

**To:** City of Cupertino  
Legislative Review Committee

**From:** Townsend Public Affairs, Inc.  
Casey Elliott, State Capitol Director

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**Subject:** Legislative Update

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### **State Legislative Update**

During the month of June, the Legislature primarily focused on moving legislation through Second House policy committees and approving the State's Budget for FY 2021-22. June 4<sup>th</sup> marked the last day for bills to move out of their house of origin, serving as a filter for many measures that failed to garner consideration or votes from the floor of their original house. Given that the Assembly Speaker and the Senate pro Tempore had previously agreed to limit each Member to moving only 12 bills to the Second House, there were considerably fewer bills that moved out of their House of Origin this session, compared to previous sessions. After the passing of the House of Origin deadline, policy committees resumed meeting and will continue to do so until July 14<sup>th</sup>, which marks the last day for policy committees to meet and report bills. Following that, the Legislature will adjourn for summer recess, beginning July 16<sup>th</sup> and will return August 16<sup>th</sup> to complete the remainder of the legislative session.

Of the 2,708 bills introduced by the Legislature this year, the Governor has already signed 172 into law, which is expected to ramp up in the coming weeks. The next two months will quickly reveal the fate of many key measures. As the Legislature continues its process of advancing legislation to the Governor's desk, the Governor is still dealing with an upcoming recall election. Due to modifications of elections law recently approved by the Legislature, the recall election could be held as soon as August, but is likely to be held in September.

### **Fiscal Year 2021-2022 State Budget**

To meet the constitutional deadline to pass a State Budget, the Legislature passed AB 128 on June 14<sup>th</sup>, to ensure the government remained in full operation and members received pay. While this action satisfied the constitutional requirements, the bill did not reflect an agreement between the Governor's Office and the Legislature for a variety of policy issues that included drought and wildfire mitigation and healthcare funding. On Monday, June 28<sup>th</sup>, the Legislature passed an amended budget bill, SB 129, which was the product of negotiations between the Administration and the Legislature. The Legislature also passed additional budget trailer bills on July 1<sup>st</sup>, which would implement portions of the overall budget agreement. The revised budget bill, as well as the trailer bills, are expected to be signed by the Governor.



Assemblymember Low submitted a \$7 million budget request on behalf of the West Valley cities for public safety and emergency resiliency, including Cupertino. These funds include a pilot for a defensible space Wildland Fire Specialist Program for our communities to be implemented and overseen by Santa Clara County Fire Department (SCCFD). The funding also includes Cupertino specific projects related to a Business Continuity and Resilience program and emergency communication enhancement to support local and regional response.

Despite the amended budget bill's passage and movement to the Governor's desk, the Governor and the Legislature were not able to reach an agreement on everything. Notably, no joint public statement announcing a broad budget agreement has issued between the Governor and Legislative leaders in the Assembly and Senate. To the frustration of some Legislators, the amended budget bill has been touted as a "framework" and not a comprehensive budget deal. Key policy issues are still awaiting implementing language pending the passage of various budget trailer bills.

Through deft accounting strategies, the revised budget avoided invoking the "Gann Limit," which limits state expenditures to the annual growth in population and to growth in average personal income. The Governor's proposed budget would have required the \$16 billion in excess revenue to be split between personal income tax rebates and additional funding for education. However, the amended budget keeps overall state spending under the limit, through various recalibration strategies.

The key highlights are summarized below:

### **Overview**

*The FY 2021-22 Budget proposes \$262.6 billion in total expenditures. It includes a \$76 billion surplus and \$27 billion in federal aid as a result from the COVID-19 pandemic.*

### Homelessness

- \$12 billion in new funding for homelessness programs to be dispersed over the next two years.
- Flexible local aid - Two years of a \$1 billion appropriation for local governments to address homelessness.
- Project Homekey - \$1.45 billion in 2021-22 and \$1.3 billion in 2022-23.
- CalWORKs Housing Support Program (HSP) - \$380 million dispersed over two years.
- \$50 million for homeless youth emergency services and housing programs.
- \$4 billion over two years for various programs operated out of the Department of Social Services.

### Housing

- Affordable housing investments
  - \$1.75 billion to alleviate the backlog in affordable housing construction.
  - \$300 million for the preservation of existing affordable housing.
  - \$600 million for planning and implementation grants to help local governments plan for and meet their goals under their Sustainable Community Strategies.
- Homeownership
  - \$100 million in 2021-22 to expand CalHFA's homebuyer assistance program.



