



ADVANCING COMMERCIAL REAL ESTATE

# GOVERNMENT AFFAIRS

## MONTHLY LUNCHEON MEETING

### OCTOBER 10, 2024



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California Business Properties Association  
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# LEGISLATIVE 101

How A  
Bill Becomes  
Law

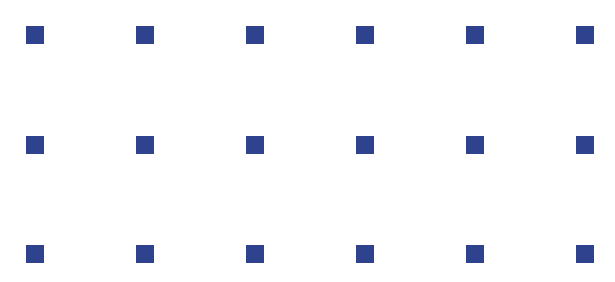
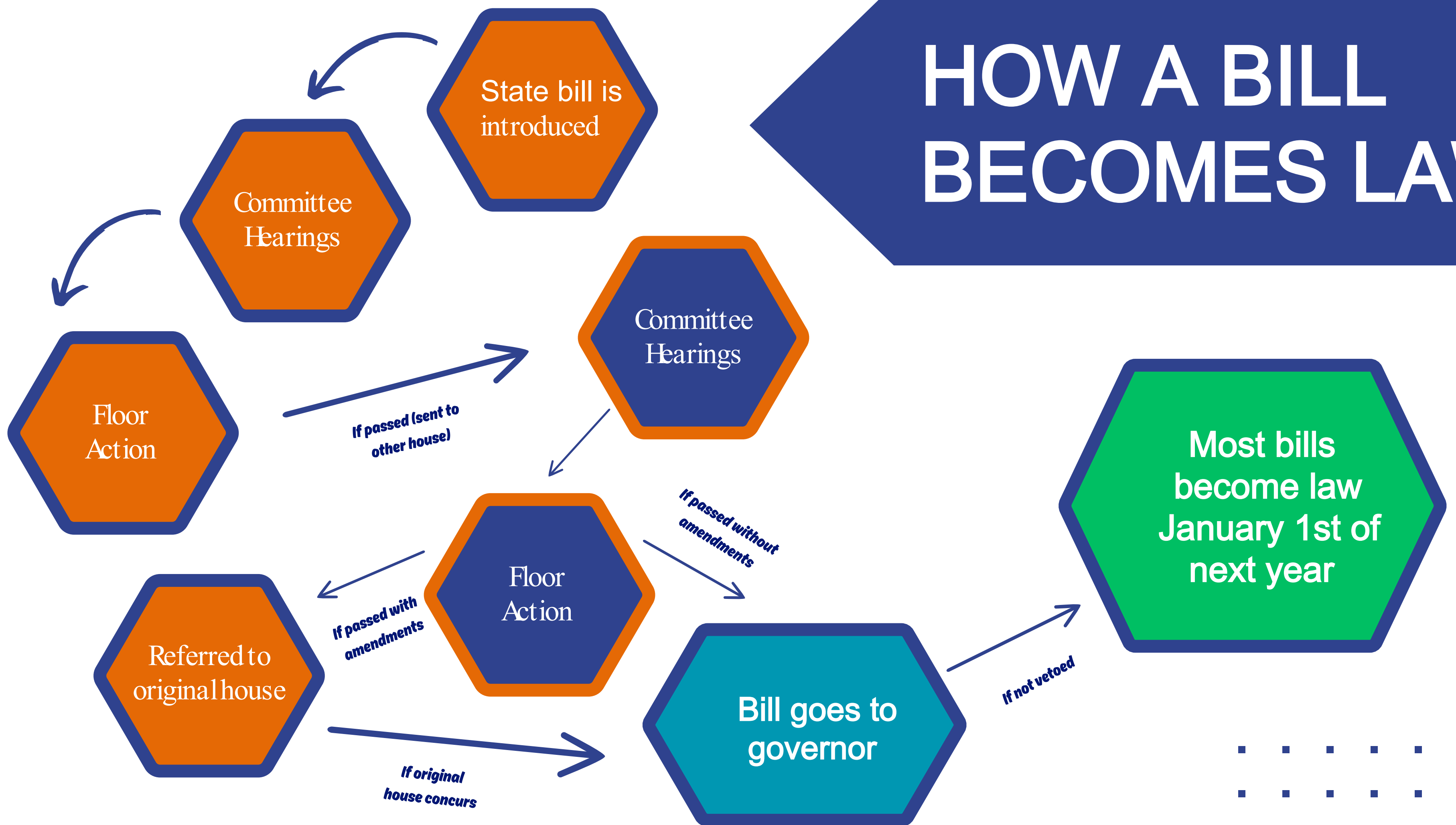
Who  
Votes  
When

