Beverly Hills City Council Liaison / Legislative/Lobby Committee
will conduct a Special Meeting, at the following time and place, and will address the
agenda listed below:

CITY OF BEVERLY HILLS
455 N. Rexford Drive
Room 280A
Beverly Hills, CA 90210

IN-PERSON / TELEPHONIC / VIDEO CONFERENCE MEETING

Beverly Hills Liaison Meeting
https://beverlyhills-org.zoom.us/my/committee
Meeting ID: 5161912424
Passcode: 90210

You can also dial in by phone:
+1 669 900 9128 US
+1 833 548 0282 (Toll-Free)

One tap mobile
+16699009128,,5161912424# US
+18335480282,,5161912424# US (Toll-Free)

Monday, August 7, 2023
2:00 PM

Please be advised that pre-entry metal detector screening requirements are now in place in City Hall. Members of the public are requested to plan visits accordingly.

In the interest of maintaining appropriate social distancing, members of the public can view this meeting through live webcast at www.beverlyhills.org/live and on BH Channel 10 or Channel 35 on Spectrum Cable, and can participate in the teleconference/video conference by using the link above. Written comments may be emailed to mayorandcitycouncil@beverlyhills.org and will also be taken during the meeting when the topic is being reviewed by the Beverly Hills City Council Liaison / Legislative/Lobby Committee. Beverly Hills Liaison meetings will be in-person at City Hall.

AGENDA

A. Oral Communications

1. Public Comment

Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.

B. Direction

1. H.R. 3773 - Stop Anti-Semitism on College Campuses Act
Comment: The bill prohibits colleges from hosting and facilitating events that promote anti-Semitism on their campuses and would rescind federal funding for those that do.
More specifically, the bill "prohibits institutions of higher education that authorize anti-Semitic events on campus from participating in the student loan and grant programs" under Title IV of the 1956 Higher Education Act. The legislation also adopts the International Holocaust Remembrance Alliance’s definition of anti-Semitism.

2. H.R.3938 - Build It in America Act
Comment: This item is a request by the U.S. Conference of Mayors for the City to take a position on H.R. 3938. This bill aims to address concerns of businesses regarding rising interest rates and limited deductions for research and experimental expenses. It would also repeal tax incentives for clean electricity and electric vehicle investments under the Inflation Reduction Act (IRA).

3. S.2224 – Stop Predatory Investing Act
Comment: This item is a request by Councilmember Mirisch for the City to take a position on S.2224. This bill proposes to restrict tax breaks for private equity and large investors that buy homes.

4. Assembly Bill 1679 (Santiago) - Transactions and use taxes: County of Los Angeles: homelessness
Comment: This item is a request by the California Contract Cities Association and the League of California Cities for the City to consider taking a position on AB 1679. State law currently caps the transaction and use tax (also known as a sales tax) at two percent. The cap applies countywide, so if one agency imposes a district tax, it limits the ability of another agency that shares the jurisdiction to do so to the remaining room under two percent. This bill allows the County of Los Angeles to impose a district tax up to one-half percent (0.5%) that exceeds the two percent cap if: (1) The county adopts an ordinance proposing the tax by any applicable voting approval requirement, including by citizen’s initiative; (2) Voters approve the ordinance pursuant to Section 11 of Article II or Section 2 of Article XIII C of the California Constitution, as applicable; and (3) The tax repeals the one imposed by Measure H.

5. Assembly Bill 309 (Lee) - The Social Housing Act
Comment: This item is a request the League of California Cities and Mayor Gold for the City to take a position on AB 309. This bill would create the California Housing Authority with a mission to produce and acquire social housing developments for the purpose of eliminating the gap between housing production and regional housing needs assessment targets and to preserve affordable housing. AB 309 would disregard the state mandated planning process and force cities to allow housing developments in nearly all areas of a city.

6. Assembly Bill 323 (Holden) - Density Bonus Law: purchase of density bonus units by nonprofit housing organizations: civil actions
Comment: This bill would prohibit developers from offering affordable housing units built in accordance with a density bonus project or under an inclusionary zoning ordinance for sale to a non-income eligible buyer or to a non-owner-occupant, unless the developer can demonstrate no such qualified buyer exists.
7. **Assembly Bill 1335 (Zbur) - Local government: transportation planning and land use: sustainable communities strategy**
   Comment: This item is a request by Councilmember Mirisch for the City to take a position on AB 1335. This bill makes changes to the housing projections included in regional transportation plan/sustainable communities strategies ("RTP/SCS") and adds additional reporting requirements for local governments.

8. **Assembly Bill 1490 (Lee) - Affordable housing development projects: adaptive reuse**
   Comment: This item is a request by the League of California Cities for the City to consider taking a position on AB 1490. This bill would make 100 percent affordable housing projects that adaptively reuse existing residential buildings an allowable use, regardless of any inconsistencies between the project and any local plans, zoning, or regulations, and limits local governments from imposing maximum density or floor area ratio requirements, and any requirement to add additional parking or open space.

9. **Assembly Bill 33 (Bains) - Fentanyl Addiction and Overdose Prevention Task Force**
   Comment: This item is a request by the League of California Cities for the City to consider taking a position on AB 33. This bill would establish the Fentanyl Addiction and Overdose Prevention Task Force to undertake various duties relating to fentanyl abuse, including collecting and organizing data on the nature and extent of fentanyl abuse in California and evaluating approaches to increase public awareness of fentanyl abuse.

10. **Assembly Bill 701 (Villapudua) - Controlled substances: fentanyl**
    Comment: This item is a request by the League of California Cities for the City to consider taking a position on AB 701. This bill would add fentanyl to the list of enumerated controlled substances that are eligible for sentence enhancements when a defendant is found with a large quantity in their possession.

11. **Senate Bill 19 (Seyarto) - Anti-Fentanyl Abuse Task Force**
    Comment: This item is a request by the League of California Cities for the City to consider taking a position on SB 19. This measure would establish the Anti-Fentanyl Abuse Task Force to undertake various duties relating to fentanyl abuse, including, among others, collecting and organizing data on the nature and extent of fentanyl abuse in California and evaluating approaches to increase public awareness of fentanyl abuse.

12. **Assembly Bill 1673 (Pacheco) - Outdoor Advertising Act: local governmental entities: relocation**
    Comment: This item is a request by the City of Manhattan Beach and Mayor Gold to consider taking a position on AB 1673. This bill clarifies that nothing prohibits local governments from designating zones where advertising displays may be placed or relocated.
13. Senate Bill 253 (Wiener) - Climate Corporate Data Accountability Act
Comment: This item is a request by Councilmember Mirisch for the City to take a position on SB 253. This bill would require any partnership, corporation, limited liability company, or other U.S. business entity with total annual revenues in excess of $1 billion and that does business in California to publicly report their annual greenhouse gas (GHG) emissions, as specified by the California Air Resources Board (ARB).

14. Senate Bill 331 (Rubio) - Child custody: child abuse and safety
Comment: This bill would prohibit a court from ordering certain methods of outpatient counseling in child custody and visitation proceedings; modifies and expands judicial training programs on child abuse and family violence prevention; and clarifies requirements for admitting expert testimony in cases of domestic violence or child abuse. This bill is known as Piqui's law. In June, the Mayor and City Council received emails requesting the City support this bill; therefore, this item is being presented to the Legislative / Lobby Liaison Committee for direction.

15. A. Assembly Bill 1567 (Garcia) - Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024; and
B. Senate Bill 867 (Allen) - Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024
Comment: AB 1567 and SB 867 are companion bills introduced in their respective houses. These two bills collectively propose $20 billion in bonds for safe drinking water, wildfire prevention, drought preparation, flood protection, and extreme heat mitigation.

16. Legislative Updates
Comment: The City's lobbyists will provide a verbal update to the Liaisons on various legislative issues.

17. Future Agenda Items Discussion
Comment: The Legislative / Lobby Committee Liaisons may request topics for discussion be added to the next agenda.

C. Information

1. Assembly Bill 1573 (Friedman) - Water conservation: landscape design: model ordinance
Comment: This item is for informational purposes only; therefore, no direction from the Legislative/Lobby Liaison Committee is being requested. AB 1573 would make changes to required provisions of the Model Water Efficient Landscape Ordinance to include the use of more native plants beginning January 1, 2030 and prohibit nonfunctional turf in new or renovated commercial and industrial areas.
D. Adjournment

Huma Ahmed
City Clerk

Posted: August 3, 2023

A DETAILED LIAISON AGENDA PACKET IS AVAILABLE FOR REVIEW AT WWW.BEVERLYHILLS.ORG

Pursuant to the Americans with Disabilities Act, the City of Beverly Hills will make reasonable efforts to accommodate persons with disabilities. If you require special assistance, please call (310) 285-1014 (voice) or (310) 285-6881 (TTY). Providing at least twenty-four (24) hours advance notice will help to ensure availability of services. City Hall, including Room 280A is wheelchair accessible.
Item B-1
MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: August 7, 2023

SUBJECT: H.R. 3773 - Stop Anti-Semitism on College Campuses Act

ATTACHMENT: 1. Summary Memo – H.R. 3773

H.R. 3773 - Stop Anti-Semitism on College Campuses Act (H.R. 3773) involves a policy matter that may not have a direct statement in the City’s adopted legislative platform for supporting this bill; however, there may be an indirect correlation between this bill and the following statement in the adopted legislative platform:

- Oppose legislation and/or actions by the government or other groups which are Antisemitic.

The City’s federal lobbyist, David Turch & Associates, provided a summary memo for H.R. 3773 to the City (Attachment 1). The lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of H.R. 3773, the Liaisons may recommend the following actions:

- Oppose H.R. 3773;
- Support H.R. 3773;
- Support if amended H.R. 3773;
- Oppose unless amended H.R. 3773;
- Remain neutral; or
- Provide other direction to City staff.

Should the Liaisons recommend the City take a position on the H.R. 3773, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
TO: Cindy Owens, Municipal Affairs Program Manager  
City of Beverly Hills

FROM: Jamie Jones  
Jamie.jones@davidthurch.com  
202-543-3744

DATE: July 27, 2023

RE: H.R. 3773 – Stop Anti-Semitism on College Campuses Act

Representative Michael Lawler (R-NY) introduced H.R. 3773, the Stop Anti-Semitism on College Campuses Act, on May 31, 2023. The bill is pending before the House Education and Workforce Committee. There are 16 cosponsors – 15 Republicans and one Democrat, Representative Josh Gottheimer of New Jersey. Representative Lawler has publicly stated he wants his bill to be bipartisan and is actively soliciting the support of his Democratic colleagues.

BILL SUMMARY

The bill prohibits colleges from hosting and facilitating events that promote antisemitism on their campuses and would rescind federal funding for those that do. More specifically, the bill “prohibits institutions of higher education that authorize Anti-Semitic events on campus from participating in the student loan and grant programs” under Title IV of the 1956 Higher Education Act. The legislation also adopts the International Holocaust Remembrance Alliance’s definition of antisemitism. The recently released White House plan to counter antisemitism includes the IHRA definition among others.

The International Holocaust Remembrance Alliance definition of antisemitism:

“Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.”

BACKGROUND

The bill was introduced in the wake of a highly contentious speech given at the City University of New York law school by one of its graduating students who made comments harshly criticizing Israel. New York City Mayor Eric Adams condemned the student’s speech as “unacceptable” antisemitic rhetoric and CUNY’s chancellor and board of trustees denounced the commencement address as “hate speech.”
Item B-2
H.R.3938 - Build It in America Act (H.R. 3938) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language; however, the U.S. Conference of Mayors has requested the City consider taking a position on this bill.

The City’s federal lobbyist, David Turch & Associates, provided a summary memo for H.R. 3938 to the City (Attachment 1). The federal lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of the H.R. 3938, the Liaisons may recommend the following actions:

1) Support the H.R. 3938;
2) Support if amended the H.R. 3938;
3) Oppose the H.R. 3938;
4) Oppose unless amended the H.R. 3938;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on the H.R. 3938, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
Representative Jason Smith (R-MO), the Chairman of the House Ways and Means Committee, introduced H.R. 3938, the Build It In America Act, on June 9. The tax reform bill was amended and reported out of Committee on a party line vote on June 13 and put on the House Legislative Calendar on June 30.

**BILL SUMMARY**

According to Chairman Smith, The Build It in America Act extends a host of tax exemptions and credits that were enacted into law in the Tax Cuts and Jobs Act (TCJA) of 2017 and have either expired or are set to sunset shortly.

To give small businesses relief, this bill allows them to immediately deduct R&D costs as well as interest expenses. This helps small businesses to continue growing, hire more workers, and serve more customers while not ceding any ground of innovation to China.

H.R. 3938 extends TCJA’s 100 percent immediate expensing which allows American farmers and manufacturers looking to purchase equipment and machinery the opportunity to expand their operations. Chairman Smith argues that his legislation lessens the blow of rising interest rates by extending the ability for medium sized businesses to deduct interest expenses.

This bill takes an existing real estate withholding tax, increases it by 400 percent, and applies it to purchasers of farmland who are citizens of, or companies owned even 10 percent by, a foreign adversary – so-called ‘Countries of Concern.’ This provision is supposed to prevent U.S. farmland from falling into the hands of countries that are considered adversaries of the U.S.

Build It in America Act repeals the Biden Administration’s misguided rule – limiting China’s grip on our supply chains and its ability to control the flow of goods and services.

Lastly, the bill repeals subsidies for electric vehicles that were included in legislation passed by a Democratic controlled Congress and signed into law by President Biden in 2021 and 2022.
Title I – Investment in America

Sec. 101. Deduction for research and experimental expenditures.

Current law provides that research or experimental costs paid or incurred in tax years beginning after December 31, 2021, are required to be deducted over a five-year period. Research or experimental costs that are attributable to research that is conducted outside of the United States are required to be deducted over a 15-year period.

The provision delays the date when taxpayers must begin deducting their research or experimental costs over these five- and fifteen-year periods until taxable years beginning after December 31, 2025. Therefore, taxpayers may deduct currently research or experimental costs that are paid or incurred in tax years beginning after December 31, 2021, and before January 1, 2026.

Sec. 102. Extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest.

For tax years beginning before January 1, 2022, the computation of adjusted taxable income (ATI) for purposes of the limitation on the deduction for business interest is determined without regard to any deduction allowable for depreciation, amortization, or depletion (i.e., earnings before interest, taxes, depreciation, and amortization (EBITDA)).

The provision extends the application of EBITDA to taxable years beginning after December 31, 2022 (and, if elected, for taxable years beginning after December 31, 2021), and before January 1, 2026. Therefore, for taxable years beginning before January 1, 2026, ATI generally is computed as EBITDA, but for taxable years beginning after December 31, 2025, ATI is computed with regard to deductions allowable for depreciation, amortization, or depletion (i.e., earnings before interest and taxes (EBIT)).

Sec. 103. Extension of 100 percent bonus depreciation.

Qualified property acquired and placed in service after September 27, 2017, and before January 1, 2023 (January 1, 2024, for longer production period property and certain aircraft), as well as specified plants planted or grafted after September 27, 2017, and before January 1, 2023, are eligible for 100-percent bonus depreciation. The 100-percent allowance is phased down by 20 percent per calendar year for qualified property acquired after September 27, 2017, and placed in service after December 31, 2022 (after December 31, 2023, for longer production period property and certain aircraft), as well as for specified plants planted or grafted after December 31, 2022.

The provision extends 100-percent bonus depreciation for qualified property placed in service after December 31, 2022, and before January 1, 2026 (January 1, 2027, for longer production
period property and certain aircraft) and for specified plants planted or grafted after December 31, 2022, and before January 1, 2026. The provision retains 20-percent bonus depreciation for property placed in service after December 31, 2025, and before January 1, 2027 (after December 31, 2026, and before January 1, 2028, for longer production period property and certain aircraft), as well as for specified plants planted or grafted after December 31, 2025, and before January 1, 2027.

**Title II – Supply Chain Security**

**Sec. 201.** **Termination of hazardous substance superfund financing rate.**

The provision terminates the superfund tax on crude oil received at U.S. refineries and petroleum products entered the United States for consumption, use, or warehousing after December 31, 2022.

The provision terminates the authorization for the Hazardous Substance Superfund to borrow from the General Fund through repayable advances.

**Sec. 202.** **Election to determine foreign income taxes paid or incurred to certain Western Hemisphere countries without regard to certain regulations.**

The provision allows taxpayers to make an election to disregard specified foreign income tax regulations when determining if any Western Hemisphere tax is an income, war profits, or excess profits tax for purposes of the Internal Revenue Code.

For purposes of this section, the specified regulations are “Guidance Related to the Foreign Tax Credit; Clarification of Foreign-Derived Intangible Income” (87 Fed. Reg. 276; published on January 4, 2022”, “Guidance Related to the Foreign Tax Credit” (87 Fed. Reg. 71271; published on November 22, 2022), or any other guidance published after January 4, 2022, to the extent it is substantially similar or predicated upon those regulations.

A Western Hemisphere tax means any tax paid or accrued to any possession of the United States and any foreign country (other than Cuba and Venezuela) which is located in North, Central, or South America (including the West Indies).

The provision is applicable for all taxable years beginning after December 31, 2021, and before January 1, 2027.

The provision also allows taxpayers to make a separate election that, for purposes of allocating and apportioning foreign income taxes paid or accrued by reason of any remittance made by a specified disregarded entity to its owner, any items of foreign gross income included by reason of the receipt of such remittance are assigned to a category based on current and accumulated earnings and profits of such entity in lieu of being assigned on the basis of the tax book value method.

A specified disregarded entity is an entity that is disregarded from its owner for the purposes of chapter 1 of the Internal Revenue Code and any trade or business that is created or organized in a
possession of the United States or any foreign country (other than Cuba and Venezuela) which is located in North, Central, or South America (including the West Indies).

This election shall be applicable for tax years beginning after December 31, 2019, and before January 1, 2027.

Sec. 203. **Excise tax on purchase of farmland by citizens of countries of concern.**

The provision imposes a 60 percent excise tax on buyers of United States farmland when the buyer is a citizen of a country of concern or a private business entity that is 10 percent or more owned by a citizen or business entity domiciled in a country of concern (disqualified persons). During the real estate closing process, the buyer is required to disclose to the seller or the seller's agent whether they are a disqualified person or 10 percent controlled by a disqualified person. Farmland protected by this provision includes agricultural land within the meaning of the Agricultural Foreign Investment Disclosure Act of 1978 and ranchland, either of which is used as a farm or ranch at the time of the acquisition. Special rules would apply to buyers that are publicly traded in the United States.

In the case of a business entity owned less than 50 percent by a country of concern parent entity, the tax is pro-rated based on percentage ownership. The term “country of concern” is defined as any country, the government of which is engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the United States and would initially be defined to include the People's Republic of China (not including Taiwan), the Russian Federation, Iran, North Korea, Cuba, and the regime of Nicolas Maduro in Venezuela. The excise tax would not apply to farmland in a U.S. territory or possession.

**Title III – Repeal of Special Interest Tax Provisions**

Sec. 301. **Repeal of clean electricity production credit.**

The provision returns the Electricity Production Credit to its treatment prior to P.L.117-169. Since it was created in P.L. 117-169, the provision repeals the credit.

Sec. 302. **Repeal of clean electricity investment credit.**

The provision returns the Clean Electricity Investment Credit to its treatment prior to P.L.117-169. Since it was created in P.L. 117-169, the provision repeals the credit.

Sec. 303. **Modification of clean vehicle credit.**

The provision returns the clean vehicle credit to the new qualified plug-in electric drive motor vehicle credit with a base credit of $2,500 increasing up to $7,500 depending on KWhr battery capacity. The credit returns to a 200,000 vehicle per manufacturer limitation, including previously qualifying vehicles.

The provision limits the credit to individuals with adjusted gross income less than $150,000 and married fliers with adjusted gross income less than $300,000. The section limits the credit to cars
with a manufacturer's suggested retail price (MSRP) of $55,000 or less and vans, SUVs, and pickup trucks with a MSRP of less than $80,000.

No credit is allowed under the provision for vehicles which have batteries that contain less than 80 percent critical minerals extracted or processed in the United States or in any country which the United States has a free trade agreement. The provision defines Free Trade Agreement as an international agreement approved by Congress that eliminates duties and other restrictive regulations of commerce on substantially all the trade between the United States and one or more other countries.

No credit is allowed under the provision for vehicles which less than 100 percent of the value of the components contained in the battery were manufactured or assembled in North America.

No credit is allowed under the provision for vehicles placed in service after December 31, 2024 that contain critical minerals extracted or processed by a foreign entity of concern.

**Sec. 304. Repeal of credit for previously owned clean vehicles.**

The provision returns the credit for previously owned clean vehicles to its treatment prior to P.L. 117-169. Since it was created in P.L. 117-169, the provision repeals the credit. A transition rule is provided such that the changes in the provision will not apply to any vehicle acquired by a taxpayer pursuant to a binding contract prior to the date of introduction and placed in service within a year of the date of introduction.

**Sec. 305. Repeal of credit for qualified commercial clean vehicles.**

The provision returns the credit for qualified commercial clean vehicles to its treatment prior to P.L. 117-169. Since it was created in P.L. 117-169, the provision repeals the credit. A transition rule is provided such that the changes in the provision will not apply to any vehicle acquired by a taxpayer pursuant to a binding contract prior to the date of introduction and placed in service within a year of the date of introduction.
Item B-3
MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Municipal Affairs Program Manager
DATE: August 7, 2023
SUBJECT: S.2224 – Stop Predatory Investing Act

S.2224 – Stop Predatory Investing Act (S.2224) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language; however, Councilmember Mirisch has requested the City consider taking a position on this bill.

The City’s federal lobbyist, David Turch & Associates, provided a summary memo for S.2224 to the City (Attachment 1). The federal lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of the S.2224, the Liaisons may recommend the following actions:

1) Support the S.2224;
2) Support if amended the S.2224;
3) Oppose the S.2224;
4) Oppose unless amended the S.2224;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on the S.2224, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
TO: Cindy Owens, Municipal Affairs Program Manager  
City of Beverly Hills  

FROM: Jamie Jones  
Jamie.jones@davidturch.com  
202-543-3744  

DATE: July 27, 2023  

RE: S.2224 – Stop Predatory Investing Act  

The Stop Predatory Investing Act (S.2224) was introduced on July 11 by Senators Sherrod Brown (D-OH), Ron Wyden (D-OR), Tina Smith (D-MN), Jeff Merkley (D-OR), Jack Reed (D-RI), John Fetterman (D-PA), Elizabeth Warren (D-MA) and Tammy Baldwin (D-WI). The bill proposes to restrict tax breaks for private equity and large investors that buy homes, often driving up local housing prices and rents. The bill is pending before the Senate Finance Committee.  

The Stop Predatory Investing Act will:  

- Prohibit an investor who acquires 50 or more single-family rental homes from deducting interest or depreciation on those properties.  
- Incentivize big investors to sell single-family rental homes back to homeowners or nonprofits in the community.  
  - If an investor sells one of these properties to a homebuyer or qualified nonprofit, the investor can deduct the interest and depreciation for the year in which the property is sold.  
- Support affordable rental housing and the construction of new housing supply by allowing owners to continue to take deductions on properties that are financed using Low-Income Housing Tax Credits or that are newly constructed for rental.  
- Protect renters who live in existing single-family rental housing by not disallowing deductions for single-family rental homes purchased before enactment.  

