

Housing, Land Use and Transportation Policy Committee Meeting CSAC 129th Annual Meeting

Wednesday, November 15, 2023 — 8:45am – 10:15am

In-person: Oakland Convention Center, Grand Ballroom EFGH

Alameda County, California

Supervisor Jennifer Kreitz, Mono County, Chair Supervisor Bonnie Gore, Placer County, Vice Chair Supervisor Nora Vargas, San Diego County, Vice Chair

8:45 am I. Welcome and Introductions

Supervisor Jennifer Kreitz, Mono County, Chair Supervisor Bonnie Gore, Placer County, Vice Chair Supervisor Nora Vargas, San Diego County, Vice Chair

8:50 am II. Presentation by Director Gustavo Velasquez, California Department of Housing and Community Development (HCD)

Gustavo Velasquez, Director, California Department of Housing and Community Development

Attachment One: Biography for HCD Director Gustavo Velasquez

Attachment Two: California's Housing Future 2040: The Next Regional Housing

Needs Allocation

10:00 am III. 2023 Year in Review and 2024 Housing, Land Use and Transportation Priorities

Attachment Three: 2023 Year in Review and 2024 HLT Priorities (ACTION ITEM)

Attachment Four: 2023 HLT Legislative Advocacy Outcomes

Attachment Five: Ballot Initiative Process and Active Housing Initiatives

10:15 am IV. Closing Comments and Adjournment

LIST OF ATTACHMENTS

Presentation by Director Gustavo Velasquez, California Department of Housing and Community Development (HCD)

Attachment One.....Biography for HCD Director Gustavo Velasquez

Attachment TwoCalifornia's Housing Future 2040: The Next
Regional Housing Needs Allocation

2023 Year in Review and 2023 Housing, Land Use and Transportation Priorities – ACTION ITEM



Director Gustavo Velasquez, California Department of Housing & Community Development (HCD)



Governor Gavin Newsom appointed Gustavo Velasquez to serve as Director of the California Department of Housing and Community Development (HCD) in May of 2020. He oversees 10 divisions and over 1,100 employees responsible for the funding, production, and preservation of affordable housing to promote safe, inclusive, and sustainable communities for all Californians.

In this role, Velasquez leads California's statewide department that administers state and federal funding for the development of affordable housing and infrastructure, develops housing and community development policies and research, produces the California Statewide Housing Plan, enforces housing element compliance with state law, upholds standards for housing construction, and manages titling and registration for mobilehomes.

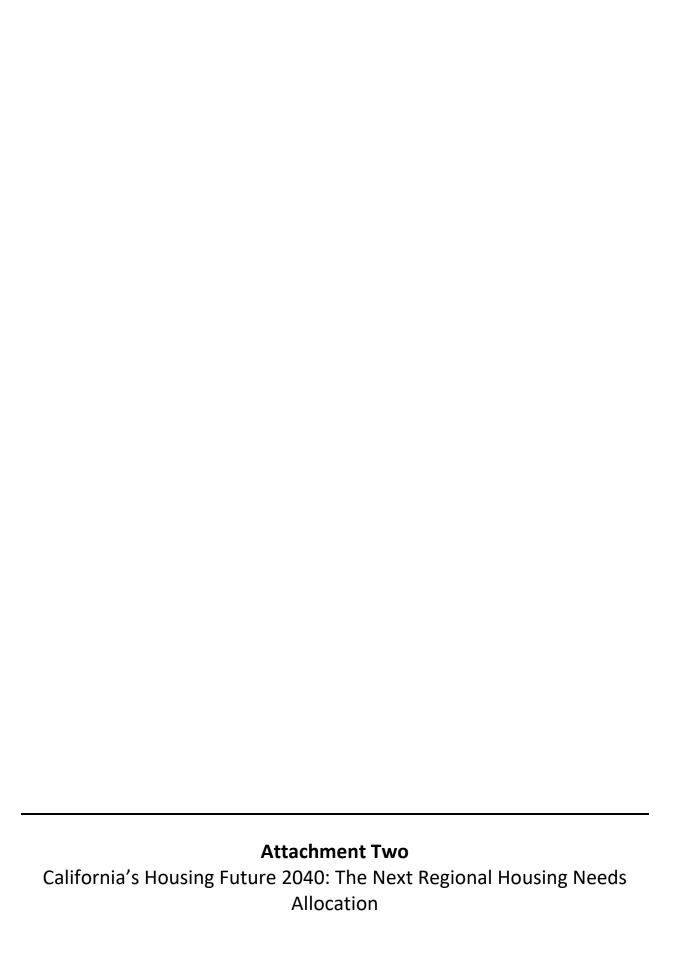
Velasquez directed the Department through an organizational restructure while it doubled in size, effectively managing an unprecedented budget of \$25.1 billion over two fiscal years. Under his leadership, HCD launched programs such as Homekey and CA COVID-19 Rent Relief, now deemed national models for rapidly deploying billions of dollars to communities in need and securing housing for thousands of Californians experiencing or at-risk of homelessness.

