

To: City of Cupertino
Legislative Review Committee

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

Date: February 26, 2021

Subject: Legislative Update

State Legislative Update

On January 11th, the Legislature returned to Sacramento to begin the first year of the current two-year legislative session. For the first month of session, the Legislature was primarily focused on introducing new bills, leading up to the February 19th bill introduction deadline. The Legislature is expected to introduce upwards of 2,700 bills before the deadline, which would be in line with what would be expected in a normal year. Last year the Legislature considered significantly fewer bills, due to modifications to the legislative schedule and procedures put into place in response to the coronavirus pandemic. Assembly and Senate leadership have indicated that they will work with the members of their respective Houses to focus their work on priority issues. This may result in fewer bills being considered, but it is likely that the Legislature will consider significantly more bills than they did in 2020.

Based on early bill introductions, and comments from legislative leaders, topics that are likely to consume much of the Legislature's time in Sacramento this year include COVID-19 relief and response, climate resiliency, wildfire preparation and response, housing, homelessness, public safety, and social justice.

Governor's January Budget Proposal

On January 8th, Governor Newsom released his January Budget proposal. The proposed budget is a \$227.2 billion fiscal blueprint that focuses on COVID-19 relief funding, economic strengthening and recovery, vaccine distribution, small business support, housing, homelessness, and education. The Governor's January Budget proposal kick-starts the process of budget hearings, subcommittee hearings, and other discussions leading up to the May Revise and then final Budget adoption by the Legislature prior to June 15th.

As part of the January Budget proposal, the Governor and Department of Finance are projecting the State will have a current-year budget surplus of \$15.5 billion. This surplus is a result of higher-than-expected revenues in the budget year, as well as fewer people accessing state services than was anticipated.

The Governor is proposing to utilize most of those dollars to invest in the economic recovery of the State, as well as to combat the harmful effects of the COVID-19 pandemic. Since the budget



surplus is anticipated to be one-time in nature, the Governor proposes to utilize the funds largely for one-time expenditures as opposed to ongoing spending that would need to be cut in a future budget.

Below are a few highlights of key priorities of the Administration contained within the January Budget proposal:

- **COVID-19 Relief:** \$4.4 billion proposed in emergency response to the pandemic
 - \$2 billion for additional coronavirus testing
 - \$473 million for contact tracing
 - \$372 million for vaccine administration

- **Economic Recovery Package:** \$4.5 billion proposed in economy recovery for small businesses and other sectors of the economy
 - \$1.1 billion immediate relief for small businesses
 - \$777 million for California Jobs Initiative
 - \$353 million for Workforce Development
 - \$300 million for Deferred Maintenance
 - \$500 million for Housing Development
 - \$1.5 billion for Zero-Emissions Vehicles

- **Golden State Stimulus:** \$2.4 billion in direct payments to low-income Californians
 - \$600 direct payments to an estimated 4 million Californians
 - Extension of eviction moratorium enacted via AB 3088
 - SB 91 was signed into law on January 29th, which extends the state eviction moratorium and provides \$2.6 billion in federal funding for rental assistance

- **Emergency Preparedness and Response:** The Governor's Budget contains significant proposals to assist with disaster preparedness and emergency response
 - \$143.3 million to CalFIRE to support 30 additional fire crews
 - \$1 billion to support the Wildfire and Forest Resilience Action Plan (funded across numerous programs)
 - \$512 million for Resilient Forests and Landscapes
 - \$335 million for Wildfire Fuel Breaks
 - \$38 million for Community Hardening
 - \$39 million for Science-Based Management
 - \$76 million for Forest Sector Economic Stimulus

- **Housing:** Over \$1 billion in funding to facilitate increased housing production
 - \$500 million for the Infill Infrastructure Grant Program to accelerate economic recovery through the creation of jobs and long-term housing development
 - \$500 million for a third round of low-income housing tax credits

- **Homelessness:** \$1.75 billion in one-time new investments to help provide shelter and services for the homeless
 - \$750 million for competitive local government grants to purchase motels/hotels (Project Homekey Acquisitions)



- \$750 million in behavioral health continuum infrastructure available over 3 years for developing community mental health housing
- \$250 million for dedicated housing for vulnerable seniors

The Legislature has begun Budget Committee hearings to receive a broad overview of the Governor's proposals. Additionally, the Administration will continue to develop trailer bill language, which will detail how various budget proposals would be implemented.