- Rental assistance and eviction protections
  - An additional \$2.6 billion in federal funds available for emergency rental assistance to California tenants and landlords affected by the COVID-19 pandemic.

### Climate Resiliency

- \$3.7 billion toward climate resiliency which includes watershed and coastal protection.
- \$1 billion Wildfire Package for projects related to forest management and fire prevention.
- \$3 billion for water quality and drought mitigation.
- \$3.7 billion to invest in zero emissions vehicles, dispersed over a three-year period.
- \$258 million wildfire prevention and forest resilience package, with appropriation subject to further legislation.
- \$730.7 million water and drought resilience package, with appropriation subject to further legislation.

### Transportation and Infrastructure

- \$3 billion in funding for transportation infrastructure across the State, including for active transportation projects and projects identified for completion prior to 2028.
- Civic Institutions
  - \$390 million for library support
  - \$250 for local park projects
- \$2 billion in special and federal funds for streets, roads, and highways.
- \$400 million for a State and Local Transportation Adaption program, dispersed over a two-year period.
- \$6 billion in broadband infrastructure, with several parts of the appropriation subject to further legislation

### Local Public Safety

- \$151 million in 2022-23, \$130 million in 2023-24, and \$120 million in 2024-25 and ongoing to backfill the state and local revenue associated with eliminating additional criminal justice fees.
- \$200 million in one-time funding for the Board of State and Community Corrections to expand the California Violence Intervention and Prevention (CalVIP) program, dispersed over three years.
- \$10.3 million to fund local law enforcement agencies to reduce the number of individuals who are in illegal possession of firearms identified by the Armed Prohibited Persons Database.

### Equitable and Broad-Based Recovery

- Golden State Stimulus II
  - \$8.1 billion in tax rebates to Californians making under \$75,000.
  - \$3.8 billion in additional stimulus for ITIN filers with dependents.
- Business grants
  - Additional \$1.5 billion in small business and non-profit grants
  - \$50 million in grants to micro-businesses

### Eviction Moratorium Extension



On June 25<sup>th</sup>, the Governor and Legislative leadership announced an extension to the statewide eviction moratorium as well as an increase to the State's rent relief program. The signed bill, AB 832, will extend California's existing eviction moratorium from June 30, 2021 to September 30, 2021. This extension continues the requirement that tenants start paying at least 25 percent of their rent by September 30, 2021 when the moratorium is scheduled to end.

Furthermore, the bill makes several changes to the existing emergency rental assistance program that was established in previous versions of the eviction moratorium. Specifically, AB 832 increases the reimbursement percentages to 100 percent for both arrearage and prospective payments. The bill further allows payments to tenants to cover 100 percent of the renters arrearages in situations where landlords have refused to participate in the program.

### Cal/OSHA Workplace Regulations

In June, the California Occupational Safety and Health Standards (Cal/OSHA) Board adopted revised COVID-19 Prevention Emergency Temporary Standards (ETS). A detailed summary of the revised standards from Cal/OSHA's ETS can be found below:

- Fully vaccinated employees without symptoms do not need to be tested or quarantined after close contacts with COVID-19 cases unless they have symptoms.
- No face covering requirements for workers outdoors (except during outbreaks), regardless of vaccination status.
- Employers may allow fully vaccinated employees not to wear face coverings indoors but must document their vaccination status.
- Employers must provide unvaccinated employees with approved respirators for voluntary use when working indoors or in a vehicle with others, upon request.
- Employers may not retaliate against employees for wearing face coverings.
- No physical distancing or barrier requirements regardless of employee vaccination status with few exceptions
- Employers must evaluate ventilation systems to maximize outdoor air and increase filtrations efficiency and evaluate the use of additional air cleaning systems.

Shortly after the ETS were adopted by Cal/OSHA, Governor Newsom signed Executive Order N-09-21 to allow the standards to take place right away.

### Priority Legislation

The deadline for bills to pass out of the Second House policy committee is July 14<sup>th</sup>. Any bills that have not passed out of their Second House policy committee(s) by that date will become a two-year bill and will be ineligible for additional consideration until January 2022.

