



Legislative Action Committee 2021 Legislative Update

November 11, 2021

Table of Contents

CASCC BILLS WITH POSITIONS	2
SB 612 (PORTANTINO)	2
SB 9 (ATKINS).....	2
AB 1401 (FRIEDMAN)	3
SB 649 (CORTESE)	4
STATE BUDGET REQUEST FOR CITIES.....	5
\$2 BILLION IN DIRECT AND FLEXIBLE STATE AID.....	5
\$5 BILLION FOR EVIDENCE-BASED HOMELESSNESS AND HOUSING SOLUTIONS	6
AT LEAST \$3 BILLION FOR BROADBAND INFRASTRUCTURE	7
\$225 MILLION FOR MANDATES TO DIVERT ORGANIC WASTE FROM LANDFILLS.....	8
NOTABLE CHAPTERED BILLS UNDER CASCC POLICY PRIORITIES.....	10
COVID-19 RECOVERY & RESILIENCE 	10
RACIAL JUSTICE.....	11
TRANSPORTATION	13

Prepared by Audin Leung, Board Clerk

CASCC Bills With Positions

[SB 612](#) (Portantino)

Electrical corporations and other load-serving entities: allocation of legacy resources.

Position **SUPPORT**

Summary Would require an electrical corporation, by July 1, 2022, and not less than once every 3 years thereafter, to offer an allocation of certain electrical resources to its bundled customers and to other load-serving entities, including electric service providers and community choice aggregators, that serve departing load customers who bear cost responsibility for those resources. The bill would authorize a load-serving entity within the service territory of the electrical corporation to elect to receive all or a portion of the vintaged proportional share of those legacy resources allocated to its end-use customers and, if it so elects, would require it to pay to the electrical corporation the commission-established market price benchmark for the vintage proportional share of the resources received.

Result Turned into two-year bill in Assembly Committee on Utilities and Energy.

[SB 9](#) (Atkins)

Housing development: approvals

Position **OPPOSE**

Summary The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. This bill, among other things, would require a proposed housing development containing no more than 2 residential units within a single-family residential zone to be considered ministerially, without discretionary review or hearing, if the proposed housing development meets certain requirements, including, but not limited to, that the proposed housing development would not require demolition or alteration of housing that is subject to a recorded covenant,

ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income, that the proposed housing development does not allow for the demolition of more than 25% of the existing exterior structural walls, except as provided, and that the development is not located within a historic district, is not included on the State Historic Resources Inventory, or is not within a site that is legally designated or listed as a city or county landmark or historic property or district.

Result Chaptered, taking effect January 2022.

AB 1401 (Friedman)

Residential and commercial development: remodeling, renovations, and additions: parking requirements.

Position **OPPOSE**

Summary The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. This bill, among other things, would require a proposed housing development containing no more than 2 residential units within a single-family residential zone to be considered ministerially, without discretionary review or hearing, if the proposed housing development meets certain requirements, including, but not limited to, that the proposed housing development would not require demolition or alteration of housing that is subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of moderate, low, or very low income, that the proposed housing development does not allow for the demolition of more than 25% of the existing exterior structural walls, except as provided, and that the development is not located within a historic district, is not included on the State Historic Resources Inventory, or is not within a site that is legally designated or listed as a city or county landmark or historic property or district.

Result Turned into two-year bill in Senate Appropriations.

SB 649 (Cortese)

Local governments: affordable housing: local tenant preference.

Position Legislative Action Committee – **WATCH**
Board of Directors – **SUPPORT**, as part of an endorsement of the Racial Justice Committee’s recommendations that were presented on October 14, 2021.

Summary Would establish a state policy supporting local tenant preferences for lower income households, as defined, that are subject to displacement risk, and, further, permit local governments and developers in receipt of local or state funds, federal or state tax credits, or an allocation of tax-exempt private activity bonds designated for affordable rental housing to restrict occupancy by creating a local housing preference for lower income households subject to displacement risk. The bill, subject to certain requirements and limitations, would authorize a local government to allow a local tenant preference in an affordable housing rental development to reduce displacement of lower income households with displacement risk beyond local government boundaries by adopting a program that allows preferences in affordable rental housing acquired, constructed, preserved or funded with state or local funds or tax programs.

Result Turned into two-year bill in Assembly Committee on Rules.

State Budget Request for Cities

The Cities Association echoed the League of California Cities' **request for a state appropriation of \$10 billion** to assist cities in:

- (1) Direct and Flexible State Aid
- (2) Homelessness and Housing
- (3) Broadband Infrastructure
- (4) Organic Waste Diversion

The following report assesses whether the state met this request and provides information on funds relevant to cities. Note that allocations for programs run solely by the state and not disbursed to local entities were excluded from this report.

