

To: City of Cupertino
Legislative Review Committee

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Subject: Legislative Update

State Legislative Update

During the month of April, the Legislature was focused on holding policy committee hearings in order to advance bills ahead of the policy committee deadline. Assembly and Senate policy committees were required to consider bills with a fiscal impact to the state and advance them to the Appropriations Committees prior to April 30th. Policy committees had an additional week to consider bills without a fiscal impact to the state. Any bill that failed to meet the policy committee deadline became a two-year bill and cannot be considered again until January.

The Legislature will next turn its focus to moving bills through the Appropriations Committees prior to the fiscal committee deadline on May 21st. Many of the bills that will go before the Appropriations Committee will be referred to the Suspense File, which indicates that the bill is likely to have a fiscal impact to the state greater than \$50,000. The Assembly and Senate Appropriations Committees will each consider all bills on the Suspense File at a single hearing just before the committee deadline. At that hearing, the committee will announce which bills are advancing out of committee and which are being held. Those bills that are held in committee will become two-year bills.

As the May legislative deadlines pass, the Legislature will quickly turn its focus to the State Budget. Governor Newsom was expected to release his May Revise to the State Budget in the second week of May. Afterwards, the Legislature will conduct a number of hearings to finalize their budget priorities, and come to an agreement with the Governor on the final budget for the 2021-22 fiscal year. The Legislature has until June 15th to approve a budget for the upcoming year.

While the Legislature was focused on moving bills during April, many were focused on the political dynamics in Sacramento. On April 26th, Secretary of State Shirley Weber announced that the threshold of verified signatures has been met for to the recall of Governor Newsom. Now that the threshold of signatures has been met, there will be a 30-business-day period in which voters may submit written requests to their County Registrar of Voters to remove their names from the petition. Assuming that there are not enough signatories who elect to remove their names from the petition, the Department of Finance and Legislature are then required to assess the potential costs of a recall election. Once that step has been completed, the Lieutenant Governor will announce the date for the recall election, which will likely be in late-October or November.



While there was been significant focus paid to the recall election dynamics, the Governor was not the only constitutional officer in the spotlight in April. On April 23rd, Governor Newsom swore Rob Bonta into office as the California State Attorney General, after being confirmed to the position by the State Legislature. Bonta was selected by Governor Newsom to fill the position vacated by Xavier Becerra, who was recently sworn in as Secretary of the US Department of Health and Human Services. Prior to becoming the Attorney General, Bonta served nine years as a Deputy City Attorney in the San Francisco City Attorney's Office, before running for local office in Alameda County and eventually being elected to the State Assembly in 2012. Bonta becomes the first Filipino American in the state's history to serve as Attorney General.

Lastly, Governor Newsom and his Administration continue to provide regular updates on the state's progress in dealing with the coronavirus pandemic. The Governor traveled throughout the state in April to promote COVID-19 vaccines while also focusing the Administration on safely re-opening the economy. The Governor announced June 15th as the projected re-opening date of the state's economy while still requiring masks and encouraging Californians to receive the vaccination.

Assembly and Senate Budget Priorities

In anticipation of the Governor's forthcoming May Revise, both the Assembly and Senate Leaders announced their budget priorities for the FY 2021-22 budget. The priorities leverage significant funding from the state budget surplus, federal COVID-19 pandemic response funding, cap and trade auction revenues, and other sources to invest in the state's economy. The plans outlined by both Houses touch on a number of economic sectors, as well as local governments, businesses, and individuals.

The Senate prioritizes items such as:

- Providing debt free college
- Expanding universal access to early education
- Investing in homelessness, housing affordability, and homeownership
- Protecting against wildfires and droughts
- Improving healthcare access and affordability

The Assembly prioritizes items such as:

- Preserving state services while preparing for future economic downturns
- Responding to essential services needs
- Protecting Californians most impacted by the pandemic
- Recovering the economy through stimulus funding

Both the Assembly and Senate will need to work together with the Governor's office to develop the FY 2021-22 State Budget. The Governor is scheduled to release his May Revise in early-mid May which will include the Administration's priorities for the upcoming fiscal year and how the Governor proposes to administer state resources. Once the May Revise is released, the



Legislature will have until June 15th to approve the budget and send it to the Governor for his signature or veto.

Additionally, many of the proposals found in the Senate and Assembly budget priorities would require implementing legislation. To that end, many of the proposals listed above may move through the traditional legislative path and not on the accelerated budget timeline.

Small Business Legislation

On April 29th, Governor Newsom signed AB 80 (Burke) which will allow forgiven Paycheck Protection Program (PPP) loans that businesses received from the federal government during the pandemic to not be counted as taxable income. The bill also allows the businesses to deduct the costs of the PPP expenses, thus adding a benefit for businesses that have struggled during the pandemic. The measure represents a \$6.2 billion benefit to businesses statewide over the next six years and prioritizes small businesses instead of publicly traded companies. The bill conforms state law to federal law while excluding those taxpayers that did not experience at least a 25 percent reduction in gross receipts. AB 80 included an urgency clause which means that the bill took effect immediately upon being signed into law.

