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Charlotte County Board of County Commissioners

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Charlotte County, Florida 2025 Federal Legislative Agenda

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FEDERAL ISSUE: Hurricane Recovery

<u>BACKGROUND</u>; <u>HOW IT MAY AFFECT CHARLOTTE COUNTY</u>: In just the last three years, Charlotte County has been significantly impacted by Hurricanes Ian (2022), Helene, and Milton (both 2024). Since then, Congress has provided several infusions of federal funding to help recover from a litany of natural disasters nationwide.

Charlotte County has a significant needs for recovery assistance. Generally, these include debris removal, rebuilding of affordable housing, repair of public infrastructure, and economic recovery, to name a few. The federal government provides assistance through a variety of different programs; this fragmented system means the County must deal with a myriad of federal agencies as well as coordinate with state and local partners.

FEMA Public Assistance Reimbursements

The Federal Emergency Management Agency (FEMA) assists local governments, through the state, after disasters with funding for debris removal and recovery projects. This funding follows a specific process where counties seek reimbursement through the State Division of Emergency Management and FEMA for projects. It is essential that these reimbursements are processed in a timely manner to ensure the fiscal stability of the County. Charlotte County submits millions of dollars in project worksheets and needs the timely engagement of FEMA and the Florida Department of Emergency Management to recover.

NRCS EWP

The Department of Agriculture Natural Resources Conservation Service (NRCS) administers the Emergency Watershed Protection (EWP) program that is used to remove marine debris after natural disasters. While the NRCS EWP program may prove to be a critical resource for Charlotte County, it may only partially solve canal debris and sediment challenges of the County and greater region. Applicants typically go through an arduous and expensive process to secure funding for even a partial cleanup of marine debris. Further, the process for NRCS to approve or reject individual canals often takes too long given that the intent is to protect an area from future storm damage and flooding. Ultimately, the EWP program may only approve canals for cleanup if hydrologic conditions are impacted by debris, thereby ignoring the environmental degradation of any debris remaining in nearshore waters.

Despite the federal government's clear recognition that marine debris after a storm is a serious problem that deserves federal support, programs in existence do not appropriately deal with debris under water. For example:

- Funding to Coast Guard programs is meant to respond to derelict vessels.
- FEMA's funding can remove marine debris, but their criteria is limited only to navigational hazards, meaning that they will only address limited depths and will not remove all debris present.
- NOAA funding can address marine debris, but they have limited funding and focus on environmental hazards.

FEMA will pay to remove all land-based debris that sits above the water line. Yet, in coastal communities throughout the country, whose waterways are as important as roads or other public infrastructure, there is not a similar program that is all-encompassing and as thorough for marine debris. This inequity may need to be by Congress, either by appropriately refocusing and adjusting the NRCS EWP program or by developing a new program to comprehensively address marine debris.





Community Development Block Grant Disaster Recovery program

The Community Development Block Grant Disaster Recovery (CDBG-DR) program is among the most flexible funding available through the federal government to help communities recover from disasters. Once Congress has appropriated funding after a disaster, the Department of Housing and Urban Development (HUD) will use a formula to determine allocations between jurisdictions that have been impacted by the disasters covered in that particular appropriation, which are then published in the Federal Register. The funds allocated to any jurisdiction in Florida are administered by the Department of Economic Opportunity (DEO).

Unfortunately, for the second time in the past few years, Charlotte County has been deemed ineligible for a direct allocation of CDBG-DR funding because it lacks CDBG entitlement status (which it is seeking due to the County's population being greater than 200,000) and/or has not reached a minimum disaster impact threshold set by HUD. Due to that, the County must compete for funds from the state, which is cumbersome and delays aid effectively reaching the County's constituents.

Community Development Block Grant Mitigation Funds

Congress created the CDBG-MIT program after disasters of 2016 and 2017, leaving much of the implementation up to HUD and individual states to ultimately disburse. After Congressional appropriations, HUD will notify Florida that it will receive CDBG-MIT money for disaster events that occurred during a specific time period. Then, HUD will released a Federal Register notice to formally disburse the funds to eligible states, once states submit individual State Action Plans. Once HUD approves a State Action Plan, Florida will be able to access and spend the funding.

FEMA Reform

President Trump in early 2025 signed an Executive Order titled, "Council to Assess the Federal Emergency Management Agency." In short, the EO requests a report to be developed by a new Federal Emergency Management Agency Review Council that will assess FEMA and make recommendations to the President for potential change. The Council will include no more than 20 individuals, including some federal and some non-federal (all of whom will be appointed by the President, but no further specific guidance is provided), must meet for the first time within 90 days, and then must release its report 6 months after its first meeting.

Over the years, a variety of proposals have been floated to push FEMA's authority to the states and turn the agency into more of a "block grant" entity. Nearly any significant changes to FEMA, its role, or its processes will require legislation from Congress.

<u>POSITION</u>: **Support** recovery efforts from recent hurricanes Ian, Helene, and Milton, including FEMA reimbursements, funding for Community Development Block Grants-Disaster Recovery and Mitigation Programs (CDBG-DR and CDBG-MIT), Hazard Mitigation Grant Program, Army Corps of Engineers, the Natural Resource Conservation Service Emergency Watershed Protection program, and other programs of importance to Charlotte County. **Support** the expedited processing of FEMA reimbursements to local governments. **Support** improvements to FEMA's operations to accelerate processing. **Monitor** changes to FEMA and other federal agencies tasked with recovery. **Support** the timely release of federal funding.





