

Creating Great Communities for All

APA CALIFORNIA LEGISLATIVE UPDATE JUNE 2024

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The Legislature Votes on Hundreds of Bills in Policy Committees as Summer Recess Approaches

After several weeks of policy committee hearings, the Legislature will adjourn on July 3 for their summer recess. Nearly all high priority bills that APA California is tracking are continuing to move and will be considered in the Senate and Assembly Appropriations Committees upon the Legislature's return in August. Most high priority planning-related bills will have cleared another major hurdle to pass their respective policy committee(s) by July. Among the long list of bills APA California is working through, a few highlights are below:

Accountability and Housing Element Compliance

AB 1886 (Alvarez), AB 1893 (Wicks) and AB 2023 (Quirk-Silva) look to make changes around the "builders remedy" and housing element self-certification process. AB 1893 in particular continues to be a work in progress with concerns from both housing advocates and local governments mounting.

Impact Fees

Impact fees have also proven to be a bigger interest this year. Several bills propose to create new upfront estimates and transparency measures on projects prior to final approval as provided in <u>AB 1820 (Schiavo)</u> and <u>AB 3012 (Grayson)</u>. Other legislative proposals such as <u>SB 937 (Wiener)</u>, look to delay fees to address challenges developers are facing with particularly high interest rates, without capping or removing fee authority overall.

Housing Streamlining

<u>AB 2243 (Wicks)</u> makes several clarifying changes to the Affordable Housing and High Road Jobs Act of 2022 (AB 2011) including expanding geographic applicability and <u>AB 3068 (Haney)</u> would enact the Office to Housing Conversion Act, which creates a streamlined, ministerial approval process for adaptive reuse projects.

General Plan Updates

Most notably, several new bills continue to move this year that would require, in some cases, substantive updates to the General Plan. APA California has worked extensively to ensure recent amendments reduce the level of detail and prescriptive language in these proposals and provide a more realistic and consistent timeframe to implement. AB 2684 (Bryan) would require an update to the safety element to address impacts from extreme heat. AB 2583 (Berman) looks at addressing school walk zones and SB 1045 (Blakespear) seeks to ease the siting of composting facilities. However the most impactful new proposed mandate on the General Plan is AB 1889 (Friedman) which, as introduced, would have required a new standalone wildlife and habitat connectivity element to be adopted by 1/1/2025. APA California has spent significant time discussing the impacts of new General Plan mandates, particularly the amount of work that would go into AB 1889, should it be signed into law. Additionally, APA California was successful in moving AB 1889 from a new standalone element to instead work within the existing parameters of the conservation element. AB 1176 (Zbur) from last session, which is now moving again this year, would require new General Plan updates or other appropriate local plans to address decarbonization at the local level

Full Bill List and Position Letters

APA California continues to track nearly 400 bills of interest to planners this year, while working on several of higher priority. We continue to share position letters and even if you don't see a position letter on a particular bill, that doesn't mean we aren't working on it. We are often working in advance of taking a position to try and address concerns where possible or are asked to provide technical feedback on bills generally as they move. We also continue to welcome APA California members to reach out to policy@apacalifornia.org if you have questions or thoughts on a particular bill or issue before the Legislature.



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Legislature Approves Final 2024-2025 Budget

The Legislature passed a budget "framework" on June 13 and reached final agreement on June 22. This deal will close a roughly \$46.8 billion budget shortfall projected for the next fiscal year and follows weeks of disagreement and negotiations on spending priorities. APA California is still in the process of reviewing, however the final \$297.9 billion budget agreement includes:

- Reductions \$16.0 billion for various items
- Reserves \$12.2 billion from the Rainy Day Fund over the next two fiscal years
- Fund Shifts \$6.0 billion from the General Fund to other funds
- Delays and Pauses \$3.1 billion to address increased future obligations and potential shortfalls
- Deferrals \$2.1 billion for certain payments to later years

As we've noted in previous updates, the Governor's proposed budget in January would have reverted half of the funding dedicated for Regional Early Action Planning (REAP 2.0) grants and other housing related programs funded through the budget. APA California issued a <u>letter</u> to express our concerns and urged the Legislature to reject these proposals. The final budget agreement reduces cuts to the REAP program to \$40 million out of the original \$600 million allocation and provides another \$1 billion in Homeless Housing Assistance Prevention Programs (HHAP) grants, which will be tied to new accountability measures. That said, the final budget does include reductions overall to various affordable housing programs, among others. Also notable in the budget agreement is the reorganization of the Office of Planning and Research (OPR) through several actions, including renaming OPR to the Governor's Office of Land Use and Climate Innovation.

Additional trailer bills have been introduced to reflect agreements, which implement the budget. Trailer bills have until the end of session to pass on August 31, however the Legislature will likely vote on several before June 27.

APA California's Work in the Legislature

APA California is actively engaged in many bills. In fact, we work closely with legislative and committee staff on amendments and clarifications to bills before taking a position. As an organization, APA California is often asked to provide feedback on planning related bills and provide technical expertise, giving a voice to planners and an opportunity to help shape legislation. This is a valuable role that the Chapter works hard to maintain. After meeting with key members of the Legislature earlier this year, we continue to discuss the work planners are doing at the local level to implement and keep up with all the planning-related bills that pass year over year and how that relates to the cumulative impact of bills on the table this year. APA California also continues seek opportunities to suggest tangible ways, absent fiscal resources at the state level, that the Legislature can help to make implementation more successful and support the planning community. Several committee analyses for planning-related bills now note the concerns we continue to share around lack of local agency staff capacity and/or budget resources. While many bills continue to move, several have been amended at APA California's request and the conversations around the cumulative burden are being vocalized during discussions on various proposals.