

2023 END OF YEAR REPORT

City of Rancho Palos Verdes

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TRANSMITTAL LETTER

November 15, 2023

To: Ara Mihranian
City Manager
City of Rancho Palos Verdes

From: Sharon Gonsalves
Director of Government Affairs
Renne Public Policy Group

Dear Mr. Mihranian,

On behalf of the Renne Public Law Group, LLP [DBA Renne Public Policy Group (RPPG)], I want to thank you, your team, and the City of Rancho Palos Verdes City Council for engaging our firm for state legislative advocacy services. This end of year report provides an overview of the services provided by our firm to the City of Rancho Palos Verdes during the 2023 legislative year, as well as insights and potential next steps in preparation for the 2024 legislative year. Additionally, this report provides a recap on efforts currently underway for the 2024 legislative session.

Over the past year, RPPG has worked with your staff to take an aggressive approach to raise the City's profile and to build relationships with the Administration, state agencies, and Members of the Legislature. 2023 proved to be a productive year in continuing the City's presence and educating decision makers about the City's top priorities.

RPPG continued to work with your staff to provide clarity on issues through the following mechanisms: drafting memos, providing information on administrative actions, and providing detailed policy and political analysis on dozens of items of interest to the City.

RPPG engaged on state legislative measures in the areas of housing, land use, mental health, climate, homelessness, elections, political reform, as well as on governmental operations and employment issues with specific applicability to the City. This resulted in over 160 individual "touchpoints", either with the City or on behalf of the City. Deliverables included drafting memos, providing legislative analysis, advising City staff, meeting with state lawmakers or their staff, drafting state and federal position letters, etc.

In 2023, RPPG monitored and/or engaged on over 1,500 pieces of state legislation. In total, the City of Rancho Palos Verdes officially positioned on 10 pieces of state legislation in 2023. Our team is especially proud to have been able to assist the City's efforts in obtaining a \$23.3 million for the Portuguese Bend Landslide Mediation Project from FEMA's Building Resilient Infrastructure and Communities (BRIC) grant by reviewing narratives and attending meetings with Senator Allen and Assemblymember Muratsuchi.

We are grateful that the City will continue its relationship with RPPG moving into the 2024 legislative session. Despite our team's success on behalf of the City, we believe there is still much more work to be done, and we certainly do not take this responsibility lightly. Thank you once again for the opportunity to

serve the City of Rancho Palos Verdes. We look forward to continuing our partnership and building on the success we have achieved.

Sincerely,



Sharon Gonsalves
Director of Government Affairs
Renne Public Policy Group

CC: Shaunna Hunter, Administrative Analyst, City of Rancho Palos Verdes

2023: YEAR IN REVIEW

The 2023-2024 session of the California State Legislature began with both houses convening in early December 2022 for an organizational session. During this time, Members in each house took their oaths of office and passed their respective chamber rules. The first formal action taken by the Assembly was to adopt a leadership transition plan (House Resolution H.R. 1) which solidified the transition of Assembly Speakership from Anthony Rendon (D, Lakewood) to Robert Rivas (D, Hollister) effective July 1, 2023.

In the Senate, Toni Atkins (D, San Diego) was re-elected President pro Tempore and Mike McGuire (D, Healdsburg) was re-elected as Majority Leader. However, there was a changing of the guard on the Senate Republican side with Brian Jones (R, Santee) replacing Scott Wilk (R, Santa Clarita) as Minority Leader.

Additionally in December, Governor Gavin Newsom declared a special legislative session to introduce a gasoline price gouging measure in response to rapidly rising prices at the pump throughout the state during 2022. The measure, [SBX1-2](#), was carried by Senator Nancy Skinner (D, Berkeley) and authorizes the State Energy Resources Conservation and Development Commission to set a maximum gross gasoline refining margin and to establish a penalty if this margin is exceeded. The measure was signed into law by the Governor on March 28 and went into effect on June 26. While this measure did not have a direct impact on local government authority or operations, RPPG closely monitored this action to ensure that there was momentum to modify SB 1 allocations.

The Legislature reconvened for the regular 23-24 legislative session the first week of January 2023. With 35 newly elected Members coming to Sacramento (25 Assemblymembers and 10 Senators), California saw the largest number of new state-elected representatives join the Legislature since modified constitutional term limits for state lawmakers were approved by the voters in 2012.

