



September 24, 2024

To: James Corless, Executive Director, Sacramento Area Council of Governments

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**Re: September State Advocacy Report & Legislative Updates**

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Politico Group is pleased to provide the following report to the Sacramento Area Council of Governments (SACOG) on recent advocacy activities and other relevant legislative, administrative, and election updates.

## September Advocacy Activities

In September, Politico Group worked closely with SACOG staff to develop and analyze potential options for next steps related to AB 350 (Aguilar-Curry, 2023), which sets the schedule for updating the regional transportation plan/sustainable communities strategy in 2025 and beyond.

Politico Group also helped to encourage participation by partner agencies in the “Unlocking Prosperity Series: Housing Solutions from the Ground Up” convening, focused on SACOG’s implementation of the state’s REAP 2.0 program via Green Means Go. Finally, as discussed in the report below, we continued to monitor and report on the final disposition of state legislation, recent executive branch activities, and the upcoming statewide election.

## Legislative Updates

The Legislature wrapped up their business for the regular legislative session just as the clock struck midnight on September 1, following long, and sometimes contentious, Saturday floors sessions. Although final adjournment of the 2023-24 session – known as adjournment “sine die” – does not take place until midnight on November 30, the Legislature’s regular activities have officially concluded. Saturday’s sessions marked the end of a busy six-day work week for members that featured significant inter-house tension between the Senate and the Assembly.

While there undoubtedly were several contributing factors, two primary reasons for the tension were differences of opinion on the Governor’s end-of-session effort to address spikes in gasoline prices and legislative proposals to address high electricity bills, as well as the Senate’s early dismissal on Friday, which narrowed the time available to manage the remaining Assembly bills in the upper house. The Legislature’s failure to pass SB 950 (Skinner), the Administration’s proposal to address spikes in gasoline prices by requiring producers to maintain additional supplies of fuel, prompted the Governor to call for a special session of the Legislature.

The Governor now has until September 30 to sign and veto bills passed by the Legislature in the final days of session. Additional updates on the final disposition of bills as well as the second extraordinary session of the 2023-2024 California Legislature are included below.

### ***Assembly Begins Special Session Hearings***

Following the end-of-session collapse of an energy affordability legislative package that included a proposal championed by the Governor to require oil refineries to maintain sufficient inventories of gasoline to avert fuel price spikes, the Assembly has introduced legislation in the special session and set a schedule for hearings and a floor vote. While the Senate has yet to convene for the second extraordinary session, President pro Tempore McGuire has indicated that they would meet and take action if the Assembly passes special session legislation.

Earlier this month, Speaker Rivas announced that the Assembly will have check-in sessions on September 25 and 26 and a floor session on October 1. Following September 18 and 19 informational hearings on California's petroleum market by the special session Petroleum and Gasoline Supply Committee, which was [announced earlier this month](#), the Committee is slated to hear [ABx2-1](#) by Majority Leader Aguiar-Curry and Assemblymember Gregg Hart on September 26.

ABx2-1 is identical to SB 950 (Skinner) from the regular session energy affordability package. The bill would, among other things, authorize the California Energy Commission to develop regulations and impose requirements for refiners operating in the state to maintain minimum levels of inventories of refined transportation fuels meeting California specifications, including any feedstocks and blending components.

Recall that during a special session, the typical legislative deadlines in the constitution do not apply, although the Legislature can only consider bills within the purview of the Governor's extraordinary session [proclamation](#). The Governor previously called the Legislature into a special session in 2023, where they passed legislation creating the Division of Petroleum Market Oversight with the California Energy Commission.

Republican Assemblymembers have taken the opportunity to introduce several of their own special session vehicles. [ABx2-2](#) (Lackey), is identical to a prior special session bill that would create a one-year transportation fuel tax holiday and backfill the lost revenues via the General Fund—creating a multi-billion-dollar hole in the state budget. Other Republican bills include measures to exempt transportation fuels from California's cap and trade program, preclude amendments to the Low Carbon Fuel Standard, fund a one-time rebate to gas-powered vehicle owners with High-Speed Rail funding, expedite judicial review of CEQA challenges to fuel storage projects, and require the Energy Commission to analyze and post information about differences between fuel prices in California and the national average.

