



THE CI

MERCED

To: The Honorable Mayor and City Council
From: Steven S. Carrigan, City Manager
Date: July 10, 2020
Re: City Council Information Report



MASK UP MERCED CAMPAIGN

Merced County, the City of Merced, and the other 5 cities, have launched a three-phonged campaign to encourage people to wear adhere to COVID-19 guidelines, face coverings in public and support local businesses. Merced County's COVID-19 cases continue to increase and it has resulted in the County being placed on the Governor's "watch list." The news releases on the programs are attached.

ENGINEERING UPDATE

Water Well site #20

Clark Bros. Inc., is doing some underground work at the site.



Cooper Lift Station

Phase 1 Construction is performing demo work and excavation.



INSPECTION SERVICES REPORT

Please find attached the biweekly Inspection Services report

LETTER OF SUPPORT

Please find attached a letter of support for the Rascal Creek Flood Control project grant.

MCAG NEWSLETTER

Please find attached the Merced County Association of Governments newsletter for July.

LEGISLATIVE UPDATE

Please find attached the Legislative Update from Townsend Public Affairs.

FEE STUDY POWERPOINT

Please find attached the PowerPoint for the Merced Irrigation-Urban GSA 2020 Regulatory Fee Study.

SAVE THE DATE

July 20 – Council meeting
August 3 – Council meeting

REPORTS & CORRESPONDENCE

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FOR IMMEDIATE RELEASE

July 9, 2020

MERCED COUNTY, CITIES ENCOURAGE RESIDENTS TO “MASK UP”

MERCED—Due to a rapid increase of COVID-19 cases, Merced County and its six cities are encouraging residents to wear face coverings to slow the spread of COVID-19 and reopen the economy.

The campaign, known as “Mask-Up,” is intended to educate the public on the importance of face coverings and address “hotspots” throughout the County that are experiencing spikes of cases. The campaign will include public education efforts, materials promoting mask wearing, and mask distribution in various locations.

The use of face coverings is now mandated by the State and County. Wear a face covering whenever you’re out in public—it’s the safe thing to do, it’s the courteous thing to do, and it’s the right thing to do.

Face coverings are a proven way to reduce the spread of COVID-19 and are required to be worn:

- Inside of, or in line to enter, any indoor public space;
- When obtaining healthcare services;
- Waiting for or riding on public transportation or while in any private or ride-sharing vehicle including operators of the transportation;
- When at the workplace or performing work off-site;
- While outdoors in public spaces when physical distancing is not feasible.

The more face coverings are used, the faster we can collectively stem the spread of COVID-19 and reopen parts of the economy. The alternative is the State imposing an extended shutdown on more sectors of our economy due to the rising infection rate. Please do your part so we can stop the spread and reopen.

Some masks, such as N95s, are more effective than others in terms of preventing illness. However, the main purpose of cloth face coverings or other types of masks is to prevent respiratory droplets from infecting others when you cough, sneeze or talk. It’s important to remember that some people infected with COVID-19 don’t show symptoms, while the disease is deadly for others. Wearing a mask is a sign that you’re being considerate of those around you that may have compromised immune systems. Face coverings/masks are not recommended for children younger than 2 years old, anyone who has trouble breathing, or is incapacitated.

Please encourage your family and friends to wear face coverings as well. You can do this by taking a photo of yourself wearing a face covering in public and posting it to social media using the #MaskMonday hashtag. And feel free to tag the Merced County Department of Public Health, Merced County, or your home city!

While face coverings are a critically important aspect of reducing the infection rate in Merced County, it should be combined with other protective measures such as:

- Social distancing of six feet or more;
- Avoiding large group gatherings;
- Washing your hands often with soap and water;
- Avoiding close contact with people who are sick;
- Staying home if you’re sick;
- Avoiding touching your eyes, nose or mouth with unwashed hands.

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FOR IMMEDIATE RELEASE

July 9, 2020

BUSINESSES EXERCISE COVID-19 PRECAUTIONS WITH READY2OPEN CAMPAIGN

MERCED—In an effort to protect customers and employees amidst increasing COVID-19 infections, Merced County and its six cities are working with local businesses on a self-certification safety process.

Branded as “Ready2Open,” the process allows local businesses to complete an online checklist to verify that they’ve taken steps to ensure the safety of customers and employees. Steps include safety signage, employee training, employee health screening, physical distancing measures, and routine sanitation.

Once a business verifies its information through the www.reopenmercedcounty.com/ready2open site, they’ll receive an emblem to display near the entrance of their store attesting to their self-certification. The emblems will look like this:



Store participation in this program is optional. While businesses can begin self-certification immediately, the official launch of the Ready2Open campaign is Monday.

In addition to the online self-certification process, some jurisdictions, including the City of Merced, City of Dos Palos, City of Gustine, City of Livingston and Merced County, will also provide certified businesses with a courtesy walk-through of their facilities to further ensure that COVID-19 safety measures are met.

The Ready2Open campaign is in response to rapidly increasing disease transmission, increased hospitalizations, and a rise in the percentage of people testing positive for COVID-19 in Merced County. The rapid increase in those categories resulted in the State once again shutting down indoor dining, bars, and various entertainment centers throughout Merced County.

If numbers continue to rise, the current shutdown could be extended by the State and additional business sectors could be closed. This can be prevented by basic safety measures including:

- Wearing face coverings in public;
- Social distancing of six feet or more;
- Avoiding large group gatherings;
- Washing your hands often with soap and water;
- Avoiding close contact with people who are sick;
- Staying home if you’re sick;
- Avoiding touching your eyes, nose or mouth with unwashed hands.

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Inspection Services CI

For the period of June 15th through June 28th, 2020, there were 28 New Single Family Dwelling Permits Issued.

The running total of New Single Family Dwellings in Plan Review is **567**.

Multi Family Permits in review:

Gateway Terrace Apartments located at 405 W 12th St, 1 Office/Lounge and 6, 2 story Apartments; 2 buildings have 16 units, 3 buildings have 30 units, and 1 building has 4 units.

Compass Pointe phase II: 128 units in 16, 8-plex buildings plus a clubhouse.

There were 0 multi-family permits issued during this period.

(no change from last report)

There were 2 new construction commercial permits issued during this period; one for a 1,912 SF Starbucks located at 1665 R St., and one for a 650 SF metal building for the city located at 1520 North Bear Creek Ct.

There were 3 new tenant improvement permits issued during this period; one for Xfinity located at 3116 R St., one for a tenant improvement for Food Maxx involving refrigeration units and gondolas located at 1300 W. Olive Ave., and one for the 800 SF “Blades” salon located at 23 W Alexander Ave.

There were 0 new commercial submittals during this period.

There was 1 new tenant improvement submittal during this period; for a biomass facility located at 154 Hawk Dr.

There were 2 CofOs issued for this period; one for Ti-Boule En Paris Bakery located at 3360 N Hwy 59, Ste C, and one for accessibility upgrades for offices at 650 W. 20th St.

There were 49 CofOs for Single Family Dwellings during this period.



CITY OF MERCED

MERCED

(209) 385-6834 • (209) 723-1780 FAX

June 30, 2020

Daman Badyal
Division of Financial Assistance
Storm Water Grant Program
State Water Resources Control Board
P.O. Box 944212
Sacramento, CA 94244-2120

RE: Proposition 1 Stormwater Grant Program Round 2 Solicitation – Rascal Creek Flood Control Project

Dear: Mr. Badyal

The City of Merced supports the Merced Integrated Regional Management Authority (MIRWMA) Proposition 1 Stormwater Grant Program Round 2 Solicitation funding for the Rascal Creek Flood Control Project. The City of Merced is familiar with the proposal and supports efforts to develop multi-benefit storm water management projects.

The Rascal Creek Flood Control Project is included in the 2019 Merced Stormwater Resource Plan and was scored the highest among the projects evaluated in the plan. The project is also included in the Merced IRWMP as a Tier 1 highest priority project. Project storm water management benefits include flood management: decreased flood risk by reducing runoff rate and/or volume (primary benefit) and reduced sanitary sewer overflows (secondary benefit), plus environmental and habitat protection and improvement (secondary benefit).