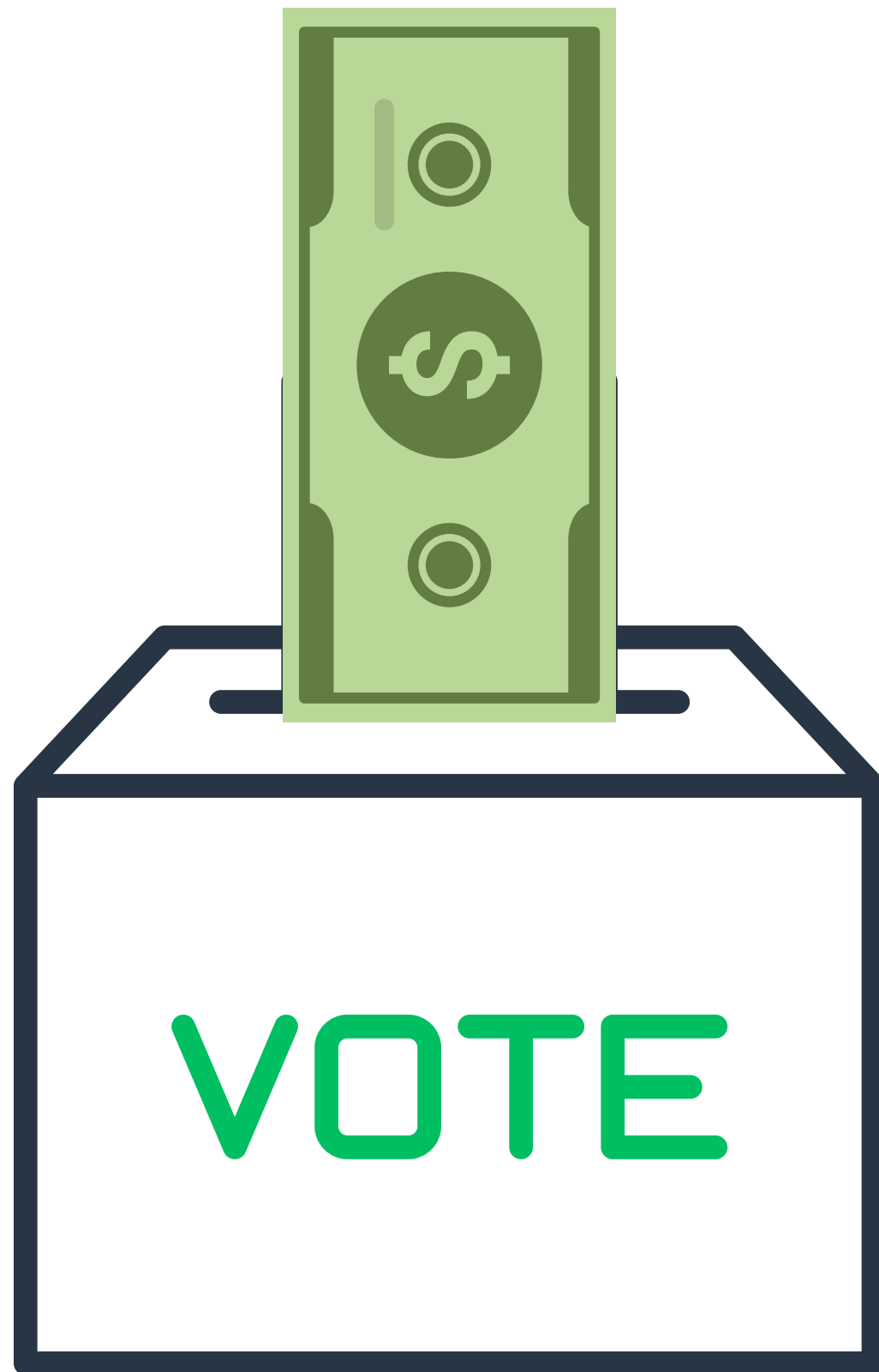


How A Bill  
REALLY  
Becomes Law

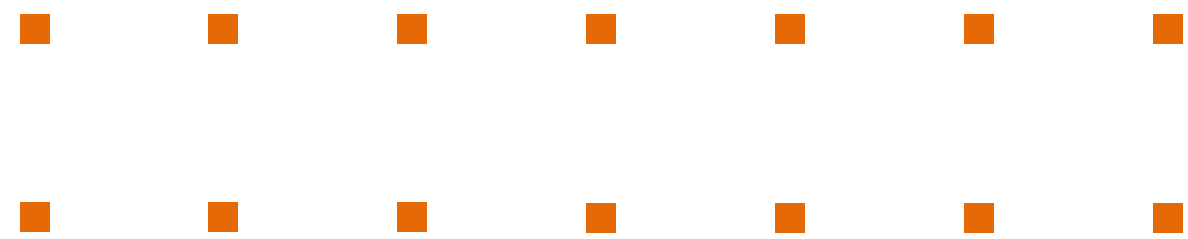
Legislative  
Calendar

# HOW A BILL BECOMES LAW





HOW  
A BILL  
**REALLY**  
BECOMES  
LAW



PAY TO PLAY

POLITICAL  
ACTION  
COMMITTEE

# SUPPORT & OPPOSITION

Regular ALL  
### Search

LINKS CTANALYZE

**Support and Opposition**

4/14/2023 - Assembly Natural Resources (Based on text dated 3/30/2023)

Support	Oppose
<ul style="list-style-type: none"><li>350 Humboldt</li><li>American Academy of Pediatrics, California District</li><li>American Lung Association of California</li><li>Asian Pacific Environmental Network</li><li>California Climate Action Voters</li><li>California Environmental Justice Alliance</li></ul>	<ul style="list-style-type: none"><li>California Business Properties Association</li><li>BOMACalifornia</li><li>Associated General Contractors</li><li>Association of Western Employers</li><li>Bay Area Council</li><li>BizFed – Los Angeles County Business Federation</li><li>BNSF Railway Company</li><li>Brea Chamber of</li></ul>

AB 100  
Qualifying logistics use project  
(Amended - 1/3/2024)

TAX



# 2024 LEGISLATIVE SESSION

- 2,124 Bills Introduced
- Over 400 with Potential Impact to Commercial Real Estate
- Three sponsored bills
- 200+ bills advocated on by our industry



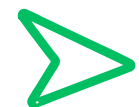
# SPONSORED BILLS



AB 2904 (Quirk -Silva; D-Fullerton)

Zoning Notice – **SIGNED INTO LAW!**

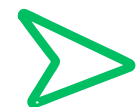
Changes current law by requiring a longer notice period of 60 days to be given to property owners before a public hearing is held on a proposed zoning ordinance or amendment.



AB 2433 (Quirk -Silva; D-Fullerton)

Private Permitting Review and Inspection Act – **DIED**

Improves the building permit process to expedite projects. Introduces flexible fee structures, expedited inspection timelines, and conditional employment of external professional services.



AB 3196 (Nguyen; D -Elk Grove)

