Attachment G - Legislation Related to Legislative Priority: Drive Downtown Revitalization and Cultivate Equitable Investment in Our Neighborhoods

The Intergovernmental Relations team closely monitored and tracked several state bills related to downtown and equitable community investment issues aligned with the Legislative Program.

AB 342 (Haney, D) Alcoholic beverages: hours of sale: hospitality zones.

Current Text: 07/01/2025 - Amended HTML PDF



Summary: Existing law, the Alcoholic Beverage Control Act, which is administered by the Department of Alcoholic Beverage Control, regulates the application for, and the issuance and suspension of, alcoholic beverage licenses. Existing law requires moneys collected as fees pursuant to the act to be deposited in the Alcohol Beverage Control Fund, with those moneys generally allocated to the Department of Alcoholic Beverage Control upon appropriation by the Legislature. Existing law makes it a misdemeanor for any onor off-sale licensee, or agent or employee of the licensee, to sell, give, or deliver to any person any alcoholic beverage between the hours of 2 a.m. and 6 a.m. of the same day, and for any person who knowingly purchases any alcoholic beverages between those hours. This bill, beginning June 1, 2026. would allow an on-sale licensee, or their agent or employee, to sell or give alcoholic beverages until 4 a.m. on Fridays, Saturdays, or specified state holidays within a hospitality zone, defined to include a Hospitality Zone and a Special Event Hospitality Zone established pursuant to the bill's provisions, as specified. The bill would authorize the department to issue, following the adoption of rules and regulations and the satisfaction of any conditions for issuance, as specified, an additional serving hours license that authorizes an on-sale licensee, or their agent or employee, to sell or give alcoholic beverages within the timeframes described above in a hospitality zone, as specified. The bill would authorize an additional service hours license to be used by a licensed premises in a Hospitality Zone if a local governing body, as defined, of the city or county, as applicable, in which the licensed premises is located adopts an ordinance that meets certain requirements, as specified, and submits the ordinance to the department. The bill would also require, before the adoption of that ordinance, local law enforcement to present to the local governing body a late night policing plan that includes specified components, including, among other things, an analysis on the potential impact of creating a hospitality zone on public safety. This bill contains other related provisions and other existing laws. (Based on 07/01/2025 text)

City Position: Monitor

AB 507 (Haney, D) Adaptive reuse: streamlining: incentives.

Current Text: 07/03/2025 - Amended HTML PDF



Summary: Existing law, the Planning and Zoning Law, requires each county and city to adopt a comprehensive, long-term general plan for its physical development, and the development of certain lands outside its boundaries, that includes, among other mandatory elements, a housing element. That law allows a development proponent to submit an application for a development that is subject to a specified streamlined, ministerial approval process not subject to a conditional use permit, if the development satisfies certain objective planning standards, including that the development is a multifamily housing development that contains two or more residential units. This bill would deem an adaptive reuse project a use by right in all zones, regardless of the zoning of the site, and subject to a streamlined, ministerial review process if the project meets specified requirements, subject to specified exceptions. In this regard, an adaptive reuse project, in order to qualify for the streamlined, ministerial review process, would be required to be proposed for an existing building that is less than 50 years old or meets certain requirements regarding the preservation of historic resources, including the signing of an affidavit declaring that the project will comply with the United States Secretary of the Interior's Standards for Rehabilitation for, among other things, the preservation of exterior facades of a building that face a

street, or receive federal or state historic rehabilitation tax credits, as specified. The bill would require an adaptive reuse project to meet specified affordability criteria. In this regard, the bill would require an adaptive reuse project for rental housing to include either 8% of the unit for very low income households and 5% of the units for extremely low income households or 15% of the units for lower income households. For an adaptive reuse project for owner-occupied housing, the bill would require the development to offer either 30% of the units at an affordable housing cost to moderate-income households or 15% of the units at an affordable housing cost to lower income households. For an adaptive reuse project including mixed uses, the bill would require at least one-half of the square footage of the adaptive reuse project to be dedicated to residential uses. This bill contains other related provisions and other existing laws. (Based on 07/03/2025 text)

City Position: Monitor

AB 564 (Haney, D) Cannabis: excise tax: rate increase repeal.

