Legislative and Budget Update

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2023 Cal Cities Advocacy Priorities

1. Protect and expand investments to prevent and reduce homelessness.

2. Increase the supply and affordability of housing while retaining local decision-making.

3. Improve public safety in California communities.

4. Safeguard essential local revenues and support fiscal sustainability.
Legislature Kicks into High Gear

• Over 1,700 bills have been introduced.
• Several hundred are still “spot bills”.
• Dozens of bills focused on limiting or overriding local decision making with regard to land use.
• Legislature has doubled down on by-right bills.
• Policy committees and budget subcommittees are meeting daily.
• Revenue projects continue to decline. Estimated shortfall $26 billion.
• Wild card – 35 new Legislators.
In California, the legislative body is called the State Legislature and is divided into two houses (bicameral) - the State Assembly and the State Senate.

There are 40 members of the State Senate and 80 members of the State Assembly, for a total of 120 legislators.

Assembly Members are elected or re-elected every two years, and one-half of Senators are elected or re-elected every two years. Term limits apply.
Our State Legislature

The Assembly has 33 standing committees, the Senate has 22. They range from agriculture to labor, public employment and retirement, and everything in between!

Both houses have budget subcommittees and a litany of special, select, joint and other committees.

Committees play a critical role in the fate of a bill and how it is analyzed.
How Does a Bill Become a Law in California?

THE LIFE CYCLE OF LEGISLATION
From Idea into Law

Although the procedures can become complicated, this chart shows the essential steps for passage of a bill.

Typical committee actions are used to simplify charting the course of legislation.

Some bills require hearings by more than one committee, in which case a committee may re-refer the bill to another committee. For example, bills with monetary implications must be re-referred to the proper fiscal committee in each House before they are sent to the second reading file and final action.

A bill may be amended at various times as it moves through the House. The bill must be reprinted each time an amendment is adopted by either house. All bill actions are printed in the DAILY FILE, JOURNALS, and HISTORIES.

If a bill is amended in the opposite House, it is returned to the House of Origin for concurrent in amendments. If House of Origin does not concur, a Conference Committee Report must then be adopted by each House before the bill can be sent to the Governor.
‘Typical’ Process for a Bill – SB 109 (Dodd, 2021)

1. SB 109 is introduced on 1/6 by Senator Dodd;

2. Referred to the Senate Governmental Organization committee on 1/28;

3. Set for a hearing in Senate GO on 3/9; Passed and referred to Senate Appropriations Committee

4. Placed on the ‘Suspense File;’ then passed out of Senate Appropriations on 5/20

5. Voted on by full Senate on 6/1 – passes; Then sent to the Assembly

6. Referred to the Assembly Emergency Management on 6/10; set for hearing on 7/5 - passes and referred to Assembly Appropriations; referred to suspense file, then passed on 8/26

7. Voted on by full Assembly on 9/1 - passed; then back to Senate for concurrence vote on 9/2 – passed

8. Presented to the Governor on 9/9 and signed by Governor on 9/23; Becomes law Jan 1., 2022
1. Become engaged in the state level political process by appointing a legislative liaison within your city to track key legislation and work with your regional public affairs manager. Visit the Cal Cities regional division webpage to locate contact information for your regional public affairs manager.

2. Use Cal Cities as a resource. Visit the Cal Cities advocacy page to access Cal Cities priority bills, city sample support and opposition letters, legislative contacts, and use our online bill search feature to track bills’ progress.

3. Read and subscribe to the Cal Cities Advocate, Cal Cities’ online newsletter, to stay current on important legislation and stories.

4. Develop relationships with your Senate and Assembly representatives as well as their Capitol and district office staff. Make sure to look up who your local state elected official is.

5. Get to know members of your local press and educate them on legislative issues affecting your city.
10 Tips for Cities Lobbying the California Legislature

6. Understand how state decisions impact your city’s budget by attending Cal Cities educational conferences, policy committee meetings, and regional division events.

7. Build networks and collaborate with other stakeholders, such as non-profits, businesses, or your county, in your community on key legislative issues.

8. Organize an internal process within your city for developing and proposing changes to both state and federal laws that will help your city.

9. Adopt local policies on legislation that enable your city to react quickly to the legislative process and respond to Cal Cities action alerts.