The Rascal Creek Flood Control Project would also significantly improve climate change resiliency and contribute to regional water security by protecting the local water, wastewater, irrigation, and storm water systems from flooding.

Sincerely,

Michael W. Murphy, Mayor
City of Merced

678 WEST 18TH STREET MERCED, CA 95340

COVID-19 INFORMATION AND UPDATE:

The Merced County Department of Public Health is closely following the guidance of the Centers for Disease Control and Prevention and California Department of Public Health on the novel (new) virus that is causing an outbreak of pneumonia illness. Coronavirus is a type of virus that causes diseases of varying severities, ranging from the common cold to more serious respiratory disease. For more information, including the latest updates please visit: www.countyofmerced.com/coronavirus

MCAAG GOVERNING BOARD ELECTS NEW CHAIR AND VICE CHAIR



In June, the MCAAG Governing Board elected Director Paul Creighton to serve as the Board Chair for Fiscal Year 2020 - 2021. Director Creighton currently serves as the Mayor of Atwater. Prior to being elected Mayor of Atwater in 2018, Director Creighton served on the Atwater City Council. He is currently a member of the

League of California Cities' Central Valley Division and has also participated in the MCAAG One Voice program.

Director Lloyd Pareira was elected to serve as the Vice-Chair of the MCAAG Board for the 2020/21 year. Director Pareira currently serves as Merced County Supervisor, District 4, and was just elected to his second term this year. He has lived on his family's farm near the Merced River most of his life. He earned his bachelor's degree from California Polytechnic State University, San Luis Obispo, in dairy science. While running his farm, Director Pareira has also served as a trustee on the Merced River School Board, the Merced County Farm Bureau, Yosemite Church, and as a delegate for Western United Dairyman.



YARTS SUMMER SERVICE

With the re-opening of Yosemite National Park last month, YARTS transitioned to its summer service schedule, including the routes on Highway 41 from Fresno, Highway 120 from Sonora, and Highways 395/120 from Mammoth Lakes in addition to the Highway 140 route from Merced. Although the Highway 140 service is year-round, service was only running up to El Portal during the closure of Yosemite due to the COVID-19 pandemic.



Passengers can now book reservations for all routes on the YARTS website at: www.yarts.com. There is no additional charge to get into Yosemite beyond the YARTS fare and passengers do not have to have a day-use permit issued by the National Park Service to ride.

There are some notable changes to the service this year that have been made in response to the outbreak of COVID-19. In addition to increased sanitation measures, all passengers will be required to wear face masks when riding YARTS and offered access to hand sanitizer while on board. In order to promote social distancing, capacity on all buses will be reduced to a maximum of 30 passengers each. With most of the 30 seats available to those with reservations, there will be very limited space to accommodate walk-on passengers. Therefore, reservations are highly encouraged.

"We are excited to be offering service into Yosemite once again," said Transit Manager Christine Chavez. "Although things will be a little different on YARTS this year, the great rates and quality experience have not changed."

For more information about YARTS please visit www.yarts.com or call (877) 989-2787.

MCAG JULY MEETINGS

- 07/03** MCAG, YARTS, The Bus and RWA administration offices closed in observance of Independence Day
- 07/04** Highway 59 and Billy Wright landfills closed in observance of Independence Day
- 07/08** Technical Review Board meeting, 12:00 pm
- 07/10** CAC Meeting, 8:30 am
- 07/16** Governing Board meeting, 3:00 pm

Please note: All MCAG meetings will be held via video/audio conference until further notice. The call-in number and passcode will be located on the cover of each agenda. To access the agendas for the meetings listed, please visit:

www.mcagov.org/agendacenter

For more information about these meetings, please contact Eva Garibay at: eva.garibay@mcagov.org

THE BUS CONTINUES TO PROVIDE FREE SERVICE

The Bus continues to offer free service and has implemented additional safety measures aimed at protecting passengers and bus operators during the COVID-19 pandemic. In addition to the disinfecting and social distancing measures already implemented on vehicles and bus stops, passengers must wear masks while on The Bus and only ten passengers per vehicle are allowed. If there are more than ten passengers at a bus stop, another bus will be added to the route to pick up additional passengers.

Passengers are also encouraged to wash their hands often, cover all coughs and sneezes, stay home when sick, and avoid direct contact with sick individuals. For more information about COVID-19, please visit the Merced County website:

www.countyofmerced.com/coronavirus.

HAVE YOU 'HERD' RWA NOW HAS SHEEP!



Regional Waste is using sheep this summer as an environmentally friendly way to keep vegetation down at the landfill!



MERCED COUNTY
RWA
REGIONAL WASTE AUTHORITY

WE'LL KEEP PUSHING.
Monday-Saturday
7:00 AM - 3:30 PM

A photograph of a yellow CAT bulldozer working on a landfill site. The bulldozer is pushing a large pile of trash and debris. The background shows a clear blue sky and some green hills in the distance.

HIGHWAY 59 LANDFILL
7040 N. Highway 59
Merced, CA 95348
Phone: 209-723-4481
Monday - Saturday
7:00 am - 3:30 pm

BILLY WRIGHT LANDFILL
17173 S Billy Wright Road
Los Banos, CA 95348
Phone: 209-826-1163
Monday - Saturday:
7:00 am - 3:30 pm

For more information about Regional Waste Authority please visit: www.mcrwma.org

STAY CONNECTED WITH US!

To receive text and/or email notifications from MCAG related to public meetings, traffic alerts, RFP releases, job opportunities, and more, visit www.mcagov.org and click on the "Notify Me" icon. You can also follow us on Twitter, Facebook, Instagram, LinkedIn and YouTube!



MeasureV

JULY 2020—UPDATE

Measure V, Merced County's ½ cent transportation sales tax, was passed by Merced County voters with 71% approval in November 2016. In an effort to keep the community informed about this transformative measure, MCAG will feature monthly updates in this newsletter. You can also visit www.mcagov.org/measureV for the latest!

The 30-year Measure, which commenced in April of 2017, allocates 50% of all its revenue to the cities of Merced, Los Banos, Gustine, Atwater, Livingston and Dos Palos, along with the County of Merced, to pay for local transportation projects including roads, bike paths, and sidewalks. Regional transportation projects located on both the east and west sides of the county receive 44% of the funding with five percent reserved for public transit purposes. MCAG receives one percent of the monies to administer all fiduciary and reporting requirements.

Since the inception of Measure V, local jurisdictions have been busy making progress on various Measure V projects around the County. The City of Gustine has been hard at work completing several projects throughout the city to enhance the walkability and ADA accessibility of their community. The latest project took place on 1st Street and North Street where more than \$31,000 has been spent in the last quarter to improve the sidewalks there. To date, Gustine has spent \$224,000 on several projects throughout the City limits to repair and improve sidewalks and other pedestrian amenities.

HAVE YOU SPOTTED MEASURE V AT WORK IN MERCED COUNTY?

Snap a picture and send it to measurev@mcagov.org or tag us on Facebook, Instagram and Twitter

@mcag_merced
or use the hashtag
#MeasureV_mcag



CONTACT:

Mary-Michal Rawling, MPA, Public Affairs Manager
(209) 723-3153 x 119 or mary-michal.rawling@mcagov.org

MEMORANDUM

To: **City of Merced**
Mayor and Council Members
Steve Carrigan, City Manager
Stephanie Dietz, Assistant City Manager

From: **Townsend Public Affairs, Inc.**
Christopher Townsend, President
Richard Harmon, Central California Senior Director
Laura Kroeger, Federal Office Associate

Date: **July 6, 2020**

Subject: **Monthly Report—June 2020**

SUMMARY

This memorandum is an overview of activities undertaken by Townsend Public Affairs (TPA) over the last month, working on behalf of the City of Merced, including the following subjects:

- **Legislative Activity and Updates**
 - *State Update*
 - Legislative Activity
 - Governor's COVID-19 Action Summary
 - State Budget
 - Housing Legislation
 - Social Justice and Equity Legislation
 - November 2020 Ballot Update
 - Additional Legislation
 - *Federal Update*
 - Coronavirus Aid Packages
 - Coronavirus Relief Fund Guidance
 - Policing Bills
 - DACA
 - Small Business
 - Infrastructure
 - Land and Water Conservation Fund
- **Upcoming Funding Opportunities and COVID-19 Funding**



LEGISLATIVE ACTIVITY AND UPDATES

State Update

Legislative Activity

In June, the Legislature was focused primarily on passing a State Budget before the June 15 constitutional deadline. While the Legislature met its obligation to pass a budget by June 15, the budget bill did not reflect a finalized deal between the Newsom Administration and the Legislature. Subsequently, the Legislature then passed a “Junior Budget Bill” that was negotiated with the Administration, as well as a majority of the budget trailer bills needed to implement the State Budget. On June 29, Governor Newsom signed the \$202 billion State Budget for the upcoming fiscal year.

