



**California Council for Affordable Housing
Annual Legislative Report**

October 1, 2020

Prepared for
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California Council for Affordable Housing

Prepared by
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TO: Patrick Sabelhaus, Executive Director, California Council for Affordable Housing

FROM: Tami Miller, Melissa Werner Political Solutions, LLC

RE: 2020 Legislative Summary and 2021 Forecast

DATE: October 1, 2020

Political Solutions, LLC enjoyed the opportunity to continue working with and representing the California Council for Affordable Housing (CCAH) this year. As CCAH is aware, 2020 was a very different legislative session, beleaguered by COVID-19, wildfires, and a tanked economy. However, as always, it is our honor and pleasure to work with CCAH, and we look forward to our combined success in 2021!

GENERAL

The second year of the 2019-2020 legislative session resumed in January with the Executive and Legislative branches setting aggressive policy goals. The enthusiasm behind these goals was also met with the state's strong economic outlook. With more money to invest in state programs and infrastructure, both branches sought opportunities to close inequities and reinvest in the state and its people. The enthusiasm turned into concern as state leaders watched countries around the world respond to a dangerous virus that was viciously infecting and killing thousands. The virus, COVID-19, was shutting down economies and closing borders to mitigate transmission, and despite worldwide efforts to control the virus it was making its way to California. When COVID-19 reached our state, its impact on residents and the healthcare system was so severe local governments and the state ordered residents to stay home, non-essential businesses were closed, and mask mandates were issued. These mitigation efforts to slow the spread of COVID-19 changed the way most Californians conducted their everyday lives, including those within the Executive and Legislative branches. What was expected to be a bright and prosperous year vastly changed due to COVID-19 which presented new obstacles and challenges for all Californians.

When Governor Newsom unveiled the proposed 2021-2022 state budget in early January, he presented it with optimism and hope. A robust economy, low unemployment rates, and continued investments into the state's Rainy Day Fund meant he could prioritize critical issues such as price transparency in healthcare, early childhood education, paid family leave, wildfire mitigation efforts, climate change, and housing and homelessness. In fact, he dedicated most of his February state of the state speech addressing California's homelessness troubles. Less than a month later, on March 4th, he would proclaim a State of Emergency in California due to the threat of COVID-19 and just days later, on March 19th, he issued an Executive Order ordering all Californians to stay home.

When the Legislature returned in January, they were quick to move two-year bills while simultaneously introducing new legislation on an array of topics and responding to the administration's proposed state budget. While both houses were conducting business as usual, they too watched the world respond to COVID-19 and members became vocal about California's vulnerability to the virus. Members considered "vulnerable" to the virus began driving from Sacramento to their districts to avoid flying, and some called for special accommodations to avoid exposure. On March 11th, soon after Governor Newsom declared a State of Emergency, the World Health Organization declared COVID-19 a pandemic. Five days later Assembly



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Speaker Anthony Rendon and Minority Leader Marie Waldron introduced ACR 189 which authorized both houses to break for an early recess from March 20 – April 13 so members could shelter in place. Before both houses went on recess, they authorized an emergency appropriation of \$500 million for the Governor to use to address COVID-19.

With both houses on recess Governor Newsom exercised his authority by issuing numerous Executive Orders to secure and allocate resources to various entities and procure much needed personal protective equipment (PPE) for essential workers. As details of these purchasing contracts became public, members of the legislature were first learning about large multimillion-dollar contracts through headlines. Concerns grew as media reports claimed some companies offering PPE items, such as N95 masks, were scams and making millions off desperate buyers. Wanting to ensure these large multimillion-dollar purchases from overseas manufacturers were properly vetted and products were of the highest standards to protect those working the frontlines of the pandemic the Senate wanted to learn more. Seeking answers, the Senate Budget & Fiscal Review Subcommittee on COVID-19 Response held a hearing to acquire more information.

Before the Assembly and Senate returned to Sacramento to resume session, leadership from both houses worked together to establish new safety protocols to limit the spread of COVID-19. One item they did not see eye to eye on was remote voting. The Senate interpreted the state constitution to allow members to vote remotely, while the Assembly's interpretation deemed remote voting as unconstitutional. The Assembly did allow proxy voting but only if certain standards were met. These differing interpretations would become controversial during the end of session.

Although both houses were scheduled to resume session on April 13th, their return date was delayed. Shortly after the Senate announced their delayed return date, Pro Tem Atkins announced the creation of a new special committee on Pandemic Emergency Response chaired by Senator Lena Gonzalez (D – Long Beach). The special committee was tasked with reviewing the state's response to the COVID-19 health crisis, what has gone right and what could be improved. They would also make findings and recommendations for future preparedness if the coronavirus returns later in the year or if the state faces a subsequent pandemic.

The Assembly would resume session on May 4th, while the Senate would resume on May 11th. Their calendars would sync once again beginning on July 13th. Given the shortened timeframe of session, each house asked their members to prioritize bills dealing with critical policy matters only. All other bills deemed not critical could be pursued next session. Critical topics included: COVID-19, housing, homelessness, and wildfires. As the year progressed other critical issues would be considered. The first filter to decreasing bills was members evaluating their own bills, the next was committee chairs. Committee chairs were encouraged to be more selective when setting bills. For example, the Assembly Agriculture Committee set no bills this year, while other committees considered most bills critical. Another practice each house used was single referrals. Instead of bills being double or triple referred to policy committees, bills would only be heard in the policy committee which had primary jurisdiction.

When both houses resumed session in May things looked a bit different, but it was business as usual debating, negotiating, and amending bills, and while simultaneously working on the state budget. While policy deadlines were moved to accommodate the revised schedule the state budget still needed to be passed by June 15th. The state budget deadlines are outlined in the state constitution and if members of the legislature do not meet them, they do not receive a paycheck. On June 15th both houses met their constitutional obligation and voted on a balanced budget. It was the first time all members were in their designated chambers to conduct business. New COVID-19 proceedings were implemented, similar to what was done



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during committee proceedings, to limit the spread of the virus, but weeks after voting on the budget Assemblymember Autumn Burke (D – Inglewood) tested positive for the virus after having mask to mask exposure on June 26th while she was in the Capitol. In early July, Assemblymember Tom Lackey (R – Palmdale) was hospitalized after testing positive for COVID-19. Out of an abundance of caution and needing time to deep clean the Capitol, both houses announced they would return from their summer recesses on July 27th, instead of July 13th. When session resumed in late July the houses were once again operating on a modified and accelerated schedule, but this time they were analyzing the other house's bills.