Request 1:

\$2 BILLION IN DIRECT AND FLEXIBLE STATE AID

To address local budget gaps left by the American Rescue Plan Coronavirus State and Local Fiscal Recovery Fund and to prevent sustained cuts to good government jobs and jumpstart core services including the easing of municipal hiring freezes.

Result: Not funded.

However, concerns regarding retention of city employees may be partly alleviated by state ARP funds directed to **workforce development programs**, including \$600 million to establish the Community Economic Resilience Fund to disburse grants for regional programs and economic development strategies that complement state and federal infrastructure investments.¹

¹ The 2021-22 California Spending Plan: Other Provisions. Under "Labor and Employment Issues".
<https://lao.ca.gov/Publications/Report/4452>

Request 2:

\$5 BILLION FOR EVIDENCE-BASED HOMELESSNESS AND HOUSING SOLUTIONS

To support cities in their efforts towards ending homelessness and increasing the construction of housing that is affordable to all Californians. This includes funds to provide housing and rent assistance, drug rehabilitation services, and landlord relief programs.

Result: Mostly Funded.

The state spending plan included a slew of allocations to local governments for housing and homelessness programs, including those below.² However, the Cities Association's specific request for funds towards housing and rent assistance, as well as landlord relief programs, were not met. The state funded rent assistance, but the assistance goes to renters themselves rather than cities, and no new funds were indicated for landlord relief programs.

Funds for housing were provided in the following ways:

- The **state excess sites program** received \$45 million for expansion, including local government matching grants that incentivize affordable housing development on excess lands
- The **Infill Infrastructure Grant (IIG)** Program received \$160 million to fund selected capital improvement projects in large jurisdictions.

Funds for addressing homelessness were provided in the following ways:

- The **Homeless Housing, Assistance, and Prevention Program (HHAPP)** will receive \$1 billion annually from FY 21-23. The HHAPP provides flexible funding to local entities and is administered by the Homelessness Coordinating and Financing Council (HCFC).

The \$1 billion is apportioned as follows:

- \$800 million to local entities according to a county's proportion of the total homeless population in its Continuum of Care (CoC)³ region.

² The 2021-22 California Spending Plan: Housing and Homelessness.
<https://lao.ca.gov/Publications/Report/4468>

³ A Continuum of Care (CoC) is a regional or local planning body that coordinates housing and services funding for homeless families and individuals, according to the National Alliance to End Homelessness.
<https://endhomelessness.org/resource/what-is-a-continuum-of-care/>

- \$336 million to cities with populations over 300,000 according a city's proportion of the total homeless population in its CoC region.
- \$180 million to bonuses for HHAP grantees that establish performance goals
- **COVID-19 emergency homelessness funding grant allocations** under SB 89 sent \$1,891,521.87 to the San Jose/Santa Clara City & County Continuum of Care and 1,740,250.66 to the County of Santa Clara
- **Project Homekey** received \$2.75 billion to fund additional housing that can be converted and rehabilitated to provide permanent housing for the unhoused. The average statewide cost to the Homekey Program per housing unit is \$124,000 and the average local match is \$24,000, making the average total cost per unit \$148,000.
- The **Family Homelessness Challenge Grants and Technical Assistance Program** received \$40 million to provide local governments two grounds of grants, as well as technical assistance in developing action plans to address family homelessness and accelerate local rehousing. Funds must be expended by June 30, 2026.
- The **Behavioral Health Continuum Infrastructure Program** will receive \$2.2 billion to provide grants to local entities for behavioral health facilities or mobile crisis infrastructure, contingent on these entities providing matching funds and committing to providing funding for ongoing services.

Request 3:

AT LEAST \$3 BILLION FOR BROADBAND INFRASTRUCTURE

To support expansion and related infrastructure upgrades in unserved and underserved communities to help cities catalyze projects statewide.

Result: Partially funded through grants only.

SB 156 recast the CPUC's **California Advanced Services Fund (CASF)**, which uses revenues from a surcharge rate collected by telecommunications companies to provide broadband infrastructure grants.

The following are key elements of the SB 156 budget update pertinent to local governments.⁴

⁴ The 2021-22 California Spending Plan: Broadband Infrastructure. Legislative Analyst's Office. <https://lao.ca.gov/Publications/Report/4467>

\$50 million Broadband Loan Loss Reserve Fund provides financial backing for local government and non-profit broadband projects

- Additional appropriations for reserve fund operations total \$700 million over FY 22-24.
- Benefits of the Fund include:⁵
 - These funds may leverage 3-10 times the guaranteed amount in bond funds (e.g., a \$10 million guarantee could support a \$30 million –\$100 million bond issuance).

