



## **CITY MANAGER'S OFFICE**

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### **LEGISLATIVE REVIEW COMMITTEE STAFF REPORT**

Meeting: October 29, 2019

#### Subject

2019 Legislative overview of signed, vetoed, and two-year bills

#### Recommended Action

Receive legislative overview and provide input

#### Summary

The Legislature concluded the first year of the 2019-2020 Legislative Session on September 13<sup>th</sup>, which was the last day to pass bills in either house. After the Legislature adjourned session, Governor Newsom had one month to act on the measures that were approved by the Legislature. Ultimately, of the 1,042 bills that were sent to the Governor, 870 were signed into law, while 172 were vetoed. Governor Newsom's veto rate of 16.5% was slightly higher than Governor Brown averaged in his last two terms, but generally in line with the veto rate of previous Governors whose party was in control of the Legislature.

While the Legislature approved 1,042 bills during the legislative session, 2,625 were introduced over the course of the session and those that were not approved are now considered two-year bills. While the Legislature will not advance the majority of the nearly 1,600 two-year bills, it is important to understand what measures may be considered when the Legislature returns in January 2020.

While the 2020 legislative calendar has not yet been released, it is likely that two-year bills that remain in their house of origin will need to be considered by the Policy Committee, Fiscal Committee, and voted out of their house of origin by the end of January. Those measures that remain in their house of origin after January will be ineligible for additional consideration. That said, legislators will likely have until late-February to introduce new legislation, so it is possible that two-year bills that do not advance may be reintroduced for legislative consideration in 2020.

With that in mind, below is a summary of key bills that were signed into law by the Governor, vetoed by the Governor, and those that are two-year bills eligible for consideration in January 2020.

## **Legislation Signed Into Law**

Below are key bills that were signed into law by Governor Newsom.

### *AB 68 (Ting) – Accessory Dwelling Units*

City Position: **Oppose**

This measure expands to the types of ADUs that must be permitted, regardless of local regulations, and makes numerous other changes to ADU law. These changes include: allows up to two ADUs on lots with single-family homes and multiple ADUs on lots with multi-family dwellings, changes to ministerial approvals of ADUs, and prohibits local ADU ordinances from imposing minimum lot size requirements, setting maximum ADU dimensions less than outlined in the bill, requiring replacement parking, and requiring certain setbacks.

### *AB 881 (Bloom) – Accessory Dwelling Units*

City Position: **Oppose**

This measure expands the types of ADUs that a local government must permit and, until January 1, 2025, prohibits local agencies from requiring owner occupancy of ADUs, among other changes. The measure limits the criteria by which local jurisdictions can limit where ADUs are permitted; clarifies that ADUs must be ministerially approved if constructed in existing garages; and eliminates, for five years, the potential for local agencies to place owner-occupancy requirements on the units.

### *AB 1483 (Grayson) – Housing Data*

This measure requires cities and counties to post specified housing-related information on their websites. This information includes a current schedule of mitigation fees, exactions, and affordability requirements imposed by the city, county, or special district applicable to a housing development project, zoning ordinances and development standards, and an archive of impact fee nexus studies conducted after January 1, 2018. The bill also requires the Department of Housing and Community Development to establish a working group to develop a strategy for state housing data.

### *AB 1487 (Low) – Bay Area Housing Finance Authority*

This measure establishes the Bay Area Housing Finance Authority (BAHFA) and sets forth the governing structure and powers of the BAHFA Board, allowable financing activities, and allowable expenditures of the revenues generated.

### *AB 1763 (Chiu) – Affordable Housing Density Bonus*

This measure revises the density bonus law to require a city or county to award a developer additional density, concessions and incentives, and height increases if 100% of the units in a development are restricted to low- and moderate-income households.

*SB 6 (Beall) – Residential Development: Available Land*

City Position: **Support**

This measure requires the Department of General Services, in coordination with the Department of Housing and Community Development, to create a public inventory of locally identified sites suitable for residential development, along with state surplus lands.

