

Webinars for Cities

Nov. 20, 2024



LEAGUE OF
**CALIFORNIA
CITIES**

Strengthening California Cities
through Advocacy and Education

Land Use Planning and Standards for New and Expanded Warehouses (AB 98)

League of California Cities Speakers:
Jason Rhine, Director of Legislative Affairs
Melissa Sparks-Kranz, Legislative Representative
Betsy Strauss, Special Counsel

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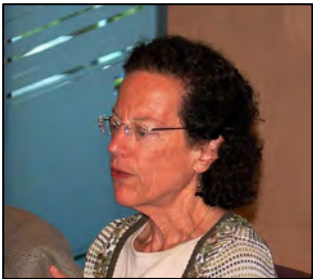
Moderator:

Jason Rhine, Director of Legislative Affairs
League of California Cities



Speakers:

Melissa Sparks-Kranz, Legislative Representative
League of California Cities



Betsy Strauss, Special Counsel
League of California Cities

AB 98 (J. Carrillo, and Reyes)

- Introduced three days before the end of the 2024 legislative session as a gut-and-amend
- Cal Cities strongly opposed AB 98
- AB 98 was signed into law Sept. 29, 2024 and becomes effective January 1, 2025
- **AB 98 Intent:** Ensure that logistics use developments are designed and sited in locations that minimize adverse impacts on residential communities and enhance transportation efficiency

AB 98 Overview

1. Key Definitions
2. Warehouse Design Standards & Setback Distances
3. New and Expanded Logistic Use Requirements
4. Housing Conditions
5. Exemptions
6. SCAQMD Requirements
7. Circulation Element Update Requirements
8. Public Engagement Requirements & Enforcement

Key Message Takeaway on AB 98

- A city or county ***shall not approve a new or expanded logistic use*** that does not meet or exceed the standards of AB 98. This law does not prevent a city or county from denying a logistics use facility (Gov Code 65098.5)
- Cities and counties **must condition approval of a logistics use** on replacement of any demolished housing (Gov Code 65098.6)
- Cities and counties must **update their circulation elements** to include truck routes and other items by January 1, 2026 within "warehouse concentration region" or January 1, 2028 for all other cities and counties (Gov Code 65098.1(e))

Key Definitions

- **Warehouse concentration region** includes the Counties of Riverside and San Bernadino and the Cities of Chino, Colton, Fontana, Jurupa Valley, Moreno Valley, Ontario, Perris, Rancho Cucamonga, Redlands, Rialto, Riverside, and San Bernadino (Gov Code 65098(h))

Key Definitions

- **Logistics use** means a building in which cargo, goods, or products are moved or stored for later distribution to business or retail customers, or both, that does not predominantly serve retail customers for onsite purchases, and heavy-duty trucks are primarily involved in the movement of the cargo, goods, or products (Gov Code 65098(d)) – (i.e. Warehouses)
- **Expansion of an existing logistics use** means the expansion of an existing logistics use by 20 percent or more of the existing square footage (Gov Code 65098(b))

Key Definitions

- **Sensitive receptor** means one or more of the following:
 - A residence
 - A school
 - A daycare facility
 - Publicly owned parks, playgrounds, and recreational areas or facilities primarily used by children
 - Nursing homes, long-term care facilities, hospices, convalescent facilities, or similar live-in housing
 - Hospitals

(Gov Code 65098(e))

21st Century Warehouse Design:

- A logistics use that meets all of the following:



- Complies with or exceeds all requirements of the most current building energy efficiency standards
- Has skylights in at least 1 percent of the roof area, or equivalent LED efficient lighting
- Provides conduits and electrical hookups at all loading bays serving cold storage
- Any heating, ventilation, and air-conditioning is high-efficiency
- All classes of forklifts used on site, pursuant to State Air Resources Board's Zero-Emission Forklifts regulation shall be zero-emission by January 1, 2030, to the extent operationally feasible, commercially off-the shelf available, and adequate power available on site

(Gov Code 65098(a))

Tier 1 - 21 Century Warehouse Design:



- A logistics use that meets all of the 21st century warehouse design conditions, plus the following:
 - Photovoltaic system installation and associated battery storage
 - Has a microgrid-ready switchgear system capable of supporting distributed energy resources
 - Is advanced smart metering ready
 - Has a minimum of 50 percent of all passenger vehicle parking spaces preinstalled with conduit and all necessary physical infrastructure to support future charging of electric vehicles
 - Has a minimum of 10 percent of all passenger vehicle parking spaces installed with electric vehicle charging stations
 - All classes of forklifts used on site, pursuant to State Air Resources Board's Zero-Emission Forklifts regulation shall be zero-emission by January 1, 2028, to the extent operationally feasible, commercially off-the shelf available, and adequate power available on sit

(Gov Code 65098(g))

Setback Distances:

Existing Industrial Sites

New and expanded logistic use where the loading bay is within 900 feet of a sensitive receptor:



1. Existing industrial sites and <250,000 square feet:
No setback requirement



2. Existing industrial sites and >250,000 square feet:
300 feet

Re-zoned Industrial Sites

All new and expanded logistic use:

- 3a. Re-zoned industrial sites and <250,000 square feet

- 3b. Re-zoned industrial sites and >250,000 square feet

- 4a. **Warehouse Concentration Region:** Re-zoned industrial sites <250,000 square feet

- 4b. Re-zoned industrial sites >250,000 square feet

500 feet

(Gov Code 65098.1)

New and Expanded Logistic Use Requirements:

- All new and expanded logistics use will also need to meet the following:



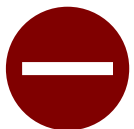
- 50-to-100-foot buffer and screen for light and noise mitigation, if within 900 feet of a sensitive receptor (Gov Code 65098.2)