\$2 billion for last-mile broadband⁶ project grants connects service providers to communities and their households

- The \$2 billion is apportioned accordingly:
 - \$5 million is provided in base funding for each county.
 - Additional funds are allocated according to each county’s proportion of households with download speeds slower than 100 megabits per second.
 - The \$2 billion is allocated evenly between rural and urban areas (\$1 billion each).
- “Unserved areas” where service is too slow to load real-time interactive applications are prioritized for grants.

Additionally, SB 156:

- Gives authority for local governments to issue bonds, and acquire, construct, and maintain broadband infrastructure.
- Makes broadband deployment projects exempt from CEQA review.

Request 4:

\$225 MILLION FOR MANDATES TO DIVERT ORGANIC WASTE FROM LANDFILLS

To enable cities and the state stay on course to meet our ambitious goals to reduce landfill disposal.

Result: Partially Funded. Cap-and-trade revenue was directed towards \$60 million in grants for local governments to assist in compliance with the SB 1383, the 2015 bill that set ambitious

⁵ Last-Mile Broadband Fact Sheet. https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/documents/telecommunications/broadband--fact-sheet_083021.pdf

⁶ A middle-mile network consists of high-capacity fiber-optic cables laid over tens or hundreds of miles, for example, near the state’s highways. Last-mile projects, by contrast, connect middle-mile networks to individual communities and their households

organic waste reduction goals for the state. \$70 million of cap-and-trade revenue goes to organic waste infrastructure.

The Circular Economy Package additionally provided \$40 million in various grants for recycling and organic waste infrastructure projects.

Notable Chaptered Bills Under CASCC Policy Priorities

On January 14, 2021, the Board of Directors voted to prioritize the policy areas of **COVID-19 Recovery and Resilience, Housing, Racial Justice, and Transportation.**

Below is a round-up of bills that have local level-effects and were signed by the Governor in September or October of 2021. Housing legislation is covered by the Planning Collaborative in a separate attachment.

COVID-19 Recovery & Resilience | Policy Priority 1

A trio of bills, **SB 314** (Wiener), **AB 61** (Gabriel), and **SB 389** (Dodd) were passed to support food businesses in their re-opening and recovery from pandemic-related losses by offering greater regulatory flexibility.

The most impactful elements of SB 314 and AB 61 both work to extend the length of temporary permits, called the COVID-19 Temporary Catering Authorization, that allowed certain businesses to expand activities such as alcohol sales, outdoor dining, and delivery services during the pandemic.

The permits are extended one year after the end of the state of emergency, giving businesses a grace period to apply for a permanent expansion permit.

Additionally,

SB 314 alleviates administrative costs by authorizing licensed manufacturers to share a common area with multiple licensed retailers, and by increasing the number of times that catering businesses can use the same license.

AB 61 requires a local jurisdiction that has not adopted an ordinance that provides relief from parking restrictions for expanded outdoor dining areas to reduce the number of required parking spaces enough to accommodate an outdoor dining area. These provisions go into effect on January 1, 2022, and sunset on July 1, 2024.

[SB 389](#) allows restaurants to sell to-go alcoholic beverages with food orders, with provisions to ensure alcohol is not sold to minors, until the end of 2026.

Racial Justice | Policy Priority 2

PUBLIC SAFETY

Governor Newsom signed a series of public safety reform bills, two of which have received the most attention.

[SB 2](#) (Bradford, Atkins)

- Gives the state's Commission on Peace Officer Standards and Training (POST) the power to suspend decertify an officer for serious misconduct including excessive force, sexual assault, demonstration of bias and dishonesty.
- Creates an advisory board made up of mostly civilians without policing experience to investigate serious misconduct allegations and make recommendations to the commission on whether to revoke an officer's certification.
- Effectively ends qualified immunity, a legal principle that grants government officials immunity from civil suits unless the person injured can prove that the official violated clearly established statutory or constitutional rights.
- It does so by eliminating certain immunity provisions peace officers and custodial officers hold, as well as the public entities that employ them when sued under the act, and by removing the requirement of proving intent.
- Was amended to partially incorporate law enforcement feedback, including requiring a higher two-thirds threshold vote of commissioners to decertify officers.

[SB 16](#) (Skinner)

- Expands the public's access to police records, allowing them to view sustained findings in which an officer used unreasonable force, failed to intervene when another officer used excessive force, engaged in racist or biased behavior, or conducted unlawful arrests and searches.
- Allows release of records after an officer resigns and puts a 45-day limit on when agencies must respond to records requests
- Removes the time limit on when judges can consider police misconduct complaints to be admissible in criminal cases.