FEDERAL ISSUE: Charlotte County, FL Shoreline and Inlet Management

<u>BACKGROUND</u>; <u>HOW IT MAY AFFECT CHARLOTTE COUNTY</u>: Over the past several years, Charlotte County's beaches on Manasota Key have eroded to the point where the County has declared numerous emergencies to help with permitting and other homeowner challenges.

In 2016, upon seeking to engage the Corps of Engineers in a long-term solution to erosion issues, the County learned that the Corps completed a Chief of Engineers report on 29 June 1981 in response to a House Public Works Committee Resolution adopted 2 December 1971. Unfortunately, in the spring of 1981, the Charlotte County Board of County Commissioners withdrew support for the project, thereby effectively ending substantive work on the project.

Given the County's recent challenges and the work completed by the Corps in the past, the County requests that the Corps initiate a new study of the shoreline, focusing primarily on those areas recommended for a project in 1981. These include beach erosion control improvements along 3.9 miles beginning at Stump Pass and extending northward to the Sarasota County Line (along Manasota Key), including the Port Charlotte Beach State Recreational Area. At the time, the project had a benefit-cost ratio of 4.2, with initial placement of approximately 335,000 cubic yards (CY) and five-year nourishment intervals of approximately 68,000 CY each. Finally, a 1,250-foot long terminal groin was recommended to be constructed at the south end of the beach fill along Stump Pass. Sand was proposed to have come from an offshore borrow area.

The Jacksonville District of the Corps indicates the Charlotte County study is authorized via Statute 69-132, Chapter 140, Public Law 84-71 - June 15, 1955.

In its final Fiscal Year 2023 Omnibus Appropriations bill, Congress provided \$500,000 to the Army Corps of Engineers – and most importantly, a "new start" – for the Corps to initiate a study of the Charlotte County shoreline. More recently, Congress is on track to provide an additional \$500,000 to the study in the last two fiscal years (FY24 and FY25).

Easement Issues

Under the Biden Administration, the Corps of Engineers determined that federal beach projects must have what are known as perpetual easements for construction and public access from all individual property owners along the length of a coastal storm risk management project to proceed to construction. This is a different interpretation than has been used in the past and has placed the future of the federal shore protection program in Florida – including the pending project in Charlotte County – at risk because getting these easements from individual property owners can be difficult.

For the first time, language relating to shore protection easement issues was included in the 2024 Water Resources Development Act. While the language may not solve all of the problems with perpetual easements, it is easier to amend existing language in the future rather than insert new language, meaning that we have a pathway to make further tweaks as necessary in future WRDA bills.

<u>POSITION</u>: *Support* additional funding for the Charlotte County, Manasota Key beach nourishment project to complete a federal feasibility study. *Support* language clarifying that Army Corps of Engineers shore protection projects may proceed without perpetual easements from every property owner.





FEDERAL ISSUE: Charlotte Harbor Conservation; Central Sewers

<u>BACKGROUND</u>; <u>HOW IT MAY AFFECT CHARLOTTE COUNTY</u>: The health of Charlotte Harbor is critical to the future of Charlotte County. A significant issue that threatens the Harbor is the need to transition residents from older, often failing septic systems to central sewers.

The Environmental Protection Agency estimates that over the next 20 years, the nation must collectively invest \$390 billion to update or replace existing wastewater systems and build new ones to meet increasing demand. This is an issue that affects the whole country, but in Charlotte County, fewer than 60,000 residents are on central sewer.

Many of the County's homes are within 150 feet of waterways that flow into Charlotte Harbor, necessitating that residents will ultimately need to be on central sewer. The County is currently completing the fourth phase of this project. In addition to taking advantage of State Revolving Funds and tax assessments, the County is pursuing funding for additional phases of this environmentally significant project.

In the Fiscal Year 2022 (FY22) appropriations process, Congress provided the Ackerman septic to sewer project with \$3.2 million in funding.

In a related effort, to potentially provide the County with additional federal assistance for its efforts, Congress via the Water Resources Development Act of 2022 amended the County's exiting Army Corps of Engineers "environmental infrastructure" authorization that had yet to be utilized to support the ongoing septic to sewer conversion project. The bill language is as follows:

CHARLOTTE COUNTY, FLORIDA.—Section 219(f)(121) of the Water Resources Development Act of 1992 (106 Stat. 4835; 113 Stat. 336; 121 Stat. 1261) is amended by striking "\$3,000,000 for" and inserting "\$33,000,000 for wastewater and".

Given this language, the County can seek federal funding via the Corps of Engineers to implement this provision via the annual Energy & Water appropriations bill.

By providing a long-term solution to significantly reduce non-point source pollutants into the receiving waters of Charlotte Harbor, the ability to support economic activities dependent on water quality will improve with the reduction/elimination of beach closures, sanitary health hazard complaints, and related impacts of nutrient and sediment loading. Removal of septic systems will increase the amount of developable land for businesses and provide for a larger variety of uses. Improving water quality will retain and increase tourism. Lastly, a continuation of the cooperative effort between public, private, and nonprofit organizations will continue the enforcement of water quality regulations and Best Management Practices.

<u>POSITION</u>: *Support* federal funding for the Charlotte County sewer system expansion.





