

City of Garden Grove
WEEKLY CITY MANAGER'S MEMO
January 15, 2026

TO: Honorable Mayor and City
Council Members

FROM: Lisa Kim
City Manager

I. DEPARTMENT ITEMS

A. NOTICE OF SUPPORT

A copy of the Mayor's letter of support for SB 490 (Umberg) Alcohol and drug programs. Notice of Support (As amended 01/05/2026)

• **OTHER ITEMS**

– SOCIAL MEDIA HIGHLIGHTS AND NEWSPAPER ARTICLES

Copies of the week's social media posts and local newspaper articles are attached for your information.

– MISCELLANEOUS ITEMS

Items of interest are included.



Lisa Kim
City Manager

January 14, 2026

The Honorable Caroline Menjivar
Chair, Senate Health Committee
1021 O Street, Room 3310
Sacramento, CA 95814

RE: SB 490(Umberg) Alcohol and drug programs.
Notice of SUPPORT *(As Amended 01/05/2026)*

Stephanie Klopfenstein
Mayor

George S. Brietigam
Mayor Pro Tem - District 1

Phillip Nguyen
Council Member - District 2

Cindy Ngoc Tran
Council Member - District 3

Joe DoVinh
Council Member - District 4

Yesenia Muñeton
Council Member - District 5

Ariana Arestegui
Council Member - District 6

Dear Senator Menjivar,

The City of Garden Grove is pleased to support SB 490 (Umberg), which would enhance the oversight and enforcement of existing state licensing laws for alcohol and drug treatment facilities.

Residential recovery housing provides a range of benefits to some of California's most vulnerable residents, and it is critical that their needs are prioritized over profits. Compliance with state licensing laws administered by the Department of Health Care Services (DHCS) is essential to safeguard residents' well-being and maintain quality care.

Existing state law prohibits any drug and alcohol treatment facility that provides recovery, treatment, or detoxification services from operating without first obtaining a valid license from DHCS. Compliance with these state licensing laws is essential to safeguard the well-being and safety of residents in sober living homes.

A recent state audit revealed that DHCS has not consistently investigated allegations of unlicensed facilities providing or advertising treatment services. The department has often failed to conduct site visits and follow-ups to ensure illegal operations have stopped.

In one example highlighted in the audit, DHCS substantiated an allegation that an unlicensed facility was unlawfully providing services. However, the audit found no indication that the department followed up to verify the facility's claim that it had ceased operations, nor did it conduct a site visit to confirm compliance.

To address these gaps, the auditor recommended that DHCS improve the timeliness of inspections and complaint investigations, conduct more site visits, and establish follow up procedures to ensure unlicensed facilities cease unlawful operations.

SB 490 would implement these recommendations by requiring DHCS to meet specific timelines for investigating allegations of unlicensed treatment services. If the department fails to meet these deadlines, counties could work with the department to conduct site visits and enforce licensure laws themselves. SB 490

SB 490(Umberg) Alcohol and drug programs.

Notice of SUPPORT (As Amended 01/05/2026)

January 14, 2026

Page 2

also requires DHCS to conduct follow-up site visits to ensure unlawful activity has stopped.

By setting clear timelines and expectations for investigations and follow-up, the bill improves accountability and outcomes using existing infrastructure and resources. Importantly, SB 490 empowers local governments to partner with the state to conduct site inspections and enforce licensing laws. This collaboration allows the state to leverage local capacity to respond swiftly to violations, ensure compliance, and better protect public health and safety.

SB 490 would help meet shared state and city goals by ensuring recovery housing meets standards for patient care, which is central to effective treatment outcomes and community wellbeing.

For these reasons, the City of Garden Grove is pleased to support SB 490 (Umberg)

Sincerely,



Stephanie Klopfenstein

Mayor

c: Senator Caroline Menjivar, 20th District, (Senator.Menjivar@sen.ca.gov)

Senator Tom Umberg, 34th District, (Emily.Rodriguez@sen.ca.gov)

Senator Tony Strickland, 36th District, (Zechariah.Jauregui@sen.ca.gov)

Assembly Member Tri Ta, 70th District, (Hauwie.Tieu@asm.ca.gov)

Connor Medina, League of California Cities, (CMedina@calcities.org)

Meg Desmond, League of California Cities, (cityletters@calcities.org)

Lauren Kline, ACCOC, (LKline@accoc.org)

WEEKLY MEMO 01-15-2026

SOCIAL MEDIA HIGHLIGHTS



Post Performance

January 8, 2026 – January 14, 2026

Review the lifetime performance of the posts you published during the publishing period.

Included in this Report

 @CityGardenGrove

 Garden Grove City Hall

 gardengrovecityhall



@CityGardenGrove

Wed 1/14/2026 4:59 pm PST

☀ Stay connected for more fun and informational updates like this by signing up for the City's official newsletter at gg.city/connect or downloading the Garden Grove mobile app today!



Post Link Clicks	0
Impressions	60
Potential Reach	4,737
Engagements	0
Engagement Rate (per Impression)	0%



@CityGardenGrove

Wed 1/14/2026 4:59 pm PST

From free homebuyer workshops and family friendly events to resident recognition programs like Garden Grove Gems and more,...



Impressions	65
Potential Reach	4,737
Engagements	4
Engagement Rate (per Impression)	6.2%



gardengrovecityhall

Wed 1/14/2026 4:52 pm PST

From free homebuyer workshops and community clean up days to family friendly events and resident recognition programs like...