Below are the upcoming relevant dates for the Legislature:

**July 14<sup>th</sup>** – Last day for policy committees to pass bills in the Second House

**July 16<sup>th</sup>** – Legislative summer recess begins

**August 16<sup>th</sup>** – Legislature returns from Summer Recess

**August 27<sup>th</sup>** – Last day for fiscal committees to pass bills in the Second House

**September 10<sup>th</sup>** – Last day for Legislature to pass bills. Interim recess begins upon adjournment



Below are bills that have been introduced that may be of interest to the City:

*AB 14 (Aguiar-Curry) – Broadband services: California Advanced Services Fund*

This bill extends and modifies the California Advanced Services Fund (CASF), including, but not limited to, increasing the program's minimum speed standard, expanding the areas eligible for funding, increasing the amount of funding for the CASF, and establishing an account for securitizing CASF revenues to support bonds deploying broadband infrastructure.

**This measure was approved by the Senate Energy, Utilities, and Communications Committee (11-1) on July 5<sup>th</sup>. The measure has been referred to the Senate Governance and Finance Committee.**

*AB 89 (Jones-Sawyer) – Peace officers: minimum qualifications*

Current law requires peace officers in this state to meet specified minimum standards, including age and education requirements. This bill would increase the minimum qualifying age from 18 to 25 years of age. This bill would permit an individual under 25 years of age to qualify for employment as a peace officer if the individual has a bachelor's or advanced degree from an accredited college or university. **This measure was approved on the Assembly Floor (49-13) on June 3<sup>rd</sup>. The measure is currently in the Senate Public Safety Committee and will be heard on July 13<sup>th</sup>.**

*AB 339 (Lee) – State and local government: open meetings*

This bill would require all open and public meetings of a city council or a county board of supervisors that governs a jurisdiction containing at least 250,000 people to include an opportunity for members of the public to attend via a telephonic option or an internet-based service option until December 31, 2023. The bill would require all open and public meetings to include an in-person public comment opportunity, except in specified circumstances during a declared state or local emergency. The bill would require all meetings to provide the public with an opportunity to comment on proposed legislation in person and remotely via a telephonic or an internet-based service option. **This measure was approved by the Senate Governance and Finance Committee (5-0) on July 1<sup>st</sup>. The measure has been referred to the Senate Judiciary Committee and will be heard on July 13<sup>th</sup>.**

*AB 361 (Rivas) – Open meetings: local agencies: teleconferences*

This bill, until January 1, 2024, would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting for the purpose of declaring or ratifying a local emergency, during a declared state of emergency or local emergency. Those terms are defined, when state or local health officials have imposed or recommended measures to promote social distancing, and during a declared local emergency provided the legislative body determines, by majority vote, that meeting in person would present imminent risks to the health or safety of attendees. **This measure was approved by the Senate Governance and Finance Committee (5-0) on July 1<sup>st</sup>. The measure has been referred to the Senate Judiciary Committee and will be heard on July 13<sup>th</sup>.**

*AB 1401 (Friedman) Residential and commercial development: parking requirements*

This bill would prohibit a public agency, in a county with a population of 600,000 or more, from imposing a minimum automobile parking requirement, or enforcing a minimum automobile parking



requirement, on residential, commercial, or other development if the development is located on a parcel that is within 1/2 mile of public transit. The bill would prohibit a public agency in a city with a population of 75,000 or more located in a county with a population of less than 600,000 from imposing a minimum automobile parking requirement, or enforcing a minimum automobile parking requirement, on residential, commercial, or other development if the project is located within 1/4 mile of public transit. The bill would create authorizations in this regard for a city or a county to which these prohibitions do not apply. **This measure was approved by the Senate Housing Committee (6-2) on July 5<sup>th</sup>. The measure has been referred to the Senate Appropriations Committee.**

*ACA 1 (Aguiar-Curry) – Affordable housing and public infrastructure: voter approval*

The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements. **This bill has been referred to the Assembly Local Government Committee. As a constitutional amendment, this measure is not subject to the same legislative deadlines as other bills.**

*SB 2 (Bradford) – Peace officers: certification: civil rights*

This measure would establish new standards and processes to investigate and determine peace officer's fitness and to decertify officers who engage in "serious misconduct". This bill would establish a new standard for establishing liability, eliminate the applications of certain governmental immunities, and allow wrongful death actions under the Tom Bane Civil Rights Act, **This measure was approved by the Assembly Judiciary Committee (8-2) on July 6<sup>th</sup>. The bill has been referred to the Assembly Public Safety Committee and will be considered on July 13<sup>th</sup>.**