While historically new legislators tend to ease into their newly minted roles—introducing only a handful of new legislation in year one—this new class took a different approach. As a result, we saw more than 3,000 individual legislative and budgetary measures introduced in 2023 alone. This was the most in the first year of session in more than a decade. Major themes and priorities of the 2023 session included:

- Major overhaul of the state's behavioral health system and its funding.
- Policies that further streamlined housing production and fast-tracked critical infrastructure projects.
- Significant labor dispensations and extensions.
- Attempts to address the ongoing fentanyl crisis.
- Preparation and mitigation for climate change.
- Advancement of several constitutional amendments and statewide funding measures for voter consideration in 2024.

In early January, Governor Newsom unveiled his proposed budget for fiscal year (FY) 2023-2024. Contrary to the historic budget surpluses in the previous fiscal years, the Governor confirmed that the state was projecting a \$22 billion deficit moving into the new year. Factors the Administration cited included a drop in anticipated personal income tax revenues, a generally slowing economy, high inflation, and Federal Reserve interest rate increases. Despite these negative drags on the economy, the Administration did not project a recession in the budget. In response, the Administration proposed a combination of triggered spending cuts, funding delays, shifts in funding sources, and the issuance of bonds to close the gap and pass a balanced budget.

Given the sheer volume of legislation introduced, the spring of 2023 was a remarkably hectic time for the Legislature and advocates alike. All told there were more than 150 legislative, fiscal, and budgetary hearings dispensing with measures that directly impacted local government. The timing of these policy hearings coincided directly with Governor Newsom's "May Revise" in which the Administration proposed an increase of \$9 billion in total spending along with an increase in the state's projected deficit—now surpassing \$30 billion.

All told the final FY 23-24 budget consisted of \$310 billion in total spending. The final budget advanced by the Legislature contained appropriate cuts to close the \$31.5 billion deficit and was signed by the Governor on June 27 to adhere to constitutional deadlines. The Administration's and Legislature's priorities in the FY 23-24 budget were consistent with previous years which dedicated funding to homelessness, climate change, healthcare, education, and housing.

Governor Newsom, along with Assemblymember Jacqui Irwin (D, Thousand Oaks) and Senator Susan Eggman (D, Stockton), announced in mid-June a behavioral health policy package. The two measures that comprise this behavioral health package, [AB 531](#) (Irwin) and [SB 326](#) (Eggman), were signed into law on October 12 and will be put to voters on the March 2024 ballot as Proposition 1. AB 531 will provide \$6.38 billion in new funding for behavioral health infrastructure efforts. In response to a strong lobbying effort from local government advocates, the measure was amended in the eleventh hour to increase the total funding amount and to provide direct allocation to cities. SB 326 will rename and modernize the Mental Health Services Act passed by the voters as Proposition 63 in November 2004. AB 531 and SB 326 received bipartisan support on both the Assembly and Senate Floors.

Robert Rivas was sworn in as the 71st Speaker of the State Assembly on June 30. He made several changes to Assembly leadership on July 3, including appointing Isaac Bryan (D, Los Angeles) as the new Majority Leader and Cecilia Aguiar-Curry (D, Winters) as the new Speaker pro Tempore. Additionally, Juan Carrillo (D, Palmdale) was appointed the new chair of the Local Government Committee. Speaker Rivas was elected to the Legislature in 2018 and with 12-year term limits could potentially hold his leadership position until he terms out in 2030.

Senator Atkins announced in late August that the Senate Democratic Caucus had determined that Senator McGuire will be the Pro Tem "Designee", with a specific transition date to be announced in January 2024. Senator Atkins has served in the Legislature since 2012. As an Assemblymember she rose to power—becoming Speaker of the Assembly from 2014-2016 before running for State Senate. Senator Atkins then became the Pro Tem of the Senate in 2018. She terms out of the Legislature in 2024. Senator McGuire was elected to the Senate in 2014 and has served as Majority Leader since 2022. He terms out of the Legislature in 2026 and has filed paperwork to run for Insurance Commissioner.

By the evening of September 14, the legislature had advanced a total of 1,046 bills to the Governor for his consideration. By October 14, the Governor had signed 890 measures into law and vetoed 156—an approximate rate of 85% to 15%. The Legislature is now adjourned and will resume the second year of the two-year legislative session on January 3, 2024.