*SB 13 (Wieckowski) – Accessory Dwelling Units*

City Position: **Oppose**

This measure expands to the types of ADUs that must be permitted, regardless of local regulations, and makes numerous other changes to ADU law. These changes include: allows up to two ADUs on lots with single-family homes and multiple ADUs on lots with multi-family dwellings, changes to ministerial approvals of ADUs, changes to how and when impact fees can be charged for ADUs, and prohibits local ADU ordinances from imposing minimum lot size requirements, setting maximum ADU dimensions less than outlined in the bill, requiring replacement parking, and requiring certain setbacks.

*SB 330 (Skinner) – Housing Crisis Act of 2019*

City Position: **Oppose**

This restricts the actions of cities and counties that would reduce the production of housing until January 1, 2025. This bill requires a city or county to approve a housing development project that complies with the minimum local general plan, zoning standards, and criteria that were in effect at the time the application was deemed to be complete. Cities and counties must approve it on the condition that the project be developed at a lower density, and to base its decision upon written findings supported by substantial evidence on the record that specified conditions exist and places the burden of proof on the local agency. The act requires a court to impose a fine on a local agency under certain circumstances and requires that the fine be at least \$10,000 per housing unit in the housing development project on the date the application was deemed complete. It would also specify that an application is deemed complete if a preliminary application was submitted.

*SB 344 (McGuire) – Local Prepaid Mobile Telephony Services Collection Act*

This measure extends the Local Prepaid Mobile Telephony Services Collection Act until January 1, 2021. This act requires sellers of prepaid wireless telecommunications services to collect local utility users' taxes which help fund state and local 911 emergency response systems.

### **Legislation that was Vetoed**

Below are key bills that were vetoed by Governor Newsom.

#### *AB 344 (Calderon) – New Beginnings California Program*

This measure would have established the New Beginnings California Program within the Department of Community Services and Development to provide matching funds of up to \$50,000 annually, to up to 50 cities, counties, or continuums of care to implement, expand or continue employment programs for homeless individuals. The Governor's veto message indicated that the intent of the bill was laudable, but given the impact to the state's general fund, it should be considered as part of the budget process.

#### *SB 5 (Beall) – Affordable Housing and Community Development Investment Program*

City Position: **Support**

This measure creates the Affordable Housing and Community Development Investment program for local agencies to use existing local property taxes for affordable housing and housing related projects. This program would have provided local governments with state funding, gradually increasing to \$2 billion annually, to assist with the construction of affordable housing and related infrastructure. The Governor's veto message indicated that such a significant fiscal impact to the state, as would have resulted from this measure, needs to be considered as part of the budget deliberations, so that it can be considered in light of other state priorities.

#### *SB 268 (Wiener) – Local Tax Ballot Measures*

This measure would have allowed the proponents of a local initiative measure, or a local jurisdiction submitting a local ballot measure, that imposes or increases a tax with more than one rate, or authorizes the issuance of bonds, to choose how specific information will appear on the ballot label. The Governor's veto message indicated that the Governor was concerned that the bill would reduce transparency for local tax and bond measures.

#### *SB 531 (Glazer) – Local agencies: retailers*

This measure would prohibit a local agency from entering into any agreement that results in a rebate of local tax revenues to a retailer in exchange for that retailer locating within that agency's jurisdiction. The Governor's veto message indicated that he believed removing these tax options from local agencies was the wrong approach, but he did feel there needed to be increased transparency and understanding of the economic outcomes from these types of agreements.

## **Two-Year Bills**

Below are key bills that did not advance out of the Legislature and are eligible for consideration in 2020.

### *AB 67 (Rivas) – Homeless Integrated Data Warehouse*

Last Location: Held on Senate Appropriations Suspense File

This measure would require the Department of Housing and Community Development to create a statewide homeless integrated data warehouse in coordination with state and local partners. The measure would require specified state agencies to draft and carry out a strategy to integrate available information to provide longitudinal, cost-based studies.