BACKGROUND  

The sponsors of the bill argue that we face, as a nation, a shortage of 3.8 million homes, a situation that is exacerbated by large investors, including private equity firms, Real Estate investment Trusts, and publicly traded companies buying large tracts of single-family homes.
The National Association of Realtor reported that institutional buyers bought over 13% of the homes sold in 2021, with purchase rates as high as 28% in Texas and 19% in Georgia. While small investors own a large number of rental homes, large, institutional investors increased their purchases at the height of the pandemic and have continued to purchase a significant share of single-family homes.

The share of investor purchases made by large investors with portfolios of 100 properties or more grew from 14% in September 2020 to 26% in September 2021. Large investors are also particularly concentrated in certain markets and neighborhoods. In Atlanta, 25% of the homes purchased in 2021 were bought by investors. In certain Atlanta area zip codes, the percentages jumped to over 50%. In Phoenix, 21% of purchases went to large investors in 2021. In the same year, Cleveland saw an overall 16% of homes purchased by investors, with one zip code reaching 70%. And, according to Senator Brown, two big investors own more than 12,000 homes in just three Ohio markets.

According to data reported by the PEW Trust and originally gathered by CoreLogic, as of 2022, investment companies own about one-fourth of all single-family homes. Further CoreLogic data shows that nearly half (49%) of investment properties purchased in Q3 of 2022 were made by small mom-and-pop investors — those with fewer than 10 properties. The other half was made up of medium-sized investors (11–100 properties) at 33%, large investors (101–1000) at 8%, and mega investors (more than 1000) at 11%.

Senator Brown argues that many large investors rely on technology, their lower cost of funds, and their ability to pay all cash to outcompete aspiring homeowners. And their purchases also typically focus on smaller, more affordable homes – taking critical starter homes that could otherwise go to first-time homebuyers out of the market.

**BILL SUPPORT**

The Stop Predatory Investing Act is supported by the National Association of Local Housing Finance Agencies, Americans for Financial Reform (AFR), Enterprise Community Partners, the Local Initiatives Support Corporation (LISC), the National Community Stabilization Trust (NCST), the National Housing Law Project (NHLP), and the National Low Income Housing Coalition (NLIHC).
Attachment 2
To amend the Internal Revenue Code of 1986 to deny interest and depreciation deductions for taxpayers owning 50 or more single family properties.

IN THE SENATE OF THE UNITED STATES

Mr. Brown (for himself, Mr. Wyden, Mr. Reed, Ms. Smith, Mr. Merkley, Mr. Fetterman, Ms. Warren, and Ms. Baldwin) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to deny interest and depreciation deductions for taxpayers owning 50 or more single family properties.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Stop Predatory Investing Act”.
SEC. 2. DISALLOWANCE OF INTEREST DEDUCTION FOR QUALIFIED SINGLE FAMILY PROPERTY OWNERS.

(a) IN GENERAL.—Section 163 of the Internal Revenue Code of 1986 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

“(n) INTEREST PAID BY CERTAIN DISQUALIFIED SINGLE FAMILY PROPERTY OWNERS.—

“(1) IN GENERAL.—In the case of a disqualified single family property owner, no deduction shall be allowed under this chapter for any interest paid or accrued in connection with any single family residential rental property owned (directly or indirectly) by such disqualified single family property owner.

“(2) EXCEPTION.—

“(A) IN GENERAL.—Paragraph (1) shall not apply with respect to interest paid or accrued in the taxable year in which such single family residential rental property is sold.

“(B) EXCEPTION.—Subparagraph (A) shall not apply unless the sale described in such subparagraph is—

“(i) a sale to an individual for use as the principle residence of the individual (within the meaning of section 121), or
“(ii) a sale to any qualified nonprofit organization.

“(C) QUALIFIED NONPROFIT ORGANIZATION.—

“(i) IN GENERAL.—For purposes of this paragraph, the term ‘qualified nonprofit organization’ means any organization which—

“(I) is not organized for profit, and

“(II) has a principal purpose the creation, development, or preservation of affordable housing.

“(ii) CERTAIN ORGANIZATIONS INCLUDED.—The term ‘qualified nonprofit organization’ shall include—

“(I) any community development corporation (as defined in section 204(b) of the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–11a(b)),

“(II) any community housing development organization (as defined in
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section 104 of the Cranston-Gonzales
National Affordable Housing Act (42
U.S.C. 12704),

“(III) any community-based de-
velopment organization qualified
under section 570.204 of title 24,
Code of Federal Regulations, as in ef-
fect on the date of the enactment of
this subsection,

“(IV) any land bank,

“(V) any resident-owned coopera-
tive or community land trust, and

“(VI) any subsidiary of a public
housing agency (as defined in section
3(b)(6) of the United States Housing
Act of 1937 (42 U.S.C. 1437a(b)(6)).

“(iii) LAND BANK.—For purposes of
this subparagraph, the term ‘land bank’
means a government entity, agency, or pro-
gram, or a special purpose nonprofit entity
formed by one or more units of govern-
ment in accordance with State or local
land bank enabling law, that has been des-
ignated by one or more State or local gov-
ernments to acquire, steward, and dispose
of vacant, abandoned, or other problem properties in accordance with locally-deter-
mined priorities and goals.

“(iv) COMMUNITY LAND TRUST.—For purposes of this subparagraph, the term ‘community land trust’ means a nonprofit organization or State or local government or instrumentality that—

“(I) use a ground lease or deed covenant with an affordability period of at least 30 years or more to—

“(aa) make rental and homeownership units affordable to households; and

“(bb) stipulate a preemptive option to purchase the affordable rentals or homeownership units so that the affordability of the units is preserved for successive income-eligible households; and

“(II) monitors properties to en-
sure affordability is preserved.

“(3) DISQUALIFIED SINGLE FAMILY PROPERTY OWNER.—For purposes of this subsection—
“(A) IN GENERAL.—The term ‘disqualified single family property owner’ means, with respect to any taxable year, any taxpayer who owns (directly or indirectly) 50 or more single family residential rental properties.

“(B) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (m) or (o) of section 414, shall be treated as one taxpayer for purposes of this section.

“(C) MODIFICATIONS.—

“(i) IN GENERAL.—For purposes of applying subparagraph (B)—

“(I) section 52(a) shall be applied by substituting ‘component members’ for ‘members’, and

“(II) for purposes of applying section 52(b), the term ‘trade or business’ shall include any activity treated as a trade or business under paragraph (5) or (6) of section 469(c) (determined without regard to the phrase ‘To the extent provided in regulations’ in such paragraph (6)).
“(ii) COMPONENT member.—For purposes of this paragraph, the term ‘component member’ has the meaning given such term by section 1563(b), except that the determination shall be made without regard to section 1563(b)(2).

“(iii) NO INFERENCE.—The modifications made by clause (i) shall not be construed to create any inference with respect to the proper application of section 52 with respect to any other provision of this title.

“(4) SINGLE FAMILY RESIDENTIAL RENTAL PROPERTY.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘single family residential rental property’ means—

“(i) any residential rental property (as defined in section 168(e)(2)(A)(i)) which contains 4 or fewer dwelling units (as defined in section 168(e)(2)(A)(ii)(I)), and

“(ii) improvements to real property directly related to such dwelling units located on the site of such dwelling units.

For purposes of clause (i), each townhouse or rowhouse shall be treated as a separate building.
“(B) Exception for certain properties.—Such term shall not include any residential rental property (as so defined)—

“(i) with respect to which a credit is allowed under section 42 for such taxable year or any property, or

“(ii) which—

“(I) was constructed by the taxpayer, or

“(II) acquired by the taxpayer after its construction but before the first date on which any dwelling unit in such property was occupied by a resident.

“(5) Regulations.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations to prevent the avoidance of the purposes of this subsection.”.

(b) Application to capitalized amounts.—

(1) In general.—Section 263A(f)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(D) Exception for certain interest of disqualified single family property
OWNERS.—Subparagraph (A) shall not apply to any interest for which a deduction would be disallowed under section 163(n).”.

(2) CARRYING CHARGES.—Section 266 of such Code is amended—

(A) by striking “No deduction” and inserting the following:

“(a) IN GENERAL.—No deduction”, and

(B) by adding at the end the following new subsection:

“(b) SPECIAL RULE FOR CERTAIN INTEREST OF DISQUALIFIED SINGLE FAMILY PROPERTY OWNERS.—No election may be made under this section to treat as chargeable to capital account any interest for which a deduction would be disallowed under section 163(n).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to indebtedness incurred in taxable years beginning after the date of the enactment of this Act.

SEC. 3. DISALLOWANCE OF DEPRECIATION IN CONNECTION WITH PROPERTY USED BY DISQUALIFIED SINGLE FAMILY PROPERTY OWNERS.

(a) IN GENERAL.—Section 167 of the Internal Revenue Code of 1986 is amended by redesignating subsection
(i) as subsection (j) and by inserting after subsection (h)
the following new subsection:

“(i) DEDUCTION DISALLOWED FOR DISQUALIFIED
SINGLE FAMILY PROPERTY OWNERS.—

“(1) IN GENERAL.—In the case of a disquali-
fied single family property owner, no deduction shall
be allowed under this section for any single family
residential rental property owned by such disquali-
fied single family property owner.

“(2) EXCEPTION.—

“(A) IN GENERAL.—Paragraph (1) shall
not apply with respect to depreciation deduction
which is allowable—

“(i) in connection with a single family
residential rental property, and

“(ii) in the taxable year in which such
single family residential rental property is
sold.

“(B) EXCEPTION.—Subparagraph (A)
shall not apply unless the sale described in
clause (ii) thereof is—

“(i) a sale to an individual for use as
the principle residence of the individual
(within the meaning of section 121), or
“(ii) a sale to any qualified nonprofit organization (as defined in section 163(n)(2)(C)).

“(3) DEFINITIONS.—For purposes of this subsection, the terms ‘disqualified single family property owner’ and ‘single family residential rental property’ have the respective meanings given such terms under section 163(n).

“(4) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations to prevent the avoidance of the purposes of this subsection.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service in taxable years beginning after the date of the enactment of this Act.
Item B-4
MEMORANDUM

TO:       City Council Liaison/Legislative/Lobby Committee
FROM:    Cynthia Owens, Municipal Affairs Program Manager
DATE:     August 7, 2023
SUBJECT: Assembly Bill 1679 (Santiago) - Transactions and use taxes: County of Los Angeles: homelessness
ATTACHMENT: 1. Bill Summary – AB 1679

Assembly Bill 1679 (Santiago) - Transactions and use taxes: County of Los Angeles: homelessness (AB 1679) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language. This item is a request by the California Contract Cities Association and the League of California Cities (Cal Cities) for the City to consider taking a position on AB 1679.

This bill would authorize the County of Los Angeles to impose a transaction and use tax of up to .50 percent if approved by Los Angeles County voters for homeless services, homeless prevention and affordable housing. The Los Angeles County Division of Cal Cities (Division) issued a letter of concern stating the Division is supportive of ongoing funding to address the growing homeless crisis; however members of the Division remain concerned with the current Measure H model and would suggest stake holders discuss alternative revenue sources. The Division’s position is that:

1) Any new countywide revenue stream for homelessness must have a 40 percent dedicated local return to assist cities currently spending General Fund revenues to provide homeless services and shelters.
2) A transaction and use tax that exceeds the state cap is unwarranted and unequitable.

Should this bill pass, staff would bring an item to the City Council to discuss how the ballot initiative to increase the Los Angeles County transaction and use tax by one-half percent would impact the passage of Measure RP, which reserved the remaining three-quarter cent sales tax allowable under state law for the City, should the ballot initiative be successful.

The City’s state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for AB 1679 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 1679, the Liaisons may recommend the following actions:

1) Support AB 1679; 4) Oppose unless amended AB 1679;
2) Support if amended AB 1679; 5) Remain neutral; or
3) Oppose AB 1679; 6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on AB 1679, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
July 24, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: AB 1679 (Santiago) Transactions and use taxes: County of Los Angeles: homelessness

Version
As amended in the Senate on June 19, 2023.

Summary
Authorizes the County of Los Angeles to impose a sales tax up to 0.5% that exceeds the 2% cap if the county adopts an ordinance proposing the tax by any applicable voting approval requirement, including by citizen’s initiative, voters approve it, and it replaces the tax currently imposed by Measure H in Los Angeles County. The measure requires all revenue from the tax be dedicated to services for people experiencing homelessness, to homelessness prevention, and to providing affordable housing. Specifically, this bill conditions this authorization on the following conditions:

1) The county adopts an ordinance proposing the tax by any applicable voting approval requirement, including by citizen’s initiative.

2) Voters approve the ordinance pursuant to Section 11 of Article II or Section 2 of Article XIII C of the California Constitution, as applicable.

3) The tax repeals the one imposed by Measure H.

4) The tax must otherwise conform to district tax law, and all revenues from the tax must be dedicated to services to people experiencing homelessness or at risk of homelessness, to homelessness prevention, or to providing affordable housing.

5) The measure sunsets its authority on December 31, 2028, and includes a legislative finding that any tax adopted under its authority must include robust oversight and accountability provisions, as well as justifying its need for special legislation.

Existing Law
Current law authorizes cities and counties, subject to certain limitations and approval requirements, to levy a transactions and use tax for general or specific purposes, in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes that may be imposed in accordance with that law in the county not exceed 2%.
Current local transactions and use tax law for the County of Los Angeles, known as Measure H, establishes a local tax at a rate of 0.25%, and the revenue from that tax is dedicated to addressing and preventing homelessness.

**Background**

State law imposes the sales tax on every retailer “engaged in business in this state” that sells tangible personal property and requires them to register with the California Department of Tax and Fee Administration (CDTFA), and remit tax to CDFTA. Sales tax applies whenever a retail sale occurs, which is generally any sale other than one for resale in the regular course of business. The current rate is 7.25% as shown in the table below.

<table>
<thead>
<tr>
<th>Rate</th>
<th>Jurisdiction</th>
<th>Purpose/Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.9375%</td>
<td>State (General Fund)</td>
<td>State general purposes</td>
</tr>
<tr>
<td>1.0625%</td>
<td>Local Revenue Fund (2011 Realignment)</td>
<td>Local governments to fund local public safety services</td>
</tr>
<tr>
<td>0.50%</td>
<td>State (1991 Realignment)</td>
<td>Local governments to fund health and welfare programs</td>
</tr>
<tr>
<td>0.50%</td>
<td>State (Proposition 172 - 1993)</td>
<td>Local governments to fund public safety services</td>
</tr>
<tr>
<td>1.25%</td>
<td>Local (City/County) 1.00% City and County 0.25% County</td>
<td>City and county general operations Dedicated to county transportation purposes</td>
</tr>
<tr>
<td>7.25%</td>
<td>Total Statewide Rate</td>
<td></td>
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</tbody>
</table>

Unless the purchaser pays the sales tax to the retailer, he or she is liable for the use tax, which the law imposes on any person consuming tangible personal property in the state. The use tax is the same rate as the sales tax, and like the sales tax, must be remitted on or before the last day of the month following the quarterly period in which the person made the purchase.

The California Constitution states that taxes levied by local governments are either general taxes, subject to majority approval of its voters, or special taxes, subject to two-thirds vote (Article XIII C). Proposition 13 (1978) required a two-thirds vote of each house of the Legislature for state tax increases, and two-thirds vote for local special taxes. Proposition 62 (1986) prohibited local agencies from imposing general taxes without majority approval of local voters, and a two-thirds vote for special taxes. Proposition 218 (1996) extended those vote thresholds to charter cities, and limited local agencies’ powers to levy new assessments, fees, and taxes. Local agencies propose to increase taxes by adopting an ordinance or a resolution at a public hearing.

State law allows cities, counties, and specified special districts to increase the sales and use tax applicable in their jurisdiction, also known as district or transactions and use taxes. Generally, local agencies impose these taxes throughout the entire area of a single county, the entire unincorporated area within a single county, or a single incorporated city, except for those imposed by the Bay Area Rapid Transit (BART) District (which covers Alameda, Contra Costa, and the City and County of San Francisco) and the Sonoma-Marin Rail Transit District (which includes Sonoma and Marin counties). As of April 1, 2023, local agencies impose 411 district taxes for general or special purposes. Sixty-seven are imposed countywide, four are imposed in unincorporated county areas, and 340 are imposed citywide.
State law caps the total rate for any county at 2%. The cap applies countywide, so if one agency imposes a district tax, it limits the ability of another agency that shares the jurisdiction to do so to the remaining room under 2%. For example, if a city imposes a 1% tax, the county in which the city is located or a special district serving that city could not impose one above 1%. The Legislature has enacted several exceptions to the 2% cap, including in the cities of Alameda, Berkeley, Emeryville, and Santa Fe Springs; as well as Alameda, Contra Costa, and Santa Clara counties. In 2018, the Legislature created an exemption to the 2% cap to allow Sonoma County, any city in the County, and the Sonoma County Transportation Authority to impose a district tax in increments of 0.25% up to 1% (SB 152, McGuire).

On August 28, 2017, the California Supreme Court entered a decision in California Cannabis Coalition v. City of Upland, 3 Cal. 5th 924, which held that Article XIIIC, Section Two, subdivision (b)’s requirement that general taxes be submitted to the electorate at a regularly scheduled general election where members of the local governing board are subject to election did not apply to taxes proposed by voter initiative. As discussed in the Committee’s March 7, 2018, joint oversight hearing, “Uproar over Upland? Assessing the California Supreme Court’s Decision,” groups seeking to impose special taxes by majority vote by initiative soon argued that if the Court held the general election requirement in subdivision (b) did not apply to initiatives, then neither did the two-thirds vote requirement for special taxes in subdivision (d). At least seven such taxes imposed by voters in various local agencies across the state have been approved, and no court thus far has invalidated them.

Los Angeles County currently has sixty-one district taxes levied within its borders. Los Angeles County imposes four 0.5% district taxes for transportation, two of which the Legislature has exempted from the 2% cap (AB 2321, Feuer, 2008, and SB 767, De Leon, 2015), plus Measure H discussed below. There are fifty-six citywide taxes in Los Angeles County, including 1% rates in the cities of Compton, Lynwood, Pico Rivera, Santa Fe Springs, Santa Monica, and South Gate. When voters approved Measure H, there was still 0.75% in room under the cap countywide; however, because some cities had imposed 1% taxes, the validity of Measure H was called into question because it was not exempt from the cap (except for Santa Fe Springs, which had its own authorization in SB 703, Skinner, 2017). The Legislature enacted SB 96 (Committee on Budget and Fiscal Review, 20XX), which stated the measure was valid as authorized, meaning the additional 0.25% rate was not collected in cities with 1% rates except for in Santa Fe Springs.

In 2017, the Los Angeles County Board of Supervisors approved Ordinance 2017-01, which placed Measure H before voters at the March 2017 Special Election. Measure H imposed an additional 0.25% district tax to fund homeless services, which voters subsequently approved. The tax became effective on October 2, 2017, and generates around $350 million annually, which has been used to provide permanent housing to 90,455 people and interim housing to 123,842 people, according to Los Angeles County. The County Board of Supervisors allocates Measure H funds.

Los Angeles County’s homelessness crisis is severe, with both the County and the City of Los Angeles declaring states of emergency. The author wants to reauthorize Measure H, potentially at a higher rate and potentially in combination with imposing other taxes in Los Angeles County.

**Status of Legislation**
This bill was recently approved by the Senate Governance and Finance committee by a vote of 5-2 and is headed for a vote on the Senate Floor.
Support
County of Los Angeles

Opposition
California Manufacturers and Technology Association
California Taxpayers Association
Item B-5
TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Municipal Affairs Program Manager
DATE: August 7, 2023
SUBJECT: Assembly Bill 309 (Lee) - The Social Housing Act
ATTACHMENT: 1. Bill Summary – AB 309

Assembly Bill 309 (Lee) - The Social Housing Act (AB 309) involves a policy matter that may have a nexus to the City’s adopted Legislative Platform language. Specifically, the following statements may apply to AB 309:

- Oppose state legislation that supersedes a jurisdiction’s adopted zoning ordinances.
- Oppose preemption of the City of Beverly Hills’ local authority whether by state or federal legislation or ballot propositions.

This item is a request the League of California Cities and Mayor Gold for the City to take a position on AB 309. This bill would create the California Housing Authority with a mission to produce and acquire social housing developments for the purpose of eliminating the gap between housing production and regional housing needs assessment targets and to preserve affordable housing. AB 309 would disregard the state mandated planning process and force cities to allow housing developments in nearly all areas of a city.

The City’s state lobbyist, Shaw Yoder Antwi Schmelzer and Lange, provided a summary memo for AB 309 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 309, the Liaisons may recommend the following actions:

1) Support AB 309;
2) Support if amended AB 309;
3) Oppose AB 309;
4) Oppose unless amended AB 309;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on AB 309, then staff will place the item on a future City Council Agenda for concurrence.
July 25, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: AB 309 (Lee) The Social Housing Act

Version
As amended in the Senate on July 13, 2023.

Summary
This bill enacts the Social Housing Act, which creates the California Housing Authority as an independent entity in state government for the purpose of developing social housing for all California residents, under the direction of the California Housing Authority Board. Specifically, this bill defines “social housing” as:

1. Housing units owned by the California Housing Authority, a public entity, a local housing authority, or a mission-driven not-for-profit private entity.

2. Where the social housing development contains housing units that accommodate a mix of household income ranges, including extremely low income, very low income, low income, moderate income, and above moderate income.

3. Residents of housing units are afforded, at a minimum, all protections granted to tenants with tenancies in private property, including protection against termination without just cause or for any discriminatory, retaliatory, or other arbitrary reason, and are afforded due process prior to being subject to eviction procedures, among others.

4. The units are protected for the duration of their useful life from being sold or transferred to a private for-profit entity or a public-private partnership.

5. Where residents of the housing units have the right to participate directly and meaningfully in decision-making affecting the operation and management of their housing units.

Existing Law
1. Specifies that a housing authority may engage in a number of activities in order to provide housing to low-income individuals, including:

   a. Preparing, carrying out, acquiring, leasing and operating housing projects and developments for persons of low-income;
b. Providing for the construction, reconstruction, improvement, alteration, or repair of all or part of any housing project;

c. Providing leased housing to persons of low-income; and

d. Offering counseling, referral, and advisory services to persons and families of low or moderate income in connection with the purchase, rental, occupancy, maintenance, or repair of housing.

2. Requires each city and county to prepare, adopt, and administer a general plan for their jurisdiction, which must include a housing element, to shape the future growth of its community.

3. Specifies that each community’s fair share of housing be determined through the regional housing needs allocation (RHNA) process, which involves three main stages:

a. The Department of Finance (DOF) and the Department of Housing and Community Development (HCD) develop regional housing needs estimates at four income levels: very low-income (VLI), low-income (LI), moderate-income (Mod), and above moderate-income;

b. Councils of government (COGs) use these estimates to allocate housing within each region (HCD is to make the determinations where a COG does not exist); and

c. Cities and counties plan for accommodating these allocations in their housing elements.

4. Establishes HCD oversight of the housing element process, including the following:

a. Local governments must submit a draft of their housing element to HCD for review;

b. HCD must review the draft housing element, and determine whether it substantially complies with housing element law, in addition to making other findings;

c. Local governments must incorporate HCD feedback into their housing element; and

d. HCD must review any action or failure to act by local governments that it deems to be inconsistent with an adopted housing element. HCD must notify any local government, and at its discretion the office of the Attorney General, if it finds that the jurisdiction has violated state law.

