

## TOWN COUNCIL STAFF REPORT

Title: Council Update and Direction on Proposed Legislation and Related Items.

Meeting Date: February 7, 2024

Prepared by: Daniel C. Holler, Town Manager

---

### **RECOMMENDATION:**

Provide Council comments and direction on proposed legislation and related items.

### **BACKGROUND/ANALYSIS:**

The Town engages with the State and Legislative process throughout the year. The Council's legislative platform adopted in 2023 (attached) guides staff action in responding to requests to support, oppose, amend or other action on legislation or related matters. This does not preclude specific items coming to the Town Council for direction. However, often the legislative process moves at a pace that does not allow time for items to be presented to the Town Council. We have experienced this tight timeline already this year. The Town works closely with Cal Cities and with our hired lobbyist Kyra Ross with Emanuels Jones and Associates. The attached bill list provides an example of the initial work being done as the session is under way. You will note that some bills have already failed a deadline to move forward and/or have been placed in a suspense file, effectively killing the bill.

#### State Legislation

There are several legislative topics that are tracked that may impact the Town. In the attached list of bills the following areas are being watched or positions taken, such as:

- Funding for housing programs
- Changes that further erode local control over land use decisions and standards
- Solid waste and other new/expanded mandates
- Open Meeting Law / Public Record Act changes
- New or modified funding alternatives (i.e., EIFDs, regional finance authority)
- Wildfire related mandates/funding
- Transportation investments/funding
- Budget bills

Each piece of legislation needs to be analyzed to determine if a formal position will be taken by the Town. If there are bills provided or ones that Councilmembers are aware of that should be tracked or positions taken on, these may be brought up now or as we move through the legislative session.

Attached is the initial Bill List for the Town of Mammoth Lakes from Emanuels Jones (our State Lobbyist as of 1/25/2024. You will note that some of the bills that were being tracked

failed to meet deadlines and several are proceeding. Staff are currently reviewing bills to recommend a support, oppose, amend, or watch position. The attached list includes 30 bills, some of which have already failed to meet deadlines.

The projected shortfall in the State Budget will play a crucial role in this year's legislative process. The initial Governor's budget included a \$38 billion shortfall, while the Legislative Analyst's Office projects a \$58 billion shortfall. After Governor Newsom released his budget proposal last week, the Legislative Analyst's Office (LAO) took a more pessimistic tone. The LAO believes the current deficit is at \$58 billion, compared to the Governor's \$38 billion with the Governor's revenue projections coming in \$15 billion higher.

The LAO said, "This revenue estimate is plausible, but optimistic. On the spending side, there are strengths and weaknesses to the Governor's approach. In particular, the Governor's reserve withdrawal is reasonable, and we think focusing on spending-related solutions is warranted."

In light of this situation, the LAO advises Newsom and the Legislature to make further reductions to existing short-term programs that are not essential components of ongoing educational or social service commitments within the state. By doing so, less money would need to be withdrawn from reserves which could then serve as emergency funds for future deficits.

The LAO said, "Not only would this proposal increase the pressure on the state to provide these payments next year – despite continued deficits – but it also would shift fiscal risk to these entities in the event the state does not ultimately make these payments."

### Federal Legislation

As with the State Budget the Federal Budget will be an area of focus and has to date impeded other legislative work. The budget bills often provide related benefits for local agencies. For example, the Town has supported the passage of the Farm Bill with language that adds support for using designated USFS properties for housing projects.

### *Congress Passes Short Term Stopgap Funding Extension*

On January 18, the U.S. Senate and the House of Representatives approved a stopgap measure to extend government spending authority into March. Specifically, the measure affects the four appropriations bills set to lapse after January 19, by extending those to March 1, and the remaining eight bills set to expire February 2 are extended to March 8. With a \$1.66 trillion topline agreement having been reached earlier this month, appropriators are currently determining how the funds will be split between the twelve bills. At the time of this writing, the stopgap measure awaits President Biden's signature.