Demurrer Hearing Timetable – **DIED**

Enhances efficiency of legal processes in commercial property disputes. By setting a definitive schedule for demurrer hearings, it will reduce delays and financial hardships faced by small property owners and new small businesses.



2024

**PRIORITY SUPPORT  
LEGISLATION  
END OF YEAR  
SUMMARY**

# RETAIL THEFT BILLS

## *Legislative Package Supported By Industry* - **SIGNED INTO LAW**

- **AB 1779 (Irwin, D) Theft: jurisdiction** - This bill allows theft cases to be prosecuted by any district attorney with evidence and mutual agreement.
- **AB 1802 (Jones -Sawyer, D) Crimes: organized theft** - This bill extends the crime of organized retail theft indefinitely.
- **AB 1972 (Alanis, R) Regional property crimes task force** - This bill extends the mandate of the regional property crimes task force to support railroad police and combat cargo theft.
- **AB 2943 (Zbur, D) Crimes: shoplifting** - Assembly leadership comprehensive retail theft measure.
- **AB 3209 (Berman, D) Crimes: theft: retail theft restraining orders** - This bill allows courts to issue restraining orders against repeat retail theft offenders.
- **SB 905 (Wiener, D) Crimes: theft from a vehicle** - This bill imposes stricter punishments for breaking into locked vehicles and possessing stolen property with intent to sell.
- **SB 982 (Wahab, D) Crimes: organized theft** - This bill makes organized retail theft a permanent offense.
- **SB 1144 (Skinner, D) Marketplaces: online marketplaces** - This bill closes a loophole allowing third-party sellers to avoid verification requirements by using offline payment methods.
- **SB 1242 (Min, D) Crimes: fires** - This bill adds enhanced penalties for arson committed during organized retail theft.
- **SB 1416 (Newman, D) Sentencing enhancements: sale, exchange, or return of stolen property** - This bill introduces sentencing enhancements for selling or returning stolen property from retail businesses.

