

# LAFCO MEMORANDUM

## ***SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION***

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February 3, 2022 (Agenda)

TO: Each Member of the Commission

FROM: Mike Prater  
Executive Officer

SUBJECT: **Report on the 2021 CALAFCO Legislative Summary Report**

*This is an Informational Report. No Action is Necessary*

### DISCUSSION

The Governor's Office of Planning and Research (OPR) and Senate Committee on Governance & Finance (SGFC) have published their 2021 Legislative Summary Reports. These reports are attached. They are also posted on the CALAFCO website.

### Attachments

Attachment A – OPR Legislative Summary 2021 Report

Attachment B – SGFC Summary 2021 Report

Please contact the LAFCO office if you have any questions.



# OPR Legislative Summary 2021



**2021  
Legislative  
Summary**



## INTRODUCTION

This publication is a compilation of bills pertaining to local and regional governance that the Governor signed in 2021. This publication is intended to be comprehensive, but it is not exhaustive of all bills that may be relevant to local and regional governments.

In general, chaptered legislation takes effect on January 1, 2022. Bills that contain an urgency clause took effect immediately upon the Governor's signature.

The Governor's Office of Planning and Research staff remains at your disposal to answer any questions regarding the content of this publication.

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# TABLE OF CONTENTS

<b>California Environmental Quality Act (CEQA)</b> .....	<b>6</b>
AB 819 (Levine) California Environmental Quality Act: notices and documents .....	6
AB 1344 (Arambula) State Department of Public Health: needle and syringe exchange services..	6
SB 7 (Atkins) Environmental quality: Jobs and Economic Improvement Through Environmental Leadership Act of 2021 .....	6
SB 44 (Allen) California Environmental Quality Act: streamlined judicial review: environmental leadership transit projects .....	6
<b>Climate Resilience</b> .....	<b>7</b>
AB 72 (Petrie-Norris) Environmental protection: coastal adaptation projects: natural infrastructure: regulatory review and permitting: report.....	7
SB 1 (Atkins) Coastal resources: sea level rise .....	7
SB 27 (Skinner) Carbon sequestration: state goals: natural and working lands: registry of projects.	7
SB 347 (Caballero) Urban forestry: California Community and Neighborhood Tree Voluntary Tax Contribution Fund .....	7
<b>Wildfires &amp; Natural Disasters</b> .....	<b>8</b>
AB 9 (Wood) Fire safety and prevention: wildfires: fire adapted communities: Office of the State Fire Marshal: community wildfire preparedness and mitigation .....	8
AB 431 (Patterson) Forestry: timber harvesting plans: defensible space: exemptions .....	8
AB 642 (Friedman) Wildfires .....	8
AB 697 (Chau) Forest resources: national forest lands: Good Neighbor Authority Fund: ecological restoration and fire resiliency projects.....	8
SB 63 (Stern) Fire prevention: vegetation management: public education: grants: defensible space: fire hazard severity zones.....	9
SB 332 (Dodd) Civil liability: prescribed burning operations: gross negligence .....	9
SB 456 (Laird) Fire prevention: wildfire and forest resilience: action plan: reports.....	9
<b>Land Use and Planning</b> .....	<b>10</b>
AB 525 (Chiu) Energy: offshore wind generation.....	10
AB 619 (Calderon) Air quality .....	10
AB 1180 (Mathis) Local governments: surplus land: tribes .....	10
AB 1409 (Levine) Planning and zoning: general plan: safety element.....	10
SB 716 (McGuire) Land use: habitat restoration and enhancement: mitigation lands.....	10
<b>Housing</b> .....	<b>10</b>

AB 68 (Quirk-Silva) Department of Housing and Community Development: California Statewide Housing Plan: annual reports.....	10
AB 215 (Chiu) Planning and Zoning Law: housing element: violations.....	10
AB 345 (Quirk-Silva) Accessory dwelling units: separate sale or conveyance.....	11
AB 491 (Ward) Housing: affordable and market rate units.....	11
AB 571 (Mayes) Planning and zoning: density bonuses: affordable housing.....	11
AB 602 (Grayson) Development fees: impact fee nexus study.....	11
AB 634 (Carrillo) Density Bonus Law: affordability restrictions.....	11
AB 721 (Bloom) Covenants and restrictions: affordable housing.....	11
AB 787 (Gabriel) Planning and zoning: housing element: converted affordable housing units.....	12
AB 803 (Boerner Horvath) Starter Home Revitalization Act of 2021.....	12
AB 1029 (Mullin) Housing elements: prohousing local policies.....	12
AB 1095 (Cooley) Affordable rental and owner-occupied housing: equity in state and local programs.....	12
AB 1174 (Grayson) Planning and zoning: housing: development application modifications, approvals, and subsequent permits.....	12
AB 1297 (Holden) California Infrastructure and Economic Development Bank: public and economic development facilities: housing.....	12
AB 1304 (Santiago) Affirmatively further fair housing: housing element: inventory of land.....	13
AB 1398 (Bloom) Planning and zoning: housing element: rezoning of sites: prohousing local policies.....	13
AB 1584 (Committee on Housing and Community Development) Housing omnibus.....	13
SB 8 (Skinner) Housing Crisis Act of 2019.....	13
SB 9 (Atkins) Housing development: approvals.....	14
SB 10 (Wiener) Planning and zoning: housing development: density.....	14
SB 290 (Skinner) Density Bonus Law: qualifications for incentives or concessions: student housing for lower income students: moderate-income persons and families: local government constraints.....	14
SB 478 (Wiener) Planning and Zoning Law: housing development projects.....	15
SB 591 (Becker) Senior citizens: intergenerational housing developments.....	15
SB 728 (Hertzberg) Density Bonus Law: purchase of density bonus units by nonprofit housing organizations.....	15
SB 791 (Cortese) California Surplus Land Unit.....	15
Local Government.....	15

AB 336 (Villapudua) Enhanced infrastructure financing districts: public financing authority: members: joint powers authorities .....	15
AB 428 (Mayes) Local government: board of supervisors .....	16
AB 464 (Mullin) Enhanced Infrastructure Financing Districts: allowable facilities and projects .....	16
SB 414 (Jones) Land .....	16
SB 712 (Hueso) Local government: California tribes: federal fee-to-trust applications to regain ancestral lands .....	16
SB 780 (Cortese) Local finance: public investment authorities .....	16
Military Affairs .....	16
AB 107 (Salas) Licensure: veterans and military spouses.....	16
AB 576 (Maienschein) Community colleges: apportionments: waiver of open course provisions: military personnel .....	16
Public Meetings .....	17
AB 361 (R. Rivas) Open meetings: state and local agencies: teleconferences .....	17
AB 1291 (Frazier) State bodies: open meetings .....	17
SB 274 (Wieckowski) Local government meetings: agenda and documents.....	17
Transportation .....	17
AB 970 (McCarty) Planning and zoning: electric vehicle charging stations: permit application: approval .....	17
AB 1261 (Burke) State Air Resources Board: greenhouse gas emissions: incentive programs .....	17
SB 339 (Wiener) Vehicles: road usage charge pilot program .....	17
SB 372 (Leyva) Medium- and heavy-duty fleet purchasing assistance program: zero-emission vehicles .....	18
SB 500 (Min) Autonomous vehicles: zero emissions .....	18
SB 640 (Becker) Transportation financing: jointly funded projects .....	18
SB 643 (Archuleta) Fuel cell electric vehicle fueling infrastructure and fuel production: statewide assessment.....	18
SB 671 (Gonzalez) Transportation: Clean Freight Corridor Efficiency Assessment .....	18
<b>Sustainable Economic Development .....</b>	<b>18</b>
AB 680 (Burke) Greenhouse Gas Reduction Fund: California Jobs Plan Act of 2021 .....	18
AB 794 (Carrillo) Air pollution: purchase of new drayage and short-haul trucks: incentive programs: eligibility: labor standards.....	18
SB 162 (Committee on Budget) Community Economic Resilience Fund .....	19
SB 589 (Hueso) Air pollution: alternative vehicles and vehicle infrastructure .....	19

# California Environmental Quality Act (CEQA)

## **AB 819 (Levine) California Environmental Quality Act: notices and documents**

Requires lead agencies to electronically file and post on their websites all CEQA notices and documents. All lead agencies (state and local) would be required to submit all Environmental Impact Reports, Mitigated Negative Declarations, and Negative Declarations to OPR's CEQA Clearinghouse.

## **AB 1344 (Arambula) State Department of Public Health: needle and syringe exchange services**

Creates a CEQA exemption for needle and syringe exchange services.

