



State and Federal Legislative Update

April 2023

April 3, 2023

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OVERVIEW

- Providing an update on State Bills and a Federal Update
- On State Bills, we are seeking:
 - Council Confirmation on Positions for 5 bills
 - Council action on the bills with recommended action
 - Feedback on the Monitor List
- Direction from Council to Staff regarding cadence and body for legislative check-ins



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State and Federal Advocacy Update

April 3, 2023

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Presentation Overview



State Legislative Overview

Over 2,600 bills proposed by State Legislature this Session (1st year of 2-year session)

Legislation currently in First House policy committee process.
After that is the Appropriations Committee process and then Floor consideration.

By June 2, legislation needs to cross to the Second House to keep progressing.

State Budget must be passed by Legislature by June 15 and signed into law July 1.

Tax returns due October 15th

Legislature adjourns August 14, Governor has until Sept. 14 to sign/veto legislation.

Proposed State Strategy



Identified Priority Legislation/ Seismic Safety

AB 1505 (Rodriguez) Seismic retrofitting: soft story multifamily housing.

Appropriates \$250,000,000 for the purpose of implementing the Seismic Retrofitting Program for Soft Story Multifamily Housing. This funding was originally incorporated into the 2022 State Budget Cycle; however, the funding was omitted from the Preliminary Budget submitted to the Legislature in January 2023. AB 1505 aims to replace that funding on an urgency basis.

- Status: Referred to Assembly Emergency Services Committee. Pending hearing date.
- City Impact: Seismic safety improvements align with the Palo Alto City Council's 2023 Priority of Community Health and Safety.
- City Position: Pending Support

Identified Priority Legislation/ Mental Health

SB 43 (Eggman) Behavioral health.

Updates the definition of “gravely disabled” to include a new focus on preventing serious physical and mental harm stemming from a person’s inability to provide for their needs for nourishment, personal or medical care, find appropriate shelter, or attend to self-protection or personal safety, due to their mental or substance use disorder.

- Status: Passed unanimously in Senate Health Committee. Pending hearing date in Senate Judiciary Committee.
- City Impact: One of the Palo Alto City Council Priorities for 2023 is Community Health and Safety which includes some focus on mental health.
- City Position: Pending Support

Identified Priority Legislation/ Mental Health

SB 363 (Eggman) Facilities for inpatient and residential mental health and substance use disorder: database.

Establishes a real-time, internet-based dashboard to collect, aggregate and display information about the availability of beds in a range of psychiatric and substance abuse facilities.

- Status: Passed unanimously in Senate Health Committee. Pending hearing date in Senate Judiciary Committee.
- City Impact: One of the Palo Alto City Council Priorities for 2023 is Community Health and Safety which includes some focus on mental health.
- City Position: Pending Support

Identified Priority Legislation/ Housing

SB 423 (Wiener) Land use: streamlined housing approvals: multifamily housing developments.

Extends the provisions of SB 35 (Wiener, Statutes of 2017) indefinitely. Removes land exemptions related to the coastal zone exemption and objective planning standards criteria.

- Status: Passed Senate Housing Committee on a 9-1 vote. Referred to Senate Governance and Finance committee, hearing scheduled for April 26.
- City Impact: Palo Alto has included in the Legislative Guidelines many principles to support local control of land use and this bill contrasts with those principles.
- City Position: Pending Opposition

Identified Priority Legislation/ Public Safety

SB 719 (Becker) Law Enforcement Agencies. Radio Communications

Requires law enforcement agencies to ensure any non-confidential radio communications are accessible to the public in real time, no later than 2024.

- Status: Referred to Senate Public Safety Committee. Scheduled for hearing April 11.
- City Impact: The City Council supported similar legislation in 2022. As of Fall 2022, the City of Palo Alto switched routine Palo Alto Police radio transmissions to now be broadcast on an unencrypted channel.
- Proposed City Position: Support

Recommended Priority Legislation/ Housing

AB 68 (Ward) Land use: streamlined housing approvals: density, subdivision, and utility approvals.

Requires the ministerial approval of housing developments within “climate smart parcels” defined as a parcel located in a high resource area as defined by the California Tax Credit Allocation Committee opportunity maps, a parcel located within ½ mile of a high-quality transit corridor, or a parcel located within a mile from an economic cluster of six or more shops, restaurants, parks, grocery stores, and other entities of that nature. Developments may not exceed 50 feet. The measure contains other restrictions related to parking minimums. Affordability requirements not yet incorporated into bill language, pending future amendments.

- Status: Referred to Assembly Housing and Community Development Committee. Pending hearing date.
- Recommended Position: Oppose

Recommended Priority Legislation/ Housing

SB 405 (Cortese) Planning and zoning: housing element: inventory of sites: regional housing need.

Requires for the 7th cycle housing element that the planning agency notify the owner of a site included in the site's inventory. If an owner doesn't intend to develop at least 80% of the number of units indicated, the site cannot be included.