# ADAPTIVE REUSE- SUPPORT

AB 2243 (Wicks; D -Oakland) - Adaptive Reuse Incentives  
**SIGNED INTO LAW**

- Expands and modifies provisions of the Affordable Housing and High Road Jobs Act of 2022.
- Focuses on allowing residential development on commercial sites and provides certain incentives.
- Expands definition of retail site that can qualify.



# BOMA CAL SUPPORTED BILLS

## SIGNED INTO LAW



➤ **SB 937 (Wiener; D - San Francisco) Easing Development Costs** – The bill defers the payment of development fees for residential projects until the issuance of a certificate of occupancy or final inspection, providing crucial financial relief for developers.

➤ **AB 2453 ( Villapudua ; D-Stockton) Streamlining EV Charger Reactivation After Maintenance** – This bill expedites the process of putting EV chargers back into service following routine maintenance. The bill, effective until January 1, 2028, eliminates the need for retesting or reapproval by a service agency or sealer for electric vehicle supply equipment (EVSE) that has already been approved and is simply undergoing maintenance.

➤ **AB 2488 (Ting; D - San Francisco) Boosting Downtown Revitalization Through Office -to- Housing Conversions** - bill supported by CBPA/BOMA CA that encourages the conversion of underutilized office buildings into housing in downtown San Francisco is bill extends the crime of organized retail theft indefinitely.

➤ **SB 1243 (Dodd; D-Napa) Easing Restrictions on Campaign Contributions for Local Elected Officials** – **SB 1243** addresses confusion caused by SB 1439 (Glazer) from 2022, which restricted local businesses' ability to participate in the political process. CBPA, as part of a coalition led by CBIA, supported this bill, which raises the contribution limit from \$250 to \$1,000

# ADAPTIVE REUSE- **SUPPORT**

➤ **AB 3068 (Haney; D -San Francisco) - Adaptive Reuse Incentives**

**VETOED BY GOVERNOR**

Aims to promote the conversion of existing nonresidential buildings into residential or mixed-use spaces by allowing cities and counties to offer financial incentives for adaptive reuse projects and streamlining the approval process for converting.

➤ **AB 2910 (Santiago; D -Los Angeles)**

**VETOED BY GOVERNOR**

**Conversion of Commercial or Industrial Buildings**

Aims to leverage underutilized commercial buildings for residential use to facilitate the conversion of commercial or industrial buildings into residential units. Allows pro-housing jurisdictions with compliant housing elements to adopt alternative building regulations.



**2024**

**PRIORITY OPPOSE**

**LEGISLATION**

**END OF YEAR**

**SUMMARY**

# AB 98 - SEVERE WAREHOUSE LIMITATIONS – SIGNED INTO LAW

➤ Governor Newsom signed AB 98 (Carrillo; DPalmdale and Reyes; DSan Bernardino) into law, which puts severe limitations on warehouse development. AB 98 was a gut-and-amend bill introduced at the extreme last minute, with no consensus or consultation with impacted companies or local government, and our members have expressed great concern about its impacts on individual projects, jobs, and the supply chain as a whole.

➤ Assembly Bill 98 imposes statewide mandates on warehouse locations and operations, overriding local control. It requires buffer zones, truck route restrictions, and zero-emission vehicle standards, severely limiting land for logistics use and likely driving more businesses out of California. This could lead to significant job losses, hinder economic growth, and worsen environmental outcomes due to increased transportation needs. The bill's rigid requirements and lack of flexibility, such as no sunset clause and burdensome affordable housing provisions, will stifle industrial development and harm local economies.



# SB 1103- COMMERCIAL LEASE MANDATES – SIGNED INTO LAW

➤ Governor Newsom has signed SB 1103 (Menjivar; D-Van Nuys) into law, introducing costly commercial lease mandates that will take effect on January 1, 2025. The bill applies new requirements for rent increases, operating costs, and lease termination notices for certain qualified commercial tenants (CCTs), including microenterprises, small restaurants, and small nonprofits.