## **SB 7 (Atkins) Environmental quality: Jobs and Economic Improvement Through Environmental Leadership Act of 2021**

Enacts the Jobs and Economic Improvement Through Environmental Leadership Act of 2021, which provides 270-day judicial streamlining to projects certified by the Governor. To qualify, projects must invest a minimum of \$100 million and meet specified environmental and labor requirements. The bill authorizes the Office of Planning and Research to charge a fee in connection with the services provided to verify applicants' information as required under the bill. Additionally, housing projects between \$15 and \$100 million that provide at least 15% affordable units are eligible for judicial streamlining at the determination of the lead agency. Projects must follow specified procedures for noticing, public comment, and preparation of the administrative record. Certification for projects that have not been approved by the lead agency by January 1, 2025, would be invalidated, and the statute expires on January 1, 2026. Projects certified under the previous Jobs and Economic Improvement Through Environmental Leadership Act of 2011 must gain project approval by January 1, 2022, and comply with the requirements of the former Act.

*This bill contained an urgency clause and took effect upon signature on May 20, 2021.*

## **SB 44 (Allen) California Environmental Quality Act: streamlined judicial review: environmental leadership transit projects**

Creates a 365-calendar day judicial streamlining process for up to seven transit projects in or connecting to LA County that involve zero-emissions fixed rail. The projects must meet specified labor standards and follow specified procedures for noticing, public comment, and preparation of the administrative record.

# Climate Resilience

## **AB 72 (Petrie-Norris) Environmental protection: coastal adaptation projects: natural infrastructure: regulatory review and permitting: report**

Directs the Natural Resources Agency to explore and implement options for a more coordinated and efficient regulatory review process for permitting coastal adaptation projects that use natural infrastructure. Requires the Agency to submit a report to the Legislature by July 1, 2023, that provides recommendations for improving permitting processes for nature-based coastal adaptation projects.

## **SB 1 (Atkins) Coastal resources: sea level rise**

Establishes the Sea Level Rise State and Regional Support Collaborative, composed of specified state agencies, within the Ocean Protection Council to provide information and support for planning and project deployment to address sea level rise. The Collaborative would be required to spend at least \$100 million annually from bonds and other sources to support local government planning updates to consider sea-level rise.

Requires the Coastal Commission to adopt recommendations and guidelines for assessing and mitigating sea level rise risk within a jurisdiction's Local Coastal Plan. Directs the Coastal Commission to consider sea level rise in coastal resource planning and management activities. Requires state and regional agencies to assess and mitigate the impacts of sea level rise.

Authorizes the Secretary of Environmental Protection to expend up to \$2 million per year for the Environmental Justice Small Grant Program and requires up to \$500,000 of those funds to support organizations working to address sea level rise in disadvantaged communities.

## **SB 27 (Skinner) Carbon sequestration: state goals: natural and working lands: registry of projects**

Directs the Natural Resources Agency, in consultation with relevant agencies, to develop a registry of projects with carbon sequestration benefits on natural and working lands. The Agency would be required to track the carbon removal and emissions reduction benefits of projects from the registry that receive funding. Directs the Resources Agency and other specified agencies to develop a Natural and Working Lands Climate Smart Strategy and framework for achieving the state's goals. Directs the California Air Resources Board, as part of the Scoping Plan, to establish carbon removal targets for 2030 and beyond.

## **SB 347 (Caballero) Urban forestry: California Community and Neighborhood Tree Voluntary Tax Contribution Fund**

Creates a voluntary tax contribution fund to support urban forestry projects through the Department of Forestry and Fire Protection's urban forestry program.



## Wildfires & Natural Disasters

### **AB 9 (Wood) Fire safety and prevention: wildfires: fire adapted communities: Office of the State Fire Marshal: community wildfire preparedness and mitigation**

Establishes the Regional Forest and Fire Capacity Program at the Department of Conservation to support regional planning and project deployment to support fire-adapted communities and landscapes.

Establishes the office of the Deputy Director of Community Wildfire Preparedness and Mitigation within the Department of Forestry and Fire Protection. The Deputy Director would receive public input on the programs under his or her purview, as specified, through an advisory committee established by the bill that would convene public discussions on matters of wildfire preparedness.

Requires the State Fire Marshal to deliver a report to the Legislature by January 1, 2023, identifying resource and personnel shortfalls inhibiting implementation on the programs under the Deputy Director's purview. Finally, the bill transfers certain responsibilities from the Department of Forestry and Fire Protection to the State Fire Marshal, including designation of fire hazard severity zones.

### **AB 431 (Patterson) Forestry: timber harvesting plans: defensible space: exemptions**

Extends to January 1, 2026, an existing exemption to the Z'berg-Nejedly Forest Practice Act of 1973 that allows the Board of Forestry and Fire Protection to grant exemptions to landowners who must cut or remove trees on their property to comply with specified defensible space requirements.

### **AB 642 (Friedman) Wildfires**

Directs the Director of the Department of Forestry and Fire Prevention to designate moderate and high fire hazard severity zones and modifies the factors for designating fire hazard severity zones. Within 30 days of receiving notice from the Director that a local jurisdiction contains fire hazard severity zones, the local government must make that information public.

Requires the Director of the Department of Forestry and Fire Protection to designate a cultural burning liaison. By July 1, 2023, the State Fire Marshal must develop a proposal for a prescribed fire training center.

Requires the Department of Forestry and Fire Prevention, in collaboration with specified entities, to develop recommendations for modeling community- and parcel-scale wildfire risk by July 1, 2023. Expands the entities the Department must engage in its education and outreach to include California State Universities and tribes.

### **AB 697 (Chau) Forest resources: national forest lands: Good Neighbor Authority Fund: ecological restoration and fire resiliency projects**

Codifies the Good Neighbor Authority Fund and requires the Natural Resources Agency to establish a program, in partnership with federal and state entities, to conduct restoration and resiliency projects on federal forested land. The bill establishes goals and priorities for the program, including that the projects prioritize ecological restoration and community fire protection.

**SB 63 (Stern) Fire prevention: vegetation management: public education: grants: defensible space: fire hazard severity zones**

Directs the Director of the Department of Forestry and Fire Prevention to designate moderate and high fire hazard severity zones and modifies the factors for designating fire hazard severity zones. Within 30 days of receiving notice from the Director that a local jurisdiction contains fire hazard severity zones, the local government must make that information public. Directs the State Fire Marshal and the Department of Housing and Community Development to propose, and the Building Standards Commission to adopt, building standards for high fire hazard severity zones, and consider, if appropriate, standards for moderate severity zones.

Specifies that only state law or a local ordinance can require defensible space maintenance to 100 feet when fuel modification must extend beyond the property line. Adds fuel modification beyond property lines to the State Fire Marshal's model defensible space program. Requires the Director of the Department of Forestry and Fire Prevention to allow qualified entities to support the Department's defensible space and home hardening assessments and outreach and establish a database for reporting this information. The Department must also develop a training and certification program for these entities.

Requires the Department of Forestry and Fire Protection, the California Air Resources Board, and the Wildfire and Forest Resilience Task Force to submit a report to the Legislature on January 1, 2026, on the expenditure of forest health and fire prevention funds. The Director of the Department must also appear annually before the Legislature to provide information on the outcomes of these projects. The bill additionally modifies the priorities and actions of the Department's local assistance program.

**SB 332 (Dodd) Civil liability: prescribed burning operations: gross negligence**

States that individuals conducting prescribed burns are not liable, except in cases of gross negligence, for fire suppression or other recoverable costs if the prescribed burn meets specified conditions and is approved in writing by a burn boss.

**SB 456 (Laird) Fire prevention: wildfire and forest resilience: action plan: reports**

Renames the Forest Management Task Force as the Wildfire and Forest Resilience Task Force. Requires the Task Force to develop an implementation strategy by January 1, 2022, to track implementation of the Action Plan. Requires the Task Force to submit annual reports to the Legislature on implementation of the Action Plan, and revise the Action Plan every five years.

# Land Use and Planning

## **AB 525 (Chiu) Energy: offshore wind generation**

Directs the California Energy Commission, by June 1, 2022, to evaluate the maximum potential of offshore wind generation in California to achieve reliability, ratepayer, employment, and decarbonization benefits, and develop 2030 and 2035 goals for offshore wind production. By June 30, 2023, the California Energy Commission, in partnership with specified entities, must develop and submit a strategic plan for offshore wind development in California.