### ***Governor Signs Housing Legislation***

During a [press conference](#) discussing the state's approach to housing and homelessness including updates on the implementation of Proposition 1 (2024), Governor Newsom signed 32 housing bills, including [AB 3093](#) by Assembly Housing & Community Development Chair Ward. This bill would implement the Administration's highest priority change from the Department of Housing and Community Development's (HCD) recent RHNA report by creating two new income categories within the current very low-income category: Extremely low-income (ELI) and acutely low-income (ALI) households

with incomes of 15% of AMI. These new income categories will be included in the next SACOG Regional Housing Needs Allocation plan.

The Governor also signed [AB 2199](#) (Berman), which was supported by SACOG. This bill extends a CEQA exemption for infill housing projects located in unincorporated areas until 2035. To qualify, the projects must be in urbanized areas, meet minimum density requirements, and be mostly surrounded by existing urban uses. Since the exemption was created in 2018, counties have used it to expedite the environmental review of nine multifamily residential and mixed-use projects consisting of 378 housing units, including one projects in unincorporated Sacramento County. While the exemption has primarily been used in urban counties, it has also benefitted two affordable multifamily infill housing projects within existing neighborhoods in rural and suburban unincorporated communities.

### ***Vehicle Miles Traveled Study Bill Now Focused on Housing***

In an unexpected development, Senator Caballero made significant amendments to SB 768 prior to its passage in the final week of the legislative session. These changes deemphasize transportation projects and limit the study's focus to housing-related issues that arise from the requirement to analyze and mitigate vehicle miles travelled (VMT) under CEQA. As enrolled and presented to the Governor on September 3, the bill would require the Department of Housing and Community Development—rather than the California State Transportation Agency—to consult with regional agencies, local governments, and other state agencies, and complete a study by 2028 examining how VMT is used to measure the transportation impacts of housing projects.

The study would include costs of mitigation measures, a list of exempt housing project types, and an analysis of the differences and feasibility of mitigation measures in rural, suburban, urban, and low-VMT areas. Finally, the study would include a discussion of the relationship between VMT reduction and greenhouse gas emissions, housing, transportation, economic development, and equity. The Governor has until September 30 to sign or veto the bill. Notably, the measure was not included in a package of 32 housing bills he signed on September 19.

### ***Governor to Consider Complete Streets Requirements for State Highways***

The Senate concurred in Assembly amendments to SB 960 (Wiener) on August 29 and sent the bill to the Governor. There were multiple rounds of amendments in the Assembly, as the author and sponsor worked with Caltrans to address potential concerns from the Newsom Administration. The final amendments on August 22 soften the deadline for incorporating performance measures for transit priority projects in the Strategic Highway System Management Plan (SHSMP)—one of Caltrans' key state highway planning documents—to 2027, as feasible, and require Caltrans to establish a definition of “underserved communities” for targeted outreach on state highway complete streets projects. The revised definition may include both Caltrans' existing equity index and regional definitions adopted through a regional transportation plan process.

The final bill would require Caltrans to include goals and performance measures for complete streets features and transit priority facilities on state highways in the SHSMP; commit to four-year targets for adding complete streets features in projects funded by the State Highway Operations and Protection Program (SHOPP); adopt by July 2027 a transit policy and implementation guidance for facilities such as bus-only lanes and transit stops on the state highway system; and create an encroachment permit review process for complete streets projects, including designating an encroachment permit manager in

each district. The bill also requires Caltrans to consult with local agencies and others in the development of SHOPP-funded complete streets projects, and on the transit priority policy and related guidance.