This time around, again at the direction of leadership, committee chairs were told to prioritize critical bills. Some members were more vocal than others about their irritation with the other house not setting their bills. A few members were able to get their bills set for policy committee, but it was very few. Like most years, the end of session, particularly the last day of session, was the most cumbersome.

The end of session came to a halt when Senator Brian Jones (R – Santee) tested positive for COVID-19 during the last week of session. He had previously attended a gathering with his caucus which, per CDC guidelines, led to the quarantining of those who had previous interactions with him. Since Senators were in quarantine and could not be on the floor to cast their votes they voted remotely. Ironically, Senator Jones, who had previously been very vocal about the constitutionality of remote and proxy voting, was left with two choices: vote remotely, or do not vote. He participated in floor debates remotely but did not cast votes. Senator Jones' roommate Assemblymember Randy Voepel (R – Santee) was also quarantined, but no other members of the Assembly were despite Assemblymember Voepel past presence on the Assembly floor. Unlike his roommate who was able to participate remotely, Assemblymember Voepel did not utilize the Assembly's proxy voting system.

The last day of session can turn chaotic as midnight nears and this year was no exception. The end of session is also a constitutional deadline, so all items must be passed by both houses by midnight, or they are dead. To make the midnight deadline the Senate adopted a motion to limit floor debate, despite heavy opposition from their Republican colleagues. Powerless to overturn the motion Senate Republicans opted for other tactics that impeded the Senate's progression. Senate Republicans would caucus for long periods, they would slowly announce themselves while casting their votes remotely and would purposely ask and make long questions and comments. Eventually Senate Democrats withdrew the motion, but Republicans were able to run the clock.

Assembly chambers seemed to be operating more efficiently but after absences due to the recent birth of her second child, Assemblymember Buffy Wicks (D – Oakland) had returned to the floor on the last day of session to cast votes with her newborn strapped to her chest. Assemblymember Wicks made headlines when she spoke in support of a housing bill late in the evening with her daughter crying in her arms under a blanket. Her vote was also needed to ensure the passage of a paid family leave bill. The juxtaposition of Assemblymember Wicks with her newborn strapped to her chest voting on family leave policies produced many questions. Details emerged that she did not meet the qualifications for proxy voting, despite her inquiring to do so. She made national headlines and even caught the attention of Hilary Clinton pointing to Wicks as to why the country needs better workplace policies. After defending his position, Speaker Anthony Rendon issued Assemblymember Wicks an apology for not better accommodating her needs. With a small child at home himself, many criticized Speaker Rendon as part of the problem for working moms.

Both the Assembly and Senate faced their own struggles on the last day of session and ultimately the clock struck midnight, and bills that had not been approved by both houses were instantly dead. The houses were



both criticized for their mismanagement of time and communication with each other, and for letting house politics interfere with much needed housing policy. The state is short on their housing goals, the Governor has continuously said housing is a priority; yet, neither house was able to send the Governor substantial housing legislation to sign. While the 2019-2020 legislative year has adjourned, rumors have been swirling the Governor will call a special session, but no official announcement has been released. Both returning and new members will certainly have a unique 2021-2022 legislative year ahead of them.

GOVERNOR

The 2020 legislative year gaveled on January 6, 2020 with a strong economy and promised to be a very busy year. With a supermajority in both houses, Democrats began the year looking to expand and create new programs, and Governor Newsom proposing some major changes including affordable housing, addressing climate change and following through on campaign promises. In the end, the Governor and legislature's pre-COVID-19 plans shifted as the infection numbers began to grow in April and May, leaving budget uncertainty.

The Governor delivered the State of the State address in early February, with the bulk of his speech underscoring his commitment and focus on addressing the state's homelessness. Newsom called for ongoing funding, more shelters and expanding mental health services and incentivizing affordable housing production. Homelessness continued to be a priority during the state-wide shutdown, with the Governor announcing a new program, Project Roomkey to help prevent the spread of COVID-19 amongst the homeless population. On March 16, 2020, the legislature voted to recess, an unprecedented decision, to prevent the spread of COVID-19 in the Capitol. This vote also included appropriating emergency funds to be used at the Governor's discretion for COVID-19 response efforts. The Governor began daily press conferences, delineating the data from test results as well as issuing numerous executive orders, an exertion of executive authority in way never seen before. This led to hard feelings on the legislature's part, who felt excluded in the decision-making process.

In a show of power from the Executive Branch, Governor Newsom's executive orders became a centerpiece of discussions, including influencing legislation that was eventually passed and signed into law. The orders ran the gamut from worker safety, mask mandates, eviction moratoriums – to name a few. Newsom was also the first Governor to issue a stringent statewide stay-at-home order requiring Californians, except those deemed essential workers, to remain at home. In total, Governor Newsom has issued 55 Executive Orders throughout this year, with likely more to come in the final months of 2020.

Through executive authority, the Governor created the Task Force on Business and Jobs Recovery, co-chaired by Tom Steyer and the Governor's Chief of Staff, Ann O'Leary, with representatives from an array of industries and labor representatives to advise him as businesses continue to struggle with the shutdowns. The Newsom Administration originally issued a phased "re-opening plan" in May, but when numbers started creeping back up the state began to rollback of some of these allowances. Ultimately, the Administration has settled on a tiered, color coded system that is supposed to bring clarity and consistent guidance to all counties across the state.

The Governor's office also saw a surprising exit, when the Governor's Legislative Secretary, Anthony Williams, announced his departure. In addition, California Public Health Director, Dr. Sonia Angell, resigned with no official reason given, but left shortly after the state experienced a system error with its data – which lead to inaccurate numbers. The state believes it has since corrected the error and gotten through any data backlogs.

The Newsom administration has been plagued with crises and hurdles in 2020 – COVID-19 spread, fallout from the economic shutdown, PPE shortages, COVID-19 testing accessibility, budget shortfalls, EDD delays and fraud, wildfires, energy blackouts, and heatwaves. Newsom has had a strained relationship with the legislature this year and his administration continues to struggle to get control of the various crises the state is facing.

