

Legislature Delays Return to Sacramento

Citing the soaring COVID cases statewide, Senate and Assembly leaders announced today that they would delay the start of the upcoming legislative session by a week to January 11, 2021. With this change, legislators will not return to Sacramento until after the Governor releases his proposed 2021-22 state budget.

Senate Democrats Introduce Housing Package

After several high-profile housing bills died during the particularly rancorous 2020 legislative session, Senate President pro Tempore Toni Atkins and eight of her democratic colleagues have introduced the "[Building Opportunities for All](#)" Senate housing package to be considered during the upcoming 2021-22 legislative session (note that at least half of the package are reintroductions). According to the authors, the Senate package is designed to empower homeowners to help solve the housing crisis; provide more tools and additional flexibility for local governments and community partners to build more housing; and streamline procedural hurdles. A summary of the six-bill package is provided at the end of this article.

A [critical report](#) from the Bureau of State Audits released this November found, among other things, that the state lacks an effective approach to building enough affordable homes and had mismanaged \$2.7 billion that could have been used to build additional affordable housing units. The report also concluded that local governments can, and do, continue to create barriers to the development of housing affordable at lower incomes. By-and-large, California's local governments likely agree with much of the audit report. In particular, counties and cities have argued that that the state's statutory requirement to plan to accommodate affordable housing is completely disconnected from a statewide approach to funding the construction of needed affordable homes.

The State Auditor made several recommendations to the Legislature to improve the state's approach to affordable housing that will likely show up in additional legislation outside the Senate's package in 2021. In fact, Assembly Member Salas has introduced a measure – [AB 68](#) – which includes language signaling that the Legislature intends to enact legislation that would implement the auditor's recommendations. Some of the recommendations include requiring the state to develop and maintain sufficient data to guide the investment of resources in alignment with the state's priorities; requiring the state to conduct an analysis of the financial resources it will need to obtain from other sources to meet the remaining gap in needed units; and requiring an analysis of where the state's financial resources will have the most impact based on geographic distribution, population, and indicators of need. Another key recommendation is the elimination of the California Debt Limit Allocation Committee and the transfer of its responsibilities to the California Tax Credit Allocation Committee, including reviewing applications and allocating bond resources, to align and streamline these cumbersome processes.

As the COVID-19 pandemic rages on, the Legislature and Newsom Administration surely feel an increasing sense of urgency to accomplish significant policy changes in

2021 to address the massive need of housing affordable at all income levels (approximately 1.8 million new units by 2025) and to house the state's homeless population (over 150,000 individuals). Adding to that pressure is [recent data](#) that shows the state's population is growing at the slowest rate in more than a century and that, even considering an influx of international immigrants, California has lost over 135,000 residents from people moving to other states. Finally, a recent Public Policy Institute of California (PPIC) [survey](#) that found that 26% of Californians worry about the cost of housing every day. At the same time, after another devastating wildfire season in California this year, the Legislature is going to have to grapple with the need for more and denser housing and the wildland-urban interface. We've already seen the introduction of bills that aim to limit or outright prohibit certain development in high fire severity zones ([SB 12](#) (McGuire) and [SB 55](#) (Stern)), which would, obviously, create additional impediments to development.

For now, please note the following six-bill package introduced by the Senate as a starting point for these complicated yet critical discussions:

- [SB 5](#) (Atkins, Caballero, McGuire, Rubio, Skinner, Wiener) will serve as the vehicle for a statewide housing bond that would fund the creation of new, affordable housing for homeless and low-income families.
- [SB 6](#) (Caballero, Eggman, Rubio) would authorize residential development on existing lots currently zoned for commercial office and retail space.
- [SB 7](#) (Atkins) would extend and expand provisions of AB 900, which streamlined paperwork and expedited legal challenges to large, multi-benefit housing, energy, and manufacturing projects.
- [SB 8](#) (Skinner) is currently a spot-bill related to the state's density bonus law.
- [SB 9](#) (Atkins, Caballero, Rubio, Wiener) would streamline the process for a homeowner to create a duplex or subdivide an existing lot in residential areas.
- [SB 10](#) (Wiener) would allow cities to upzone areas close to job centers, transit, and existing urbanized areas to allow up to ten units without having to go through the lengthy CEQA process.

Businesses Sue Over Cal-OSHA COVID Rules

The National Federation of Independent Business, National Retail Federation and three small business owners have sued California's Division of Safety and Health in San Francisco Superior Court, asking the court to halt recently approved Cal/OSHA COVID safety rules. While the rules were pushed by employee groups, unions, and health and safety advocates, the business organizations argue that the approval of the rules violate the state's Administrative Procedure Act and are too much of a burden for businesses that continue to struggle during the pandemic.

CRF Cycle 3 Reporting Portal Open

The Department of Finance has notified cities and counties that the Coronavirus Relief Fund (CRF) Cycle 3 Reporting Portal is open and that **reports are due by January 6, 2020**. Any CRF funds that remain unspent on December 30, 2020 must be returned to

the state. For more information, visit the CRF Reporting Portal [website](#) or email CRFReportHelpDesk@dof.ca.gov with questions.