Current Text: 07/10/2025 - Amended HTML PDF



Summary: Existing law, the Control, Regulate and Tax Adult Use of Marijuana Act (AUMA), an initiative measure, authorizes a person who obtains a state license under AUMA to engage in commercial adultuse cannabis activity pursuant to that license and applicable local ordinances. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities. Existing law, the Cannabis Tax Law, imposes an excise tax upon purchasers of cannabis or cannabis products sold in this state at the rate of 15% of the gross receipts of any retail sale by a cannabis retailer, and, as enacted by AUMA, imposed a cultivation tax on all harvested cannabis that entered the commercial market, as specified. Chapter 56 of the Statutes of 2022 (AB 195) amended AUMA to, among other things, discontinue the imposition of the cultivation tax on July 1, 2022. AB 195, beginning in the 2025–26 fiscal year and every 2 years thereafter, requires the California Department of Tax and Fee Administration to adjust the cannabis excise tax rate by a percentage that will generate an amount of revenue that would have been collected pursuant to the cultivation tax imposed prior to its discontinuation, as specified, not to exceed 19% of the gross receipts of retail sale. Pursuant to that law, the department increased the cannabis excise tax rate to 19% for the 2025–26 fiscal year. This bill would revise the above-described provisions governing the cannabis excise tax rate. Specifically, the bill would, for the period from July 1, 2025, to September 30, inclusive, 2025, retain the existing cannabis excise tax rate of 19%. For the period from October 1, 2025, to June 30, inclusive, 2030, the bill would decrease the excise tax rate to 15%. Beginning in the 2030-31 fiscal year and every 2 years thereafter, the bill would require the department to adjust the cannabis excise tax rate by a percentage that will generate an amount of revenue that would have been collected pursuant to the cultivation tax imposed prior to its discontinuation, as specified, not to exceed 19%. This bill contains other related provisions and other existing laws. (Based on 07/10/2025 text)

City Position: Monitor

AB 630 (González, Mark, D) Abandoned recreational vehicles.

Current Text: 06/25/2025 - Amended HTML PDF



Summary: Under existing law, if a peace officer or employee of a public agency has reasonable grounds to believe a vehicle is abandoned, they are authorized to remove the vehicle from a highway or public or private property and store it, as specified. Existing law provides a specific procedure for the disposal of an abandoned vehicle valued at \$500 or less that includes notifying the Stolen Vehicle System of the Department of Justice and contacting the registered and legal owners of record with the Department of Motor Vehicles, among other procedural requirements. This bill would include within these disposal procedures the disposal of a recreational vehicle, as defined, valued at \$4,000 or less. The bill would also require a public agency, prior to disposing of a recreational vehicle, to provide authorization that the

recreational vehicle is inoperable, except as specified. The bill would make the public agency that removed, or caused the removal of, the recreational vehicle and that directed any towing or storage, responsible for the towing and storage costs if it is determined that the vehicle was not inoperable or was not a hazard to public health, safety, and welfare. The bill would require each agency that is authorized and designated to remove vehicles pursuant to these provisions to report certain data to their governing body on an annual basis, including the number of recreational vehicles removed and the number of people found in the recreational vehicle prior to removal. By increasing duties on local governmental entities, and to the extent these provisions would increase costs for local governmental entities, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws. (Based on 06/25/2025 text)

City Position: Monitor

AB 649 (Lowenthal, D) Disability access: construction-related accessibility claim.