5. Requires each city and county to submit an Annual Progress Report (APR) to the Governor’s Office of Planning and Research (OPR) and HCD by April 1 of each year, including the following:

a. The report must evaluate the general plan’s implementation, including the implementation of their housing element, and provide specified quantitative outcomes, such as number of applications for housing projects received and housing units approved;
b. Authorizes a court to issue a judgement to compel compliance should a city or county fail to submit their APR within 60 days of the statutory deadline; and

c. Requires HCD to post all city and county APRs on their website within a reasonable time after receipt.

Background

*California’s Housing Crisis.* California faces a severe housing shortage. A variety of factors have contributed to the lack of housing production. Recent reports by the Legislative Analyst’s Office and others point to local approval processes as a major factor. They argue local governments control most of the decisions about where, when, and how to build new housing, and those governments are quick to respond to vocal community members who may not want new neighbors. The building industry also points to the California Environmental Quality Act as an impediment, and housing advocates note a lack of a dedicated source of funds for affordable housing.

A major cause of the housing crisis is the mismatch between the supply and demand for housing. The Statewide Housing Plan adopted by the Department of Housing and Community Development in 2022 found California needs approximately 2.5 million units of housing, including one million units affordable to lower income households, to address this mismatch over the next eight years. That would require production of over 300,000 units a year, including over 120,000 units a year of housing affordable to lower income households. However, production in the past decade has lagged at under 100,000 units per year – including less than 10,000 units of affordable housing per year.

*Social Housing.* The Assembly Select Committee on Social Housing held an informational hearing on October 20, 2021, where Rob Weiner from the California Coalition for Rural Housing shared the Organization for Economic Cooperation and Development (OECD) definition of social housing as: “the stock of residential rental accommodations provided at sub-market prices and allocated according to specific rules rather than according to market mechanisms.” According to the Senate Housing Committee, another variation of social housing involves making accommodation available to all individuals regardless of their household income. In particular, Vienna, Austria is often held up as an example of a large city with widespread mixed-income social housing and an estimated 40% of the city’s housing stock is social housing. In the Viennese model, higher income households pay market rate rents which then subsidize the below market rents for lower-income households, referred to as “cross-subsidization.”

*Planning and zoning.* The Planning and Zoning Law requires every county and city to adopt a general plan that sets out planned uses for all of the areas covered by the plan. A general plan must include specified mandatory “elements,” including a housing element that establishes the locations and densities of housing, among other requirements. Cities’ and counties’ major land use decisions—including most zoning ordinances and other aspects of development permitting—must be consistent with their general plans.

State law also imposes numerous requirements on the housing element of a general plan. A local government’s housing element must allow for enough housing to be produced to meet the jurisdiction’s regional housing need allocation (RHNA) for several income bands: very low, low, moderate, and above moderate households. The Department of Housing and Community Development (HCD) reviews and certifies housing elements as compliant with state law and also reviews their zoning ordinances for consistency with the approved housing element.
While the RHNA process requires local governments to plan to address housing needs in their jurisdictions, it does not mean housing will actually get built. California, along with the rest of the country, generally relies on the private sector to develop its affordable housing stock. A number of factors affect housing development and government subsidies are generally needed for housing projects with affordable units for low-income and very low-income households to be economically viable.

*General obligation bonds.* When public agencies issue bonds, they borrow money from investors, who provide cash in exchange for the agencies’ commitment to repay the principal amount of the bond plus interest in the future. Bonds are usually either revenue bonds, which repay investors out of revenue generated from the project the agency buys with bond proceeds or from a specific dedicated revenue source, or general obligation (GO) bonds, which the public agency pays out of general revenues and are guaranteed by its full faith and credit.

Section One of Article XVI of the California Constitution and the state’s General Obligation Bond Law guides the issuance of the state’s GO debt. The Constitution allows the Legislature to place general obligation bonds on the ballot for specific purposes with a two-thirds vote of the Assembly and Senate. Voters also can place bonds on the ballot by initiative, as they have for parks, water projects, high-speed rail, and stem cell research, among others. Either way, general obligation bonds must be ratified by majority vote of the state’s electorate. Unlike local general obligation bonds, approval by the state’s electorate does not automatically trigger an increased tax to repay the bond. The Constitution commits the state to repay investors from general revenues above all other claims, except payments to public education.

*California Housing Authority.* AB 309 creates the California Housing Authority (Authority) with the core mission to produce and acquire social housing developments to eliminate the gap between housing production and RHNA targets, and to preserve affordable housing. The bill charges the Authority to implement and operate the social housing program, and to preserve affordable housing. The bill requires the Authority to prepare, publish, adopt, and submit to the Governor and the Legislature an annual business plan, as well as a draft business plan at least 60 days prior to the publication of the plan for public review and comment, which must also be submitted to the Governor and the Legislature. The measure requires the business plan to include:

- A description of the type of projects the Authority is producing or acquiring and the proposed timeline, estimated costs, and funding sources.

- A projection of the expected residents, income levels, and other demographic data.

- An estimate and description of the anticipated funds the Authority intends to leverage to fund the construction and operation activities, and the Authority’s level of confidence for obtaining each type of funding.

- Any written agreements with public or private entities, such as technical assistance agreements.

The bill also directs the Authority to submit to the Legislature an analysis on the effect of its developments on gentrification on or before December 31 each year. The analysis must be subject
to public comment and considered by the California Housing Authority Board for future decision-making. The Authority must also provide an annual update to the Legislature on or before December 31 of each year its progress, which must include relevant resident statistics once social housing developments owned by the Authority are occupied.

*California Housing Authority Board.* AB 309 forms the California Housing Authority Board, comprised of:

- Four Governor appointees, including experts in housing development and finance, housing construction, property maintenance, as well as an appointee without specific qualifications.
- An appointee of the Speaker of the Assembly.
- An appointee of the Senate Committee on Rules.
- Three representatives of the residents. Before the Authority owns housing, these representatives are appointed by the Speaker of the Assembly, the Senate Committee on Rules, and the Governor, after each consults with advocates for tenants’ rights while making their respective selections. After the Authority owns housing, the representatives are elected by vote of all social housing residents who reside in units owned by the Authority.

All appointees serve at the pleasure of their appointing authority. The Board is subject to the Bagley-Keene Open Public Meetings Act. AB 309 establishes the Board’s duties to:

- Establish a strategy to achieve the core goal of eliminating the gap between housing production and acquisition and regional housing needs assessment targets;
- Set objectives and performance targets designed to achieve its strategies;
- Monitor and assess the degree of the Authority’s success in achieving its objectives and performance targets;
- Exercise exclusive hiring and firing power over an executive officer;
- Establish and monitor performance measures for the executive officer and an associated succession plan;
- Approve the annual budget prepared by the executive officer;
- Foster a culture and set of values consistent with the short-term, medium-term, and long-term goals of the Authority;
- Integrate risk management into the authority’s strategic planning process;
- Notify the Governor and the Legislature of unanticipated and sizable risks facing the Authority in meeting its objectives;
- Adopt and amend regulations, which must include election procedures for resident board positions;
- Following an initial trial period, create and make public an annual business plan; • Hold biannual meetings with resident governance councils.

The measure establishes the *powers and duties of the Executive Director as follows*:

- Manage the day-to-day operations of the authority in accordance with the strategy, delegations, business plans, and policies of the board and the bill.
- Employ and manage staff, including establishing, promoting, and maintaining a positive organizational culture that effectively aligns with the values and employment principles of the Authority.
- Transform the strategic plans of the Board into action.
• Ensure the effectiveness of the Authority’s operational systems, including financial management, human resource management, information systems management, risk management, communications, marketing, fund raising, asset management, and reporting.
• Ensure the Board is kept informed of changes to gubernatorial directives, relevant legislation and changes in law, and other critical information relating to the Board’s functions and powers.
• Ensure compliance with applicable law and governmental policies.
• Maintain effective communication and cooperation with external stakeholders in collaboration with the chair of the Board.
• Provide advice and information to the Board on any material issues concerning strategy, finance, reporting obligations, or other important matters that arise.
• Prepare the annual business plan, including organizational performance targets, for Board approval.
• Interact with and, where appropriate, report to the Governor and the Legislature.
• Additional responsibilities as determined by the Board.

**Resident Governance Councils.** AB 309 requires each multifamily social housing development owned by the Authority to form a governance council, capped at 10% of the overall population of the multifamily development. The bill sets as the powers and responsibilities for each governance council:

• Host regular meetings to gather feedback and perspective of residents.
• Provide the resident perspective to property management.
• Represent the interests of the development in biannual meetings with the Board.
• Determine how to spend the development’s allotted annual budget for common room amenities and social events.
• Participate in the approval of renovation projects.
• Other responsibilities as determined by the Board.

**Social Housing Program.** AB 309 states the Authority seeks to achieve revenue neutrality over the long term, and specifically to recuperate the cost of development and operations over the life of its properties through mechanisms that maximize the number of Californians who can be housed without experiencing rent burden, such as rent cross-subsidization or cost rent. The Authority must develop regional target percentages for extremely low income, very low income, and low-income housing that seek to maximize low-income housing within the constraints of long-term revenue neutrality and maintaining sufficient operational, maintenance, and capital reserves. The bill requires that the methodology for low-income housing maximization in each development region be explained at a Board meeting and subject to public comment.

The bill directs the Authority to prioritize development of property with the following characteristics:

• Vacant parcels.
• Underutilized parcels or redevelopment of underutilized parcels without affordability covenants or rent-controlled units.
• Surplus public properties.
• Parcels near transit.
If the development of a property requires the rehabilitation or demolition of covenanted affordable units, the bill requires the new development to include a greater number of affordable units by income group than the previous property. If the development of a property requires the removal of residents from the property, the authority must cover the temporary relocation costs of these residents, as defined. Any displaced former resident may have the right to live in the new social housing property for their previous rent for the period of one year, or the Authority’s established rent for the resident’s income level, whichever is lower.

The Authority must make an annual determination of the required amount of social housing units by determining the gap between the previous year’s RHNA targets for each income range, as determined by HCD, and housing construction data submitted by local jurisdictions to HCD, updated annually. The Authority makes the determination annually using each local government’s data beginning on January 1, 2027. The Authority then splits the very low income RHNA allocation into extremely low income and very low-income allocations based on the latest available census or official survey data for the relevant jurisdiction.

The bill then authorizes the Authority to construct at least the required number of units to meet the gap between the previous year’s very low income, low-income, moderate-income, and above moderate-income housing unit construction. The Authority may conduct ground-up construction and rehabilitation of existing structures. The bill allows the Authority to use two different leasing models, the rental model, and the ownership model, as specified, and sets policies for housing developments as well as eligibility and residence requirements for potential tenants. The Authority must use a lottery to select residents who would be offered social housing, structured by income categories, with separate selection results for each category. However, any residents who may be displaced due to the construction of the Authority’s social housing must be offered social housing without needing to enter the lottery.

The Authority can dedicate building space to commercial use and lease the space to qualifying small businesses and nonprofit corporations, pursuant to requirements it establishes. The bill directs the state to gift public lands to the Authority for social housing development purposes when appropriate; however, in the absence of suitable state-owned parcels, the Authority can purchase municipal, county, other locally owned or private lands, according to the following priorities:

- Parcels with affordability covenants or rent control units are in danger of losing affordability status, to preserve affordable housing stock.
- Parcels are at risk of becoming unaffordable or at the end of their affordability covenants.
- Underutilized parcels or redevelopment of underutilized parcels with affordability covenants or rent-controlled units.
- Surplus public properties.
- Parcels near transit.

However, the Authority must accept a local jurisdiction’s preference for a project parcel when:

- The parcel allows the authority to meet the jurisdiction’s regional housing needs assessments goals,
- The parcel does not exceed the cost of all suitable alternative sites by more than 2%, and
- The parcel offers comparable community amenities to all suitable alternatives.
The bill requires the Authority to seek input from the local jurisdiction’s city council, board of supervisors, or planning agency, regarding any development’s:

- Specific site.
- Number of stories.
- Number of units.
- Development timeline

**Financing.** AB 309 creates the Social Housing Revolving Loan Fund within the State Treasury to make funding available, upon appropriation by the Legislature, to provide zero-interest loans for the purpose of constructing housing to accommodate a mix of household incomes. The measure allows the Authority to issue revenue bonds in any principal amount the agency determines necessary to provide sufficient funds for financing social housing developments, the payment of interest on these bonds, the establishment of reserves to secure the bonds, and costs to issue the bonds. The measure also requires the Authority to provide for regular audits of its accounts and records, maintain accounting records and report accounting transactions in accordance with generally accepted accounting principles.

The measure defines several terms, and makes legislative findings and declarations supporting its purpose, including providing financing for the activities of the authority through the issuance of general obligations bonds.

**Status of Legislation**
This bill is currently pending in the Senate Committee on Appropriations.

**Support**
American Federation of State, County and Municipal Employees  
California Apartment Association  
California Labor Federation  
California School Employees Association  
Greenbelt Alliance  
Santa Cruz County  
Santa Monica Democratic Club  
Davis College Democrats  
Indivisible CA StateStrong  
California YIMBY  
East Bay for Everyone  
Common Ground California  
Culver City Democratic Club  
Zach Hilton - City of Gilroy Council Member  
James Coleman - South San Francisco City Councilmember  
Sean Elo-Rivera - City of San Diego Councilmember

**Opposition**
California Association of Realtors  
League of California Cities  
Public Advocates, Inc.  
National Association of Social Workers, California Chapter (NASW-CA)  
California Assessors' Association
City of Thousand Oaks
City of Norwalk
San Francisco Tenants Union
Sacred Heart Community Service
Affordable Housing Network of Santa Clara County
SF Council of Community Housing Organizations
Alliance of Californians for Community Empowerment (ACCE) Action
Fieldstead And Company, Inc.
Sonoma Valley Housing Group
Housing Contractors of California
Item B-6
Assembly Bill 323 (Holden) - Density Bonus Law: purchase of density bonus units by nonprofit housing organizations: civil actions (AB 323) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language. However, the City may wish to consider taking a position on this bill as it bill would prohibit developers from offering affordable housing units built in accordance with a density bonus project or under an inclusionary zoning ordinance for sale to a non-income eligible buyer or to a non-owner-occupant, unless the developer can demonstrate no such qualified buyer exists. Additionally, the City would be required to send a list of buyers who are eligible to purchase a unit built pursuant to a density bonus to the developer, starting at the time the building permit is issued until 90 days after the certificate of occupancy or final inspection is issued or completed for that unit.

The City’s state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for AB 323 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 323, the Liaisons may recommend the following actions:

1) Support AB 323;
2) Support if amended AB 323;
3) Oppose AB 323;
4) Oppose unless amended AB 323;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on AB 323, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
July 24, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: AB 323 (Holden) Density Bonus Law: purchase of density bonus units by nonprofit housing organizations: civil actions.

Version
As amended in the Senate on May 18, 2023.

Summary
This bill clarifies provisions relating to the Density Bonus Law (DBL) and adds provisions to the civil code relating to local “inclusionary zoning” ordinances that specify that for-sale affordable units must be initially sold to and occupied by low-income families. Specifically, this bill:

1) Creates a process and timeline for a local agency to inform a developer about potential low-income buyers of affordable housing units, and mandates that a developer cannot sell such units to a nonprofit housing corporation unless it proves that no eligible buyers qualify to buy the units.

2) Strengthens the accreditation requirements imposed on non-profits purchasing units awarded a density bonus.

3) Authorizes a local public prosecutor to seek civil penalties from developers who sell units subject to inclusionary zoning laws in a manner not permitted by law.

Existing Law
1. Establishes the density bonus law (DBL), which enables housing development projects to receive a specified increase in allowable density and receive a specified number of incentives or concessions from local governments, in return for providing a specified amount of affordable housing. (Gov. Code § 65915.)

2. Requires that, for a for-sale project that received a density bonus, an applicant must agree to ensure, and the local government must ensure, that the for-sale unit meets either of the following conditions:
   a. the unit is initially occupied by a person or family of very low, low, or moderate income, it is offered at an affordable housing cost, and is subject to an equity sharing agreement; or
   b. the unit is purchased by a qualified non-profit housing corporation pursuant to a recorded contract that includes specified repurchase provisions, an equity sharing agreement, and affordability restrictions on the sale and conveyance of the property to
ensure the property will be used for low-income housing for at least 45 years for owner-occupied housing units. (Gov. Code § 65915 (c)(2).)

3. Allows the legislative body of any county or city to adopt ordinances that require, as a condition of the development of residential rental units, that the development include a certain percentage of residential rental units affordable to, and occupied by, households with incomes that do not exceed the limits for moderate-income, lower income, very low income, or extremely low-income households, as specified. (Gov. Code § 65850 (g).)

4. Authorizes a county counsel to be appointed by a county Board of Supervisors and grants the county counsel the powers of a public prosecutor similar to those of a city attorney. (Gov. Code § 27640.)

5. Authorizes a city to create the position of city attorney and vests the city attorney with the powers of a public prosecutor, including the prosecuting of civil legal matters as required by the Legislature. (Gov. Code § 41803.)

**Background**

The Density Bonus Law (DBL): California has enacted a variety of laws over the years to make homeownership more accessible and affordable to more Californians. One of these laws is the Density Bonus Law (Cal. Gov. Code § 65915). The goal of DBL is to boost the development of affordable housing. The DBL authorizes developers to build more units in a development than would otherwise be allowed under the zoning ordinance for the property, if the developer includes a specified minimum number of affordable units in the development.

Allowing more total units allows a developer to make additional profit than would otherwise be permitted and spread the cost of affordable units over more market-rate units. In addition to the density bonus, the DBL also requires localities to provide concessions or incentives, waiver of any development standards that would prevent the developer from utilizing the density bonus or incentives, and reduced parking standards.

To qualify for DBL benefits, the proposed development must contain certain percentages of affordable housing. The developer will receive density increases depending on the percentage of affordable housing included in the development. Thus, these density increases operate on a sliding scale; if the development provides a greater percentage of the housing for low, very low, or moderate-income units, it will receive a larger density increase.

If a developer sets aside five percent of the units for very low-income tenants for purchase or rent, as defined in current law, the developer will be allowed a 20 percent increase in the total allowable number of units. If it provides seven percent of the units for very low-income units, it will receive a 25 percent density bonus. If the development provides ten percent of units for low-income units for sale or rent, it will receive a 20 percent density increase. If the percentage of low-income units is 20 percent, the development will receive a 35 percent density increase. If the development provides ten percent of the development for sale to moderate-income persons or families, the developer will receive a five percent density increase.

There are also provisions of the DBL providing for density bonuses for providing units for lower-income full-time undergraduate, graduate, or professional students, a senior citizen housing development, transitional foster youth, disabled veterans, or for homeless individuals. The maximum density increase under the DBL is 50 percent, such as when a development provides 15 percent for very low-income units, 24 percent for low-income units, or 44 percent for moderate-income units.
To ensure that the affordable units developed under DBL projects reach low to moderate-income households as intended, the law includes a number of provisions regulating the units’ sale or rental. Units for very low-income or low-income occupants can be either sold or rented, while units for moderate-income occupants are designated for sale.

For very low and low-income units for rent, the developer is required to ensure that the units continue to be offered at affordable rental rates for at least 55 years. For affordable units that are to be sold, the developer must ensure that each affordable unit is either occupied by a person or family of very low, low, or moderate income at an affordable cost, or be sold to a qualified nonprofit housing corporation. If a unit is sold to a qualified nonprofit, the contract must include a repurchase option for the nonprofit to have a right to repurchase if the subsequent buyer decides to sell, an equity sharing agreement, and include affordability restrictions on the sale for at least 45 years.

**Inclusionary Zoning:** Many cities and counties in California also have adopted their own zoning ordinances meant to promote affordable housing. These ordinances are commonly called “inclusionary zoning,” and they generally require developers to include a certain minimum percentage of housing units in a development for lower-income households. Inclusionary zoning ordinances vary widely by locality.

These ordinances sometimes require that a developer either provide affordable housing on-site, pay a fee to fund affordable housing elsewhere in the community in lieu of on-site affordable housing, or dedicate land for affordable housing construction. Inclusionary zoning ordinances, like DBL projects, may also include requirements covenants that the units be used for affordable housing for a specified amount of time.

**Some developers are thwarting the rules meant to create affordable housing:** According to the sponsors of AB 323, the rules for inclusionary zoning and DBL projects are being circumvented by developers to the detriment of affordable housing and homeownership. They cite two density bonus projects in Encinitas, California that in 2021 were originally designated for sale to very-low-income families, but instead of selling the homes to families qualified to purchase them, the city decided to sell the units to a for-profit investor, who then turned the properties into rental units.

**AB 323 seeks to increase homeownership and promote affordable housing:** To ensure that the goals of Density Bonus Law are achieved and developments under the program actually result in affordable housing for California families, AB 323 makes a number of changes to the DBL:

First, it clarifies that, if a developer sells a low, very low, or moderate-income unit, the unit must initially be sold to and occupied by a person or family of low, very low, or moderate income. Currently, the law is ambiguous to this point, allowing a developer to sell the unit to a corporation or other person, and only be occupied by a low, very low-, or moderate-income family or individual. The goal is to ensure that such units are sold to very low-to-moderate income families or individuals, therefore increasing homeownership among very low-to-moderate income individuals in California.

If the developer does elect to sell the unit to a nonprofit corporation, as allowed under the DBA for for-sale very low-to-moderate income units, AB 323 would set additional requirements for the nonprofit housing corporation. These include that the nonprofit has a determination letter from the IRS affirming its tax-exempt status, that the nonprofit be based in California, that all its board members have their primary residence in California, and that the primary activity of the nonprofit be the development and preservation of affordable home ownership.
AB 323 would also permit for-sale units, if not sold to and occupied by a person or family of very low-to-moderate income or sold to a qualifying nonprofit housing corporation, to be sold to a purchaser that intends to rent the unit to extremely low, very low, or moderate-income families.

**Status of Legislation**
This bill is currently set for hearing on August 14 in the Senate Appropriations Committee.

**Support**
California Association of Realtors
Habitat for Humanity California
LGBTQ+ Real Estate Alliance
National Hispanic Organization of Real Estate Associates
Asian Real Estate Association of America

**Opposition**
None listed at this time.
Item B-7
MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Municipal Affairs Program Manager
DATE: August 7, 2023
SUBJECT: Assembly Bill 1335 (Zbur) - Local government: transportation planning and land use: sustainable communities strategy
ATTACHMENT: 1. Bill Summary – AB 1335

**Assembly Bill 1335 (Zbur) - Local government: transportation planning and land use: sustainable communities strategy** (AB 1335) makes changes to the housing projections included in regional transportation plan/sustainable communities strategies ("RTP/SCS") and adds additional reporting requirements for local governments. AB 1335 involves a policy matter that is not specifically addressed within the City's adopted Legislative Platform, even though the Legislative Platform does contain statements on Regional Housing Needs Assessment (RHNA). This item is a request by Councilmember Mirisch for the City to take a position on AB 1335.

The City’s state lobbyist, Shaw Yoder Antwi Schmelzer and Lange, provided a summary memo for AB 1335 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 1335, the Liaisons may recommend the following actions:

1) Support AB 1335;  
2) Support if amended AB 1335;  
3) Oppose AB 1335;  
4) Oppose unless amended AB 1335;  
5) Remain neutral; or  
6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on AB 1335, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
July 25, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: AB 1335 (Zbur) Local government: transportation planning and land use: sustainable communities strategy

Version
As amended in the Senate on June 22, 2023.