## ➤ Key Amendments Secured by CBPA :

- **Commercial Rent Control Removed:** Rent control provisions were eliminated.
- **Flexibility on Operating Costs:** Landlords can pass through operating costs with reasonable flexibility, as long as proportional documentation is provided.
- **Treble Damages Replaced:** Liability was limited to actual damages, reducing financial risk for landlords.
- **No Limitations on Security Deposits:** The cap on security deposits was removed, allowing appropriate deposit amounts.
- **Qualified Commercial Tenant (CCT) Definition Narrowed:** Only microenterprises (5 or fewer employees), small restaurants, and nonprofits (fewer than 20 employees) qualify, limiting the scope of tenants covered by the bill.

# AB 2364 JANITORIAL STUDY BILL – SIGNED INTO LAW

➤ AB 2364, signed into law by Governor Gavin Newsom, introduces new regulatory actions focused on the janitorial industry, mandating a study on janitorial production rates and worker safety, along with increasing the costs of required training for janitorial workers. Initially, the bill sought to impose strict cleaning quotas and establish a regulatory council akin to the Fast-Food Council.

➤ However, after significant lobbying and coalition efforts led by CBPA, the bill was amended into a study bill, which significantly limits its immediate impact on commercial property owners.



# AB 3129 - BURDENSOME REGULATIONS ON PRIVATE EQUITY GROUPS (PEGS) **VETOED**

- AB 3129 (Wood; DUKIAH) represents a significant win for commercial real estate and private equity investments. AB 3129 would have imposed burdensome regulations on private equity groups (PEGs) and hedge funds, requiring them to obtain the Attorney General's approval before any changes in control or acquisitions involving health care facilities. This bill threatened to disrupt vital private investment in the health care sector, which many struggling providers rely on.
- CBPA, representing several REITs, joined a broader coalition in opposing the bill, highlighting that AB 3129 would have added significant costs, delayed transactions, and ultimately harmed both health care providers and investors. The Governor acknowledged these concerns, noting that oversight is already handled by the Office of Health Care Affordability, making the additional regulations unnecessary.



# AB 2374 DISPLACED JANITOR ACT— **KILLED**

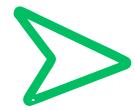


**AB 2374 (Haney; DSan Francisco)** would have transformed the Displaced Janitor Opportunity Act into a joint liability statute under which any size company becomes liable for the failure of a contractor to comply with the Act.

This would be burdensome and result in higher operating costs. Our industry scored a big win by stopping this bill from proceeding through the legislative process.



# AB 3192: PROTECTING COASTAL RESORTS FROM UNION-BACKED OVERREACH- **KILLED**



CBPA, in partnership with the California Hotel and Lodging Association and others, successfully defeated AB 3192 a bill sponsored by Unite Here, which unfairly targeted resorts like Terranea—proven environmental stewards—with excessive regulations. The bill, halted in the Assembly Environmental and Toxic Materials Committee, aimed to impose unnecessary and duplicative environmental compliance on coastal resorts already leading in sustainability efforts.

This victory protects the hospitality industry from overreach, ensuring that resorts can continue their operations without burdensome regulations that would have hindered both environmental and economic progress.



# 2024 BALLOT MEASURES



- **Proposition 2 - SUPPORT**  
\$10B School Facilities Bond
- **Proposition 3 - NO POSITION**  
Proposition 8 Repeal
- **Proposition 4 - NO POSITION**  
\$10B Climate Bond
- **Proposition 5 - OPPOSE**  
Reduces Two-Thirds Vote Threshold
- **Proposition 6 - NO POSITION**  
Ban Mandatory Prison Labor
- **Proposition 32 - OPPOSE**  
\$18/hr Minimum Wage
- **Proposition 33 - OPPOSE**  
Rent Control
- **Proposition 34 - SUPPORT**  
Restricts Political Spending by Healthcare Foundations
- **Proposition 35 - NO POSITION**  
MCO Tax
- **Proposition 36 - SUPPORT/ENDORSED**  
Retail Theft/Prop 47 Reform