## **AB 619 (Calderon) Air quality**

Directs the Department of Public Health, in consultation with specified stakeholders and state entities, to develop a plan for counties to address wildfire smoke impacts. Counties must use this plan to develop a county-specific plan before its next emergency plan update.

## **AB 1180 (Mathis) Local governments: surplus land: tribes**

Adds land conveyed by a local agency to a federally recognized Native American Tribe to the definition of exempt surplus land.

## **AB 1409 (Levine) Planning and zoning: general plan: safety element**

Requires local governments to identify evacuation locations in their safety element updates.

## **SB 716 (McGuire) Land use: habitat restoration and enhancement: mitigation lands**

Extends the provisions of the Habitat Restoration and Enhancement Act from 2022 to 2027 and requires the Department of Fish and Wildlife to submit a report on the implementation of the Act to the Legislature by December 31, 2025. Extends from 2022 to 2027 provisions under Planning and Zoning Law that allow a local government, special district, or nonprofit to hold mitigation lands under an endowment overseen by that same entity, if the endowment meets specified requirements.

## **Housing**

### **AB 68 (Quirk-Silva) Department of Housing and Community Development: California Statewide Housing Plan: annual reports**

Requires updates to the State Housing Plan occurring on and after January 1, 2023, to include specified information, including the number of affordable units needed to meet affordable housing needs. Requires the Department of Housing and Community Development to post a report on its website at the end of each year that includes specified information about its grant programs. The Department must post an additional end-of-year report on its website that provides information on land use oversight actions taken against local governments.

### **AB 215 (Chiu) Planning and Zoning Law: housing element: violations**

Requires local governments to make a draft revision of the housing element update available for public comment for at least 30 days and take at least 10 additional business days to review and consider any public comments received. The subsequent draft revision must be posted online, and the link sent to individuals who requested notice. The Department of Housing and Community

Development cannot review the draft revision until this period has lapsed but must report written findings within 90 days of the first draft submittal and 60 days of a draft amendment.

Additionally, this bill adds to the Housing Crisis Act of 2019 and other provisions of that law to the list of laws that the Department of Housing and Community Development must notify a jurisdiction of noncompliance and authorizes the Attorney General to take formal legal action. The Department may appoint outside legal counsel if the Attorney General declines to represent the Department.

**AB 345 (Quirk-Silva) Accessory dwelling units: separate sale or conveyance**

Requires local agencies to allow accessory dwelling units (ADUs) to be sold separately from a primary residence if certain conditions are met. Tenancy in common agreements executed after December 31, 2021, must include provisions stipulating which portions of the property are exclusive to the cotenants, each cotenant's share of responsibility for financial obligations of the property, and procedures for dispute resolution.

**AB 491 (Ward) Housing: affordable and market rate units**

Requires mixed-income multifamily residential dwellings to provide the same access to entrances, common areas, and amenities to both the occupants of affordable and market-rate units. Prohibits such buildings from isolating the affordable units to a designated floor or area.

**AB 571 (Mayes) Planning and zoning: density bonuses: affordable housing**

Prohibits local governments from imposing affordable housing impact fees on a development's affordable units.

**AB 602 (Grayson) Development fees: impact fee nexus study**

Requires local governments' impact fee nexus studies to follow specific standards, including a requirement that fees adopted after July 1, 2022, must be proportional to the square footage of the proposed units, unless there is an explanation for why square footage is not an appropriate metric. By January 1, 2024, the Department of Housing and Community Development must publish a template for impact fee nexus studies. Local governments must post fee schedules on their websites and must request the total fees for a project at the latter of the time of the final inspection or certificate of occupancy. Authorizes any member of the public to submit evidence of a local government's failure to comply with the Mitigation Fee Act.

**AB 634 (Carrillo) Density Bonus Law: affordability restrictions**

Specifies that affordability covenants on units developed pursuant to the Density Bonus Law may have terms longer than 55 years if permitted by a local ordinance.

**AB 721 (Bloom) Covenants and restrictions: affordable housing**

Renders unenforceable any covenant or restriction that limits the number, size, or location of units or number of families that may occupy the premises if an approved affordable housing modification document has been recorded for the property. These provisions would not apply under specified circumstances. The county recorder must submit the modification document to the county counsel to determine if the original restrictive covenant was unlawful and whether the property qualifies for affordable housing development.

**AB 787 (Gabriel) Planning and zoning: housing element: converted affordable housing units**

Authorizes a local government to include in its housing element Annual Progress Report the number of units in an existing multifamily residence that were converted to deed-restricted moderate-income housing. These units may satisfy up to 25% of the government's moderate-income housing allocation and reduce its share of moderate-income regional housing allocation on a unit-for-unit basis.

**AB 803 (Boerner Horvath) Starter Home Revitalization Act of 2021**

Authorizes a developer to propose a housing project consisting of single-family homes on land zoned for multifamily residential use if the project meets specified criteria, including that the project result in at least as many units on the parcel as identified in the housing element, or the maximum or midrange allowable density.

**AB 1029 (Mullin) Housing elements: prohousing local policies**

Adds preservation of affordable housing units through the extension of existing rental-based covenants to the list of prohousing policies.

*This bill contained an urgency clause and took effect upon signature on September 28, 2021.*

**AB 1095 (Cooley) Affordable rental and owner-occupied housing: equity in state and local programs**

Allows the Affordable Housing and Sustainable Communities program within the Strategic Growth Council to support both owner-occupied and rental housing and allows program guidelines to include standards for owner-occupied housing development projects.

**AB 1174 (Grayson) Planning and zoning: housing: development application modifications, approvals, and subsequent permits**

Clarifies the affordability requirements for a housing project approved pursuant to SB 50 (Wiener, 2017) to receive indefinite approval. Alternatively, approval is valid for three years from the date of final judgement if a project is litigated. If the proponent requests a modification, the project approval would also be extended. These provisions apply retroactively to projects approved prior to January 1, 2022.

Allows local governments to apply objective building standards adopted after the first application submission to modified development applications that are submitted prior to the first building permit application, with the agreement of the applicant. Prohibits calculations of changes in square footage from including underground space. Requires local governments to apply objective standards in place at the time of the initial application submission to projects that seek subsequent permits, unless the proponent agrees to a change in the standards. These changes apply retroactively to projects approved prior to January 1, 2022.

Revises the definition of "affordable rent" for applications submitted prior to January 1, 2019.

*This bill contained an urgency clause and took effect upon signature on September 16, 2021.*

**AB 1297 (Holden) California Infrastructure and Economic Development Bank: public and economic development facilities: housing**

Allows funds from the Infrastructure and Economic Development Bank to support housing components of economic development and public development facilities, if the housing is required for the operation of the economic development facility. Prohibits the use of proceeds of private activity bonds issued by the bank under any state allocation, as well as funds from the bank's revolving loan fund, to finance housing.

**AB 1304 (Santiago) Affirmatively further fair housing: housing element: inventory of land**

Clarifies that a public agency has a mandatory obligation to affirmatively further fair housing. Revises the requirements and methodology for the housing element's analysis of fair housing issues and requires that the schedule of actions to implement the housing element include an analysis of historical origins and current practices that contribute to fair housing issues. Requires the inventory of land to consider the relationship of parcels to fair housing obligations and determine whether the inventory affirmatively furthers fair housing.

**AB 1398 (Bloom) Planning and zoning: housing element: rezoning of sites: prohousing local policies**

Requires a local government that fails to adopt a housing element that the Department of Housing and Community Development deems compliant with state law within 120 days of the statutory deadline to rezone sites within one year of the statutory deadline. A jurisdiction that adopts a housing element more than one year after the deadline cannot be deemed compliant until rezoning is complete. Declares that the adoption of a compliant 6<sup>th</sup> revision of the housing element satisfies the requirement that a local government update its housing element every four years, and future four-year updates are no longer required.

**AB 1584 (Committee on Housing and Community Development) Housing omnibus**

Among other provisions, voids any deed restriction or covenant that prohibits or restricts the development of an accessory dwelling unit on a property zoned for single-family use that meets specified criteria. Clarifies that the use of an incentive or concession under Density Bonus Law is not a valid basis for inconsistency with the Housing Accountability Act.

**SB 8 (Skinner) Housing Crisis Act of 2019**

Extends the Housing Crisis Act to 2030. Authorizes the Department of Housing and Community Development to update the list of cities and counties affected by the Housing Crisis Act on January 1, 1025, and these determinations would be valid until 2030.