RPPG/CITY OF RANCHO PALOS VERDES HIGHLIGHTS 2023

**1,500+**

PIECES OF LEGISLATION TRACKED ON BEHALF OF THE CITY

Legislation tracked and assessed for impacts on City operations, legal and/or local decision making.

**85%**

SUCCESS RATE ON LEGISLATIVE ENGAGEMENT — MAKING THE CITY'S VOICE HEARD

RPPG achieved the desired outcome or secured critical amendments to dramatically reduce adverse impacts on the City. (6 desired outcomes OR significantly improved based on RPPG's engagement out of 7 total. This does not include 3 positioned bills that were held in committee and are now two-year bills.)

**160+**

COMBINED DELIVERABLES AND TOUCHPOINTS PROVIDED TO AND ON BEHALF OF THE CITY

Legislative updates, legislative and budgetary position letters, policy, and political analysis, meetings with City and/or state legislature on behalf of the City.

**As of October 31*

KEY PERFORMANCE INDICATORS

At its core, legislative advocacy is working with individual lawmakers (both within the City's legislative district and out), committee staff, the Governor's administration, and regulatory officials to support the City's policy goals. Equally important is the ability to work with those same stakeholders to mitigate legal, operational, or fiscal impacts that state legislation may have on the City of Rancho Palos Verdes.

Successful legislative advocacy is predicated on raising awareness and education. Being able to empower City Council, staff, and the City's advocacy team are critical in any effort to advance legislative efforts. In Sacramento, direct advocacy can range from working personally with a legislator, an aide, policy committee staff, and/or the Administration on the wording of a bill, to mobilizing broad coalitions that align with the City's cause. This work includes educating legislators, supporters, and the public about the issue, working with the media, and continuously seeking out allies and being persistent over long periods of time.

Over time, a sustained legislative advocacy effort will help the City form strong allies. Working with lawmakers and familiarizing them with your concerns often results in lawmakers, even those outside of your legislative district, becoming champions for your specific issues. Establishing personal relationships with legislators, both in the City's legislative district and outside of its district, provides the City with the credibility needed to have a meaningful impact during the legislative process. While there is no guarantee that a sustained effort will lead to success on any particular issue of importance, a lack of a sustained effort will lead to state policies that will remove local decision making and create new financial, legal, or operational challenges for the City of Rancho Palos Verdes. Below is a condensed narrative outlining many of the highlights and key performance indicators of success during the 2023 legislative session.

Highlights: Legislative Advocacy Success

✓ **AB 309 (Lee) The Social Housing Act (City Position, Oppose Unless Amended)**

On July 13, Assemblymember Alex Lee (D, San Jose) significantly amended his Assembly Bill (AB) 309 which would have created a statewide Social Housing Act pilot program. In short, the measure would have required the California Department of General Services (DGS) to build three social housing projects on state-owned land. Moreover, the pilot program raised several policy questions and provided virtually zero requirements that local agencies be consulted prior to project approvals. RPPG provided the City with a detailed policy analysis on the amended measure and engaged directly with the Assemblymember, the Senate Appropriations staff and the Newsom Administration to express concerns about such a drastic policy shift leading into the last month of the legislative session. We also worked with DGS to highlight the cost drivers to their agency prior to the Senate Appropriations analysis. As a result, the Department of Finance assessed costs ranging from \$350-400 million to comply with the measure. Despite the new costs to the State, AB 309 did advance to the Governor for his consideration. RPPG met with the Administration in advance of the bill passing out of the Legislature to express our policy concerns with this approach.

On October 7, Governor Newsom vetoed AB 309. In his veto message the Governor States: "This bill infringes on state sovereignty over state-owned real property... and could potentially cost the state several hundred million dollars in capital expenditures... This bill creates new additional cost pressures and must be considered in the annual budget in the context of all state funding priorities."

✓ **AB 584 (Hart) California Coastal Act of 1976: coastal development: emergency waiver (City Position, Support)**

This commonsense measure flew through the legislature in light of the damages the State saw in the winter of 2022/2023. In the event of a disaster or similar situation where emergency work is necessary to protect life and property and for repairs to certain public facilities and infrastructure, the coastal commission can authorize emergency actions or projects within the coastal zone up to \$25,000, a threshold that has not been updated since 1976. AB 584 will update that threshold to \$125,000 to reflect today's dollars and will update annually pursuant to inflation.