Current Text: 05/12/2025 - Amended HTML PDF



Summary: Existing law prohibits discrimination on the basis of various specified personal characteristics, including disability. Existing law imposes minimum statutory damages for construction-related accessibility claims if the violation of a construction-related accessibility standard denied the plaintiff full and equal access to the place of public accommodation on a particular occasion, as specified. Existing law provides that a plaintiff demonstrates that the plaintiff was deterred from accessing a place of public accommodation on a particular occasion only if both (1) the plaintiff had actual knowledge of a violation, as specified, and (2) the violation would have actually denied the plaintiff full and equal access, as specified. Existing law authorizes the assessment of statutory damages under these provisions based on each particular occasion that the plaintiff was denied full and equal access, as specified, not upon the number of violations of construction-related accessibility standards. Existing law prohibits a defendant from being liable for minimum statutory damages in a construction-related accessibility claim, with respect to a violation noted in a report by a certified access specialist (CASp), for a period of 120 days following the date of the inspection if the defendant demonstrates compliance with each of specified requirements. Existing law includes in these specified requirements that the inspection predates the filing of the claim by, or receipt of a demand letter from, the plaintiff, as specified, and that the defendant was not on notice of the alleged violation before the CASp inspection. This bill would establish, until January 1, 2034, the Small Business Right to Cure Program and would prohibit a defendant who qualifies for the program from being liable for minimum statutory damages for any construction-related accessibility claim for a period of 6 years following a CASp report, as provided. To qualify for the program, the bill would require the defendant to demonstrate specified conditions, among others, that the defendant has posted, as provided, both the CASp inspection notice and a Notice of Participation in the Small Business Right to Cure Program, as defined. The bill would authorize the State Architect to develop, as specified, a form Notice of Participation in the Small Business Right to Cure Program, and would authorize a business to satisfy any requirement to provide the notice by providing a specified written statement until and unless the State Architect promulgates the form. The bill would require a public accommodation that participates in the program to make available specified documents for public inspection, including the CASp report that is the basis for the public accommodation asserting that it qualifies for the program. The bill would provide that no provision of the program applies under any of specified conditions, including that the plaintiff or prospective plaintiff alleges an intentional violation of any state or federal disability rights law, a violation related to policies, practices, or procedures, or seeks special damages that arise from physical personal injuries or damage to personal property. (Based on 05/12/2025 text)

City Position: Monitor

AB 1145 (Gonzalez, Jeff, R) State highways: safety: State Highway Route 74: report.

Current Text: 05/23/2025 - Amended HTML PDF



Summary: Existing law establishes the Department of Transportation and the California Transportation Commission and vests the department with full possession and control of all state highways and all property and rights in property acquired for state highway purposes. Existing law requires the department to improve and maintain state highways, including all traversable highways that have been adopted or designated as state highways by the commission. This bill would require the department, on or before December 31, 2027, to conduct a study on highway safety on State Highway Route 74. The bill would require the study to collect specified data over the preceding 10 years, as provided, and to develop recommendations to improve highway safety on State Highway Route 74, including recommendations on how to address enforcement facility bypassing on roadways other than State Highway Route 74, as specified. The bill would require the department to report its findings and recommendations to the Legislature on or before December 31, 2027. The bill would repeal these provisions as of January 1, 2029. (Based on 05/23/2025 text)

City Position: Monitor

AB 1265 (Haney, D) Income taxes: credits: rehabilitation of certified historic structures.

Current Text: 04/10/2025 - Amended HTML PDF



Summary: The Personal Income Tax Law and the Corporation Tax Law allow a credit against the taxes imposed by those laws, for taxable years beginning on or after January 1, 2021, and before January 1, 2027, for rehabilitation of certified historic structures, as defined, and, under the Personal Income Tax Law, for a qualified residence, as defined. Existing law allows an increased credit of 25% of the qualified rehabilitation expenditures with respect to a certified historic structure meeting any of certain criteria. including a rehabilitated structure that includes affordable housing for lower income households. Existing law requires, on an annual basis beginning January 1, 2021, until January 1, 2027, the Legislative Analyst to collaborate with the California Tax Credit Allocation Committee and the Office of Historic Preservation to review the effectiveness of these tax credits, as described. This bill would extend the operative dates of the above-described credit through taxable years beginning before January 1, 2031. The bill would increase the credit for certain certified historic structures from 25% to 30% of qualified rehabilitation expenditures. The bill, for purposes of certified historic structures eligible for the 30% credit, would require a rehabilitated structure for affordable housing for lower income households to include improvements to preserve existing affordable housing, as defined, and would authorize that credit percentage for a structure that is adaptively reused for housing with no less than 50% of the existing floor area used for housing. The bill would also extend the Legislative Analyst's annual review requirement to January 1, 2031. This bill contains other related provisions and other existing laws. (Based on 04/10/2025 text)

City Position: Monitor

AB 1445 (Haney, D) Downtown revitalization and economic recovery financing districts.