10. Write letters on legislation featured in the Cal Cities Advocate. City sample support and opposition letters can be found using the Cal Cities bill search feature and entering the bill number or bill author.
Land use and zoning

**SB 4 (Wiener) Housing development: higher education institutions and religious institutions.**
This measure would, regardless of the existing zoning, require a housing development project be a use by right on any land owned by an independent institution of higher education or religious institution if the development satisfies specified criteria.

**Cal Cities Position:** Pending
Specified criteria:

- Must comply with all objective development standards of the city that are not in conflict with the bill.
- Can’t be located on farmland, wetlands, important habitat, VHFHSZ, hazardous waste site, flood zones, etc.
- Limitations on demolishing existing residential housing.
- Must contain 100% affordable units, expect 20% can be moderate income.
- Allows for greater density and height in some zones.
- Limits parking requirements.
Land Use and zoning

**SB 423** (Wiener) Streamlined Housing Approvals: Multifamily Housing Developments.

This measure would modify and expand SB 35 provisions that allow certain multifamily housing developments to take advantage of a streamlined, ministerial approval process. Specifically, this measure would:

- Remove the 2026 sunset and makes the statutes permanent.
- Apply SB 35 provisions to the Coastal Zone.
- Allow the state to approve housing developments on property they own or lease.
- Prohibit a city from enforcing its inclusionary housing ordinance if the income limits are higher than those in SB 35.

**Cal Cities Position:** Oppose
SB 634 (Becker) Opportunity housing: use by right: building standards. This measure would make an opportunity housing project, as defined, a use by right in all areas regardless of zoning. An opportunity housing project proponent may submit a request to any local agency regarding any parcel owned by the local agency to inquiry whether the parcel is suitable for an opportunity housing project. Local agency has 60 days to respond.

Cal Cities Position: Pending
Land Use and zoning

**SB 634** (Becker) Opportunity housing: use by right: building standards.

“Opportunity housing project” means a housing project that (1) provides noncongregate housing, (2) creates housing units that are not permanently affixed to the parcel and are relocatable, and (3) residence in the opportunity housing is reserved for one or more target populations.
Land Use and zoning

**SB 634** (Becker) Opportunity housing: use by right: building standards. “Target population” to mean (1) very low-income households, (2) individuals and families who are homeless or who are at risk of homelessness.
Land Use and zoning

**AB 68 (Ward) Streamlined housing approvals.**
This measure would require cities to ministerially approve infill multifamily units in transit accessible, low-vehicle miles traveled (VMT) neighborhoods that are close to services.

This measure would prohibit a county, or city from (1) increasing the planned density on climate resilient lands, (2) approving any tentative, final, or parcel maps for the subdivision of property within climate risk lands, and (3) from approving an extension of water or sewer services on climate resilient lands.

**Cal Cities Position:** Significant Concerns
**Land Use and zoning**

**AB 1490** (Lee) Affordable Housing Development Projects: Adaptive Reuse.
This measure would require a city or county to provide, to a 100% affordable housing project, the following:
- Approving all entitlements and permits within 30 days or less.
- Waiving local building and permit fees.
- Low-income utility rates shall be available.
- No minimum floor area ratio.
- No additional parking requirements.
- Local affordable housing funds shall include adaptive reuse as an eligible project.

**Cal Cities Position:** Oppose
**AB 1532** (Haney) Office Conversion Projects.
This measure would make an office conversion project a use by right in all areas of a city regardless of zoning. Would exempt these projects from impact fees that are not directly related to the conversion of an office building into residential dwelling units. Additionally, a city would be required to allow the developer to pay applicable impact fees over a 10-year period.

**Cal Cities Position:** Oppose
**Land Use and zoning**

**AB 1630 (Garcia) By-right housing approvals: Student housing projects.** This measure would require a city to classify student and faculty and staff housing as a permitted use on all real property within 1,000 feet of a university campus. This measure would require a proposed student or faculty and staff housing project to be considered ministerially, without discretionary review or a hearing, if specified requirements are met, including that a minimum of 20% of the units in the project be rented by students or faculty and staff of the university.

**Cal Cities Position:** Oppose
2023 Housing bonds

**AB 1657 (Wicks) The Affordable Housing Bond Act of 2024.** Would enact The Affordable Housing Bond Act of 2024, which, if adopted, would authorize the issuance of bonds in the yet-to-determined amount pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds would be used to finance programs to fund affordable rental housing and homeownership programs.

**Cal Cities Position:** Pending
2023 Housing bonds

Would enact the California Family Home Construction and Homeownership Bond Act of 2023, which, if adopted, would authorize the issuance of bonds in the amount of $25 billion pursuant to the State General Obligation Bond Law to finance the California Family Home Construction and Homeownership Program.

