## 2024 Planning Commissioners Academy



Strengthening California Cities through Advocacy and Education

### 2024 Legislative Briefing

Presenters:

Brady Guertin

Legislative Affairs, Lobbyist

Housing, Community, and Economic Development

### Agenda overview

- Welcome and Introduction
- Understanding the Current Legislative Landscape
- Budget Update
- Budget Cuts to Housing
- Upcoming Key Bill Deadlines
- 2024 Legislation

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League of California Cities





# The Current Political Landscape

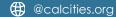


# Budget Update









#### Proposed 2024-25 state budget

#### Overall, the Governor's proposed \$291.5 billion budget:

Forecasts a **deficit** of \$38 billion in 2024-25.

Strengthening California Cities through Advocacy and Education

- Assumes continued steady growth; does not assume a recession.
- Proposes to draw from the state's reserve accounts to close the budget gap.



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### Proposed 2024-25 state budget

#### Overall, the Governor's proposed \$291.5 billion budget:

- Does not include redirection of city funds to address state budget shortfalls.
- Does not include deep cuts to most ongoing programs.
- Draws upon \$13.1 billion in reserves.
- However...





#### Proposed 2024-25 state budget

#### Overall, the Governor's proposed \$291.5 billion budget:

- X Does not include new, ongoing funding to address the housing supply and homelessness.
- X Climate change and housing received the largest cuts.
- X Pauses and reductions of investments in workforce development.



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### Balancing the budget

The proposed budget is balanced with a combination of:

- \$13.1 billion in reserves
- \$8.5 billion in spending reductions
- \$5.7 billion in internal borrowing
- \$5.1 billion in delays
- \$3.4 billion in shifts
- \$2.1 billion in deferrals





#### Cuts to housing programs

- **Regional Early Action Planning Grants 2.0 (REAP 2.0):** A cut of \$300 million.
- Multifamily Housing Program: A cut of \$250 million, which leaves \$75 million for 2023-24.
- Foreclosure Intervention Housing Preservation Program: A cut of \$247.5 million, which leaves \$85 million in 2024-25, \$100 million in 2025-26, and \$62.5 million in 2026-27.
- Infill Infrastructure Grant Program: A cut of \$200 million, which leaves \$25 million in 2023-24.
- CalHome Program: A cut of \$152.5 million.
- **Veteran Housing and Homelessness Prevention Program:** A cut of \$50 million
- **Housing Navigators:** A reduction of \$13.7 million.
- California Student Housing Revolving Loan Fund Program: A cut of \$494 million total. This is a pullback of \$300 million for each year from 2024-29 and a reversion of \$194 million for 2023-24



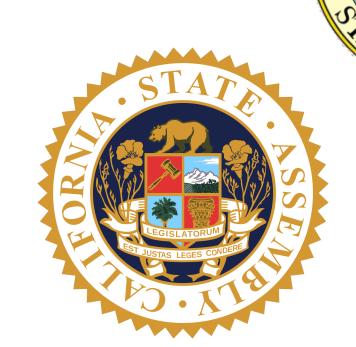
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# Legislative Process



### Our State Legislature

- The State Legislature has two houses (bicameral).
- State Assembly
  - 80 legislators
  - Elections every two years
- State Senate
  - 40 legislators
  - Elections every four years







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### Glossary of Legislative Bill Terms

AB: Assembly bill

• SB: Senate bill

ACA: Assembly constitutional amendment

SCA: Senate constitutional amendment

AJR: Assembly joint resolution

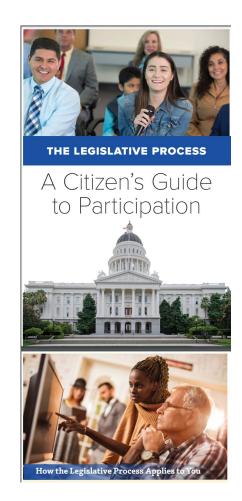
• SJR: Senate joint resolution

• ACR: Assembly concurrent resolution

SCR: Senate concurrent resolution

HR: House resolution (Assembly)

SR: Senate resolution









#### Committees

- Legislative committees play a critical role in the analysis and fate of a bill.
- Assembly: 33 standing committees
- **Senate:** 22 standing committees
- Both houses have budget subcommittees and a litany of special, select, joint, and other committees.