He also oversaw the implementation of inaugural policy solutions, such as the establishment of the Housing Accountability Unit, to strengthen enforcement of housing element compliance, the launch of the California Housing Accelerator, to close funding gaps and jumpstart the construction of affordable homes, and the Multifamily Finance Super NOFA, to streamline the application and release of millions of dollars in state affordable housing funding resources.

Director Velasquez currently serves on the California Debt Limit Allocation Committee, the California Housing Finance Agency Board, the California Interagency Council on Homelessness, and UC Berkeley's Terner Center Advisory Board.

Velasquez has held notable and prominent positions, including the appointment by President Barack Obama to lead the U.S. Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity, Director of the District of Columbia Office of Latino Affairs and the Office of Human Rights, Executive Director of the D.C. Latino Economic Development Center, and Senior Director at the Urban Institute, a renowned national economic and social policy research organization.

He graduated from the University of Pennsylvania with a master's degree in public administration.



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Graham Knaus

November 15, 2023

TO: CSAC Housing, Land Use and Transportation (HLT) Policy Committee

FROM: Mark Neuburger, Legislative Advocate, CSAC

Kristina Gallagher, Legislative Analyst, CSAC

RE: California's Housing Future 2040: The Next Regional Housing Needs Allocation

<u>AB 101 (2019)</u> directed the California Department of Housing and Community Development (HCD), in collaboration with the Governor's Office of Planning and Research (OPR) and after engaging in stakeholder participation, to develop recommendations related to the RHNA process and methodology.

In order to inform HCD's recommendations for improving the RHNA process and methodology, HCD conducted a public survey that focused on how to capture existing and projected housing needs, exploring potential process changes to save staff time, resources, increase transparency, and accountability. The survey closed on May 5, 2023, afterwards, HCD utilized the survey responses to inform HCD's recommendations for improving the RHNA process and methodology.

HCD also convened a Sounding Board (Board) of approximately 30 stakeholders as part of the California's Housing Future 2040 stakeholder engagement initiative. This Board focused on a series of specific, technical questions where HCD sought issue specific feedback to consider when drafting the recommendation report. For clarity, the Board was not a decision-making body. instead HCD characterized the Board as one mechanism for HCD to gather feedback on California's Housing Future 2040: The Next RHNA. These meetings were not open to the public, but public comment was welcome on meeting agenda items. HCD accepted written public comment through September 15, 2023.

In early July 2023, HCD staff provided a status update to legislative staff (no formal hearings were conducted) on the status of their work on the California's Housing Future 2040 effort, including progress of the stakeholder engagement initiative and recommendations report development. At this meeting, HCD staff shared the high-level components and extent of stakeholder engagement that had been completed to date, who HCD had heard from in this engagement process, and the topics that had been discussed.

HCD will compile its findings and recommendations and will submit a final report to the Legislature by December 31, 2023.