FEDERAL ISSUE: National Flood Insurance Program

BACKGROUND; HOW IT MAY AFFECT CHARLOTTE COUNTY: In 1968, Congress established the National Flood Insurance Program (NFIP) to address the nation's flood exposure and challenges inherent in financing and managing flood risks in the private sector. Private insurance companies at the time claimed that the flood peril was uninsurable and, therefore, could not be underwritten in the private insurance market. A three-prong floodplain management and insurance program was created to identify areas across the nation most at risk of flooding, minimize the economic impact of flooding events through floodplain management ordinances, and provide flood insurance to individuals and businesses.

In mid-2012, Congress passed, and the President signed, the Biggert-Waters Flood Insurance Act (BW12), a 5-year reauthorization of the NFIP that attempted to restore the program to firmer financial footing by making changes to the program that impacted the Island's residents. Then, in early 2014, the Homeowner Flood Insurance Affordability Act (HFIAA), was enacted to address some of the so-called unintended consequences of BW12. While HFIAA delayed many of the premium increases implemented by BW12, the only real difference between rate increases envisioned by the two bills is that HFIAA reinstated grandfathering. This provision, originally ended by BW12, allows property owners to pay flood insurance rates based on original risk, not that which is determined by new community flood maps.

Authorization of the NFIP expires on March 14, 2025. In Charlotte County, there are roughly 35,000 NFIP policies for both homes and commercial properties.

Risk Rating 2.0

Today, the Federal Emergency Management Agency (FEMA) is implementing the Risk Rating 2.0 (RR2) pricing methodology for the NFIP. FEMA estimates that roughly 3.8 million policyholders will pay higher premiums, while 1.2 million policyholders will see rate decreases.

Several members of Congress and members of the Senate continue to advocate that the implementation of RR2 should be delayed and have written letters, proposed various bills, and called on the Administration to carry out the delay.

For Charlotte County, the data relating to the implementation of RR2 indicates the following expected price changes per year for participants in the NFIP: about 5% of County NFIP participants will see a decrease in their flood insurance rates while about 80% will see an increase of less than \$20 per year. The remaining will face more significant increases.

Community Rating System Potential Changes

As of July 2024, there were 4.65 million National Flood Insurance Program (NFIP) policies in force nationwide, including 1.7 million in Florida, by far the highest number in any state. More than 3.5 million of those policies benefit from discounts provided by the Community Rating System (CRS) due to the participation of 1,500 communities in the program nationwide. Charlotte County participates in the CRS program, achieving a Class 5 rating and a 25% discount for its NFIP policyholders.

Over the past several years, the CRS discount program has received enhanced criticism, with the Government Accountability Office arguing in 2023 that the discounts "are not actuarially justified" and "are not closely linked to potential loss reduction." For example, activities that earn community discounts, such as public information,





and flood mapping and warnings – both of which are recognized as being important – "do not reduce the potential for flood damage" to insured properties.

FEMA last sought public comment on the CRS program in 2021 and received feedback from a variety of floodplain managers, environmental groups, and local governments, with some urging that the program be abolished or overhauled. Some even questioned whether the CRS program is needed given the NFIP's current pricing approach (Risk Rating 2.0), which claims to calculate actuarially based premiums based on true risk.

Current Status: "CRS Redesign"

This summer, FEMA sought additional public comment on their "CRS Redesign," including "ways it can improve" the rating system by encouraging "measurable actions" to reduce flood risk and efforts to encourage people to buy flood insurance. FEMA is considering changes such as finding new ways beyond discounts to encourage communities to improve flood protection and "reducing the number of activities" for which communities can earn points. FEMA will invite additional public comment on concrete proposals before finalizing any changes, which could take a year or more.

Potential Changes to the CRS Program

In short, FEMA could reduce the number of activities and elements, on the one hand "streamlining" requirements, but also potentially reducing the activities for which a community could receive a discount.

<u>POSITION</u>: *Support* efforts to improve the National Flood Insurance Program for the benefit of all participants. *Monitor* FEMA's implementation of the Risk Rating 2.0 program and potential changes to the Community Rating System.





FEDERAL ISSUE: Everglades Restoration

BACKGROUND; HOW IT MAY AFFECT CHARLOTTE COUNTY: In 2000, Congress authorized a 30-year plan, termed the Comprehensive Everglades Restoration Plan (CERP), for the restoration of the Everglades ecosystem in southern Florida. CERP generally focuses on increasing the storage of excess water in the rainy season to provide more water during the dry season for the ecosystem and for urban and agricultural users. When originally authorized, it was estimated that CERP would cost a total of \$8.2 billion and take approximately 30 years to complete. More recent estimates indicate the plan may take 50 years to implement and could cost \$13.5 billion.

The construction of water control structures and facilities within the Everglades throughout the 20th century has altered the natural hydrologic patterns of water in the region. Over time, this has changed the ecosystem of the connected coastal regions.

The Everglades restoration effort has seen significant progress in recent years. Several projects outlined in CERP have been completed or are nearing completion. For instance, the C-44 Reservoir and Stormwater Treatment Area (STA) has begun to improve water quality in the state. Another major project, the C-43 Reservoir is under construction. This project aims to store water to reduce discharges of polluted water into the Caloosahatchee river and nearby estuaries. The EAA Reservoir is under construction, while decompartmentalization projects and the Tamiami Trail modified water delivery project are complete.

More than \$2.5 billion in federal funding has been provided for the Everglades program in the last three fiscal years, some of which is from the Bipartisan Infrastructure Law.

