

Creating Great Communities for All

APA CALIFORNIA LEGISLATIVE UPDATE JANUARY 2025

By Reuben Duarte, Vice President for Policy and Legislation Lauren De Valencia, APA California Lobbyist

The 2025 Legislative Session Begins

The 2025 Legislative Session began on January 6, and we are preparing for what is expected to be another busy year. The deadline to introduce new bills is February 21 and it's anticipated that we will again see several proposals to address the housing and homelessness crisis, in addition to continuing to address infrastructure needs to help meet California's climate goals. Additionally, given the devastating fires in LA County, the Legislature has introduced legislation to assist LA specifically and will also likely focus more broadly on land use and fire-related issues as well. We are already having conversations with legislative staff on this issue. And as always, we expect hundreds of bills of interest to planners to be introduced.

In addition to discussions around hazard mitigation and planning, APA California has also participated in several conversations on potential bill ideas, including forthcoming legislation to provide technical clean-up to AB 98 (Carrillo, 2024), which was introduced and passed at the end of session in 2024 and creates new warehouse standards and requires local agencies to update their circulation elements to include truck routes. We continue to work on this clean-up effort and hope to make technical changes to the law that will provide planners with more clarity and assistance in implementation.

As bills are introduced, APA California will review and create a tracking list that will be posted on the <u>advocacy</u> page of the APA California website in February. Stay tuned for more updates on specific bills and our activities as the session moves forward!

Special Session Expands to Include Wildfire Response and Recovery Efforts in LA County

Governor Gavin Newsom recently expanded the current <u>special session</u> convened earlier this year Legislature to further boost response and initial recovery efforts for Los Angeles County. Text of the Governor's proclamation is here.

Governor Newsom Signs Executive Order to Help Los Angeles Rebuild

Governor Gavin Newsom also recently signed an <u>Executive Order</u> to suspend permitting and review requirements under the California Environmental Quality Act (CEQA) and the California Coastal Act to allow victims of the recent fires to restore their homes and businesses faster.

2025-2026 Proposed Budget Released

The Governor's 2025-2026 California State Budget was released on January 10, totaling \$322 billion. While originally facing a projected \$2 billion deficit for the upcoming fiscal year, the Administration is now projecting a "modest surplus" of \$363 million. That said, this budget proposal is being released at a time when there's uncertainty for the state with an incoming Trump Administration and the financial impact of the fires in Los Angeles County is still not entirely known. It is likely that the current budget proposal could significantly change before the June 15th deadline to pass the budget. To address part of this uncertainty, the Governor is still proposing to pull \$7.1 billion from the state's rainy-day fund in the upcoming fiscal year, despite the surplus. Of interest to planners, below are a few specifics from the budget proposal:

Housing:

The Administration proposes to establish a new California Housing and Homelessness Agency "to create a
more integrated and effective administrative framework for addressing the state's housing and
homelessness challenges." This process will be facilitated by the Little Hoover Commission and submitted
to the Legislature for consideration. More details to come this Spring.



- Additionally, it's important to note the following policy principles noted by the Administration:
 - Reduce Costs—The state should help lower housing construction costs by streamlining processes
 and removing unnecessary barriers to development, including addressing delays in project
 approvals and permitting. Additionally, the state should pursue policies to reduce costs associated
 with existing laws that hinder housing production and increase costs and development risks.
 - Enhanced Accountability—The state should strengthen mechanisms to ensure jurisdictions meet their state housing obligations and comply with existing laws, including the Housing Accountability Act and Permit Streamlining Act.
 - Housing and Transportation—The state should advance policies that remove barriers to infill
 housing near transit, including efforts to align long-term housing and transportation planning, and
 further the ability to utilize housing as a mitigation strategy for infrastructure projects.

Homelessness:

 The Administration did not specifically propose any new spending through the Homeless Housing, Assistance and Prevention (HHAP) grants, which have been previously funded through the budget, however the Administration is open to additional funding, tied with stronger accountability policies.

Climate:

• The budget also proposes to allocate funding from the Climate Bond to maintain momentum and build on California's climate progress through various projects. These projects include important policy areas around water resilience, extreme heat, sea level rise planning and project implementation, wildfire mitigation and others.

Over the next few months, draft budget trailer bill language to implement specifics in the proposed budget will be published online and budget subcommittees will begin to hold hearings on these proposals. The Governor will offer a revision to the proposed budget in mid-May and the final budget must be passed by June 15th. Budget trailer bills to implement the budget must also be passed by the end of session on September 12th. For more details on this proposal, please review the Governor's Budget Summary.

Stay Connected on Legislation

If you're interested in receiving updates on legislative and regulatory issues from the Chapter's Policy and Legislation Team, please join <u>HERE</u>. Have questions on policy and legislative related issues, including bills and regulations? APA California members are welcome to reach out to the VP for Policy and Legislation at policy@apacalifornia.org.

APA California's Work in the Legislature

APA California has a robust legislative program at the Chapter level that engages with the California Legislature. The Policy and Legislation team includes an elected VP for Policy and Legislation, two appointed Legislative Technical Advisors, and a Lobbyist retained by the Chapter. The team engages directly with APA California Section Legislative Representatives from each of the 8 Sections within the Chapter to discuss feedback on legislation and other relevant issues regularly throughout the year. To view the Policy and Legislation team, visit the <u>Board of Directors</u> page.

APA California actively engages in many bills throughout the year. In fact, we work closely with legislative and committee staff on amendments and clarifications to bills before taking a position. As an organization, APA California is often asked to provide feedback on planning related bills and provide technical expertise, giving a voice to planners and an opportunity to help shape legislation. This is a valuable role that the Chapter works hard to maintain. More broadly, we will continue to discuss the work planners are doing at the local level to implement and keep up with all the planning related bills that pass year over year and how that relates to the cumulative impact of bills on the table this year. We also continue seek opportunities to suggest tangible ways, absent fiscal resources at the state level, that the Legislature can help to make implementation more successful and support the planning community.