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From: Silvia Solis Shaw, Legislative Advocate
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Re: Santa Monica 2023 End of Session Legislative Wrap-Up

The Legislature concluded its work for the 2023 session on September 14th. The Legislature and the Governor tackled many challenging issues including the affordable housing crisis as well as homelessness, climate change, behavioral health, and significant investments in the state budget for infrastructure projects, public education, and health care.

This report will provide an overview of significant political changes at the Capitol this session and will highlight the most important bills Shaw Yoder Antwih Schmelzer & Lange (SYASL) lobbied in 2023 for the City of Santa Monica. We also discuss key state budget developments. The bills are organized by the following priorities: Housing and Homelessness, Behavioral Health, Mobility and Access, and Sustainability/Climate Change.

Leadership Changes in Sacramento in 2023

On June 30th, the California State Assembly swore in its new speaker, Assembly Member Robert Rivas (D-San Benito County). Rivas first made his move for the speakership in May 2022, prompting a six-hour standoff in a closed-door Democratic caucus meeting that concluded with Rendon retaining his position. Despite this setback, Rivas persevered. In November 2022, after another six-hour meeting with the newly elected Assembly Democratic caucus, he emerged with an agreement with Speaker Anthony Rendon for a transition to take place in 2023.

Once Assemblymember Rivas was sworn in as Speaker, he wasted no time in announcing his leadership team and making strategic moves. He introduced a new Assembly leadership team composed of longtime supporters, featuring new Majority Leader Isaac Bryan (D-Los Angeles) and Speaker pro Tempore Cecilia Aguiar-Curry (D-Winters). Rivas also removed Assembly Member Joaquin Arambula (D-Fresno) from his chairmanship of Assembly Budget Subcommittee #1, which oversees nearly all state health budget items. That move was seen as a response to the fact that Assembly Member Arambula had indicated his interest in the speakership-as an alternative to Assembly Member Rivas- in early January, telling various media outlets that he was "considering" running. Assembly Member Arambula was replaced by Assembly Member Akilah Weber (D-San Diego) a Rivas ally. Additional committee chairs changes are expected to be announced in the Fall of 2023.

On August 28th, Senate President pro Tempore Toni G. Atkins (D-San Diego) announced that the Senate Democratic Caucus had chosen Senator Mike McGuire (D-Healdsburg) as the Pro Tem Designee, setting him up to be the next leader of the California State Senate. Atkins, who has served as Pro Tem since 2018 and is the first woman to hold the position, expressed confidence in a smooth transition and praised McGuire as a "trusted

confidant" and a key member of her leadership team. McGuire has served as Majority Leader since 2022 and played a pivotal role in legislative victories such as the 2022 climate package and this year's state budget. The transition will happen in 2024, but no firm date has been released. Senator McGuire represents a largely rural/suburban district, extending along the coast from Marin County all the way to the Oregon border. Of note, this will be the first time in a very long time that the leaders of each house will not be from Southern California.

2023 Legislation

The City pursued advancement of Council policies and priorities at the California state government level. In the first year of the 2023-2024 legislative session, the City actively monitored or took a position on 57 bills: 2 sponsored bills, 39 with support positions, 1 bill with a "neutral" position and the City opposed 1 bill. The City also had 2 bills with an oppose unless amended position.

Attachment 1 of this memo displays a summary of the **bills we actively lobbied or monitored**.

What follows is a brief summary of the City's highest priority issues this year.

Housing and Homelessness

Housing

The Legislature continued to devote a lot of its time to the issue of housing. Among some of the more high-profile bills that were signed into law were **SB 4** and **SB 423** both authored by Senator Scott Wiener. SB 4 (Wiener) which allows a religious institution or independent institution of higher education to build a housing development project on their property "by right". SB 423 (Wiener) extends the sunset date on SB 35 until 2036 and expands the provisions of that legislation to allow for new multifamily housing projects in the coastal zone as long as those projects are consistent with the applicable local coastal plan or land use plan. This new law would not apply in environmentally sensitive areas or in specified high fire hazard severity zones. SB 423 was initially opposed by the State Building and Construction Trades Council of California and other labor unions however the bill was sponsored by the California Conference of Carpenters among other sponsors. The Building Trades felt that the labor protections in SB 423 were not rigorous enough to protect workers, but the Carpenters and Senator Wiener negotiated amendments that eased those concerns, and the Building Trades removed their opposition. The League of California Cities opposed the bill throughout the whole process as they believed that the bill was "overreaching" and continued the trend of the state forcing cities to approve certain housing projects without regard to the needs of the community, opportunities for environmental review or public input. Despite this opposition, Governor Newsom signed SB 423 into law.

Tenant Protection Legislation

AB 1620 (Zbur) was co-sponsored by the City of Santa Monica and the City of West Hollywood and will increase housing security for tenants with permanent disabilities related to mobility, who are at higher risk of homelessness. AB 1620 amends the Costa-Hawkins Rental Housing Act to authorize local jurisdictions to require that tenants that live in rent-controlled units and who have permanent physical disabilities related to mobility be allowed to relocate to an available, accessible unit at the same rental rate and terms. Early in the legislative process, the bill was opposed various apartment associations and the California Association of Realtors, however SYASL, working with Asm Zbur's staff, was able to negotiate language that addressed most of the oppositions concerns and the only organization that remained opposed to the bill at the end of the process was the California

Association of Realtors. Fortunately, despite that opposition, Governor Newsom signed AB 1620 into law on October 11, 2023.