The Legislature will continue to conduct Budget Committee and Subcommittee hearings to consider the Governor's proposals until the May Revise. At that time, the Assembly and Senate Budget Committee will finalize their versions of the State budget. Afterwards, the leaders of the two Houses will work with the Administration to agree on a final budget proposal that can be voted on by the Legislature prior to the constitutional deadline to approve the budget, on June 15th.

Eviction Moratorium Extension

California's eviction moratorium, put into place last year by the Legislature and the Governor, was set to expire at the end of January 2021. With the State still struggling to contain and defeat the ongoing COVID-19 pandemic, additional action from the Legislature and Governor was needed prior to the deadline to prevent the possibility of mass evictions due to the inability to afford rents.

The Governor made this a priority during his Budget proposal announcement on January 8th; however, did not include any additional negotiated details. Similarly, the Legislature made it clear that this was one of their priorities at the beginning of the legislative session. For the majority of January, the Legislature and the Governor have been engaged in negotiations and discussions around parameters of extending the eviction moratorium.

On January 29th, Governor Newsom signed an eviction moratorium extension into law, extending the current moratorium until June 30, 2021. The approved legislation contains income eligibility rules for renters, as well as notification requirements for landlords before evictions can take place.

Included with the extension is a new funding program for the State, referred to as the State Rental Assistance Program. This program will allocate portions of federal rental assistance funds to local governments to help distribute for overdue rent, prospective rent payments, utilities, or other costs related to housing.

Priority Legislation

The bill introduction deadline for new legislation passed on February 19th. All introduced bills must wait a minimum of 30 days before they can be considered by a committee in the Assembly or Senate.

Relevant upcoming deadlines for legislation introduced in the new session are :

February 19th – Last day for bills to be introduced

April 30th – Last day for policy committees to pass fiscal bills

May 7th – Last day for policy committees to pass non-fiscal bills

May 21st – Last day for fiscal committees to pass bills



June 4th – Last day for bills to pass their House of Origin

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 would revise the California Advanced Services Fund (CASF) broadband laws. Included in the changes, this bill would: extend the CASF surcharge beyond the original 2022 sunset date, authorize the CPUC to issue bonds up to one billion dollars for deployment of broadband infrastructure by local governments or nonprofits, require Go-Biz to develop a model for streamlined local land use approval and construction permit processes related to broadband deployment by June 30, 2022, make it easier for local governments to apply for CASF grants, and identifying areas of the state that are underserved by broadband access.

AB 34 (Muratsuchi) – Broadband for All Act of 2022

This bill would declare that legislation intended to enact the Broadband for All Act of 2022, will become operative only if approved by the voters at the November 8, 2022, statewide general election. This bill would authorize the issuance of state general obligation bonds to fund increased access to broadband services to rural, urban, suburban, and tribal unserved and underserved communities.

AB 59 (Gabriel) – Mitigation Fee Act: notices and timelines

This bill would make changes to the notices and timelines associated with the Mitigation Fee Act. Existing law requires a local agency, before levying or increasing a fee or service charge, to hold at least one open and public meeting and requires that notice of the time and place of the meeting be mailed at least 14 days prior to the meeting to any interested party who files a written request with the local agency for mailed notice of the meeting on new or increased fees or service charges. This bill would increase the mailing noticing period, to at least 45 days before the meeting, as well as require that information be made available to the public at least 30 days before the meeting. The bill would require a local agency to additionally make available to the public all of the data demonstrating the requisite relationship between the amount of a fee for public facilities and the need for the public facilities.

