



ADVANCING COMMERCIAL REAL ESTATE

LEGISLATIVE UPDATE

ADVISORY COUNCIL QUARTERLY MEETING

SEPTEMBER 17, 2024



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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



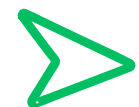
SPONSORED BILLS



AB 2904 (Quirk -Silva; D-Fullerton)

Zoning Notice - **ON GOVERNOR'S DESK**

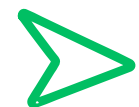
Changes current law by requiring a longer notice period of 60 days to be given to property owners before a public hearing is held on a proposed zoning ordinance or amendment.



AB 2433 (Quirk -Silva; D-Fullerton)

Private Permitting Review and Inspection Act - **DEAD**

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 - **DEAD**

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.



An aerial photograph of the Florida State Capitol building in Tallahassee, Florida, centered in the background. The building is a large, white, neoclassical structure with a prominent dome. It is surrounded by lush green trees and other city buildings. The image is overlaid with several geometric shapes: large, semi-transparent blue and light blue triangles pointing towards the center, and a smaller, semi-transparent blue triangle pointing towards the left. The text is centered over the image in a bold, green, sans-serif font.

**PRIORITY
SUPPORTED
BILLS ON THE
GOVERNOR'S
DESK**

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
ON GOVERNOR'S DESK

- 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.



ADAPTIVE REUSE- SUPPORT

➤ **AB 3068 (Haney; D -San Francisco) - Adaptive Reuse Incentives**
ON GOVERNOR'S DESK

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)**
ON GOVERNOR'S DESK

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.



AB 2550 - EMPOWERING SMALL BUSINESSES- SUPPORT

ON GOVERNOR'S DESK

➤ **AB 2550 (Gabriel; D -San Fernando Valley)** supports small businesses by modernizing regulations, reducing "dead rent" periods, and alleviating financial pressures. This legislation is especially important for brick-and-mortar businesses, particularly in food service, which continue to face immense economic pressures from the lingering impacts of COVID-19 and inflation.

➤ CBPA supported and proudly helped draft the bill language.



An aerial photograph of the Florida State Capitol building, a large white neoclassical structure with a prominent dome, surrounded by lush green trees and other city buildings. The image is overlaid with a semi-transparent white layer. On the left and right sides, there are large, stylized geometric shapes in shades of blue and grey, resembling arrows or chevrons pointing towards the center. The text is centered in a bold, red, sans-serif font.

**PRIORITY
OPPOSE:
VETO
REQUESTS**

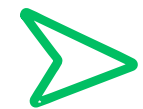
AB 98 - SEVERE WAREHOUSE LIMITATIONS - PRIORITY OPPOSE

➤ AB 98 (Carrillo; D -Palmdale and Reyes; D -San Bernardino) proposes sweeping regulations on logistics and warehouse development and threatens to cripple a vital sector of California's economy. Our business coalition of 22 organizations, including all NAIOP chapters has united and joined with the California League of Cities, Cal Counties, and California Association of Local Economic Development, to oppose these overreaching mandates.

➤ Alongside our veto request, over 50 individual companies and organizations have filed their own letters, amplifying our collective call for a veto. The bill's broad definition of "logistic use" risks undermining not just warehouse operations but also manufacturing industries across the state, especially in the Inland Empire.



SB 1103- COMMERCIAL LEASE MANDATES - PRIORITY OPPOSE



SB 1103 (Menjivar; D -Van Nuys) attempts to impose residential lease protections on commercial properties which will do more harm than good, restricting landlords' ability to recover rising costs and putting small businesses at risk.



With a coalition of over 25 organizations—including key local voices at NAIOP chapters—we are working relentlessly to prevent this bill from upending California's commercial leasing market. Our veto letter is already in, and we're rallying local organizations to boost the push for a veto.