**Cal Cities Position:** Pending
Local Government Financing

**ACA 1 (Aguiar-Curry) Local Government Financing: Affordable Housing and Public Infrastructure: Voter Approval.** This measure would authorize a local government to impose, extend, or increase a sales and use tax or transactions and use tax for the purposes of funding the construction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing if the proposition proposing that tax is approved by 55% of its voters voting on the proposition.

**Cal Cities Position:** Pending
Access to housing

**ACA 10 (Haney) Fundamental Human Right to Housing.** This measure would declare that the state recognizes the fundamental human right to adequate housing for everyone in California. Would make it the shared obligation of state and local jurisdictions to respect, protect, and fulfill this right by all appropriate means.

*Cal Cities Position: Pending*
Affordable housing

**AB 510 (Jackson) Local land trusts.**
This measure would require each city and county to establish a local land trust for the purposes of holding and developing real property within the jurisdiction. The bill would require the local land trust to be governed by the city council or board of supervisors of the local government.

This measure would require a local land trust to, at all times, hold at least 5% of the total land within the jurisdiction of the local government in fee simple.

*Cal Cities Position: Pending*
Affordable housing funding

**AB 519 (Schiavo) Affordable Housing: Consolidated Funding Application Process.**

This measure require the Department of Housing and Community Development, by July 1, 2024, to establish a workgroup to develop a consolidated application for the purposes of obtaining grants, loans, tax credits, credit enhancement, and other types of financing for building affordable housing, and developing a coordinated review process for the application.

**Cal Cities Position: Support**
**SB 747** (Caballero) **Surplus land: notice of exemption determination.** This measure would authorize a local agency to declare administratively that land is exempt surplus land if the declaration and findings are published and available for public comment, and the local public entities and housing sponsors described above are notified at least 30 days before the declaration takes effect.

**Cal Cities Position:** Support
California’s Housing Future 2040: the next regional housing needs
California’s Housing Future 2040: the next regional housing needs

AB 101 (2019) directs HCD, in collaboration with OPR and after engaging in stakeholder participation, to develop recommendations related to the RHNA process and methodology. Upon completion of this California's Housing Future 2040 stakeholder engagement initiative, HCD will compile its findings and recommendations, and will submit a report to the Legislature by December 31, 2023.
California’s Housing Future 2040: the next regional housing needs

HCD plans to conduct this stakeholder engagement initiative in the Spring of 2023, which will consist of several opportunities for stakeholder input. HCD is undertaking the CA’s Housing Future 2040 initiative centering the following guiding principles:

• Ensure RHNA is a fair, transparent, objective, and streamlined process for identifying housing need.
  - Fair in terms of advancing equity, racial justice and inclusion, and environmental justice in a manner that ensures all jurisdictions plan for their fair share of the region’s housing need.
California’s Housing Future 2040: the next regional housing needs

• Ensure RHNA is a fair, transparent, objective, and streamlined process for identifying housing need.
  ▪ Transparent in terms of open and accessible public participation, proactive engagement, and making materials available online.
  ▪ Objective in terms of maintaining a data-driven process.
  ▪ Streamlined in terms of ensuring a logical flow of steps with the most efficient process available to accomplish meaningful outcomes.
California’s Housing Future 2040: the next regional housing needs

- Strategically plan for the needs of households of all income levels while promoting infill development, the protection of natural resources, and efficient development patterns.

- Account for future climate risk with the goal of ensuring communities and vulnerable populations are not unduly exposed to climate risks, including but not limited to drought, flooding, sea level rise, and wildfire.

- Encourage increased development to substantially address California’s housing shortage and affordability issues.
California’s Housing Future 2040: the next regional housing needs

• Improve compliance and outcomes through incentives and enforcement.

• Enhance and protect RHNA’s role in Affirmatively Furthering Fair Housing so that all cities plan for their fair share of growth and future planning does not further entrench segregated living patterns.
California’s Housing Future 2040: the next regional housing needs

Cal Cities has been asked to participate in a Sounding Board of technical experts that HCD is convening as part of our California’s Housing Future 2040: The Next RHNA stakeholder engagement process.

This Sounding Board will be focused on a series of specific, technical questions where HCD is looking for targeted ideas or feedback to consider when drafting this report.

The Sounding Board will meet four times via Zoom between April and May 2023.
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