Clarifies that "housing development project" under the Housing Crisis Act includes projects that do not require discretionary approvals, projects that require combinations of discretionary and non-discretionary approvals, and projects to construct a single unit. Specifies that affordable housing projects may be subject to ordinances and standards adopted after the preliminary application if the project has not commenced construction within 3.5 years.

Limits the requirement to provide relocation benefits and right of first refusal to lower-income tenants in protected units. Relocation benefits and right of first refusal do not apply to an occupant of a short-term rental occupied for fewer than 30 days. These provisions would not apply to project applications submitted between January 1, 2019, and January 1, 2020, in jurisdictions with



populations below 31,000 that have a price control ordinance. Exempts certain protected units from the right of first refusal requirements, including projects that demolish a single protected unit to replace it with another single unit. Exempts protected units in developments where 100% of the units (excluding manager's units) are affordable to lower-income households, unless the occupant is eligible for housing in the new development.

Declares that the concurrent rezoning to prevent a net loss of residential capacity must occur during the same meeting of the legislative body, or within 180 days if the action is requested by an applicant for a housing development project.

### **SB 9 (Atkins) Housing development: approvals**

Creates a ministerial approval process for lot splits and duplex construction on lots zoned for single-family use, if the project meets specified requirements. Duplex construction or lot splits cannot demolish deed-restricted affordable housing or housing occupied by tenants in the past three years or occur in an historic district. Local governments may impose objective standards, unless they preclude the construction of two units or a lot split. Local agencies may require up to one parking space per unit, unless the parcel is within a half mile of a major transit stop or high-quality transit corridor. Housing created pursuant to these provisions cannot be rented for terms shorter than 30 days. Applicants for lot splits must sign an affidavit declaring their intent to occupy one of the lots for at least three years, unless the applicant is a community land trust or nonprofit. Local agencies may deny an application for a duplex or lot split if it makes written findings of an adverse impact on public health, safety, or the physical environment. Local government must identify units constructed pursuant to these provisions in their housing element Annual Progress Report.

### **SB 10 (Wiener) Planning and zoning: housing development: density**

Authorizes local governments to rezone parcels for up to 10 units in transit-rich or urban infill sites, as defined, without being subject to CEQA. If the ordinance would supersede a zoning ordinance established by a local initiative, it must be approved by a 2/3 vote of the legislative body. However, the ordinance may not supersede an initiative that designates land for open space or park and recreational uses. A project to construct more than 10 units on a parcel zoned pursuant to this law cannot be approved ministerially, unless the parcel was subsequently rezoned and that rezoning was evaluated under CEQA.

### **SB 290 (Skinner) Density Bonus Law: qualifications for incentives or concessions: student housing for lower income students: moderate-income persons and families: local government constraints**

Specifies that units required to satisfy a local government's inclusionary zoning ordinance must count toward the total number of units to determine incentives and concessions under Density Bonus Law. Adds one incentive or concession for projects that provide housing to students that reserve at least 20% of the units for lower-income students. Requires local agencies to include data on density bonuses granted to lower-income student housing development projects in their housing element Annual Progress Report.

Modifies the density bonus requirements for moderate-income developments to no longer require that the project be a common-interest development. Moderate-income developments may also

receive a waiver from imposing a parking ratio of above 0.5 spaces per unit if the project provides at least 40% moderate-income units and is located within one half of an unobstructed mile of a major transit stop.

Removes the option for a local government to refuse an incentive or concession on the grounds of an adverse impact to the physical environment.

### **SB 478 (Wiener) Planning and Zoning Law: housing development projects**

Prohibits local agencies from imposing specified floor area ratios on housing projects, depending on the project size, and prohibits lot coverage requirements that preclude a project from meeting the floor area ratio requirements. Voids any covenant or restriction that prohibits or restricts housing development on the basis of floor area ratio standards that do not meet the specifications in this bill.

Prohibits denial of a housing development permit on a legal parcel on the grounds that the project does not meet minimum lot size requirements, if the project meets specified requirements. Directs the Department of Housing and Community Development to notify local governments of noncompliance with these provisions and adds the Housing Crisis Act of 2019 to the list of laws for which the Department is required to give notice of violation.

### **SB 591 (Becker) Senior citizens: intergenerational housing developments**

Authorizes intergenerational housing development projects that include senior citizens, as defined; their caregivers; and transitional age youth, as defined. The bill specifies requirements for such projects, including affordability and occupancy requirements. Permits developers using state tax credits or certain funds for affordable housing to restrict occupancy to senior citizens, caretakers, and transition age youth.

### **SB 728 (Hertzberg) Density Bonus Law: purchase of density bonus units by nonprofit housing organizations**

Requires the developer and local government to ensure a unit constructed under the Density Bonus Law and offered for sale is either: 1) occupied by an individual or family that meets income requirements, and the unit is offered at an affordable cost and includes a specified equity sharing agreement; or 2) sold to a nonprofit housing development corporation receiving a welfare exemption, and the sale records a contract that includes affordability requirements, an equity sharing agreement, and a repurchase option for the nonprofit.

### **SB 791 (Cortese) California Surplus Land Unit**

Establishes the Surplus Land Unit within the Department of Housing and Community Development to facilitate housing development on local surplus land. By December 31<sup>st</sup> of each year, the unit must submit a report on its activities to the Legislature and other specified entities.

## **Local Government**

### **AB 336 (Villapudua) Enhanced infrastructure financing districts: public financing authority: members: joint powers authorities**



Authorizes officials of a legislative body serving on the public financing authority of an Enhanced Infrastructure Financing District (EIFD) to also serve on the board of a Joint Powers Authority.

**AB 428 (Mayes) Local government: board of supervisors**

Requires that term limits for county boards of supervisors cannot be shorter than two terms, but does not apply to term limits legally in effect prior to January 1, 2022. Specifies that county board of supervisors members are county officers that must receive compensation.

**AB 464 (Mullin) Enhanced Infrastructure Financing Districts: allowable facilities and projects**

Allows Enhanced Infrastructure Financing Districts to fund facilities acquisition, construction, or repair for small businesses and community nonprofits.

**SB 414 (Jones) Land**

Among other provisions, extends the timeline for a hearing of an appeal under the Subdivision Map Act from within 30 days to within 45 days.

**SB 712 (Hueso) Local government: California tribes: federal fee-to-trust applications to regain ancestral lands**

Encourages state and local governments to collaborate with tribes in their fee-to-trust applications for regaining ancestral lands, and support tribes in their nongaming fee-to-trust applications. Prohibits local governments from enacting an ordinance or resolution that would preclude the government from conducting a fair assessment of a fee-to-trust application. Specifies procedures the local government must follow if it opposes the tribe's application.

**SB 780 (Cortese) Local finance: public investment authorities**

Makes numerous changes to the procedures of Enhanced Infrastructure Financing Districts (EIFDs) and Community Revitalization and Investment Authorities (CRIAs), including public finance authority member appointments, identification of project areas, limits on operative time of the EIFD or CRIA associated with different project areas, consistency with planning documents, noticing requirements, infrastructure finance plan approvals, amendment procedures, and division of taxes.

## **Military Affairs**

**AB 107 (Salas) Licensure: veterans and military spouses**

Requires all boards in the Department of Consumer Affairs to issue a temporary license to a qualified military spouse that provides required documentation. The Department of Consumer Affairs and the Department of Real Estate must submit reports to the Legislature regarding professional licensure of veterans, servicemembers, and their spouses.

**AB 576 (Maienschein) Community colleges: apportionments: waiver of open course provisions: military personnel**

Waives community colleges' open course requirements for courses a community college provides to military personnel, their dependents, and authorized civilian employees on a military base. The community college's board of governors may include the units of full-time equivalent students generated by those courses for the purpose of state apportionment.

## Public Meetings

### **AB 361 (R. Rivas) Open meetings: state and local agencies: teleconferences**

Creates exceptions under the Bagley Keene, Brown, and Gloria Romero open meetings acts for state, local, or student body government meetings conducted via teleconference during a state of emergency.

*This bill contained an urgency clause and took effect upon signature on September 16, 2021.*

### **AB 1291 (Frazier) State bodies: open meetings**

Requires state entities to provide twice the time allotted for public comment during a public meeting to members of the public using translating technology.

### **SB 274 (Wieckowski) Local government meetings: agenda and documents**

Requires local agencies to email a copy of, or a link to, public meeting agendas to individuals who request this information by email. If infeasible, the local agency may send the information via mail.