Summary
This bill would make changes to the housing projections included regional transportation plan/sustainable communities strategies (RTP/SCS)s and adds additional reporting requirements for local governments.

Specifically, this measure does the following:
1. Requires the SCS to additionally set forth the total number of new housing units necessary to house all the population of the region over the course of the planning period of the RTP within the areas identified in the SCS.
2. Requires the SCS to additionally set forth the total number of new housing units necessary to house the eight-year projection pursuant to the RHNA process.
3. Requires that the total number of new housing units identified to house this projection to not be less than the total number of housing units that represent the final regional housing needs determination for the region, as determined by the HCD, and shall, at minimum, reflect the number of housing units planned for during the most recent eight-year planning period that is covered by the RHNA.
4. Requires the following information be submitted as part of a jurisdiction’s APR with respect to areas identified for residential or mixed-use developments in the applicable SCS or APS:
   a. The number of housing units that have commenced, but have not completed, construction.
   b. The number and affordability levels of housing units approved.
   c. The number of residential or mixed-use projects proposed and the number of housing units included in each application for the project.
   d. Whether the residential or mixed-use project proposed involved a general plan amendment, an adoption or amendment of a specific plan, a rezoning, or other approval by the local government’s legislative body.

Existing Law
1. Requires every city and county to prepare and adopt a general plan, including a housing element, to guide the future growth of a community. The housing element must identify and analyze existing and projected housing needs, identify adequate sites with appropriate
zoning to meet the housing needs of all income segments of the community, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development.

2. Provides that each community's fair share of housing be determined through the regional housing needs allocation (RHNA) process, which is composed of three main stages:
   a. The Department of Finance (DOF) and Department of Housing and Community Development (HCD) develop regional housing needs estimates;
   b. Councils of government (COGs) allocate housing within each region based on these estimates (where a COG does not exist, HCD makes the determinations); and
   c. Cities and counties incorporate their allocations into their housing elements.

3. Establishes the California Air Resources Board (ARB) as the air pollution control agency in California and requires ARB, among other things, to control emissions from a wide array of mobile sources and coordinate, encourage, and review the efforts of all levels of government as they affect air quality.

4. Requires ARB to determine the 1990 statewide greenhouse gas (GHG) emissions level, and achieve that same level by 2020 (AB 32), and achieve a 40% reduction from that level by 2030 (SB 32).

5. Requires MPOs to prepare and adopt regional plans that, with specifications, achieve a coordinated and balanced regional transportation system.

6. Requires, and establishes a process, for ARB to provide MPOs with GHG emissions reductions targets, and update those targets every eight years.

7. Requires, as a part of the Regional Transportation Plan (RTP) a Sustainable Communities Strategy (SCS), as specified, to be prepared by each MPO, to identify transportation, housing, and land use measures and policies that will reduce GHG emissions.

8. Allows, if the SCS is unable to reduce GHG emissions to achieve the GHG emission reduction targets established by ARB, the MPO to instead prepare an Alternative Planning Strategy (APS) to the SCS showing how those GHG emission reduction targets would be achieved through alternative development patterns, infrastructure, or additional measures or policies.

9. Declares that neither a SCS nor APS regulates the use of land, and that nothing in a SCS shall be interpreted as superseding the exercise of the land use authority of cities and counties within the region.

10. Requires the SCS, among other things, to do all of the following:
    a. Identify the general location of uses, residential densities, and building intensities within the region;
    b. Identify areas within the region sufficient to house all the population of the region, including all economic segments of the population, over the course of the planning period of the RTP taking into account net migration into the region, population growth, household formation and employment growth;
    c. Identify areas within the region sufficient to house an eight-year projection of the regional housing need for the region, as specified;
    d. Identify a transportation network to service the transportation needs of the region;
    e. Consider the state housing goals, as specified;
    f. Set forth a forecasted development pattern for the region, which, when integrated with the transportation network, and other transportation measures and policies, will reduce GHG emissions from automobiles and light trucks to achieve, if there is a feasible way to do so, GHG reduction targets approved by ARB; and,
    g. Allow the RTP to comply with the federal clean air act.

11. Requires the population forecast developed by the COG to be the basis from which HCD determines the existing and projected need for housing in the region, if the total regional
population forecast for the projection year, developed by the COG and used for the preparation of the RTP, is within a range of 1.5% of the total regional population forecast for the projection year by DOF.

12. Requires HCD and the COG to meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region, if the difference between the total population projected by the COG and the total population projected for the region by DOF is greater than 1.5%.

13. Requires the population projection for the region to be the one prepared by DOF as may be modified by HCD as a result of discussions with the COG, in the case of a discrepancy greater than 1.5%, where an agreement cannot not reached.

14. Requires each jurisdiction responsible to developing a general plan to prepare an annual progress report (APR) by April 1st of each year on the jurisdiction's status and progress in implementing its housing element using forms and definitions adopted by HCD for the previous calendar year to be submitted to the Governor’s Office of Planning and Research (OPR) and HCD.

Background

Purpose of the bill. According to the author, “Complementary housing and transportation planning are important to our ability to address the linked crises of housing affordability and climate change. The Sustainable Communities Strategy (SCS) program encourages sustainable land use planning that reduces the vehicle miles traveled and increases housing that is accessible to public transportation. AB 1335 requires local governments to report annually on what actions, if any, they are taking to align their land use regulations with the SCS and makes clarifying changes to the SCS so that there is better consistency between the ways that the SCS and Regional Housing Needs Allocation (RHNA) processes are prepared.”

Regional Transportation Plans (RTP)s. All of California's MPOs and RTPAs are required by federal and state law to conduct long range planning to set forth a clearly identified defined vision and goals for transportation in the region and to ensure effective decision making to further the vision and goals. California currently has 18 federally-designated MPOs and 26 state-created RTPAs. The long range plan, known as the RTP, is an important policy document that is based on the unique needs and characteristics of a region and communicates the regional vision to the state and federal government. The RTP considers a minimum 20-year horizon and should be integrated with local jurisdiction’s land use plans. MPOs and RTPAs are required to update the RTP every four or five years, depending on a region’s clean air attainment.

The RTP should represent a coordinated and balanced regional transportation system including, but not limited to, mass transportation, highway, railroad, maritime, bicycle, pedestrian, goods movement and aviation. The CTC develops guidelines that govern the content and requirements for the RTP so that it conforms with both federal and state law. The most recent RTP Guidelines 2017 include updates such as following state climate change mitigation/adaptation guidance, considering environmental justice issues, and updating travel demand models. RTPs are financially constrained policy guidance frameworks.

Transportation and climate change. Emissions from the transportation sector, the state’s largest source of GHGs, are still on the rise despite statewide GHG emission reduction efforts and increasingly ambitious targets. According to ARB’s GHG emission inventory, the transportation sector emissions have grown to 41% of California's total emissions as of 2017. A 2018 Legislative Analyst’s Office report found that roughly 90% of the transportation sector’s emissions were from
on-road sources – 69% passenger vehicles and 22% heavy-duty vehicles. Within the transportation sector, measures to reduce GHG emissions include requiring the use of low carbon fuels, cleaner vehicles, and strategies to promote sustainable communities and improved transportation choices that reduce growth in the number of VMT. ARB's 2022 Scoping Plan scenario for achieving 85% GHG emission reductions by 2045 calls for a 25% reduction in VMT by 2030 and a 30% reduction in VMT by 2045.

The California Transportation Plan (CTP) 2050 is the state’s statutorily fiscally unconstrained long-range transportation roadmap for policy change. CTP 2050 is designed to provide a unifying and foundational policy framework for making effective, transparent, and transformational transportation decisions in California and identify a timeline, roles, and responsibilities for each plan recommendation. The CTP does not contain specific projects, but rather policies and strategies to close the gap between what RTPs aim to achieve and how much more is required to meet 2050 goals. For the reduction of VMT, the CTP notes that one the top strategies, more than implementing the state’s rail plan or increasing transit ridership, is land use change.

Sustainable Communities Strategies (SCS). As a part of the strategy to meet the state’s climate goals and focus on the transportation sector, the Legislature passed and Governor Schwarzenegger signed into law, SB 375 (Steinberg, Chapter 728, Statutes of 2008). SB 375 aligns transportation planning, land use and housing to reshape development in communities. SB 375 authorizes ARB to set GHG emissions reduction targets for each of the state’s 18 MPO regions. The MPOs work with ARB, exchanging technical data, to set the targets, including recommending a target for their region.

MPOs are required to adopt an SCS as part of their RTP to demonstrate how their region will meet the target. The SCS sets forth a vision for growth in the region taking into account its transportation, housing, environmental, and economic needs. The SCS should set a development pattern for the region, which when integrated with the transportation network, will reduce GHG emissions from automobiles and light trucks to achieve the targets. If an MPO, through the development of an SCS, determines they will not be able to reach the target, the MPO may develop an alternative planning strategy (APS) that identifies the principal impediments to meeting the targets. MPOs do not have authority to directly regulate land use.

Extensive public outreach for the development and approval of an RTP/SCS is required, with workshops, public hearings and meetings with affected city and county officials. MPOs must also complete an environmental impact report (EIR) for the RTP/SCS, as required by the California Environmental Quality Act (CEQA).

The intent of SB 375 was to empower regions to develop innovative strategies as part of their SCS to meet their target. While there are requirements for information the SCS must contain including identifying areas for future development and housing, information on resources and farmland, and integrating development with the transportation network, it does not currently prescribe any one strategy for achieving the targets.

Regional housing needs. California requires that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community. This process starts with the state determining how much housing at a variety of affordability levels is needed for each region in the state, and then regional governments develop a methodology to allocate that housing need to local governments. California's local governments then adopt housing plans (called housing
elements) as part of their "general plan" (also required by the state) to show how the jurisdiction will meet local housing needs.

HCD is responsible for determining the regional housing need allocation (RHNA) for each region’s COG with input from DOF. HCD and the COG consult and compare data related to demographic trends and housing conditions in the region, including consistency with the SCS-identified development pattern. After this consultation, HCD issues the final RHNA number for the region, which is broken out by income categories (very low-, low-, moderate-, and above moderate-income). The final housing need determination must be issued at least two years before the next Housing Element due date. The determination accounts for both the existing and projected housing need in each region and must further the five statutory objectives of RHNA. Each local government must then update the Housing Element of its general plan to show the locations where housing can be built and the policies and strategies necessary to meet the community's housing needs.

Relationship and discrepancies between RHNA and SCSs. An RTP/SCS must plan a development blueprint for the region which will reduce greenhouse gas emissions. But, it must also take into account the state housing goals contained in the Housing Element Law and identify areas sufficient to house all economic segments of the population over the 20- to 30-year term of an RTP, including areas sufficient to accommodate an eight-year RHNA. As discussed, if the MPO determines that the draft SCS is unable to reduce GHG emissions to target levels established by CARB, it must prepare an APS. Neither the SCS nor the APS regulates or supersedes the land use authority of local government. It also does not require consistency with local land use laws or policies, including the general plan, and the RTP, including the SCS, or the APS.

RHNA allocations must also be consistent with SCS-identified development patterns and use. However, only if a COG’s household projection is within 1.5% of DOF’s estimate is HCD legally required to use the COG’s household growth projection to estimate the region’s future housing need. A difference of greater than 1.5% results in HCD utilizing DOF’s estimates. Planning timelines, under current law, require an SCS development pattern to be finalized before RHNA so that the identified development patterns can inform the housing needs allocation process.

Despite these connections between SCS and RHNA, significant divergences occur between the relative projections, especially for some of the most populous areas in the state. According to the sponsors, SCS housing projections consistently anticipate less growth than the RHNA estimated need; if the RTP/SCS anticipates less population growth than RHNA, mixed-income housing developments may not meet the criteria that make them eligible for CEQA streamlining or state-funded grant programs that are tied to SCS alignment. It is unclear if this was an anomaly of changes to the 6th cycle RHNA process or whether these differences will persist through future RHNA cycles.

While both SCS projections and RHNA are statutorily intertwined, there are limited checkpoints to review and establish alignment between the two by the state. It is currently unclear the extent to which alignment between SCS population projections and RHNA is required across the varying planning timelines (8 years for RHNA and 20-30 years for SCS).

Why are the numbers so different? The state uses different projections for population and growth for planning and other purposes. DOF develops population projections relaying on factors such as births, deaths, and migration to inform the distribution of funds from various state programs. These projections serve as the starting point for the HCD’s development of the RHNA. To develop
the RHNA determination, DOF converts the projected population to projected households. HCD then must incorporate state objective’s and adjust the number to include an increase for average housing unit replacement, unhealthy vacancy rate (below 5%), jobs housing imbalance, cost burden, and overcrowding factors. Finally, after subtracting an amount for occupied units, HCD arrives at a RHNA determination.

COGs, while working with HCD as discussed, develop growth forecasts for use in the RTP/SCS that, according to the Southern California Association of Governments (SCAG), look at likely outcomes that balance many policy goals, such as air quality conformity, congestion reduction, equity, housing, and GHG emissions reduction.

AB 1335 tries to better align RHNA and SCSs. AB 1335 tries to better align RHNA and SCSs by establishing a region’s RHNA determination as the minimum housing projection for the first 8 years of the long term SCS planning period. It also adds additional housing related requirements to the development of the SCS. Specifically, the bill requires the SCS to set forth the total number of new housing units necessary to house all of the population of the region over the course of the planning period of the RTP in the areas already required to be identified by the SCS, and the SCS must set forth the total number of new housing units necessary to house the eight-year projection in the areas identified in the SCS.

Abundant Housing LA, the sponsors of AB 1335 explain, “The purpose of the SCS is to show how land use and transportation policies can be coordinated to achieve reductions in greenhouse gas (GHG) emissions from cars and light trucks in alignment with the California’s Climate Change Scoping Plan. For example, by adjusting zoning regulations to allow more housing in job centers and near major transit stops, a local government can support the goals of the SCS and reduce GHG emissions. Projects that align with the SCS, known as Transit Priority Projects, are eligible for incentives under existing law, including exemptions or streamlined review under the California Environmental Quality Act (CEQA) and grant funding opportunities from the Affordable Housing and Sustainable Communities (AHSC) program. However, alignment of local land use regulations with the SCS is voluntary and it can be difficult to obtain information on what, if anything, local governments are doing to allow more housing in climate-smart areas. Furthermore, the SCS is one of two processes that attempt to plan for housing at the regional level, the other being RHNA. In the past, lack of clarity around alignment between the two planning processes has created substantial divergence in housing targets in some regions. This creates a risk of the two plans being uncoordinated and transit priority projects losing access to the existing incentives, CEQA streamlining, and grant funding. This situation contributes to California’s continued struggles with housing affordability and reducing greenhouse gas emissions quickly enough to avoid the worst effects of climate change.

“The second part of this proposal is ensuring that RHND and SCS do not diverge in their housing targets. Without proper alignment between RHND and the SCS, opportunities to use CEQA streamlining and obtain grant funds through the AHSC program for affordable infill housing may be at risk. AB 1335 would require that 8-year SCS housing targets are no less than the most recent RHND.”

Working group in progress. AB 101 (2019) directs HCD to engage stakeholders and collaborate with OPR to develop recommendations related to the Regional Housing Needs Allocation (RHNA) process and methodology. Upon completion of this stakeholder engagement process, HCD will compile its findings and recommendations, and will submit a report to the Legislature by December
Since the process includes a review of housing and transportation planning alignment, this bill may be premature.

Trying to better understand how locals are doing. Current law requires every city and county to prepare a housing element as part of its general plan. The housing element must contain an inventory of land suitable for residential development, which is used to identify sites that can be developed for housing within the planning period and are sufficient to provide for the locality’s share of the regional housing need for all income levels. Each jurisdiction must submit an APR to HCD by April 1st of each year that documents its progress toward meeting its RHNA allocation and the plans outlined in its housing element. AB 1335 intends to address the difficulty in obtaining information about what local governments are doing to align local land use regulations with the SCS or APS by requiring local governments report progress they are making as part of the currently required APR. Specifically, the bill calls for additional information to be included in the APR, such as the number of housing units that have commenced, but not completed construction; and the number of affordability units approved, the number of residential or mixed-use projects proposed and the number of housing units included in each application for the project. Also whether the projects proposed required a general plan amendment, a rezoning, or other local approvals.

MPOs/COGs raise concerns. As noted, this bill would require the SCS development pattern be rooted in the eight-year RHNA. The current timeline is structured so that the SCS development pattern, whose primary goal is reducing passenger vehicle-related greenhouse gas emissions, informs the RHNA. Overall, the COGs note that federal law requires the RTP to be updated every four years, which affords them the ability to take a fresh look at the region, revisit planning assumptions and the growth forecast used in the SCS.

Specifically, the COGs have strong concerns about how the bill could impact current SB 375 implementation timelines and possible inconsistency with federal clean air conformity. First, after laying out the statutory timeline that governs the adoption of the RTP/SCS, the California Association of Councils of Governments (CALCOG) notes that, “AB 1335 would require the MPO to recalculate its growth forecast halfway through the CEQA review period and restart its travel model analysis. Developing the RTP/SCS often requires the full 48 months from one adoption to the next to complete the process. Substituting a new statutorily created number six months prior to adoption undermines three years of staff time and cost.

“Moreover, the new RHNA calculation would likely require the MPO to amend and recirculate its project description, thereby delaying the approval of the RTP/SCS. This bill would make it impossible for most (if not all) of our members to adopt the RTP 18 months prior to the housing element due date.”

Additionally, the COGs raise the issue that the bill could create inconsistency with federal conformity determinations and risk billions of dollars in federal transportation funding. CALCOG explains, “Federal regulations require that the RTP/SCS be based on realistic planning assumptions, including growth (economic and populations), the development of infrastructure, and even the availability of public funding. If a planning assumption is unrealistic, the RTP will not be approved. Failure to get a plan approved in a timely way can lead to a lapse, which requires the region to halt and cease new and in-progress transportation projects. As a result, the baselines in the RTP/SCS are carefully balanced to account for multiple factors.”
Writing in opposition, SCAG details, “Along with considering housing development, SCAG’s RTP/SCS must demonstrate that the total emissions from on-road travel in the Southern California region’s transportation system are less than or equal to emissions “budgets” established by California’s State Implementation Plan (SIP). A SIP is the state’s air quality plan for meeting the National Ambient Air Quality Standards, a compilation of legally enforceable rules and regulations prepared by CARB and submitted to the federal Environmental Protection Agency (EPA) for approval.

“Regional emissions are estimated according to projected travel on existing and planned highway and public transportation facilities. This must be based on the latest available information and the latest EPA-approved emissions model. For transportation conformity, projected emissions from highway and public transportation use must “conform” to the allowable budget. In other words, the emissions budget acts as a ceiling on emissions from the transportation sector.

“The purpose of the RTP/SCS is not a single-objective housing planning document, but a multi-objective plan that links transportation planning with growth and development. To the extent that AB 1335 requires certain assumptions on the development of housing, those assumptions may not be supported by facts on the ground used to inform the rest of the emissions model. For example, if the RTP/SCS assumes a certain level of development that is not supported by housing development permits, housing construction, the availability of labor and capital, available transportation options, or planned infrastructure improvements, federal air quality conformity will not be achieved.

“If a region fails to achieve federal air quality conformity, federal transportation funds, including those from the recently passed and historic Infrastructure Investment and Jobs Act (IIJA) or the climate-protecting Inflation Reduction Act (IRA), which are funding numerous projects in the SCAG region, will be threatened. If a conformity determination is not made, a 12-month grace period may be applied and, during this time, the use of Federal transportation funds is severely restricted.”

Status of Legislation
This bill is pending in the Senate Appropriations Committee.

Support
Abundant Housing LA (sponsor) Grow the Richmond
Active San Gabriel Valley Housing Action Coalition
Activesgv How to ADU
Ascencia Inner City Law Center
Bay Area Council Livable Communities Initiative
Buildcasa Midpen Housing
California Association of Realtors Mountain View Yimby
California Building Industry Association Napa-Solano for Everyone
California Community Builders National Association of Hispanic Real Estate Professionals (NAHREP)
California Environmental Voters Northern Neighbors
California Yimby Northern Neighbors Sf
Central City Association of Los Angeles Our Future Los Angeles
Civicwell Path
Climate Action Campaign Peninsula for Everyone
Community Corporation of Santa Monica People for Housing - Orange County
Council of Infill Builders People for Housing Orange County
East Bay Yimby Progress Noe Valley
Fieldstead and Company, INC. San Francisco Yimby
Greenbelt Alliance
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**Opposition**

Southern California Association of Governments
Metropolitan Transportation Commission
Association of Bay Area Governments
California Association of Councils of Governments (CALCOG)
Item B-8
MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: August 7, 2023

SUBJECT: Assembly Bill 1490 (Lee) - Affordable housing development projects: adaptive reuse

ATTACHMENT: 1. Summary Memo – AB 1490

Assembly Bill 1490 (Lee) - Affordable housing development projects: adaptive reuse (AB 1490) involves a policy matter that may have a nexus to the City’s adopted Legislative Platform language. Specifically, the following statements may apply to AB 1490:

- Oppose state legislation that supersedes a jurisdiction’s adopted zoning ordinances.
- Oppose preemption of the City of Beverly Hills’ local authority whether by state or federal legislation or ballot propositions.

The City’s state lobbyist, Shaw Yoder Antwih Schmelzer & Lange, provided a summary memo for AB 1490 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 1490, the Liaisons may recommend the following actions:

- Oppose AB 1490;
- Support AB 1490;
- Support if amended AB 1490;
- Oppose unless amended AB 1490;
- Remain neutral; or
- Provide other direction to City staff.

Should the Liaisons recommend a position of oppose, then staff will prepare a letter for the Mayor to sign as the legislation appears to be consistent with the City’s Legislative Platform. Any other position recommended by the Liaisons will require the concurrence of the City Council and staff will place this item on a future City Council agenda.
Attachment 1
July 31, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: AB 1490 (Lee): Affordable Housing Development Projects: Adaptive Reuse.

Version
As amended in the Senate as of July 10th, 2023.

Summary
Would make “extremely affordable adaptive reuse projects” an allowable use, even if it is inconsistent with a local agency’s general plan, specific plan, or regulation. Specifically this measure would allow these projects to be allowable uses, if the projects:

1) Meet objective planning standards;
2) Are proposed to be located on an infill parcel, which the measure defines as either:
   a) At least 75% of the site’s perimeter adjoins parcels with urban uses, parcels separated by a street or highway are considered adjoined.
   b) The parcel is within one-half mile of public transit.
3) Is not proposed to be located on, or adjoined to, a site where more than 1/3 of the square footage is dedicated to industrial use. Under the measure, a housing development project is an “extremely affordable adaptive reuse project” if it meets the following:
   a) Is a multifamily housing development project;
   b) Involves the retrofitting and repurposing of a residential building or a commercial building that currently allows temporary dwelling or occupancy, to create new residential units;
   c) Will be entirely within the envelope, or existing shell, of the building;
   d) Meets all the following affordability criteria:
      i) 100% of units, excluding managers’ units, are dedicated to lower-income households at an affordable rent cost as defined.
      ii) At least 50% of units are dedicated to very low-income households at an affordable housing cost. Units are subject to recorded deed restrictions for 55 years for rental units and 45 years for owner-occupied units.
4) Allows a local agency to impose objective design review standards for these reuse projects, but cannot impose, or require the curing of any preexisting deficit or conflict with, the following:
   a) Maximum density requirements;
b) Maximum floor area ratio requirements;
c) Any requirement to add additional parking; or
d) Any requirement to add additional open space. For purposes of the HAA, an AB 1490 project that meets all the above requirements must be deemed consistent, and in conformity with applicable local regulations.