# PROP 5 - OPPOSE

Makes it Easier to Raises Taxes on Property Owners by Lowering Bond Vote to 55%

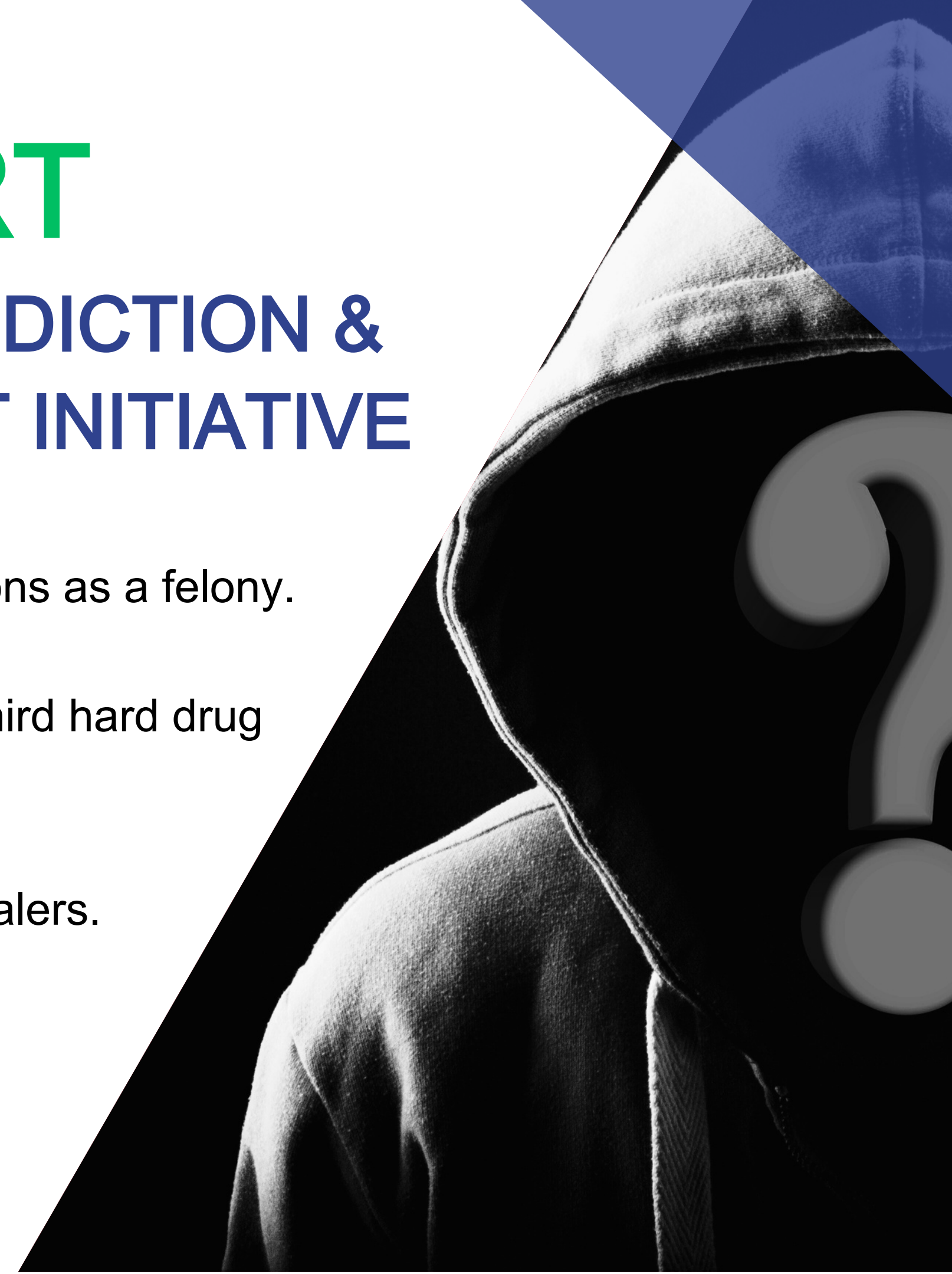
- Continues to Erode Prop 13/Prop 218 by lowering Vote Threshold.
- Bonds are paid exclusively by property owners
- Expands what local governments can use bond proceeds for to include ongoing operational costs.



# PROP 36 - SUPPORT

## THE HOMELESSNESS, DRUG ADDICTION & THEFT REDUCTION ACT BALLOT INITIATIVE

- Reclassifies retail theft with two or more prior convictions as a felony.
- After two hard drug convictions, discretion to charge third hard drug possession as treatment mandated felony.
- Address fentanyl crisis by going after fentanyl drug dealers.



# SUPPORTED MEASURES

## ➤ Proposition 2 - **SUPPORT** - \$10B School Facilities Bond

This \$10 billion bond measure is aimed at funding repairs and upgrades for thousands of K12 school and community college buildings across California. Under this plan, K12 schools will receive \$8.5 billion, while \$1.5 billion will be allocated to community colleges. This measure would encourage much needed development in California and enhance our state's economic competitiveness.