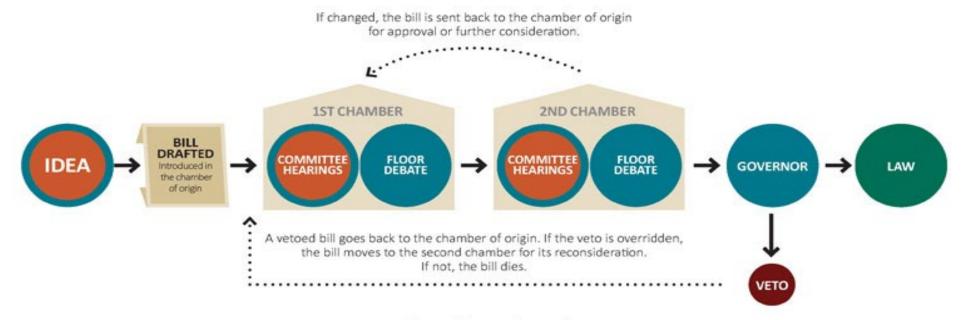






#### How Does a Bill Become a Law in California?

#### **State Legislative Process**



#### **Get Involved**

The colors indicate how the public can affect legislation at different points in the legislative process above:



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### Upcoming Senate and Assembly Important Dates

- Governor's proposed budget: Jan. 10
- **Bill introduction** deadline: Feb. 16
- Policy committee deadline: May 10
- House of origin deadline: May 24
- Budget must be passed: June 15
- Last day for Legislature to act on bills: Aug. 31

#### 2024 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE

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Whiteholm Salve will not 4 had.	120		War

JA	NU	ARY				Jan. 3	$Legislature\ reconvenes\ (J.R.\ 51(a)(4)).$
M	T	W	TH	F	S	Jan. 10	Budget must be submitted by Governor

sust be submitted by Governor (Art. IV, Sec. 12(a))

Jan. 12 Last day for policy committees to hear and report to fiscal confiscal bills introduced in their house in the odd-numbered year G.R. 61(9)(TH.

Jan. 15 Martin Luther King, Jr. Day

Jan. 19 Last day for any committee to hear and report to the Floor bills introduced n that house in the odd-numbered year. (J.R. 61(b)(2)) Last day to submit bill requests to the Office of Legislative Counsel

Jan. 31 Last day for each house to pass bills introduced in that house in the oddsumbered year (J.R. 61(b)(3)) (Art. IV, Sec. 10(c)).

			mer.				
	S	M	T	W	TH	F	S
Wk. I					1	2	3
Wk. 2	4	5	6	7	8	9	10
Wk. 3	11	12	13	14	15	16	17
Wk. 4	18	19	20	21	22	23	24
Wk. 1	25	26	27	28	29		

FERRUARY

S M

Feb. 16 Last day for bills to be introduced (J.R. 61(b)(4), J.R. 54(a))

Mar. 21 Spring Recess begins upon adjournment (J.R. 51(b)(1)).

Apr. 1 Legislature reconvenes from Spring Rocess (J.R. 51(b)(1)).

bills introduced in their house (J.R. 61(b)(6)). May 10 Last day for policy committees to meet prior to May 28 (J.R. 61(b)(7)).

Apr. 26 Last day for policy committees to hear and report to fiscal committees fiscal bills introduced in their house (J.R. 61(b)(5)).

May 3 Last day for policy committees to hear and report to the Floor nonfiscal

Last day for fiscal committees to meet prior to May 28 (J.R. 61 (b)(9)).

except for Rules Committee, bills referred pursuant to Assembly

Mar. 29 Cour Chavez Day observed.