Resources:

"Regional Housing Needs Allocation" California Department of Housing and Community Development: https://www.hcd.ca.gov/planning-and-community-development/regional-housing-needs-allocation







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CEO Graham Knaus November 15, 2023

To: Housing, Land Use, and Transportation Policy Committee

From: Mark Neuburger, Legislative Advocate, CSAC

Kristina Gallagher, Legislative Analyst, CSAC

Re: 2023 Year in Review and 2024 HLT Priorities – ACTION ITEM

Housing, Land Use and Transportation Policy Committee 2023 Year in Review

The following memo includes a summary of key highlights from the work of the Housing, Land Use and Transportation Policy Committee in 2023 and draft 2024 priorities for the Committee's consideration.

Housing and Land Use

This year, CSAC's AT HOME Plan drove the HLT advocacy efforts. CSAC took more positions supporting housing efforts, advocating to simplify land use procedures, and streamlining the permit approval process to support making it easier to build affordable housing. CSAC worked to address these issues through state statutes that act as barriers to housing, as well as consolidating existing state housing programs within the Department of Housing and Community Development (HCD). Finally, the HLT team focused on improving HCD's technical assistance to counties and demanding flexibility to use existing and future funding.

Transportation

CSAC acknowledges that the state's current focus on reducing vehicle miles traveled will ultimately reduce the fuels-based funding sources that support county transportation projects, which will have long-term consequences for counties. To address this issue, CSAC is advocating for a diversification of funding sources to reduce the volatility associated with fuels-based funding to other sources, such as road user charge or electric surcharge.

The CSAC HLT team is a part of the SB 1121 Stakeholder Working Group. The bill requires the California Transportation Commission, in consultation with California State Transportation Agency (CalSTA) and the California Department of Transportation (CalTrans) to prepare a needs assessment of the cost to operate, maintain, and provide for the necessary future growth of the state and local transportation system for the next ten years and report it to the state legislature. The purpose of the working group is to develop a report with accurate information to make sure the revenues are relevant and correct, as well as help identify any data or gaps in funding. The working group will also help identify the impact of the transition to EVs, and how they will affect the funding streams from SB 1.

There will be two reports for the first round – the interim report due on January 1, 2024, that will identify where the funding shortfall is and the magnitude of the problem and then the final report that will be due on January 1, 2025 will identify policy solutions to address the problems. There will be a report every 5 years thereafter.

Key highlights from the first year of the 2023-24 Legislative Session include:

The Housing, Land Use and Transportation team tracked over 195 pieces of legislation in 2023 and took active positions on over 25 bills. CSAC has been a key stakeholder in deliberations around housing, land use and transportation legislation.

CSAC was heavily involved in working on a variety of policy bills that will give local governments more flexibility, including sponsoring AB 400 by Assemblymember Blanca Rubio that allows local governments to continue the utilization of existing state law which allows them to use the Design-Build (DB) procurement process for qualifying public works contracts in excess of \$1 million using either a low bid or best value process. This bill achieves this by extending the existing January 1, 2025 sunset date to January 1, 2031 on the statutory DB authority. This bill was signed by the Governor on September 22, 2023.

CSAC also co-sponsored SB 706 by Senator Anna Caballero, which allows counties, cities and special districts to use the progressive design-build (PDB) project delivery method for construction contracts. Until January 1, 2030, the bill authorizes local agencies to use the PDB process for up to 10 public works projects in excess of \$5 million for each project. For background, in PDB, there are two phases. In the first phase the awarding entity (i.e., County) would choose a DB entity using the best value process to complete preliminary plans, provide a cost estimate and a final design. Then the second phase, where the DB entity and the awarding entity would agree to a final design, cost, and schedule. If there is no agreement, there is an "off ramp," where the awarding entity can keep the first phase design plans and contract out with another entity to finish the rest of the project. This is different than the traditional DB, where the awarding entity contracts with one single entity to design and construct a project at a set price before the design work begins, which does not include the "off ramp." This bill was signed by the Governor on October 8, 2023.