## ➤ Proposition 34 - **SUPPORT** - Restricts Political Spending by Healthcare Foundations

This measure would mandate that specific healthcare providers allocate almost all funds from a federal prescription drug program towards patient care. It would forbid the AIDS Healthcare Foundation from using the organization's coffers to advance a political agenda through the ballot, and ensure public tax dollars meant for patients are spent on patients.

# OPPOSED MEASURES



## ➤ Proposition 32 - **OPPOSE** - \$18/hr Minimum Wage

This measure would raise the state minimum wage from \$16 to \$18. California's minimum wage has rapidly increased over the last several years, and higher minimum wages have been established for fast food and health care workers. Another increase would further threaten the economic competitiveness of our state and drive businesses out of California.

## ➤ Proposition 33 - **OPPOSE** - Rent Control

This measure would permit local governments to enforce rent controls. It would repeal the Costa-Hawkins Rental Housing Act that generally prohibits cities and counties from imposing rent limits on properties occupied after February 1, 1995. Proposition 33 would have an adverse impact on property values and the economic competitiveness of California.

# TAXPAYER PROTECTION

and Government Accountability Act

*CBPA Serves as Co -Chair*

*Restores Protections under Prop 13*

*Removed from ballot by Supreme Court*

- **Gives voters the final say on all new and higher taxes**  
Requires all new taxes passed by the Legislature to be approved by voters and restores two-thirds voter approval for all new local special tax increases.
- **Eliminates all “hidden taxes”**  
Clearly defines what is a tax or fee—addressing recent court decisions that overturned decades of established taxpayer protection,
- **Requires truthful descriptions of new tax proposals**  
Holds politicians accountable by requiring they clearly identify how revenue will be spent before any tax or fee is enacted and ensures it is not diverted to other purposes.
- **ACA 13 - Measure to derail TPA - removed from 2024 ballot**

# PRIVATE ATTORNEYS GENERAL ACT (PAGA)

## *Deal Negotiated to Avoid Ballot Measure*

- Authorizes aggrieved employees to file lawsuits to recover civil penalties on behalf of themselves, other employees, and the State of California for Labor Code violations.
- Went into effect in 2004 - lawsuits have increased by over 400 percent between 2005 and 2013.
- In June, the governor, legislative leadership and business and labor groups announced an agreement on needed reforms to PAGA that avoids a ballot measure campaign. The agreement aims to strengthen worker protections, encourage employer compliance, and streamline litigation processes.

# GRANTS PASS V. JOHNSON HOMELESS ENCAMPMENT CASE

- In June, the U.S. Supreme Court ruled that cities can enforce bans on homeless people sleeping outdoors, even when there is a lack of adequate shelter space.
- The ruling has been praised as a necessary step to address public safety and sanitation concerns created by illegal camps on city streets and private property.
- CBPA and the Pacific Legal Foundation filed [a brief](#) in this case, given the negative impact this issue has on the commercial real estate industry.