Views	1,100
Reach	643
Engagements	14
Engagement Rate (per View)	1.3%



Garden Grove City Hall

Wed 1/14/2026 4:52 pm PST

From free homebuyer workshops and community clean up days to family friendly events and resident recognition programs like...



Views	1,661
Reach	1,242
Engagements	50
Engagement Rate (per View)	3%



gardengrovecityhall

Tue 1/13/2026 9:15 pm PST

Today is National Korean American Day! 🇰🇷🇺🇸
Join us in honoring 121 years of history,...



Views	4,770
Reach	2,780
Engagements	166
Engagement Rate (per View)	3.5%




@CityGardenGrove

Tue 1/13/2026 9:15 pm PST

Today is National Korean American Day! 🇰🇷🇺🇸
Join us in honoring 121 years of history,...




Impressions	62
Potential Reach	4,736
Engagements	2
Engagement Rate (per Impression)	3.2%


 **Garden Grove City Hall** Tue 1/13/2026 9:14 pm PST

Today is National Korean American Day! 🇰🇷🇺🇸


Join us in honoring 121 years of history,...




Views	2,426
Reach	1,782
Engagements	113
Engagement Rate (per View)	4.7%

 **gardengrovecityhall** Tue 1/13/2026 12:39 pm PST

📌 There's still time to apply! DEADLINE: THIS FRIDAY, JANUARY 16 AT 5:00 P.M.



Views	1,022
Reach	798
Comments	1
Story Taps Back	14

 **@CityGardenGrove** Mon 1/12/2026 2:50 pm PST

🕒 9AM-11AM
📍 Pacifica High School, 6851 Lampson Avenue

#DYK the community collectively disposed over 33 tons of e-waste and 44 tons of bulky waste, totaling 77 tons during the 2025 Community Cleanup Days program!👉 That's nearly the weight of 40 average cars!

🚗
#GG1956

Impressions	62
Potential Reach	4,738
Engagements	1
Engagement Rate (per Impression)	1.6%

@CityGardenGrove

Mon 1/12/2026 2:50 pm PST

Save the date, **#GardenGrove!** The first Community Cleanup day event of the year is Sat., Jan. 24! [i ggcity.org/jan-24-cleanup...](https://ggcity.org/jan-24-cleanup...)

Saturday, January 24, 2026
9:00 a.m. to 11:00 a.m.
 Pacifica High School
 6851 Lamson Ave

**Paper shredding and battery disposal offered.*

For more information, ggcity.org/cleanup-days

Impressions	91
Potential Reach	4,738
Engagements	6
Engagement Rate (per Impression)	6.6%

gardengrovecityhall

Mon 1/12/2026 2:50 pm PST

Save the date, **#GardenGrove!** The first Community Cleanup day event of the year is Saturday, January 24! [i ...](#)

Saturday, January 24, 2026
9:00 a.m. to 11:00 a.m.
 Pacifica High School
 6851 Lamson Ave

**Paper shredding and battery disposal offered.*

For more information, ggcity.org/cleanup-days

Views	2,996
Reach	1,828
Engagements	115
Engagement Rate (per View)	3.8%

Garden Grove City Hall

Mon 1/12/2026 2:50 pm PST

Save the date, **#GardenGrove!** The first Community Cleanup day event of the year is Saturday, January 24! [i ...](#)

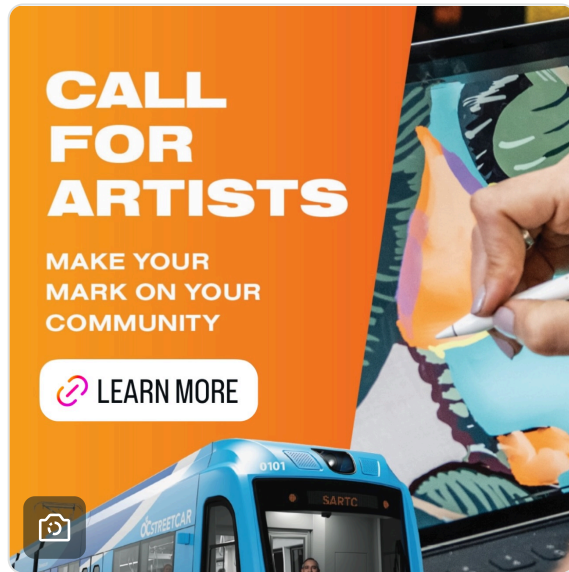
Saturday, January 24, 2026
9:00 a.m. to 11:00 a.m.
 Pacifica High School
 6851 Lamson Ave

**Paper shredding and battery disposal offered.*

For more information, ggcity.org/cleanup-days

Views	15,499
Reach	11,447
Engagements	296
Engagement Rate (per View)	1.9%

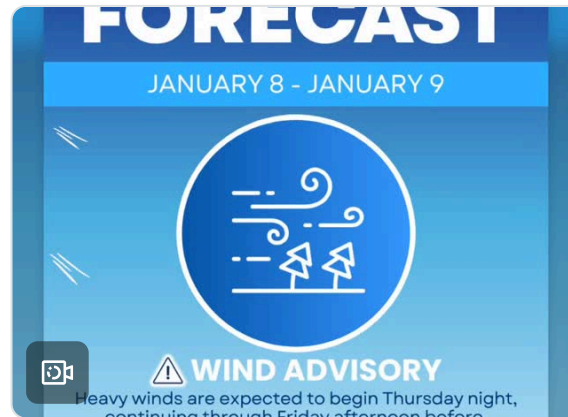
G  **gardengrovecityhall**
Thu 1/8/2026 4:29 pm PST



Views	717
Reach	572
Comments	0
Story Taps Back	22

G  **gardengrovecityhall**
Thu 1/8/2026 9:34 am PST

Be prepared, #GardenGrove!