CSAC supported legislation that sought to promote the development of affordable housing, including SB 4 by Senator Scott Wiener, which provides that an affordable housing development is a use by right (i.e., not subject to CEQA or other discretionary review by the relevant city or county) on infill sites owned by a church or non-public college; AB 1033 by Assemblymember Phil Ting, which authorizes a local agency to adopt a local ordinance to allow ADUs to be sold separately or conveyed from the primary residence; and AB 1307 by Assemblymember Buffy Wicks, which specifies that noise generated by occupants is not a significant effect on the environment for residential projects for purposes of the California Environmental Quality Act (CEQA). All these bills were signed by the Governor.

CSAC also participated in an active role in Assemblymember Friedman's stakeholder process since January 2023, the two bills below are part of the author's effort to build consensus-based policy proposals on transportation-climate change related issues, the process is ongoing.

AB 6 (Friedman), which would empower the California Air Resources Board (CARB) with additional authority to provide each region of the state with greenhouse gas (GHG) emission reduction targets for the automobile and light truck sector for 2035 and 2045, and would make related changes to CARB's oversight of sustainable communities strategies (SCS), was made a two-year bill. Assemblymember Friedman intends to work with stakeholders over the interim to continue to seek consensus around various ideas for accelerating progress towards transportation related greenhouse gas emissions reductions goals.

AB 7 (Friedman), which would codify specific principles and strategies from the Governor's Climate Action Plan for Transportation Infrastructure (CAPTI) into transportation program guidelines and planning processes undertaken by the California State Transportation Agency (CalSTA), the California Department of Transportation (Caltrans), and the California Transportation Commission (CTC). As amended, bill closely resembles her 2022 measure - AB 2438 - which the Governor vetoed because he believed it to be unnecessary since work was well underway and the bill would have actually inhibited the state's ability to appropriately respond to the evolution of the state's response to climate change. The bill was placed on the inactive file and therefore became a two-year bill.

Attachment Four includes a comprehensive overview of the bills CSAC engaged on, including detailed information on our key requests for amendments and each bill's final outcome.

Advanced Clean Fleets

CSAC engaged in the California Air Resources Board (Board) Advanced Clean Fleets (ACF) regulatory drafting process. Despite consistent advocacy outlining the challenges the regulations would create for county vehicle fleets in terms of lack of available technology, feasibility and cost of the proposed regulations, the Board adopted the regulations in April 2023 without the needed modifications. CSAC will continue to engage with counties to gather information on the challenges these regulations are creating in their efforts to balance the need to reduce the emissions from their public fleets while effectively providing public services. CSAC is also involved in efforts to support legislative changes to assist counties with these regulations.

2024 Housing, Land Use and Transportation Policy Committee Priorities

As the issues counties face continue, many of the policy responses to these challenges have implications for other policy areas. For example, legislative approaches to address housing affordability and availability frequently implicate legislative decisions meant to address the climate impact of the state's transportation system. CSAC staff will continue to look for opportunities to work with the legislature to develop reasonable policy solutions that minimize conflict with other policy areas.

The following section of the memo summarizes a draft of priorities for the work of the Housing, Land Use, and Transportation Policy Committee in the second year of the 2023-2024 legislative session.

- I. Support efforts to sustainably expand the responsible construction and preservation of housing affordable to our community members.
- II. Promote the role of counties as partners in effective land use decisions that recognize local realities, infrastructure needs and available resources.
- III. Engage in efforts that lead to reasonable solutions which appropriately balance addressing the climate impact of county transportation and vehicle fleets within available resources.