On July 27, Governor Newsom signed AB 584 into law.

✓ **AB 825 (Bryan) Vehicles: bicycles on sidewalks (City Position, Oppose)**

Assemblymember Isaac Byran introduced AB 825 to remove a city's authority to prohibit cycling on certain sidewalks. The rationale behind the bill came from an investigation by the Los Angeles Times that people of color are disproportionately cited than other riders. The bill did not take into account the costs cities would incur to make the necessary infrastructure investments.

On October 8, Governor Newsom vetoed AB 825. In his veto message the Governor states: "Most sidewalks are not designed for bicyclists to safely use them, and riding on sidewalks would significantly increase the risk of collisions with pedestrians. Increasing the vulnerability of pedestrians is not a solution to addressing the safety needs of bicyclists. We need to continue our efforts to deliver the necessary infrastructure in all of our communities for safe bicycle and pedestrian travel."

✓ **SB 244 (Eggman) Right to Repair Act (City Position, Support)**

Senate Bill 244 is a consumer protection measure that requires manufacturers to make replacement guides, parts and tools accessible on any item \$100 or more for seven years after the date manufacture ended. That includes anything from smartphones to your refrigerators. Furthermore, this bill has environmental benefits giving consumers an opportunity to repair their products versus throwing them away. This bill has the support of consumer organizations, environmentalists, the tech industry and passed the legislature with bipartisan support. RPPG worked with the City to draft and submit letters of support to the relevant committees and to the Governor requesting his signature.

On October 10, Governor Newsom signed SB 244 into law.

Highlights: Measures Amended to Significantly Reduce Impacts to the City

❖ **AB 1484 (Zbur) Temporary public employees (City Position, Oppose)**

We confirmed early in the year that the Governor was planning on signing AB 1484. This required our team to shift its approach from simply trying to stop the measure, to ensuring that the most problematic provisions of the measure were either eliminated or reduced. Throughout the year, we worked with several public and private stakeholders to build a strong opposition coalition. We engaged with the author and sponsor several times to negotiate amendments, drafted opposition letters, Floor Alerts and testified in all appropriate policy committees. In addition, we worked from a messaging standpoint to tie AB 1484 to the broader "labor package" advancing this year—measures included SB 799 (Portantino), AB 452 (Addis), and SB 558 (Rubio). The goal was to try and persuade Governor Newsom to veto these bills on behalf of the Broader coalition. While AB 1484 ultimately advanced, our efforts resulted this bill being substantially amended to remove the grievance process language entirely— as well clarify that the provisions do not apply to contracted employees secured through third party staffing entities.

On October 10, Governor Newsom signed AB 1484 (as considerably amended) into law.

❖ **SB 423 (Wiener) Land use: streamlined housing approvals: multifamily housing developments (City Position, Oppose)**

At introduction SB 423—among various other provisions would have:

- Eliminated the sunset provisions in the SB 35 streamlining program.
- Permitted virtually unfettered development in high-fire and coastal zones.
- Authorized the Department of General Services (DGS) to approve projects on any land owned by or leased to the State of California—without complying with CEQA, labor provisions or the review provisions required for any other SB 423 project.

Leveraging the expertise of RPPG’s senior policy advisors and staff, our team pulled together several policy-based analyses, including specific side-by-side comparisons to existing law. This enabled agency staff to assess the potential impacts that the measure, as introduced, would have had on the City. Moreover, our advocacy team worked directly with Senator Weiner, the Assembly Housing and Community Development committee and the California Carpenters Union to secure an amendment to eliminate the ability for DGS to develop on land leased to the state and requires the State to follow the same procedures outlined for local government with respect to CEQA and Labor provisions. Finally, working with the California Fire Chiefs, California Coastal Commission, several environmental groups and poverty rights advocates, RPPG was successful in providing reasonable guardrails for responsible development in environmentally sensitive areas—while restoring a reasonable sunset period.

While the measure is still problematic, RPPG’s sustained engagement on behalf of the City reduced many of the most challenging provisions while restoring some of the local decision making back into the bill.

On October 11, Governor Newsom signed SB 423 (as amended) into law.