5) Provides that if a local agency determines a development is in conflict with objective planning or design review standards, it must provide the development proponent written documentation of which standards the development conflicts with, along with an explanation for the conflict within:
   a) 60 days of submittal if the development contains 150 housing units or less;
   b) 90 days of submittal if the development contains more than 150 housing units.

6) AB 1490 also specifies if the local agency does not make a determination within these timeframes, the application is deemed consistent, compliant, and in conformity with applicable local regulations.

7) AB 1490 also requires that any local source of funding that can be used for affordable housing development must include adaptive reuse as an eligible project. No agency that controls a local funding source can prohibit or exclude adaptive reuse projects solely because they are adaptive reuse projects.

8) AB 1490 defines its terms.

**Existing Law**

1) Establishes Project Homekey, which provides housing for individuals and families who are experiencing homelessness or who are at risk of homelessness, including by enables a by right process for the acquisition and rehabilitation of motels, hotels, and hostels into housing.

2) Establishes, pursuant to AB 2011 (Wicks, Chapter 647, Statutes of 2022), a streamlined, ministerial approval process, not subject to CEQA, for certain infill multifamily affordable housing projects that are located in land that is zoned for retail, office, or parking.

3) Establishes, pursuant to SB 35 (Wiener, Chapter 366, Statutes of 2017), a streamlined, ministerial approval process, not subject to CEQA, for certain infill multifamily affordable housing projects that are compliant with local zoning and objective standards that are proposed in local jurisdictions that have not met their regional housing needs allocation.

4) Establishes CEQA, which requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA.

5) Establishes the Housing Accountability Act (HAA) which, among other provisions, establishes the following:
   a) When a proposed housing development project, as defined, complies with applicable, objective general plan, zoning, and subdivision standards and criteria in effect at the time that the project’s application is complete, but the local agency proposes to disapprove the project or to impose a condition that the project be developed at a lower density, the local agency shall base its decision regarding the proposed project upon specified written findings.
b) A proposed housing development project, as defined, is not inconsistent with the applicable zoning standards and criteria, and shall not require a rezoning, if the project is consistent with the objective general plan standards and criteria but the zoning for the project site is inconsistent with the general plan, as specified.

c) A housing development project, as defined, or emergency shelter shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the project is consistent, compliant, or in conformity.

**Background**
Planning and approving new housing is mainly a local responsibility. The California Constitution allows cities and counties to “make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws.” It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority. Zoning and approval processes.

Local governments use their police power to enact zoning ordinances that shape development, such as setting maximum heights and densities for housing units, minimum numbers of required parking spaces, setbacks to preserve privacy, lot coverage ratios to increase open space, and others. These ordinances can also include imposing conditions on developments to address aesthetics, community impacts, or other particular site-specific considerations.

**Planning and Zoning Law.** State law provides additional powers and duties for cities and counties regarding land use. Each city and county must prepare and periodically update a comprehensive, long-range general plan to guide future planning decisions. The general plan has seven mandatory elements: land use, circulation, housing, conservation, open-space, noise, and safety. General plans must also either include an eighth element on environmental justice, or incorporate environmental justice concerns throughout the other elements. Cities and counties may adopt optional elements that address issues of their choosing, and once adopted, those elements have the same legal force as the mandatory elements. The general plan must be “internally consistent,” which means the various elements cannot have conflicting information or assumptions.

Although state law spells out the plans’ minimum contents, it also says local officials can address these topics to the extent to which they exist in their cities and counties, and with a specificity and level of detail reflecting local circumstances. Similarly, state law doesn’t require cities and counties to regularly revise their general plans (except for the housing element, which must generally be revised every eight years).

Local governments have broad authority to define the specific approval processes needed to satisfy these considerations. Some housing projects can be permitted by city or county planning staff “ministerially” or without further approval from elected officials, but most
large housing projects require “discretionary” approvals from local governments, such as a conditional use permit or a change in zoning laws. This process requires hearings by the local planning commission and public notice and may require additional approvals. The Planning and Zoning Law also establishes a planning agency in each city and county, which may be a separate planning commission, administrative body, or the legislative body of the city or county itself.

Public notice must be given at least 10 days in advance of hearings where most permitting decisions will be made. The law also allows residents to appeal permitting decisions and other actions to either a board of appeals or the legislative body of the city or county. Cities and counties may adopt ordinances governing the appeals process, which can entail appeals of decisions by planning officials to the planning commission and the city council or county board of supervisors. Local land use policies and decisions, including zoning, specific plans, development agreements, and subdivision map approvals, of general law cities (and counties) must be consistent with their general plan.

However, charter cities are exempt from many provisions in law that apply to local planning and zoning ordinances, except where state law specifically states it applies to charter cities. Charter cities may also adopt an ordinance or charter amendment that requires compliance with state planning and zoning laws, including the requirement for consistency. Approximately one-quarter of charter cities have adopted such a requirement. City or county zoning ordinances, including charter cities, must be consistent with the general plan. To comply with this requirement, a county or city must adopt a general plan, and ensure the various land uses the ordinance authorizes are compatible with the objectives, policies, general land uses, and programs the plan specifies. Any resident or property owner in the city or county can bring an action in superior court to enforce compliance within 90 days of a new zoning ordinance or amendment’s enactment.

If a zoning ordinance becomes inconsistent with a general plan due to an amendment to the general plan, or any of its elements, the city or county must amend the zoning ordinance in a reasonable time so it is consistent with the amended general plan.

California’s Housing Crisis. California faces a severe housing shortage. A variety of factors have contributed to the lack of housing production. Recent reports by the Legislative Analyst’s Office and others point to local approval processes as a major factor. They argue local governments control most of the decisions about where, when, and how to build new housing, and those governments are quick to respond to vocal community members who may not want new neighbors. The building industry also points to the California Environmental Quality Act as an impediment, and housing advocates note a lack of a dedicated source of funds for affordable housing.

A major cause of the housing crisis is the mismatch between the supply and demand for housing. The Statewide Housing Plan adopted by the Department of Housing and Community Development in 2022 found California needs approximately 2.5 million units of housing, including one million units affordable to lower income households, to address this mismatch over the next eight years. That would require production of over 300,000 units a
year, including over 120,000 units a year of housing affordable to lower income households. However, production in the past decade has lagged at under 100,000 units per year – including less than 10,000 units of affordable housing per year.

**Housing Accountability Act.** The Legislature has enacted a variety of statutes to facilitate and encourage the provision of housing, particularly affordable housing and housing to support individuals with disabilities or other needs. Among them is the Housing Accountability Act (HAA), enacted in 1982 in response to concerns over a growing rejection of housing development by local governments due to not-in-my-backyard (NIMBY) sentiments among local residents (SB 2011, Greene).

The HAA restricts a local agency's ability to disapprove, or require density reductions in, housing projects that devote at least 2/3rds of their floor area to residential units. Under the HAA, when a proposed development complies with applicable, objective general plan, zoning and subdivision standards and criteria in effect when the application is complete, a local agency cannot deny a project, or reduce its density, unless it finds the project would have a specific, adverse impact on public health or safety, and no methods exist to mitigate those impacts, other than rejecting the project. Inconsistency with the zoning ordinance or general plan land use designation cannot be considered an adverse impact on public health or safety.

A local agency must consider a proposed development to be consistent with the applicable zoning standards and criteria, and does not require a rezoning, if the project is consistent with the objective general plan standards and criteria, but the zoning for the project site is inconsistent with the general plan. If a court finds a local agency in violation of the HAA, a court may issue an order or judgement compelling compliance with the HAA within 60 days. The HAA also allows a court, upon a determination the locality has failed to comply with the order or judgment within 60 days, to impose fines on a local agency that has violated the HAA and to deposit any fine into a local housing trust fund or elect to deposit the fine in a state account. The fine shall be a minimum of $10,000 per unit.

Additional fines may be imposed if the court finds the locality acted in bad faith. Adaptive reuse. Adaptive reuse is the process of converting an existing non-residential building to housing. The ability to adaptively reuse a building is highly dependent on the initially designed use. For example, uses such as warehouses and big box retail are not generally suitable to adaptive reuse, because their tall ceilings, single stories, and rudimentary plumbing would need to be completely redone to be appropriate for human habitation. Office buildings maintain some potential for conversion, because their multi-floor layout is conducive to housing; however, the large configuration of most office buildings makes it difficult to provide the necessary light and air that is required for residential units.

For these conversions to occur, it would also need to be financially attractive to the property owner – something that has increased due to the sharp downturn in the downtown office market since the beginning of the COVID-19 pandemic.
However, other commercial properties, like hotels and motels, are more conducive to adaptive reuse, since they already have separate residential units often with bathrooms. Recent state adaptive reuse efforts. One of the state’s primary efforts to address homelessness during the COVID-19 pandemic involved turning existing hotels and motels into housing for individuals experiencing homelessness, known as Project Homekey.

Project Homekey has received nearly $2 billion to convert hotels and motels to housing for the formerly homeless, which has created 6,863 units of housing with an expenditure of slightly less than $2 billion.

The cost of under $300,000 per unit is substantially less than the current cost to build newly constructed housing. Additionally, the 2022-23 budget included $450 million one-time General Fund ($200 million in 2022-23 and $250 million in 2023-24) to convert existing commercial or office space to affordable housing.

Finally, AB 1695 (Santiago, 2022) requires state funding sources to include adaptive reuse as an eligible activity. The Legislature has also enacted other policies to facilitate the conversion of commercial properties into housing.

This includes:
**SB 6 (Caballero, 2022)** which enacts the Middle Class Housing Act of 2022, which establishes housing as an allowable use on any parcel zoned for office or retail uses.

**AB 2011 (Wicks, 2022)** establishes a streamlined, ministerial approval process, not subject to CEQA, for certain infill multifamily affordable housing projects that are located on land that is zoned for retail, office, or parking. The AIDS Healthcare Foundation wants to increase the implementation of affordable adaptive reuse projects.

**Status of Legislation**
This bill has been set for hearing on August 14, 2023 in the Senate Committee on Appropriations.

**Support**
AIDS Healthcare Foundation
California Apartment Association
Grow the Richmond
Progress Noe Valley
YIMBY Action
People for Housing Orange County
Santa Cruz YIMBY
South Bay YIMBY
Mountain View YIMBY
Peninsula for Everyone
San Francisco YIMBY
Urban Environmentalists
SLO County YIMBY
Ventura County YIMBY

**Opposition**
League of California Cities
City of Santa Clarita
City of Rosemead
City of Thousand Oaks
City of Whittier
Item B-9
TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Municipal Affairs Program Manager
DATE: August 7, 2023
SUBJECT: Assembly Bill 33 (Bains) - Fentanyl Addiction and Overdose Prevention Task Force

ATTACHMENT: 1. Bill Summary – AB 33

Assembly Bill 33 (Bains) - Fentanyl Addiction and Overdose Prevention Task Force (AB 33) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language. This item is a request by the League of California Cities for the City to consider taking a position on AB 33. This bill would establish the Fentanyl Addiction and Overdose Prevention Task Force to undertake various duties relating to fentanyl abuse, including collecting and organizing data on the nature and extent of fentanyl abuse in California and evaluating approaches to increase public awareness of fentanyl abuse.

The City’s state lobbyist, Shaw Yoder Antwi Schmelzer and Lange, provided a summary memo for AB 33 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 33, the Liaisons may recommend the following actions:

1) Support AB 33;
2) Support if amended AB 33;
3) Oppose AB 33;
4) Oppose unless amended AB 33;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on AB 33, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
July 28, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: AB 33 (Bains) Fentanyl Addiction and Overdose Prevention Task Force

Summary
This measure intends to address the ongoing fentanyl crisis by establishing the Fentanyl Addiction and Overdose Prevention Task Force to do a number of things, including collect data on the nature and extent of fentanyl abuse in the state, identify and assess sources and drivers of legal and illicit fentanyl activity in the state, measure and evaluate the progress and effectiveness of the state’s education, prevention, treatment, and enforcement efforts in preventing fentanyl abuse and death from the intentional or unintentional consumption of fentanyl, evaluate approaches to increase public awareness of fentanyl abuse, analyze existing statutes for their adequacy in addressing fentanyl abuse, develop policy recommendations on the implementation of evidence-based practices to reduce fentanyl overdoses, and develop model treatment protocols for medication-assisted treatment (MAT) of fentanyl addiction and abuse, among other things.

The task force includes 27 members, including the Attorney General, State Public Health Officer, Director of the Department of Health Care Services, representatives of law enforcement organizations, representatives of specified medical and health-related associations, an individual in recovery from fentanyl or opioid abuse, and representatives of organizations that provide services to homeless individuals and individuals who misuse fentanyl or other illicit substances that may contain fentanyl, among others.

This bill requires the task force’s first meeting to be held no later than March 1, 2024 and requires the task force to meet at least once every two months. The task force is required to submit an interim report to the Governor and the Legislature on or before January 1, 2025, and a final report must be submitted on or before July 1, 2025. This bill sunsets on January 1, 2026 and contains an urgency clause.

Existing Law
1. Establishes the California Uniform Controlled Substances Act, which regulates controlled substances. (Health & Saf. Code, §§ 11054-11058.)
2. Classifies controlled substances into five schedules according to their danger and potential for abuse. (Health & Saf. Code, §§ 11054-11058.)
3. Classifies fentanyl as a Schedule II controlled substance. (Health & Saf. Code, § 11055, subd.(c)(8).)
4. Makes it unlawful to possess specified controlled substances, including heroin, cocaine base, cocaine, hydrocodone, and fentanyl. Provides that the punishment is imprisonment in the county jail for not more than one year unless the person has one or more prior convictions for a serious or violent felony, as specified. (Health & Saf. Code, § 11350, subd. (a).)
5. Makes it unlawful for a person to possess for sale or purchase for purpose of sale several specified controlled substances, including heroin, cocaine, opium, and fentanyl. Provides that the punishment is imprisonment in the county jail for two, three, or four years. (Health & Saf. Code, § 11351.)

6. Makes it unlawful for a person to transport, import, sell, furnish, administer, or give away, or offer or attempt to transport, import, sell, furnish, administer, or give away specified controlled substances, including cocaine, cocaine base, heroin, and fentanyl. Provides that the punishment is imprisonment in the county jail for three, four, or five years. Provides that the punishment for transporting those specified controlled substances within the state between noncontiguous counties is imprisonment in the county jail for three, six, or nine years. (Health & Saf. Code, § 11352.)

7. Existing law states that in addition to the term of imprisonment provided by law for persons convicted of violating specified drug offenses, including possession, the trial court may impose a fine not exceeding $20,000 for each offense. (Health & Saf. Code, § 11372, subd. (a).)

**Background**

According to the author: Fentanyl addiction is a serious public safety and public health issue that requires an organized response. Establishing a task force that is dedicated to combating fentanyl addiction and death is essential. This task force should bring together law enforcement, public health officials, and healthcare providers to coordinate an effective response to the problem. The task force will focus on a number of different strategies, including increasing access to overdose-reversing drugs, improving substance use disorder treatment and recovery support, and crafting strategies to reduce the availability of illicit fentanyl. Working with law enforcement and public health officials, the task force can monitor drug distribution and develop strategies to prevent the use, manufacture, and distribution of illicit fentanyl. The task force can also work to raise public awareness about the dangers of fentanyl, as well as connect people with substance use disorder treatment and recovery support. Public education campaigns should be continued and expanded to help inform the public about the dangers of fentanyl, as well as provide resources for those who are struggling with addiction. In order to combat the fentanyl epidemic, it is essential to establish a task force that is dedicated to this cause. By focusing on strategies to reduce the availability of fentanyl and increase public awareness, the task force can help to reduce the devastating impact that fentanyl is having on our communities.

**Fentanyl in California**

The number of deaths involving fentanyl in California has increased dramatically in recent years. Between 2012 and 2018, fentanyl overdose deaths increased by more than 800%—from 82 to 786. (CDPH, Overdose Prevention Initiative [https://www.cdph.ca.gov/Programs/CCDPHP/DCDIC/SACB/Pages/PrescriptionDrugOverdoseProgram.aspx?msclkid=99f1af92b9e411ec97e3e1fe58cde884] [last visited Jun. 19, 2023].) In 2021, there were 5,961 deaths related to fentanyl overdoses. (CDPH, California Overdose Surveillance Dashboard [https://skylab.cdph.ca.gov/ODdash/?tab=Home] [last visited Jun. 19, 2023]).

**Existing Statewide Efforts**

The state’s 2022-23 budget included $7.9 million in 2022-23 and $6.7 million ongoing to fund the Fentanyl Enforcement Program within DOJ to combat the manufacturing, distribution, and trafficking of fentanyl throughout and into the state by organized criminal enterprises. (Governor Newsom, California State Budget 2022-23, p. 118 available at [https://ebudget.ca.gov/2022-23/pdf/Enacted/BudgetSummary/FullBudgetSummary.pdf] as of [Jun. 19, 2023].) The budget funded 25 new positions within DOJ to support those efforts. (California State Budget 2022-23,
The Governor’s Master Plan for Tackling the Fentanyl and Opioid Crisis includes $30 million to expand California National Guard’s work to prevent drug-trafficking transnational criminal organizations. The Governor has additionally allocated $40.8 million for an education and awareness campaign to establish partnerships and create messaging and education tools for parents and educators as well as $23 million for substance use disorder workforce grants to develop substance use disorder training for non-behavioral health professionals working with children and youth. (Governor Newsom’s Master Plan for Tackling the Fentanyl and Opioid Crisis (Mar. 2023) available at https://www.gov.ca.gov/wp-content/uploads/2023/03/Fentanyl-Opioids-Glossy-Plan_3.20.23.pdf?emrc=86c07e [as of Jun. 19, 2023].)

Status of Legislation
This bill is set for hearing in the Senate Appropriations Committee on August 14.

Support
California Academy of Family Physicians
California Catholic Conference
California Hospital Association
California Police Chiefs Association
California State Association of Counties
Peace Officers Research Association of California
California Association of Highway Patrolmen
California State Council
California Contract Cities Association
County Health Executives Association of California
California Statewide Law Enforcement Association
City of Long Beach
Emergency Nurses Association
City of Soledad
City of Thousand Oaks
City of Norwalk
County of Ventura
City of Simi Valley
California Black Health Network, Inc.
City of Bakersfield
California Society of Health-System Pharmacists
County Behavioral Health Directors Association of California

Opposition
None listed at this time.
Item B-10
TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Municipal Affairs Program Manager
DATE: August 7, 2023
SUBJECT: Assembly Bill 701 (Villapudua) - Controlled substances: fentanyl
ATTACHMENT: 1. Bill Summary – AB 701

Assembly Bill 701 (Villapudua) - Controlled substances: fentanyl (AB 701) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language. This item is a request by the League of California Cities for the City to consider taking a position on AB 701. This bill would add fentanyl to the list of enumerated controlled substances that are eligible for sentence enhancements when a defendant is found with a large quantity in their possession.

The City’s state lobbyist, Shaw Yoder Antwh Schmelzer and Lange, provided a summary memo for AB 701 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 701, the Liaisons may recommend the following actions:
1) Support AB 701;
2) Support if amended AB 701;
3) Oppose AB 701;
4) Oppose unless amended AB 701;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on AB 701, then staff will place the item on a future City Council Agenda for concurrence.
July 24, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: AB 701 (Villapudua) Controlled substances: fentanyl.

Version
As amended in the Senate on June 20, 2023.

Summary
Applies the existing weight enhancements that increase the penalty and fine for trafficking substances containing heroin, cocaine base, and cocaine to fentanyl.

Existing Law

- Establishes the California Uniform Controlled Substances Act which regulates controlled substances. (Health & Saf. Code, § 11000 et seq.)
- Classifies controlled substances into five schedules according to their danger and potential for abuse. (Health & Saf. Code, §§ 11054-11058.)
- Classifies fentanyl as a Schedule II controlled substance. (Health & Saf. Code, § 11055, subd.(c)(8).)
- Provides the following penalties:
  - Possessing for sale or purchasing for purposes of sale of heroin, cocaine, and specified opiates, including fentanyl – 1170(h) felony term of 2, 3, or 4 years (Health & Saf. Code, § 11351.)
  - Possessing for sale or purchasing for purposes of sale of cocaine base – 1170(h) felony term of 2, 3, or 4 years (Health & Saf. Code, § 11351.5.)
  - Possessing for sale or purchasing for purposes of sale of cocaine base – 1170(h) felony term of 2, 3, or 4 years (Health & Saf. Code, § 11351.5.)
  - Transporting, importing, selling, furnishing, administering, giving away, etc. of heroin, cocaine, and specified opiates, including fentanyl – 1170(h) felony term of 3, 4, or 5 years (Health & Saf. Code, § 11352.)
    - If transporting between noncontiguous counties – 1170(h) felony term of 3, 6, or 9 years (Id.)
- Provides the following enhancements for a conviction of possession for sale or purchasing for the purpose of sale of heroin, cocaine, or cocaine base, or transporting, importing, selling, furnishing, administering, or giving away heroin, cocaine, or cocaine base, or conspiracy to commit any of those offenses, based on the weight of the substance containing heroin, cocaine, or cocaine base:
  - 1 kilogram- 3 years
  - 4 kilograms - 5 years
  - 10 kilograms - 10 years
- 20 kilograms - 15 years
- 40 kilograms - 20 years
- 80 kilograms - 25 years

- Prohibits the above listed enhancements from being imposed unless the allegation that the weight of the substance containing fentanyl or its analogs exceeds the amount provided above and is charged in the accusatory pleading and admitted or found to be true by the trier of fact. (Health & Saf. Code, § 11370.4, subd. (c).)
- Provides that the court may strike the additional punishment for the enhancement if it determines that there are circumstances in mitigation of the additional punishment and states on the record its reasons for striking the additional punishment. (Health & Saf. Code, § 11370.4, subd. (e).)
- Provides that in addition to the term of imprisonment provided by law for persons convicted of violating specified drug trafficking crimes, the trial court may impose a fine not exceeding $20,000 for each offense. (Health & Saf. Code, § 11372, subd. (a).)
- Provides that a person receiving an additional prison term for trafficking more than a kilogram of a substance containing heroin, cocaine base, or cocaine may, in addition, be fined by an amount not exceeding $1,000,000 for each offense. (Health & Saf. Code, § 11372, subd. (b).)
- Provides that a person receiving an additional prison term for trafficking more than four kilograms of a substance containing heroin, cocaine base, or cocaine may, in addition, be fined by an amount not to exceed $4,000,000 for each offense. (Health & Saf. Code, § 11372, subd. (c).)
- Provides that a person receiving an additional prison term for trafficking more than four kilograms of a substance containing heroin, cocaine base, or cocaine may, in addition, be fined by an amount not to exceed $8,000,000 for each offense. (Health & Saf. Code, § 11372, subd. (d).)