Housing, Land Use and Transportation 2023 Legislative Advocacy Outcomes November 15, 2023

Bill Summary	CSAC Position	Final Outcome
Housing and Land Use		
AB 68 (Ward) Land use: streamlined housing approvals: density, subdivision, and utility approvals. The bill would limit housing production by limiting the areas where it can occur. Specifically, the bill proposes to strip local governments of their land-use authority by permanently prohibiting all new housing construction in counties that the bill claims are not "climate smart parcels," despite the California Air Resources Board's (CARB) recognition to the contrary and will worsen California's existing housing crisis by preventing local governments from permitting new housing units in most of their jurisdictions.	CSAC was opposed to this measure.	This bill failed to pass the house of origin, therefore became a two-year bill.
AB 356 (Mathis) California Environmental Quality Act: aesthetic impacts. The bill extends the sunset date of a provision of CEQA stating that lead agencies are not required to evaluate the aesthetic effects of a project involving the refurbishment, conversion, repurposing, or replacement of an existing building that is abandoned, dilapidated, or has been vacant for more than one year and which includes the construction of housing.	CSAC was in <u>support</u> of this measure.	The Governor signed this bill.

AB 480 (Ting) Surplus land. The bill makes numerous changes to the Surplus Land Act (SLA), including the disposal process, the authority of the Department of Housing and Community Development (HCD), and penalties for violations. The bill expands HCD's authority by subjecting disposals pursuant to the mixed-use exemption for larger sites to penalties under the SLA, despite the broader exclusion from the SLA that exempt surplus land enjoys. The bill also alters specific penalty provisions of the SLA pertaining to land that is sold or leased in violation of the Act.	CSAC, along with UCC, RCRC and CalCities initially held an oppose unless amended position on this measure but removed opposition after the bill was amended to address county concerns.	The Governor signed this bill.
AB 578 (Berman) Multifamily Housing Program: No Place Like Home Program. The bill would cap the monitoring fees that HCD charges for the Multifamily Housing Program and the No Place Like Home Program. Currently, HCD charges 0.42% of the award amount every year to monitor a development, 20 years ago that was acceptable but with the size of loans today, it could result in over \$100,000 in fees. AB 578 caps the monitoring fee to \$260 per unit in the development, which saves an average development over \$22,000.	CSAC was in support of this measure.	The bill was held on the Senate Appropriations Committee Suspense File, therefore became a two-year bill.
AB 653 (Reyes) Federal Housing Voucher Acceleration Program. The bill creates the Federal Housing Voucher Acceleration Program to provide housing search assistance, landlord incentives, and deposit resources to help tenants with vouchers find and secure housing.	The author accepted CSAC's requested amendment to require HCD to provide technical assistance to applicants that receive the grant funds. CSAC was in support of this measure.	The bill was supposed to be heard in the Senate Appropriations Committee but was pulled by the author and therefore became a two-year bill.

AB 1033 (Ting) Accessory dwelling units: local ordinances: separate sale or conveyance. The bill authorizes a local agency to adopt a local ordinance to allow ADUs to be sold separately or conveyed from the primary residence as condominiums.	CSAC was in <u>support</u> and requested the Governor's signature on this bill.	The Governor signed this bill.
AB 1053 (Gabriel) Housing programs: multifamily housing programs: expenditure of loan proceeds. The bill would allow housing developers to receive state loans for construction financing, permanent financing, or a combination of both. This bill reduces construction period interest expenses by allowing developers to receive HCD loan funds during the construction period of affordable housing.	CSAC was in <u>support</u> of this measure.	The bill was held on the Senate Appropriations Committee Suspense File, therefore became a two-year bill.
AB 1307 (Wicks) California Environmental Quality Act: noise impact: residential projects. The bill specifies that noise generated by occupants is not a significant effect on the environment for residential projects for purposes of the California Environmental Quality Act (CEQA).	CSAC was in <u>support</u> and requested the Governor's signature on this bill.	The Governor signed this bill.
SB 4 (Wiener) Planning and zoning: housing development: higher education institutions and religious institutions. The bill enacts the Affordable Housing on Faith and Higher Education Lands Act of 2023, which requires a housing development project to be a use by right on land owned by independent higher education institutions or religious institutions, until January 1, 2036.	CSAC was in support and requested the Governor's signature on this bill.	The Governor signed this bill.