Feb. 19 Presidents' Day

		N	IAR	СН			
	S	M	T	W	TH	F	S
Wk. 1						1	2
Wk. 2	19	4	5	6	7	8	9
Wk. 3	10	11	12	13	14	15	16
Wk. 4	17	18	19	20	21	22	23
Spring Recess	24	25	26	27	28	29	30
Wk. 1	31						

APRIL							
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
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Wk. 3	14	15	16	17	18	19	20
Wk. 4	21	22	23	24	25	26	27
Wk. I	28	29	30				

			MA	Y			
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Wk. 1				1	2	3	4
Wk. 2	5	6	7	8	9	10	11
Wk.3	12	13	14	15	16	17	18
No Hrgs.	19	20	21	22	23	24	25
Wk. 4	26	27	28	29	30	31	

May 17 Last day for fiscal committees to hear and report to the Floor May 20-24 Floor session only. No committee may meet for any purpose

Rule 77.2, and Conference Committees (J.R. 61(b)(10)). May 24 Last day for each house to pass bills introduced in that house

May 28 Committee meetings may resume (J.R. 61(b)(12)).

Holiday schedule subject to final approval by Rules Committee

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#### 2024 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE RAVIed 11-1-22

			JUN	E			
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Wk. 4							1
Wk.1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	29
Wk. 1	30						

June 15 Budget Bill must be passed by midnight (Art. IV, Sec. 12(c))

June 27 Last day for a legislative measure to qualify for the Nov. 5 General

			JUL	Y			
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
Summer Recess	7	8	9	10	11	12	13
Summer Recess	14	15	16	17	18	19	20
Summer Recess	21	22	23	24	25	26	27
Summer Recess	28	29	30	31			

July 3 Last day for policy committees to meet and report bills (J.R. 61(b)(13)). fummer Recess begins upon adjournment, provided Budget Bill has been

July 4 Independence Day

	AUGUST						
	S	M	T	W	TH	F	S
Summer Recess					1	2	3
Wk. 2	4	5	6	7	8	9	10
Wk. 3	11	12	13	14	15	16	17
No Hrgs.	18	19	20	21	22	23	24
No Hrgs.	25	26	27	28	29	30	31

Aug. 5 Legislature reconvenes from Summer Recess (J.R. 51(b)(2)).

Aug. 16 Last day for fiscal committees to meet and report bills (J.R. 61(b)(14))

Aug. 19 - 31 Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(15)).

Aug. 23 Last day to amend bills on the Floor (J.R. 61(b)(16)).

Aug. 31 Last day for each house to pass bills (Art. IV, Sec 10(c), J.R. 61(b)(17)). Final Recess begins upon adjournment (J.R. 51(b)(3)).

#### IMPORTANT DATES OCCURRING DURING FINAL RECESS

2024 Sept. 30	Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).
Oct. 2	Bills enacted on or before this date take effect January 1, 2025. (Art. IV, Sec. 8(c)).
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General Election.

Adjournment sine die at midnight (Art. IV, Sec. 3(a)).

2025-26 Regular Session convenes for Organizational Session at 12 noon (Art. IV. Sec. 3(a)).

Statutes take effect (Art. IV, Sec. 8(c)).

\*Holiday schedule subject to final approval by Rules Committe

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### RHNA Reform





#### RHNA report update

- AB 101 (2019) required the Department of Housing and Community Development (HCD) to collaborate with the Governor's Office of Planning and Research to critically review the RHNA methodology and process.
- HCD will compile its findings and recommendations and submit a report to the Legislature by Dec. 31, 2023. Still not released.
- Cal Cities participated in numerous stakeholder meetings hosted by HCD in Spring and Summer 2023 to inform the report.



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# Legislative Update



#### Upcoming bill deadlines

- February 16<sup>th</sup>: Last day for legislators to introduce bills.
- March 11<sup>th</sup>: Last day for spot bill amendments to be submitted to rules.
- End of March/Early April: Policy committee hearings begin.
- April 26<sup>th</sup>: Last day for policy committees to report fiscal bills.
- May 3<sup>rd</sup>: Last day for policy committees to report nonfiscal bills.



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#### 2023-2024 Interesting legislative stats

- 5,200 Bills introduced during the 2023-2024 Legislative Session
- Over 2,100 bills introduced just this year.
- HCED has 225 bills in its portfolio so far.