Given the reduced legislative calendar, many have been left wondering if the Governor will call for a special session to address problems such as delays at the EDD, housing production and affordability and a statewide economic stimulus package. While most legislators are back in their districts campaigning, the Governor continues to issue executive orders, most recently a headline grabbing topic – banning the sale of gas powered vehicles by 2035, the beginning he promised, of more actions from his office in response to climate change.

CALIFORNIA'S FISCAL CLIMATE

The Legislative Analyst's Office (LAO) published a report earlier this year noting that California's economy began to recover in July, but overall remains significantly depressed compared to pre COVID-19 levels. California is currently in a deep recession due to the pandemic, and deficits are expected to persist until at least 2023-24.

The LAO presented two potential scenarios: 1) a "U-shaped" recession with a deficit of \$18 billion this year and \$64 billion in the long run. This is the optimistic scenario where the economy would bounce back quickly. However, this seems increasingly unlikely as the pandemic is not yet controlled and there might be a second wave; and 2) a "L-shaped" recession with a deficit of \$31 billion this year and \$126 billion in the long run. This is the pessimistic scenario where the economy recovers slowly. The administration's estimate of \$54 billion (this year) is substantially larger than LAO estimates because their emphasis is the gross changes to the budget's bottom line.

Due to our state's constitutional rules, only \$10 billion of the \$16 billion in total reserves may be used in fiscal year 2020-21. Moreover, California's overall reserve level is insufficient to cover the budget deficits in the long run. The LAO recommends the Legislature to 1) use reserves, 2) reduce expenditures, 3) increase revenues, and 4) shift costs to address the short-term budget problem. To address the multi-year budget deficits, the Legislature should consider ongoing solutions and programmatic reductions.

Responding to the budget deficits caused by the COVID-19 pandemic, the Budget significantly reduces the anticipated multi-year structural deficit by suspending several programmatic expansions enacted by the 2019 Budget Act and by accelerating the suspension of most Proposition 56 rate increases to July 1, 2021. After accounting for reserves, the operating deficit for 2021-22 is expected to be \$8.7 billion.

The \$8.8 billion in reserves is made up of \$7.8 billion from the Rainy-Day Fund, \$450 million from the Safety Net Reserve, and all of funds in the Public-School System Stabilization Account. General Fund relief also relies on \$10.1 billion in federal funds, and the State has already received \$8.1 billion.

Due to COVID-19, California's fiscal situation remains highly uncertain. Any legislation with a significant fiscal impact would need to have a companion component in the state budget process to be viable.

Ongoing investments in affordable housing for the 2020-21 budget include the following:

- \$500 million continuing allocation of last year's expanded Low-Income Housing Tax Credit program
- \$277 million for affordable housing through the real estate transaction fee created in 2017 through SB 2 (Atkins)
- \$452 million for infill housing development through programs funded by cap and trade
- Continuing allocation of \$4 billion in Prop 1 bonds for veterans and affordable housing programs

CCAH PRIORITY LEGISLATION

The ongoing housing crisis in California has been top priority in the California Legislature for the past several years. There have been numerous ideas and measures on how to fix the issue, yet no silver bullet to make meaningful impact. This year, the Legislature started with over 100 housing bills. However, following the onslaught of bills due to the pandemic, in the last two weeks of session, that number was whittled down to 21 bills still active on zoning and tenant rights, mobile homes, as well as an emergency COVID relief bill. The Legislature concluded the legislative session with little progress on a topic that many continue to call out as a top priority. If California is to come anywhere close to creating the 3.5 million homes that Governor Newsom promised to create by 2025, bold legislative action will be necessary. 2021 will be telling if both the governor and the Legislature can recoup momentum from previous sessions to produce meaningful housing production legislation.

AB 2829 (Ting) Property taxation: welfare exemption: rental housing: moderate-income housing:

Would extend the property tax exemption to units restricted to households up to 120% AMI. This would increase the production of more mixed income projects similar to the CalHFA MIP program. Due to COVID-19 and the prioritization of bills, AB 2829 did not move this year.

- CCAH Sponsored
- Status: Dead

AB 2722 (McCarty) Development fees and charges: deferral: Would mandate the deferral of most local impact fees for 20 years for projects restricted to serving households with incomes up to 120% AMI in jurisdictions that are noncompliant with their RHNA requirements. Due to COVID-19 and the prioritization of bills, AB 2722 did not move this year.

- CCAH Sponsored
- Status: Dead

AB 85 (Committee on Budget) State taxes and charges: On June 15, 2020, the Legislature passed AB 85, Governor Newsom's proposed tax legislation, and part of the annual budget deal, to raise additional income tax revenue to assist in balancing the California budget. The tax legislation contained two principal components:

- Suspension of net operating loss (NOL) deductions for tax years beginning in 2020, 2021 and 2022
- Limitation of tax credits to \$5 million for each taxpayer for the same tax years. The Low-Income Housing Tax Credit (LIHTC) is exempt.

AB 85 was signed into law by Governor Gavin Newsom on June 29, 2020. According to the Senate Budget and Fiscal Review Committee analysis, "the provisions of this bill result in a net General Fund benefit of approximately \$4.4 billion for the 2020-21 fiscal year." The business community opposed these provisions

of AB 85, as the limitations are particularly harmful during this time resulting from the pandemic. As businesses begin to recover in 2021 and later, it may take years for these businesses to restore what was lost in 2020.

- CCAH successfully lobbied the governor's office and budget committee to ensure that the LIHTC was exempt from the limitation of tax credits.
- Signed by governor

Several different efforts were made to create new protections for tenants who find they cannot pay rent because of "COVID-related financial hardship." On March 16, 2020, Governor Newsom issued an executive order authorizing local governments to halt evictions for renters affected by COVID-19. The California Supreme Court issued a moratorium on all eviction-related proceedings until September 1, 2020. Eviction proceedings would have been eligible to resume as of September 2, 2020, unless the Legislature acted.

In the final week of the legislative session in California, the governor and legislative leaders struck a deal on eviction relief for residential renters and foreclosure protections for small landlords financially impacted by the pandemic. [AB 3088](#) by Assemblyman Chiu, known as the **Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 (the Act)**, was passed by the Legislature prior to the midnight deadline on August 31 and Governor Newsom signed the bill shortly thereafter. The bill pauses evictions through January 31 due to unpaid rent during the first six months of the pandemic. The law, effective immediately, allows the state to delay the anticipated resumption on September 1, 2020 of unlawful detainer actions by California courts. To be eligible for the protections, renters would have to certify that they were impacted by COVID-19 and pay at least 25 percent of their rent starting in September. No missed rent payments would be forgiven, and landlords can recoup any unpaid sums in small claims court as of March. According to the bill's author, AB 3088 is a temporary solution meant to provide a degree of certainty to renters, reasonable protections for small landlords and time for the state to ascertain what added relief may be necessary in the future. Not included in the bill are protections for commercial real estate tenants and landlords.