SB 34 (Umberg) Surplus land disposal: violations: County of Orange. This bill prohibits Orange County, or any city located therein, from proceeding with a planned disposal of surplus land if it receives a notice of violation (NOV) from the Department of Housing and Community Development (HCD) and the violation is not corrected within 60 days.	CSAC was a part of a large coalition on this measure and initially held an oppose unless amended position but removed its opposition after the bill was amended to remove its reference to leases and HCD notices of violations in connection with planned leases, which could have created a concerning precedent for all local agencies statewide.	The Governor signed this bill.
SB 91 (Umberg) California Environmental Quality Act: supportive and transitional housing: motel conversion: environmental leadership transit projects. The bill permanently extends existing law that allows for a motel, hotel, residential hotel, or hostel that is converted into a supportive housing or transitional housing project to be exempt from CEQA. In addition, the bill also extends CEQA streamlining provisions for "environmental leadership transit projects" (ELTPs) located within the County of Los Angeles that meet certain specified requirements.	CSAC was in support and requested the Governor's signature on this bill.	The Governor signed this bill.
SB 229 (Umberg) Surplus land: disposal of property: violations: public meeting. The bill requires a local agency to hold an open and public meeting if it has been notified by the Department of Housing and Community Development (HCD) that its planned disposal of a parcel is in violation of the Surplus Land Act (SLA).	CSAC was a part of a large coalition on this measure and initially held an oppose unless amended position but removed its opposition after the bill was amended to remove its reference to leases and HCD notices of violations in connection with planned leases.	The Governor signed this bill.

SB 406 (Cortese) California Environmental		
Quality Act: exemption: financial assistance:		
residential housing. The bill creates		
an exemption from CEQA for actions taken by		
a local agency to provide financial assistance		
or insurance for low and moderate-		
income residential housing, so that the		
financial assistance for the projects is not		
subject to CEQA, but the project itself is still		
subject to CEQA.	CSAC was in support and	
There are currently about a handful counties	requested the Governor's	The Governor signed this bill.
that have adopted bond financing for	signature on this bill.	
affordable housing, including Santa Clara -		
the sponsors of the bill, Alameda, Los		
Angeles, and San Francisco. As background,		
local governments have adopted measures to		
provide financial assistance for the		
development, preservation, and construction		
of affordable housing. Applying CEQA in this		
context is duplicative and ultimately delays		
and drives up the costs of affordable housing.		
SB 440 (Skinner) Regional Housing Finance		
Authorities. The bill authorizes two or more		The bill was placed on the
local governments to establish a regional		Assembly Appropriations
housing authority for the purposes of raising,	CSAC was in <u>support</u> of this	Committee Suspense File, but
administering, and allocating funding and	measure.	the hearing was postponed by
providing technical assistance at a regional		the Committee and therefore
level for affordable housing development.		became a two-year bill.
SB 450 (Atkins) Housing development:		
approvals. For some background, SB 9 was		
passed in 2021, which allowed up to four		
homes on lots where currently only one		
exists. It did so by allowing existing single-		
family homes to be converted into duplexes,		
it also allowed single-family parcels to be		
subdivided into two lots, while allowing for a	CSAC was in <u>support</u> of this	The bill was placed on the
new two-unit building to be constructed on	measure.	Inactive File and therefore
the newly formed lot. SB 450 amends SB 9		became a two-year bill.
and would establish a ministerial approval or		
denial of an application for a duplex or a lot		
split and remove the ability of a local agency		
to deny a proposed duplex or lot split		
because the local agency has found that it		
would have a specific, adverse impact on the		
physical environment.		