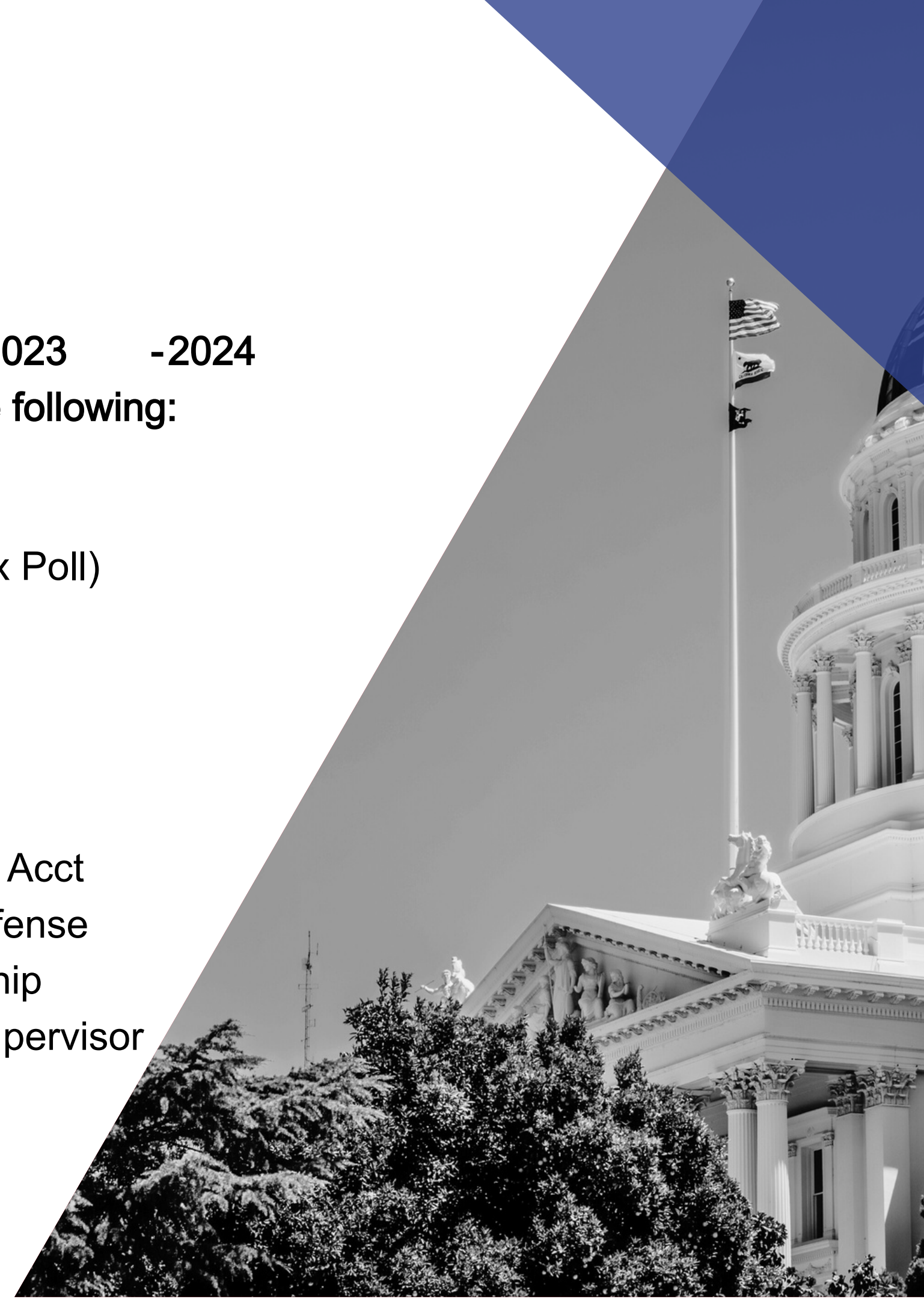
# CBPA PAC

CBPA Maintains an Issues PAC and a Candidates PAC and so far in the 2023 -2024 Campaign Cycle the Issues PAC has raised \$315K and spent \$80K on the following:

- Taxpayer Protection Act
- Retail Theft Initiative
- StopTheCopTax (S.F)
- Competitive Edge (SD Transfer Tax Poll)

The CBPA Candidates PAC has raised \$290K and spent \$145K:

- Supported 16 assembly candidates (10 Dem/6 Reep)
- Supported Governor Newsom
- Supported Republican Leadership
- Supported Assembly Moderate Caucus
- L.A. Jobs PAC
- Speaker Rivas Leadership Acct
- Sen. Blakespear Legal Defense
- Dixon/Gallagher Leadership
- L.A. County- Barger for Supervisor





CBPA co-chairs the statewide group which focuses on supply chain issues including ports and warehouses.



# CALIFORNIA COMMERCIAL REAL ESTATE SUMMIT

AUGUST 13-14  
SACRAMENTO



## ADVOCATE

Attendees will meet with lawmakers and their representatives to ensure the voice of our industry is strong in Sacramento.



## CONNECT

Business leaders from across California will come together to connect and collaborate over a common interest of advancing our industry.



## STAY INFORMED

Through your advocates in Sacramento, peers, and guest speakers you'll learn about the legislative process, how it impacts your work, and why your voice is important!



# 2024 EVENTS



## **Legislative All -Star Luncheon**

February 22, 2024

Sacramento

## **CA Commercial Real Estate Summit**

August 13-14, 2024

Sacramento

## **Industrywide Legislative Zoom Meeting**

March 22, 2024

## **Industry Awards Dinner**

November 7, 2024

Orange County

## **CBPA Board Meeting & PAC Fundraiser**

May 2, 2024

Downtown Los Angeles

# COMMERCIAL REAL ESTATE INDUSTRY AWARDS

November 7, 2024 | Costa Mesa, CA



Honoring those who  
make an impact in  
the commercial  
real estate industry





**California Business  
Properties Association**  
*Protecting commercial real estate for over 50 years*

# QUESTIONS?

**Thank You!**

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