- Status: Signed by governor

[AB 1436 \(Chiu\)](#) **Tenancy: rental payment default: mortgage forbearance: state of emergency: Payment Extension for Rent & Mortgages:** Would provide temporary eviction relief to residential tenants who are experiencing COVID-19-related financial distress, as specified, and would allow certain mortgage borrowers who are experiencing financial hardship due to the COVID-19 emergency to request forbearance, as specified. AB 1436 was adamantly opposed by the California Apartment Association and others as it would have encouraged tenants, including those without financial hardships from COVID-19, to skip rent payments without fear of eviction. AB 3088 replaced AB 1436 in the agreement that was reached.

- CCAH OPPOSED
- Status: Dead

[SB 1410 \(Caballero\)](#) **COVID-19 emergency: tenancies:** Creates a tenant-owner COVID-19 eviction relief agreement (CERA), restricts rental property owners from evicting tenants for unpaid rent accrued during the state of emergency and allows a tax credit for owners that defer rent for tenants in connections with the COVID-19 pandemic. The bill was ultimately held in Appropriations Committee.

- CCAH SUPPORT moved to NO POSITION

- Status: Dead

AB 828 (Ting) Temporary moratorium on foreclosures and unlawful detainer actions: coronavirus (COVID-19): Would prohibit a person from taking any action to foreclose on a residential real property while a state or locally declared state of emergency related to the COVID-19 virus is in effect and until 91 days after the state of emergency has ended, including, but not limited to, causing or conducting the sale of the real property or submitting for recordation a notice of default.

- CCAH OPPOSED
- Status: Dead

SB 939 (Wiener) Emergencies: COVID-19: commercial tenancies: evictions: Would establish a temporary eviction moratorium and a 12-month rent repayment period, as specified, and procedures for the renegotiating or terminating of certain commercial tenancy leases, as specified, where a commercial tenant is impacted by the novel coronavirus disease (COVID-19). The bill failed in Appropriations Committee.

- Status: Dead

AB 2405 (Burke) Right to safe, decent, and affordable housing: Declares and funds state policy that all children and families have a right to housing. Takes effect in 2026. Governor Newsom vetoed the measure citing cost implications estimated at over \$10 billion annually.

- Vetoed by governor

AB 725 (Wicks) General plans: housing element: moderate-income and above moderate-income housing: suburban and metropolitan jurisdictions: Requires cities to zone land for moderate income housing in existing neighborhoods rather than sprawl.

- Status: Signed by governor

AB 831 (Grayson) Planning and zoning: housing: development application modifications: Makes changes to the process for development projects approved by the streamlined, ministerial process created by SB 35 (Wiener), Chapter 366, Statutes of 2017. The change provides a path to modify approved development projects prior to the issuance of the final building permit required for construction, including provisions on how local governments must treat such an application for a modification. This bill also specifies how local governments must approve and construct public improvements provided in conjunction with the streamlined, ministerial development project in a manner that would not inhibit, chill, or preclude the development.

- Status: Signed by governor

AB 1851 (Wicks) Religious institution affiliated housing development projects: parking requirements: Allows reduction in parking at churches and other religious facilities when building housing on the lot; Only half the spaces need to remain.

- Status: Signed by governor

AB 2345 (Gonzalez) Planning and zoning: density bonuses: annual report: affordable housing:

Revises Density Bonus Law to increase the maximum allowable density and the number of concessions and incentives a developer can seek. Maximum affordable housing density bonus from 35% to 50%.

- Status: Signed by governor

AB 2580 (Eggman) Conversion of motels and hotels: streamlining: Would authorize a development proponent to submit an application for a development for the complete conversion, as defined, of a structure with a certificate of occupancy as a motel or hotel into multifamily housing units to be subject to a streamlined, ministerial approval process, provided that development proponent reserves at least 15% of the proposed housing units for lower income households and 5% of the proposed housing units for extremely low income households, unless a local government has affordability requirements that exceed these requirements. The bill would require the structure proposed to be converted be vacant for at least 6 months prior to the submission of the application, except as provided.

- CCAH SUPPORT
- Status: Dead

AB 3107 (Bloom) Planning and zoning: commercial zoning: housing development: Currently, many cities have huge areas of commercial zoning where office buildings and stores are OK, but housing is not. AB 3107 would allow homes in these areas if 20% of them are affordable.

- Status: Dead

AB 3308 (Gabriel) School districts: employee housing: Allows school districts to restrict occupancy of affordable housing on school district-owned land, funded with low income housing tax credits (LIHTC), to teachers and school district employees of the school district that owns the land, regardless of any laws that would prohibit a priority or preference for school district employees and teachers. Allows public employees to also occupy the housing constructed under this provision.

- Status: Signed by governor

SB 795 (Beall) Economic development: housing: workforce development: climate change infrastructure: Before 2011, local Redevelopment Agencies were a major funding source for affordable housing. Budget shortages led to their elimination. SB795 would have created a new, similar program. The bill is similar to 2019's SB5, which the legislature passed but the governor vetoed due to concerns about the cost. The bill was held in Appropriations Committee.

- Status: Dead

SB 950 (Jackson) California Environmental Quality Act: housing and land use: Makes various changes to the California Environmental Quality Act (CEQA) including, among other things, an exemption for emergency shelters, supportive housing, and transitional housing projects; changes to translation guidelines of CEQA documents; an optional, alternate process for receiving public comments; and requiring a report be submitted to the Attorney General if an action or proceeding is settled and involves the payment of money. The bill failed passage in Environmental Quality Committee.

- CCAH OPPOSED
- Status: Dead

SB 55 (Jackson) California Environmental Quality Act: housing and land use: Adds substantial time and costs to the CEQA process and provides project opponents with new legal arguments to delay or block housing and other projects. Almost identical to SB 950 that failed to pass the Senate Environmental Quality Committee.