- Status: Referred to Senate Housing Committee. Pending hearing date.
- Recommended Position: Oppose

Monitoring Priority Legislation

Brown Act/Open Meetings

- **AB 557 (Hart)** Extends modified teleconferencing provisions under the Brown Act when a declared state of emergency is in effect, or in other situations related to public health, indefinitely.
- **AB 817 (Pacheco)** Allows subsidiary bodies of a local agency to use alternative teleconferencing provisions under the Brown Act, without the need of a State of Emergency.

Monitoring Priority Legislation

Labor Relations and Retirement

- **AB 1484 (Zbur)** Requires temporary employees of cities and counties to join existing bargaining units accessible to permanent employees. Imposes requirements on employers with temporary employees hired to do the same or similar work performed by permanent employees.
- **SB 252 (Gonzalez)** Requires CalPERS to divest existing fossil fuel company investments on or before July 1, 2030.

Monitoring Priority Legislation

Housing and Land Use

- **AB 1532 (Haney)** Makes the conversion of vacant office buildings into residential developments a use by right in all areas regardless of zoning.
- **AB 1630 (Garcia)** Requires local governments to classify student and faculty and staff housing as a permitted use on all real property within 1,000 feet of a college campus (excluding satellite campuses). Requires developments be no less than 20% affordable and up to 40 ft in allowable height.
- **AB 1633 (Ting)** Specifies that a local agency has disapproved a housing project in violation of the Housing Accountability Act (HAA) if it fails to make a determination that a project is exempt from the California Environmental Quality Act (CEQA), or fails to adopt, certify, or approve certain environmental documents under specified circumstances

Monitoring Priority Legislation

Housing and Land Use

- **AB 1637 (Irwin)** Requires cities to switch to a .gov domain if they have not already done so. Switching to a .gov domain is free of cost to qualified public agencies and incorporates additional cyber security protections. While free of cost, the update could create additional work for City IT departments.
- **AB 1764 (Committee on Housing)** Makes several technical and clarifying changes to code sections pertaining to housing and community development.
- **SB 450 (Atkins)** Identified as the SB 9 (Atkins, Statutes of 2022) "Clean up bill." Among other things, prevents local agencies from creating zoning, subdivision, and design rules that do not apply equally to all development within a particular area.
- **SB 567 (Durazo)** Provides renter protections including expanding the population of protected tenants, limiting allowable rent increases, and closing loopholes related to the no fault just cause for eviction.

Monitoring Priority Legislation

Revenue and Taxation

- **ACA 1 (Aguiar-Curry)** Lowers the necessary voter threshold from a two-thirds supermajority to 55 percent to approve local general obligation (GO) bonds and special taxes for affordable housing and public infrastructure projects.

Governance and Transparency

- **SB 251 (Newman)** Prohibits an elected officer from employment by any other elected officer with the same constituency.

Monitoring Priority Legislation

Energy and Utilities

- **SB 429 (Bradford)** Requires natural gas corporations to credit customers all revenues, including accrued interest, received as a result of the greenhouse gas cap and trade program. Requires those credits to be distributed during the February billing cycle, so as to coincide with the highest usage gas utility bill during the year.
- **SB 572 (Stern)** Requires the PUC, Energy Commission, and the Federal Energy Regulatory Commission to each consider imposing additional requirements to protect ratepayers from price spikes, stranded assets, duplication of services, and the risk of windfall profiteering and market manipulation in wholesale and retail markets.

Federal Advocacy Updates

Congressionally Directed Spending Request

Submitted request for the rehabilitation of Buena Vista Mobile Home Park in tandem with Santa Clara County Housing Authority for \$2 million.

FAA Reauthorization

Federal lawmakers face a September 30, 2023 deadline to reauthorize the Federal Aviation Administration. FAA Reauthorization sets funding levels and policies for FAA programs and grants, including policy around air traffic operations, airport improvement grants, and NextGen technology.

Federal Energy Regulatory Commission (FERC)– Natural Gas Prices

Mayor Kou and TPA advocates met with FERC staff to discuss natural gas price spikes. FERC's Office of Enforcement is currently conducting a review into root causes. A public report and comment period will be available November 2023.

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RECOMMENDATION

- Council Confirmation on Positions for the following bills:
 - AB 1505 (Rodriguez, Seismic Safety) – Support
 - SB 43 (Eggman, Mental Health) – Support
 - SB 363 (Eggman, Mental Health) – Support
 - SB 423 (Wiener, Objective Standards) – Oppose
 - SB 719 (Becker, Encryption) – Support
- Bills with Recommended Action
 - AB 68 (Ward, Ministerial Approvals) – Oppose
 - SB 405 (Cortese, 7th Cycle RHEA) – Oppose
- Confirm the Monitor List or any changes to it
- Recommend Council direction to Staff regarding legislative check-ins at full Council or at Committee and how frequently.