



September 20, 2023

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

From: Chris Lee, Partner, Politico Group
Kiana Valentine, Partner, Politico Group

Re: **State Advocacy Report for September 2023**

Politico Group is pleased to provide the following report to the Sacramento Area Council of Governments (SACOG) on recent state advocacy efforts in the month of September, as well as updates on key state legislation that was approved and sent to the Governor's desk, or which stalled in the first year of the 2023-2024 legislative session.

AB 350 (Aguiar-Curry) Approved by Legislature and Sent to Governor

Following Senate approval by a 31-6 vote with 2 Republicans abstaining and one Democrat absent, the Assembly concurred in the Senate amendments to AB 350 by a 74-0 vote with six Republicans abstaining on Thursday, September 14. AB 350 was enrolled and presented to the Governor on September 18. The Governor now has until October 14 to sign or veto all legislation presented to him after September 14.

SACOG worked with Assemblymember Aguiar-Curry to make several amendments in the Senate in response to requests and concerns from the Administration and relevant Senate policy committees. Specifically, the Senate amendments make the following changes to the bill:

- Incorporate SACOG's planned work under the federal Rebuilding America's Infrastructure with Sustainability and Equity (RAISE) grant into the next RTP/SCS update under AB 350's revised schedule.
- Retain the current housing element update schedule and provide time for future legislation to ensure that the new MTP/SCS schedule can be maintained and aligned with future housing element updates.
- Creates new transparency and reporting language related to the implementation of the MTP/SCS as measures by changes in land use, housing development, and the delivery of transportation projects. This public-facing reporting will also include feedback from local jurisdictions, housing developers, and other stakeholders on barriers to MTP/SCS implementation.
- Ensures that climate-friendly transportation projects, including managed lanes projects that are consistent with the State's Climate Action Plan for Transportation Infrastructure, can continue to compete for Solutions for Congested Corridors Funding during the two-year extension.

Politico Group and SACOG staff are working to bring on new supporters for AB 350 and encouraging all current supporters to write to the Governor's Office in support of a signature on the bill.

Legislative Update

As noted above, the deadline for the Legislature to approve legislation for the first year of the two-year

session was Thursday, September 14. Several policy areas monitored closely by SACOG—regional transportation planning, climate and infrastructure bonds, and open meetings laws—began the year with numerous ambitious legislative proposals, only to see many of the most significant bills stall or become two-year bills. One notable exception was housing policy, where the Legislature sent several significant proposals to the Governor’s desk. Local taxation was also a key focus in 2023, with two significant constitutional amendments headed to the November 2024 ballot after approval by the Legislature.

Brief updates on several bills and other measures tracked by SACOG are below:

Regional Planning and Transportation

[AB 6 \(Friedman\)](#) – would make changes to CARB’s review process for sustainable communities strategies (SCSs), establish additional greenhouse gas emissions reduction targets for 2035 and 2045, and require project nominations for the Solutions for Congested Corridors Program to demonstrate how projects would contribute to achieving greenhouse gas emissions reductions. AB 6 is currently in the Senate Transportation Committee after the author elected to make it a two-year bill.

[AB 7 \(Friedman\)](#) – would require the California State Transportation Agency (CalSTA), Caltrans, and the California Transportation Commission (CTC) to include in their existing program funding guidelines and planning process the ten guiding principles from the Governor’s Climate Action Plan for Transportation Infrastructure (CAPTI). The bill would also require the California Transportation Plan (CTP) to include a financial element summarizing the costs of implementation, as compared to realistically available revenues, and require CalSTA, Caltrans, and the CTC to report on how their projects and programs are achieving CAPTI principles, as well as principles outlined in the Federal Infrastructure Investment and Jobs Act and the Biden Administration’s Justice40 initiative. AB 7 is on the Senate floor after the author elected to make it a two-year bill.

[AB 1335 \(Zbur\)](#) - would require regions to ensure that the population and housing development projections in their SCS can accommodate population growth over the course of the regional transportation plan, as well as the total number of housing units necessary to accommodate the eight-year Regional Housing Needs Determination. The bill also expands local government housing element annual report requirements to include new and detailed housing development information as related to the SCS. AB 1335 is in the Senate Appropriations Committee after the author elected to make it a two-year bill.

Brown Act

[AB 557 \(Hart\)](#): sponsored by the California Special Districts Association, the League of California Cities, and the California State Association of Counties, AB 557 would eliminate the sunset provisions included in AB 361 (R. Rivas, 2021), which authorized remote meetings during a state-declared emergency. This bill allows that authority to continue when a proclaimed state of emergency would present imminent risks to the health and safety of meeting attendees and extends the local agency renewal period for this authority from every 30 days to every 45 days. AB 557 was enrolled and presented to the Governor.

[SB 537 \(Becker\)](#) – would authorize a multijurisdictional, cross-county local agency with appointed members to teleconference without meeting all of the teleconferencing requirements of the Brown Act, including eliminating requirements to post and identify the location of all remote participation locations.

