mobility, energy productivity, and resilience; reduce traffic congestion and air pollution; and promote economic opportunities.

Telecommunications

FCC Small Cell

- The FCC adopted the Order on “Accelerating Wireless Broadband Deployment by Removing Barriers to Infrastructure Investment” in September 2018, revoking local authority on small cell deployment
 - The Accelerating Wireless Broadband Development by Empowering Local Communities Act of 2019 (H.R. 530) from California Congresswoman Anna Eshoo
 - The Restoring Local Control Over Public Infrastructure Act of 2019 (S. 2012) from California Senator Dianne Feinstein

FCC Net Neutrality

- The D.C. Circuit Court recently mostly upheld the Federal Communications Commission’s (FCC) “Restoring Internet Freedom Order” to rollback net neutrality regulations, with two important exceptions
 - First, FCC cannot preempt the 50 States from implementing net neutrality policies through “statutorily conferred authority to regulate intrastate communications
 - Second, the court determined that the FCC “failed to adequately consider the 2018 Order’s impact on public safety, pole- attachment regulation, and the Lifeline Program”

FCC Cable Franchising Fees

- The Federal Communications Commission (FCC) issued its Third Report and Order entitled “Local Franchising Authorities’ Regulation of Cable Operators and Cable Television Services” effective September 27, 2019
 - The Order limits the contributions that cable operators provide to local governments through agreements with local franchising authorities (LFAs) at five percent including all monetary and in-kind contributions with limited exemptions, such as certain capital costs related to public, educational, and governmental access channels

Immigration

Deferred Action for Childhood Arrivals (DACA) Program

- In September 2017, the Administration rescinded the Deferred Action for Childhood Arrivals (DACA) Program, which offers legal employment and protection from deportation for immigrants who entered as children
- A Supreme Court decision is expected in June 2020

DHS Final Rule on “Inadmissibility on Public Charge Grounds”

- On August 14, 2019, the U.S. Department of Homeland Security published the final rule to amend how the Administration considers receipt of federal assistance in review of immigrants’ applications for citizenship, permanent residency, visas, or other changes in status.
- Federal judges in three states issued preliminary injunctions to block implementation of the rule
- Benefits would include cash benefits, SNAP, most forms of Medicaid, HUD Section 8 Housing Assistance under the Housing Choice Voucher (HCV) Program, HUD Section 8 Project-Based Rental Assistance, and certain other forms of subsidized housing

DHS Proposed Rule on Immigrant Fee Structures

- On November 14, 2019, the Administration issued a notice of proposed rulemaking to increase fees for immigrants applying for citizenship, lawful permanent residency, Deferred Action for Childhood Arrivals, asylum, and other immigration-related applications
- Mayor Cutter signed onto a letter led by Los Angeles Mayor Garcetti opposing and urging the withdrawal of the rule

Immigration and Public Safety

Refugee Admissions and Resettlement

- On September 26, 2019, the Administration announced that it will lower the cap on refugees to 18,000 in Fiscal Year (FY) 2020 and President Donald J. Trump signed Executive Order (EO) 13888 to require consent from state and local officials for the resettlement of refugees within their jurisdiction
- The Administration is accepting letters of consent from Governors and Chief Executive Officers of local government

DOJ Byrne JAG Grants for Law Enforcement

- The Administration added immigration provisions into JAG grant requirements issued by the U.S. Department of Justice (DOJ); the City of Chicago and U.S. Conference of Mayors filed lawsuits
- Federal courts have granted a permanent injunction allowing USCM members to be eligible to receive any previously withheld Byrne JAG funds

Appropriations for Law Enforcement

- Congress approved \$32.6 billion overall for the Department of Justice, including \$3.28 billion for federal grants to State and Local Law Enforcement (+\$245.5 million over enacted) with \$547.2 million for the Byrne JAG Program and \$340 million for the Community Oriented Policing Services (COPS) Program

Cannabis

Legislation

- Many bills introduced during the 116th Congress to advance criminal justice reform and address different issues within this emerging industry, such as banking, economic development and small business support.
- Rep. Lee has been a vocal advocate, sponsoring several bills
- The Secure and Fair Enforcement (SAFE) Banking Act (H.R. 1595/S.1200)
- The Marijuana Opportunity Reinvestment and Expungement (MORE) Act (H.R. 3884/ S.2227)
- The Marijuana Justice Act (H.R. 1456/ S. 597)

Key Dates 2020

- The Second Session of the 116th Congress will begin when the House reconvenes tomorrow, Tuesday, January 7, 2020.
- Senate leadership released their legislative, but the entire month of January is influx due to the impeachment trial.
- Please let us know when you're visiting!
- The Democratic National Convention will take place in Milwaukee, Wisconsin on July 13-16, 2020.
- The Republican National Convention will occur on August 24-27, 2020 in Charlotte, North Carolina.
- **The United States presidential election will take place on Tuesday, November 3, 2020.**
- U.S. Conference of Mayors (USCM)
 - 88th Winter Meeting in Washington, D.C. from January 22-24, 2020
 - 88th Annual Meeting in Austin, Texas from June 12-15, 2020
- National League of Cities (NLC)
 - Congressional City Conference in Washington, D.C. from March 8-11, 2020
 - City Summit in Tampa, Florida from November 18-21, 2020

Thank you for the opportunity to support the City's federal priorities.

Our team looks forward to continued work together with the Mayor, City Council, City Manager and Deputy City Manager, and other key municipal staff.

My colleagues and I send our best wishes to you and your constituents for the New Year. We hope your communities have a safe, healthy, and prosperous 2020!

Contact

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