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#### Trends and Issue Areas

- Development Fees
- Housing Element
- Accessory Dwelling Units
- Planning and Zoning Issues
- Housing in the Coastal Zone
- Other relevant bills (time permitting)



### AB 1820 (Schiavo) Housing Development Projects: Applications. Fees And Exactions.

This measure would require local agencies to provide an estimate of all taxes and fees within 10 business days of a request from a project applicant during the preliminary application process.



### **SB 937** (Wiener) Development Projects: Permits And Other Entitlements: Fees And Charges.

This measure would limit the ability of local governments to collect mitigation fees either when a certificate of occupancy is issued, or once construction commences for the projects the fees will be used for. It also prohibits local governments from specific agreements with developers for fee payment.



SB 1210 (Skinner) New Housing Construction: Electrical, Gas, Sewer, and Water Service Connections: Charges. This measure would cap fees for electrical, gas, or water services at 1% of the total building permit value of new housing construction.



### AB 2553 (Friedman) Housing Development: Major Transit Stops: Vehicular Traffic Impact Fees.

This measure would change the definition of major transit stops as it pertains to vehicular traffic impact fees and mitigation fees. This bill increases major transit stops to include an intersection of two or more major bus routes with a frequency of service interval of 20 minutes or less during morning and afternoon peak commute periods (up from 15 minutes). It would also include a site in an urbanized area that has an on-demand transit service at least 12 hours a day, 7 days per week.



### AB 1886 (Alvarez) Housing Element Law: Substantial Compliance: Housing Accountability Act.

This measure would allow the Builder's Remedy to begin as soon as the Department of Housing and Community Development or a court determines a jurisdiction's housing element is out of compliance.



### AB 1893 (Wicks) Housing Accountability Act: Housing Disapprovals: Required Local Findings.

This measure would allow the Builder's Remedy apply if the Department of Housing and Community Development determines that a local jurisdiction is not in compliance with Housing Element Law and a proposed development project provides a minimum of 10% of the units for low-income or very low-income residents. This measure would limit the Builder's Remedy only to areas zoned for residential and mixed-use development and caps maximum density.



### AB 2023 (Quirk-Silva) Housing Element Substantial Compliance: Rebuttable Presumptions.

This measure would make it more difficult for jurisdictions to challenge HCD's determination that its housing element is not in substantial compliance with the law.



SB 951 (Wiener) California Coastal Act of 1976: Coastal Zone: City and County of San Francisco

This measure would require coastal cities to update their Local Coastal Programs during each housing element cycle.



AB 1889 (Friedman) General Plan: Wildlife Connectivity Element. This measure would require local agencies to include a wildlife connectivity element in their next housing element after January 1, 2025. The local jurisdiction must consider how development will impact wildlife movement in consultation with the Department of Fish and Wildlife.

**Cal Cities Position**: Concerns



AB 2144 (Grayson) General Plan: Annual Report: Housing Data. This measure would require local agencies to provide evidence of their compliance with the specific requirements laid out in AB 602 in 2022. Specifically, it includes a schedule of fees, exactions, and affordability requirements, all zoning ordinances and development standards, annual fee reports, annual financial

reports, and all impact fee nexus studies, cost of service studies,

and other equivalent data required by the previous bill.



### AB 2597 (Ward) General Plans: Housing Elements: postentitlement phase permits

This measure would require local agencies to include in their housing element potential and actual government constraints on the maintenance, improvement, or development of housing for all income levels. It also must include the number of permits that met the timelines established by AB 2234 in 2022 and the progress your jurisdiction has made in establishing an online platform to accept post entitlement phase permits. Finally, it would need to demonstrate how local governments have made efforts to reduce government barriers to housing to meet regional housing needs.



#### AB 2684 (Bryan) Safety Element: Extreme Heat.

This measure would require local agencies in its next housing element to address extreme heat in its safety element. It would also require that whenever the housing element or a local hazard mitigation fee plan is revised to include extreme heat in the safety element as well.



AB 3086 (Santiago) General Plan: Annual Report: Housing Units. This measure would require local agencies in its next housing element to report the number of affordable housing units with affordable restrictions that expired in the previous year and the number of units under rent control that were taken off the market.