Current Text: 07/17/2025 - Amended HTML PDF



Summary: Existing law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance, including the acquisition, construction, or rehabilitation of housing for persons of very low, low, and moderate income. Existing law authorizes the City and County of San Francisco to establish a downtown revitalization and economic recovery financing district for the purpose of financing commercial-to-residential conversion projects with incremental tax revenues generated by commercial-to-residential conversion projects within the district. Existing law requires the City and County

of San Francisco to establish a board for the district at the same time that it adopts the resolution of intention to form the district, and requires the district to prepare a downtown revitalization financing plan (financing plan) that includes specified information and requirements, including that the first distribution of incremental tax revenues distributed back to a commercial-to-residential conversion project commence with the fiscal year that begins after the project is issued a certificate of occupancy. Existing law, among other things, requires a district to establish a process for eligible commercial-to-residential conversion projects identified in the financing plan to opt into receiving incremental tax revenue generated by the respective project. Existing law specifies that the commercial-to-residential conversion projects that opt in to receive incremental tax revenue are public works for which prevailing wages are required to be paid, as specified, and requires the commercial-to-residential conversion projects that opt in to receiving incremental tax revenue to comply with labor standards adopted by the Board of Supervisors of the City and County of San Francisco, as provided. This bill would additionally authorize any city, county, or city and county, except the City and County of San Francisco, to establish a downtown revitalization and economic recovery financing district for the purpose of financing specified commercial-to-residential conversion projects with incremental tax revenues generated by commercial-to-residential conversion projects within the district. The bill would require the district to meet the requirements imposed on the City and County of San Francisco when establishing a downtown revitalization and economic recovery financing district described above. The bill would make various conforming changes to the abovedescribed provisions in this regard. This bill contains other related provisions and other existing laws. (Based on 07/17/2025 text)

City Position: Monitor

SB 79 (Wiener, D) Housing development: transit-oriented development.



Summary: Existing law, the Planning and Zoning Law, requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that contains certain mandatory elements, including a housing element. Existing law requires that the housing element consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing, as specified. Existing law requires that the housing element include, among other things, an assessment of housing needs and an inventory of resources and constraints that are relevant to the meeting of these needs, including an inventory of land suitable for residential development, as provided. Existing law, for the 4th and subsequent revisions of the housing element, requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, as specified, and requires the appropriate council of local governments, or the department for cities and counties without a council of governments, to adopt a final regional housing need plan that allocates a share of the regional housing need to each locality in the region. Existing law requires each local government to revise its housing element in accordance with a specified schedule. This bill would require that a housing development project, as defined, within a specified distance of a transit-oriented development (TOD) stop, as defined, be an allowed use as a transit-oriented housing development on any site zoned for residential, mixed, or commercial development, if the development complies with applicable requirements, as specified. Among these requirements, the bill would establish requirements concerning height limits, density, and floor area ratio in accordance with a development's proximity to specified tiers of TOD stops, as provided. The bill would provide that, for the purposes of the Housing Accountability Act, a proposed development consistent with the applicable standards of these provisions shall be deemed consistent, compliant, and in conformity with prescribed requirements, as specified. The bill would provide that a local government that denies a project meeting the requirements of these provisions located in a high-resource area, as defined, would be presumed in violation of the Housing Accountability Act, as specified, and immediately liable for penalties, beginning on January 1, 2027, as provided. These provisions would not apply to a local agency until July 1, 2026, except as specified. The bill would specify that a development proposed pursuant to these provisions is eligible for streamlined, ministerial approval pursuant to specified law, except that the bill would exempt a project under these provisions from specified requirements, and would specify that the project is required to comply with certain affordability

requirements, under that law. This bill contains other related provisions and other existing laws. (Based on 07/17/2025 text)

City Position: Monitor

<u>SB 84</u> (<u>Niello, R</u>) Disability access: construction-related accessibility claims: notice of violation and opportunity to correct.