*SB 9 (Atkins) – Housing development: approvals*

This bill would require a proposed housing development containing 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, 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. **This measure was approved by the Assembly Housing and Community Development Committee (5-1) on June 22<sup>nd</sup>. The bill has been referred to the Assembly Appropriations Committee.**

*SB 10 (Wiener) – Planning and zoning: housing development: density*





This bill would, notwithstanding any local restrictions on adopting zoning ordinances, authorize a local government to adopt an ordinance to zone any parcel for up to 10 units of residential density per parcel, at a height specified in the ordinance, if the parcel is located in a transit-rich area or an urban infill site. The bill would prohibit a local government from adopting an ordinance pursuant to these provisions on or after January 1, 2029. The bill would specify that an ordinance adopted under these provisions, and any resolution to amend the jurisdiction's General Plan, ordinance, or other local regulation adopted to be consistent with that ordinance, is not a project for purposes of the California Environmental Quality Act. The bill would prohibit an ordinance adopted under these provisions from superseding a local restriction enacted or approved by a local initiative that designates publicly owned land as open-space land or for park or recreational purposes. **This measure was approved by the Assembly Local Government Committee (6-1) on June 30<sup>th</sup>. The measure is currently on the Assembly Floor awaiting consideration.**

*SB 37 (Cortese) – Contaminated Site Cleanup and Safety Act*

This bill enacts the Contaminated Site Cleanup and Safety Act and prohibits a project from being exempt from CEQA pursuant to the “common sense” exemption if the project site is included on a specific list of contaminated sites. **This measure was approved by the Assembly Natural Resources Committee (7-1) on July 7<sup>th</sup>. The measure has been referred to the Assembly Appropriations Committee.**

*SB 555 (McGuire) Local agencies: transit occupancy taxes: short-term rental facilitator*

This bill would authorize a local agency, including a charter city, county, or city and county, to enact an ordinance exclusively delegating its authority to collect any transient occupancy tax imposed by that local agency on short-term rentals to the California Department of Tax and Fee Administration and to enter into a contract with the department for purposes of registration, rate posting, collection, and transmission of revenues necessary to collect and administer any transient occupancy tax imposed on a short-term rental as specified in this bill. **This measure was approved by the Assembly Revenue and Taxation Committee (10-0) on June 21<sup>st</sup>. The bill is currently in the Assembly Judiciary Committee and will be heard on July 13<sup>th</sup>.**

*SB 556 (Dodd) Street light poles, traffic signal poles: small wireless facilities attachments*

This bill would prohibit a local government or local publicly owned electric utility from unreasonably denying the leasing or licensing of its streetlight poles or traffic signal poles to communications service providers for the purpose of placing small wireless facilities on those poles. The bill would require that streetlight poles and traffic signal poles be made available for the placement of small wireless facilities under fair, reasonable, and nondiscriminatory fees. The bill would authorize a local government or local publicly owned electric utility to condition access to its streetlight poles or traffic signal poles on reasonable terms and conditions, including reasonable aesthetic and safety standards. **This measure was approved by the Assembly Communications and Conveyance Committee (11-1) on July 7<sup>th</sup>. The measure has been referred to the Assembly Appropriations Committee.**

*SB 619 (Laird) Organic waste: reduction regulations* Current law requires CalRecycle, in consultation with the state board, to adopt regulations to achieve those targets for reducing organic waste in landfills, and authorizes those regulations to require local jurisdictions to impose requirements on generators or other relevant entities within their jurisdiction, to authorize local



jurisdictions to impose penalties on generators for noncompliance, and to include penalties to be imposed by the department for noncompliance. Current law provides that those regulations shall take effect on or after January 1, 2022, except that the imposition of penalties by local jurisdictions pursuant to the regulations shall not take effect until 2 years after the effective date of the regulations. This bill, until January 1, 2023, would require the department to only impose a penalty on a local jurisdiction, and would require a penalty to only accrue, for a violation of the regulations if the local jurisdiction did not make a reasonable effort, as determined by the department, to comply with the regulations. **This measure was approved by the Assembly Natural Resources Committee (11-0) on June 23<sup>rd</sup>. The bill has been referred to the Assembly Appropriations Committee.**

