

TO: Emlyn Struthers, Senior Deputy County Administrator

FROM: Jim Davenport
Paul Schlesinger
Greg Burns

With the calendar year, and the first session of the 119th Congress, winding down, we wanted to provide a summary of our activities on behalf of the County and their current status.

Needless to say, the year began with the partisan acrimony that has become the norm with a new Administration and new Congress.

As you know, the 118th Congress concluded without having completed work on the various appropriations bills needed to fund the government for Fiscal Year (FY) 2025, instead relying on a full-year Continuing Resolution (CR) to maintain operations at FY 2024 levels for another year. The full-year CR dropped all community projects for local governments and other entities, including those we had submitted for Contra Costa County in 2024, which had advanced to the point of their likely adoption upon the enactment of the pertinent Appropriations bills, but ultimately didn't occur. However, we did resubmit the projects to Representatives Garamendi and DeSaulnier in March. Representatives DeSaulnier and Garamendi again supported them and requested their funding by the Appropriations Committee, which did indeed include them in their bills. So, at present, the following projects are pending approval in FY 2026 appropriations legislation:

- \$1.2 million – Marsh Drive Class 1 Bikeway Project
- \$2 million – Bay Point Library and Community Resource Center
- \$1 million – Treat Blvd Corridor Improvements
- \$600,000 – Organized Retail Theft Prevention and Prosecution Pilot Project
- \$500,000 – Healing and Justice for Labor Trafficking Survivors Project
- \$850,000 – North Bailey Road Active Transportation Corridor
- \$250,000 – Pacifica Avenue Safe Routes to School
- \$5 million – Harmful Algal Blooms Demonstration Program

In addition, we submitted funding requests for two county youth centers to Senators Padilla and Schiff, but the Senators did not request those projects from the Senate Appropriations Committee, precluding their further consideration.

While we await final resolution of the FY 2026 appropriations process, which we believe will occur by January 30th, we will work with the County to select viable projects for the FY 2027 funding process.

Advocacy Related to the Sacramento -San Joaquin Delta

We have continued to work extensively with County officials and staff in advocating before the Federal government to achieve the County's objectives regarding the Delta. These efforts have generally been in conjunction with other federal advocates working on behalf of their clients; specifically the other members of the Delta Counties Coalition (DCC). Our assistance has included strategic advice and consultation with DCC congressional delegation, Army Corps of Engineers, EPA and White House.

Miscellaneous Advocacy Efforts

In addition to managing the issues on the County's legislative program, and given the dynamic nature of events in Washington, we have also brought various matters of interest to the County's attention and assisted the County when problems or opportunities surfaced that required communication with, or the input of, our delegation. This includes:

- **Federal Homelessness Funding:** The Department of Housing and Urban Development's (HUD's) Continuum of Care (CoC) program is the primary federal funding stream to address homelessness. Recently, HUD released the FY 2025 CoC notice of funding availability (NOFO), which included dramatically altered program criteria that could significantly impact how Contra Costa County uses funding for homelessness related services. Currently, approximately 87 percent of prior-year CoC funds are allocated to permanent housing, including permanent supportive housing (PSH) and rapid rehousing. The new NOFO limits how much CoC funding communities can spend on PSH to 30 percent, which could force a reallocation of funds from PSH programs to other programs, like transitional housing, emergency shelter, or new Supportive Services Only projects. Relatedly, two lawsuits have been filed against the Administration's CoC proposal, but it could be some time before those are resolved.
- **Federal Housing Legislation:** The Renewing Opportunity in the American Dream (ROAD) to Housing Act of 2025 is a bipartisan federal housing proposal aimed at increasing housing supply, improving affordability, and modernizing federal housing programs. If enacted, the bill would be one of the most consequential federal housing reform efforts in years. It combines measures to reduce regulatory barriers, incentivize housing development near transit, streamline permitting, and expand financing for affordable and workforce housing. The bill would also increase local governments' access to federal resources through new grant and incentive programs tied to housing outcomes.
- **Low-Income Housing Tax Credit:** The One Big Beautiful Bill Act (OBBA, reconciliation bill that primarily expanded and extended the 2017 Trump tax cuts) included a permanent expansion of the Low-Income Housing Tax Credit, which is critical for the development of nearly all affordable housing across the country.
- **FEMA Reform:** Apart from the latest rumors that FEMA Headquarters may move to Texas, the Administration has quietly ushered in a variety of reforms that impact the federal government's response to disasters, many of which could impact Contra Costa. Specifically, in April, the Administration proposed increasing the disaster declaration per capita threshold from \$1.89 to \$7.56 per person, which will have the effect of limiting the number of disasters that receive federal support. FEMA also proposes to not support federal cost shares