## Executive Branch Updates

### ***CalSTA Embarks on Climate Action Plan for Transportation Infrastructure Update***

The California State Transportation Agency (CalSTA) hosted a series of workshops in September to solicit feedback on new potential state actions to implement the Climate Action Plan for Transportation Infrastructure (CAPTI) framework. Adopted pursuant to Governor Newsom's 2019 climate change executive order, the CAPTI is a set of policies that aim to align the funding decisions in discretionary state transportation funding sources with statewide goals to reduce greenhouse gas emissions.

According to CalSTA, the draft proposed actions presented in the workshops were derived from stakeholder feedback obtained in CAPTI listening sessions held in April and May of 2024 and include 18 actions under four categories, as follows:

- Transforming the Future of the State Highway System
- Reducing GHG Impacts of Transportation Investments
- Delivering Equitable Outcomes
- Improving Transparency and Accountability

Potential action items of interest to regional planning agencies include defining a state role in roadway pricing; encouraging managed lanes projects to invest excess toll revenues in transit, active transportation, and zero emission vehicle infrastructure; creating a statewide vehicle miles traveled (VMT) mitigation bank and/or a framework for regional efforts; further reducing the VMT impacts of the Trade Corridors Enhancement Program and Solutions for Congested Corridors Program through guideline changes effecting project eligibility; and increasing public engagement in the development of the State Highway Operations and Protection Program.

During the workshop, stakeholders presented at times opposing views on the draft strategies, particularly around the concepts that would further constrain the types of projects that can compete for SB 1 competitive grant programs. CalSTA will take the workshop feedback into consideration when drafting the CAPTI update which will be presented at the joint meeting of the California Transportation Commission, Air Resources Board, and Department of Housing and Community Development on November 7. Following that meeting, there will be an official public comment period on the draft plan. CalSTA intends to finalize the next CAPTI in early 2025.

## November Election Updates

The statewide General Election will take place on November 5, 2024, with voting beginning in October. The last day to register to vote in California is October 21, and county elections officials will begin mailing ballots on October 7, 2024. All California active registered voters will receive a vote-by-mail ballot for the November General Election, and ballot drop-off locations open on October 8, 2024. Beginning on October 26, vote centers open for early in-person voting in all Voter's Choice Act counties—these include El Dorado, Placer, Sacramento and Yolo in the SACOG region—and vote-by-mail ballots must be postmarked on or before Election Day and received by November 12, 2024.

Twenty of the Senate's forty seats are up for election this fall, as are all 80 Assembly seats. Regardless of who prevails in individual legislative races, there will be significant turnover in the membership of the Legislature in the 2025-2026 session, as there are 11 current Senators and 24 current Assemblymembers who will not return for the next session—many due to term limits. Voters will also consider two bond measures placed on the ballot by the legislature for climate-related programs and K12 educational facilities, as well as a variety of initiatives placed on the ballot by voters or the legislature.

### ***Open and Competitive State Legislative Races in the SACOG Region***

There are four races where incumbent members of the SACOG legislative delegation are either termed out or running for a different office. A fifth race featuring an incumbent legislator is expected to be one of a handful of competitive Assembly races this fall.

- **Senate District 1 - Brian Dahle (termed out) R+14.04%**

Cities: Auburn, Placerville, Chico, Redding, South Lake Tahoe

Counties: El Dorado, Placer, 9 other Northern California counties

*General Election Candidates [Primary Vote Share]*

- **Megan Dahle (R)** – Farmer/Businesswoman/Mother [77.2%]
- **David Fennell (R)** – Entrepreneur [22.8%]

- **Senate District 3 – Bill Dodd (termed out) D+26.67%**

Cities: Davis, Fairfield, Napa, Petaluma, Vallejo

Counties: Yolo, Sacramento, Contra Costa, Napa, Solano, Sonoma

*General Election Candidates [Primary Vote Share]*

- **Thomas Bogue (R)** – City Councilmember/Businessman [27.8%]
- **Christopher Cabaldon (D)** – Educator/State Commissioner [26.6%]