SB 482 (Blakespear) Multifamily Housing Program: supportive housing: capitalized operating reserves. The bill requires the Department of Housing and Community Development (HCD), to offer capitalized operating reserves to supportive housing units funded by the Multifamily Housing Program (MHP) and adds "supportive housing" to the list of definitions that apply to program activities in the MHP. Capitalized operating subsidy reserves (COSRs) provide upfront subsidies to cover deficits in annual operating revenues for housing developments, primarily used for permanent supportive housing for extremely low-income individuals.		
COSRs are a vital financing tool to create long-lasting permanent supportive housing. A COSR is money upfront to cover losses by supportive housing for 15-20 years. By financing shortfalls upfront, banks are more comfortable providing money to these developments. HCD has provided COSRs in programs like No Place Like Home and the Veteran's Housing and Homelessness Prevention Program. However, these programs are running out of funding, and HCD is consolidating programs to increase efficiency. SB 482 requires HCD to offer COSRs in its MHP program, the flagship housing program at HCD. In this way, HCD can directly fund supportive housing through MHP without developers having to apply for additional programs.	CSAC was in <u>support</u> and requested the Governor's signature on this bill.	The Governor signed this bill.
SB 747 (Caballero) Land use: surplus land. This bill defines the term "dispose" for these purposes to mean the sale of the surplus property or a lease of any surplus property entered into on or after January 1, 2024, for a term longer than 15 years, including renewal options, as specified.	CSAC, along with UCC and RCRC had a support if amended position on this bill.	The Governor signed this bill.

Transportation and Public Works		
AB 6 (Friedman) Transportation planning regional transportation plans: Solutions for Congested Corridors Program: reduction of greenhouse gas emissions. The bill would empower the California Air Resources Board (CARB) with additional authority to provide each region of the state with greenhouse gas (GHG) emission reduction targets for the automobile and light truck sector for 2035 and 2045, and would make related changes to CARB's oversight of sustainable communities strategies (SCS).	CSAC, along with UCC and RCRC requested for the bill to be parked on the Inactive File.	The bill was made into a two-year bill and the author stated that she intends to work with stakeholders over the interim to continue to seek consensus around various ideas for accelerating progress towards transportation related greenhouse gas emissions reductions goals.
AB 334 (Rubio) Public contracts: conflicts of interest. This bill gives public agencies the local control to contract with the same independent contractors on multiple phases of a public project, clarifying that in doing so would not violate any conflict-of-interest rules.	CSAC was a part of a coalition in support and requested the Governor's signature on this bill.	The Governor signed this bill.
AB 400 (Rubio) Local agency design-build projects: authorization. The bill allows local governments to continue the utilization of existing state law which allows them to use the Design-Build (DB) procurement process for qualifying public works contracts in excess of \$1 million using either a low bid or best value process. This bill achieves this by extending the existing January 1, 2025 sunset date to January 1, 2031 on the statutory DB authority.	CSAC was the sponsor and requested the Governor's signature on this bill.	The Governor signed this bill.

AB 744 (Carrillo) California Transportation Commission: data, modeling, and analytic software. This bill requires the California Transportation Commission (CTC), to convene relevant state agencies to assess the procurement and implementation of data, modeling, and analytic software tools to support various state goals, and requires the CTC to develop, by July 1, 2025, a proposal to procure and a process to provide access to data, modeling, and analytic software tools, among other provision.	CSAC was a part of a coalition in support and requested the Governor's signature on this bill.	The Governor signed this bill.
AB 1504 (McCarty) Planning and zoning: electric vehicle charging infrastructure: public right-of-way. The bill would require local governments to complete a plan for the installation of electric vehicle (EV) charging stations in the public right-of-way and would update the requirements of the statewide assessment of necessary EV charging infrastructure the California Energy Commission (CEC) prepares pursuant to existing law.	CSAC, along with UCC and RCRC held an opposed unless amended to be contingent on a future appropriation or contain explicit fee authority on EVCS permitting to recover costs associated with the various requirements proposed by this measure.	The bill was held on the Assembly Appropriations Committee Suspense File, therefore became a two-year bill.
AB 1673 (Pacheco) Outdoor Advertising Act: local governmental entities: relocation. The bill clarifies that relocation of billboard advertising sign displays will not be unduly restricted and that local governments realize revenue from advertising agreements.	CSAC was in <u>support</u> and requested the Governor's signature on this bill.	The Governor signed this bill.
SB 706 (Caballero) Public contracts: progressive design-build: local agencies. This bill allows counties, cities and special districts to use the progressive design-build (PDB) project delivery method for construction contracts. Until January 1, 2030, the bill authorizes local agencies to use the PDB process for up to 10 public works projects in excess of \$5 million for each project.	CSAC was the co-sponsor and requested the Governor's signature on this bill.	The Governor signed this bill.