Client Communication

Client communication is a critical component of our overall advocacy approach. The better informed our clients are, the better the advocates we can be for them. One way to achieve this goal is to provide memos which include client-specific analyses of legislation, of regulatory matters, and of the overall legislative process, as needed. RPPG has sent more than 30 memos to your team in 2023 which have detailed legislative analyses that illustrate client-specific impacts and/or potential funding sources for the City and which keep it apprised of specific legislation and policies that may be of interest to the City or impact City operations, including but not limited to the following areas:

- State budget, including infrastructure trailer bills.
- Constitutional amendments.
- Ballot measures.
- Regulatory actions.
- Transportation and public works.
- Housing, ADUs, land use, and homelessness.
- Public employer-employee relations and conditions.

In 2023, RPPG has conducted bi-weekly Zoom meetings with the City to keep it updated on what is happening in Sacramento. We call these check-in meetings the “bookends”; in between these meetings, our team connects with City staff almost daily via calls and emails. We have also presented slide decks to staff and Council, as needed, on legislative developments and on the City’s engagement in the legislative process. We have also presented slide decks to staff and the Council Legislative Subcommittee, as needed, on legislative developments and on the City’s engagement in the legislative process.

RPPG has also provided the City with a legislative summary each month which informs the City Council and staff of key developments in the Legislature and of announcements by the Administration, and which updates the City on any positioned legislation. Additionally, our team has provided Monthly Activity Reports, which detail every touchpoint RPPG has had with and on behalf of the City. These reports highlight work product, including:

Other RPPG Efforts

At RPPG, the job does not begin and end with state legislative advocacy. We worked tirelessly throughout this year to assist the City of Rancho Palos Verdes in any way we were able. This includes helping to solve local issues that have a state nexus, working with City staff on new policies of relevance, and providing education and awareness to City Council and staff.

Detailed Legislative Analysis: RPPG provided detailed analyses of several pieces of legislation. These analyses have been critical in helping the City assess potential implications that pending legislation may have on operations, local discretion, and/or authority. Examples include but are not limited to:

- Standalone analysis of ACA 1 (Aguiar-Curry)
- Standalone analysis of ACA 13 (Ward)
- ACA 1 and ACA 13 and Interfacing with the CBRT measure, Combined Analysis
- Standalone analysis of the proposed Government Transparency Act
- Standalone analysis of Proposition 1: Behavioral Health Infrastructure Bond Act of 2024
- Standalone analysis of AB 309 (Lee)
- Enacted Housing and Transportation Bills
- Summary of Enacted 2023 Surplus Land Act Bills, specifically SB 747 (Caballero), AB 480 (Ting), SB 229 (Umberg), SB 34 (Umberg), AB 129 (Budget Trailer Bill), AB 1734 (Jones-Sawyer), and AB 1469 (Kalra)

Updates on the Legislative and Fiscal Process: RPPG provided timely informational updates during critical stages of the budget and policy processes. These updates provided the City with the necessary situational awareness of statewide trends, fiscal updates, what the City is positioned on, and how RPPG is engaging on its behalf. Examples include but are not limited to reports on:

- Bill introduction deadline
- House of Origin deadline
- Suspense file updates
- End of session legislative update
- Budget updates: January proposal, May-Revise, June budget update, and final budget update
- Budget Trailer bill update: Governor's infrastructure package

Client-Specific Webinar on 2023 New Housing Laws: In an effort to provide unique value to the City, our team hosted a client-specific "new housing law" webinar on November 9, 2023. The 75-minute session aimed to drive awareness on the most impactful pieces of legislation, provide insight on implementation and answer any questions clients may have on a specific issue. Our team also provided a comprehensive power point presentation as well as additional analysis on recent changes to the surplus lands act.

Sacramento Lobby Day: In January, RPPG accompanied members of the City Council and the City Manager in a meeting with Senator Ben Allen and Assemblymember Muratsuchi to discuss the ongoing matter of the Portuguese Bend Landslide Remediation Project and a funding opportunity from FEMA's

Building Resilient Infrastructure and Communities (BRIC) grant program. On August 28, FEMA announced the City was a recipient of \$23.33 million to assist in the City's efforts to address the landslide.