The Legislature was also actively considering legislation in June to meet several legislative deadlines. June 5 was the last day for policy committees to report non-fiscal bills to the Floor, and June 19 was the last day for fiscal committees to hear and report bills to the floor. June 22-26 was dedicated to Floor Session only for the Senate, and the Assembly was told to return to Sacramento in order to pass the budget. June 25 was also the deadline for the Legislature to pass a measure in time to qualify for the November ballot.

Lastly, Governor Newsom has continued his press briefings to update the State on the status of COVID-19 in California. With counties re-opening across the State, COVID-19 cases, as well as the positivity testing rate, have begun to increase. Specifically, in the last week of the month, there was a 45 percent increase in the number of positive cases, a 5.9 percent increase in the positivity rate, and a 45 percent increase in the number of hospitalizations in the previous two weeks. This has resulted in the Governor taking more action to mitigate the spread of the virus by enacting a statewide face-covering order and re-closing certain business sectors in 19 counties throughout the State.

Below are the upcoming deadlines for the Legislature:

July 3 – Independence Day observed

July 13 – Legislature reconvenes from Summer Recess

July 31 – Last day for policy committees to hear and report fiscal bills to fiscal committees

August 7 – Last day for policy committees to meet and report bills

Governor’s COVID-19 Action Summary

Below is a summary of the major COVID-19 actions taken by the State Administration in June:

- **July 1 – Stay at Home Order:** Governor Newsom announced that certain sectors are being ordered to close indoor operations, due to the increased likelihood of spread and the ability to mitigate that spread. These closures are to go into effect immediately in the 19 counties that are on the County Monitoring List.



- **June 30 – Eviction Moratorium:** Governor Newsom issued an executive order extending authorization for local governments to halt evictions for renters impacted by the COVID-19 pandemic, through September 30.
- **June 25 – Budget Emergency Declaration:** Governor Newsom issued a proclamation of a budget emergency to make additional resources available to fund the state’s ongoing emergency response to the COVID-19 pandemic, ensuring the availability of funding for personal protective equipment, medical equipment and other expenditures as necessary to support a potential hospital surge and provide necessary services to vulnerable populations.
- **June 22 – Recycling:** The order extends a waiver that allows retailers to temporarily pause in-store redemption of beverage containers to mitigate the spread of COVID-19. The order also temporarily suspends the requirement for recycling centers to hold a minimum number of hours of operation.
- **June 18 – Statewide Mask Order:** The California Department of Public Health released guidelines mandating the public to wear face coverings while in public with a limited number of exemptions.
- **June 15 – Executive Order:** Governor Newsom signed an executive addressing a variety of issues in response to the COVID-19 pandemic.
- **June 8 – Respirators:** Governor Newsom announced that California-based BYD North America received certification from the National Institute for Occupational Safety and Health (NIOSH) to produce N95 respirators for the state.
- **June 5 – Personal Protective Equipment:** Governor Newsom signed an executive order that will help increase the availability of over-the-counter drugs, such as hand sanitizer, and medical devices, such as respirators, ventilators and masks, which are in demand due to the COVID-19 pandemic.

State Budget

On June 29, Governor Newsom signed the 2020-21 State Budget Bill, as well as a majority of the budget trailer bills needed to implement the various portions of the State Budget. The Assembly reconvened from their summer recess on June 26 to vote on the Junior Budget Bill and other measures approved by the Senate on June 25. The measures were sent to the Governor so that he could act on the budget prior to the constitutional deadline.

Budget Deficit

The budget agreement addresses the State’s \$54 billion budget deficit through a combination of cuts, fund deferrals, and temporary revenue increases. The State Budget adopts budgetary cuts to the State’s university systems, courts, housing-related programs, and other investments, as well as realizes savings from state employee salary adjustments; however, these cuts can be rescinded if California receives additional federal assistance prior to October 2020. Any future federal aid will restore these specific cuts and deferrals on a one-time basis.



Overall, the State Budget that was approved by the Legislature rejects most of the programmatic cuts that were contained in the Governor’s May Revise. The Budget does contain the Governor’s “trigger up” structure of cuts but adopts many of the Legislature’s preferred means of addressing the budget shortfall. The Budget does not contain the proposed May Revise cuts to education and community colleges, but instead defers billions in education funding to future budget years. The Budget also rejects \$2.2 billion in cuts that were proposed in the May Revise for health and human services programs, including programs for seniors.

Budget Highlights – Local Governments

Included within the budget agreement is federal funding to help address the impacts of the coronavirus pandemic. Specifically, the budget contains \$500 million in Coronavirus Relief Funds for cities, which will be allocated with \$225 million for cities with populations above 300,000 and \$275 million for cities with populations below 300,000. The Department of Finance (DOF) will be working quickly to disperse these funds, as federal law requires the funds to be expended by the end of the calendar year or else the funding will revert to the federal government.

The DOF also released initial information regarding Coronavirus Relief Funds and Realignment backfill funding for counties as approved in the budget. The State is recommending distributing the county allocation of both funding sources in installments, with one-twelfth of the Realignment and one-sixth of the CRF funding due to counties in late July.

The Department of Housing and Community Development is receiving \$550 million in CARES Act funding to help secure shelter for homeless individuals who are at risk for contracting COVID-19. Specifically, the funding can be used for acquisition, or acquisition and rehabilitation, of motels, hotels, or hostels; master leasing of properties; acquisition of other sites and assets; and the relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.

An additional \$300 million from the State’s General Fund is provided to local governments to address homelessness, building on the state’s investments of recent years. This funding will be distributed in the form of Round 2 of the Homeless Housing Assistance Prevention (HHAP) program as follows: \$90 million to Continuums of Care; \$130 million to cities with populations over 300,000; and, \$80 million to counties.

Housing Legislation

Despite the limited number of bills being heard this year compared with other years due to COVID-19 and the modified legislative calendars, the Senate and Assembly are proposing housing packages that aim to increase the amount of housing development throughout the State. Assembly Member David Chiu (D-San Francisco), chair of the Housing and Community Development Committee, and Senate Pro Tempore Toni Atkins (D-San Diego) have released a housing package that includes the following bills:

- **AB 725 (Wicks–D)** Amends Housing Element law to require certain jurisdictions to zone for multi-family moderate and above-moderate income housing.



- **AB 1279 (Bloom–D)** Requires certain development sites in high resource areas to allow for more density and height and makes these sites subject to "use by-right" approval.
- **AB 1851 (Wicks–D)** Allows a religious institution to develop an affordable housing project at a place of worship owned by the religious institution even if the development requires the religious institution to reduce the number of religious-use parking spaces available at the place of worship.
- **AB 2323 (Friedman–D)** Expands the application of California Environmental Quality Act (CEQA) exemptions for housing and other projects by permitting community plans to serve as the basis for exemption of residential, mixed-use and employment center projects near transit areas.
- **AB 2345 (Gonzalez–D)** Revises Density Bonus Law to increase the maximum allowable density and the number of concessions and incentives a developer can seek.
- **AB 3040 (Chiu–D)** Allows cities and counties to receive a specified credit towards meeting their Regional Housing Needs Allocation (RHNA) for rezoning single-family neighborhoods to allow four units per parcel.
- **AB 3107 (Bloom–D)** Makes housing an authorized use on commercially zoned land.
- **AB 3279 (Friedman–D)** Revises California Environmental Quality Act (CEQA) litigation procedures by reducing the deadline for a court to commence hearings from one year to 270 days.
- **SB 902 (Wiener–D)** This bill permits a local government to pass an ordinance to zone any parcel up to 10 units of residential density per parcel, at a height specified by the local government in the ordinance, if the parcel is located in a transit-rich area, a jobs-rich area, or an urban infill site.
- **SB 995 (Atkins–D)** This bill extends for four years the Jobs and Economic Improvement Through Environmental Leadership Act of 2011 until 2025; and makes housing projects that meet certain requirements eligible for certification under the Act.
- **SB 1085 (Skinner–D)** This bill makes several changes to density bonus law (DBL) and provides additional benefits to housing development projects that include moderate-income rental housing units.
- **SB 1120 (Atkins–D)** This bill requires ministerial approval of duplexes and specified parcel maps.
- **SB 1385 (Caballero–D)** This bill enacts the Neighborhood Homes Act, which establishes housing as an allowable use on any parcel zoned for office or retail uses.