## Transportation

### **AB 970 (McCarty) Planning and zoning: electric vehicle charging stations: permit application: approval**

Clarifies that charter cities must establish a streamlined, ministerial process for approving applications for electric vehicle charging stations. Requires all local governments to deem complete applications for electric vehicle charging stations within 5 or 10 business days, depending on the size of the project. The project would be automatically approved within 20 or 40 business days if the local government has not already approved the application, made a finding that the project would have an adverse impact on public health and safety, or is an appeal was not made to the planning commission. These provisions would have a delayed effective date, to January 1, 2023, for jurisdictions with a population below 200,000 residents.

### **AB 1261 (Burke) State Air Resources Board: greenhouse gas emissions: incentive programs**

Requires the California Air Resources Board to establish a process to assess its clean vehicle incentive programs to collect and evaluate data on the behavioral change induced by the programs. The Board must also develop socioeconomic metrics to assess the impacts of these incentive programs. This information would be used to refine the emissions reduction estimates, funding recommendations, and programmatic recommendations the Board includes in its reports to the Legislature, funding plans, or long-term plans. Upon appropriation by the Legislature for these purposes, the Board must contract with the University of California or California State University to collect this data.

### **SB 339 (Wiener) Vehicles: road usage charge pilot program**

Extends the Road Usage Charge Pilot Program to 2027 to identify and evaluate issues related to a road use fee. Establishes a Technical Advisory Committee to make recommendations to the program, including groups of vehicles to include in the pilot program. The State Transportation Agency would be required to submit reports to the Legislature regarding the pilot program.

**SB 372 (Leyva) Medium- and heavy-duty fleet purchasing assistance program: zero-emission vehicles**

Establishes the Medium- and Heavy-Duty Zero-Emission Vehicle Fleet Purchasing Assistance Program within the Air Quality Improvement Program administered by the California Air Resources Board, to provide assistance to medium- and heavy-duty fleet purchasers to procure zero-emissions vehicles.

**SB 500 (Min) Autonomous vehicles: zero emissions**

Requires autonomous vehicles to be zero-emissions vehicles beginning in 2030 and prevents the Department of Motor Vehicles from initiating a rulemaking to implement this law until 2027.

**SB 640 (Becker) Transportation financing: jointly funded projects**

Authorizes cities and counties to propose joint transportation projects funded by the entities' funding allocated through the Road Maintenance and Rehabilitation Program.

**SB 643 (Archuleta) Fuel cell electric vehicle fueling infrastructure and fuel production: statewide assessment**

Requires the Energy Commission, in consultation with the California Air Resources Board and the Public Utilities Commission, to prepare a statewide assessment of fuel cell electric vehicle charging infrastructure and fuel production needs to support zero-emissions buses, trucks, and off-road vehicles to meet the state's air quality goals. The first assessment must be completed by December 31, 2023 and updated every three years until January 1, 2030.

**SB 671 (Gonzalez) Transportation: Clean Freight Corridor Efficiency Assessment**

Establishes the Clean Freight Corridor Efficiency Assessment, developed by the California Transportation Commission in consultation with specified state agencies. The assessment must identify priority corridors for zero-emissions medium- and heavy-duty vehicle deployment. The assessment's findings must be reported to the Legislature by December 1, 2023 and be incorporated into the California Transportation Plan. Allows Trade Corridor Enhancement Funds to support projects to deploy innovative technology to improve freight movement and provide environmental benefits.

## **Sustainable Economic Development**

**AB 680 (Burke) Greenhouse Gas Reduction Fund: California Jobs Plan Act of 2021**

Requires the California Air Resources Board and the Labor and Workforce Development Agency to develop, by July 1, 2025, funding guidelines for the Greenhouse Gas Reduction Fund's continuous appropriations that include specified labor standards, including fair and responsible employer standards and inclusive procurement policies. These provisions would not apply to programs or projects that receive federal funding, Safe and Affordable Drinking Water funds, technical assistance, research, 100% affordable housing projects, or applicants who are not employers.

**AB 794 (Carrillo) Air pollution: purchase of new drayage and short-haul trucks: incentive programs: eligibility: labor standards**

Establishes labor standards for drayage and short-haul trucks purchased through the California Air Resources Board's incentive programs.

**SB 162 (Committee on Budget) Community Economic Resilience Fund**

Establishes the Community Economic Resilience Fund, which would support a grant program to establish and fund high road transition collaboratives that would develop plans for economic recovery following the COVID-19 pandemic. The Labor and Workforce Development Agency, Governor's Office of Business and Economic Development, and Governor's Office of Planning and Research would oversee the program.

**SB 589 (Hueso) Air pollution: alternative vehicles and vehicle infrastructure**

Requires the Energy Commission, in its biennial assessment of electric vehicle charging needs, to identify workforce development and training resources needed to meet the state's zero emissions and greenhouse gas reduction goals. Allows funding from the Alternative and Renewable Fuel and Vehicle Technology Program to support in-state raw materials production and manufacturing supply chain for zero-emissions vehicle components. The Energy Commission must collaborate with California Community Colleges, the certified community conservation corps, the California Mobility Center, and the California Conservation Corps to implement these provisions.

**Senate Committee on Governance & Finance**  
**Senator Mike McGuire, Committee Chair**  
**State Capitol, Room 407**  
**Sacramento, California 95814**  
**(916) 651-4119**

<http://sgf.senate.ca.gov>

**TO:** People Interested in Public Finance and Governance Legislation  
**FROM:** Senator Mike McGuire, Committee Chair  
**DATE:** November 24, 2021  
**SUBJECT: Summary of significant legislation heard in 2021**

Now that the legislative session has ended, I want you to know about some of the more interesting bills that the Senate Governance & Finance Committee reviewed during 2021. The following summary identifies and briefly describes the significant bills that the Committee has worked on this year. At the end of each description, the bill's status is indicated in *italics*.

If you want to read the Committee's bill analyses or get a copy of a bill listed below, please go to the Legislature's official website [leginfo.legislature.ca.gov](http://leginfo.legislature.ca.gov). You can also use that website to retrieve other bill analyses, official histories, voting records, and any veto messages.

The Senate Committee on Governance and Finance is responsible for hearing legislation pertaining to state and local government revenue mechanisms, taxes, local governance, and land use and development. The summary below groups bills by subject.

## **Cannabis Issues**

[SB 398 \(Skinner\)](#) allows local agencies to enter into agreements with the Bureau of Cannabis Control to administer commercial cannabis licensing, permitting, or other regulatory activities on their behalf. *Senate Appropriations Committee.*

[SB 603 \(Bradford\)](#) requires cannabis-licensing agencies to develop a needs-based fee waiver and deferral program, upon appropriation in the annual budget or other statute for that purpose, and establishes a state and local cannabis fee tax credit for fees paid by local equity applicants and licensees. *Assembly Revenue & Taxation Committee.*

## **Excise Taxes**

[SB 395 \(Caballero\)](#) enacts the Healthy Outcomes and Prevention Education Act, which imposes the California Electronic Cigarette Excise Tax on the sale of electronic cigarettes, and directs proceeds of the tax to various purposes. *Signed – Chapter 489, Statutes of 2021.*

## **Income Tax Form**

[SB 347 \(Caballero\)](#) creates a new voluntary tax contribution fund, to be known as the California Community and Neighborhood Tree Voluntary Tax Contribution Fund, and continuously appropriates moneys from this fund to the Department of Forestry and Fire Prevention for the Urban and Community Forestry Grant Program. *Signed—Chapter 104, Statutes of 2021.*

[AB 742 \(Calderon\)](#) extends the sunset date for the School Supplies for Homeless Children Voluntary Tax Contribution Fund on the personal income tax return. *Signed—Chapter 96, Statutes of 2021.*

[AB 1065 \(Maienschein\)](#) establishes the Mental Health Crisis Prevention Voluntary Tax Contribution Fund on the personal income tax return. *Signed—Chapter 61, Statutes of 2021.*

## **Land Use Planning & Development**

[SB 6 \(Caballero\)](#) enacts, until January 1, 2029, the Neighborhood Homes Act, which establishes housing as an allowable use on any parcel zoned for office or retail uses. *Assembly Housing & Community Development Committee.*

[SB 8 \(Skinner\)](#) extends the sunset on the Housing Crisis Act of 2019 (HCA) by five years, to January 1, 2030, and makes other changes. *Signed—Chapter 161, Statutes of 2021.*