Meanwhile, the most recent Water Resources Development Act of 2024 authorized additional Everglades projects of importance, including the Lake Okeechobee Component A Storage Reservoir (LOCAR) project.

Lake Okeechobee System Operating Manual Update

The Army Corps of Engineers released a Final Draft Lake Okeechobee System Operating Manual (LOSOM) Water Control Plan in March 2023. The regulation schedule regulates the management of Lake levels. As a part of this process, the Corps hosted several public meetings in Florida and accepted written comments multiple times. Since completion of the draft report, the Corps and the federal resource agencies have been working to address concerns that the new LOSOM plan will negatively impact certain endangered species.

The updated LOSOM began to be implemented in 2024 and will now dictate operations on Lake Okeechobee for the next decade, but the real impact of these changes will take time to fully manifest. LOSOM is expected to significantly reduce (but not end) harmful discharges to the St. Lucie and Caloosahatchee estuaries at most lake stages. It's also the first Lake O plan ever to acknowledge the need to send additional clean water south to the Everglades. That said, LOSOM still allows for harmful discharges to the St. Lucie and Caloosahatchee estuaries when Lake O climbs above 16.5-17 feet. Next steps involve continued monitoring and reporting on how the revised operating manual affects water quality, lake levels, and ecosystem health and further optimization of the plan, including coordination with new Everglades restoration projects, like the EAA Reservoir.

<u>POSITION</u>: *Support* adequate funding for Everglades restoration. *Support* continuing implementation of all facets of Everglades restoration. *Monitor* the implementation of the new Lake Okeechobee System Operating Manual.





FEDERAL ISSUE: Water Quality and Red Tide

BACKGROUND; HOW IT MAY AFFECT CHARLOTTE COUNTY: Nearly ever year, Charlotte County and much of the southern Gulf Coast of Florida are impacted by significant levels of the algae *Karenia Brevis*, commonly known as red tide. Outbreaks of red tide off the Florida coast have been documented since Spanish explorers first began visiting the area in the 15th century, however, a 2007 study that was conducted by the University of Miami and funded by the National Institutes of Health found that the levels of red tide have significantly increased over the past fifty years. The study found that levels of red tide measured in the area from Tampa Bay to Sanibel Island between 1994 and 2002 is thirteen to eighteen times the levels measured between 1954 and 1963. The increase in the nutrient levels in the ecosystem was found to be a significant factor in this increase.

In reaction to the ongoing outbreaks of red tide, both the state and federal government have taken action to mitigate the impacts to the local ecosystem and economy. Members of the Florida delegation have requested emergency declarations and requested additional funding to various federal agencies and others to study, mitigate, and respond to harmful algal blooms. The Florida delegation also worked to include several other provisions in the Commerce, Justice and Science appropriations bill and the Interior and Environment appropriations bill to address harmful algal blooms.

The water quality in the Gulf of America also affects the water near the shores of Charlotte County. Other sources of nutrients and pollution, such as the Mississippi River delta also contribute to the overall ecosystem in the Gulf. The Mississippi River watershed stretches north into Canada, west to Montana, Wyoming, Colorado, and New Mexico, and east to North Carolina, West Virginia, and Pennsylvania. This broad drainage basin creates challenges for determining and addressing causes of pollution that enters the Gulf of America.

<u>POSITION</u>: *Support* research and monitoring programs to address red tide. *Support* efforts to improve water quality for all water entering the Gulf of America, including from the coast of Florida and other tributaries, such as the Mississippi River.





FEDERAL ISSUE: Waters of the United States

BACKGROUND; HOW IT MAY AFFECT CHARLOTTE COUNTY: Congress enacted the Clean Water Act (CWA) in 1972 with the statutory objective "to restore and maintain the chemical, physical, and biological integrity of the Nation's waters." One of the Act's principal tools in achieving that objective is a prohibition on the discharge of pollutants from a point source to "navigable waters," which are defined in the Act as "the waters of the United States, including the territorial seas." Thus, "waters of the United States" (WOTUS) is a threshold term establishing the geographic scope of federal jurisdiction under the CWA.

For the past two decades, the WOTUS rule has been in a state of flux due to changes in administration and court rulings.

As of late 2023, the Biden administration had finalized a new version of the WOTUS rule to replace the narrower definition adopted under the Trump administration. The Biden rule expanded protections to more wetlands and waterways, including ephemeral streams and wetlands adjacent to larger bodies of water, which were excluded in the Trump version.

However, this new rule faced significant legal challenges. In January 2024, the Supreme Court issued a decision in Sackett v. EPA that limited the scope of federal jurisdiction over wetlands, ruling that only wetlands with a "continuous surface connection" to larger bodies of water could be regulated by the EPA. This decision directly impacted the implementation of the Biden-era WOTUS rule, potentially narrowing the definition further.

As of now, the EPA and the Army Corps of Engineers are working to revise the WOTUS rule to comply with the Sackett decision. This means the regulatory landscape is still in transition, and the definition of what constitutes WOTUS could change.

<u>POSITION</u>: *Monitor* activity related to the Waters of the U.S. rule. *Oppose* aspects of the rule that would negatively affect Charlotte County.





FEDERAL ISSUE: Energy Exploration

<u>BACKGROUND</u>; <u>HOW IT MAY AFFECT CHARLOTTE COUNTY</u>: Active energy drilling currently occurs in both the western and central Gulf of America.