Views	852
Reach	632
Comments	0
Story Taps Back	14




Post Performance

January 8, 2026 – January 14, 2026

Review the lifetime performance of the posts you published during the publishing period.

Included in this Report


 Garden Grove Police Department

 **f Garden Grove Police Depart...**
 Fri 1/9/2026 2:45 pm PST

AOCDS is asking for your support on behalf of the Garden Grove Police Association to help Garden Grove Police Officer Isaac Davila and...




Views	166,850
Reach	88,620
Engagements	17,053
Engagement Rate (per View)	10.2%

 **f Garden Grove Police Depart...**
 Fri 1/9/2026 8:29 am PST

Today we honor the men and women who serve with dedication, integrity, and courage. ...



Video Views	5,808
Views	5,808
Reach	4,859
Engagements	357
Engagement Rate (per View)	6.1%

 **f Garden Grove Police Depart...**
 Thu 1/8/2026 2:24 pm PST

NARRATIVE:

On Wednesday, 1/7/2026 just before 8pm,...



Views	54,152
Reach	29,277
Engagements	4,034
Engagement Rate (per View)	7.4%

WEEKLY MEMO 01-15-2026

NEWS ARTICLES

Strawberry Festival to honor America's 250th birthday

BYOC TRIBUNE STAFF ON JANUARY 10, 2026 • (LEAVE A COMMENT)



THE 2026 Strawberry Festival will honor the nation's 250th anniversary (File photo/Mark Samala).

“Celebrating Our Nation’s 250th Anniversary” will be the theme of the 66th Annual Garden Grove Strawberry Festival, which will take place on Memorial Day weekend, May 22-25 at the Village Green park.



“Our theme this year celebrates the heart of our nation: its history, its people and the vibrant cultures that define us,” said Steve Sanders, president of the festival association. “As we recognize our country’s 250th year, we’re proud to honor the shared heritage that brings our community together.”

Officers of the festival association this year are Sanders (president and in charge of rides and grounds), Tony Lopez (immediate past president/non-profit food booths), George Skelton (treasurer) and Rachelle Gillerman (secretary/opening ceremony/cake cutting).

For more information, go to <http://www.strawberryfestival.org>.

Designers sought for Little Saigons in GG, FV, SA

BY OC TRIBUNE STAFF ON JANUARY 9, 2026 • (2 COMMENTS)



ASIAN GARDEN MALL in Westminster's Little Saigon (File photo).

By Jim Tortolano
Orange County Tribune

Although Little Saigon is often thought of as the commercial area along Bolsa Avenue in Westminster, there are also concentrations of Vietnamese-American businesses and residences in Garden Grove, Fountain Valley and Santa Ana.

On Tuesday night, the Garden Grove City Council will consider awarding a contract worth \$250,000 to Gensler, an architecture, design and planning firm to draft architectural and urban design guidelines for the various “Little Saigons” in those cities.

Funding comes from the state Community Economic Resilience Fund. If the city is unable to negotiate terms with Gensler, the next choices would be urban design firms Studio One Eleven, then WHA or the SWA Group.

The idea is to develop those areas as destinations for tourists and area residents.

Also on the agenda will be:

- a Community Spotlight recognizing the Garden Grove Unified School District for its “notable achievements and accomplishments in 2025”;
- the introduction of an ordinance enacting standards for public hearing notices and other city communications.

The council will meet in its chambers at 6:30 p.m. at 11300 Stanford Ave.



CITY OF GARDEN GROVE NEWS

CONTACT: Mark Ladney
Public Works Department
(714) 741-5372/markla@ggcity.org

FOR IMMEDIATE RELEASE

Public Information Office (714) 741-5280

Follow the City of Garden Grove on Social Media

Thursday, January 8, 2026



CITY HOSTS FREE BULKY ITEM DROP-OFF SITES BEGINNING JANUARY 24

The City of Garden Grove and Garden Grove Sanitary District, in collaboration with Republic Services, will host a series of community cleanup days, offering residents the opportunity to dispose of bulky items for free. The first of six events will take place on Saturday, January 24, 2026, from 9:00 a.m. to 11:00 a.m., at Pacifica High School, located at 6851 Lampson Avenue. The event will also include household battery recycling and paper shredding services.

Residents may bring unwanted bulky items, such as non-refrigerant appliances, furniture, mattresses, and carpets, and electronic waste, including printers, computers, and televisions. This will be a self-service event in which residents will be unloading their own items, on a first-come, first-served basis, until bins are full.

Items not accepted include hazardous waste, refrigerators, freezers, AC units, concrete, dirt, tires and construction and demolition debris. For a complete list of banned items, visit ggcity.org/cleanup-days.

Residents may recycle household batteries, such as AA, AAA, D, C, and old power tool batteries. Automotive batteries will not be accepted.

-more-

City Hosts Free Bulky Item Drop-Off Sites Beginning January 24 2-2-2

Paper shredding services will be available on a first-come, first-served basis to help safely dispose of personal documents. There is a limit of four boxes per vehicle.

Cleanup days will be held at various locations throughout the city, every other month, with the next event scheduled on Saturday, March 14, 2026, at Skylark Preschool, located at 11250 Mac Murray Street.

The City of Garden Grove would like to thank everyone who participated in the 2025 Community Cleanup Days program. Collectively, across all six events, attendees disposed over 33 tons of electronic waste and 44 tons of bulky item waste. Together, residents helped keep the community clean while promoting responsible disposal.