- Status: Dead

SB 995 (Atkins) Environmental quality: Jobs and Economic Improvement Through Environmental Leadership Act of 2011: housing projects: CEQA Streamlining Extension and Expansion: Continues CEQA streamlining for large projects (over \$100 million) for 4 more years. Extends streamlining to smaller projects (\$15–100 million).

- Status: Dead

SB 1085 (Skinner) Density Bonus Law: qualifications for incentives or concessions: student housing for lower income students: moderate-income persons and families: local government constraints: Zoning Concessions for Inclusionary Housing: Makes various changes to Density Bonus Law (DBL), including providing additional benefits to housing developments that include moderate-income rental housing units. Makes it easier to get zoning concessions for buildings that contain some affordable housing. This bill previously also had bonuses for moderate income rental housing as well as decreases on impact fees charged by cities, but these were removed. The bill passed on the final day of session but did not return to the Senate in time for a concurrence vote.

- Status: Dead

SB 1079 (Skinner) Residential property: foreclosure: Proposes a trio of provisions intended to mitigate against blight, vacancy, and the transfer of residential property ownership from owner-occupants to corporate landlords in the event that California experiences a wave of foreclosures.

- Status: Signed by governor

SB 1138 (Wiener) Housing element: emergency shelters: rezoning of sites: Shelter Zoning: Makes changes to housing element law with regards to where shelters may be zoned, as specified. This bill also requires localities that fail to adopt a legally compliant housing element within 120 days of the statutory deadline, to complete a rezone program within one year instead of the current three-year requirement. Reduces the number of restrictions or standards that cities can place on the opening of new emergency shelters.

- Status: Dead

SB 1120 (Atkins) Subdivisions: tentative maps: Duplexes and Lot Splits: Allows duplexes or dividing a lot into 2 lots in non-rural single-family zones. Does not allow demolition of rent controlled homes or housing that has had a tenant in the last 3 years. Though the bill received approval in the Assembly just minutes before midnight on August 31, it did not return to the Senate in time for the final vote that would have been necessary to advance it to Gov. Gavin Newsom's desk.

- Status: Dead

SB 50 (Wiener) Planning and zoning: housing development: streamlined approval: incentives:

Would have increased building heights statewide to five stories near major transit stops or in job-rich areas and allowed multifamily apartments on most properties. The bill failed in January after a lengthy debate on the Senate floor. This was the third attempt by Senator Wiener to pass the upzoning bill.

- Status: Dead

SB 1292 (Jackson) Senior affordable housing: nursing pilot program: Would, contingent on funds being appropriated in the annual Budget Act, require the California Department of Aging to establish and administer the Housing Plus Services Nursing Pilot Program in the Counties of Los Angeles, Orange, Sacramento, Santa Barbara, and Sonoma. The program would provide grant funds to qualified nonprofit organizations that specialize in resident services for the purposes of hiring one full-time registered nurse to work at 3 senior citizen housing developments in each county to provide health education, navigation, coaching, and care to residents. The bill would require the department to submit a report to specified legislative committees and state agencies on or before January 1, 2025 and would repeal the program as of January 1, 2026. The bill never received a hearing in its first policy committee.

- CCAH SUPPORT
- Status: Dead

2020 ELECTION

Looking towards November's much-anticipated election, Californians planning to cast their vote in the Biden versus Trump showdown will also be asked to weigh in on several hotly contested state Senate and Assembly races. After flipping a few Republican-held seats in the 2018 election cycle, California Democrats are pursuing yet another increase in their numbers to cement a super majority status. Meanwhile, state Republicans, hoping to rebuild their ranks within the Legislature, are working to seize back some of those seats lost in 2018. As Get Out the Vote (GOTV) efforts by both parties intensifies leading up to November's Presidential clash of the titans, and with the COVID-19 pandemic taking its toll on the Golden State, it's anyone's guess what the next few months will bring for candidates vying for office or incumbents desperately hanging on to their once safe seats.

Assembly Races to Watch

AD 9: Jim Cooper (D) (Incumbent) vs. Eric M. Rigard (R) (Retired Businessman)

Democrats enjoy a +21 point registration advantage in Asm. Cooper's seat, so it stands to reason he should easily maintain his incumbent status come November. Though, after a serious challenge from within his own party in March's primary election, this is still one seat to watch in November's general.

AD 13 Open Seat: Carlos Villapudua (D) (Small Business Owner) vs. Kathy Miller (D) (County Supervisory)

Asm. Susan Eggman (D) is vacating her seat in order to run for Senate, leaving her Assembly seat open for the next generation. In the hotly contested primary election pitting three local Democrats against one another, Villapudua and Miller managed to pull out wins in the top-two primary, with a mere 22 votes separating Miller's second place finish to that of her third place opponent. Villapudua has been endorsed by several members of the Moderate Dem caucus while Miller was endorsed by both Asm. Eggman and the CA Democratic Party establishment.

AD 25 Open Seat: Bob Brunton (R) (Businessman) vs. Alex Lee (D) Legislative Policy Advisor

In May 2019, Asm. Kansen Chu (D) announced he would not seek reelection for his Assembly seat, choosing, instead, to run for the Santa Clara County Board of Supervisors. This is a safe seat where Democrats enjoy a +32 point registration advantage over Republicans, so it is likely Alex Lee will slide into victory come November.

AD 33 Open Seat: Thurston “Smitty” Smith (R) (Retired Business Owner) vs. Rick Herrick (R) (Mayor/Business Owner)

Asm. Jay Obernolte (R) opted to run for an open Congressional seat rather than seek reelection to the Assembly. November’s contest between local Big Bear Mayor Pro Tem Rick Herrick and former Hesperia City Councilman Thurston “Smitty” Smith will be one to watch as the two battle for this safe Republican seat.

AD 35 Dem Target: Jordan Cunningham (R) (Incumbent) vs. Dawn Addis (D) (Teacher/Councilwoman)

While AD 35 has a slight (+2) registration advantage for Democrats, who began targeting this seat when it was last open in 2016, local and down-ballot races in this coastal seat have trended Republican. Current Assemblyman Jordan Cunningham (R) is fighting off his Democratic opponent, Dawn Addis, who boasts a resume which includes current Morro City Bay Councilwoman and co-founder of the San Luis Obispo Women’s March. Cunningham performed solidly in March’s primary, walking away with 59% of the vote to Addis’ 43%. Though, Democrats have made this a target race for November and we are likely to see an influx of resources to Addis’ campaign between now and the general election, making this a race to follow until the last vote is counted.