In 2020, former President Trump signed a memorandum withdrawing the eastern Gulf of America and Atlantic coast of Florida from exploration, development, or production of energy through June 30, 2032. The memorandum also covers the Atlantic coast of Georgia and South Carolina and was later expanded to include the coast of North Carolina.

Then, in early 2025, former President Biden indefinitely blocked oil and gas drilling off the Atlantic and Pacific coasts, in the eastern Gulf of America, and in much of the United States' corner of the Arctic Ocean. These areas host very little OCS drilling currently, although various attempts have been made over the past few decades to allow seismic testing and/or leases in some areas now blocked.

While President-elect Trump vowed to overturn the new Biden rule, it may not be that simple. He does not have the authority to overturn the limits on his own, since the Outer Continental Shelf Lands Act does not explicitly allow for it. The Courts are likely to agree with that limitation on Trump's ability to overturn the rule, just as they did in 2019.

Meanwhile, Congress could act, but it would be a politically difficult vote for some Republican members of Congress and Senators who may support a permanent ban on drilling in certain areas, like off the coast of Florida. With the small margins in the House and Senate, an up or down vote on just this proposal likely would not pass. One option for Congressional Republicans though is to overturn the regulation through the budget reconciliation process, which, as you know, they plan to use to advance their initial agenda in the coming weeks and months.

Today, most oil pumped from federal waters occurs in the Western and Central Gulf of America, which accounts for 14 percent of the barrels produced in the United States. Nothing in Biden's proposal changes that. Meanwhile, the United States produces more oil and exports more natural gas than any other nation in the world, factors which have made prior lease sales in the newly banned areas less attractive to private industry in the past. With respect to oil alone, the U.S. has been the top producer for six years in a row, with the latest year being the largest production year ever.

POSITION: *Oppose* the potential expansion of fossil fuel energy exploration in Florida.





<u>FEDERAL ISSUE</u>: Transportation Issues: Harborview Road, <u>Yorkshire/Raintree Interchange</u> & Heavier, Longer Trucks

BACKGROUND; HOW IT MAY AFFECT CHARLOTTE COUNTY:

Harborview Road

The Harborview Road project is a critical ongoing project that is unfortunately short of funding for full completion. The project, which is an evacuation route and is part of the State Transportation Improvement Program and the Transportation Improvement Program, will widen Harborview Road in Charlotte County from two to four lanes between Melbourne Street, near U.S. Highway 41 (Tamiami Trail) and I-75, a distance of 2.3 miles.

Harborview Road is a key major east-west roadway that needs to become a four-lane divided roadway. This improvement is necessary to accommodate travel demand generated by population and economic growth in Port Charlotte and Charlotte County. The project will improve an existing traffic bottleneck along Harborview Road, improve substandard roadway design elements, boost transportation network connectivity, increase operational conditions of the road, bolster the road as a freight distribution route, improve safety conditions, improve local water quality, and accommodate pedestrian and bicycle traffic along the corridor. Currently, Harborview Road is a two-lane undivided roadway classified as an urban minor arterial with 12-foot travel lanes, no paved shoulders, and an open drainage system with no pedestrian or bicycle facilities.

A PD&E study for the Harborview project was completed in 2019 with a categorial exclusion provided for NEPA. The design phase is on-going and the project has been divided to two segments due to funding limitations: Segment I from Melbourne Street to Date Street and Segment II from Date Street to I-75. Segment I, a distance of 1.15 miles is fully funded for design, right-of-way acquisition, and construction. Segment II, a distance of 1.15 miles, is funded for design; however, the right-of-way acquisition and the construction phases are unfunded.

The total project cost estimate for Segments I and II is \$89 million, including the PD&E study, design, right of way acquisition, and construction. To date, \$51,400,000 in local and federal funding have been programmed to the project, leaving a shortfall \$12.6 million for right of way acquisition and \$25,000,000 for construction of Segment II.

Thanks to the efforts of Congressman Steube, the House of Representatives included \$20 million to widen Harborview Road in a bill to extend surface transportation programs in 2021. While that bill and its Member Designated Projects did not become law, Charlotte County still is unable to complete work on the project absent additional funding.

Yorkshire/Raintree Interchange

The Yorkshire/Raintree Interchange project aims to establish a new I-75 interchange in North Port to improve evacuation routes and support economic growth. First discussed nearly two decades ago, the project gained traction after Hurricane Irma in 2017. A 2022 white paper and stakeholder meetings led to a unified approach among local governments and MPOs, ensuring its inclusion in Long Range Transportation Plans (LRTPs). FDOT is conducting a feasibility study, and funding for initial phases has been identified. Future steps include securing FDOT approval, updating local plans, and advancing infrastructure development to support the interchange, which is expected to enhance regional connectivity and economic opportunities.





The new interchange would provide a critical emergency evacuation option for the region, which became evident after Hurricane Irma in 2017. Meanwhile, nearby interchanges, such as Kings Highway and Toledo Blade, are expected to reach capacity in the coming years. A new interchange would help distribute traffic more efficiently. The interchange would also facilitate commercial and industrial growth, creating jobs in the region by improving access to business parks and distribution hubs.