**Background**

**Fentanyl and Fentanyl-Related Substances**

Fentanyl was synthesized in 1959 and has been used medically since the 1960s. The Centers for Disease Control and Prevention (CDC) website provides this description of fentanyl:

Fentanyl, a synthetic and short-acting opioid analgesic, is 50-100 times more potent than morphine and approved for managing acute or chronic pain associated with advanced cancer.... [M]ost cases of fentanyl-related morbidity and mortality have been linked to illicitly manufactured fentanyl and fentanyl analogs, collectively referred to as non-pharmaceutical fentanyl (NPF). NPF is sold via illicit drug markets for its heroin-like effect and often mixed with heroin and/or cocaine as a combination product—with or without the user’s knowledge—to increase its euphoric effects. While NPF-related overdoses can be reversed with naloxone, a higher dose or multiple number of doses per overdose event may be required ...due to the high potency of NPF. (Internal footnotes omitted.)

(http://emergency.cdc.gov/han/han00384.asp [as of Mar. 21, 2023].)

Legitimate fentanyl, also known as pharmaceutical fentanyl, is prescribed by a physician in a variety of forms, including lozenges, nasal sprays, and transdermal patches. While some pharmaceutical fentanyl is diverted, this is typically done on a small scale and often for personal use. Illicitly-produced fentanyl is primarily manufactured in laboratories in China and Mexico, and
then shipped to the U.S. or smuggled across the U.S.-Mexico border. It is distributed in the form of powder or as counterfeit prescription pills.

Many cases that are reported as involving fentanyl involve one of several fentanyl-related substances. Fentanyl-related substances are in the same chemical family as fentanyl and have similar pharmacological effects but have slight variations in their chemical structure. Fentanyl-related substances are often used by drug traffickers in an attempt to circumvent existing laws regulating controlled substances.

Fentanyl in California
The number of deaths involving fentanyl in California has increased dramatically in recent years. Between 2012 and 2018, fentanyl overdose deaths increased by more than 800%—from 82 to 786. (California Department of Public Health (CDPH), Overdose Prevention Initiative https://www.cdph.ca.gov/Programs/CCDPHP/DCDIC/SACB/Pages/PrescriptionDrugOverdoseProgram.aspx?msclkid=99f1af92b9e411ec97e3e1fe58cde884 [as of Jun. 19, 2023].) In 2021, there were 5,961 deaths related to fentanyl overdoses. (CDPH, California Overdose Surveillance Dashboard https://skylab.cdph.ca.gov/ODdash/?tab=Home [as of Jun. 19, 2023]).

Existing Weight Enhancement Covers Many Fentanyl Commerce Crimes
The existing enhancement based on the weight of the drug involved in specified drug commerce crimes includes any substance containing cocaine, cocaine base, or heroin. Illicit drug manufacturers, distributors, and sellers often mix fentanyl or one of its analogs with heroin, because it is much more potent than heroin and relatively easy and cheap to manufacture. Fentanyl is also increasingly being mixed with cocaine. A defendant convicted of a drug offense involving a mixture of heroin and fentanyl or cocaine and fentanyl would be subject to the weight enhancement under current law. This bill would only be necessary where the sole drug manufactured, distributed, or sold in the underlying crime was fentanyl or where fentanyl was mixed with one or more substances that are not covered under existing law. However, as noted below, prosecutors will likely still need to use the analog statute as many cases involve fentanyl-related substances rather than solely fentanyl.

Many Fentanyl Cases Involve a Fentanyl-Related Substance
As noted above, many cases that are reported as involving fentanyl actually involve one of numerous fentanyl-related substances. Fentanyl is a Schedule II controlled substance in California. As reflected in federal law, but not specifically stated in California law, Schedule I controlled substances are deemed to have no medical utility and possess a high potential for abuse. Schedule II controlled substances have legitimate medical uses, but also a high potential for abuse. When a defendant's crime involves a fentanyl-related drug that is not listed in the controlled substance schedules, the prosecutor must prove that the drug is an analog of fentanyl. The analog statute applies to Schedule I and Schedule II controlled substances. (Health & Saf. Code, §§ 11054 and 11055.)

Health and Safety Code section 11401 defines an analog as follows:

1. A substance the chemical structure of which is substantially similar to the chemical structure of a controlled substance classified in Section 11054 or 11055 or a synthetic cannabinoid compound defined in Section 11357.5.

2. A substance that has, is represented as having, or is intended to have a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to, or greater than, the stimulant, depressant, or hallucinogenic effect on the central nervous system.
nervous system of a controlled substance classified in Section 11054 or 11055 or a synthetic cannabinoid compound defined in Section 11357.5.

Federal Efforts to Address Fentanyl-Related Crimes
Drug offenses involving fentanyl may also be prosecuted by federal prosecutors as violations of the federal Controlled Substances Act. In response to the challenges federal prosecutors faced when prosecuting crimes involving fentanyl-related substances, the DEA issued a temporary scheduling order in February 2018 to schedule fentanyl-related substances that are not currently listed in any schedule of the federal Controlled Substances Act and their isomers, esters, ethers, salts and salts of isomers, esters, and ethers in Schedule I. (83 Fed. Reg. 5188 (Feb. 6, 2018).) The temporary scheduling order has been extended several times and is currently set to expire on December 31, 2024. (Congressional Research Service, The Controlled Substances Act (CSA): A Legal Overview for the 118th Congress (Jan. 19, 2023) p. 26 available at https://sgp.fas.org/crs/misc/R45948.pdf.) In 2019, the DOJ and DEA urged Congress to statutorily and permanently schedule the class of fentanyl-related substances. The Biden Administration is supportive of this call to action.

In order to stop the flow of fentanyl into the U.S. via packages, former President Trump signed the Synthetics Trafficking and Overdose Prevention (STOP) Act of 2018 which requires the U.S. Postal Service to provide advanced electronic data on packages in order to assist law enforcement in identifying and seizing illicit substances sent through the mail.

International Efforts to Address the Fentanyl Crisis
Although fentanyl and many fentanyl-related substances are internationally controlled, several unregulated fentanyl analogues have entered the illicit opioid market in recent years. In 2017, U.N. member states agreed to place two common chemicals used to produce fentanyl under international control. As of December 2022, the U.N. had scheduled fentanyl and more than 30 fentanyl-related substances. China scheduled fentanyl-related substances as a class in May 2019, but remains a major source country for precursor chemicals.

Status of Legislation
This bill has been set for hearing in the Senate Appropriations Committee on August 14, 2023.

Support
Crime Victims United of California
Peace Officers Research Association of California
California Association of Highway Patrolmen
California Contract Cities Association
County of Orange
City of Norwalk
City of Bakersfield
California State Sheriffs’ Association
Ventura County District Attorney’s Office

Opposition
California Public Defenders Association
Friends Committee on Legislation of California
Ella Baker Center for Human Rights
Drug Policy Alliance
ACLU California Action
Item B-11
Senate Bill 19 (Seyarto) - Anti-Fentanyl Abuse Task Force (SB 19) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language. This item is a request by the League of California Cities for the City to consider taking a position on SB 19. This measure would establish the Anti-Fentanyl Abuse Task Force to undertake various duties relating to fentanyl abuse, including, among others, collecting and organizing data on the nature and extent of fentanyl abuse in California and evaluating approaches to increase public awareness of fentanyl abuse.

The City’s state lobbyist, Shaw Yoder Antwih Schmelzer and Lange, provided a summary memo for SB 19 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of SB 19, the Liaisons may recommend the following actions:

1) Support SB 19;
2) Support if amended SB 19;
3) Oppose SB 19;
4) Oppose unless amended SB 19;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on SB 19, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
July 28, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: SB 19 (Seyarto): Anti-Fentanyl Abuse Task Force

Version
As amended in the Assembly as of June 22, 2023.

Summary
Creates the Anti-Fentanyl Abuse Task Force to evaluate the nature and extent fentanyl abuse in California and to develop policy recommendations for addressing it. Specifically, this bill:

1. Establishes the Anti-Fentanyl Abuse Task Force, upon appropriation by the Legislature, to:
   a. Collect and organize data on the nature and extent of fentanyl abuse in California;
   b. Examine collaborative models between government and nongovernmental organizations for protecting persons who misuse fentanyl or other illicit substances that may contain fentanyl.
   c. Develop policy recommendations for the implementation of evidence-based practices to reduce fentanyl overdoses, including, without limitation, overdose prevention centers, fentanyl testing strip distribution, and access to overdose reversal treatments.
   d. Measure and evaluate the progress of the state in preventing fentanyl abuse and fatal fentanyl overdoses, protecting and providing assistance to persons who misuse fentanyl or other illicit substances that may contain fentanyl, and prosecuting persons engaged in the illegal manufacture, sale, and trafficking of fentanyl;
   e. Evaluate approaches to increase public awareness of fentanyl abuse;
   f. Analyze existing statutes for their adequacy in addressing fentanyl abuse and, if the analysis determines that those statutes are inadequate, recommend revisions to those statutes or the enactment of new statutes that specifically define and address fentanyl abuse; and,
   g. Consult with governmental and nongovernmental organizations in developing recommendations to strengthen state and local efforts to prevent fentanyl abuse and fatal fentanyl overdoses, protect and assist persons who misuse fentanyl or other illicit substances that may contain fentanyl, and prosecute individuals engaged in the illegal manufacture, sale, and trafficking of fentanyl.

2. Requires the Attorney General or their designee to chair the task force, and requires the Department of Justice (DOJ) to provide staff and support for the task force, to the extent that resources are available.

3. Provides that members of the task force serve at the pleasure of the respective appointing authority, and that reimbursement of necessary expenses may be provided at the discretion of the respective appointing authority or agency participating in the task force.
4. Provides that the task force shall be comprised of the following representatives or their designees:
   a. The Attorney General;
   b. The Chairperson of the Judicial Council of California;
   c. The Director of the State Department of Public Health;
   d. The Director of the State Department of Health Care Services;
   e. One member of the Senate, appointed by the Senate Rules Committee;
   f. One member of the Assembly, appointed by the Speaker of the Assembly;
   g. One representative from the California District Attorneys Association;
   h. One representative from the California Public Defenders Association;
   i. One representative from the California Hospital Association;
   j. One representative from the California Society of Addiction of Medicine;
   k. One representative from the County Health Executives Association of California;
   l. Three representatives of local law enforcement, one selected by the California State Sheriff’s Association and one selected by the California Police Chiefs’ Association, one selected by the California Highway Patrol;
   m. One representative from a community organizations representing persons with opioid use disorder, appointed by the Governor;
   n. One university researcher and one mental health professional, appointed by the Governor;
   o. A representative of a local educational agency, appointed by the Superintendent of Public Instruction;
   p. The Speaker of the Assembly shall appoint one representative from an organization that provides services to homeless individuals and one representative from an organization that services persons who misuse fentanyl or other illicit substances that may contain fentanyl in southern California;
   q. The Senate Rules Committee shall appoint one representative from an organization that provides services to homeless individuals and one representative from an organization that services persons who misuse fentanyl or other illicit substances that may contain fentanyl in northern California; and
   r. The Governor shall appoint one person in recovery from fentanyl or opioid abuse, and one person who has lost a family member to a fatal fentanyl overdose.

5. Requires members of the task force, whenever possible, to have experience providing services to persons who misuse fentanyl or other illicit substances that may contain fentanyl, or to have knowledge of fentanyl abuse issues.

6. Provides that the task force must meet once every two months.

7. Provides that subcommittees may be formed and meet as necessary.

8. Requires all meetings to be open to the public.

9. Provides that the first meeting of the task force shall be held no later than March 1, 2024.

10. Requires the task force, on or before July 1, 2025, to report its findings and recommendations to the Governor, the Attorney General, and the Legislature.

11. Provides that, at the request of any member, the report may include minority findings and recommendations.

12. Defines “fentanyl abuse” as “the use of fentanyl or produces containing fentanyl in a manner or with a frequency that negatively impacts one or more areas of physical, mental, or emotional health.”

13. Provides a sunset date of January 1, 2026.

**Existing Law**
1. Lists controlled substances in five “schedules” - intended to list drugs in decreasing order of harm and increasing medical utility or safety - and provides penalties for possession of and commerce in controlled substances. Schedule I includes the most serious and heavily controlled substances, with Schedule V being the least serious and most lightly controlled substances.

2. Lists fentanyl on Schedule II.

3. Provides that a person who possesses any controlled substance, as specified, unless upon a valid prescription, shall be punished by imprisonment in a county jail for not more than one year, unless that person has had one or more prior convictions, as specified.

4. States that in addition to the term of imprisonment provided by law for persons convicted of violating specified drug offenses, including possession, the trial court may impose a fine not exceeding $20,000 for each offense.

5. Commits the state to reinvesting criminal justice resources to support community corrections programs and evidence-based practices that will achieve improved public safety returns on the state’s substantial investment in its criminal justice system.

**Background**

The Drug Enforcement Agency classifies Fentanyl as a Schedule II drug. Schedule II drugs are considered highly addictive and therefore highly regulated. Drugs on this list are for medical use and require a medical prescription.

According to the Centers for Disease Control (CDC), “Pharmaceutical fentanyl is a synthetic opioid, approved for treating severe pain, typically advanced cancer pain. It is 50 to 100 times more potent than morphine. It is prescribed in the form of transdermal patches or lozenges and can be diverted for misuse and abuse in the United States. However, most recent cases of fentanyl-related harm, overdose, and death in the U.S. are linked to illegally made fentanyl. It is sold through illegal drug markets for its heroin-like effect. It is often mixed with heroin and/or cocaine as a combination product—with or without the user’s knowledge—to increase its euphoric effects.”

In California, the number of overdoses relating to fentanyl are growing at an unprecedented rate. The California Department of Public Health (CDPH) states that, “The opioid epidemic is dynamic, complex, and rapidly changing. Between 2012 and 2018, fentanyl overdose deaths increased by more than 800%—from 82 to 786.”

**Status of Legislation**

This bill is currently pending in the Assembly Committee on Appropriations.

**Support**

Arcadia Police Officers’ Association
Burbank Police Officers’ Association
California Academy of Family Physicians
California Coalition of School Safety Professionals
California District Attorneys Association
California Hospital Association
California Society of Health System Pharmacists
California State Sheriffs’ Association
City of Alameda
City of Carlsbad
City of Laguna Niguel
City of Murrieta
City of Norwalk
City of Placentia
City of Riverside
Claremont Police Officers Association
Corona Police Officers Association
County Health Executives Association of California (CHEAC)
Culver City Police Officers’ Association
Fullerton Police Officers’ Association
Inglewood Police Officers Association
League of California Cities
Los Angeles School Police Officers Association
Newport Beach Police Association
Orange County District Attorney
Orange; County of
Palos Verdes Police Officers Association
Peace Officers Research Association of California (PORAC)
Placer County Deputy Sheriffs’ Association
Pomona Police Officers’ Association
Riverside Police Officers Association
Riverside Sheriffs’ Association
Upland Police Officers Association

**Opposition**
Drug Policy Alliance
Item B-12
TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Municipal Affairs Program Manager
DATE: August 7, 2023
SUBJECT: Assembly Bill 1673 (Pacheco) - Outdoor Advertising Act: local governmental entities: relocation
ATTACHMENT: 1. Bill Summary – AB 1673

Assembly Bill 1673 (Pacheco) - Outdoor Advertising Act: local governmental entities: relocation (AB 1673) involves a policy matter that is not specifically addressed within the adopted Legislative Platform language. This item is a request by the City of Manhattan Beach and Mayor Gold for the City to consider taking a position on AB 1673. This bill would clarify that relocation of billboard advertising sign displays will not be unduly restricted and that local governments realize revenue from advertising agreements.

The City’s state lobbyist, Shaw Yoder Antwi Schmelzer and Lange, provided a summary memo for AB 1673 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 1673, the Liaisons may recommend the following actions:
   1) Support AB 1673;
   2) Support if amended AB 1673;
   3) Oppose AB 1673;
   4) Oppose unless amended AB 1673;
   5) Remain neutral; or
   6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on AB 1673, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
July 28, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: AB 1673 (Pacheco) Outdoor Advertising Act: local government entities: relocation

Version
As amended in the Senate as of July 3, 2023.

Summary
This bill, for the purpose of the Outdoor Advertising Act (OAA), clarifies the definition of the terms “relocation,” “relocated display,” and all related variants of the terms.

This bill does the following:
1. Clarifies that nothing prohibits local governments from designating zones where advertising displays may be placed or relocated.
2. Provides that any government entity may enter into a relocation agreement for an advertising display and that the display may be placed in the same location or a different location, including a different city or county.
3. Provides that a relocated or existing advertising display may be converted to a message center pursuant to a relocation agreement between the sign owner, permit owner and a local government entity that does not result in a net increase in advertising displays on a landscaped freeway.
4. Provides that nothing prevents a relocation agreement from being referred to as a “development agreement” by a local governmental entity so long as the applicable requirements of a relocation agreement are satisfied.

Existing Law
1. Provides, under the Outdoor Advertising Act (OAA), for the regulation by Caltrans of an advertising display, as defined, within view of public highways. The OAA regulates the placement of an off-premises advertising display along highways that generally advertises business conducted or services rendered, or goods produced or sold at a location other than the property where the display is located.
2. Prohibits the removal of a lawfully erected advertising display without compensation to the display owner and landowner.
3. Establishes that nothing prohibits a county from designating zones where advertising displays may be placed.
4. Establishes that nothing prohibits a governmental entity from entering into a relocation agreement for an advertising display.
5. Provides that a relocated advertising display may be converted to a message center pursuant to a relocation agreement.
**Background**
In 2018 the Legislature passed legislation (AB 3168, Rubio) to facilitate the relocation of existing signs by providing more flexibility in the Outdoor Advertising Act (OAA). Included in that legislation was the ability to convert existing static signs to electronic displays. According to the California State Association of Counties, many local governments took advantage of this streamlined process. However, a recent Caltrans opinion has narrowed the flexibility authorized by the 2018 legislation.

**Status of Legislation**
This measure is in concurrence in Senate amendments pending.

**Support**
California State Association of Counties  
California State Outdoor Advertising Association  
League of California Cities

**Opposition**
None listed at this time.
Item B-13
Senate Bill 253 (Wiener) - Climate Corporate Data Accountability Act (SB 253) involves a policy matter that is not specifically addressed within the City’s adopted Legislative Platform language. This item is a request by Councilmember Mirisch for the City to take a position on SB 253. This bill would require any partnership, corporation, limited liability company, or other U.S. business entity with total annual revenues in excess of $1 billion and that does business in California to publicly report their annual greenhouse gas (GHG) emissions, as specified by the California Air Resources Board (ARB).

The City’s state lobbyist, Shaw Yoder Antwi Schmelzer and Lange, provided a summary memo for SB 253 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of SB 253, the Liaisons may recommend the following actions:
1) Support SB 253;
2) Support if amended SB 253;
3) Oppose SB 253;
4) Oppose unless amended SB 253;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on SB 253, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
July 28, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: SB 253 (Wiener): Climate Corporate Data Accountability Act

Version
As amended in the Assembly as of July 12, 2023.

Summary
This bill would require the State Air Resources Board to develop and adopt regulations requiring specified partnerships, corporations, limited liability companies, and other U.S. business entities with total annual revenues in excess of $1 billion and that do business in California, defined as “reporting entities,” to publicly disclose to the emissions reporting organization, as defined, and verify annual greenhouse gas emissions from the specified fiscal year, as provided.

Specifically, this measure does the following:

1. Requires, on or before January 1, 2025, ARB to develop and adopt regulations to require a reporting entity to annually disclose to the emissions reporting organization and verify all of the reporting entity's Scope 1 emissions, Scope 2 emissions, and Scope 3 emissions. Requires ARB to ensure that the regulations require all of the following:
   a. That a reporting entity, starting in 2026 on or by a date to be determined ARB, and annually thereafter on or by that date, publicly disclose to the emissions reporting organization all of the reporting entity's Scope 1 emissions and Scope 2 emissions for the prior fiscal year.
      i. That a reporting entity, starting in 2027 and annually thereafter, publicly disclose its Scope 3 emissions no later than 180 days after its Scope 1 emissions and Scope 2 emissions are publicly disclosed to the emissions reporting organization for the prior fiscal year.
      ii. A reporting entity shall measure and report its emissions of GHGs in conformance with the Greenhouse Gas Protocol standards and guidance, including the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development, including guidance for Scope 3 emissions calculations that detail acceptable use of both primary and secondary data sources, including the use of industry average data, proxy data, and other generic data in its Scope 3 emissions calculations.
iii. During 2029, ARB is required to review, and on or before January 1, 2030, ARB is required to update as necessary, the public disclosure deadlines to evaluate trends in Scope 3 emissions reporting and consider changes to the disclosure deadlines to ensure that Scope 3 emissions data is disclosed to the emissions reporting organization as close in time as practicable to the deadline for reporting entities to disclose Scope 1 emissions and Scope 2 emissions data.

iv. The reporting timelines shall consider industry stakeholder input and shall take into account the timelines by which reporting entities typically receive Scope 1, Scope 2, and Scope 3 emissions data, as well as the capacity for independent verification to be performed by a third-party auditor.

b. That a reporting entity's public disclosure is made in a manner that is easily understandable and accessible to residents, investors, and other stakeholders of the state.

c. That a reporting entity's public disclosure includes the name of the reporting entity and any fictitious names, trade names, assumed names, and logos used by the reporting entity.

d. That the emissions reporting is structured in a way that minimizes duplication of effort and allows a reporting entity to submit to the emissions reporting organization reports prepared to meet other national and international reporting requirements, including any reports required by the federal government, as long as those reports satisfy all of the specified requirements.

e. That a reporting entity's public disclosure is independently verified by a third-party auditor. The reporting entity is required to ensure that a copy of the complete, audited GHG inventory, including the name of the third-party auditor, is provided to the emissions reporting organization as part of or in connection with the reporting entity's public disclosure.

i. Scope 1 emissions and Scope 2 emissions are required to be audited at a limited assurance level beginning in 2026 and at a reasonable assurance level beginning in 2030.

ii. During 2026, ARB is required to review and evaluate trends in third-party verification requirements for Scope 3 emissions. On or before January 1, 2027, ARB is authorized to establish an assurance requirement for third-party audits of Scope 3 emissions. Scope 3 emissions shall be audited at a limited assurance level beginning in 2030.

iii. A third-party auditor is required to be an expert in the emission of GHGs because of significant experience in measuring, analyzing, reporting, or attesting to the emission of GHGs. A third-party auditor is required to have sufficient competence and capabilities necessary to perform engagements in accordance with professional standards and applicable legal and regulatory requirements and to enable the auditor to issue reports that are appropriate under the circumstances and independent with respect to the reporting entity, and any of the reporting entity's affiliates for which it is providing the verification report, during the verification and professional engagement period. During 2029, ARB is required to review, and on or before January 1, 2030, ARB is required to update as necessary, the qualifications for third party auditors to evaluate trends in education relating to the emission of GHGs and consider updating guidance on third-party auditors.
iv. ARB is required to ensure that the verification process minimizes the need for reporting entities to engage multiple auditors and ensures sufficient auditor capacity, as well as timely reporting implementation.

f. That a reporting entity, upon filing its disclosure, is required to pay an annual fee that may not exceed the reasonable regulatory costs of ARB for the administration and implementation of this bill. The annual fee imposed on a reporting entity may not exceed $1,000.