- Entry gates must be positioned a minimum of 50 feet from inside the property line with requirements to increase distance based on number of loading bays (Gov Code 65098.2.5)



- A facility operator shall create a truck routing plan (to and from the state highway system) and submit it to the city or county for approval (Gov Code 65098.4)



- Anti-idling signs indicating a three-minute heavy-duty truck engine idling restriction shall be posted at logistics use developments (Gov Code 65098.3)

New and Expanded Logistic Use Requirements:



- Any new logistics use development shall be sited, beginning January 1, 2026, on roadways that meet the following classifications:
 - Arterial roads
 - Collector roads
 - Major thoroughfares
 - Local roads that predominantly serve commercial uses (if more than 50% of the properties fronting the road within 1000 feet are designed for commercial or industrial use according to the local zoning ordinance)
- A waiver may be granted (approved by the city or county) where siting on the designated roadways is impractical due to unique geographic, economic, or infrastructure-related reasons (Gov Code 65098.2.7)



- On-site truck location and route requirements away from sensitive receptors (Gov Code 65098.1)

Housing Conditions:



- A city or county ***shall condition approval*** of a logistics use on the following:
 - Two-to-one replacement of any demolished housing unit that was occupied within the last 10 years
 - For each housing unit demolished, regardless of market value of the unit, two units of affordable housing for persons and families of low or moderate income that are deed-restricted shall be built within the jurisdiction
 - If residential dwellings are affected through purchase, the developer shall be required to provide any displaced tenant with an amount equivalent to 12 months' rent at the current rate

[Gov Code 65098.2.7(b)(2)]

General Exemption:

- AB 98 does not apply to a logistics use development if it meets both of the following:
 - The logistics use development is a mixed-use development that may create sensitive receptors on the site of the new logistics use development
 - There are no existing sensitive receptors within 900 feet of the loading bay

(Gov Code 65098.9)

Existing Logistic Use Exemptions:

- An existing logistics use site as of 9/30/24 is not subject to the truck-loading bay location requirements if a sensitive receptor is constructed after January 1, 2025 (Gov Code 65098.1.5(a)(1))
- The proposed expansion of an existing use in the local entitlement process by 9/30/24 is not subject to the truck-loading bay location requirements if a sensitive receptor is constructed after January 1, 2025 (Gov Code 65098.1.5(a)(2))

Additional Exemptions:

- A property in the entitlement process to become a logistics use as of 9/30/24 is not subject to the truck-loading bay location requirements if a sensitive receptor is constructed after January 1, 2025 (Gov Code 65098.1.5(a)(3))
- A new logistics use development that requires the rezoning of land where the entitlement process began before any sensitive receptor began its entitlement process is not subject to the truck-loading bay location requirements. (Gov Code 65098.1.5(b)(1))
- Any logistics project that was subject to a commercial local entitlement process prior to 9/30/24 (Gov Code 65098.1.5(c))

SCAQMD Requirements:

- Subject to a budget appropriation, SCAQMD is required, beginning on January 1, 2026, and until January 1, 2032, to deploy mobile air monitoring systems within the Counties of Riverside and San Bernardino
- On or before January 1, 2028, SCAQMD is required to submit an interim report to evaluate the impact of air pollution on sensitive receptors from logistics use development operations in the Counties of Riverside and San Bernardino.
 - **This interim report shall be used to assess the effectiveness of setbacks on public health.**
- SCAQMD is required to submit findings to the Legislature on or before January 1, 2033.

(Health and Safety Code 40458.5)

Logistics Uses and the Circulation Element of the General Plan

- **AB 98's purpose of amending the Circulation Element:** Make sure that logistics uses are located where they will:
 - Minimize adverse impacts on residential communities, and
 - Enhance transportation efficiency
- **How does AB 98 achieve this purpose?** Restricts logistics uses to roadways that that predominantly serve commercial uses
- **What does AB 98 mean by “predominantly serve commercial uses?”** More than 50% of the properties fronting the road within 1000 feet are zoned for commercial or industrial use

(Gov Code 65302.02(b)(3))

Circulation Element Update:

- Deadline is January 1, 2026 (warehouse concentration region) and January 1, 2028 (all other cities and counties)
- Establish truck routes for the transport of goods, materials, or freight for storage, transfer or redistribution to:
 - Accommodate more trucks
 - Avoid residential areas
 - Avoid sensitive receptors
- Preferred truck routes: interstate or state divided highways; or predominantly commercially oriented local streets
- Prior to occupancy, a logistics use facility operator must receive approval from the city or county for a truck routing plan which includes proposed truck routing, signage and pavement markings, queuing analysis, and enforcement for preventing queuing, circling, stopping, and parking on public streets

(Gov Code 65098.4, 65098.1(e), and 65302.02)

Circulation Element Update: Public Engagement

- Provide opportunities for involvement of citizens, California Native American Indian Tribes, public agencies, public utilities, civic, education and other community groups
- Make diligent effort to achieve participation of all economic segments of the community

(Gov Code 65302.02(f) and (g))

Failure to Update Circulation Element:

- Attorney General may impose a fine of up to \$50,000 for failing to make required update

(Gov Code 65302.02 (i))

More General Plan Updates: Circulation Element Part Two?

- Along with any “substantive revision” of the circulation element after January 1, 2025, amend to:
 - Incorporate principles of the Federal Highway Administration’s Safe System Approach
 - Develop bicycle plans, pedestrian plans, and traffic calming plans that identify safety corridors; develop safety measures for bicyclists and pedestrians; set goals for initiation and completion of activities

(Gov Code 65302(b)(2)(B))

QUESTIONS

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