Heavier and Longer Trucks

Weight Issues: the federal weight limits — 20,000 pounds on a single axle, 34,000 pounds on a tandem axle, and 80,000 pounds overall gross vehicle weight — have been unchanged since 1974. But, in recent years Congress has approved a number of waivers, generally on a state-by-state basis. For example, in 2015 Congress exempted emergency vehicles and certain heavy-duty tow and recovery vehicles from weight limits, waived weight limits on certain highways in Texas and Arkansas, and provided waivers for logging trucks in Wisconsin and Minnesota.

Length Issues: Federal truck length regulations apply on the roughly 200,000 miles of road known as the National Network (although due to a requirement for "reasonable access," there is some impact on adjacent roads). Thus, states are generally prohibited from allowing twin 33-foot trailers on the National Network, but there are some exceptions. Outside of this network, states do not have to comply with federal truck size regulations.

In the 118th Congress, certain business interests support two bills that would allow heavier and/or longer trucks on American highways. Specifically, H.R. 2948 and 3372, both of which were approved in May 2023 by the House Transportation and Infrastructure Committee primarily along party lines, would raise federal truck weight limits. The first bill would increase truck weight limits from 80,000 pounds to 88,000 pounds when carrying automobiles, while the second bill would authorize additional exemptions for any state to increase truck weights from 80,000 pounds to 91,000 pounds, respectively.

The U.S. Department of Transportation, in its 2016 Comprehensive Truck Size and Weight Limits, specifically looked at 88,000-pound, five axle trucks and found significant safety issues and infrastructure damage associated with this configuration. Ultimately, DOT recommended that Congress not approve heavier trucks. Congress has also rejected recent increases in national truck weight limits because of concerns for public safety and infrastructure damage. In fact, the House of Representatives in 2015 voted on a bipartisan basis to maintain current federal limits.

<u>POSITION</u>: **Support** federal funding for the Harborview Road expansion project. **Support** planning efforts to advance the Yorkshire/Raintree Interchange project and other critical road projects in Charlotte County. **Oppose** federal increases in truck weight or lengths that may endanger public safety and cause increased infrastructure damage.





FEDERAL ISSUE: Community Development Block Grant Entitlement Program Urban County Qualification

BACKGROUND; HOW IT MAY AFFECT CHARLOTTE COUNTY: The Community Development Block Grant (CDBG) Entitlement Program of the Department of Housing and Urban Development provides annual grants on a formula basis to entitled cities and urban counties for a wide range of community development activities, such as affordable housing, infrastructure, economic development, and public services.

To qualify, counties must be within a metropolitan area that has more than 200,000 people, excluding the population of any metropolitan cities in the county. Note that cities with a population of more than 50,000 can qualify as entitlement communities.

Once qualified, HUD determines the amount of each entitlement grantee's annual funding allocation by a statutory dual formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas.

Every five years, entitlement communities develop a Consolidated Plan that outlines their goals for community development using CDBG funds. The plan also includes an assessment of local needs, a strategy for addressing those needs, and a detailed budget for how the funds will be spent.

CDBG was funded at \$3.3 billion in FY 2024, the most recent year for which funding was made available by Congress. However, that funding level, combined with an increased number of entitlement communities, has significantly reduced the purchasing power of the program over the years.

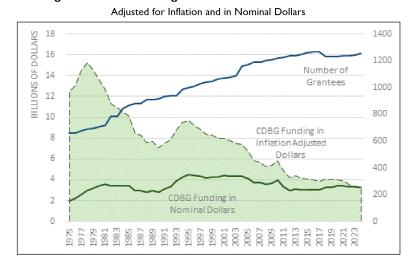


Figure 1. CDBG Funding and Grantee Count from 1975-2024

Based on recent population growth above the 200,000 person threshold for admittance into the CDBG program, Charlotte County seeks to obtain an Urban County entitlement community qualification for FY 2026-2028.

<u>POSITION</u>: *Support* Charlotte County's application to become an entitlement Community Development Block Grant Program Urban County recipient.





FEDERAL ISSUE: Tax-Exempt Municipal Bonds

BACKGROUND; HOW IT MAY AFFECT CHARLOTTE COUNTY: Although municipal bonds have been tax-exempt for more than 100 years, changes in federal law could threaten this exemption. Any proposal to limit the tax exemption would put more pressure on local finances by reducing demand for tax-exempt bonds and increase borrowing costs for state and local governments, ultimately leading to higher taxes or reduced services.

Most recently, as Congress seeks to extend and expand the 2017 Trump-era tax cuts, they must identify pay-fors to offset tax cuts or spending proposals championed by President Trump and Congressional Republicans in an upcoming reconciliation bill. As expected, the tax-exempt status of municipal bonds is a potential pay-for, meaning the bonds would no longer be tax-exempt, providing an estimated \$250 billion in federal savings over 10 years.

Charlotte County has utilized bonds extensively over the years to finance critical infrastructure. With several wastewater plant expansions planned, the County will most likely be looking to let new bonds in 2026 or soon thereafter.

The difference in the rate of earnings local governments would need to offer prospective buyers of their taxable bonds would depend on the market, but it is estimated that it could cost 1.5 to 2 percent more for those offerings. To amortize a \$100 million loan over 30 years at taxable bond rates 2 percent higher than if the bonds were tax-exempt, the additional cost to local taxpayers over 30 years would be roughly \$30 million, adding significant costs over the life of the project and making many of them untenable.

<u>POSITION</u>: *Oppose* any proposals that would eliminate or reduce the tax-exempt status of municipal bonds.