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CEO **Graham Knaus**

November 15, 2023

TO: CSAC Housing, Land Use and Transportation (HLT) Policy Committee

FROM: Mark Neuburger, Legislative Advocate, CSAC

Kristina Gallagher, Legislative Analyst, CSAC

RE: **Ballot Initiative Process and Active Housing Initiatives**

In 1911, California created the ability for its voters to adopt laws & constitutional amendments, overturn legislatively created laws and recall elected officials without the support of the Governor or the Legislature by creating the ballot initiative, referendum and recall process. Currently, California is one of 24 states that have some type of ballot initiative process. The process and timelines are established by the constitution, statutes and regulations but primarily require proponents to:

Step	Notes
1. Draft the initiative text	There are no requirements or restrictions on the language that can be drafted.
Submit the initiative draft to the Attorney General for an official "Title & Summary"	Certifications and a \$2,000 filing fee are required. The fling fee is refunded if the initiative qualifies for the ballot.
3. Gather required signatures from registered voters.	Statutory initiatives are required to gather signatures equivalent to 5% of the total votes cast for the governor's race at the last election, approx. 623,000 signatures currently. Constitutional a initiatives are required to gather signatures equivalent to 8% of the total votes in the last gubernatorial election, approx. 997,000 signatures.
Turn in the collected signatures to county elections officials for verification.	Signatures are verified using either the random sample or full check method based on determinations by election officials (See Elections Code section 9030)
5. Complete all signature gathering & verification requirements before deadlines to be placed on the ballot by the Secretary of State	An initiative can be placed on the ballot if it completes all of these steps 131 days before the general election, which is June 21, 2024 for the next election. As a result of Senate Bill 202 (Chapter 558, Statutes of 2011), initiatives can only appear on general election ballots, held in November.

These are the current active ballot initiatives that would have an impact on the effort to address the state's shortage of affordable housing:

Initiative Name	Description	Status
Affordable Housing & Public	Lowers the voter threshold for taxes devoted to housing and	On Nov. 2024 Ballot
Infrastructure	public infrastructure to 55%. Placed on ballot by ACA 1 (2023).	OII NOV. 2024 Ballot
	Repeals Article 34 of the State Const. Currently, Article 34 requires	
Public Housing Projects	majority voter approval for a "low rent housing project" as	On Nov. 2024 Ballot
	defined. Placed on Ballot by SCA 2 (2022).	
Local Govt. Rent Control	Repeals Costa-Hawkins Act, allowing cities & counties to enact or	Eligible for Nov 2024
Authority	expand residential rent-control ordinances.	Ballot
	Specifies that local laws automatically override conflicting state	
Limit State Ability in Land	land-use and zoning laws (including affordable housing laws),	
Use Policy	unless such state laws address specified statewide concerns. Likely	Gathering Signatures
Ose Folicy	requires most post 2016 state housing laws to be re-enacted.	
	Repeals Article 34.	
Calif. Homeownership	Caps fees on local permits, prohibits imposition of Vehicle Miles	AG "Title and
Affordability Act	Traveled (VMT) charges.	Summary" Drafting

Note: CSAC has not adopted a position on any of these ballot initiatives.

Resources:

"Statewide Initiative Guide; 2024" California Secretary of State: https://elections.cdn.sos.ca.gov/ballot-measures/pdf/statewide-initiative-guide.pdf