2. Provides that nothing in this bill requires additional reporting of emissions of GHGs beyond the reporting of Scope 1 emissions, Scope 2 emissions, and Scope 3 emissions required pursuant to the Greenhouse Gas Protocol standards and guidance.

3. Requires, on or before July 1, 2027, ARB to contract with the University of California, the California State University, a national laboratory, or another equivalent academic institution to prepare a report on the public disclosures made by reporting entities to the emissions reporting organization and the regulations adopted by ARB. Requires, in preparing the report, consideration to be given to, at a minimum, GHGs from reporting entities in the context of state GHG reduction and climate goals. Requires the entity preparing the report to not require reporting entities to report any information beyond what is required pursuant to this bill or the regulations adopted by ARB.

4. Requires ARB to submit the report to the emissions reporting organization to be made publicly available on the digital platform required to be created by the emissions reporting organization.

5. Requires the emissions reporting organization, on or before the date determined by ARB, to create a digital platform, which shall be accessible to the public that will feature the emissions data of reporting entities in conformance with the regulations adopted by ARB and the report prepared for ARB. Requires the emissions reporting organization to make the reporting entities' disclosures and ARB's report available on the digital platform within 30 days of receipt.

6. Requires the digital platform to be capable of featuring individual reporting entity disclosures, and to allow consumers to view reported data elements aggregated in a variety of ways, including multiyear data, in a manner that is easily understandable and accessible to residents of the state. Requires all data sets and customized views to be available in electronic format for access and use by the public.

7. Provides that ARB’s enforcement of AB 32 compliance does not apply to a violation of this bill.

8. Requires ARB to adopt regulations that authorize it to seek administrative penalties for nonfiling, late filing, or other failure to meet the requirements of this bill. Prohibits the administrative penalties imposed on a reporting entity from exceeding $500,000 in a reporting year. Requires ARB, in imposing penalties for a violation, to consider all relevant circumstances, including both of the following:
   a. The violator’s past and present compliance; and,
   b. Whether the violator took good faith measures to comply and when those measures were taken.

9. Provides that a reporting entity shall not be subject to an administrative penalty for any misstatements with regard to Scope 3 emissions disclosures made with a reasonable basis and disclosed in good faith.

10. Provides that this bill applies to the University of California only to the extent that the Regents of the University of California, by resolution, make any of these provisions applicable to the university.

Existing Law
1. Requires, under AB 32, the monitoring and annual reporting of GHG emissions from specified sources that contribute the most to statewide emissions. (Health and Safety Code (HSC) § 38530)

2. Requires the CARB to make available, and update annually, the emissions of GHGs, criteria pollutants, and toxic air contaminants from each facility that reports to the statute pursuant to AB 32. (HSC § 38531)

3. Defines “doing business” in California as engaging in any transaction for the purpose of financial gain within California, being organized or commercially domiciled in California, or having California sales, property or payroll exceed specified amounts: as of 2020 being $610,395, $61,040, and $61,040, respectively. (Revenue and Tax Code (RTC) § 23101)

**Background**

**Reporting GHG emissions.**
Under AB 32, the Mandatory Reporting of Greenhouse Gas Emissions regulation (MRR) requires hundreds of businesses, including electricity generators, industrial facilities, fuel suppliers, and electricity importers, to report GHGs to ARB. A summary of reported GHG emissions data reported under MRR is made public each year. ARB implements and oversees a third-party verification program to support mandatory GHG reporting. All GHG reports subject to the Cap-and-Trade Program must be independently verified by ARB-accredited verification bodies and verifiers.

On a global scale, the “Scope” framework was introduced in 2001 by the WRI and World Business Council for Sustainable Development as part of their Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The goal was to create a universal method for companies to measure and report the emissions associated with their business. The three Scopes allow companies to differentiate between the emissions they emit directly into the air, which they have the most control over, and the emissions they contribute to indirectly.

Scope 1 covers all direct GHGs that stem from sources that a reporting entity owns or directly controls, regardless of location, including, but not limited to, fuel combustion activities.

Scope 2 covers indirect GHGs from consumed electricity, steam, heating, or cooling purchased or acquired by a reporting entity, regardless of location.

Scope 3 includes all other indirect emissions that occur in a company’s value chain, such as purchased goods and services, business travel, employee commuting, waste disposal, use of sold products, transportation and distribution (up- and downstream), investments, and leased assets and franchises.

Scope 1 and 2 emissions alone have shortcomings. First, Scope 1 and 2 emission sums can be manipulated. For example, a company that was once vertically integrated can procure materials from outside suppliers. Thus, the emissions produced during the making of an input material could be moved off the company’s balance sheets and excluded from measurement. This would hide the true amount of carbon emitted throughout the organization’s value chain and thwart the asset owner’s efforts to estimate climate risk. In addition, Scope 1 and 2 emissions are under-inclusive. These deficiencies can be addressed through the inclusion of Scope 3 emissions.

Recent research from CDP (formerly the Carbon Disclosure Project) found that Scope 3 supply chain emissions are on average 11.4 times greater than operational (Scope 1 and 2) emissions, which is more than double the previous estimate.
**Status of Legislation**
This bill is currently pending the Assembly Committee on Appropriations.

**Support**
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Sunrise Movement San Diego
Sustainable Rossmoor
Techequity Collaborative
The Climate Center
The Nature Conservancy

This! Is What We Did
Transformative Wealth Management LLC
University Professional and Technical Employees
Voices for Progress

Opposition
Advanced Medical Technology Association
African American Farmers of California
Agricultural Council of California
Agricultural Energy Consumer Association
American Bakers Association
American Beverage Association
American Chemistry Council
American Composites Manufacturers Association
American Council of Life Insurers
American Pistachio Growers
American Property Casualty Insurance Association
Antelope Valley Chambers of Commerce
Association of California Life and Health Insurance Companies
Bank Policy Institute
Building Owners and Managers Association of California
Cal Asian Chamber of Commerce
CalCIMA
California Apartment Association
California Apple Commission
California Bankers Association
California Blueberry Association
California Blueberry Commission
California Building Industry Association
California Business Properties Association
California Business Roundtable
California Cattlemen’s Association
California Cement Manufacturers Environmental Coalition
California Chamber of Commerce
California Construction & Industrial Materials Association
California Cotton Ginners & Growers Association
California Credit Union League
California Date Commission
California Food Producers
California Forestry Association
California Fresh Fruit Association
California Fuels and Convenience Alliance

California Hispanic Chamber of Commerce
California Hospital Association
California Independent Petroleum Association
California Life Sciences
California Manufactures & Technology Association
California Mortgage Bankers Association
California Poultry Federation
California Railroads
California Restaurant Association
California Retailers Association
California Taxpayers Association
California Trucking Association
California Walnut Commission
California Water Association
Carlsbad Chamber of Commerce
Chemical Industry Council of California
Chino Valley Chamber of Commerce
Citrus Heights Chamber of Commerce
Costa Mesa Chamber of Commerce
Credit Union National Association
Danville Area Chamber of Commerce
Far West Equipment Dealers Association
Financial Services Institute
Greater High Desert Chamber of Commerce
Insured Retirement Institute
LA Canada Flintridge Chamber of Commerce
Long Beach Area Chamber of Commerce
Los Angeles Area Chamber of Commerce
Los Angeles County Business Federation
Naiop California
National Association of Mutual Insurance Companies
Nisei Farmers League
North San Diego Business Chamber
Oceanside Chamber of Commerce
Olive Growers Council of California
Orange County Business Council
Pacific Merchant Shipping Association
Palos Verdes Peninsula Chamber of Commerce

6
PCI West-chapter of The Precast/Prestressed Concrete Institute
Personal Insurance Federation of California
Plumbing Manufacturers International
Rancho Cordova Chamber of Commerce
San Diego Gas and Electric Company
Santa Barbara South Coast Chamber of Commerce
Santee Chamber of Commerce
Securities Industry and Financial Markets Association
Simi Valley Chamber of Commerce
Southern California Gas Company
Specialty Equipment Market Association (SEMA)

Technet
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The Association of General Contractors of America
Torrance Area Chamber of Commerce
Truck and Engine Manufacturers Association
Walnut Creek Chamber of Commerce
West Ventura County Business Alliance
Western Agricultural Processors Association
Western Growers Association
Western Plant Health Association
Western States Petroleum Association
Wine Institute
Item B-14
Senate Bill 331 (Rubio) - Child custody: child abuse and safety (SB 331) involves a policy matter that is not specifically addressed within the City’s adopted Legislative Platform language. This bill would prohibit a court from ordering certain methods of outpatient counseling in child custody and visitation proceedings; modifies and expands judicial training programs on child abuse and family violence prevention; and clarifies requirements for admitting expert testimony in cases of domestic violence or child abuse. This bill is known as Piqui’s law. In June, the Mayor and City Council received emails requesting the City support this bill; therefore, this item is being presented to the Legislative / Lobby Liaison Committee for direction.

The City’s state lobbyist, Shaw Yoder Antwh Schmelzer and Lange, provided a summary memo for SB 331 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of SB 331, the Liaisons may recommend the following actions:
   1) Support SB 331;
   2) Support if amended SB 331;
   3) Oppose SB 331;
   4) Oppose unless amended SB 331;
   5) Remain neutral; or
   6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on SB 331, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
July 28, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange


Version
As amended in the Assembly as of July 12, 2023.

Summary
This bill, Piqui’s Law, the Children Safe from Family Violence Act, prohibits a court from ordering certain methods of outpatient counseling in child custody and visitation proceedings; modifies and expands judicial training programs on child abuse and family violence prevention; and clarifies requirements for admitting expert testimony in cases of domestic violence or child abuse.

Specifically, this bill:
1. Provides that a witness is qualified to testify as an expert in a child custody proceeding in which a parent has allegedly committed domestic violence or child abuse, including child sexual abuse, if the court finds that the witness possesses special knowledge, demonstrated expertise, or experience in working directly with victims of domestic violence or child abuse, including child sexual abuse.
2. Requires a judicial officer assigned to family law matters involving child custody proceedings to report to the court the number of hours spent in a program of continuing instruction in domestic violence, as prescribed. Requires each individual court to submit the hours of completed training to the Judicial Council, and it requires the Judicial Council to report to the Legislature and the relevant policy committees on or before January 1, 2025, and each January thereafter, as specified.
3. Prohibits a court from ordering counseling, programs, or services to remediate the resistance of a child to connect with the parent seeking custody or visitation, or to improve a deficient relationship with the parent seeking custody or visitation, if the counseling occurs under any of the following circumstances:
   a. In a nonclinical setting or out-of-state facility. A nonclinical setting includes, but is not limited to, a parent's residence, a camp, an overnight hotel or motel, or a vacation home.
   b. For any period that exceeds the generally accepted, age-appropriate length of time, according to professional consensus.
   c. The child is transported to the premises where the counseling occurs against their will or by force, threat of force, or physical abduction.
   d. The child is not given a reasonable opportunity to communicate with the other parent or a relative, as defined, except during a scheduled counseling session.
e. The counseling involves the use of threat, coercion, verbal abuse, intimidation, isolation from sources of support, or other acutely distressing circumstances to compel a child to participate against their will.

4. Provides that if a court orders counseling to remediate the resistance of a child to connect with a parent seeking custody or visitation, or to improve a deficient relationship with the parent seeking custody or visitation, the counseling shall comply with all of the following:
   a. The counseling will primarily address the behavior of the parent seeking custody or visitation and that parent’s contribution to the resistance of the child, before ordering the other parent to take steps to potentially improve the child’s relationship with the parent seeking custody or visitation. Specifies that this provision does not apply if the child’s resistance is the result of separation due to military service, illness, or other circumstances beyond the parent’s control.
   b. The counseling does not include any of the circumstances described in 3) above.
   c. The counseling provider has been informed of the prohibitions set forth in 3) above.
   d. The provider is a licensed behavioral health care professional in good standing with the licensing board, and there is a generally accepted professional consensus on the safety, effectiveness, and therapeutic value of the counseling.

5. Specifies that an existing judicial training and education program for judicial officers and other family court personnel shall be ongoing and designed to improve the ability of courts to recognize and respond to child physical abuse, child sexual abuse, domestic violence, and trauma in family victims, particularly children, and to make appropriate custody decisions that prioritize child safety and well-being and that are culturally sensitive and appropriate for diverse communities.

6. Requires the training program described in 5) above to include a domestic violence session in any orientation session conducted for newly appointed or elected judges, an annual training session in domestic violence, and periodic updates in all aspects of domestic violence, including, but not limited to:
   b. Physical abuse.
   c. Emotional abuse.
   d. Coercive control.
   e. Implicit and explicit bias related to parties involved in domestic violence cases.
   f. Trauma.
   g. Long- and short-term impacts of domestic violence and child abuse on children.
   h. The detriment to children of residing with a person who perpetrates domestic violence.
   i. That domestic violence can occur without a party seeking or obtaining a restraining order, without a substantiated child protective services finding, and without other documented evidence of abuse.
   j. Victim and perpetrator behavioral patterns and relationship dynamics within the cycle of violence.

Existing Law

1. Provides that a person is qualified to testify as an expert if they have special knowledge, skill, experience, training, or education sufficient to qualify as an expert on the subject to which his testimony relates. Specifies a witness’ special knowledge, skill, experience, training, or education may be shown by any otherwise admissible evidence, including the witness’s own testimony. Provides that if a party objects, such special knowledge, skill, experience, training, or education must be shown before the witness may testify as an expert.
2. Requires the Judicial Council of California to establish judicial training programs for individuals who perform duties in domestic violence matters, including, but not limited to, judges, referees, commissioners, mediators, and others as deemed appropriate by the Judicial Council. The training programs shall include a domestic violence session in any orientation session conducted for newly appointed or elected judges and an annual training session in domestic violence. The training programs shall include instruction in all aspects of domestic violence, including, but not limited to, the detriment to children of residing with a person who perpetrates domestic violence and that domestic violence can occur without a party seeking or obtaining a restraining order, without a substantiated child protective services finding, and without other documented evidence of abuse.

3. Finds and declares that:
   a. It is the public policy of California to ensure that the health, safety, and welfare of children shall be the court’s primary concern in determining the best interest of children when making any orders regarding the physical or legal custody of, or visitation with, children and that children have the right to be safe and free from abuse, and that the perpetration of child abuse or domestic violence in a household where a child resides is detrimental to the health, safety, and welfare of the child.
   b. It is the public policy of California to ensure that children have frequent and continuing contact with both parents and to encourage parents to share the rights and responsibilities of child rearing in order to affect this policy, except where the contact would not be in the child’s best interests. Provides that where the policies set forth in 3a) and 3b) conflict, any custody or visitation order shall be made in a manner that ensures the health, safety, and welfare of the child and the safety of all family members.

4. Requires the court, in making a best interests determination, to consider all of the following, among other relevant factors:
   a. The health, safety, and welfare of the child.
   b. Any history of abuse or domestic violence by the parent seeking custody of the child against a child, the other parent, or another person, as provided.
   c. The nature and amount of contact with both parents.
   d. The habitual or continual use of drugs or abuse of alcohol.

5. Provides, for purposes of 4) above, that if the court grants custody to a parent when there are allegations of child abuse or domestic violence, or drug or alcohol abuse against that parent, then the court shall state its reasons in writing or on the record.

6. Requires a court to grant reasonable visitation to a parent when it is shown that visitation is in the child’s best interests.

7. Creates a rebuttable presumption against custody of a child to a parent who, the court finds, has perpetrated domestic violence against the other party, the child, the child’s sibling, or certain other individuals, as provided, within the previous five years. Requires the court, in considering whether to overcome the presumption against custody, to consider, among other things, whether giving that parent custody is in the child’s best interests; whether the perpetrator has completed a batterer’s treatment program, substance abuse program or parenting classes; and whether there have been subsequent acts of domestic violence.

8. Authorizes a court to require parents and the minor child to participate in outpatient counseling with a licensed mental health professional, or through other community programs and services that provide appropriate counseling, including, but not limited to, mental health or substance abuse services, for not more than one year, provided that the court finds both of the following:
a. The dispute between the parents, between the parent or parents and the child, between a parent and another party seeking custody or visitation rights with the child, or between a party seeking custody or visitation rights and the child, poses a substantial danger to the best interest of the child.

b. Counselling is in the best interest of the child.

**Background**
According to the author, SB 331, if enacted will be entitled Piqui’s Law, is named for just one of 851 children nationwide who have been murdered by a divorcing or separating parent since 2008, according to statistics collected by the Center for Judicial Excellence. Aramazd Andressian, Jr. – also known as Piqui – was smothered to death by his father in 2017 during a court-approved visitation. Eight days earlier, Piqui’s mother, Ana Estevez, had reportedly sought sole custody of the child, with only supervised visitation rights for the father. Her requests were denied, notwithstanding the child reporting that the father had been physically and emotionally abusive toward him. In March of 2020, a father shot and killed his three daughters and the supervising chaperone during a supervised visitation in a church in Citrus Heights, California. As in Piqui’s case, the mother had warned authorities about the father’s violent tendencies and, indeed, had obtained a temporary restraining order against the father that was in effect at the time of the murder. (Sacramento Bee, March 1, 2020.)

This bill seeks to reduce the kinds of tragedies described above by amending existing law in three areas: (1) judicial training and reporting; (2) expert witnesses; and (3) court-ordered counseling.

**Status of Legislation**
This bill is currently pending in the Assembly Committee on Appropriations.

**Support**
A Woman’s Friend Pregnancy Resource Clinic
Advocates for Child Empowerment and Safety
California Protective Parents Association
City Council of the City of Big Bear Lake
City of Carson
City of El Cajon
City of Inglewood
City of Santa Monica
Community Legal Aid, Southern California
Crime Survivors Resource Center
Custody Peace
Family Court Awareness Month
Family Violence Appellate Project
Incest Survivor’s Speakers Bureau of California
Inner Circle Foster Family Agency/Inner Circle Children’s Advocacy Center
Joyfully Managed Family Consultants
Legal Aid Foundation of Los Angeles
Los Angeles Chapter of Parents of Murdered Children
Los Angeles County Sheriff’s Department
Marjaree Mason Center
Mothers of Lost Children
Movement of Mothers (M.O.M.)
One Mom’s Battle LLC
Public Counsel
Ridgeway Co-parenting Services
Sacramento Regional Family Justice Center Foundation
San Gabriel Valley Council of Governments
Supervised Child Visits
Team Piqui Alliance
University of California, Irvine School of Law Domestic Violence Clinic
US Senator Dianne Feinstein

**Oppose**
Heroes for Children's Rights
National Parents Organization
One Family at a Time
Parental Alienation Support Intervention Group (PASI)
PAS Intervention, Maryland Chapter
The Parental Alienation Legislative Group
Wisconsin for Children and Families
Item B-15
MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee

FROM: Cynthia Owens, Municipal Affairs Program Manager

DATE: August 7, 2023

SUBJECT: A. Assembly Bill 1567 (Garcia) - Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024; and

B. Senate Bill 867 (Allen) - Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024

ATTACHMENTS: 1. Bill Summary – AB 1567

2. Bill Summary – SB 867

Assembly Bill 1567 (Garcia) - Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024 (AB 1567) and Senate Bill 867 (Allen) - Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024 (SB 867) involve a policy matter that are not specifically addressed within the City’s adopted Legislative Platform language.

This item is a request by the League of California Cities for the City to consider taking a position on AB 1567 and SB 867, which are companion bills introduced in their respective houses. These two bills collectively propose $20 billion in bonds for safe drinking water, wildfire prevention, drought preparation, flood protection, and extreme heat mitigation.

The City’s state lobbyist, Shaw Yoder Antwi Schmelzer and Lange, provided a summary memos for AB 1567 and SB 867 to the City (Attachment 1). The state lobbyist will also provide a verbal update to the City Council Liaison/Legislative/Lobby Committee.

After discussion of AB 1567 and SB 867, the Liaisons may recommend the following actions:

1) Support AB 1567 and SB 867;
2) Support if amended AB 1567 and SB 867;
3) Oppose AB 1567 and SB 867;
4) Oppose unless amended AB 1567 and SB 867;
5) Remain neutral; or
6) Provide other direction to City staff.

Should the Liaisons recommend the City take a position on AB 1567 and SB 867, then staff will place the item on a future City Council Agenda for concurrence.
Attachment 1
July 28, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange


Version
As amended in the Senate on May 26, 2023.

Summary
Places a $15.955 billion climate resilience general obligation bond before the voters on the March 5, 2024, Primary Election ballot. Specifically, this would:

1) Authorizes $2.275 billion for the prevention and reduction in the risk of wildfires to lives, properties, and natural resources.

2) Authorizes $1.655 billion for protection of coastal communities, restoration of coastal and ocean resources, mitigation of ocean acidification, and addressing the impacts of climate change along California's coast.

3) Authorizes $5.255 billion for safe drinking water, drought preparation and response, and flood protection.

4) Authorizes $1.5 billion for the protection and restoration of natural lands to maintain biodiversity, preserve fish and wildlife, and allow species migration in response to climate conditions.

5) Authorizes $520 billion for the protection of California's agricultural resources, communities, open spaces, and lands from climate change impacts.

6) Authorizes $1.59 billion for climate resilience and mitigation strategies to address increasing temperatures and extreme heat.

7) Authorizes $1.2 billion to strengthen climate resilience based on regional needs.

8) Authorizes $2 billion in funding for clean energy projects, as follows:
a) $750 million to the California Infrastructure and Economic Development Bank for clean energy transmission projects;

b) $500 million to the California Energy Commission to assist in obtaining, or provide match for, federal grants under the Infrastructure Investment and Jobs Act or Inflation Reduction Act of 2022;

c) $250 million to the California Energy Commission for zero-emission vehicle charging infrastructure in disadvantaged communities; and

d) $500 million to the California Energy Commission for expansion or modernization of the electricity distribution grid.

**Existing Law**

- Requires, except under certain circumstances, a 2/3 vote of the Legislature and a majority vote of the people at an election, before the state may issue a general obligation (GO) bond. (Article XVI of the California Constitution.)
- Prescribes the state’s responsibilities regarding the issuance and sale of GO bonds. (Government Code 16720)
- Provides, pursuant to voter-approved Proposition 68, $4 billion through the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018. (Public Resources Code 80000 et seq).

**Background**

California Fourth Climate Change Assessment found that the costs to adapt to the impacts of climate change will be incredibly high. Specifically, the report found it could soon cost Californians $200 million a year in increased energy bills to keep homes air conditioned; $3 billion from the effects of a long drought on agriculture; and, $18 billion to replace buildings inundated by rising seas. It also underscored the loss of life from heat waves, which could add more than 11,000 heat-related deaths a year by 2050 in California, and carry an estimated $50 billion annual price tag. Investing in GHG emissions reductions and climate resiliency are critical to protecting public health and the environment for current and future Californians.

Making ends meet with bonds. Bonds are a way the state can borrow money to pay various state investments. The state sells bonds to investors to receive “up-front” funding for these projects and then repays the investors, with interest, over a period of time. The state repays GO bonds using the state General Fund. Under the California Constitution, state GO bonds must be approved by voters.

After selling bonds, the state makes annual payments until the bonds are paid off. The annual cost of repaying bonds depends primarily on the interest rate and the time period over which the bonds have to be repaid. The state often makes bond payments over a 30-year period. Over the last five fiscal years, the state has issued an average of $7.3 billion of GO bonds annually. In 2021-22, the state issued $6.6 billion of GO bonds.