These bills will be considered in their respective policy committees later this month. TPA will continue to advocate on behalf of the City as the Legislature considers these housing measures for the remainder of the 2020 legislative session.



Social Justice and Equity Legislation

Since the death of George Floyd that has received statewide and national attention last month, the Legislature has been focused on advancing social equity and police reform legislation. Namely, the Legislature has passed ACA 5 (Weber, D-San Diego), a bill that repeals Proposition 209, the State constitutional provision that passed in 1996 that prohibited California from granting preferential treatment to (or discriminating against) any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting. The bill, which is a constitutional amendment, received a two-thirds vote in both houses and does not require a signature from the Governor to qualify for the ballot.

Additionally, the Legislature is considering AB 1196 (Gipson, D-Carson), a bill that would prohibit a law enforcement agency from authorizing the use of a carotid restraint or a choke hold when making an arrest. The bill has received some bipartisan support and is scheduled to be heard in the Senate once it is referred to a policy committee. Below is a list of additional social justice and equity bills in the Legislature:

- **AB 1506 (McCarty–D)** This bill would create a division within the Department of Justice to, upon the request of a law enforcement agency, review the use-of-force policy of the agency and make recommendation.
- **AB 1835 (Weber–D)** Requires each local educational agency (LEA) expend unspent supplemental and concentration Local Control Funding Formula (LCFF) grant funds toward services for unduplicated pupils in future years.
- **AB 1950 (Kamlager–D)** Specifies that a court may not impose a term of probation longer than two years for a felony conviction and one year for a misdemeanor conviction, except as specified.
- **AB 2054 (Kamlager–D)** This bill creates the Community Response Initiative to Strengthen Emergency Systems Act Grant Pilot Program (C.R.I.S.E.S. Pilot Program) to expand community participation in emergency response planning.
- **AB 2342 (McCarty–D)** Creates a program through which parolees, except those required to register as a sex offender, are able to earn "reintegration credits" to reduce the term of parole.
- **AB 2405 (Burke–D)** Establishes that it is the policy of the state that every child and family in California has a right to safe, decent, and affordable housing.
- **AB 3121 (Weber–D)** Establishes an eight-member task force to do the following: study the issue of reparations for African Americans; propose ways to educate the California public about its findings; make recommendations on the forms that reparations might take; and submit a report of its findings to the Legislature

These bills will be considered in their respective Senate policy committees later this month.



November 2020 Ballot Update

June 25 was the last day for the Legislature to pass measures to qualify for the November 2020 ballot. TPA will be providing a comprehensive update on the qualified ballot measures, but below is a brief summary of these initiatives:

- **1880. (19-0022A1):** Authorizes bonds to continue funding stem cell and other medical research.
- **1864. (19-0003):** Changes requirements for transferring property tax base to replacement property. Expands business property reassessment.
- **1870. (19-0008A1):** Increases funding for public schools, community colleges, and local government services by changing tax assessment of commercial and industrial property.
- **1840. (17-0044):** Restricts parole for non-violent offenders. Authorizes felony sentences for certain offenses currently treated only as misdemeanors.
- **1862. (19-0001):** Expands local governments' authority to enact rent control on residential property.
- **1883. (19-0026A1):** Changes employment classification rules for app-based transportation and delivery drivers.
- **1882. (19-0025A1):** Authorizes state regulation of kidney dialysis clinics. Establishes minimum staffing and other requirements.
- **1879. (19-0021A1):** Amends consumer privacy laws.
- **1856. (18-0009):** Referendum to overturn a 2018 law that replaced money bail system with a system based on public safety risk.

Additionally, the measures below were recently passed by the Legislature and will qualify for the November 2020 ballot.

- **ACA 5 – Government preferences:** The California Constitution, pursuant to provisions enacted by the initiative Proposition 209 in 1996, prohibits the state from discriminating against, or granting preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting. The California Constitution defines the state for these purposes to include the state, any city, county, public university system, community college district, school district, special district, or any other political subdivision or governmental instrumentality of, or within, the state. This measure would repeal these provisions.
- **ACA 6 – Elections, disqualification of voters:** Would direct the Legislature to provide for the disqualification of electors who are serving a state or federal prison sentence for the conviction of a felony. This measure would also delete the requirement that the



Legislature provide for the disqualification of electors while on parole for the conviction of a felony. The measure would provide for the restoration of voting rights upon completion of the prison term.

Additional Legislation

AB 1063 (Petrie-Norris): Planning and Zoning Law: housing elements: accessory dwelling units: adequate site substitutes.

This bill would increase the 25% cap of local governments to count projects that have been rehabilitated, converted, or preserved towards their RHNA numbers to 50% and clarify that committed assistance be demonstrated early enough such that the housing units would be completed and available before the end of the planning period. Expand the ability for cities to count ADUs as affordable units towards RHNA requirements by establishing an accepted assumption for estimating ADU production and affordability levels. Require jurisdictions that have voter-approved measures to submit a draft Housing Element to HCD by their stated deadline. **This bill is now in the Senate.**

SB 795 (Beall): Economic development: housing: workforce development: climate change infrastructure

This bill allocates \$10 billion over five years to several existing housing, homelessness, and pre-apprenticeship programs, as well as creating two new infrastructure financing programs at the Governor's Office of Business and Economic Development (Go-Biz). **SB 795 passed and has been referred to the Assembly Housing and Community Development Committee.**

SB 899 (Wiener): Planning and zoning: housing development: higher education institutions, nonprofit hospitals, or religious institutions

This bill provides that housing is a use by right on land owned by a religious institution, nonprofit hospital, or nonprofit college, as specified. **SB 899 passed and has been referred to the Assembly Housing and Community Development Committee.**

SB 1138 (Wiener): Housing element: emergency shelters: rezoning of sites

This bill makes changes to housing element law with regards to where shelters may be zoned, as specified. This bill also requires localities that fail to adopt a legally compliant housing element within 120 days of the statutory deadline, to complete a rezone program within one year instead of the current three-year requirement. **SB 1138 passed and has been referred to the Assembly Housing and Community Development Committee.**

SB 1299 (Portantino): Housing development: incentives: rezoning of idle retail sites

This bill requires the California Housing and Community Development Department (HCD) to administer a program to provide grants to local governments that rezone idle sites used for a big box commercial shopping center to instead allow the development of workforce housing, as defined. **SB 1299 passed and has been referred to the Assembly Housing and Community Development Committee.**



Federal Update

In June, protests related to racial justice and police brutality dominated the federal landscape, while the health and economic impacts of COVID-19 continued to be prominently featured in policy and political circles. The rate of infection increased during the month of June, as many states began various phases of reopening.

Coronavirus Aid Packages

White House Advisor Peter Navarro indicated President Trump wants to see a Phase 4 price tag around \$2 trillion and wants to focus on bringing manufacturing jobs back to the United States. Senate Majority Leader Mitch McConnell has stressed to President Trump that he would prefer a smaller package, no more than \$1 trillion. As a reminder, the House passed a Phase 4 package, the HEROES Act, last month worth \$3 trillion.