Residents are also encouraged to use Republic Services' free bulky item collection service. Each single- and multi-family household receives up to three bulky item pickups per calendar year and is limited to 10 items per pickup. To schedule a pickup, please call (714) 238-3300.

For more information, visit ggcity.org/cleanup-days.

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Contact: Johnathan Garcia
Public Information Officer
(714) 741-5280 / johnathang@ggcity.org

FOR IMMEDIATE RELEASE

Public Information Office (714) 741-5280

Follow the City of Garden Grove on Social Media

Tuesday, January 13, 2026



COMMUNITY EVENTS AND PROGRAMS IN EARLY 2026

The City of Garden Grove announces the following events and programs in early 2026.

- **Homebuyer 101 Virtual Workshops** – NeighborWorks Orange County is offering free virtual workshops designed to prepare first-time homebuyers with the fundamentals of homebuying. These workshops will feature information about the City’s First-Time Home Buyer Program. The first virtual workshop will be held on Tuesday, January 13, from 5:45 p.m. to 7:15 p.m. To register or view additional future dates, visit www.ggcity.org/fthb.
- **Community Clean Up Days** – The City is hosting six community cleanup days to help residents properly dispose of bulky items for free. The first event takes place on Saturday, January 24, from 9:00 a.m. to 11:00 a.m., at Pacifica High School, located at 6851 Lampson Avenue. For more information and future dates, visit www.ggcity.org/cleanup-days.
- **Eggscavation** – Saturday, April 4, from 2:00 p.m. to 5:00 p.m., Atlantis Play Center, 13630 Atlantis Way in Garden Grove Park. For more information and to purchase tickets, visit www.ggcity.org/eggscavation.

-more-

COMMUNITY EVENTS AND PROGRAMS IN EARLY 2026
2-2-2

- **Garden Grove Gems** – Garden Grove homeowners are invited to spruce up their home’s front yards for the City’s home beautification program. Residents can nominate their homes online from Wednesday, April 1 to Friday, April 24. Winning homes will receive citywide recognition. For more information, visit www.ggcity.org/gems.
- **Garden Grove College Graduates Reception** – The City is recognizing Garden Grove college graduates for their outstanding accomplishments in higher education. Garden Grove residents who will receive an undergraduate or post-graduate academic degree from any college or university in 2026 are encouraged to submit their information to attend a free reception hosted by the Garden Grove City Council. Sponsorship opportunities available. For more information, visit www.ggcity.org/grads.

Visit the City’s website at www.ggcity.org for more upcoming events and programs, or visit www.ggcity.org/events to sign up for GG Connect, the City's official email newsletter, and receive monthly updates.

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CONTACT: Johnathan Garcia, PIO
johnathang@ggcity.org / (714) 741-5280

Rachot Moragraan, SCAGG Board Member
moo@ggsistercity.org / (657) 206-5892

Wednesday, January 14, 2026

FOR IMMEDIATE RELEASE

Public Information Office (714) 741-5280

Follow the City of Garden Grove on Social Media



GARDEN GROVE WELCOMES SOUTH KOREAN STUDENTS THROUGH SISTER CITY STUDENT EXCHANGE PROGRAM

The City of Garden Grove is pleased to welcome ten high school students from Anyang, Republic of Korea, as part of the Sister City Association of Garden Grove's Student Exchange Program. The students will arrive on Saturday, January 24, 2026, for a nine-day stay in Garden Grove with local host families.

During their visit, the students will meet Garden Grove Mayor Stephanie Klopfenstein and members of the Garden Grove City Council, tour Garden Grove Unified School District high schools, and visit cultural and educational attractions throughout Orange County and Los Angeles.

The Anyang students will also be recognized during a Community Spotlight at the regular Garden Grove City Council meeting on Tuesday, January 27, 2026.

In a reciprocal exchange, ten Garden Grove Unified School District high school students will travel to Anyang during the District's 2026 spring recess, where they will stay with host families and experience Korean culture firsthand.

Through education and travel, the Student Exchange Program promotes cultural understanding and appreciation, strengthens the bond between Garden Grove and its sister city of Anyang, Republic of Korea, and highlights the unique character of Garden Grove. For more information, visit www.ggsistercity.org or email ggsistercity@gmail.com.

MISCELLANEOUS ITEMS
January 15, 2026

1. Calendar of Events
2. Notice of cancellation of the January 22, 2026 Garden Grove Zoning Administrator meeting.
3. League of California Cities articles from January 9 to January 15, 2026.
4. South Coast AQMD: Dissemination of the 2024 AB 2588 Air Toxics "Hot Spots" Program Annual Report



CALENDAR OF EVENTS

January 15, 2026 – February 20, 2026

Thursday	January 15	7:00 p.m.	Planning Commission Meeting, CMC CANCELLED
Monday	January 19		City Hall Closed – Martin Luther King Jr. Day
Thursday	January 22		\$2 Coaches Casual Dress Day
Thursday	January 22 – February 11		Snack-O-Gram Fundraiser
Thursday	January 22	9:00 a.m.	Zoning Administrator Meeting, CMC
Thursday	January 22	6:00 p.m.	Special Parks, Recreation and Arts Commission Meeting, CMC
Friday	January 23		City Hall Closed – Regular Friday Closure
Tuesday	January 27	5:30 p.m. 6:30 p.m.	Closed Session, CMC Housing Authority Meeting, CMC Sanitary District Board Meeting, CMC Successor Agency Meeting, CMC City Council Meeting, CMC
Thursday	February 5	7:00 p.m.	Planning Commission Meeting, CMC
Friday	February 6		City Hall Closed – Regular Friday Closure
Tuesday	February 10	5:30 p.m. 6:30 p.m.	Closed Session, CMC Successor Agency Meeting, CMC City Council Meeting, CMC
Thursday	February 12	9:00 a.m.	Zoning Administrator Meeting, CMC
Friday	February 13		Pre-Valentine’s Day Snack-O-Gram Deliveries
Monday	February 16		City Hall Closed – President’s Day
Thursday	February 19		\$2 Coaches Casual Dress Day
Thursday	February 19	7:00 p.m.	Planning Commission Meeting, CM
Friday	February 20		City Hall Closed – Regular Friday Closure