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.

AB 115 (Bloom) – Commercial zoning: housing development

This bill would require that a housing development be an authorized use on a site designated in any local agency's zoning code or maps for commercial uses, notwithstanding any inconsistent provision of a city's or county's general plan, specific plan, zoning ordinance, or regulation, if certain conditions apply. Among these conditions, the bill would require that the housing development be subject to a recorded deed restriction requiring that at least 20% of the units have an affordable housing cost or affordable rent for lower income households and located on a site that satisfies specified criteria.



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

Current law requires all meetings, as defined, of a house of the Legislature or a committee thereof to be open and public, and requires all persons to be permitted to attend the meetings. This bill would require all meetings, including gatherings using teleconference technology, to include an opportunity for all persons to attend via a call-in option or an internet-based service option that provides closed captioning services and requires both a call-in and an internet-based service option to be provided to the public.

AB 377 (Rivas) – Water quality: impaired waters

This bill would require all California surface waters to be fishable, swimmable, and drinkable by January 1, 2050. The bill would prohibit the state board and regional boards from authorizing a National Pollutant Discharge Elimination System (NPDES) discharge, waste discharge requirement, or waiver of a waste discharge requirement that causes or contributes to an exceedance of a water quality standard, or from authorizing a best management practice permit term to authorize a discharge that causes or contributes to an exceedance of a water quality standard in receiving waters. The bill would prohibit, on or after January 1, 2030, a regional water quality control plan from including an implementation schedule for achieving a water quality standard that was adopted as of January 1, 2021, and would prohibit a regional water quality control plan from including a schedule for implementation of a water quality standard that is adopted after January 1, 2021, unless specified conditions are met.

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.

ACA 4 (Kiley) – Elections: initiatives and referenda

This measure would transfer the duty of preparing the title and summary for a proposed initiative or referendum from the Attorney General to the Legislative Analyst. The measure would also require, for each measure that appears on a statewide ballot, that the Legislative Analyst prepare the ballot label, ballot title, and summary for the state voter information guide.

SB 4 (Gonzalez) – Communications: California Advanced Services Fund

This bill would revise the California Advanced Services Fund (CASF) broadband laws. This bill would: extend the CASF surcharge beyond the original 2022 sunset date, require Go-Biz to coordinate with local, state and national agencies to explore ways to streamline local land use approval and construction permit processes related to broadband deployment, make it easier for local governments to apply for CASF grants, and identifying areas of the state that are underserved by broadband access.

SB 7 (Atkins) – Jobs and Economic Improvement Through Environmental Leadership Act of 2021



This bill would reenact the leadership act, with certain changes, and would authorize the Governor, until January 1, 2024, to certify projects that meet specified requirements for streamlining benefits related to CEQA. The bill would additionally include housing development projects meeting certain conditions as projects eligible for certification. Additionally, this bill would require a lead agency to prepare a master Environmental Impact Report (EIR) for a general plan, plan amendment, plan element, or specific plan for housing projects where the state has provided funding for the preparation of the master EIR. The bill would allow for limited review of proposed subsequent housing projects that are described in the master EIR if the use of the master EIR is consistent with specified provisions of CEQA.

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 the following:

- 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.

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 pass 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, a jobs-rich area, or an urban infill site. In this regard, the bill would require the Department of Housing and Community Development, in consultation with the Office of Planning and Research, to determine jobs-rich areas and publish a map of those areas every 5 years, commencing January 1, 2022, based on specified criteria. The bill would specify that an ordinance adopted under these provisions is not a project for purposes of the California Environmental Quality Act. The bill would prohibit a residential or mixed-use residential project consisting of 10 or more units that is located on a parcel rezoned pursuant to these provisions from being approved ministerially or by right.