The most contentious sticking point in the next coronavirus aid package is expected to be the question of how to help the more than 40 million unemployed Americans. The next coronavirus aid package is expected to move in the coming weeks. Some proposals we have heard discussed among Congressional staff include:

- Continuation of supplemental \$600 per week on top of regular unemployment benefits
 - Senate Majority Leader Mitch McConnell has publicly indicated that Republicans will not support an extension of the \$600 weekly unemployment supplemental that Congress passed in March. Some GOP lawmakers have said they believe the additional aid provides a disincentive to return to work.
 - Most Democrats in the House and Senate have argued that the supplemental unemployment benefits, which are set to expire at the end of July, should be made to last beyond the summer.
- Business payroll subsidies
 - Senator Josh Hawley (R-MO) is going to introduce a bill to have the federal government subsidize business' payrolls during the pandemic.
- Back-to-work bonus
 - Senator Rob Portman (R-OH) is working on a proposal to provide workers with an additional \$450 a week bonus on top of their current wages as an incentive to go back to work
 - President Trump has signaled early support for this idea
- Automatic economic stabilizer
 - Senate Minority Leader Chuck Schumer is considering a push to automatically tie unemployment benefits to the condition of the economy
 - Speaker Nancy Pelosi has also publicly endorsed this idea, saying it would avoid the political wrangling that could otherwise threaten to hold up much-needed aid.
- Tourism
 - In Washington DC there are behind-the-scenes conversations about a potential proposal to boost tourism by providing tax breaks for Americans who travel inside the United States. It is being actively considered by the White House for inclusion in the next coronavirus stimulus package. Here are some preliminary details that are being discussed:
 - The tourism tax incentive would be up to \$4,000 per household.



- It would permit a refund of 50 percent of qualified travel expenses through the end of 2021
- Qualified expenses would be defined as any purchase over \$50 during travel inside the United States on “meals, lodging, recreation, transportation, amusement or entertainment, business meetings or events, and gasoline.”
- Restaurants
 - Senator Roger Wicker (R-MI) and Congressman Earl Blumenauer (D-OR) announced a bill that would create a dedicated relief fund for restaurants.
 - The bill would set up a \$120 billion grant program to help restaurants with fewer than 20 locations that aren’t publicly traded
 - Senator Wicker said he is aiming to get the legislation included in the next coronavirus relief package, which he said he anticipated Congress would take up in mid- to late-July.
 - As a senior Senate Republican, Wicker has influence on the Senate response to the House-passed HEROES Act.

Another point of contention that has yet to be negotiated is using state and local funding to repair coronavirus-related revenue loss. Several proposals recommend different funding levels and allocation formulas, with no clear front-runner. Ultimately, both Democrats and Republicans seem to recognize the need for additional state and local funding and will likely allocate additional funding with some restrictions.

Phase 4 negotiations are expected to begin in earnest in the next few weeks, with a package finalized in July.

Coronavirus Relief Fund Guidance

This month, the Treasury Department released updated FAQs on the Coronavirus Relief Fund, which allocated funds to state and local governments through the CARES Act. New information includes:

- CRF money can be used to offset the 25% matching requirement for FEMA’s Public Assistance Grants.
- If you are using CRF money to fund public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency, you are not required to track time of the employees responding to COVID-19.
- CRF money can be given to non-profits to distribute COVID-related assistance
- CRF money can be used towards marketing expenses for local tourism industries. The guidance makes the following stipulations:

Policing Bills

Following protests across the nation, Republicans and Democrats introduced police reform bills in June to address a variety of issues.

The Democrats’ preferred bill, the “Justice in Policing Act” (H.R. 7120), is sponsored by Congressional Black Caucus Chairwoman Karen Bass (D-CA) and Judiciary Committee



Chairman Jerry Nadler (D-NY) in the House. Senators Cory Booker (D-NJ) and Kamala Harris (D-CA) are the leaders of the effort in the Senate.

The bill would do the following:

- Drop the threshold for defining police misconduct from “willfully” violating constitutional rights to doing so with knowing or reckless disregard.
- Weaken the qualified immunity that broadly shields police officers from being liable for damages for rights violations.
- Ban choke-holds like the one used by police in the death of George Floyd, as well as no-knock warrants, which led to the death of Breonna Taylor in Louisville in March.
- Make lynching a federal crime for the first time.
- Create a national registry of police violations
- Require Federal officers to wear body cameras.
- Place new limits on federal funding for local and state police
- Require bias training and the use of de-escalation tactics in order for grants to be approved.
- Curtail the transfer of military weaponry to state and local police.

The bill passed the House and awaits movement in the Senate. Additionally, Congressional Republicans, led by Senator Tim Scott (R-SC), released their own bill, the “Just and Unifying Solutions to Invigorate Communities Everywhere (JUSTICE) Act” (S. 3985).

A summary of the JUSTICE Act is as follows:

- Requires reports on no-knock warrants
- Creates compliance assistance grants
- Incentivizes banning of chokeholds
- Criminalizes falsifying police incident reports
- Establishes a new Body-Worn Cameras grant program
- Requires law enforcement agencies to maintain and appropriately share disciplinary records for officer hiring consideration
- Makes lynching a federal crime
- Establishes a Commission on the Social Status of Black Men and Boys
- Requires DOJ to develop and provide training on de-escalation and implementation and fulfillment of duty to intervene policies.
- Establishes a National Criminal Justice Commission
- Allows COPS grants to be used by law enforcement agencies to hire personnel reflective of the communities they serve
- Urges consensus development of best practices for policing tactics, employment processes, community transparency and administration. Studies on community Use of Force review boards, law enforcement officer engagement on issues related to mental health, homelessness, and addiction, and proposals on improving accountability for DOJ grants.
- Makes it unlawful for a federal law enforcement officer to engage in a sex act while serving or with an individual who is under arrest, in detention, or in an officer’s custody.



Although both the Republican and Democratic bills address police violence, there are relatively few similar provisions between the two bills—both bills would make lynching a federal crime, but take different approaches to police misconduct tracking and penalties, qualified immunity, chokeholds, no-knock warrants, body cameras, and federal funding.

The Democrats, in opposition to the Republicans' version of policing reform, blocked consideration of the bill in the Senate. This created an impasse between both sides of the aisle on police reform, and a path forward is not clear.

DACA

In June, the Supreme Court ruled that the Trump Administration cannot shut down the Deferred Action for Childhood Arrivals (DACA) program using its current plan. The 5-4 ruling, written by Chief Justice Roberts, said that the government failed to give an adequate justification for ending the federal program, and that the Department of Homeland Security did not act properly when it ordered the program ended in 2017. The majority opinion described the decision as “arbitrary and capricious”.

The ruling also indicated that the Department of Homeland Security does have the authority to shut down the program. The Trump Administration can try again to shut it down by following the law and offering a more detailed explanation for its action.

Small Business

This month, Congress passed, and the President signed legislation to extend the Paycheck Protection Program's former eight-week period during which businesses must use funds to have loans forgiven to 24 weeks or December 31, whichever comes sooner. In addition, on July 1, Congress passed legislation (S 4116) to extend the deadline to apply for businesses to apply for PPP loans from June 30 to August 8. President Trump is expected to sign the PPP extension legislation into law.

Following Congressional pressure, the Department of Treasury and the Small Business Administration announced they will release the names of companies and nonprofits that got loans larger than \$150,000 under the Paycheck Protection Program, along with other identifying information. This is expected to cover nearly 75 percent of the over \$500 billion lent out so far, though a minority of the 4.5 million total beneficiaries. Additionally, Congress will get complete access to individual loan data from the Paycheck Protection Program, beyond what the agencies have agreed to share with the broader public.

Infrastructure

This month, Speaker Nancy Pelosi announced the House's plan to package several typically unrelated bills into one massive "infrastructure" package, which will include more than \$1.5 trillion in funding. Deemed the “Moving America Forward Act” (H.R. 2), House leadership indicated the bill will focus on resiliency, job creation, commerce, and restoring the economy.