FEDERAL ISSUE: Medicaid Inmate Exclusion Policy

BACKGROUND; HOW IT MAY AFFECT CHARLOTTE COUNTY: The Medicaid Inmate Exclusion Policy (MIEP) is a federal policy that strips federal health and veterans benefits from individuals upon admission to jail. The Social Security Act (Sec. 1905(a)(A)) prohibits the use of federal funds and services for medical care or other benefits provided to "inmates of a public institution," including those run by counties. The MIEP does not differentiate between a convicted inmate and a person incarcerated prior to conviction and contributes to the national behavioral and mental health crisis as well as rates of recidivism in our local jails.

In the 118th Congress, two bills were introduced that would address the MIEP. In 2023, the *Due Process Continuity of Care Act* (H.R.3074/S.971) was introduced in the House and Senate. This bill would allow pretrial detainees to receive Medicaid benefits at the option of the state and provide \$50 million in planning grant dollars to states and localities for implementing the MIEP repeal, improving the quality of care provided in jails and enhancing the number of available providers to treat this population.

The *Reentry Act* (H.R.2400/S.1165) was also reintroduced in the House and Senate. This legislation would allow Medicaid payment for medical services furnished to an eligible incarcerated individual during the 30-day period preceding the individual's release.

Most recently, in November, the Centers for Medicare & Medicaid Services (CMS) published a final rule that will improve access to Medicare for justice-involved individuals who are in pre-trial status or who are reentering the community. The CY 2025 Medicare Hospital Outpatient Prospective Payment System final rule reflects significant updates to Medicare's "custody" definition and Special Enrollment Period (SEP) for formerly incarcerated individuals.

CMS clarified in the final rule that individuals released to the community pending trial, such as those in pretrial supervision or released on cash bail, as well as individuals on parole or probation and residing in halfway houses or home detention are not considered to be in "custody." This important update ensures these individuals can maintain access to Medicare benefits, supporting better health outcomes and smoother transitions back into the community.

Impacts of the final rule

- Narrowing the definition of "custody": CMS finalized its proposal to exclude individuals on bail, parole
 and probation or in home detention and halfway houses from Medicare's "custody" definition. This
 critical update ensures Medicare can pay for healthcare services provided to these individuals, who were
 previously ineligible for the program.
- Revised Special Enrollment Period (SEP) criteria: The rule also updates Medicare SEP eligibility for justice-involved populations and expands eligibility criteria to include individuals released to community supervision or halfway houses. This expansion simplifies access to Medicare, reducing gaps in coverage and ensuring smoother transitions from incarceration to community life.

<u>POSITION</u>: **Support** legislation and federal rulemaking efforts to restore pretrial detainee access to federal benefits.





FEDERAL ISSUE: Opioid Addiction

<u>BACKGROUND</u>; HOW IT MAY AFFECT CHARLOTTE COUNTY: Opioids are a class of drugs made from opium, as well as synthetic or semi-synthetic drugs that resemble these opium-based drugs. Many opioids are available by prescription. Examples include oxycodone, codeine, morphine, and fentanyl. Heroin is an opioid that is illegal. These drugs are often referred to as narcotics.

Approximately 110,000 drug overdose deaths occurred in the United States in 2023. Opioids — mainly synthetic opioids (other than methadone) – are currently the main driver of drug overdose deaths, particularly fentanyl. Opioids were involved in 82,998 overdose deaths in 2022 (75.4 percent of all drug overdose deaths). The estimated rate of deaths in Florida due to drugs decreased by 4.3 percent between 2022 and 2023.

Fentanyl has emerged as the leading opioid in drug overdose deaths and has been found laced in other common drugs to boost their potency. Because of this practice, fentanyl is extremely difficult to detect and it has led to an increase in accidental overdoses. The quantity of fentanyl seized at the U.S.-Mexico has skyrocketed — U.S. law enforcement agencies are on pace to confiscate more than 12,000 pounds of fentanyl powder in 2022, up from 4,000 pounds in 2018 but down from 2022. Even with the increase in seizures, U.S. drug agents say it has been nearly impossible to stop fentanyl trafficking. Border authorities screen only a small fraction of the more than 219,000 vehicles crossing from Mexico each day. Federal agents estimate that they are seizing about 5 to 10 percent of the drugs coming from Mexico — if that much.

The State Opioid Response (SOR) grant program was initially established in 2018 under the 21st Century Cures Act to help states and territories address the opioid crisis. It provides funding for a range of state-level initiatives aimed at reducing opioid use, expanding treatment options, supporting recovery services, and preventing overdose deaths.

The program was reauthorized and expanded under the American Rescue Plan in 2021, and it has continued to receive attention as part of broader efforts to combat the opioid epidemic. The most recent reauthorization was part of the Consolidated Appropriations Act of 2023. Congress allocated \$1.5 billion for the SOR program in 2023.

From that program, Florida most recently received \$123 million over two fiscal years, which have been managed by the Florida Department of Children and Families. SOR is a popular program because it can be used for the full continuum of services for substance use disorders.

<u>POSITION:</u> *Support* federal funding to address local opioid addiction and treatment issues. *Support* attempts by entities within Charlotte County to secure funding to fight opioid addiction.