NOTICE OF CANCELLATION
OF THE
GARDEN GROVE
ZONING ADMINISTRATOR
REGULAR MEETING
JANUARY 22, 2026

NOTICE IS HEREBY GIVEN that the Regular Meeting of the Garden Grove Zoning Administrator scheduled for Thursday, January 22, 2026, at 9:00 a.m. at the Garden Grove Community Meeting Center, 11300 Stanford Avenue, Garden Grove, is hereby cancelled.

DATED: January 15, 2026

DAVID DENT
ZONING ADMINISTRATOR



Lobby lawmakers and gain policy insights at the 2026 City Leaders Summit

Jan 14, 2026

The City Leaders Summit is open for registration through April 15

By Cal Cities Education Staff

Cal Cities' biggest advocacy event — the City Leaders Summit — returns to the state Capitol, April 22-24. The summit offers opportunities for city leaders from across the state to lobby lawmakers directly on Cal Cities' member-chosen [advocacy priorities](#), gain top-notch leadership skills, and connect with peers during in-depth educational sessions.

[Advocacy and education opportunities for city leaders](#)

The City Leaders Summit begins on April 22 with a full day of lobbying. Cal Cities' legislative team will kick off the summit with updates on the top bills impacting cities and tips for advocating with lawmakers. City leaders can also attend policy-based programming, a member rally, and a press event on cities' top priorities, as well as a Cal Cities Partners evening reception with legislators.

Thursday and Friday's educational sessions will cover need-to-know information on emerging issues and solutions for the top issues facing cities. Additional information is available in the program section of the [City Leaders Summit](#) webpage. To learn more about ways you can advocate for Cal Cities' priorities, contact your [regional public affairs manager](#).

[Celebrate cities!](#)

Join Cal Cities in celebrating California Cities Week, April 19-25, at the summit. This annual week-long celebration recognizes the work cities do for all Californians. Before and during the summit, there will be opportunities to boost awareness about the value of cities, as well as honor the people — city officials like YOU — who [work tirelessly to deliver essential services](#).

[Registration and hotel information](#)

Registration for all three days starts at \$650 for city officials from any Cal Cities member city. Summit registration includes admission to all educational sessions, the Wednesday reception, Thursday breakfast and lunch, and Friday breakfast. The deadline to register is April 15, after which officials must register on-site if space is available.

The City Leaders Summit will be at the SAFE Credit Union Convention Center, located in the heart of downtown Sacramento across from the Capitol. The SAFE Credit Union Convention Center is just 15 minutes away from Sacramento International Airport.

A limited number of hotel rooms are available at several nearby hotels at a reduced rate for conference attendees who register before March 31. Discounted hotel rooms often sell out early, so advance registration is encouraged. For more information, visit the [City Leaders Summit](#) webpage. For questions about registration, please contact Event Registration Specialist [Megan Dunn](#). For questions on legislative meetings, please contact your [regional public affairs manager](#). For sponsorship opportunities, please contact Event Sponsorship and Exposition Manager [Amy Wade](#). For all other questions, please contact Event Program Manager [Kayla Boutros](#).



Wait-and-see budget falls short on Californians' biggest priorities: housing and homelessness, climate change, and public safety

Jan 9, 2026

By Cal Cities Staff

California Director of Finance Joe Stephenshaw unveiled a \$348.9 billion budget today that was light on the details and even lighter on new investments in housing, climate change, and public safety. The budget proposal also sustains a significant cut to the historic funding levels of the state's [flagship homelessness program](#).

"Like the state, local governments are facing fiscal headwinds, which is why all levels of government need to work together to ensure California can keep delivering the vital services our residents depend upon. This budget falls short on that vision," said Cal Cities Executive Director and CEO Carolyn Coleman [in a statement](#). "Budgets reflect our values, and this budget misses the mark on several priorities for the millions who call California home."

Stephenshaw stressed two points during his presentation. First, the budget proposal contains little in the way of new spending, apart from constitutionally required increases. Second, the Governor's team is taking a wait-and-see approach. According to the Legislative Analyst's Office — which struck a less optimistic note — stock market volatility, uncertain federal policies, and elevated or re-emerging inflation could force hard decisions later in the year.

Statements from top Democrats in the [Senate](#) and [Assembly](#) also expressed caution. "Today's roaring tax revenues may not last, so this moment also should be used to strengthen schools and accelerate much-needed housing construction," said Assembly Speaker Robert Rivas and Assembly Budget Chair Jesse Gabriel. "Building more reserves now is key for the future, along with doubling-down on budget oversight to ensure responsible spending.

To that point, Stephenshaw noted that the budget proposal today is a "snapshot," with the true budget proposal coming in May, when Gov. Gavin Newsom will unveil a revised budget proposal based on new tax returns.