In addition to AB 1620, the City of Santa Monica also co-sponsored **AB 1431** (Zbur). That bill would have established the California Housing Security Grant Program to provide a subsidy to eligible persons, including seniors, former foster youth, adults with disabilities to reduce housing insecurity and help those individuals meet their basic housing needs. The subsidy would be in an amount necessary to cover the portion of a person's rent to prevent homelessness, not to exceed \$2,000 per month. The subsidy would not be considered income for the purposes of determining eligibility or benefits for any public assistance program. AB 1431 would have set up this program as a pilot in up to 4 counties including Los Angeles County. Unfortunately, this bill became a two-year bill due to concerns about the potential costs of the bill, but Assembly Member's Zbur staff is conducting stakeholder meetings this Fall on ways to address those cost concerns.

Two major bills tenant protection bills that were also signed into law were **AB 12** (Haney) and **SB 567** (Durazo). AB 12 would prohibit a landlord from demanding or receiving a security deposit for a rental agreement in an amount or value in excess of one month's rent regardless of whether the residential property is unfurnished or furnished, in addition to any rent for the first month paid on or before initial occupancy. However, a landlord may charge up to two months' rent if the landlord does not own more than two residential rental properties that collectively include no more than four dwelling units offered for rent. Assembly Member Haney authored this measure after learning that many potential tenants are able to afford the monthly rent on an apartment however they are unable to afford the two month's rent that some landlords require as a security deposit. SB 567 as originally introduced would have significantly reduced California's statewide cap on rent increases by limiting increases to the Consumer Price Index with a maximum of a 3% increase. The bill faced opposition from the California Apartment Association and other rental housing associations. It passed out of the Senate with the minimum number of votes required for passage and in the Assembly the bill was further amended and the final version of the bill does the following: closes loopholes that some landlords were exploiting by moving tenants out and raising rents on new tenants without fulfilling the stated reasons listed in the termination notice; evicting tenants so a family member could move into the unit but that family member never moves in and the landlord re-rents the unit at a much higher rental rate . Specifically, SB 567 now requires landlords who evicts a tenant in order to substantially remodel a until to detail the intended work and inform the tenant of their re-occupancy rights if the work doesn't commence or isn't completed. The bill also requires that owners or family members must reside in a unit for at 12 months and move in within 90 days of the tenant's departure and sets limits on re-renting the unit if the landlord doesn't comply.

Homelessness

There were several measures introduced to address homelessness, with many legislators and the Governor asking for increased accountability measures on actions taken locally to address the problem. Throughout various policy committee hearings, legislators from throughout the state voiced their concerns about the increasing numbers of homeless individuals on our city streets. Several bills were signed into law to help support efforts by local governments to house more people, including SB 91 and AB 1679.

SB 91 (Umberg) eliminates the January 1, 2025, sunset date on a provision of state law that exempts certain projects from CEQA that convert a motel, hotel, residential hotel, or hostel to supportive or transitional housing. SB 91 also extends the CEQA streamlining provisions for "environmental leadership transit projects" located within the County of Los Angeles that meet certain specified requirements.

AB 1679 (Santiago) is a measure that was a “gut and amend” late in the session that gives the Los Angeles County Board of Supervisors and county residents the authority to approve a new revenue stream to fund prevention, services, and affordable housing for people experiencing homelessness. AB 1679 would authorize the County to impose a transaction and use tax that exceeds the 2% statutory limitation to replace the existing Measure H. Several cities within LA County as well as the LA County Division of the League of California Cities opposed the bill or expressed concerns regarding any future funding measures for homelessness in LA County. These concerns stemmed from the belief that many cities in the county did not receive enough Measure H funding commensurate with the amount of Measure H revenue generated by that city. The LA County Division of the League of California Cities stated that any new revenue stream for homelessness “must have a 40% dedicated local return to assist cities currently spending General Fund revenues to provide homeless services and shelters”. They expressed their disappointment that local grants to most cities in LA County were minimal and sporadic. The author of the bill pushed back on these arguments saying that this bill would merely amend the statutory cap to allow for a new revenue stream and that cities within LA County should continue to work together with the County on to reach a consensus on a new spending plan.

Behavioral Health

One of the Newsom Administration’s biggest priorities this session was his focus on modernizing California’s mental health services and substance use disorder treatment systems- especially for the most serious mental illness and substance use disorders. SB 43, SB 326, and AB 531 are all part of the Governor and the Legislature’s efforts to transform California’s services for people with serious mental illnesses and substance use disorders, who often do not receive treatment and may become homeless, hospitalized, or incarcerated.

SB 43 (Eggman) will significantly update the Lanterman-Petris-Short Act, the state’s law regarding conservatorships, for the first time in more than 50 years. Under existing law, individuals may be eligible for a conservatorship if they have a mental illness that leaves them “gravely disabled” and are unable to secure food, clothing, or shelter or have been found to be mentally incompetent. SB 43 will expand the definition of “gravely disabled to also include a condition in which a person, as a result of a severe substance use disorder, or a co-occurring mental health disorder and a severe mental health disorder, is in addition to the being unable to provide for basic needs, is also unable to provide for their personal safety or necessary medical care as a result of chronic alcoholism. Counties have the authority to delay the implementation of this bill until 2026. The City of Santa Monica has supported several legislative attempts to change the definition of gravely disabled and Senator Eggman was finally able to get this to the Governor and have it signed into law.