Current Text: 06/18/2025 - Amended HTML PDF



Summary: Existing law prohibits discrimination on the basis of various specified personal characteristics, including disability. Existing law imposes minimum statutory damages for construction-related accessibility claims if the violation of a construction-related accessibility standard denied the plaintiff full and equal access to the place of public accommodation on a particular occasion, as specified. Existing law imposes various limits on a defendant's liability for statutory damages under specified sets of conditions, including if the defendant, among other things, corrects the construction-related violations within a specified time. This bill would prohibit a construction-related accessibility claim for statutory damages from being initiated in a legal proceeding against a defendant who employs 50 or fewer individuals, as specified, unless the defendant has been served with a letter specifying each alleged violation, and the alleged violations have not been corrected within 120 days of service of the letter. The bill would provide that a defendant is not liable for statutory damages, plaintiff's attorney's fees, or costs for an alleged violation that is corrected within 120 days of service of a letter alleging the violation. The bill would also prohibit a plaintiff from avoiding the notice and opportunity to correct provisions and the liability limitations by claiming they are seeking general discrimination damages based on a violation of the Americans with Disabilities Act of 1990 if the underlying claim is based on a defendant's failure to comply with physical accessibility standards under California law. (Based on 06/18/2025 text)

City Position: Monitor

SB 346 (Durazo, D) Local agencies: transient occupancy taxes: short-term rental facilitator.

Current Text: 07/07/2025 - Amended HTML PDF



Summary: Existing law authorizes a local authority, by ordinance or resolution, to regulate the occupancy of a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging for a period of less than 30 days. This bill would authorize a local agency, defined to mean a city, county, or city and county, to enact an ordinance to require a short-term rental facilitator, as defined, to report, in the form and manner prescribed by the local agency, the physical address, including 9-digit ZIP Code, of each short-term rental, as defined, during the reporting period. The bill would also authorize a local agency to request additional information, as provided, when the physical address is not sufficient for the local agency to identify a specific short-term rental. The bill would authorize the local agency to impose an administrative fine or penalty for failure to file the report, and would authorize the local agency to initiate an audit of a short-term rental facilitator, as described. The bill would require a short-term rental facilitator, in a jurisdiction that has adopted an ordinance, to include in the listing of a short-term rental any applicable local license number associated with the short-term rental and any transient occupancy tax certification issued by a local agency. The bill would state these provisions do not preempt a local agency from adopting an ordinance that regulates short-term rentals, short-term rental facilitators, or the payment and collection of transient occupancy taxes in a manner that differs from those described in the bill. (Based on 07/07/2025 text)

City Position: Monitor

<u>SB 456 (Ashby, D)</u> Contractors: exemptions: muralists.

Current Text: 04/02/2025 - Amended <u>HTML PDF</u>



Summary: Existing law, the Contractors State License Law, establishes the Contractors State License Board within the Department of Consumer Affairs and sets forth its powers and duties relating to the licensure and regulation of contractors. Existing law makes it a misdemeanor for a person to engage in the business, or act in the capacity, of a contractor without a license, unless exempted. Existing law exempts from the Contractors State License Law, among other things, a nonprofit corporation providing assistance to an owner, as specified. This bill would exempt from that law an artist who draws, paints, applies, executes, restores, or conserves a mural, as defined, pursuant to an agreement with a person who could legally authorize the work. (Based on 04/02/2025 text)

City Position: Support

<u>SB 549</u> (<u>Allen, D</u>) Local government: Second Neighborhood Infill Finance and Transit Improvements Act: Resilient Rebuilding Authority for the Los Angeles Wildfires.