AD 36 Dem Target: Tom Lackey (R) (Incumbent) vs. Steve Fox (D) (Attorney/Educator)

Asm. Lackey’s seat, which should be a competitive seat for Democrats who hold a +10 point registration advantage, is likely competitive in name only this election cycle as disgraced former Assemblyman Steve Fox (D) managed to eke out a second place finish behind the Republican incumbent, due in no small part to March’s crowded Democratic primary. There are stark counterpoints between these two candidates, not the least of which are their differing actions during the pandemic lockdown. Fox released a video of himself calling on potential constituents to drink tea and blast hot air from hair dryers up their noses to ward off the virus, while Lackey was hospitalized after contracting COVID-19 and is currently recovering at home while continuing to oversee his official duties as a Legislator. Also of note going into November’s election, Lackey, a former law enforcement officer, has recently made headlines for his work across the aisle on matters of police brutality.

AD 37 Open Seat: Charles W. Cole (R) (Businessman) vs. Steve Bennett (D) (Ventura County Supervisor)

Asm. Monique Limón (D) is vacating her seat to run for the nested Senate seat left open by termed-out Senator Hannah-Beth Jackson. This district is safely Democratic with a +24 registration advantage and, with Cole running a token campaign having raised almost no money, it is likely Bennett walks into this open seat come November.

AD 38 Open + Target Seat: Suzette Martinez Valladares (R) (Educator/Nonprofit Director) vs. Lucie Lapointe Volotzky (R) (Small Business Owner)

Democrats flipped this target seat for the first time in 2018, with current Asm. Christy Smith (D) besting then-incumbent Danta Acosta (R) as Democrats seized a small registration advantage (+2) for the first time in recent history. Smith intended to seek reelection for her hard-won seat until former Congresswoman Katie Hill (D) resigned from her federal post amid scandal at the end of 2019. Asm. Smith seized the opportunity to run for Congress, leaving her competitive seat open for the taking at the last moment. An overly crowded ticket on the Democratic side led to two Republicans easily walking away with the top two slots for November's general election, setting up the CA Republican Party to take back at least one seat they lost in 2018.

AD 42 Rep. Target: Chad Mayes (NPP) (Incumbent) vs. Andrew Kotyuk (R) (Small Businessman/Mayor)

This district, which has trended Republican but has become competitive in recent years as a result of a significant No Party Preference (NPP) movement, will be California's first test of an incumbent NPP defending their seat against an establishment candidate. Asm. Chad Mayes (NPP), once a leader amongst his Republican Legislative colleagues, has been vocal in his opposition of the Trump Administration and, one day before the registration deadline for the 2020 primary election, changed his registration from Republican to No Party Preference. The CA Republican Party has invested significant time and resources looking to best Mayes and turn the seat red once again, bolstering San Jacinto Mayor Andrew Kotyuk in his bid for Assembly. Several business-friendly groups have rallied their support behind Mayes in hopes of keeping the moderate incumbent in office. This race is one to follow.

AD 55 Dem Target: Philip Chen (R) (Incumbent) vs. Andrew E. Rodriguez (D) (Mayor/County Commissioner)

Asm. Philip Chen's (R) seat was a former Republican stronghold but has become competitive in the wake of the 2018 election. With a very slight Democratic advantage (+0.2), a significant NPP population, and the two over-lapping Congressional seats targeted by national Democrats, Chen will be in the fight for his political life in November's general election.

AD 57 Open Seat: Jessica Martinez (R) (Educator) vs. Lisa Calderon (D)

In late 2019, Asm. Ian Calderon (D) announced he would not seek reelection for the seat long-held by a member of the Calderon family, setting up what became an intense primary fight between two political families – the Calderon dynasty and the newly-minted political heavyweight Rubio matriarchy. Ultimately, Asm. Calderon's stepmother, Lisa Calderon, walked away with the primary victory over her Democratic opponent, Sylvia Rubio. As this district is safely Democratic, it is likely a Calderon will continue to fill this seat come November's general election.

AD 59 Competitive Dem. Top Two: Reggie Jones-Sawyer (D) (Incumbent) vs. Efren Martinez (D) (Public Policy Commissioner)

Current Asm. Reggie Jones-Sawyer (D), who ran unopposed for his seat in 2014 and 2016 and faced only a token campaign opponent in 2018, faces a serious intra-party challenge for his seat in November. His opponent, Efren Martinez (D), was the top vote-getter in March's primary, besting Jones-Sawyer by nearly 6 points. While this seat has traditionally been held by an African-American, the district's population has shifted in recent years to see a significant uptick in the number of Latino residents – a dynamic we are likely to see play out in this race come November.

AD 68 Democratic Target: Steven Choi (R) (Incumbent) vs. Melissa Fox (D) (Councilmember/Businesswoman)

Incumbent Assemblyman Steven Choi's (R) seat was formerly a safe Republican district but has been become competitive in recent years with a decline in Republican registration and an uptick in both the Democratic and NPP populations. While current registration has Republicans at a slight advantage (+2), the district's recent trending favors Choi's serious, and seriously well-funded, Democratic opponent Melissa Fox going into the general election. With the CA Democratic Party making Fox one of their priorities, this race is another to watch in the coming months.

AD 72 Competitive + Democratic Target: Janet Nguyen (R) (Orange County Foundation Board Member) vs. Diedre Nguyen (D) (Cancer Scientist/Councilmember)

As a result of his vote for AB 5, Current Asm. Tyler Diep (R) found support by his local Republican establishment revoked, a move which ultimately resulted in the loss of his fight for reelection in March's primary, coming in third behind former Senator Janet Nguyen (R) and Garden Grove City Councilmember Diedre Nguyen (D). The two women will now face-off to see if Republicans can hold their small registration advantage (+0.85) in this seat, or if California Democrats will have the momentum to flip yet another competitive seat to their advantage.

AD 74 Competitive Seat: Cottie Petrie-Norris (D) (Incumbent) vs. Diane Dixon (R) (Mayor)

Incumbent Cottie Petrie-Norris (D) flipped this seat in 2018, besting then Asm. Matthew Harper (R) for the seat long held by Republicans but trending more competitive in recent years. While Republicans maintain a slight registration advantage in this district (+1.65), a growing NPP population ensures this seat remains competitive and a top target for the CA Democratic Party to maintain. The district voted in favor of Hilary Clinton in 2016 and Gavin Newsom in 2018, though, with Orange County's recent rebellion against Newsom's pandemic-centric stay-at-home orders and a competitive fight in the overlapping Congressional district, results on election night may be closer that Petrie-Norris and the Democrats might like.