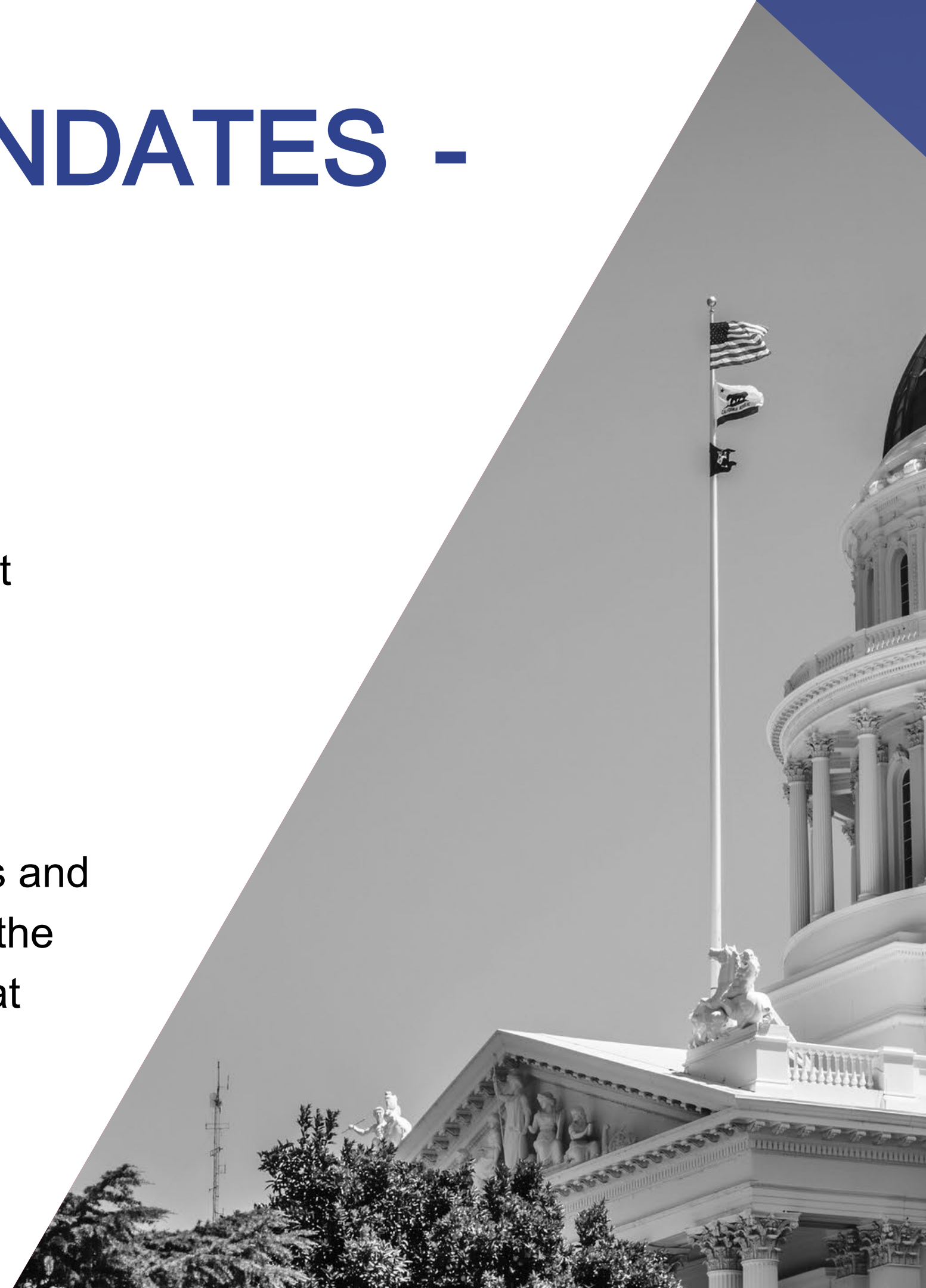


AB 2364 JANITORIAL MANDATES - PRIORITY OPPOSE

➤ AB 2364 (Rivas; D -Los Angeles)

Though [AB 2364](#) has been downgraded to a study bill, the fight isn't over. The bill still poses serious threats by advocating a flawed approach to janitorial workloads, potentially leading to skyrocketing costs across the state.

➤ Our coalition of 10 organizations, made up of leading business and biotech groups, is pushing to ensure the governor recognizes the risks of this bill. We're committed to stopping costly studies that disregard the reality of established industry practices.