### *Despite Committee Intention to Act on Farm Bill by March, Timeline for Passage Remains Uncertain*

The Farm Bill, extended by one year in November amidst political impediments, is set to expire on September 30, 2024. House Agriculture Committee Chairman, Glenn "GT"

Thompson (R-PA), in recent months, has stated repeatedly that he aims to move on the bill by March. Despite these optimistic plans, the 2024 timeline for passage remains uncertain. Hurdles such as negotiating government spending bills, securing floor time, and navigating challenges during an election year are complicating next steps on the bill. With the recently extended appropriations deadlines of March 1 and March 8 and the Federal Aviation Administration reauthorization also set to expire in March, the schedule is tight. Bipartisan agreement is vital, yet debates over budget allocation, spending priorities, and potential cuts— particularly in areas like nutrition programs and climate-smart agriculture— are expected to present obstacles, and extensive debates are anticipated over disparities between the House and Senate versions of the measure. The Farm Bill plays a crucial role in rural America, encompassing over a trillion dollars for essential food, farm, conservation, and rural development programs. The Farm Bill includes funding for the Forest Service.

*Congress Introduces Legislation to Address Affordable Housing Crisis and Fund New Units Across California*

On January 23rd, U.S. Representatives John Garamendi (D-CA) and Joyce Beatty (D-OH) reintroduced updated legislation to help address the affordable housing crisis. The HOME Investment Partnerships Reauthorization and Improvement Act aims to significantly increase federal funds for affordable housing nationwide. The legislation addresses chronic underfunding, enhancing HOME's ability to provide down payment and home repair assistance, support Community Land Trusts, and increase funding access for nonprofits. The measure authorizes \$5 billion for The HOME Investment Partnerships Program (HOME) in fiscal year 2024, with a five percent annual increase through 2028. HOME is the largest federal affordable housing block grant, aiding state and local housing agencies since 1990. Since 1992, in California, HOME has invested \$5.27 billion, built or preserved 121,727 homes, assisted 43,840 families, supported 277,318 jobs, and generated \$19.2 billion in local income. Senator Catherine Cortez Masto (D-NV) also introduced companion legislation (S. 3644) in the Senate this past week.

*HR 3715 would give HUD the authority to grant waivers to adjust AMI by zip code. Here's a summary and a link:*

Housing Fairness for Mountain Communities Act – The Area Median Income (AMI) calculation determines the eligibility and pricing of affordable housing in a region. Currently, AMI is calculated at the county level. In regions like Colorado's mountain communities, there are often sharp wealth disparities within counties, and a given county's workforce often extends far beyond its borders. AMI calculations at the county level do not always accurately reflect the economics of these communities' labor markets and cost of living, leaving low-income families and seasonal workers without access to affordable housing. This bill would allow counties to elect to have the AMI calculated at the zip-code or regional level, offering a more accurate and nuanced reflection of wealth levels to ensure working families have access to federal housing assistance. A letter of support for this bill is recommended.

\

### *Federal Tax Package*

A wide bipartisan majority in the House Wednesday (1-31-24) night sent to the Senate a measure that would give low-income families about \$700 in child tax benefits and restore credits that would allow states to build more affordable housing.

The \$78 billion tax package passed 357-70. It restores some of the popular expanded child tax credits, which cut the nation's child poverty rate by nearly half before its expiration at the end of 2021. The measure also restores a 12.5% increase in low-income housing tax credits that Congress temporarily passed in 2018, but also went away in 2021. To win Republican support, the measure would increase research and development tax credits for businesses as well.

### *Outdoor Recreation Policy Initiatives*

The Senate and House each have complementary packages of outdoor recreation policy initiatives: America's Outdoor Recreation Act (AORA) in the Senate and the Expanding Public Lands Outdoor Recreation Experiences (EXPLORE) Act in the House. This effort includes a significant number of miles of potential mountain bike trails. One trail as proposed would pass through the Eastern Sierra Region. Should this effort gain traction, the Town and the region will need to be engaged. The trail segment is part of an extensive trail referred to as the Caldera 500.