[SB 9 \(Atkins\)](#) requires ministerial approval of a housing development of no more than two units in a single-family zone (duplex), the subdivision of a parcel zoned for residential use into two

parcels (lot split), or both. *Signed—Chapter 162, Statutes of 2021.*

[SB 10 \(Wiener\)](#) authorizes a city or county to pass an ordinance to zone any parcel for up to 10 units of residential density, at a height specified by the local government in the ordinance, if the parcel is located in a transit-rich area or an urban infill site. *Signed—Chapter 163, Statutes of 2021.*

[SB 12 \(McGuire\)](#) imposes certain fire hazard planning responsibilities on local governments and requires cities and counties to make specified findings on fire standards prior to permitting development in the very high fire hazard severity zone (VHFHSZ). *Assembly Housing & Community Development Committee.*

[SB 32 \(Cortese\)](#) requires cities and counties to identify goals, policies, objectives, targets, and feasible implementation strategies to decarbonize newly constructed commercial and residential buildings. *Senate Appropriations Committee.*

[SB 55 \(Stern\)](#) prohibits residential development in the VHFHSZ unless local agencies adopt a wildfire prevention strategy that mitigates significant risks of loss, injury, or death. *Senate Governance & Finance Committee.*

[SB 290 \(Skinner\)](#) makes various changes to Density Bonus Law (DBL), including providing additional benefits to housing developments that include low-income rental and for-sale housing units, and moderate-income for-sale housing units. *Signed—Chapter 340, Statutes of 2021.*

[SB 318 \(Melendez\)\\*](#) requires that independent auditors be a certified public accountant, and prohibits local agencies from retaining an independent auditor that the local agency contracted with during the preceding 10 years. *Senate Governance & Finance Committee.*

[SB 319 \(Melendez\)](#) requires local agencies that do not comply with impact fee annual report requirements for three years to include each year they did not comply with these requirements in requested audits. *Signed—Chapter 385, Statutes of 2021.*

[SB 478 \(Wiener\)](#) prohibits a local government from imposing certain floor area ratio (FAR) standards on housing projects of 3 to 10 units. *Signed—Chapter 363, Statutes of 2021.*

[SB 499 \(Leyva\)\\*](#) prohibits the land use element of a general plan from designating land uses that have the potential to adversely impact health outcomes from being located within or adjacent to a disadvantaged community. *Senate Governance & Finance Committee.*

[SB 552 \(Hertzberg\)](#) enacts several recommendations to improve small water system emergency response contained in the “Small Water Systems and Rural Communities Drought and Water Shortage Contingency Planning and Risk Assessment” report produced by the Department of Water Resources. *Signed—Chapter 245, Statutes of 2021.*

[SB 556 \(Dodd\)](#) establishes permitting requirements for the placement of small wireless facilities on streetlight and traffic signal poles owned by local governments, including specified timelines



for approving and attaching infrastructure, limitations on fees for attachments, and restrictions on local governments' ability to prohibit small wireless facility attachments. *Vetoed*.

[SB 574 \(Laird\)](#) narrows the role of the Department of Conservation (DOC) in administering the Williamson Act. *Signed—Chapter 644, Statutes of 2021*.

[SB 617 \(Wiener\)](#) requires cities and counties to adopt an automated, online permitting system for solar energy systems and energy storage. *Senate Appropriations Committee*.

[SB 621 \(Eggman\)](#) establishes a ministerial approval process for hotel and motel conversions to multifamily housing. *Senate Governance & Finance Committee*.

[SB 695 \(Ochoa Bogh\)\\*](#) prohibits a local agency from imposing a housing impact requirement on a housing development project, unless specified requirements are satisfied by the local agency, including that the local agency prepare and adopt a nexus study. *Senate Governance & Finance Committee*.

[SB 719 \(Min\)](#) provides that land comprising the former Tustin Marine Corps Air Station is exempt surplus land for the purposes of the Surplus Land Act. *Assembly Local Government Committee*.

[SB 765 \(Stern\)](#) repeals the existing prohibition on a city or county imposing a requirement of a setback for an accessory dwelling unit (ADU) of more than four feet from the rear and side lot lines. *Senate Housing Committee*.

[SB 809 \(Allen\)\\*](#) authorizes a city or county to satisfy part of its requirement to identify zones suitable for residential development in its housing element by adopting and implementing a multijurisdictional regional agreement. *Senate Housing Committee*.

[AB 345 \(Quirk-Silva\)](#) requires cities and counties to allow a qualified nonprofit corporation to sell an accessory dwelling unit (ADU) separately from the primary dwelling unit on the property, and revises the conditions for a tenancy in common agreement entered into pursuant to such a sale. *Signed—Chapter 343, Statutes of 2021*.

[AB 500 \(Ward\)](#) requires local governments in the coastal zone to amend their local coastal programs by January 1, 2024, to provide streamlined permitting procedures for certain housing projects, as specified, among other provisions. *Senate Floor*.

[AB 571 \(Mayes\)](#) prohibits local governments from imposing affordable housing impact fees, including inclusionary zoning fees and in-lieu fees, on a housing development's affordable units in a density bonus project. *Signed—Chapter 346, Statutes of 2021*.

[AB 602 \(Grayson\)](#) adds new requirements to impact fee nexus studies prepared by cities, counties, and special districts, and makes other related changes. *Signed—Chapter 347, Statutes of 2021*.



[AB 803 \(Boerner Horvath\)](#) requires cities and counties to allow development of single-family housing on small lots that are zoned for specified multifamily uses, so long as the development meets specified conditions regarding density, setbacks, dwelling size, and others. *Signed—Chapter 154, Statutes of 2021.*

[AB 970 \(McCarty\)](#) deems approved applications for electric vehicle charging stations after specified time periods. *Signed—Chapter 710, Statutes of 2021.*

[AB 989 \(Gabriel\)](#) establishes, until January 1, 2029, an Office of Housing Appeals (OHA) within the Department of Housing and Community Development (HCD). *Senate Floor.*

[AB 1124 \(Friedman\)](#) revises the definition of “solar energy system” to include all structural design features, whether mounted on the ground or on a roof. *Signed—Chapter 235, Statutes of 2021.*

[AB 1174 \(Grayson\)](#) makes several changes to the streamlined, ministerial approval process established by SB 35 (Wiener, Chapter 366, Statutes of 2017). *Signed—Chapter 160, Statutes of 2021.*

[AB 1180 \(Mathis\)](#) expands the definition of “exempt surplus land” to include surplus land that a local agency transfers to a federally recognized California Indian tribe. *Signed—Chapter 62, Statutes of 2021.*

[AB 1322 \(R. Rivas\)\\*](#) creates a process for the governing body of a city or county to seek judicial validation that a local measure approved by the voters is in conflict with state housing law. *Senate Environmental Quality Committee.*

[AB 1401 \(Friedman\)](#) prohibits public agencies from imposing parking minimums on developments within specified distances of high-quality public transit. *Senate Appropriations Committee.*

[AB 1409 \(Levine\)](#) requires cities and counties to update their safety element to identify evacuation locations. *Signed—Chapter 481, Statutes of 2021.*

## **Local Agency Formation Commissions (LAFCOs) & Boundary Changes**

[SB 13 \(Dodd\)](#) reauthorizes a Napa and San Bernardino LAFCO pilot program until January 1, 2026, that allows LAFCOs to approve extensions of service outside of a local agency’s sphere of influence, and expands the program to allow Napa LAFCO to approve service extensions to specified parcels in St. Helena. *Signed—Chapter 482, Statutes of 2021.*

[AB 1021 \(Mayes\)](#) requires the LAFCOs in Imperial and Riverside Counties to conduct a study of governance options for the Imperial Irrigation District (IID) electrical service area. *Vetoed.*

## Local Powers & Governance

[SB 60 \(Glazer\)](#) allows cities to impose a fine of up to \$5,000 for public and health and safety violations of a short-term rental ordinance. *Signed—Chapter 307, Statutes of 2021.*

[SB 271 \(Wiener\)](#) repeals eligibility requirements for an individual to run for county sheriff. *Senate Governance & Finance Committee.*

[SB 273 \(Hertzberg\)](#) authorizes a municipal wastewater agency to acquire, construct, expand, operate, maintain, and provide facilities to manage stormwater and dry weather runoff. *Signed—Chapter 241, Statutes of 2021.*

[SB 286 \(Min\)\\*](#) requires an election for an office that is determined by a plurality, with no possibility of a runoff, and is consolidated with a statewide election, to be consolidated with the statewide general election in November. *Senate Elections & Constitutional Amendments Committee.*

[SB 323 \(Caballero\)](#) establishes a 120-day statute of limitations for water and sewer rates. *Signed—Chapter 216, Statutes of 2021.*