SB 326 (Eggman) revises and recasts the Mental Health Services Act (MHSA) as the Behavioral Health Services Act (BHSA) if voters approve amendments to the MHSA at the March 5, 2024, statewide primary election. This bill clarifies that county behavioral health programs are permitted to use BHSA funds to treat primary substance use disorder conditions and makes conforming changes throughout the BHSA. This bill also restructures the current MHS funding “buckets” to address today’s behavioral health system and demand for services. These reforms expand services to include treatment for those with substance use disorders, prioritize care for those with the most serious mental illness, provide ongoing resources for housing and behavioral health workforce, and continue investments in prevention, early intervention, and innovative pilot programs. It also enhances the current process for local planning of various services funded by the BHSA, and for oversight, accountability, and reporting of BHSA funds.

AB 531 (Irwin) creates the Behavioral Health Infrastructure Bond Act of 2024 and authorizes, subject to voter approval, the issuance of \$6.38 billion in general obligation bonds to be issued to build an estimated 10,000 new treatment beds and supportive housing units. \$4.4 billion will be spent on treatment beds and sites and \$1.5

billion of that will be put into a specific pot of funding for local governments to apply for, so that cities, counties, and tribal entities have a guaranteed for at least this amount of the bond. \$2.2 billion of the bond funding will be used to fund permanent supportive housing units with a set-aside of \$1.06 billion for veterans' housing. This bond will appear on the March 5, 2024, ballot.

Mobility and Access

This session, the City supported several bills that will result in increased safety for pedestrians, bicyclists, and other vulnerable road users. **AB 251** (Ward) codifies the recommendation of the California Transportation Commission in their 2022 report to the Legislature, that the Commission convene a task force of state agencies and local transportation agencies to study the potential costs and benefits of a passenger vehicle weight fee. The CTC task force would then report its findings to the Legislature. In recent years there has been significant growth in the sales of SUVs and trucks and these heavier vehicles (compared to standard size passenger vehicles) cause more serious injuries than cars when impacts occurred at speeds greater than 19 miles per hour. **AB 361** (Ward) authorizes a local agency to install an automated forward facing parking control device on city-owned or district-owned parking enforcement vehicles for the purpose of photographing parking violations occurring in bicycle lanes. Because many bike lanes do not have physical barriers blocking them from the road, it is not uncommon for cars to park in bike lanes or to park in a way that blocks these lanes. This bill is modeled after existing law with authorizes automated enforcement of parking violations in transit-only traffic lanes.

AB 645 (Friedman) establishes a five-year pilot program to give local transportation authorities in the cities of San Jose, Oakland, Los Angeles, Glendale, Long Beach, and the City and County of San Francisco, the authority to install automated speed enforcement cameras. This bill had been attempted several times the last few years, but a coalition of the cities and active transportation/pedestrian safety advocates worked with Assembly Member Friedman to get this bill through the legislative process despite opposition from groups who had concerns about increased surveillance on city streets. It is hoped that this program will be effective in enforcing speed limits on city streets in order to reduce the staggering number of pedestrian injuries and deaths that have resulted from traffic crashes due to speeding vehicles. If this pilot program is successful, it could be expanded to include other cities such as Santa Monica. All three of these bills were signed into law by Governor Newsom.

Sustainability/Climate Change

The Legislature continued to take action on climate and the two most high-profile bills that the Governor signed focused on requiring large corporations operating in the state to disclose both their carbon footprints and their climate-related financial risks. **SB 253** (Wiener), the Climate Corporate Data Accountability Act will require the California Air Resources Board by 2025 to develop and adopt regulations requiring businesses operating in California with more than \$1 billion in annual revenues to reveal their carbon footprint across three "scopes". These requirements would apply to an estimated 5,400 companies, including Walmart, Apple, ExxonMobil, and Chevron. In his signing message, Governor Newsom noted his concerns about the financial impact this bill on businesses and asked CARB to monitor the cost impact as it implements the bill and to make recommendations to streamline the program in future legislation. **SB 261** (Stern) will require companies that do business in California and have gross revenues exceeding \$500 million annually, excluding insurance companies, to report on their climate-related financial risk, and requires the California Air Resources Board to contract with a qualified climate reporting organization to review and publish an analysis of those reports. SB 261 is expected to apply to more than 10,000 companies.

Other key environmental bills that Governor Newsom signed into law include **SB 272** (Laird), which will require local governments in coastal regions to develop and implement sea level rise planning and adaptation plans in the

next 10 years, and **AB 579** (Ting) which sets a statewide goal of requiring all new school buses leased or purchased after 2035 to be zero-emission.

State Budget

The state’s budget negotiations this year were especially challenging due to a \$31.5 billion deficit, a stark contrast to the record surpluses seen in recent years. According to the Legislative Analyst’s Office, revenue decline is primarily attributed to a decrease in high income earner taxes (due to technology sector changes) and decreases in business investment in the state. The final budget package closed the budget gap through a combination of solutions that largely avoided making significant cuts to ongoing programs and legislative priorities. The 2023 state budget authorizes general fund expenditures of \$225.9 billion, \$81.9 billion special funds, and \$143.9 billion in federal funds and assumes \$235 billion in total general fund resources. There are combined total reserves of approximately \$32.3 billion.