AD 76 GOP Target: Tasha Boerner-Horvath (D) (Incumbent) vs. Melanie Burkholder (R) (Licensed Counselor/Businesswoman)

This San Diego area district was once solidly Republican, but, like many other California districts, has undergone a massive shift since the 2018 election of Donald Trump. Incumbent Democrat Tasha Boerner-Horvath was able to seize upon 2018's blue wave, flipping the seat and adding to California Democrats' super-majority. Conventional wisdom says this seat should be a GOP target, though with the CA GOP's minimal resources available to defend other competitive seats targeted by Democrats, the likelihood the Republican establishment will expend resources to take back this seat, which now boasts a +4.59 Democratic registration advantage, is pretty slim.

AD 77 GOP Target: Brian Maienschein (D) (Incumbent) vs. June Yang Cutter (R) (Business Owner/Mother)

Incumbent Brian Maienschein (D), who narrowly won his 2018 reelection when he ran as a Republican, abandoned his Republican roots shortly after the election and joined the Democratic party. The district, which now boasts a +5.20 point advantage for Democrats, remains competitive due only to a large NPP population. Additionally, with the California Democratic establishment rallying behind the newest Member of their ranks, Maienschein will likely hold onto his seat in his first general election as a Democrat in November.

Senate Races to Watch

SD 5 Open Seat: Susan Talamantes Eggman (D) (Assemblymember) vs. Jim Ridenour (R) (Law Enforcement Contractor)

Senator Cathleen Galgiani (D) is termed out, leaving her seat open this election cycle. After a tumultuous primary election in March, current Asm. Susan Eggman (D) was the top vote-getter and, in a district with a significant Democratic advantage (+10.94), she will likely fill this Senate seat come November.

SD 13 Open Seat: Josh Becker (D) (Educator/Non-Profit Director) vs. Alexander Grew (R) (Engineer/Business Owner)

Jerry Hill (D) is another termed out Senator in 2020, creating another open seat in a safely Democratic district. After a hard-fought primary election with several high-profile Democrats vying for a spot in the top two general election, Democrat Josh Becker walked away with the top slot, followed by Republican Alexander Grew. Given the dynamics of this district, with a +37 point registration advantage for Democrats, Beck is all but assured to be the next Senator from the Silicon Valley.

SD 15 Open Seat: Dave Cortese (D) (County Supervisor) vs. Ann Ravel (D) (Public Interest Attorney)

Senator Jim Beall (D) is termed out in 2020, leaving his safe seat open for the taking by the next Democrat to win the district's favor. After a lengthy primary contest between three formidable Democrats, County Supervisor Dave Cortese was the top vote-getter followed by former FEC Commissioner and FPPC Chair Ann Ravel. With significant independent expenditure (IE) activity in the primary, and more of the same going into November's general election, this seat has become a Dem on Dem battleground. Cortese's support from the Democratic establishment may help him squeak out a win over the lesser-known Ravel, though we may not see a winner declared for several days post-election if the vote proves to be as close as many insiders believe it might be.

SD 17 Open Seat: John Laird (D) (Natural Resources Secretary) vs. Vicki Nohrden (R) (Businesswoman)

Termed-out incumbent Bill Monning (D) will vacate his safely Democratic seat at the end of the year and is expected to be succeeded by CA Natural Resources Secretary, Democrat John Laird.

SD 19 Open Seat: Monique Limón (D) (Assemblywoman) vs. Gary Michaels (R) (Telecommunications Consultant)

Long-time Senator Hannah-Beth Jackson (D) is termed out at the end of the year and, with little trouble attaining the top vote-getter status in her primary election, current Assemblywoman Monique Limón (D) should cruise to an easy victory over her Republican opponent in this Democratic legacy seat.

SD 21 Democratic Target: Scott Wilk (R) (Incumbent) vs. Kipp Mueller (D) (Workers Rights Attorney)

Since 2016, Scott Wilk's (R) seat has been trending more and more Democratic, with current registration favoring Dems by +7.59 points. Given the shifting registration and an overlapping Congressional seat garnering serious resources from both national Democrats and Republicans, this seat has become a hot target and Senator Wilk has a serious fight on his hands going into the November election.

SD 23 Open Seat: Abigail Medina (D) (School Board President) vs. Rosilicie Ochoa Bogh (R) (Businesswoman/School Board Member)

In termed-out Senator Mike Morrell's (R) seat, no Democrat has ever defeated a Republican in a district-wide race. However, with the district's registration dynamic shifting to now give Democrats a slight edge (+1.09), this race will be extremely competitive going into the fall. California Democrats see seat as a real potential for pick-up and are likely to pull out all the stops going into November.

SD 29 Democratic Target: Ling Ling Chang (R) (Incumbent) vs. Josh Newman (D) (Veteran's Advocate)

This Orange County seat has been competitive for several elections cycles, flipping back and forth between the parties and picked up by GOP member Janet Ngyuen in a 2018 recall of then-Senator, and once again candidate, Josh Newman (D). With a registration advantaging Newman (+6.61) and the California Democratic establishment citing this as one of their top targets for take-back in November, Chang has a steep hill to climb in order to hang onto her seat.

SD 37 Democratic Target: John Moorlach (R) (Incumbent) vs. Dave Min (D) (Irvine Law Professor)

Incumbent Senator John Moorlach (R) has seen registration in his district shift significantly since his last election in 2016, with Republicans holding onto the advantage by a slim +1.88 points. With significant IE activity in the primary election to bolster the Democrats in the race, top two vote-getter Dave Min (D) is likely to enjoy more of the same going into November's election as Democrats target Moorlach's seat for a potential flip.

2020 BALLOT INITIATIVES

The November 2020 ballot is shaping up to be a crowded one. In addition to a Presidential election, voters will be faced with several big initiatives vying for attention, on issues ranging from consumer privacy protections and property taxes, to rent control and money bail. Political Solutions has put together a brief summary of those propositions below.