The Moving America Forward Act will center primarily around the Investing in a New Vision for the Environment and Surface Transportation in America Act (INVEST Act), which serves as the House's version of the Surface Transportation Reauthorization. This legislation, which provides



nearly \$500 billion in highway and transportation funds over 10 years, has been discussed for finalization by the House Transportation Committee over the past two days. In addition to the INVEST Act, the Moving America Forward Act also will incorporate the following inclusions:

- \$100 billion for low-income schools
- \$100 billion for affordable housing
- \$100 billion for broadband
- \$70 billion for the electric grid
- \$65 billion for water projects, including \$2.25 billion for PFAS grants
- \$30 billion for hospitals
- \$25 billion for the Postal Service

The “Moving America Forward Act” is currently being amended on the House floor and is expected to pass. TPA has worked with Congress to ensure the inclusion of programs like Community Block Development (CDBG) and INFRA Grants, continued funding for programs such as EPA's Brownfields Program, aircraft noise mitigation, and water infrastructure.

TPA has also worked to ensure passage of key amendments such as Congresswoman Lizzie Fletcher's (D-TX) amendment submission, which amends the legislation to designate funds allocated through the Highway Trust Fund for undergrounding public utilities. This bill language is critical, as it would help to mitigate the cost of recurring damages from extreme weather events, wildfire or other natural disasters.

Land and Water Conservation Fund

In June, the Senate voted 73-25 to clear the bill to secure mandatory funding for the Land and Water Conservation Fund (LWCF) at \$900 million annually and provide billions to address maintenance backlogs on the nation's public lands. If this bill is finalized, the LWCF would no longer be subject to the annual appropriations negotiation process.

The measure now heads to the House, where prospects for passage are strong. House Natural Resources Chair Raúl Grijalva (D-AZ) is publicly backing the bill and saying it has bipartisan support, including from Speaker Nancy Pelosi (D-CA) and House Majority Leader Steny Hoyer (D-MD).

At the federal level, permanent reauthorization and a shift to mandatory funding would protect LWCF in perpetuity. Previously, the program was subject to reconsideration and possible elimination in each annual appropriations cycle and put the program much more at the whims of the political process. If permanent reauthorization is finalized, it would take another act of Congress to unauthorize the program and reduce or eliminate funding, which is extremely difficult and unlikely. With permanent authorization, LWCF can make long-term plans and long-term investments in communities, knowing that their funding is safe.

In every conversation about the Land and Water Conservation Fund TPA has with members of Congress and their staff, we have always stressed the importance of permanent reauthorization and a shift to mandatory funding, since this would create reliability and enshrine a commitment to conservation for generations to come. The push from TPA and other stakeholders has been ongoing for years, and this is the closest legislation has come to making the Fund permanent.



UPCOMING FUNDING OPPORTUNITIES

COVID-19 Update & Funding

The last few months have continued to see unprecedented events unfold across the nation. Federal, state and local budgets all continue to be impacted and governments are attempting their best to prioritize and respond to funding needs. Several existing funding programs continue to move forward as scheduled but many have been delayed while jurisdictions reassess and work to address the nation's most urgent health and safety needs.

TPA plans to continue providing updates on existing grant programs through this monthly report but will also track and report on new COVID-19 specific funding sources in a stand-alone document that you may be able to take advantage of.

Looking Ahead: Grant Program Highlights

July

Name	Awards & Match	Description	Deadline
Caltrans – California Transportation Commission (CTC): Active Transportation Program (ATP) Cycle 5 – Quick Build Applications	No Min. for non-infrastructure projects, including Quick Build No Max Award No Match, points awarded for leveraging cash funds	Quick build projects are interim capital improvement projects that further the goals of the ATP. These projects do require minor construction activities but are built with durable, low to moderate cost materials, and last from one year to five years.	July 15 for Quick-Build Projects
CA Natural Resources Agency: Urban Greening Program	No Match, preference for projects serving a DAC No Min. or Max Award	The Urban Greening Program will fund projects that quantifiably reduce greenhouse gases by sequestering carbon, decreasing energy consumption and reducing vehicle miles traveled. Eligible projects will establish and enhance parks and open space, use natural solutions to improving air and water quality and reducing energy consumption, and create more walkable and bike-able trails.	July 15, 2020



California Department of Housing and Community Development: Permanent Local Housing Allocation	Funds are allocated to local governments on a non-competitive basis.	The Permanent Local Housing Allocation (PLHA) Program provides grants to Local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities.	Over-the-counter period until July 27, 2020
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August

Name	Awards & Match	Description	Deadline
California Department of Housing and Community Development: Local Housing Trust Fund Program	<p>\$500,000 Min. Request for new Trust Funds</p> <p>\$750,000 Min. for new Trust Funds that leverage PLHA dollars</p> <p>\$1 million Min. for existing Trust Funds</p> <p>\$5 million Max Award</p>	Matching grants (dollar for dollar) to local housing trust funds that are funded on an ongoing basis from both private and public contributions or public sources. Funds must be dedicated to the creation, rehabilitation, or preservation of affordable housing, transitional housing and emergency shelters.	August 3, 2020
National Endowment for the Arts: Our Town Grant Program	<p>\$25,000 Min. Award</p> <p>\$150,000 Max Award</p> <p>1 to 1 Match</p>	Our Town grants support projects that integrate arts, culture, and design activities into efforts that strengthen communities by advancing local economic, physical, and/or social outcomes. Projects require a partnership between a local government entity and nonprofit organization, one of which must be a cultural organization;	August 6, 2020



Future Grants to Watch:

Name	Awards & Match	Description	Timeline
<p>Caltrans: Highway Safety Improvement Program (HSIP) Cycle 10b</p>	<p>\$100,000 Min. Award</p> <p>\$10 million Max Award</p> <p>10% non-Federal Match</p>	<p>The purpose of the HSIP program is to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal land.</p>	<p>September 4, 2020</p>
<p>Caltrans – California Transportation Commission (CTC):</p> <p>Active Transportation Program (ATP) Cycle 5</p>	<p>\$250,000 Min. Award for infrastructure projects. No Min. for non-infrastructure projects</p> <p>No Max Award</p> <p>No Match, points awarded for leveraging cash funds</p>	<p>The purpose of ATP is to encourage increased use of active modes of transportation in California. This program will fund the following active transportation project types:</p> <ul style="list-style-type: none"> • Infrastructure • Plans (for DAC communities) • Non-Infrastructure • Quick-Build Project Pilot 	<p>September 15</p> <p>Postponed from June 15</p>
<p>California Department of Housing and Community Development:</p> <p>Local Early Action Planning (LEAP) Grant</p>	<p>Funds are allocated to local governments on a non-competitive basis.</p> <p>Award amounts based on population.</p>	<p>LEAP provides funding to jurisdictions for the preparation and adoption of planning documents, process improvements that accelerate housing production, and facilitate compliance in implementing the sixth cycle of the regional housing need assessment (RHNA).</p>	<p>Applications accepted over-the-counter until January 31, 2021</p> <p>Extended from July 1, 2020</p>