[SB 342 \(Gonzalez\)](#) adds two additional seats to the South Coast Air Quality Management District (SCAQMD) Governing Board to be filled by persons residing in and working directly with pollution-burdened and vulnerable communities on issues of environmental justice in the South Coast Air Basin, and allows SCAQMD to create a Labor Advisory Panel to provide input on issues impacting labor in the South Coast Air Basin. *Senate Floor.*

[SB 378 \(Gonzalez\)](#) requires local governments to allow fiber installers to use microtrenching as a method for installing fiber unless the local government makes a specified finding that permitting microtrenching would adversely impact public health and safety. *Signed—Chapter 677, Statutes of 2021.*

[SB 403 \(Gonzalez\)](#) authorizes the State Water Resources Control Board (State Water Board) to order the consolidation of at-risk domestic wells and at-risk water systems. *Signed—Chapter 242, Statutes of 2021.*

[SB 427 \(Eggman\)](#) allows local agencies that provide water services to adopt an ordinance with enhanced penalties for water theft of up to \$3,000. *Signed—Chapter 137, Statutes of 2021.*

[SB 466 \(Wieckowski\)](#) allows the City of Santa Clara to sell or lease specified property for the purpose of economic development. *Assembly Local Government Committee.*

[SB 594 \(Glazer\)](#) makes various changes to state law governing candidate filing for the 2022 statewide primary election, redistricting in special districts following the 2020 census, and districting and redistricting for local governments. *Signed—Chapter 320, Statutes of 2021.*

[SB 679 \(Kamlager\)](#) establishes the Los Angeles County Affordable Housing Solutions Agency (LACAHSAs), and authorizes LACAHSAs to utilize specified local financing tools for the purpose of funding renter protections, and the preservation and production of housing units affordable to households earning up to 80% of the area median income. *Assembly Housing & Community Development Committee.*

[SB 712 \(Hueso\)](#) prohibits a local government from adopting or enforcing a resolution or ordinance that would prevent the local government from conducting a fair evaluation of a fee-to-trust application. *Signed—Chapter 291, Statutes of 2021.*

[AB 339 \(Lee\)](#) requires, until December 31, 2023, that city councils and county boards of supervisors in jurisdictions over 250,000 residents provide both in-person and teleconference options for the public to attend their meetings. *Vetoed.*

[AB 361 \(R. Rivas\)](#) creates, until January 1, 2024, an exemption to teleconferenced public meeting requirements for local legislative bodies during states of emergency, as specified; and, until January 31, 2022, a similar exemption to teleconferenced public meeting requirements for certain state bodies, as specified. *Signed—Chapter 165, Statutes of 2021.*

[AB 428 \(Mayes\)](#) requires term limits imposed on members of a board of supervisors to allow for at least two terms. *Signed—Chapter 462, Statutes of 2021.*

[AB 481 \(Chiu\)](#) requires specified law enforcement agencies to submit a military equipment use policy to the appropriate governing body before acquiring or using military equipment. *Signed—Chapter 406, Statutes of 2021.*

[AB 537 \(Quirk\)](#) updates existing law establishing a timeline and process through which wireless telecommunication siting facility permits will be deemed approved. *Signed—Chapter 467, Statutes of 2021.*

[AB 759 \(McCarty\)](#) requires counties to hold elections for district attorney and sheriff with the presidential primary, except as specified, starting on January 1, 2023. This bill also authorizes a county board of supervisors to adopt an ordinance to hold elections for other specified county officers with the presidential primary. *Senate Floor.*

[AB 844 \(Grayson\)](#) authorizes establishment of a Green Empowerment Zone (Green EZ) for the Northern Waterfront area of Contra Costa County and tasks the Green EZ with various duties. *Signed—Chapter 377, Statutes of 2021.*

[AB 850 \(Gallagher\)](#) extends the sunset on the authorization for the Cities of El Monte, Montebello, and Willows to sell their water utilities without voter approval under specified circumstances from January 1, 2022, to January 1, 2024. *Signed, Chapter 705, Statutes of 2021.*

[AB 903 \(Frazier\)](#) dissolves the Los Medanos Community Healthcare District on February 1, 2022. *Senate Governance & Finance Committee.*

[AB 959 \(Mullin\)](#) authorizes a regional park district, regional park and open-space district, or a regional open-space district to define encroachments onto park property as a nuisance and establish a procedure for the abatement of the nuisance through summary abatement and property liens. *Signed—Chapter 268, Statutes of 2021.*

[AB 1017 \(Quirk-Silva\)](#) requires local agencies to complete an inventory of public restrooms they own and maintain, and provide their findings to the Department of Public Health. *Senate Appropriations Committee.*

[AB 1195 \(Cristina Garcia\)\\*](#) creates the Southern Los Angeles County Human Right to Water Collaboration Act. Requires the State Water Resources Control Board to appoint a Commissioner to implement the Safe and Affordable Funding for Equity and Resilience (SAFER) Program in southern Los Angeles County. *Senate Environmental Quality Committee.*

[AB 1276 \(Carrillo\)](#) expands and revises the statute that requires single-use plastic straws only be distributed upon request to apply to specified single-use foodware accessories and standard condiments distributed by food facilities or third-party food delivery platforms. *Signed—Chapter 505, Statutes of 2021.*

## **Local Tax Authority**

[SB 555 \(McGuire\)](#) enacts the Fair and Effective Collection of Due and Payable Transient Occupancy Taxes Derived from Short-term Rentals Arranged by Short-term Rental Facilitators Act of 2021, which allows local agencies to delegate collection of transient occupancy taxes from short-term rental facilitators to CDTFA by enacting an ordinance. *Assembly Appropriations Committee.*

## **Property Taxes**

[SB 219 \(McGuire\)](#) allows a tax collector to cancel property tax delinquency penalties when the failure to pay is due to a documented hardship. *Signed—Chapter 131, Statutes of 2021.*

[SB 257 \(Skinner\)](#) states that property that museums make available for special events is considered property used exclusively for the museums' charitable purposes under the welfare exemption from property tax. *Senate Appropriations Committee.*

[SB 267 \(Hertzberg\)](#) provides that changes in ownership and profits interests in active solar energy systems financed by partnership flip transactions do not constitute changes in control of a legal entity for property tax purposes. *Signed—Chapter 424, Statutes of 2021.*

[SB 303 \(Borgeas\)](#) extends the time period for a taxpayer affected by a disaster to transfer their base year value to a replacement property until March 4, 2022, or the date the Governor terminates the COVID-19 pandemic emergency proclamation, whichever is earlier. *Signed – Chapter 540, Statutes of 2021.*

[SB 539 \(Hertzberg\)](#) enacts two new sections of property tax law to implement Proposition 19 (2020). *Signed – Chapter 427, Statutes of 2021.*

[SB 658 \(Grove\)](#) expands the disabled veterans' exemption to allow a reduced exemption for partially disabled veterans. *Senate Appropriations Committee.*

[SB 667 \(Roth\)](#) allows the executor, administrator, or personal legal representative of a claimant's estate to file a claim for the disabled veterans' exemption. *Signed – Chapter 430, Statutes of 2021.*

[SB 668 \(Bates\)](#) reenacts in statute the parent-child, grandparent-grandchild exclusion from change in ownership exclusion for two years that was effective before voters repealed the exclusion in the California Constitution when they approved Proposition 19 (2020). *Senate Governance & Finance Committee.*

[SB 675 \(Ochoa Bogh\)](#) authorizes a county board of supervisors to adopt a resolution or ordinance to implement a monthly property tax payment program, where qualified taxpayers can instead pay property taxes on a monthly basis. *Vetoed.*

[SB 706 \(Bates\)](#) provides that a change in ownership triggering a reassessment for property tax purposes occurs when 90% or more of the direct or indirect ownership interests in a legal entity are sold or transferred in a single transaction. *Senate Governance & Finance Committee.*

[AB 1203 \(Burke\)](#) changes the qualifications for a person to be eligible to be nominated to an assessment appeals board in Los Angeles County. *Signed – Chapter 418, Statutes of 2021.*

## **Redevelopment & Infrastructure Financing**

[SB 438 \(Laird\)](#) makes specified loan agreements between the City of Atascadero and its former redevelopment agency (RDA) enforceable obligations. *Assembly Appropriations Committee.*

[SB 563 \(Allen\)](#) makes various changes to the Second Neighborhood Infill Finance and Transit Improvements Act (NIFTI-2), including: changing its formation process, recasting eligible expenditures, adding a state matching component, and expanding housing provisions. *Senate Appropriations Committee.*