### **SB** 968 (Seyarto) Planning and Zoning: Regional Housing Needs Allocation.

This measure would allow local governments that produce a surplus of housing that is higher than their Regional Housing Needs Allocation (RHNA) to use the surplus in the number of units for their next RHNA and Housing Element requirements.

Cal Cities Position: Support



## Parking

<u>SB 834</u> (Portantino) Vehicles: Preferential Parking: Residential, Commercial, or Other Development.

This measure would prohibit local governments from providing local parking privileges to residents and vendors for any development within a half mile of public transit.



## Accessory dwelling units (ADU)

#### **SB 1211** (Skinner) Land Use: Accessory Dwelling Units.

This measure would require local agencies to allow a minimum of two detached, new construction ADUs on a multifamily dwelling unit and allow up to 25% of the existing lot to have ADUs on site. It would also prohibit local governments from requiring off-street parking spaces to be replaced if a carport, covered parking structure, or uncovered parking space is converted to an ADU.



#### ADU

SB 1055 (Min) Accessory Dwelling Units: Regional Housing Need. This measure would allow local agencies that meet their regional housing needs to reduce the height of ADUs from 25 feet to 16 feet.

Cal Cities Position: Support



#### ADU/Coastal

SB 1077 (Blakespear) Coastal Resources: Coastal Development Permits: Accessory and Junior Accessory Dwelling Units: Parking requirements.

This measure would exempt the development of an ADU or JADU from a coastal permit when developed in the coastal zone.



# AB 2085 (Bauer-Kahan) Planning And Zoning: Ministerial Approval: Community Clinic.

This measure would require by-right approval of a community clinic located in office, retail, health care, or parking are principally permitted uses.

Cal Cities Position: Take to Committee



#### AB 2632 (Wilson) Planning And Zoning: Thrift Retail Stores.

This measure would prevent local governments from treating thrift retail stores differently than other types of retail stores. It also prevents local governments from splitting thrift and nonthrift retail stores up in their zoning codes.

Cal Cities Position: Take to Committee



#### AB 2904 (Quirk-Silva) Zoning Ordinances: Notice.

This measure would require local governments to provide a 60-day notice to any property owner subject to a proposed zoning ordinance or amendment to a zoning ordinance. It would require local jurisdictions to provide a notice by both mail and on the Internet website.



AB 3068 (Haney) Adaptive Reuse: Streamlining: Incentives. This measure would require local governments to zone by-right adaptive reuse office to residential conversion projects that are projects meant for low-income families. It would also exempt these projects from all impact fees not directly related to the impacts resulting from the change of use of the site from nonresidential to residential or mixed-use.



## Housing in the coastal zone

AB 2560 (Alvarez) Density Bonus Law: California Coastal Act of 1976.

This measure would require local governments in the coastal zone to comply with the Density Bonus Law for affordable housing on the coast.

Cal Cities Position: Watch/Track



#### Housing in the coastal zone

SB 1234 (Allen) Coastal Resources: Local Land Use Plan: Zoning Ordinances and District Maps: Modifications: Ministerial Approval. This measure would allow local governments to opt in and allow a planning director to adopt modifications from the California Coastal Commission in the proposed zoning ordinances and district maps ministerially.



# QUESTIONS?

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## Other Bills of Note



#### AB 2791 (Wilson) Sidewalk Vendors.

This measure would allow local governments to prohibit sidewalk vendors near an annual fair or a permitted certified farmers' market.

Cal Cities Position: Track/Watch



# AB 2909 (Santiago) Historical Property Contracts: Qualified Historical Property: Adaptive Reuse.

This measure would allow someone who owns a historically significant property to sign an agreement with the local government to limit how the property is used. It would require the contract to require adaptive reuse of the qualified historical property.



# AB 3116 (Garcia) Housing Development: Density Bonuses: Student Housing Developments.

This measure will allow the Density Bonus Law to occur if a developer sets aside 20% of the bed spaces in student housing to lower-income students, faculty, or staff.

Cal Cities Position: Watch/Track