LOOKING AHEAD: 2024 LEGISLATIVE SESSION

Change in Committee Chairs

With one of the most publicly contentious Assembly leadership changes in recent memory, it is a forgone conclusion that there will be major turnover in committee chairs. Upon the official transition, Speaker Rivas made swift changes to empower his closest allies—replacing Speaker Emeritus Rendon's entire team. However, given the timing of the transition, committee chairs have mostly stayed in place. As previously mentioned, the only two policy committee chair changes both have big impacts to local agencies with Isaac Bryan, the former Elections chair, elevated to Majority Leader and Cecilia Aguiar-Curry, former Local Government chair, elevated to Assembly Speaker pro Tempore. It is likely we will see major turnover in other committees directly impacting local government including Appropriations, Revenue and Taxation, Transportation, and others. Any such changes could potentially impact the pathway of priority legislation, either by creating new opportunities or further obstacles. It is widely anticipated that committee appointments will be announced sometime this month.

At his inaugural ceremony in the Capitol, Speaker Rivas spoke to tackling the state's housing and homelessness crises, improving public services and infrastructure, and combating climate change as his priorities. At the end of session, the current Chair of the Assembly Labor Committee credited the leadership of Rivas "for making labor legislation a priority and helping position it to pass." Given the Speaker's agricultural roots, strong personal lived experiences and ties to the labor movement, we can expect the Speaker to continue to put his power behind these proposals in 2024 and into the future. Just prior to the Assembly adjournment of the 2023 Legislative session, Speaker Rivas indicated 2024 would include a focus on homeowners' insurance, housing, public safety, homelessness, and the fentanyl crisis. In late October, Speaker Rivas [announced](#) the formation of a new Select Committee on Retail Theft, chaired by Assemblymember Rick Zbur (D, Los Angeles). In the announcement, the Speaker stated his "expectation that the retail theft select committee will act with focus and urgency."

We also may see changes to committee chairs in the Senate due to the President pro Tempore change from Senator Atkins to Senator McGuire, who are also similarly ideologically aligned. Senate committees for which turnover is most likely to impact local governments include Governance and Finance, Appropriations, and Judiciary. Although no changes in the Senate have yet been made, we can expect announcements in January after the leadership change becomes official. Given that Senator McGuire's district is heavily affected by wildfires, it is likely that we will see this continue as a priority for the Legislature.

Looming Budget Deficit

As projected in the final budget released in June, 2024 will see continued budgetary problems and likely additional cuts. The Legislature's non-partisan Legislative Analyst's Office (LAO) recently released a report estimating that the FY 23-24 budget solved a \$27 billion deficit, which is notably below the \$31.5 billion deficit that the budget closed. The LAO attributes this difference to policies that had originally been projected to be included in the FY 23-24 budget but were ultimately not enacted. The LAO had previously projected a \$9 billion deficit for the next couple of budget cycles, though these forecasts may change when Governor Newsom releases his FY 24-25 budget proposal in January. It was projected in the May revision

of the FY 23-24 budget that in a recession scenario and depending on the circumstances, general fund revenues could shrink up to \$100 billion below current projections through FY 26-27.

For local government, an extended period of state fiscal uncertainty has the potential of cutting both ways. On the one hand, policies that aim to reduce local authority by mandating a new program have the potential of being held due to the state's budgetary concerns associated with new state reimbursable mandates. On the other hand, the Legislature has a long history of raiding local budgets to close that gap on its own budgetary challenge. We have already seen the elimination of redevelopment agencies and the redirection of local property taxes to the Educational Revenue Augmentation Fund in order to close state budget gaps. Local governments need to remain vigilant in aggressively fighting any attempts by the state to reduce local funding formulas, or other longstanding tools that local agencies rely on to provide critical services.

A Slowdown in Housing Legislation...Not so Fast

Over the past four years we have seen well over 120 new housing laws that are designed to increase the production of housing at all income levels. In 2023 alone we saw more than 150 housing-related measures introduced with about half of them signed into law. Despite these legislative efforts, California has yet to realize the production boom that Governor Newsom has hoped for. Local government planning and land use is often easier for legislators to focus on rather than grappling with the realities of private markets, allocating major funding for subsidized housing, and challenging developers, environmental organizations, and other powerful interest groups. While local governments certainly have a responsibility to set the table and streamline local approval processes, it is arguable that much of this has already been addressed by layers of state laws, including many recently approved laws that local agencies are working diligently to implement.