- **Assembly District 1 – Megan Dahle (running for Senate) R+13.69%<sup>1</sup>**

Cities: South Lake Tahoe, Grass Valley, Truckee, Redding

Counties: El Dorado, Placer, 9 other Northern California counties

*General Election Candidates [Primary Vote Share]*

- **Heather M. Hadwick (R)** – Farmer/Emergency Manager [35.6%]
- **Tenessa Audette (R)** – Businesswoman/Redding Mayor [29.2%]

- **Assembly District 6 – Kevin McCarty (running for mayor) D+29.67%**

City: Sacramento

County: Sacramento

*General Election Candidates [Primary Vote Share]*

- **Maggy Krell (D)** – Deputy Attorney General [25.0%]
- **Nicole Ellis (R)** – International Trade Advocate [14.6%]

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<sup>1</sup> Percentage denotes the district's registration advantage for Republicans/Democrats

- **Assembly District 7 – Josh Hoover (incumbent) D+5.15%**

Cities: Citrus Heights, Folsom, Rancho Cordova

County: Sacramento

*General Election Candidates [Primary Vote Share]*

- **Josh Hoover (R)** – Member of the State Assembly, 7th District [52.7%]
- **Porsche Middleton (D)** – Councilmember, City of Citrus Heights [29.3%]

***New Public Polling for Statewide Ballot Measures***

The Public Policy Institute of California released the findings of their most recent “[Californians and Their Government](#)” survey on state and national issues in September. The survey included 1,071 likely voters and was conducted between August 29 and September 9, 2024. The poll revealed close races in several statewide ballot measure campaigns and high levels of support for both the Proposition 4 climate and resource state bond measure and Proposition 36.

Poll results for each proposition are included below:

- ***Proposition 2 (Authorizes Bonds for Public School and Community College Facilities).*** 54 percent of likely voters say they would vote yes, 44 percent would vote no.
- ***Proposition 3 (Constitutional Right to Marriage),*** a legislative constitutional amendment. After reading the ballot title and label, 68 percent of likely voters say they would vote yes, while 31 percent say they would vote no.
- ***Proposition 4 (Authorizes Bonds for Safe Drinking Water, Wildfire Prevention, and Protecting Communities and Natural Lands from Climate Risks).*** After reading the ballot title and label, 65 percent of likely voters would vote yes (33% no).
- ***Proposition 5 (Allows Local Bonds for Affordable Housing and Public Infrastructure with 55% Voter Approval).*** Likely voters are divided on this legislative constitutional amendment, with 49 percent saying they would vote yes and 50 percent saying they would vote no.
- ***Proposition 6 (Eliminates Constitutional Provision Allowing Involuntary Servitude for Incarcerated Persons).*** Likely voters are slightly more likely to say they would vote no (50%) than yes (46%) on this legislative constitutional amendment.
- ***Proposition 32 (Raises Minimum Wage).*** Likely voters are divided on this citizens’ initiative, with 50 percent saying they would vote yes and 49 percent saying they would vote no.
- ***Proposition 33 (Expands Local Governments’ Authority to Enact Rent Control on Residential Property).*** Likely voters are slightly more likely to say they would vote yes (51%) than no (46%) on this citizens’ initiative.
- ***Proposition 34 (Restricts Spending of Prescription Drug Revenues by Certain Health Care Providers).*** A slim majority of likely voters would vote yes (53%) on this citizens’ initiative, while 43 percent would vote no.

- ***Proposition 35 (Provides Permanent Funding for Medi-Cal Health Care Services).*** A solid majority of likely voters would vote yes (63%) on this citizens' initiative, while one in three would vote no (34%).
- ***Proposition 36 (Allows Felony Charges and Increases Sentences for Certain Drug and Theft Crimes).*** 71 percent of likely voters say they would vote yes, while 26 percent would vote no.

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