Current Text: 06/23/2025 - Amended HTML PDF



Summary: Existing law authorizes the legislative body of a city or a county, defined to include a city and county, to establish an enhanced infrastructure financing district to finance public capital facilities or other specified projects of communitywide significance, as provided. Existing law provides for the preparation of a proposed infrastructure financing plan, as provided, which takes effect upon adoption by the public financing authority of the district following a specified public hearing and protest procedure. Existing law authorizes the infrastructure financing plan to provide for the division of taxes levied on taxable property in the area included within the district, as specified, and authorizes the public financing authority to issue bonds by adopting a resolution containing specified provisions, including a determination of the amount of tax revenue available or estimated to be available for the payment of the principal of, and interest on, the bonds. Existing law, the Second Neighborhood Infill Finance and Transit Improvements Act. or NIFTI-2. authorizes a city, county, or city and county to adopt a resolution, at any time before or after the adoption of the infrastructure financing plan for an enhanced infrastructure financing district, to allocate tax revenues of that entity to the district, including revenues derived from local sales and use taxes imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or transactions and use taxes imposed in accordance with the Transactions and Use Tax Law, if certain conditions are met, including that the boundaries of the enhanced infrastructure financing district are coterminous with the city or county that established the district. This bill would revise NIFTI-2 to instead authorize, for resolutions adopted under that act's provisions on or after January 1, 2026, a city, county, or city and county to adopt a resolution, at any time before or after the adoption of the infrastructure financing plan for an enhanced infrastructure financing district, to allocate property tax revenues, and to remove the authorization for adoption of a resolution that allocates revenues derived from local sales and use taxes imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or transactions and use taxes. The bill would also repeal the condition that the boundaries of the enhanced infrastructure financing district are coterminous with the city or county that established the district. This bill contains other related provisions and other existing laws. (Based on 06/23/2025 text)

City Position: Monitor

<u>SB 550</u> (<u>Cortese, D</u>) California State University, San Jose: legal partnership pilot program.

Current Text: 07/09/2025 - Amended HTML PDF



Summary: The Donahoe Higher Education Act establishes the segments of postsecondary education in the state, including the University of California and the California State University, and sets forth the

missions and functions of those segments. Existing law states that the University of California has exclusive jurisdiction in public higher education over, among others, instruction in the profession of law. This bill would authorize the Trustees of the California State University to establish a legal education pilot program, consisting of the California State University, San Jose, and a law school accredited by the Committee of Bar Examiners of the State Bar of California as an independent nonprofit institution, to operate for a period of 6 academic years. The bill would require the legal education pilot program to commence only if the trustees approve the program, the governing board of the law school approves the program, and the law school has been continuously accredited for a minimum of 5 years before the first cohort graduates from a joint degree program. The bill would authorize the California State University. San Jose, as part of the legal education pilot program, to partner with the nonprofit law school to jointly award a juris doctor degree and to jointly provide certificate and legal education programs at the undergraduate level. The bill would require the California State University, San Jose, and the nonprofit law school to submit certain information, including an administrative plan and enrollment projections, to the trustees and the governing board of the law school before the trustees and governing board vote to approve the pilot program. The bill would require the Legislative Analyst's Office to conduct an interim evaluation and a final evaluation of the program, as provided. This bill would make these provisions inoperative on July 1, 2041, and would repeal it as of January 1, 2042. This bill would make legislative findings and declarations as to the necessity of a special statute for the California State University, San Jose. (Based on 07/09/2025 text)

City Position: Monitor

SB 569 (Blakespear, D) Department of Transportation: homeless encampments.



Summary: Existing law vests the Department of Transportation with full possession and control of the state highway system, including associated property, and authorizes the department to require the removal of any encroachment in, under, or over any state highway. Existing law authorizes the department to establish maintenance programs related to highway cleanup, as specified. This bill would require the department to establish a dedicated liaison to, among other things, facilitate communication with local governments and relevant state agencies with regard to addressing homeless encampments within the state highway system and to oversee the development and implementation of delegated maintenance agreements between local agencies and the department in which both work together to reduce and remove homeless encampments within the department's jurisdiction. The bill would authorize the department to grant a single general entry permit for the duration of a delegated maintenance agreement to conduct activities authorized by the bill. The bill would require the department to submit an annual report to the Legislature summarizing specified information and recommendations regarding homeless encampments. (Based on 04/21/2025 text)

City Position: Monitor

Total Measures: 15