To that end, in an [October 13, 2023 LA Times Editorial](#), Jason Elliot, the Governor's Deputy Chief of Staff and the Administration's unofficial "Housing Czar", was quoted saying, "*The next challenge is implementing the ambitious housing laws that have been passed over the last seven years. All the pieces are in place. It is now time for California to put those pieces to work, to permit the housing, to say yes to new housing and to hold local governments accountable for their responsibilities.*"

So, will this mean a slowdown in the sheer volume of housing and homelessness-related legislation introduced next year? Likely not. It is expected that we will continue to see measures that aim to further bolster oversight and enforcement authority to the Attorney General and the Housing and Community Development Department. Moreover, it is likely that we will see more focus on measures that require local agencies to prioritize infill streamlining that fit within a jurisdiction's Sustainable Communities Strategy (SCS), resulting in increased heights and densities near transit. Measures such as [AB 68](#) (Ward), which did not advance this year, would have required local governments to demonstrate the necessity for housing growth in suburban areas in order to meet housing mandates. These policies will be a top priority for housing advocates.

Government Transparency Act

Earlier this year, nonprofit Consumer Watchdog proposed a ballot measure that, if passed by voters, would require a considerable increase in both state and local agency responsibility and cost, and would likely result in a high volume of frivolous litigation filed under the California Public Records Act. Titled the "Government Transparency Act", it is currently in the process of qualifying for the November 2024 ballot. Due to the severe costs that the requirements of the Act would impose on all public agencies, it is expected to face strong response from the Legislature and the Administration. The measure has until June 28, 2024,

to qualify for the November ballot. Should this occur, we have major concerns that the Legislature may cut a deal with ballot proponents by passing legislation which exempts the state while enacting the same or similar provisions currently being proposed impacting local government. Should a deal be reached, this would happen quickly, and would be in exchange for the proponents withdrawing the measure from the ballot. Should this happen, local governments are at risk of being left “holding the bag”. We saw a similar process occur in 2018 when the California Business Roundtable pulled its tax measure in exchange for the state banning the ability of local governments to enact local soda taxes for 12 years.

Climate Bond

Given that Governor Newsom balanced the FY 23-24 budget on a future resources bond, and that climate remains a top priority for the Governor and the Legislature, we anticipate such a bond to continue to advance next year and to be put to voters on the November 2024 ballot. The bond authors, currently Assemblymember Eduardo Garcia (D, Coachella) and Senator Ben Allen (D, Malibu), and other stakeholders, are currently aiming for a bond in the \$10-12 billion range. Both resources bonds, AB 1567 (Garcia) and SB 867 (Allen), are currently around \$15 billion, but the determination of the final amount, what’s included, and which vehicle will carry the final package are all still under deliberation. Administration priorities will play a large role in shaping the end product. The expectation is that legislative leaders may push a bond through the legislative process much faster than usual in January so that stakeholders have ample time for voter outreach to be successful on the ballot. However, starker economic conditions may shape the final outcome and may change the overall debt load that the Governor is willing to endorse at the ballot box. Given the delay in income tax return collections due to IRS filing extensions, the Administration has warned the Governor’s January budget proposal may have to be premised on significantly limited revenue data. Timing of the bonds may be impacted and unable to move as quickly as legislative leaders hope while the state is forced to play catch up on determining updated projections based on final returns.

Wildfire Insurance

Governor Newsom [signed](#) an [executive order](#) on September 21 which requested that the Insurance Commissioner take regulatory action in the state’s insurance market. That same day, the Insurance Commissioner [announced](#) a package of executive actions “aimed at improving insurance choices and protecting Californians from increasing climate threats while addressing the long-term sustainability of the nation’s largest insurance market.” Additionally, on October 9, the Assembly Insurance Committee and the Assembly Select Committee on Wildfire Prevention held an informational hearing on the state of the homeowner insurance market in California. Leaders agreed on the need for mitigation and for insurers to adjust rates based on mitigation efforts that homeowners have taken. However, there was disagreement whether insurance companies were taking an appropriate response to the wildfires. It is likely that this will be a hot topic in 2024, particularly given the new Senate President Pro Tempore, Mike McGuire, has a personal connection to the issue; his district has experienced multiple catastrophic wildfires in recent years. We anticipate we may see legislation in 2024 related to the homeowner insurance market, which may include measures relating to streamlining regulations, incentives for homeowners to take mitigation actions, or funding for communities to build additional defensible spaces.

END OF REPORT