Looking at the 2024-25 state budget, revenues have continued to come in below projections and the change in the federal and state tax filing deadlines from April 15th to October 15th has significantly limited the information available for the Department of Finance and the Legislative Analyst’s Office to prepare their fiscal forecasts and accordingly, Governor Newsom’s January 10 budget proposal may be premised on significantly limited revenue data and estimates.

Overall state budget summary:

Housing:

The 2023-24 budget commits to investments in housing strategies, improving community resiliency, contributing to achieving the state’s housing and climate goals, and promoting racial and economic equity. The 2021 and 2022 Budget Acts invested a combined \$21.5 billion over multiple years to advance the greater availability of housing throughout California. The budget largely maintains these commitments and includes a housing package of \$14.7 billion for 2023-24.

Affordable housing continues to be a priority for the Administration and the Legislature. Despite budgetary constraints, the budget continues to make investments in affordable housing production and homeownership.

- Multifamily Housing Program: The Budget includes an additional \$100 million in 2023-24 for the Multifamily Housing Program for a total of \$325 million in 2023-24.
- Dream For All: The 2022 Budget Act included \$500 million one-time General Fund to the California Housing Finance Agency for the Dream for All program, which provides shared-appreciation loans to help low- and moderate-income first-time homebuyers achieve homeownership. The Budget maintains this investment of \$500 million one-time General Fund.
- CalHome: The 2022 Budget Act included \$350 million one-time General Fund (\$250 million in the 2022 Budget Act and \$100 million committed for 2023-24) for the Department of Housing and Community Development’s CalHome program, to provide local agencies and nonprofit agencies with grants to assist low- and very-low-income first-time homebuyers with housing assistance, counseling, and technical assistance. The Budget withdraws \$50 million one-time General Fund in 2023-24, leaving \$300 million for this program.
- Foreclosure Intervention Housing Prevention Program: The 2021 Budget Act included \$500 million one-time General Fund for the Foreclosure Intervention Housing Prevention Program, which provides funds

to various non-profit organizations to acquire foreclosed property and operate as affordable housing. The Budget defers \$330 million of the \$500 million one-time General Fund over four fiscal years—for a revised allocation of: \$82.5 million in 2023-24, \$85 million in 2024-25, \$100 million in 2025-26, and \$62.5 million in 2026-27.

- Downtown Rebound Program: The budget Act reverts \$17.5 million in unexpended funding for the Department of Housing and Community Development to provide funding for adaptive reuse of commercial and industrial structures to residential housing.

Homelessness

The 2023 budget includes \$3.5 billion in new funding for homelessness programs. These funds will supplement allocations made in prior years.

- Homeless Housing, Assistance, and Prevention Program (HHAP): \$1 billion in one-time general fund for a fifth round of HHAP grants. The legislation authorizing the fifth round of HHAP grants also includes new statutory language focusing on regional coordination and accountability – requiring counties, large cities, and Continuums of Care to develop and submit regionally coordinated plans that identify their respective roles and responsibilities and outline the key actions each entity will undertake to collectively deploy their federal, state, and local resources to reduce homelessness. The first half of the fifth round of HHAP grants will be released in mid-2024, after regional plans have been submitted and approved. The second half will be released in early 2026, after the regions report on their progress in carrying out the respective actions outlined in their regional plans. For planning purposes, each county constitutes a region. The fifth round of HHAP grants will also include supplemental Homekey funding to support the production of permanent supportive housing, including the requirement that HHAP-eligible cities and counties must have a compliant housing element at the time of application. This fifth round of HHAP funding is supplemented with \$360 million in reappropriated funds from prior HHAP rounds.
- Encampment Resolution Funding Grants: \$400 million for a third round of funding. These grants are awarded on a competitive basis to counties, cities of any size, and Continuums of Care to assist in moving persons from homeless encampments into safe and stable housing.
- CalAIM Transitional Rent: \$175.3 million to allow for up to six months of rent or temporary housing to eligible individuals experiencing homelessness or at risk of homelessness.

CARE Court

The budget includes \$55.5 million in 2023-24, \$107 million in 2024-25, and \$133 million in 2025-26 for the Judicial Branch to implement the CARE Act. Approximately 50% of the funding will be used for the administration of the program and the rest will support public defender and legal service organizations that will provide legal counsel to CARE Court participants. CARE Court connects a person struggling with untreated mental illness- and often also substance use challenges- with a court-ordered Care plan for up to 24 months.

Infrastructure

The budget includes a package of five urgency bills that allow to build more, faster to mitigate extreme weather and other environmental impacts; each of the proposals maintains environmental protections, while committing to building more to meet the state's needs.

- SB 145 (Newman and Friedman): Streamlines the implementation of environmental mitigation measures for the efficient delivery of Department of Transportation (Caltrans) projects. Authorizes Caltrans to enter

into an enforceable contract with Brightline West to construct three wildlife crossings over Interstate 15 (I-15) and the future Brightline West high speed rail system.

- SB 146 (Gonzalez and Friedman): Extends the California State Transportation Agency's existing authority to assume responsibility for compliance with federal environmental regulations under the National Environmental Policy Act (NEPA) through the end of 2033 and expands that authority for local rail and multimodal projects. This will both accelerate project delivery and result in cost savings for projects.
 - Authorizes the Department of Water Resources and Caltrans to pilot the progressive design build method of contracting on up to 8 projects per department. This could shorten project completion schedules by as much as a year.
 - Authorizes Caltrans to use Job Order Contracting to complete routine transportation projects and maintenance work. This could shave months off of procurement for these routine projects.