<p>California Department of Parks and Recreation</p> <p>Prop 68 Per Capita Program</p>	<p>\$177,952 allocation for all eligible recipients</p> <p>20% match unless project serves a "severely disadvantaged community" (median household income less than 60% of the statewide average)</p>	<p>Funds are available for local park rehabilitation, creation, and improvement grants to local governments on a per capita basis. Grant recipients are encouraged to utilize awards to rehabilitate existing infrastructure and to address deficiencies in neighborhoods lacking access to the outdoors.</p> <p>Grant performance period is July 1, 2018 – June 30, 2024</p>	<p>Resolution: Submit to DPR December 31, 2020</p> <p>Application Packet: June 30, 2021</p>
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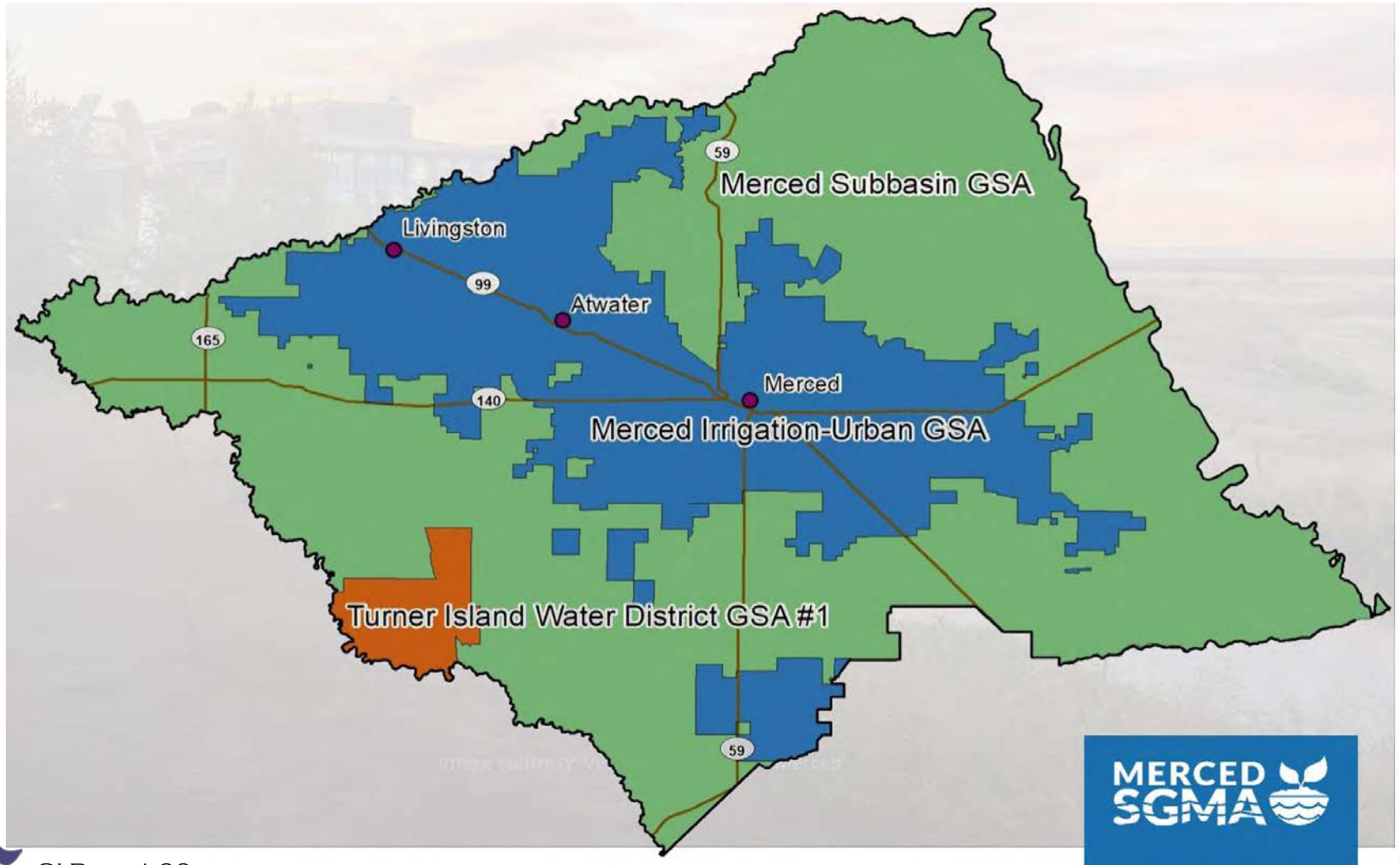


2020 Regulatory Fee Study

Board Meeting

July 7th 2020

MIUGSA Management Area and Merced Sub-Basin



Need for a MIUGSA Regulatory Fee

Each of the GSAs in the Merced Subbasin need to fund their regulatory activities. The California Water Code allows GSAs to fund the costs of:

- Developing and implementing a groundwater sustainability plan
- Investigations, inspections, compliance assistance, enforcement, program administration, and
- A prudent reserve



MIUGSA's Budget

To date, costs incurred have been paid for by the member agencies. These costs, and future regulatory activity cost, need to be paid for by the beneficiaries of MIUGSA's activities.

Budget Item	Amount
Staffing	\$150,000
Professional Services	\$205,000
Compliance & Administration	\$210,600
Repay Prior Year Costs	\$149,500
Prudent Reserve	\$84,900
TOTAL	\$800,000



Who will pay the Regulatory Fee?

All property owners are beneficiaries of regulatory activities in the MIUGSA management area. It is proposed that All property owners will pay a fee, including those with a domestic well.

Beneficiaries are classified as either Urban or Agricultural Production

Urban

Residential

Non-Residential

Agricultural Production



Agricultural Production and Urban Users Definitions

Agricultural Production

“All real property classified by the Merced County Assessor as Agriculture, Dairy, Grazing, Poultry and Poultry/Trees”

Urban Residential and Non-Residential

“All real property that is not classified by the Merced County Assessor as Agriculture, Dairy, Grazing, Poultry and Poultry/Trees”



Clarifying Points made to the Public

This is a fee of the Merced-Irrigation Urban GSA (MIUGSA).

- It is NOT a fee or an increase of a fee charged by water service providers. It is NOT a fee charged by Merced Irrigation District.

The MIUGSA regulatory fee is not a charge for water service.

- It is a charge for regulatory activity to meet the requirements of SGMA.

SGMA allows GSAs to regulate de minimis users (domestic well owners).

- MIUGSA passed a resolution in accordance with the law. This means that domestic well owners can be charged the regulatory fee but MIUGSA cannot require meters on domestic wells.



Fee Development

- Began with a review of different funding structures and fee amounts adopted by other GSAs in California
- Fee goals discussion with the Board:
Simplicity, Equity, Administrative Ease, Enforceability, Financial Stability
- Initial stakeholder interviews pointed to an expectation that groundwater use would be incorporated into the fee
- Two fee options were developed. Both options account for the amount of groundwater use between Urban and Agricultural Production beneficiaries



Fee Options

Two fee options were developed. Under both fee options, the fees would be collected with property taxes.

Option A

Per Agricultural Acre

Per Urban Acre

*(same fee per acre for
all urban properties)*

Option B

Per Agricultural Acre

Per Weighted Urban Acre

*(weighted fee structure that
accounts for acreage & land use)*



Fee Options Similarities and Differences

Both options involve a fee methodology with 3 steps:

1. Allocate cost between Urban and Agricultural Production uses of groundwater (same for both options)
2. Calculate the fee for Agricultural Production (same for both options)
3. Calculate the fee for Urban (different for each option)



Step 1 (applies to both fee options)

Allocate costs between urban and agricultural production uses of groundwater

Estimated pumping based on historical data:

22% Urban, 78% Agricultural split

Pumping by each group could change over time; periodic fee reviews will update the percentages as necessary



Step 2 – Agricultural Production Fee (applies to both options)

- Divide allocated Agricultural cost share by Agricultural Production Acres
- Agricultural Production Acres defined as parcels classified by the Merced County Assessor as:
 - Agriculture (General Farming)
 - Dairy
 - Grazing
 - Orchard
 - Poultry

All parcels pay the same per acre regardless of use and regardless whether currently in use or currently irrigated



Illustration of Steps 1 and 2 for Agricultural Production Fee

Acreage of parcels is based on mapping software (GIS acres) and may not exactly match Assessor records of situs acreage

Step	Item	Calculation	Cost
Step 1	Estimated Cost Shares		
	Total Cost	a	\$800,000
	Agricultural Production Share	b = a*78%	\$624,000
	Urban Share	c = a*22%	\$176,000
Step 2	Agricultural Beneficiaries		
	Agricultural Production Acres	d	119,158
	Allowance for Errors	e = d*5%	5,958
	Acres in Fee Calculation	f = d-e	113,200
	Cost per Ag. Production Acre	g = b/f	\$5.52 per acre



Step 3 –Urban Fee Option 2A

- Divide allocated Urban cost share by number of Urban Acres
- Urban Acres defined as all Merced County Assessor land use classifications that are NOT Agricultural Production Acres



Illustration of Steps 1 and 3 for Option 2A

Acreage of parcels is based on mapping software (GIS acres) and may not exactly match Assessor records of situs acreage