exceeding 75 percent, costing state and local governments significantly more after disasters as the typical prior cost share was 90 percent. FEMA also proposes not to cover reimbursement for Category G, or recreational facilities, which will leave local governments with significantly more responsibility to rebuild such community assets. Finally, the Administration will stop approving new allocations of Hazard Mitigation Grant Program funding, which historically had been allocated at rates equaling 15 percent of the amount FEMA intended to spend on a disaster, eliminating key funding for projects to improve resilience after a disaster. Meanwhile, Congress has proposed its own set of bi-partisan reforms, but these remain silent on all FEMA has already implemented and the fate of the legislation is unclear, as is Administration support for such a bill. Finally, the FEMA Reform Council, appointed by the President when he took office, is expecting to release their report on additional changes to FEMA today.

- **Tax-Exempt Municipal Bond Authority:** Equally as important, the OBBBA did not eliminate or reduce the ability of local governments to benefit from letting tax-exempt municipal bonds, although there was a real risk that it may do so to pay for other portions of the bill.
- **Telecom Preemption:** For decades, telecommunications companies have sought federal legislative and administrative preemption from what they perceive to be burdensome regulatory oversight by states and local governments for the deployment of their wireless and broadband infrastructure. While their legislative efforts in Congress have generally stalled, they have had success with obtaining favorable outcomes from the Federal Communications Commission, most recently with small cell 5G wireless towers. Recently, they are seeking similar relief from the FCC for additional wireless deployment, which could be meaningful to the City. Relatedly, the House Energy & Commerce Committee recently passed other telecom permitting preemption bills. While these efforts in past Congress' have not succeeded, that does not stop telecom companies from trying, something we will continue to closely monitor.
- **Surface Transportation Reauthorization:** As we reach the end of the Bipartisan Infrastructure Law (BIL) in 2026, which included a surface transportation authorization plus additional funding for a variety of infrastructure projects, we have consistently raised concern that the next iteration of the surface transportation law will look much different than the BIL. First, there will be far less money, much of that is likely to be directed to states for traditional highway formula programs, there are likely to be fewer discretionary grant programs available to communities, and transit funding could come under attack. With respect to the latter issue, the Administration has proposed to Congress that that the next transportation bill not direct any Highway Trust Fund revenue to transit, nor allow transfers from each states' highway fund to support transit (some states do this more than others). These proposals, if enacted by Congress, would be a significant blow to transit nationwide. While we do not think they will become law, they represent what we have foreshadowed and heighten our concern that transit funding, among other things, will be a major flashpoint in the next surface transportation reauthorization debate.

Additional TRP work for the County includes lobbying, consultation and advice on Federal matters pertaining to :

- The Trump administration's elimination of Federal grant awards and solicitations, and changes to Federal grant policy
- Head Start

- Chemical Safety Board
- Immigration policy
- Energy, including the rollback of the Inflation Reduction Act tax credits
- Wildfire mitigation
- Healthcare
- Federal Aviation Administration funding and policy, including a proposed rule on public charter flights that would impact JSX operations at County airport
- Artificial Intelligence

Activities such as these certainly contribute to the long-held perception around Capitol Hill and elsewhere in Washington that Contra Costa County is an active participant in federal affairs and that we serve as the County's office here in town; a place these offices can trust, knowing they are communicating – if through an agent – with appropriate County officials.

We would be pleased to elaborate on any aspect of this work and look forward to continuing these efforts on your behalf in the year ahead.