- SB 147 (Ashby): Will allow the Department of Fish and Wildlife (DFW) to issue incidental take permits for projects subject to terms and conditions to avoid, minimize and mitigate the take of and impacts to species. This bill sets high standards for the protection of species but allows DFW to mitigate effects rather than simply penalize after the fact.

- SB 149 (Caballero, Becker, and R. Rivas): Includes three California Environmental Quality Act (CEQA)-related measures to speed up litigation after projects have passed environmental review:
 - Provides for the expedited judicial review of CEQA challenges to certain water, transportation, clean energy and semiconductor or microelectronic projects.
 - Streamlines procedures related to the preparation of the administrative record for the judicial review of challenges brought under CEQA.
 - Extends the sunset on the judicial streamlining program currently active for gold-certified infill site projects, clean renewable energy projects, clean energy manufacturing projects, and smaller housing projects.

- SB 150 (Durazo, Smallwood-Cuevas, Gonzalez, Cortese, and L. Rivas): Embeds workforce and community benefit requirements in certain procurement and contracting for infrastructure and manufacturing investments related to the federal IJA, IRA, and CHIPS Act. The proposals will:
 - Speed Up Construction: Current construction procurement processes drive delays and increase project costs. The legislation includes methods to offer a streamlined process for project delivery to reduce project timeframes and costs.
 - Expedite Court Review: Legal challenges often tie up projects even after they've successfully gone through environmental review. This legislation speeds up judicial review to avoid long delays and advance projects without reducing the environmental and government transparency benefits of CEQA.
 - Streamline Permitting: Accelerate permitting for certain projects, reducing delays and project costs.
 - Address Cumbersome CEQA Processes: Streamlines procedures around document collection and assembly in litigation after projects have already been approved.
 - Maximize Federal Dollars: Establishes a Green Bank Financing Program within the Climate Catalyst Fund so that the state can leverage federal dollars for climate projects that cut pollution, with an emphasis on projects that benefit low-income and disadvantaged communities.

Film and Television Tax Credit

The budget extends the Film and Television Tax Credit Program at \$330 million general fund per year for five years beginning in 2025-26 with significant enhancements to strengthen and support diversity in the California film industry. Specifically, these changes include: 1) strengthening diversity reporting requirements and making a portion of the credit contingent on productions making a good-faith effort to meet diversity goals 2) Makes the tax credit refundable at a discounted value, allowing tax payers with insufficient tax liability to make use of the credit and 3) Expands the Career Pathways Program, which provides training programs and opportunities for individuals from underserved communities to facilitate entry into the film industry.

Climate Change

The 2021 and 2022 budget acts allocated approximately \$54 billion over five years toward climate resilience and integrated climate, equity, and economic opportunity across the state's budget to mobilize a coordinated government-wide response to the climate crisis. The 2023 budget maintains \$51.4 billion of those investments and includes an additional \$890 million in new expenditures. The Governor and Legislature hope to augment some of the cuts made in this section of the budget by moving forward with a Climate/Resources Bond proposal in the 2024 legislative session.

SYASL will note the following allocations:

- Zero-Emission Vehicles: The budget maintains \$10.1 billion over six years in investments to the state's ZEV agenda.
- Statewide Flood Response and Support: \$436 million one-time general fund to support at-risk communities from statewide flood impacts including \$135.5 million in general fund over two years to support local agencies working to reduce urban flood risk.

Transportation

The budget includes \$14.9 billion for transportation programs and projects that align with the state's climate goals. This includes the following allocations:

- Transit and Intercity Rail Capital & Zero-Emission Transit Capital Programs: The budget provides \$5.1 billion in additional program funding as part of the \$8.8 billion multi-year augmentation for local transit capital infrastructure and zero-emission vehicle projects. These funds will be allocated by formula, with additional flexibility for transit operators to make capital improvements or address operational shortfalls as ridership remains below pre-pandemic levels.
- Active Transportation Program: \$500 million for the Active Transportation Program which provides funding for projects that increase the proportion of trips accomplished by walking or biking and increases the safety and mobility of non-motorized users.

Energy

The 2022 budget provided for \$7.9 billion in energy budget investments and legislative actions to expedite the state's transition to clean energy, and funded reliability programs. The 2023 budget maintains \$7 billion of that funding in areas such as building decarbonization, transmission development, and long duration energy storage but defers out year payments.

Transportation Fuels-Consumer Price Gouging Protections

The budget supports the implementation of SB x1-2 from the special legislative session that Governor Newsom called to protect Californians from price gouging at the pump by oil companies. The budget provides over \$5 million in funding to the CEC to collect new data, analyze and track trends in the petroleum supply chain.

Education

The budget includes total funding of \$129.2 billion for all K-12 education programs. The budget reflects significant Proposition 98 funding that enables increased support for core programs such as the Local Control Funding Formula (LCFF), special education, transitional kindergarten, nutrition, and preschool.

Attachment 1 contains a list and descriptions of bills on which the City took a position or closely monitored during the 2023 legislative session, along with their final status, organized by the City's priority areas. Please note that in 2023, 1,046 bills were sent to Governor Newsom. He signed 890 bills and vetoed 156 bills with a veto rate of 14.9%.