-Brian Hendershot, Cal Cities Advocate Managing Editor

Revenue and Taxation

Despite worries of ongoing structural deficits, the Governor's proposed budget came in at nearly \$28 billion higher than [last year's budget](#). The Administration painted a rosier picture than most, projecting a \$2.9 billion budget deficit, while increasing the state's reserves to \$23 billion. Stephenshaw noted that revenues are \$42.3 billion more than projected, largely driven by personal income tax gains.

Ultimately, the Governor's budget seeks to address the \$2.9 billion deficit by suspending a \$2.8 billion "true-up" deposit into the state's Budget Stabilization Account. While this accounting maneuver may ease the fiscal pain this year, the proposed budget projects a \$22 billion deficit for Fiscal Year 2027-28 and shortfalls in the preceding two years, guaranteeing difficult decisions for the next Governor.

Stephenshaw was pointed in his comments, noting that the proposed budget does not include any significant new spending. Rather, it focuses on implementing previous programs.

The Administration's proposal stands in stark contrast to the LAO, which late last year [projected](#) a \$18 billion deficit for 2026-27, with ongoing deficits upwards of \$35 billion. The office noted that despite income tax revenues coming in above budget projections — driven by optimism over tech and artificial intelligence stocks — California is facing weak economic conditions. This [potentially overheated stock](#)

[market](#), coupled with tariffs, lower consumer spending, and slower hiring, caused the LAO to project a much bleaker outlook.

Additionally, constitutional restraints and increased costs over the budget window are preventing revenues from alleviating the projected budget deficit. In fact, the LAO projects California's revenue improvements will be almost entirely offset by constitutional spending requirements for schools, reserve deposits, and debt payments, erasing almost all revenue gains.

The LAO also acknowledged that other costs are expected to increase by nearly \$6 billion next budget year, including statewide expenditures like retiree health care and pension payments, as well as impacts from federal cuts.

- Ben Triffo, legislative affairs lobbyist

Community Services

As expected, the Governor's proposed January budget does not include significant new investments to address homelessness. For years, Cal Cities has called on the Legislature and the Governor to provide ongoing funding for the Homeless Housing, Assistance and Prevention (HHAP) grant program, maintaining \$1 billion in level funding annually.

Last year's budget did not include any new HHAP funding for 2025-2026 and slashed funding for the next round of the program in half for 2026-2027. The proposed budget maintains the \$500 million negotiated in last year's budget process. However, it does not restore that allocation to the full \$1 billion or allocate any funding for future rounds of the program.

The budget emphasizes that the funding is contingent on enhanced accountability and performance metrics. However, there is no information about what those metrics will entail. The Administration also committed to monitoring changes at the federal level that could create increased housing instability and to exploring programmatic flexibility to mitigate impacts here in California.

Cal Cities will work with the Legislature to restore HHAP funding to historic levels and continue advocating for ongoing, predictable funding.

- **Child Care**
 - The budget proposal includes an increase of \$89.1 million ongoing General Fund for cost-of-living adjustments to child care programs administered by the Department of Social Services.
 - The budget proposal includes an increase of \$11.5 million in one-time Proposition 64 funding for child care infrastructure, specifically targeted toward communities impacted by recent fires.
- **Outdoor Access**
 - The budget proposes \$6.8 million in ongoing General Fund allocations to support the California State Parks Library Pass program, which allows library cardholders to borrow park passes at their local library for free.

- Caroline Grinder, legislative advocate

Housing, Community, and Economic Development

The most notable takeaway from the Department of Finance's budget proposal today is that there is no new funding for some of the most effective programs local governments have historically used to help promote affordable housing, including the Infill Infrastructure Grant Program, the Multifamily Housing Program, and the Low-Income Housing Tax Credits.

Although today's budget release from the Department of Finance includes some funding for affordable housing, it is not remotely enough. Local governments were anticipating up to \$800 million in Cap-and-Invest funding to support affordable housing and sustainable communities. The proposed budget would provide up to \$560 million through the program.

[In a recent poll](#), two in three Californians said that housing affordability is a big problem, with nearly half citing personal financial strain as a result. This budget continues the [disheartening trend](#) of the state cutting funding for necessary affordable housing programs. As budget negotiations continue, Cal Cities

will push the Legislature to include more affordable housing funding to address this decades-in-the-making crisis.

The Governor also announced five housing policy proposals in the [budget](#):

- **Coordinated Financing:** Align affordable housing programs under the Housing Development and Finance Committee to better coordinate state housing resources with complementary financing tools.
- **Prioritizing Efficiency:** Create a single, coordinated application and award process for any future housing appropriations. The Administration also proposed codifying a long-term allocation of private activity bonds for affordable housing.
- **Modernizing the Affordable Housing and Sustainable Communities Program:** The Governor is proposing changes to modernize this critical program, which local governments have relied on to promote affordable housing development.
- **Preservation and Sustainability:** The Governor is hoping to use Low-Income Housing Tax Credits to help keep existing housing affordable and stable long-term.
- **Rebuilding after the Los Angeles Fires:** The Governor stated that the May Revision will include a proposal to assist in efforts to continue rebuilding after the Los Angeles Fires.

- *Brady Guertin, legislative affairs lobbyist*

Environmental Quality

The Governor's proposed budget includes two important sources of climate funding: \$3.77 billion from the [Greenhouse Gas Reduction Fund \(GGRF\)](#) and \$2.1 billion from the 2024 [climate bond](#).