Requires a quorum of members to participate in person and members participating remotely are located in a publicly-accessible building at least 40 miles from the in-person meeting. Any member receiving compensation for their service on the legislative body must participate from a physical location open to the public. SB 537 is on the Assembly Floor and became a two-year bill.

Key Housing Legislation

[AB 531 \(Irwin\)](#) – Would place the Behavioral Health Infrastructure Bond Act of 2023 on the March 2024 primary ballot, which would ask the voters to authorize \$6.38 billion in general obligation bonds for specified behavioral health infrastructure and housing, including a last-minute \$1.5 billion addition that would support acute psychiatric facilities. The bond authority requested by AB 531 will be combined into a single ballot measure with numerous provisions of SB 326 (Eggman), which makes numerous changes to the vote-approved Mental Health Services Act (MHSA), including recasting it as the Behavioral Health Services Act (BHSA).

The combined bond and BHSA measure will appear on the March 2024 ballot. Notably, several other bond proposals considered by the Legislature in 2023, including two competing school bonds, two competing climate bonds, a broader affordable housing bond, and an agricultural-focused climate resiliency bond measure, all became two-year bills and will not appear on the March ballot with AB 531.

[AB 821 \(Grayson\)](#): would require a local agency to approve developments that are consistent with its general plan but not the applicable zoning ordinance, or to make the zoning ordinance consistent with the general plan within 180 days and provides a legal remedy to ensure compliance. Earlier amendments removed a link to project consistency with the use designation, density, and building intensity specified in a sustainable communities strategy. AB 821 was enrolled and presented to the Governor.

[SB 4 \(Wiener\)](#): would create a streamlined by-right approval process for affordable housing projects on qualifying lands owned by churches and independent, non-profit higher education institutions. Qualifying projects must meet labor standards including paying prevailing wages, among other requirements. SB 4 was enrolled and presented to the Governor.

[SB 423 \(Wiener\)](#): would extend and expand the by-right approval process for eligible housing projects created by SB 35 (2017). Requirements for the use of this process include zoning consistency and requirements to pay prevailing wages and/or use a skilled and trained workforce, as defined, for qualifying projects. Final amendments to the bill in the Assembly modified provisions related to the Coastal Act, public meeting requirements, the eligibility of projects in San Francisco, and fire hazard severity zones. SB 423 was enrolled and presented to the Governor.

Tax-Related Ballot Measures

The Legislature advanced two constitutional amendments in the final weeks of the legislative session related to voter approval of local tax measures. If approved, these ballot measures could have significant impacts on future funding for public infrastructure, including affordable housing and transportation.

[Assembly Constitutional Amendment 1 \(ACA 1\)](#) by Assemblymember Aguiar-Curry will ask voters to reconsider the voter threshold required to pass local sales taxes and bonds dedicated to affordable

housing and infrastructure. ACA 1 would amend provisions of Proposition 13, which in addition to limiting annual increases in property taxes, also imposed a two-thirds vote requirement for local elections for a city, county, or special district wishing to increase special taxes. Paradoxically, Proposition 13 allows local agencies to adopt general taxes by a simple majority vote. If passed, ACA 1 would require a “super” majority of voters to pass special taxes and bonds but reduce the threshold of the “super majority” from two-thirds to 55% (which is the same threshold currently required to pass school districts infrastructure bonds).

ACA 1 also contains significant transparency and accountability measures, including a requirement for a specific expenditure plan for the proposed projects and programs to be funded, annual financial and performance audits, monitoring by a citizens’ commission with members who’ve received financial training to assure resources are being spent as proposed, and a cap on administrative expenses of 5%.

The second measure is [Assembly Constitutional Amendment 13 \(ACA 13\)](#) by Assemblymember Ward from San Diego. If approved by the voters, ACA 13 would require future ballot initiatives that seek to increase voter thresholds to pass taxes to pass by the same proposed higher voter approval threshold it is seeking to set. Unlike ACA 1, this proposal was pushed through the legislative process in direct response to a proposed initiative called the “Taxpayer Protection and Government Accountability Act” that is set to be placed on the November 2024 ballot. That initiative would, among other things, require tax increases passed by the Legislature and approved by the Governor, to be approved by voters by a two-thirds majority vote.

ACA 1 was approved by the Legislature and will appear on the November 2024 ballot. ACA 13 was also approved by the Legislature but was not accompanied by legislation setting a November 2024 date for the voters’ consideration of the measure. According to the author’s office, the measure is intended for the November 2024 ballot and is currently being held at the Assembly desk to avoid sending it to the voters in March 2024 by default. The Governor’s approval is not required for a constitutional amendment to appear on the ballot.

Contact

Email: Chris Lee (clee@politicogroup.com) or Kiana Valentine (kiana@politicogroup.com)

Phone: (916) 444-3770