State budget deficit. The state is facing a $22.5 billion deficit, and multi-billion dollar deficits over the next several future fiscal years. Governor Newsom’s proposed budget for fiscal year 2023-2024 proposes to cut $6 billion (~27% of the total cuts) from its climate change agenda.

The Legislature is currently considering several environmental bond proposals as potential funding
options to both fill the gaps where budget cuts may be made and augment funding where the authors want to prioritize spending. Those measures include:

- **AB 408 (Wilson)** - $3.365 billion for the Climate-resilient Farms, Sustainable Healthy Food Access, and Farmworker Protection Bond Act of 2024;
- **SB 638 (Eggman)** - $6 billion for the Climate Resiliency and Flood Protection Bond Act of 2024; and,

Since the 2000s, California voters have authorized the state to take on more than $19.6 billion in GO bond debt to fund various water, natural resource, and flood protection programs (out of more than $30 billion of all voter-authorized bonds). Administered by a number of state departments, agencies, boards, and conservancies, bond proceeds are expended on various capital outlay projects, and are also disbursed to federal, state, local, and non-profit entities in the form of grants, contracts, and loans.

According to the state’s Bond Accountability website, roughly $281 million from Proposition 68 (2018), $40 million from Proposition 1 (2014), $3.6 million from Proposition 84 (2006), and $29 million from Proposition 1E (2006) are uncommitted to a specific grantee or project at this time. If voters approved this bill, funding would not likely be appropriated and available until after January 2025. Bond funding is typically appropriated over multiple fiscal years.

The State Treasurer’s office’s (STO) Public Finance Division (PFD) manages the state’s debt portfolio, overseeing the issuance of debt, and monitors and services the state’s outstanding debt. According to PFD, the state has approximately $949 million of variable rate GO bonds outstanding as of the end of 2021-22. Using certain assumptions for debt issuance, the STO estimates debt service payments from the General Fund will increase by $63.7 million in 2022-23 and $618.6 million in 2023-24. The most recent reported ratio of General Fund-supported debt service to General Fund revenues was 3.42% in 2021-22. The STO estimates this ratio will be 3.50% in 2022-23.

**Status of Legislation**

This bill is currently pending in the Senate Committee on Natural Resources and Water.

**Support**

- The Nature Conservancy
- California Urban Forests Council
- Sierra Nevada Alliance
- County of Orange
- California Association of Local Conservation Corps
- American Society for the Prevention of Cruelty to Animals (ASPCA)
- California Municipal Utilities Association
- Self-Help Enterprises
- Midpeninsula Regional Open Space District
- California Parks & Recreation Society

- County of Placer
- East Bay Regional Park District
- County of Riverside
- Eastern Sierra Land Trust
- Feather River Land Trust
- Placer Land Trust
- Riverside
- Coachella Valley Association of Governments
- Save Mount Diablo
- Truckee Donner Land Trust
- Sierra Business Council
- Mojave Water Agency
- Santa Ana Watershed Project Authority
Sierra Foothill Conservancy
Tahoe City Public Utilities District
Wildlands Conservancy
Sonoma County Regional Parks
Bear Yuba Land Trust
Santa Clara Valley Open Space Authority
North Tahoe Public Utility District
Coachella Valley Conservation Commission
Sultana Community Services District
Mammoth Lakes Trails and Public Access Foundation
Sierra County Land Trust
San Bernardino; County Of
California Climate Reality Coalition

Anaheim; City of
IRWM Roundtable of Regions
Jurupa Valley; City of
Kings Basin Water Authority
Nevada; County of
SCDD
Upper Feather River Integrated Regional Water Management Group
Westside Sacramento Integrated Regional Water Management Coordinating Committee

**Opposition**
None listed at this time.
Attachment 2
July 25, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: SB 867 (Allen): Climate Resilience Investment

Version
As amended in the Assembly as of June 22nd, 2023.

Summary
Authorizes a $15.5 billion climate resilience bond to be placed before voters at an unspecified election. Specifically, this bill:

1. Authorizes $5.2 billion, upon appropriation by the Legislature, for drought, flood, and water resilience programs as follows:
   a. $400 million to the State Water Resources Control Board (State Water Board) for projects that improve water quality or help provide clean, safe, and reliable drinking water;
   b. $400 million to the Department of Water Resources (DWR) for groundwater projects that improve water resilience, including recharge, storage, banking, and conjunctive use;
   c. $300 million to Department of Conservation’s (DOC) Multibenefit Land Repurposing Program;
   d. $300 million to the State Water Board for water reuse and recycling grants;
   e. $100 million to DWR for contaminant and salt removal projects;
   f. $300 million to the California Water Commission for projects under the Water Storage Investment Program (established by Proposition 1);
   g. $100 million to DWR for projects that increase water conservation;
   h. $100 million to DWR and the State Water Board for water data management, reactivation of existing stream gages, and deployment of new stream gages;
   i. $150 million to the California Natural Resources Agency (CNRA) and DWR for competitive grants for regional conveyance projects or repairs to existing conveyances;
   j. $100 million to CNRA for implementation of San Joaquin River settlement agreement, as specified;
   k. $1 billion to CNRA and its departments, boards, and conservancies for flood management projects. At least 40% of these funds shall benefit disadvantaged communities (DAC) or vulnerable populations;
   l. $400 million to DWR for competitive grants that enhance dam safety and reservoir operations;
   m. $250 million to the State Water Board for storm water management projects;
   n. $300 million to DWR for integrated regional water management;

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2. Authorizes $3 billion, upon appropriation by the Legislature, for wildfire and forest resilience programs as follows:
   a. $275 million to the Office of Emergency Services (OES) for a prehazard mitigation grant program;
   b. $300 million to DOC for the Regional Forest and Fire Capacity Program;
   c. $500 million for forest collaboratives or regional entities through block grants and direct appropriations by the Legislature;
   d. $300 million to the Department of Forestry and Fire Protection (CalFire) for long-term forest health projects;
   e. $500 million to CalFire for local fire prevention grants;
   f. $25 million to CalFire for the creation of a prescribed fire training center;
   g. $500 million to CNRA for watershed improvement projects in forests and other habitats;
   h. $100 million to improve forest health and fire resilience on state-owned lands;
   i. $75 million to the Sierra Nevada Conservancy for watershed improvement, forest health, biomass utilization, and forest restoration workforce development;
   j. $50 million to the California Tahoe Conservancy for watershed improvement, forest health, biomass utilization, and forest restoration workforce development;
   k. $75 million to the Santa Monica Mountains Conservancy for watershed improvement, forest health, biomass utilization, and forest restoration workforce development;
   l. $75 million to the State Coastal Conservancy for watershed improvement, forest health, biomass utilization, and forest restoration workforce development;
   m. $150 million to the Air Resources Board to incentivize long-term capital infrastructure to convert forest and other vegetative waste removed for wildfire mitigation to other uses that have climate benefits; and
   n. $75 million to CalFire for enhancing fire prevention, fuel management, and fire response.

3. Authorizes $2 billion, upon appropriation by the Legislature, for coastal resilience programs as follows:
   a. $500 million to the State Coastal Conservancy for coastal resilience projects and programs identified by its 2023—2027 Strategic Plan;
   b. $500 million to the State Coastal Conservancy for coastal and combined flood management projects;
   c. $325 million to Ocean Protection Council to increase resilience from the impacts of climate change;
   d. $250 million to implement the Sea Level Rise Mitigation and Adaptation Act of 2021;
   e. $250 million to the Department of Parks and Recreation (State Parks) for implementation of the Sea Level Rise Adaptation Strategy to address impacts of sea level rise in coastal state parks;
   f. $25 million for projects identified by CNRA and the Invasive Species Council of California to protect and restore island ecosystems;
   g. $25 million to the Department of Fish and Wildlife (DFW) for the advancement of climate-ready fisheries management;
   h. $25 million to DFW for the restoration and management of kelp ecosystems; and
i. $100 million to the State Coastal Conservancy to remove or upgrade outdated or obsolete dams and water infrastructure.

4. Authorizes $500 million, upon appropriation by the Legislature, for extreme heat mitigation programs as follows:
   a. $100 million to the Office of Planning and Research's (OPR) Extreme Heat and Community Resilience Program for projects that reduce urban heat island effect and other extreme heat impacts;
   b. $150 million to CNRA for implementation of the extreme heat action plan to mitigate impacts of extreme heat;
   c. $50 million to OPR for regional climate resilience planning and demonstration projects;
   d. $50 million to the Strategic Growth Council for its Community Resilience Centers Program to construct or retrofit facilities to serve as community resilience centers;
   e. $100 million to CNRA for competitive grants for urban greening; and
   f. $50 million to CalFire for urban forestry.

5. Authorizes $2 billion, upon appropriation by the Legislature, for biodiversity protection and nature-based climate solution programs as follows:
   a. $1 billion to WCB for the protection and enhancement of fish and wildlife habitat and achievement of the state's biodiversity and conservation goals;
   b. $500 million to state conservancies to reduce the risks of climate change impacts upon communities, fish and wildlife, and natural resources in accordance with the following:
      i. $50 million to the Baldwin Hills Conservancy;
      ii. $25 million to the Coachella Valley Mountains Conservancy
      iii. $50 million to the Sacramento-San Joaquin Delta Conservancy;
      iv. $75 million to the San Diego River Conservancy;
      v. $75 million to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy;
      vi. $25 million to the San Joaquin River Conservancy;
      vii. $75 million to the Santa Monica Mountains Conservancy; and
      viii. $75 million to the Sierra Nevada Conservancy.
   c. $200 million to CNRA and its departments, boards, and conservancies to protect and restore biodiversity, expand access to nature, and mitigate climate change using nature-based solutions;
   d. $200 million to CNRA and its departments, boards, and conservancies for projects to improve habitat connectivity;
   e. $50 million to DFW for nature-based solutions to improve resilience of fish and wildlife; and
   f. $50 million to DFW for accredited California zoos and aquariums to advance biodiversity conservation and recovery of California's endangered and declining species.

6. Authorizes $300 million, upon appropriation by the Legislature, for climate smart agriculture programs as follows:
   a. $50 million to the Department of Food and Agriculture (CDFA) for the healthy soils program;
   b. $25 million to CDFA for the State Water Efficiency and Enhancement Program;
   c. $25 million to CDFA for the pollinator habitat program;
   d. $50 million to CDFA for the Environmental Farming Incentive Program;
   e. $25 million for invasive species projects recommended by the Invasive Species Council of California; and
   f. $125 million to DOC for the protection and restoration of farmland and rangeland.
7. Authorizes **$500 million, upon appropriation by the Legislature, for park creation and outdoor access programs** as follows:
   a. $400 million to CNRA and its departments, boards, and conservancies for the reduction of climate impacts on DACs and vulnerable populations and the creation, protection, and expansion of outdoor recreation opportunities; and
   b. $100 million to State Parks for the protection, enhancement, and restoration of natural resource values in the state park system and to expand public access for DACs.

8. Authorizes **$2 billion, upon appropriation by the Legislature, for clean energy programs** as follows:
   a. $500 million to support the planning and development of high-voltage electrical transmission lines to meet the state’s clean energy goals;
   b. $500 million to the State Energy Resources Conservation and Development Commission (Energy Commission) to assist in obtaining federal funds related to regional hubs in the Infrastructure Investment and Jobs Act and the Inflation Reduction Act of 2022;
   c. $500 million to the Energy Commission for zero-emission vehicle charging infrastructure; and
   d. $500 million to the Energy Commission for grants to support the Long-Duration Energy Storage Program.

9. Defines various terms for the purposes of this bill, including:
   a. DAC as a community with a median household income of less than 80% of the area average;
   b. “Severely disadvantaged community” (SDAC) as a community with a median household income of less than 60% of the area average; and
   c. “Vulnerable population” as a subgroup within a region or community that faces a disproportionately heightened risk or increased sensitivity to impacts of climate change and that lacks resources to cope with those impacts.

10. Provides that bonds authorized pursuant to the Act shall be prepared, executed, issued, sold, paid, and redeemed consistent with the General Obligation Bond Law except provisions that require bond funds to only be used to fund or provide grants or loans for capital outlay projects.

11. Double-joins this bill to SB 638 (Eggman) so that it only takes effect if SB 638 does as well.

**Existing Law**

1. Provides that the Legislature cannot authorize the sale of general obligation bonds in excess of $300,000 without a two-third’s vote of the Legislature and the approval of a majority of the voters at primary or general election.

2. Specifies the procedure to authorize, issue, prepare, and sell general obligation bonds and places limits on the use of bond funds under the General Obligation Bond Law.

3. Defines DAC as a community with an annual median household income that is less than 80% of the statewide annual median average.

**Background**

California is increasingly experiencing the impacts of climate change. These impacts include sea level rise, increased severity and frequency of wildfires, changes in precipitation that increase the risk of both drought and flooding, and increases in temperatures that can affect air quality, public health, and habitat. California’s experience with its wildfire season over the past decade is one jarring example of this phenomenon. The 2020 wildfire season was the largest on record with nearly 10,000 fires that burned more than 4.2 million acres or over 4% of California’s land mass. This is after California had recently broken wildfire records in 2018 with 1.8 million acres burned and in 2017 with 1.3 million acres burned.
Likewise, California experienced its worst drought on record from 2012 through 2016 and just ended a three-year drought (2020–22) this winter that was nearly as severe as the previous drought. Research published in 2020 suggests that both of these droughts are part of a larger “megadrought” that began in 2000 and that is the second worst that the Southwestern United States has experienced in the last 1200 years. This research estimates that 46% of this megadrought’s severity is due to climate change, making what would have been a moderate drought a severe one.

**Fourth Climate Change Assessment (Assessment).** Led by state agencies and completed in 2018, the Assessment includes over 44 peer-reviewed technical reports that examine specific aspects of climate change in California. Among the Assessment’s findings is that California is one of the most “climate-challenged” regions of North America and must actively plan and implement strategies to prepare for and adapt to extreme events and shifts from previously “normal” averages. The report stated that climate change impacts are here, including the following impacts:

1. temperatures are warming, heat waves are more frequent, and precipitation has become increasingly variable;
2. glaciers in the Sierra Nevada have lost an average of 70% of their area since the start of the 20th century; and
3. the sea level along the central and southern California coast has risen more than 5.9 inches over the 20th century.

The Assessment projects that climate change impacts could result in direct economic costs exceeding $100 billion annually by 2050. Human mortality due to high temperatures is the single largest projected cost at approximately $50 billion annually. A “megaflood” in the Central Valley would not be an annual cost, but climate change will increase the likelihood of such an event and it could cost up to $750 billion in damages. Similarly, sea level rise could lead to as much as $18 billion in damages. The increased likelihood and severity of a 100-year storm hitting the coast combined with sea level rise could result in costs of $30 billion.

**Status of Legislation**
This bill is currently pending in the Assembly Committee on Natural Resources.

**Support**
California Institute for Biodiversity  
California Invasive Plant Council  
California Trout  
City of Agoura Hills  
Outward Bound Adventures  
Pacific Forest Trust  
The Conservation Fund  
The Nature Conservancy  
The Wildlands Conservancy  
Trout Unlimited  
Westchester/Playa Democratic Club

**Opposition**
None on file
Item B-16
MEMORANDUM

TO: City Council Liaison/Legislative/Lobby Committee
FROM: Cynthia Owens, Municipal Affairs Program Manager
DATE: August 7, 2023
SUBJECT: Legislative Updates
ATTACHMENTS: None

Verbal updates on legislative issues will be presented by the City’s lobbyists.
Item B-17
The Legislative/Lobby Liaison Committee may request items related to the purview of the Committee be placed on the next agenda.
Item C-1
Assembly Bill 1573 (Friedman) - Water conservation: landscape design: model ordinance (AB 1573) would require the replacement of non-functional turf with water-conserving California native plants for new or renovated commercial and public landscaping projects. AB 1572 prohibits the use of potable water to irrigate any turf that isn’t used for recreation or community space.

The City’s state lobbyist, Shaw Yoder Antwi Schmelzer and Lange, provided a summary memo for AB 1573 to the City (Attachment 1).

This item is for information only for the Legislative / Lobby Committee. Staff is not seeking direction on this bill.
Attachment 1
August 2, 2023

To: Cindy Owens, City of Beverly Hills

From: Andrew K. Antwih, Partner, Shaw Yoder Antwih Schmelzer & Lange
       Priscilla Quiroz, Legislative Advocate, Shaw Yoder Antwih Schmelzer & Lange

Re: AB 1573 (Friedman) Water conservation: landscape design: model ordinance.

Version
As amended in the Senate as of July 10, 2023.

Summary
This bill seeks to encourage ecological conservation and climate resilience by updating a model ordinance to mandate the selection of plants in landscape design based on their adaptability to the project site’s conditions. Exemptions are provided for specific projects, such as ecological restoration and mined-land reclamation.

The bill also:
• Aims to ban nonfunctional turf in nonresidential landscape projects by January 1, 2026, and requires that new or renovated nonresidential areas install plants meeting certain criteria.
• Calls for a diverse working group to create a strategic plan aiming to ensure that by 2035, at least 75% of plants in new and renovated nonresidential areas are native.

Existing Law
• Enacts the Water Conservation in Landscaping Act to promote the conservation and efficient use of water in landscape design, installation, maintenance, and management (Government Code (Gov.) §§ 65591 et. seq.).
• Prohibits MWELO from prohibiting or requiring specific plant species, but authorizes including conditions for plant species or encouraging water conserving plants (Gov. § 65596(a)).
• Requires DWR to update MWELO by January 1, 2009, and to base the update on recommendations in the AB 2717 report (Gov. § 65595(a)).
• Requires local agencies to either adopt the updated MWELO or a water efficient landscape ordinance that is at least as effective in conserving water as the updated MWELO by January 1, 2010, and provides that the updated MWELO applies within the jurisdiction if the local agency does not meet this deadline (Gov. § 65595(c), (d)).
• Prescribes the contents of MWELO including provisions for water conservation and the appropriate use and grouping of plants for different climates, a landscape water budget, encouraging stormwater capture, promoting use of recycled water, and including landscape maintenance practices that foster long-term landscape water conservation, amongst others (Gov. § 65596).
• Requires that MWELO shall not prohibit or require specific plant species, but does authorize MWELO to include conditions for the use of plant species to encourage water conserving plants (Gov. § 65596(a)).
• Requires DWR to update MWELO by January 1, 2020, and at least every three years thereafter unless DWR finds that an update would not be a useful or effective means to improve either the efficiency of landscape water use or the administration of MWELO (Gov. § 65596.5).

Background
The Water Conservation in Landscaping Act, enacted by AB 325 (Chapter 1145, Statutes of 1990), requires the Department of Water Resources (DWR) to develop a Model Water Efficient Landscape Ordinance (MWELO). This model ordinance was adopted and went into effect January 1, 1993, and all local agencies were required to adopt a water efficient landscape ordinance, unless proven unnecessary, by 1993. Subsequently, AB 2717 (Chapter 682, Statutes of 2004) requested the California Urban Water Conservation Council (CUWCC) convene a task force to evaluate and recommend improving the efficiency of water use in urban irrigated landscapes. This resulted in what is known as the “AB 2717 report” and included 43 recommendations, some of which included updates to MWELO. In 2006, AB 1881 (Chapter 559, Statutes of 2006) required DWR to update MWELO reflecting the recommendations of the AB 2717 report and public input. The updated MWELO went into effect January 1, 2010.

On April 1, 2015, the Governor issued an executive order regarding the ongoing drought. Among its provisions was direction to DWR to update MWELO through expedited regulation. This update was to increase water efficiency standards for new and existing landscapes through more efficient irrigation systems, greywater usage, onsite stormwater capture, and by limiting the portion of landscapes that can be covered in turf. It also required reporting on the implementation and enforcement of local ordinances, with required reports due by December 31, 2015.

On July 15, 2015, the California Water Commission approved DWR’s revision to MWELO. Local agencies must report to DWR on implementation of MWELO, or a local Water Efficient Landscape Ordinance that is at least as effective as MWELO, by January 31st each year.

According to the Department of Water Resources (DWR), “about half of urban water produced in California is used for landscape irrigation. Large water savings can be gained by efficient landscape design, installation, management, and maintenance. This is accomplished by choosing climate adaptive plants, improving soil conditions, using and maintaining high efficiency irrigation equipment, and managing the irrigation schedule to fit the plants’ water needs as they are influenced by local climate. ... The purpose of water efficient landscape ordinances is to not only increase water efficiency but to improve environmental conditions in the built environment. Landscaping should be valued beyond the esthetic because landscapes replace habitat lost to development and provide many other related benefits such as improvements to public health, quality of life, climate change mitigation, energy and materials conservation, and increased property values.”

The Untapped Potential of California’s Urban Water Supply: Water Efficiency, Water Reuse, and Stormwater Capture, published by the Pacific Institute in April 2022, assessed and quantified various water strategies in urbanized parts of California to reduce inefficient and wasteful water uses and expand local water supplies. The assessment found that “urban water-use efficiency improvements could reduce statewide urban water use by 2.0 million to 3.1 million acre-feet per year (AFY).” The assessment estimated that “44% of all urban water used in California, or 2.8 million AF, is used outdoors for landscape irrigation, washing cars or sidewalks, and for filling pools and spas. Moderate landscape conversions from turf to less water-intensive alternatives could save 1.0 million AF, while more extensive landscape conversion could save 1.5 million AFY. The largest outdoor savings potential is at residences (0.64 million to 1.1 million AFY), while outdoor savings
from [commercial, industrial, and institutional] landscapes range from 0.34 million to 0.4 million AFY."

**Status of Legislation**
This bill is currently pending in the Senate Committee on Appropriations.

**Support**
Audubon California
Clean Water Action
Defenders of Wildlife
Planning and Conservation League
Sierra Club California
Social Compassion in Legislation
Save the Bay
The River Project
Friends of the River
Sierra Nevada Alliance
Environmental Working Group
Endangered Habitats League
Center for Biological Diversity
California Native Plant Society
6 individuals
Golden Gate Audubon Society
Friends of the Santa Clara River
Morongo Basin Conservation Association
Center for Community Action and Environmental Justice
California Urban Streams Partnership
SoCal 350 Climate Action
California Institute for Biodiversity
Dry Creek Conservancy
Ecological Concerns, Inc.
Putah Creek Council
Indivisible Marin
Non Toxic Communities
Active San Gabriel Valley
Theodore Payne Foundation For Wild Flowers & Native Plants
Families Advocating for Chemical and Toxics Safety
The Climate Center
Resource Renewal Institute
California Water Research
Climate Reality Project, Los Angeles Chapter
Climate Reality San Fernando Valley, CA Chapter
California Botanic Garden
California Nurses for Environmental Health and Justice
Channel Islands Restoration
Climate Reality Project, California Coalition
Climate Action California
Anna Kondolf Lighting Design
Artemisia Nursery
Bay Urban Habitat
Bringing Back the Natives Garden Tour
California Flora Nursery
Central Coast Wilds
Find Out Farms
Forni Farm and Nursery
Friends of San Leandro Creek
Great Valley Seed Company
Habitat Corridor Project
Monarch Essentials, LLC
Regan Biological & Horticultural Nursery
San Bruno Mountain Watch
Turning Point Foundation Growing Works

**Opposition**
Association of California Water Agencies
Agricultural Council of California
4 Individuals
California Municipal Utilities Association
San Diego County Farm Bureau
Plant California Alliance
Supervisor Vito Chiesa, Stanislaus County, District 2