The GGRF's new framework provides a tiered-structure approach to allocating Cap-and-Invest funding, including \$1 billion as discretionary funding for the Legislature to appropriate. The Governor's proposed budget earmarks the entire \$1 billion in discretionary funding, mostly for Cal Fire's operational costs — which is usually and more aptly funded through the General Fund. Funding Cal Fire's operational costs this way would leave no wiggle room for key climate programs for cities, like organic waste diversion grants and other climate-safe infrastructure investments. Cal Cities will work with the Legislature to ensure there is funding available for continued local climate change preparedness efforts.

The GGRF tiers are funded in sequential order based on available funding:

- **GGRF Tier 1 (\$370 million):** Funding for the manufacturing tax credit and other state operations costs.
- **GGRF Tier 2 (\$2 billion):** \$1 billion for the high-speed rail project and \$1 billion discretionary, including the \$750 million for Cal Fire operations costs, with the remaining mostly focused on supporting transit passes and climate-based research.
- **GGRF Tier 3 (\$1.4 billion):** Funding for programs, including up to \$560 million in affordable housing and sustainable communities (see the Housing, Community, and Economic Development section for details), transit and intercity rail capital (\$283 million), community air protection (\$177 million), healthy and resilient forests (\$141 million), and safe and affordable drinking water (\$92 million).

The Governor's budget proposes \$2.1 billion for the second year of the \$10 billion climate bond, a [Cal Cities-supported](#) proposition that city leaders rallied for in 2024. The proposed budget would infuse Proposition 4 funding into the following climate and environmental program areas:

- **Safe drinking water, drought, flood, and water resilience (\$792 million):** The budget proposes funding for flood management and control (\$232 million), water systems and private wells at risk of failing and connecting unsewered homes in disadvantaged communities to a centralized wastewater system (\$173 million), and repairs to existing water conveyance projects to improve water supply reliability (\$68.8 million).
- **Wildfire resilience (\$314 million):** The budget proposes continued investments in various wildfire and forest resilience projects and programs (as described in the Public Safety section), as well as funding for wildfire risk reduction related to electricity transmission (\$15.2 million).
- **Coastal resilience (\$107 million):** The budget proposes investments to protect coastal communities against coastal erosion and sea level rise impacts, conserve and restore biodiversity and natural areas, and improve public access to the coast.
- **Extreme heat (\$241 million):** This includes grant funding for transformative climate communities (\$137.4 million), community resilience centers (\$55.3 million), and urban forestry (\$22.8 million).
- **Clean air and energy (\$322 million):** The budget proposes investments for public financing of clean energy transmission projects to the California Infrastructure Economic Development Bank.

- *Melissa Sparks-Kranz, legislative affairs lobbyist*

Public Safety

The Governor's proposed budget does not provide any new funding for implementing Proposition 36. However, the budget does note that Proposition 36 has had a significantly lower impact on the California Department of Corrections and Rehabilitation than expected, with only 562 inmates projected, down from 1,878 in the 2025-26 Budget. The only major new investment for reducing crime is \$30 million to expand drug interdiction efforts.

The budget does include significant investments to wildfire resiliency and mitigation, with approximately \$314 million proposed for various wildfire resiliency and fire prevention efforts from the 2024 climate bond (for additional Prop. 4 details, see the Environmental Quality section). The proposal also includes \$150 million in General Fund for several disaster preparedness and response programs at the Office of Emergency Services (CalOES).

Below is a breakdown of major allocations, reductions, and policies announced in the Governor's January budget:

- **Local Fire Prevention Grants:** \$58 million from Proposition 4 to fund wildfire prevention and hazardous fuels reduction projects and activities in and near wildfire-threatened communities, with a focus on increasing the protection of people, structures, and communities.
- **Defensible Space (Zone Zero):** \$19.6 million from Proposition 4 for technical and financial assistance to help homeowners in wildfire-vulnerable areas implement defensible space mitigations, including Zone Zero.
- **Defensible Space Inspections:** \$6.2 million General Fund and 31 positions ongoing for Cal Fire to continue to meet the state's goal of 250,000 annual parcel inspections within the State Responsibility Areas.
- **Cal OES Funding:** \$5.1 million General Fund to strengthen the state's regional response capacity and key partnerships with local governments to increase disaster resilience capacity.
- **Drug Interdiction Funding:** \$30 million General Fund to further expand the Military Department's existing efforts to prevent drug trafficking by transnational criminal organizations throughout the state, with a focus on fentanyl.

- *Jolena Voorhis, legislative affairs lobbyist*

Transportation, Communications, and Public Works

At first glance, the Governor's spending plan for transportation, broadband, and public works appears to be in line with most of last year's enacted budget. However, several programs seem to utilize rosy assumptions and higher estimates that may not be realized.

While one-time transportation investments mirror last year's budget, the January budget proposes a total decrease from last year's budget — from \$19.8 billion to \$18.5 billion. Below is a breakdown of the major allocations, programs, and policies proposed in the Governor's budget proposal.