Step	Item	Calculation	Cost
Step 1	Estimated Cost Shares		
	Total Cost	a	\$800,000
	Agricultural Production Share	b = a*78%	\$624,000
	Urban Share	c = a*22%	\$176,000
Step 3	Urban Beneficiaries		OPTION A
	Total Acres	h	29,582
	Allowance for Errors	i = h*5%	1,479
	Urban Acres in Fee Calculation	j = h-i	28,103
	Cost per Urban Acre	k = c/j	\$6.26 per acre



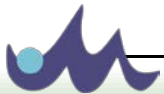
Step 3 –Urban Fee Option 2B

- Divide allocated Urban cost share by number of Weighted Urban Acres
- Weighted Urban Acres are Urban Acres weighted by water use coefficients
- More intensive water users (on a per acre basis) will pay a higher per acre fee under Option 2B



Illustration of Steps 1 and 3 for Option 2B

Step	Item	Calculation	Cost
Step 1 Estimated Cost Shares			
	Total Cost	a	\$800,000
	Agricultural Production Share	b = a*78%	\$624,000
	Urban Share	c = a*22%	\$176,000
<hr/>			
Step 3	Urban Beneficiaries		OPTION B
	Urban Weighted Acres	h	30,399
	Allowance for Errors	i = h*5%	1,520
	Weighted Acres in Fee Calculation	j = h-i	28,879
	Cost per Urban Weighted Acre	k = c/j	\$6.10 per acre
	Residential	factor	
	Mobile Home	k*weighting 0.96	\$5.86 per acre
	Single Family Detached	k*weighting 1.00	\$6.10 per acre
	Single Family >0.9 acre lot	k*weighting 1.28	\$7.80 per acre
	Single Family Attached	k*weighting 1.58	\$9.64 per acre
	Apartments	k*weighting 2.36	\$14.40 per acre
	Non-Residential		
	Commercial	k*weighting 1.32	\$8.06 per acre
	Industrial	k*weighting 1.36	\$8.30 per acre
	Religious	k*weighting 0.90	\$5.50 per acre
	Government	k*weighting 1.16	\$7.08 per acre
	Railroad/Utilities	k*weighting 0.18	\$1.10 per acre
	Open Space	k*weighting 0.64	\$3.90 per acre
	Vacant	k*weighting 0.10	\$0.62 per acre



Examples of FY 2020/21 Residential Fees

Property	Acres	Option A	Option B
		\$6.26 per acre	varies
		Annual Fee per Unit	
Mobile Home	0.10	\$0.62	\$0.58
Home on Typical Lot	0.17	\$1.06	\$1.04
Home on Cul-de-Sac	0.22	\$1.38	\$1.34
Home on Lot >0.9 acres	2.00	\$12.52	\$15.60
Condo	0.07	\$0.44	\$0.68
Apartment	0.04	\$0.26	\$0.58

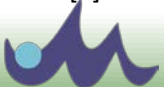


Examples of FY 2020/21 Non-Residential Fees

Non-Residential Owner	Water System Type	Category	Cost per Urban Acre	Weighted Cost per Acre	Acreage Owned	FY 2021 Fee	
						Option A	Option B
Dole Packing Plant (Atwater)	Public	Industrial	\$6.26	\$8.30	82.8	\$518	\$687
Malibu Boats (Merced)	Municipal	Industrial	\$6.26	\$8.30	21.0	\$131	\$174
Live Oak Farms (Le Grand)	Municipal	Industrial	\$6.26	\$8.30	8.5	\$53	\$71
Wallace Transport (Tuttle)	Private	Industrial	\$6.26	\$8.30	7.6	\$48	\$63
White Rock Land and Cattle (Le Grand)	Municipal	Industrial	\$6.26	\$8.30	1.6	\$10	\$13
Foster Farms (Livingston) [1]	Municipal	Industrial	\$6.26	\$8.30	209.8	\$1,313	\$1,741
Save Mart (Atwater)	Municipal	Commercial	\$6.26	\$8.06	1.2	\$8	\$10
Walmart (Merced)	Municipal	Commercial	\$6.26	\$8.06	14.7	\$92	\$118
Motel 6 (Livingston)	Municipal	Commercial	\$6.26	\$8.06	2.0	\$12	\$16
Mercy Medical Complex (Merced)	Municipal	Commercial	\$6.26	\$8.06	19.7	\$123	\$159
Rancho Del Rey Golf Course (Atwater)	Private	Commercial	\$6.26	\$8.06	118.3	\$741	\$953
Livingston Middle School	Municipal	Government	\$6.26	\$7.08	33.7	\$211	\$239
Planada Elementary	Municipal	Government	\$6.26	\$7.08	23.4	\$146	\$165
Cressey Fire Station	Private	Government	\$6.26	\$7.08	0.7	\$5	\$5
Winton Community Park	Municipal	Government	\$6.26	\$7.08	21.4	\$134	\$152
LDS Church (Merced)	Public	Religious	\$6.26	\$5.50	5.6	\$35	\$31

Source: HEC May 2020.

[1] Foster Farms also owns agricultural, commercial, and residential parcels.



July 2, 2020 Final Fee Study Recommendation

Adopt the **Option 2B** fee methodology and rate structure:

- Stakeholder/public comment that the fee for Urban parcels should account for water use by different users or land use types.
- While Option A provides sufficient evidence of a reasonable relationship between the amount of the fee allocated to each payor and the benefits received by each payor, Option B provides a stronger relationship because land uses that have more intensive water use per acre will pay more.



Recommended FY 2020/21 Fee

FY2020/21 Fee by Land Use Type	Assessor Land Use Codes
Agricultural Production (per Acre)	
\$5.52 Agricultural Production	0701 0702 0703 0704 0706 0707 0708 0711 0712 0801 0802 0804 0806 0807 0808 0813 0814 0909 0911 1207 1208 1313 1408 1414
Urban Residential (per Acre)	
\$5.86 Mobile Home	1702 1703 1704 1717
\$6.10 Single Family Detached	0101 0102 0103 0104 0105 0106 0117 0125 1201 1212
\$7.80 Single Family >0.9 acre lot	same codes as for Single Family Detached
\$9.64 Single Family Attached	0130 0201 0202 0203 0204 1202 1203
\$14.40 Apartments	0301 0302 0303 0304
Urban Non-Residential (per Acre)	
\$8.06 Commercial	0402 0403 0404 0405 0406 0407 0408 0430 0505 1204
\$8.30 Industrial	0601 0603 0604 0606
\$5.50 Religious	1020 2020
\$7.08 Government	1515 1919
\$1.10 Railroad/Utilities	1616
\$3.90 Open Space	1818 2121 3030
\$0.62 Vacant	1001 1002 1003 1004 1005 1006 1012 1030



Public Outreach Recap

- Key stakeholders (from community and sectors of commerce) telephone interviews in March
- Mailers to all property owners in MIUGSA's boundaries end of May
- Display ads in the Merced County Times, Atwater-Winton Times, Merced Sun-Star, and Vida En El Valle early June
- Public outreach materials posted to the miugsa.org website May and June
- Interactive map placed on miugsa.org website so that property owners can check if they are in the Management Area
- Public workshops June 15 and 16



Steps to adopt the MIUGSA Regulatory Fee

- A fee study report is accepted by the Board of Directors. This report provides the justification for the fee, the data upon which the fee is calculated, and demonstrates that a reasonable relationship exists between the fee amount and the purpose of the fee.

Per the California Constitution, fees cannot exceed amount necessary to cover reasonable costs of the governmental activity and the amount allocated to each payor must bear a reasonable relationship to the payor's burdens on the benefits received.

- The Agency notices a public hearing date in local newspapers two weeks before the public hearing.
- Following the public hearing, the Agency can adopt a resolution establishing the fee.



Fee Revisions

- MIUGSA Board has ability to revise the fee whenever needed by following procedures in the California Constitution
- Annual automatic fee inflator would be applied each year (for example the Bureau of Labor Statistics Western Region CPI)
 - Average annual increase past 20 years = 2.32%



Fee Appeals

An appeals process will be included in the fee resolution.

- The property owner shall first be required to pay the fee as charged.
- Following payment, an appeal may be filed with MIUGSA.
- The appeal may be granted or denied.