FEDERAL ISSUE: Affordable Housing

BACKGROUND; HOW IT MAY AFFECT CHARLOTTE COUNTY: The Low-Income Housing Tax Credit (LIHTC) program is considered to be the most important resource for creating affordable housing in the United States today. Created by the Tax Reform Act of 1986, the LIHTC program gives State and local LIHTC-allocating agencies the equivalent of approximately \$8 billion in annual budget authority to issue tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households. An average of almost 1,400 projects and 106,400 units were placed in service annually between 1995 to 2018. In Florida, the LIHTC-administering agency is the Florida Housing Finance Corporation.

Virtually no affordable housing is produced without using the LIHTC. Affordable housing developers rely on the credit for a variety of projects, including the production of new units and the preservation of public housing units. However, the limited availability and the popularity of the housing tax credit have made it very competitive in many states.

During the 118th Congress, the House passed tax legislation that included a provision relating to the LIHTC. In calendar years 2018 through 2021, the 9 percent LIHTC ceiling was increased by 12.5 percent, allowing states to allocate more credits for affordable housing projects. The tax bill would have restored the 12.5 percent increase for calendar years 2023 through 2025 and would be effective for taxable years beginning after December 31, 2022. Unfortunately, the bill did not pass the Senate during the 118th Congress.

In the 119th Congress, there remains broad support for expanding the LIHTC program across party lines, as affordable housing remains a critical issue in many states. However, pushing through a significant increase in the tax credits will depend on broader fiscal negotiations and the political climate, particularly given the competing priorities for federal spending and tax policy in 2025.

POSITION: Support legislation to expand and improve the Low-Income Housing Tax Credit.





FEDERAL ISSUE: Assessment of Fair Housing Rule

BACKGROUND; HOW IT MAY AFFECT CHARLOTTE COUNTY: In 2015, the Obama Administration published a final rule entitled Affirmatively Furthering Fair Housing (AFFH). The rule was seen as overly prescriptive and burdensome by some stakeholders and did not assist with the overall inadequate supply of affordable housing, instead diverting time and effort to data collection and compliance. Additionally, there were concerns that the rule could make local governments and housing authorities more vulnerable to third-party lawsuits. The rule required stakeholders to use an Assessment Tool, created by HUD, to conduct and submit an Assessment of Fair Housing to HUD, but these tools proved difficult to develop.

During the development of the first round of Assessments of Fair Housing, HUD found the tool to be labor-intensive for both HUD and local governments and to produce incomplete or inaccurate reports. The overall rule was to be implemented in two phases, with the first phase impacting communities that receive at least \$500,000 in CDBG funding and the second phase, following five years later, for those communities receiving less than \$500,000 in CDBG funds a year.

The first Trump Administration cancelled the Obama-era rule. The Biden Administration followed by cancelling the Trump proposed rule and reinstating the Obama-era rule.

Most recently, in January 2025, the Trump Administration via HUD published a withdrawal of the AFFH rule from February 2023. The 2023 proposed rule incorporated much of the framework of a 2015 AFFH rule and would have required program participants to submit an equity plan to HUD every five years. Currently, HUD does not intend for a final rule to be issued; if there are further regulations on the topic, HUD will issue a new notice of proposed rulemaking.

<u>POSITION</u>: *Monitor* implementation of the Department of Housing and Urban Development's Assessment of Fair Housing Rule.





FEDERAL ISSUE: Federal Funding for Mitigation and Resilience

BACKGROUND; HOW IT MAY AFFECT CHARLOTTE COUNTY: Apart from funding for public assistance generally provided by Congress through the Federal Emergency Management Agency (FEMA) directly after storms, Congress has developed two other common funding streams to help address long-term mitigation and resilience projects. They are FEMA's Building Resilient Infrastructure and Communities (BRIC) and the Department of Housing and Urban Development's (HUD) Community Development Block Grant Mitigation program (CDBG-MIT).

Building Resilient Infrastructure and Communities

The Disaster Recovery Reform Act (DRRA) from 2018 included reforms to federal disaster programs and amended many sections of the Robert T. Stafford Disaster Relief and Emergency Act including Section 203, Pre-Disaster Mitigation. Among others, Congress created BRIC which will be funded through the Disaster Relief Fund as a six percent set aside from estimated disaster grant expenditures.

BRIC expands the concepts of pre-disaster mitigation by prioritizing the building of resilient infrastructure to make communities better prepared to withstand the next disaster. The program provides incentives for states to work with local communities to identify their most pressing hazards and encourage innovative solutions for building a culture of preparedness. For fiscal year (FY) 2024, FEMA will distribute up to \$750 million for projects.

BRIC funds are most typically used for mitigation projects, including cost-effective projects designed to increase resilience and public safety; reduce injuries and loss of life; and reduce damage and destruction to property, critical services, facilities, and infrastructure (including natural systems) from natural hazards, including drought, wildfire earthquakes, extreme heat, and the effects of climate change.

FEMA allocates BRIC funds to state governments, and state agencies suballocate awards to local governments through state-specific subapplication processes. In FY 2023, FEMA made roughly \$1 billion available for the program and awarded funds to projects nationwide.

The cost share for the BRIC program is 75% federal and 25% non-federal. The cost share may be adjusted to 90% federal and 10% non-federal for Community Disaster Resilience Zone (there is one in the County near Punta Gorda) or Disadvantaged Rural communities.

<u>POSITION</u>: *Monitor* the Federal Emergency Management Agency's Building Resilient Infrastructure and Communities program and the Housing and Urban Development's Community Development Block Grant Mitigation program. *Support* Charlotte County's efforts to secure funding from each program.