Governor Newsom Issues New Executive Order

Earlier this week, Governor Gavin Newsom issued Executive Order [N-84-20](#), addressing a variety of issues in response to the pandemic, including (1) extending the availability of migrant farm labor centers managed by the Department of Housing and Community Development beyond the statutory occupancy period (several were slated to expire this month); (2) allowing the California Department of Tax and Fee Administration (CDTFA) to offer a 90-day extension for tax returns and tax payments for all businesses filing a return for less than \$1 million in taxes (as previously announced); and (3) updating the Cal/OSHA emergency temporary standards to accommodate new guidance from the California Department of Public Health (CDPH), related to quarantine guidelines.

Statewide Campaign “Vaccinate All 58” Goes Live

With the arrival of the first shipments of the Pfizer COVID-19 vaccine in California, Governor Newsom [announced](#) the “Vaccinate All 58” campaign to raise public awareness about California’s efforts to provide a safe, fair, and equitable allocation of vaccines across the state. Graphics and messaging will be shared with local communities to modify for their own unique circumstances, as additional vaccines are approved for use and populations are prioritized for distribution.

Governor Appoints New CARB Chair and Members

Governor Gavin Newsom [announced](#) that he has appointed Liane Randolph, a Commissioner at the Public Utilities Commission, as the new Chair of the California Air Resources Board (CARB). She replaces outgoing Chair Mary Nichols, who has served as the chair for 13 years, not including a stint as chair in the 1970s and 1980s during Governor Jerry Brown’s first term. The Governor also appointed four members to positions that will become vacant at the end of the year: environmental lawyer Gideon Kracov will replace retiring South Coast Air Quality Management District board member Judy Mitchell; Belmont city council member Davina Hurst will replace Contra Costa County Supervisor John Gioia, who represents the Bay Area Air Quality Management District; Tania Pacheco-Werner, co-assistant director of the Central Valley Health Policy Institute at California State University, Fresno will replace Dr. Alex Sherriffs as the representative from the San Joaquin Valley Air Pollution Control District; University of California, San Francisco professor John Balmes, who has held the position on the board reserved for a physician since 2008, was reappointed.

State Revenues Continue to Beat Estimates

The Department of Finance monthly [Finance Bulletin](#) for November is out and indicates preliminary General Fund cash receipts for the first five months of the fiscal year were \$13.772 billion above the 2020-21 Budget Act forecast. Cash receipts for the month of November were \$2.429 billion above budget estimates of \$8.081 billion.

Specifically, personal income tax cash receipts to the General Fund for the first five months of the fiscal year were \$10.285 billion above forecast. Cash receipts for November were \$1.513 billion above the month's forecast of \$4.729 billion. Sales and use tax receipts for the first five months of the fiscal year were \$3.004 billion above budget estimates. Cash receipts for November were \$940 million above the month's forecast of \$2.313 billion. Corporation tax cash receipts for the first five months of the fiscal year were \$714 million above the forecast of \$6.98 billion. Cash receipts for November were \$140 million above the month's forecast of \$165 million.

We will have more information on state revenues when the Governor releases his proposed budget on or before January 10; he has hinted publicly at a current year surplus amount of \$15.5 billion.

Committee Chairs and Membership Announced in Both Houses

Since our last update, both Senate President pro Tempore Toni Atkins and Assembly Speaker Anthony Rendon have announced 2021-22 committee chairs and membership for their respective houses. Among the notable and most closely watched changes include Senator Nancy Skinner's (D-Oakland) appointment as Senate budget chair, replacing now-Los Angeles County Supervisor Holly Mitchell, as well as the naming of Senator Tom Umberg (D-Santa Ana) to chair the Senate Judiciary Committee. On the latter appointment, Senator Umberg replaces termed-out Senator from Santa Barbara, Hannah-Beth Jackson. For details on all committee chair and appointments, see the Senate details [here](#) and Assembly assignments [here](#). In related news, PPIC recently published this [blog](#) that provides insights into the racial makeup of both houses of the Legislature through the November 2020 election.

BSCC Seeks County Input on DJJ Realignment Grant

Among the provisions of SB 823 – the measure that prospectively (beginning July 1, 2021) shifts to counties the responsibility for the treatment and care for youth currently housed at the Division of Juvenile Justice (DJJ) – is an appropriation of \$9.6 million in one-time grants intended for “providing resources for infrastructure related needs and improvements to assist counties in the development of a local continuum of care.”

Today, the Board of State and Community Corrections (BSCC), the administering entity for the Regional Youth Programs and Facilities Grant Program (RYPFGP), issued a Request for Information (RFI) to solicit information from counties to inform its decision making and identify potential funding priorities.

The [RFI](#) requests a variety of information regarding individual county's plans for addressing the needs of the realigned population, including infrastructure needs, whether the county intends to consider out-of-county placement options, and if the county is planning to accept youth from other counties. Responses to the RFI are should be submitted **by January 11, 2021**. (Note that a single, coordinated response from each county is requested.)

Questions on the RFI can be sent [here](#) or direct outreach can be made to John Prince, BSCC Deputy Director, at (916) 445-2014.