Wildfire Package

In April, the Legislature passed a \$536 million wildfire package to bolster state efforts in wildfire mitigation and prevention. On April 13th, the Governor signed the measure into law, which allows the Administration to take action on critical projects that support wildfire suppression, improve forest health and build resilience in at-risk communities in diverse landscapes throughout the state. The Governor outlined his wildfire priorities in his January budget proposal, and this package builds on those efforts agreed upon with the Legislature.

Specifically, the package includes funds to restore the health of forests and watersheds, fuel breaks around vulnerable communities, increase statewide fire prevention grants, and improve defensible spaces to mitigate wildfire damages. The action aligns with the Governor's goal of investing \$1 billion in wildfire resilience this year and allows Departments such as CalFIRE, the Department of Water Resources, and the Department of Parks and Recreation to invest in projects that will prevent wildfire damages across the state. Legislative leaders indicated that there may be additional wildfire funding to come later this session to build on these efforts.

Governor's COVID-19 Action Summary

Below is a summary of the Governor's major actions taken regarding COVID-19 in April:

- **April 27th – Mask Guidance:** Governor Newsom released a statement announcing that the state's guidance will align with the Centers for Disease Control (CDC) guidance regarding masks outside. The Governor touted the state's low positivity rates and high vaccine administration rate.
- **April 16th – Workforce Legislation:** Governor Newsom signed legislation to create a statewide policy of rehiring of workers laid-off by the pandemic in order to strengthen the state's economic recovery. SB 93 requires employers in the hospitality and business



services industries to offer new positions to qualified former employees laid off due to COVID-19 through 2024.

- **April 6th – Reopening Economy:** Governor Newsom announced June 15 as the projected date for the state to re-open all sectors of its economy, so long as the state maintains sufficient vaccine supply and if hospitalization rates remain stable and low.

Priority Legislation

The legislative deadlines for introduced bills to pass out of policy committee were on April 30th and May 7th. Any bills that did not pass out of a policy committee by those dates became two-year bills and are ineligible for additional consideration until January 2022.

Below are the relevant dates for the Legislature:

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

Current law establishes the State Department of Education in state government, and vests the department with specified powers and duties relating to the state’s public school system. This bill would authorize local educational agencies to report to the department their pupils’ estimated needs for computing devices and internet connectivity adequate for at-home learning. The bill would require the department, in consultation with the Public Utilities Commission, to compile that information and to annually post that compiled information on the department’s internet website.

This measure was approved by the Assembly Local Government Committee (5-2) and has been referred to the Assembly Appropriations Committee.

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

Would enact the Broadband for All Act of 2022, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$10,000,000,000 pursuant to the State General Obligation Bond Law to support the 2022 Broadband for All Program that would be administered by the department for purposes of providing financial assistance for projects to deploy broadband infrastructure and broadband internet access services. **This measure was approved by the Assembly Privacy and Consumer Protection Committee (9-2) and has been referred to the Assembly Appropriations Committee.**

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. **This bill failed to make it out of policy committee and is now a two-year bill.**

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 bill was approved by the Assembly Public Safety Committee (6-2) and is currently on the Assembly Floor awaiting consideration.**

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. **This bill failed to make it out of policy committee and is now a two-year bill.**

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 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 bill was approved by the Assembly Local Government Committee (7-0) and has been referred to the Assembly Appropriations Committee. In committee, the bill was significantly amended and now only applies to cities and counties with more than 250,000 people.**

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

Would prohibit a local government 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 one-half mile walking distance of public transit. The bill would not preclude a local government from imposing requirements when a project provides parking voluntarily to require spaces for car share vehicles. The bill would prohibit these provisions from reducing, eliminating, or precluding the enforcement of any requirement imposed on a new multifamily or nonresidential development to provide electric vehicle parking spaces or parking spaces that are accessible to persons with disabilities. **This**



measure was approved by the Assembly Housing and Community Development Committee (7-1) and has been referred to the Assembly 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 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 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. **This bill was approved by the Assembly Natural Resources Committee (9-1) and has been referred to the Assembly Appropriations Committee.**

SB 9 (Atkins) – Housing development: approvals

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 bill was approved by the Senate Governance and Finance Committee (5-0) and has been referred to the Senate Appropriations Committee.**

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

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. **This measure was approved by the Senate Governance and Finance Committee (4-1) and has been referred to the Senate Appropriations Committee.**

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

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 is currently in the Senate Appropriations Committee on the Suspense File.**

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

Would prohibit a local government or local publicly owned electric utility from unreasonably denying the leasing or licensing of its street light 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 street light poles and traffic signal poles be made available for the placement of small wireless facilities under fair, reasonable, and nondiscriminatory fees, as provided. The bill would authorize a local government or local publicly owned electric utility to condition access to its street light poles or traffic signal poles on reasonable terms and conditions, including reasonable aesthetic and safety standards. The bill would specify time periods for various actions relative to requests for placement of a small wireless facility by a communications service provider on a street light pole or traffic signal pole. **This measure was approved by the Senate Governance and Finance Committee (4-1) and has been referred to the Senate 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 bill was approved by the Senate Environmental Quality Committee (7-0) and has been referred to the Senate Appropriations Committee.**