Please do not hesitate to contact us if you have any questions about this material.

Attachment 1

Addressing Homelessness

AB 12 (Haney) Tenancy: Security Deposits. - Support

This bill prohibits tenants from having to pay more than one month's rent as a security deposit for furnished or unfurnished rental property, subject to certain exceptions.

This bill was signed by the Governor on October 11, 2023.

AB 67 (Muratsuchi) Homeless Courts Pilot Program. - Support

This bill would establish the Homeless Courts Pilot Program, to be administered by the Judicial Council as a grant program for the purpose of providing comprehensive community-based services for homeless individuals who are involved with the criminal justice system.

This bill was held on the Senate Appropriations Committee's Suspense File.

AB 531 (Irwin) The Behavioral Health Infrastructure Bond Act of 2023. – Support

This bill creates the Behavioral Health Infrastructure Bond Act of 2024 (Bond) to, subject to voter approval, authorize \$6.380 billion in general obligation (GO) bonds to finance permanent supportive housing for veterans and others, as well as, unlocked and locked behavioral health treatment and residential settings for individuals experiencing homelessness or at risk of homelessness with severe behavioral health challenges. Allows for by right streamlined, ministerial review for capital projects funded by the bond.

This bill was signed by the Governor on October 12, 2023.

AB 1431 (Zbur) Housing: the California Housing Security Act. – Co-Sponsor

This bill would, upon appropriation of the Legislature, establish the California Housing Security Program to provide a housing subsidy to eligible persons, as specified, to reduce housing insecurity and help Californians meet their basic housing needs.

This bill was held in the Assembly Housing and Community Development Committee.

AB 1620 (Zbur) Costa-Hawkins Rental Housing Act: permanent disabilities: comparable or smaller units. – Co-Sponsor

This bill Allows a jurisdiction with rent control to require an owner of a rent-controlled unit to allow a tenant with a permanent physical disability to relocate to an available comparable or smaller unit located on an accessible floor of the property and retain their same rental rate.

This bill was signed by the Governor on October 11, 2023.

AB 1657 (Wicks) The Affordable Housing Bond Act of 2024. – Support

This bill would enact the Affordable Housing Bond Act of 2024, which authorizes the sale of \$10 billion in general obligation bonds, upon approval by voters at the March 5, 2024 statewide election.

This bill was held on the Senate Appropriations Committee's Suspense File.

AB 1679 (Santiago) Transactions and use taxes: County of Los Angeles: homelessness. – Support

This bill authorizes Los Angeles County (LA County) to impose a transaction and use tax (TUT) that exceeds the 2% statutory limitation, as specified.

This bill was signed by the Governor on October 10, 2023.

SB 4 (Wiener) Planning and zoning: housing development: higher education institutions and religious institutions. – Support

This bill requires a housing development project to be a “use by right” on land owned by an independent institution of higher education or a religious institution, as specified.

This bill was signed by the Governor on October 11, 2023.

SB 43 (Eggman) Behavioral health. – Support

This bill expands the definition of “gravely disabled,” for purposes of involuntarily detaining an individual with a severe substance use disorder (SUD), or a co-occurring mental health (MH) disorder and a severe SUD, or chronic alcoholism that is unable to additionally provide for personal safety or necessary medical care. This bill deems statements of specified health practitioners, for purposes of an expert witness in a proceeding relating to the appointment or reappointment of a conservator, as not made inadmissible by the hearsay rule, as specified.

This bill was signed by the Governor on October 10, 2023.

SB 91 (Umberg) California Environmental Quality Act: supportive and transitional housing: motel conversion: environmental leadership transit projects. – Support

This bill (1) eliminates the January 1, 2025, sunset date on a provision of state law that exempts from California Environmental Quality Act (CEQA) certain projects that convert a motel, hotel, residential hotel, or hostel to supportive or transitional housing and (2) extends CEQA streamlining provisions for “environmental leadership transit projects” (ELTPs) located within the County of Los Angeles that meet certain specified requirements.

This bill was signed by the Governor on October 10, 2023.

SB 267 (Eggman) Credit history of persons receiving government rent subsidies. – Support

This bill prohibits a landlord, in instances involving a government rent subsidy, from using credit history as part of the rental housing application process unless the landlord offers the applicant the option to provide lawful, verifiable alternative evidence of reasonable ability to pay the portion of the rent to be paid by the tenant, including, but not limited to, government benefit payments, pay records, and bank statements.

This bill was signed by the Governor on October 11, 2023.

SB 466 (Wahab) Costa-Hawkins Rental Housing Act: rental rates. – Support

This bill gives local jurisdictions the option to limit the amount that residential landlords can raise the rent each year for housing that is more than 28 years old.

This bill was held on the Senate Inactive File.

SB 555 (Wahab) Stable Affordable Housing Act of 2023. - Support

This bill creates the Stable Affordable Housing Act of 2023 (Act) for the purposes of studying the development of social housing through a mix of acquisition and new production.

This bill was signed by the Governor on October 7, 2023.

SB 567 (Durazo) Termination of tenancy: no-fault just causes: gross rental rate increases. – Support

This bill makes revisions to the no-fault just cause eviction provisions of the Tenant Protection Act of 2019 (TPA) and provides additional enforcement mechanisms for violations of restrictions on residential rent increases and no-fault just cause evictions, to take effect April 1, 2024.