- **SB 1.** The state estimates a decrease in gasoline consumption, with consistent declines each year thereafter. The proposed budget allocates a continuation of funds to further study sustainable revenue source frameworks (such as the road use charge) to replace taxes collected from gasoline.
 - In response to legislation signed last year, the budget includes \$2.3 million for the California Air Resources Board to evaluate, develop, and implement the appropriate regulatory changes necessary to authorize a higher blend of ethanol fuel (E15), which can create cost savings up to 20 cents per gallon and emissions benefits compared to standard E10 fuel.
- **2028 Olympic Games.** The spending plan includes \$17.6 million one-time from the State Highway Account (SHA) to support transportation project planning associated with the 2028 Olympic and Paralympic Games. It also includes provisional language to allow Caltrans to spend up to \$20 million from the SHA for Games Route Network capital work.
- **High-Speed Rail Authority.** The Budget incorporates no less than \$1 billion annually (through 2045) from the Cap-and-Invest auction proceeds, along with carryover funds for a total of \$1.4 billion.
- **Broadband.** Extends the encumbrance period to the end of 2028 for the Department of Technology to allocate \$550 million in staff salaries to complete the Middle-Mile Broadband Network.
- **Dam Safety.** The proposal includes a reversion of \$47 million General Fund for the Department of Water Resources' Dam Safety program, which provides state funding for repairs, rehabilitation, and enhancement.

- **Infrastructure.** The state's Five-Year Infrastructure Plan includes approximately \$58.5 billion in state infrastructure investments over the next five years. In consideration of the current fiscal outlook, the plan addresses only the most critical investments that support core state functions, such as fire and life safety and/or court-ordered projects.

- *Damon Conklin, legislative affairs lobbyist*

Governance, Transparency, and Labor Relations

The Governor's budget includes \$9.8 billion for the state's contribution to CalPERS, an increase of \$741.9 million from the last fiscal year.

The budget would implement cost containment measures included in the last budget by eliminating 6,002 vacant positions and the associated expenditure authority, totaling roughly half a billion for the past fiscal year and ongoing. It would also reduce state operations expenditures by up to 7.95% across all state funds, totaling approximately \$1.5 billion in 2025-26 and ongoing.

Subsequent Injuries Benefits Trust Fund

The budget includes \$12.7 million Workers' Compensation Administration Revolving Fund and 57 positions in 2026-27, growing to \$36.5 million and 177 positions in 2030-31 and ongoing, for the Department of Industrial Relations to address the backlog of cases resulting from years of substantial growth in the Subsequent Injuries Benefits Trust Fund (SIBTF) program.

The Governor's budget states that the SIBTF program has expanded significantly beyond its original purpose, and without changes, the anticipated increase in claims in future years will lead to severe staffing challenges and long delays for workers. It also states that comprehensive reform is needed to make this program viable and available for injured workers.

- *Johnnie Pina, legislative advocate*

Next steps

With the Newsom Administration's priorities in hand, the Legislature will convene its budget subcommittees to review the Governor's proposed budget. While the three parties will ultimately pass a balanced budget — lawmakers must do so by June 15 to get paid — there will surely be many twists and turns along the way.

The next big budget announcement will arrive in mid-May, when Gov. Gavin Newsom will unveil a new proposal based on the latest economic forecasts.



Now is not the time to walk away from investments that are paying off

Jan 9, 2026

Contact: Kayla Sherwood
ksherwood@calcities.org
(530) 844-1744

FOR IMMEDIATE RELEASE

Sacramento — Following the Newsom Administration’s introduction of the 2026-27 State Budget, League of California Cities Executive Director and CEO Carolyn Coleman issued the statement below: “Like the state, local governments are facing fiscal headwinds, which is why all levels of government need to work together to ensure California can keep delivering the vital services our residents depend upon.

This budget falls short on that vision. It fails to include new direct investments in top city priorities, like more housing, preparing for and recovering from the devastating effects of climate change, and implementing the voter-approved public safety measure, Proposition 36.

As the Governor has noted, our combined investments in many key areas are paying off, including homelessness. Through significant investments by cities and the state, we are beginning to see a reduction in unsheltered homelessness in communities throughout California. That’s why cutting the vital Homeless Housing, Assistance and Prevention grant funding by half its historic funding levels is a step backwards.

This funding cut, along with the absence of any new investments supporting the production of more affordable housing, endangers thousands of Californians at risk of falling into homelessness.

Budgets reflect our values, and this budget misses the mark on several priorities for the millions who call California home. We look forward to working with the Legislature and the Governor in the coming months to bridge the gap between these differences while reaching a fiscally sound state budget agreement.”

Established in 1898, the League of California Cities is a nonprofit statewide association that advocates for cities with the state and federal governments and provides education and training services to elected and appointed city officials.

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South Coast Air Quality Management District

Dissemination of the 2024 AB 2588 Air Toxics “Hot Spots” Program Annual Report

The California Air Toxics “Hot Spots” Information and Assessment Act (AB 2588) enacted in 1987, is a statewide program implemented by local air districts to address health risks from air emissions associated with existing industrial facilities. Key goals of the program include:

- Assessing toxic emissions from facilities
- Informing the public about potential health effects
- Developing plans to reduce risks that exceed health thresholds

At its [December 5](#) meeting, the **South Coast AQMD Governing Board approved the 2024 AB 2588 Annual Report**. As required under the California Health and Safety Code Section 44363, staff prepared the 2024 Annual Report on the AB 2588 Program (2024 Annual Report), which summarizes South Coast AQMD’s air toxics program activities in 2024, including AB 2588 activities and other air toxic related programs.

The [2024 Annual Report](#) is now posted on the South Coast AQMD website and is ready for distribution to county boards of supervisors, city councils, local health officers, and the general public.

For your convenience, the document is also **attached to this email**. We encourage you to review the report to learn more about ongoing efforts to protect public health and reduce air toxics in communities throughout the South Coast Air Quality Management District.

If you have any questions or would like additional information, please contact the AB 2588 Group at ab2588@aqmd.gov.

Thank you for your continued engagement in the AB 2588 Air Toxics Program.

South Coast AQMD

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South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765 • [909-396-2000](tel:909-396-2000)