### *AB 516 (Chiu) – Authority to Remove Vehicles*

City Position: **Oppose**

Last Location: Held on Senate Appropriations Suspense File

AB 516 modifies existing law that authorizes peace officers to tow vehicles that have been left parked for 72 hours or more. The bill requires officers to first place a notice on the vehicle for a minimum of 5 days prior to being towed and disallows officers from towing a vehicle that has five or more unpaid parking tickets.

### *AB 1080 (Gonzalez)/SB 54 (Allen) – Solid Waste Packaging and Products*

City Position: **Support**

Last Location: AB 1080 was moved to the Inactive File on the Senate Floor. SB 54 was not taken up for a vote on the Assembly Floor

These identical measures would enact the California Circular Economy and Pollution Reduction Act, to be administered by CalRecycle, which would impose a comprehensive regulatory framework on producers, retailers, and wholesalers of single-use packaging and priority single-use products.

### *AB 1210 (Low) – Package Theft*

City Position: **Support**

Last Location: Assembly Public Safety Committee

This measure would make it an alternate felony/misdemeanor to enter the property adjacent to a dwelling with the intent to steal a package that has been delivered by a public or private carrier.

### *AB 1279 (Bloom) – Housing Development: High-Resource Areas*

Last Location: Senate Housing Committee

This measure would require certain development sites in high-resource areas to allow for more density and height and make these sites subject to “use by-right” approval. The bill would require the Department of Housing and Community Development to designate areas in the state as “high-resource areas” based on provisions set forth in the measure.

### *AB 1286 (Muratsuchi) – Shared Mobility Device Agreements*

Last Location: Senate Judiciary Committee

This measure would require shared mobility service providers to enter into an agreement with, or obtain a permit from, the local jurisdiction in which the providers' devices are used. These agreements and permits must require certain minimum levels of liability insurance and must require a prohibition on contractual provisions between providers and users that limits a user's legal rights or remedies. The measure also requires cities and counties authorizing providers to establish rules governing the operation, parking, and maintenance of these devices.

*AB 1356 (Ting) – Retail Commercial Cannabis Activity*

Last Location: Moved to the Inactive File on the Assembly Floor

This measure would require a local jurisdiction, in which more than 50% of the electorate voted in favor of Proposition 64, to issue a minimum number of local licenses that authorize medical cannabis commercial activity equal to one license for every six on-sale general license types for alcoholic beverage sales that are currently active in the jurisdiction.

*SB 12 (Beall) – Youth Mental Health Services*

City Position: **Support**

Last Location: Held on the Assembly Appropriations Suspense File

This measure requires the Mental Health Services Oversight and Accountability Commission to administer a program to award grants to local governments to establish mental health drop-in centers for youth.

*SB 50 (Wiener) – Housing Development: Streamlined Approval*

City Position: **Oppose**

Last Location: Held on the Senate Appropriations Suspense File

This measure would require local governments to provide an "equitable communities incentive" to developers that construct residential developments in "jobs-rich" and "transit-rich" areas, which may include certain exemptions to specified requirements for zoning, density, parking, height restrictions, and floor area ratios.

*SB 592 (Wiener) – Housing Accountability Act*

City Position: **Oppose**

Last Location: Assembly Rules Committee

This measure extends provisions of the Housing Accountability Act to accessory dwelling units and certain ministerial decisions, as well as adds new provisions related to enforcement of the Act. **SB 592 approved by the Assembly Housing and Community Development (6-0) as well as the Assembly Local Government Committee (8-0). The measure is currently in the Assembly Appropriations Committee awaiting hearing.** On August 12<sup>th</sup>, the bill was amended to remove the provisions allowing for a plaintiff to seek compensatory damages for a violation of the Housing Accountability Act.