This bill was signed by the Governor on September 30, 2023.

Clean & Safe Santa Monica

AB 23 (Muratsuchi) Theft: shoplifting: amount. - Support

This bill would amend Proposition 47 by reducing the threshold amount for petty theft and shoplifting from \$950 to \$400.

This bill was held in the Senate Public Safety Committee.

AB 24 (Haney) Emergency Response: opioid antagonist kits. – Support

This bill requires a bar, gas station, public library, or residential hotel (collectively, “facility”) that receives an opioid antagonist kit (kit) from the California Department of Public Health (CDPH) to place the kit in an area of the facility that is readily accessible only by employees. The bill also requires CDPH to compile and publish a list of counties experiencing an overdose crisis, create a poster with instructions on how to use the opioid antagonist, and to provide the kits, free of charge, to as many facilities as possible in the listed counties.

This bill was held on the Assembly Appropriations Committee’s Suspense File.

AB 40 (Rodriguez) Emergency medical services. – Support

This bill requires the Emergency Medical Services Authority (EMSA) to, among other things, to adopt emergency regulations to develop an electronic signature for use between emergency department and emergency medical personnel, a statewide 30-minute standard for patient offload times, and an audit tool to improve the accuracy of such data.

This bill was signed by the Governor on October 13, 2023.

AB 55 (Rodriguez) Medi-Cal: workforce adjustment for ground ambulance transports. – Support

This bill establishes a “workforce adjustment” supplemental Medi-Cal payment for emergency and non-emergency ambulance services, to make payments for ambulance services equal to 80% of the Medicare rate, applicable to ambulance services provided by private medical transportation providers who raise wages for several classes of employees. This bill specifies the new payments are in addition to base Medi-Cal payments and “add-on” payments made through an existing supplemental payment program.

This bill was held on the Assembly Appropriations Committee’s Suspense File.

AB 75 (Hoover) Shoplifting: increased penalties for prior crimes. – Support

This bill reinstates the offense of petty theft with a prior as it existed before it was eliminated by Prop. 47 and makes it applicable to the offense of shoplifting created by Prop.47, subject to approval by the voters.

This bill was held in the Assembly Public Safety Committee.

AB 251 (Ward) California Transportation Commission: vehicle weight safety study. - Support

This bill requires the California Transportation Commission (CTC) to convene a task force to study the potential costs and benefits of imposing a passenger vehicle weight fee.

This bill was signed by the Governor on October 7, 2023.

AB 361 (Ward) Vehicles: photographs of bicycle lane parking violations. - Support

This bill authorizes a local agency to install an automated forward facing parking control device on city-owned or district-owned parking enforcement vehicles for the purpose of video imaging or parking violations occurring in bicycle lanes, until January 1, 2030.

This bill was signed by the Governor on October 8, 2023.

AB 645 (Friedman) Vehicles: speed safety system pilot program. - Support

This bill establishes a five-year pilot program to give local transportation authorities in the cities of San Jose, Oakland, Los Angeles, Glendale, Long Beach, and the City and County of San Francisco the authority to install speed safety systems.

This bill was signed by the Governor on October 13, 2023.

AB 1082 (Kalra) Authority to remove vehicles. – Oppose

This bill would delete the authority for law enforcement and local parking enforcement officials, not including higher education institutions, to tow and impound, or immobilize a vehicle that has five or more delinquent parking tickets, as specified. The bill would also revise the ability of local processing agencies, excluding higher education institutions, to refer delinquent parking violations to the Department of Motor Vehicles (DMV) for collection with vehicle registration, and revise requirements for processing agencies to offer payment plans for payment of delinquent parking ticket fines and penalties.

This bill was held on the Senate Appropriations Committee’s Suspense File.

SB 2 (Portantino) Firearms. – Support

This bill restructures and recasts provisions of law related to carrying concealed firearms and concealed carry licenses (CCWs) in response to a recent United States Supreme Court decision invalidating a concealed carry law in New York similar to California’s.

This bill was signed by the Governor on September 26, 2023.

SB 45 (Roth) California Acute Care Psychiatric Hospital Loan Fund. - Support

This bill establishes the California Acute Care Psychiatric Hospital Loan Fund to be used by the California Health Facilities Financing Authority to provide loans to qualifying county or city and county applicants to build or renovate acute care psychiatric hospitals, psychiatric health facilities, or psychiatric units in general acute care hospitals.

This bill was held on the Assembly Appropriations Committee’s Suspense File.

SB 55 (Umberg) Vehicles: catalytic converters - Support

This bill prohibits motor vehicle dealers from selling a vehicle equipped with a catalytic converter unless the converter has been permanently marked with the vehicle’s identification number, the vehicle is sold for dismantling or salvage, the vehicle is sold at a wholesale auction, or a buyer declines the marking offered by the dealer.

This bill was signed by the Governor on October 13, 2023.

SB 234 (Portantino) Opioid antagonists: stadiums, concert venues, and amusement parks. – Support

This bill requires stadiums, concert venues, and amusement parks to maintain unexpired doses of an opioid antagonist on its premises and ensure that at least two employees are aware of the location and provides indemnification, as specified.

This bill was signed by the Governor on October 8, 2023.

SB 331 (Rubio) Child custody: child abuse and safety. – Support

This bill prohibits a court from ordering certain methods of outpatient counseling in child custody and visitation proceedings and modifies training and reporting requirements for judicial personnel on issues of domestic violence and child abuse.