[SB 734 \(Hueso\)](#) allows local agencies to modify specified redevelopment passthrough agreements, and to forgive up to the entire outstanding principal amount of a passthrough agreement. *Signed—Chapter 221, Statutes of 2021.*

[SB 780 \(Cortese\)](#) makes several changes to enhanced infrastructure financing districts (EIFDs) and community revitalization infrastructure authorities (CRIAs), including a clarification that directly elected mayors of charter cities can be members of EIFD and CRIA boards, as well as address chartering issues. *Signed—Chapter 391, Statutes of 2021.*

[AB 336 \(Villapudua\)](#) allows any member of a taxing entity’s legislative body serving on an enhanced infrastructure financing district (EIFD) board to concurrently serve as a board member of a joint powers authority (JPA) where the taxing entity is a member. *Signed—Chapter 22, Statutes of 2021.*

[AB 464 \(Mullin\)](#) expands the types of facilities and projects enhanced infrastructure financing districts (EIFDs) may fund to include small business structures impacted by the COVID-19 pandemic and nonprofit community organizations’ facilities. *Signed—Chapter 25, Statutes of 2021.*

[AB 758 \(Nazarian\)](#) expands the types of publicly-owned utilities that can issue rate reduction bonds to include those that provide electric service. *Signed—Chapter 233, Statutes of 2021.*

## **Sales & Use Taxes**

[SB 542 \(Limón\)](#) enacts a state-only (3.9375%) sales and use tax exemption for purchases of qualified new medium or heavy-duty zero-emission trucks. *Senate Floor.*

[SB 771 \(Becker\)](#) enacts a state-only (3.9375%) sales and use tax exemption for zero emission or hybrid vehicles purchased under the Clean Cars 4 All Program. *Assembly Desk.*

[SB 792 \(Glazer\)](#) requires specified retailers to include with their sales tax returns a schedule that reports the gross receipts from sales of property for each local jurisdiction where it shipped or delivered to a purchaser in that jurisdiction. *Vetoed.*

[AB 296 \(Gipson\)](#) extends the sunset on the sales and use tax exemption for customers who repurchase their property from a pawnbroker until January 1, 2027. *Signed—Chapter 164, Statutes of 2021.*

## **State Bonds & Indebtedness**

[SB 5 \(Atkins\)\\*](#) enacts the Affordable Housing Bond Act of 2022, which places a bond of \$6.5 billion before voters at the November, 2022, general election to fund affordable rental housing and homeownership programs. *Senate Housing Committee.*

[SB 22 \(Glazer\)](#) enacts the Public Preschool, K–12, and College Health and Safety Bond Act of 2022, which places a \$15.5 billion bond before voters at a statewide election in 2022 to fund facilities for K-12 schools as well as California’s public universities. *Assembly Education Committee.*



[SB 45 \(Portantino\)](#) enacts the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2022, which places a bond of \$5.595 billion before voters at the November, 2022 general election for projects related to wildfire prevention, safe drinking water, drought preparation, and flood protection. *Senate Floor.*

[AB 75 \(O'Donnell\)\\*](#) enacts the Kindergarten-Community Colleges Public Education Facilities Bond Act of 2022 which places a bond of \$12 billion before voters at a statewide election in 2022 for K-12 and California Community Colleges school facilities construction and modernization projects. *Senate Education Committee.*

## **State Personal & Corporate Income Taxes**

[SB 49 \(Umberg\)](#) provides a tax credit for eligible costs if the taxpayer ceased business operations temporarily for a minimum of 30 consecutive days during the taxable year as a result of an emergency order. *Senate Floor.*

[SB 104 \(McGuire\)](#) creates an elective tax that allows pass-through entities to pay tax on behalf of their owners and allows a credit to the owners of those pass-through entities. AB 150 (Committee on Budget) adopted provisions from SB 104 as the Small Business Relief Act, which the governor signed into law as a part of the Budget Act of 2021. *Senate Appropriations Committee.*

[SB 240 \(Eggman\)](#) extends the sunset on the Donated Fresh Fruits or Vegetables Credit for 5 years through the 2026 taxable year. AB 150 (Committee on Budget) adopted provisions from SB 240, which the governor signed into law as a part of the Budget Act of 2021. *Senate Floor.*

[SB 276 \(Ochoa Bogh\)](#) allows Earned Income Tax Credit (EITC) recipients to elect to use earned income from prior tax years when calculating EITC for the 2021 tax year. *Senate Appropriations Committee.*

[SB 408 \(Min\)](#) provides a tax credit for small businesses in certain industries that were closed for at least 30 consecutive days in either 2020 or 2021 as a result of an emergency order. *Senate Appropriations Committee.*

[SB 424 \(Durazo\)](#) creates a tax credit for certain employers that hire homeless individuals. *Senate Appropriations Committee; subsequently enacted as part of AB 150 (Committee on Budget)*

[SB 444 \(Hertzberg\)](#) provides a personal income tax exclusion for all education awards provided under the "California for All Education Award Program." *Senate Floor.*

[SB 485 \(Portantino\)](#) creates a new credit within the existing Film and TV credit for taxpayers who produce qualified motion pictures at certified studio construction projects. *Senate Floor; subsequently enacted in SB 144 (Committee on Budget and Fiscal Review)*

[SB 553 \(Limón\)](#) enacts a state Work Opportunity Tax Credit (WOTC) largely based on the same credit contained in federal law. *Senate Appropriations Committee.*

[SB 601 \(Ochoa Bogh\)](#) increases the income threshold of the current exclusion for taxpayers who sell their primary residence to a qualified first-time homeowner to \$300,000 for taxpayers who are single or married filing jointly, and \$600,000 for taxpayers who are married filing separately, a head of household, or a surviving spouse. *Assembly Revenue & Taxation Committee.*

[SB 610 \(Grove\)](#) creates a tax credit equal to 50 percent of qualified virtual learning costs — up to \$2,250 — for each qualified dependent. *Senate Appropriations Committee.*

[SB 611 \(Allen\)](#) allows taxpayers additional tax credit amounts under to the California's Film and Motion Picture Production tax credit program when hiring graduates of the Career Pathways Training program, or an equivalent program. *Assembly Appropriations Committee.*

[SB 691 \(Rubio\)](#) allows an additional \$100 in tax credits to all ITIN filers that receive the Earned Income Tax Credit and modifies the calculation of the Young Child Tax Credit. *Senate Appropriations Committee.*

[SB 777 \(Bradford\)](#) enacts the California Jumpstart Act, which directs the California Pollution Control Financing Authority to allocate up to \$300 million in credits against the gross premiums tax to investors in relief funds. *Assembly Jobs, Economic Development, & The Economy Committee.*

[AB 340 \(Ward\)](#) conforms the State's 529 college savings plan statute to recent changes in federal tax law that expand allowable withdrawals from 529 plans to include expenses associated with participation in a registered apprenticeship program and student loan repayment. *Signed—Chapter 557, Statutes of 2021.*

[AB 447 \(Grayson\)](#) makes changes to the state low income housing tax credit program administered by the California Tax Credit Allocation Committee in the State Treasurer's Office. *Signed – Chapter 344, Statutes of 2021.*

[AB 1219 \(Berman\)](#) renews the Natural Heritage Preservation Tax Credit for qualified contributions. *Signed—Chapter 419, Statutes of 2021.*

[AB 1515 \(Santiago\)](#) establishes the Earned Income Tax Credit (EITC) Outreach and Education and Free Tax Assistance Grant Program upon appropriations of the legislature. *Senate Governance & Finance Committee.*

## **State Tax Administration**

[SB 491 \(Nielsen\)](#) prohibits the California Department of Tax and Fee Administration (CDTFA) from issuing a license to, and requires them to suspend or revoke the current tobacco license of,



retailers convicted of violations of Penal Code provisions relating to selling or distributing nitrous oxide. *Assembly Appropriations Committee.*

[AB 545 \(Quirk\)](#) requests the Regents of the University of California to perform a comprehensive assessment of major tax expenditures. *Senate Appropriations Committee.*

[AB 1402 \(Levine\)](#) requires marketplace facilitators currently required to collect sales and use taxes when selling property into California to also collect four fees imposed on sales of specific products. *Signed—Chapter 421, Statutes of 2021.*

\* = Bill was never heard in the Senate Governance & Finance Committee

To read and retrieve copies of the Senate Governance & Finance Committee's detailed reference materials and other publications, please go to the Committee's website: <http://sgf.senate.ca.gov>