Cities may be especially interested in the opportunity offered by [AB 118](#), known as the **CRISES Act, that assists cities and counties in “lessening the reliance on law enforcement agencies as first responders to crisis situations unrelated to a fire department or emergency medical service response.”** It does so through the C.R.I.S.E.S. Grant Pilot Program, which awards grants of at least \$250,000 for local governments to shift certain emergency calls to departments of social services, disability services, health services, public health, or behavioral health. These departments would then be required to award at least 90% of funds to one or more community-based organizations.

Santa Clara County’s own Assemblymember Ash Kalra, in partnership with Assemblymembers Gonzalez and Garcia, authored [AB 48](#) which:

- Limits police use of rubber bullets and other less lethal weapons at demonstrations to certain situations, such as when someone’s life is in danger or to bring an objectively dangerous and unlawful situation under control if de-escalation tactics do not work.
- Requires departments to release reports on their use of such weapons.

Governor Newsom also notably signed:

- AB 481 (Chiu) which compels police departments to be approved by council ordinance before buying or receiving funds to buy military equipment like armored cars and unmanned aircraft
- AB 26 (Holden) which creates guidelines for police officers to intercede and immediately report if another officer is using excessive force
- AB 89 (Jones-Sawyer) which raises the minimum age to become a police officer to 21 and will enhance education requirements
- AB 490 (Gipson) which bans technique and transport methods that involve risk of positional asphyxia
- AB 958 (Gipson) which bans “police gangs,” making participation grounds for termination

EDUCATION

[AB 101](#) (Medina)

- Makes one semester of ethnic studies into a graduation requirement. It goes into effect by the 2024-25 school year and begins with the class of 2030.
- Allows school districts to either develop their own lessons or use the model curriculum developed by the State Board of Education.
- Expressly authorizes schools to increase the requirement for an ethnic studies course from one semester to one year, at their discretion.

Transportation | Policy Priority 3

TRANSPORTATION FINANCING

[SB 640](#) (Becker) allows cities to band together when applying for state funding for infrastructure projects that could have shared benefit.

ELECTRIC VEHICLES

Background: In 2015, the Legislature passed AB 1236 (Chiu) to streamline the permitting process for EV charging station installations. However, most local governments have established conditions for permit approval that are not authorized under AB 1236, and 76% have failed to adopt an ordinance to streamline the review of permit applications altogether.

[AB 970](#) (McCarty) aims to streamline the permitting process with strict timelines for review.

Specifically, an application to install an EV charging station would be deemed *complete* if the local jurisdiction has not reviewed it either 5 business days or 10 business days after the application was submitted, depending on the number of electric vehicle charging stations proposed in the application.

An application would be deemed *approved* if, 20 business days or 40 business days after the application was deemed complete, depending on the number of electric vehicle charging stations proposed in the application, (1) the local jurisdiction has not approved the application, (2) the building official has not declared adverse impact or denied the permit, and (3) an appeal has not been made to the planning commission.

The bill would require local jurisdictions to reduce the number of required parking spaces to accommodate EV charging stations.

The bill goes into effect January 1, 2022, but for every local jurisdiction with a population of less than 200,000 residents, the bill's provisions would apply beginning on January 1, 2023. These provisions apply to all cities, including charter cities.

[AB 1110](#) (Rivas) establishes the California Clean Fleet Accelerator Program, which has three primary functions:

- It provides technical assistance to local school districts, small government entities, and other public entities to adopt ZEV fleets

- It helps reduce the purchase price of clean trucks and buses by streamlining bulk purchase orders for multiple entities at a time,
- It gives schools, towns, and small transit agencies access to low cost financing so they can start saving money right away by upgrading their oldest and dirtiest vehicles.

SLOW STREETS

[**AB 773**](#) (Nazarian) will permanently allow local jurisdictions to restrict traffic on selected streets. The legislation expands on Governor Newsom's Emergency Executive Order, which granted local areas the ability to implement Slow Streets Programs as a response to COVID-19 public health guidelines.

SPEED LIMITS

Background: For years, California has based its speed limits using a decades-old process known as the 85th percentile. Traffic surveyors measure the speed of drivers and set the speed limit to reflect the speed at which 85% of drivers were driving. It has long been believed that this is the safest way to determine street speed, but the data – a rising number of traffic-related injuries and deaths, and progressively increased speed limits in many cities – suggest otherwise. Speed limits based on the 85th percentile reflect the speed the majority are comfortable driving at regardless of posted speed limits.

[**AB 43**](#) (Friedman) would require traffic surveyors to take into account the presence of vulnerable groups, including children, seniors, the unhoused, and people with disabilities when setting speed limits; permit cities to lower speed limits beyond the 85th percentile on streets with high injuries and fatalities; and provide for greater flexibility in setting school speed limits to protect children.