This bill was signed by the Governor on October 13, 2023.

Cultivate Economic Recovery & Expand Community & Cultural Offerings

AB 529 (Gabriel) Adaptive reuse projects. – Support

This bill requires the Department of Housing and Community Development (HCD) to convene a working group regarding adaptive reuse residential projects, including identifying and recommending amendments to state building standards, and makes other changes to state law related to adaptive reuse projects.

This bill was signed by the Governor on October 11, 2023.

AB 537 (Berman) Short-term lodging: advertising: rates. – Support

This bill prohibits a place of short-term lodging, as defined, from advertising, displaying, or offering a room rate that does not include all fees or charges required to stay at the short-term lodging, except government-imposed taxes and fees.

This bill was signed by the Governor on October 13, 2023.

AB 1217 (Gabriel) Business pandemic relief. – Support

This bill extends, among other things, until July 1, 2026, the authority of the Department of Alcoholic Beverage Control to permit licensees to exercise license privileges in an expanded license area authorized pursuant to a COVID-19 Temporary Catering Authorization approved in accordance with the Fourth Notice of Regulatory Relief issued by the department on May 15, 2020. A COVID-19 Temporary Catering Authorization authorizes the on-sale consumption of those alcoholic beverages for which the licensee has on-sale privileges on property adjacent to the licensed premises, under the control of the licensee.

This bill was signed by the Governor on October 8, 2023.

SB 53 (Portantino) Income taxes: tax credits: motion picture credit. – Support

This bill was introduced as a vehicle for the negotiations on the film tax credit which was eventually passed as part of the state budget.

This bill is pending referral in the Senate Rules Committee.

Racial Justice, Equity & Social Diversity

AB 5 (Zbur) The Safe and Supportive Schools Act. – Support

This bill requires the California Department of Education (CDE) to complete the development of an online training curriculum and online delivery platform by July 1, 2025, and requires local educational agencies (LEAs) to provide and require at least one hour of training annually to all certificated staff, beginning with the 2025-26 school year through the 2029-30 school year, on cultural competency in supporting lesbian, gay, bisexual, transgender, queer, and questioning (LGBTQ+) students.

This bill was signed by the Governor on September 23, 2023.

AB 21 (Gipson) Peace officers: training. – Support

This bill requires the Commission on Peace Officer Standards and Training (POST) to revise its training for field-training officers (FTOs) on interacting with persons with mental illness or intellectual disabilities to include instruction on interacting with persons with Alzheimer's disease or dementia.

This bill was held on the Assembly Appropriations Committee's Suspense File.

Sustainable & Connected Community

AB 9 (Muratsuchi) Greenhouse gases: market-based compliance mechanism. – Support

This bill requires the Air Resources Board (ARB) to initiate a regulatory process to evaluate potential updates to the market-based compliance mechanism (i.e., cap-and-trade regulation), as specified.

This bill was held on the Assembly Inactive File.

SB 83 (Wiener) Public utilities: electrical distribution grid: energization. – Support

This bill would require the California Public Utilities Commission (CPUC) to establish a maximum length of time by when an electrical corporation would need to energize a development project and would provide that electrical corporations would be required to compensate development projects should they miss the deadline.

This bill was held on the Senate Appropriations Committee's Suspense File.

SB 272 (Laird) Sea level rise: planning and adaptation. – Support

This bill requires a local government in the coastal zone or within the San Francisco Bay to develop a sea level rise plan as part of either a local coastal program or a shoreline resiliency plan that includes certain information, including sea level rise adaptation strategies and recommended projects, requires local governments to comply by January 1, 2034, as specified, and prioritizes funding for implementation of sea level rise adaptation strategies in approved plans, among other things.

This bill was signed by the Governor on October 7, 2023.

Miscellaneous

AB 557 (Hart) Open meetings: local agencies: teleconferences. - Support

This bill eliminates the sunset date on provisions of law allowing local agencies to use teleconferencing without complying with specified Ralph. M Brown Act (Brown Act) requirements during a proclaimed state of emergency.

This bill was signed by the Governor on October 8, 2023.

AB 835 (Lee) State Fire Marshal: building standards: single-exit, single stairway apartment houses: report. - Support

This bill requires the State Fire Marshal (SFM) to research standards for single-exit, single stairway apartment houses, with more than two dwelling units, in buildings above three stories and provide a report, as specified.

This bill was signed by the Governor on October 7, 2023.

AB 1317 (Carrillo, Wendy) Unbundled Parking. – Support

This bill adopts a pilot program that requires property owners of new multi-family residential properties in certain counties to unbundle the cost of parking from the cost of the housing unit.

This bill was signed by the Governor on October 11, 2023.

ACA 1 (Aguilar-Curry) Local government financing: affordable housing and public infrastructure: voter approval - Support

This constitutional amendment, subject to voter approval, allows a city, county, or special district, with 55% voter approval, to incur bonded indebtedness or impose specified special taxes to fund projects for affordable housing, permanent supportive housing, or public infrastructure, as specified.

This bill was chaptered on September 20, 2023.

ACA 13 (Ward) Voting thresholds. – Support

This bill requires an initiative constitutional amendment to comply with any increased voter approval threshold that it seeks to impose on future ballot measures. Guarantees in the state constitution the ability of local governments to submit advisory questions to voters.

This bill was held at the Assembly Desk.