Several propositions are consistently in the headlines, and, over the summer, ten of the most high-profile proposition campaigns made waves as they each filed [lawsuits](#) against California's Attorney General, Xavier Becerra, for what they contend are inaccurate titles and summaries assigned by his office to the propositions in question. While there are often disputes between campaigns and the Attorney General's office on the assignment of ballot proposition title and summaries, ten separate challenges on one ballot is unprecedented in California. Summary of the initiatives that might be of interest to CCAH below:

November 3, 2020 Ballot

- **[Proposition 15: Split Roll Property Tax Increase](#)**

Sponsor: Social Justice Organizations and Labor

In Brief: By lifting commercial property tax caps imposed decades ago by Proposition 13 for land and properties worth more than \$3 million, the so-called "split roll" measure could generate between \$6.5 billion and \$11.5 billion a year for schools and local governments. Opponents warn it would spur an exodus of businesses out of California.

Major Support: CA Democratic Party; Current and Former Democratic Elected Officials including Presidential Candidate Joe Biden; Major Labor Unions including the CA Teachers Association, SEIU, AFSCME and others; Organizations such as the Chan-Zuckerberg Initiative, ACLU, League of Women Voters, Equality California and others; Labor Rights Icon Dolores Huerta and a plethora of other organizations and individuals.

Major Opposition: Howard Jarvis Taxpayer Association; CA Chamber of Commerce and many local Chambers of Commerce; CA Black Chamber of Commerce and CA Hispanic Chambers of Commerce; Organizations such as the CA Retailers Assoc., CA Small Business Assoc., CA Farm

Bureau Federation, CA NAACP State Conference and others; CA Business Roundtable; CA Rental Housing Assoc. and many, many others.

Money Spent to Date: \$49 Million in Support, \$30 Million in Opposition

- **Proposition 19: Property Tax Transfers, Exemptions, and Revenue for Wildfire Agencies and Counties Amendment**

Sponsor: the CA State Legislature placed this proposition on the ballot.

In Brief: The ballot measure would change the rules for tax assessment transfers. In California, eligible homeowners can transfer their tax assessments to a different home of the same or lesser market value, which allows them to move without paying higher taxes. Homeowners who are eligible for tax assessment transfers are persons over 55 years old, persons with severe disabilities, and victims of natural disasters and hazardous waste contamination. The ballot measure would allow eligible homeowners to transfer their tax assessments anywhere within the state and allow tax assessments to be transferred to a more expensive home with an upward adjustment. The number of times that a tax assessment can be transferred would increase from one to three for persons over 55 years old or with severe disabilities (disaster and contamination victims would continue to be allowed one transfer).

Major Support: CA Democratic Party, Governor Gavin Newsom, CA REALTORS Assoc., CA Professional Firefighters Assoc., CA Business Roundtable, CA State Federation of Labor AFL-CIO, countless elected officials, and more.

Major Opposition: The Howard Jarvis Taxpayers Assoc.

Money Spent to Date: \$36 Million in Support, \$45K in Opposition

- **Proposition 21: Local Rent Control Initiative**

Sponsor: Michael Weinstein and AIDS Healthcare Foundation

In Brief: The ballot measure would replace the Costa-Hawkins Rental Housing Act (Costa-Hawkins), which was passed in 1995. Prior to the enactment of Costa-Hawkins, local governments were permitted to enact rent control, provided that landlords would receive just and reasonable returns on their rental properties. Costa-Hawkins continued to allow local governments to use rent control, except on (a) housing that was first occupied after February 1, 1995, and (b) housing units with distinct titles, such as condos, townhouses, and single-family homes.

The ballot measure would allow local governments to adopt rent control on housing units, except on (a) housing that was first occupied within the last 15 years and (b) units owned by natural persons who own no more than two housing units with separate titles, such as single-family homes, condos, and some duplexes, or subdivided interests, such as stock cooperatives and community apartment projects. Under Costa-Hawkins, landlords are allowed to increase rent prices to market rates when a tenant moves out (a policy known as vacancy decontrol).[1] The ballot measure would require local governments that adopt rent control to allow landlords to increase rental rates by 15 percent during the first three years following a vacancy.

Major Support: CA Democratic Party, The AIDS Healthcare Foundation, ACLU of CA, CA Alliance for Retired Americans, Sen. Bernie Sanders, Consumer Watchdog, many tenants rights groups and elected officials, amongst others.

Major Opposition: The CA Apartment Assoc., State Building & Construction Trades Council of CA, CA Council for Affordable Housing, CA Building Industry Assoc., American Legion Dept. of CA, many veterans groups, California Chamber of Commerce and many local Chambers of Commerce, numerous labor entities, The Howard Jarvis Taxpayers Assoc., and many others.

Money Spent to Date: \$23 Million in Support, \$52 Million in Opposition

- **Proposition 24: Consumer Personal Information Law and Agency Initiative**

Sponsor: Alastair Mactaggart

In Brief: Proposition 24, also known as the California Privacy Rights and Enforcement Act of 2020, would expand or amend the provisions of the California Consumer Privacy Act of 2018 (CCPA), create the California Privacy Protection Agency, and remove the ability of businesses to fix violations before being penalized for violations. The ballot initiative would require businesses to do the following:

- not share a consumer's personal information upon the consumer's request;
- provide consumers with an opt-out option for having their sensitive personal information, as defined in law, used or disclosed for advertising or marketing;
- obtain permission before collecting data from consumers who are younger than 16;
- obtain permission from a parent or guardian before collecting data from consumers who are younger than 13; and
- correct a consumer's inaccurate personal information upon the consumer's request.

Major Support: Alastair Mactaggart, Andrew Yang, Common Sense Media, CA State Controller Betty Yee, Joint Author of CA Consumer Privacy Act Sen. Robert. M Hertzberg and other elected officials, CA State Conference of NAACP, Consumer Watchdog, AFSCME and several other labor organizations, as well as many others.

Major Opposition: Consumer Federation of CA, ACLU of CA, Silicon Valley Leadership Group and others.

Money Spent to Date: \$5.4 Million in Support, \$45K in Opposition

ONWARD TO 2021

As we continue to work with the Newsom Administration and a legislature that will continue to explore housing solutions in California, we anticipate both opportunities and challenges as we tackle CCAH's 2021 legislative priorities identified thus far:

- 1) LIHTC
- 2) Development/Impact fees

Clearly, we are gearing up for a very busy and exciting legislative year! Political Solutions looks forward to our continued collaboration with CCAH in 2021.