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%

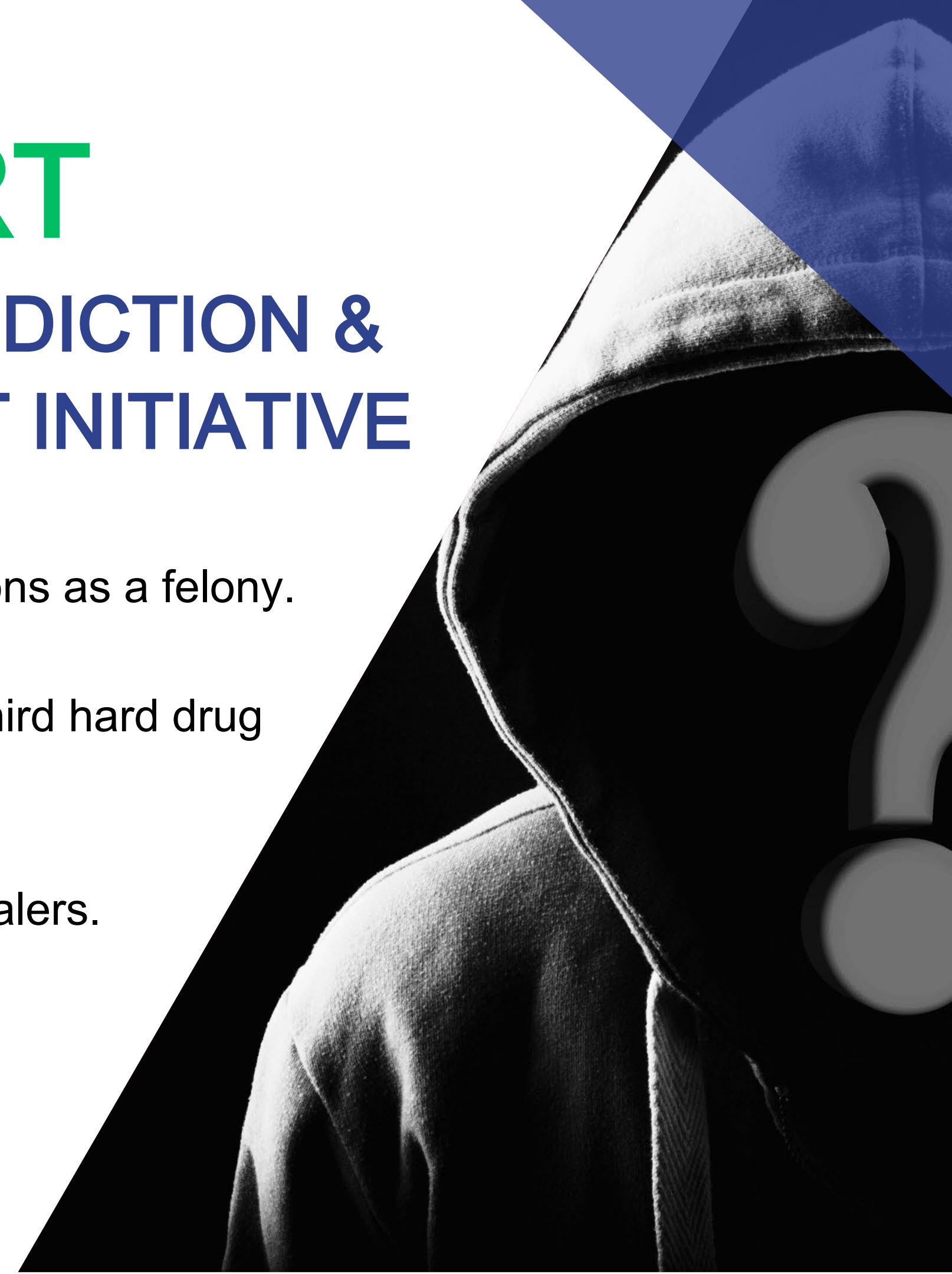
- Continues to Erode Prop 13/Prop 218 by lowering Vote Threshold.
- Bonds are paid exclusively by property owners
- Expands what local governments can use bond proceeds for to include ongoing operational costs.



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.



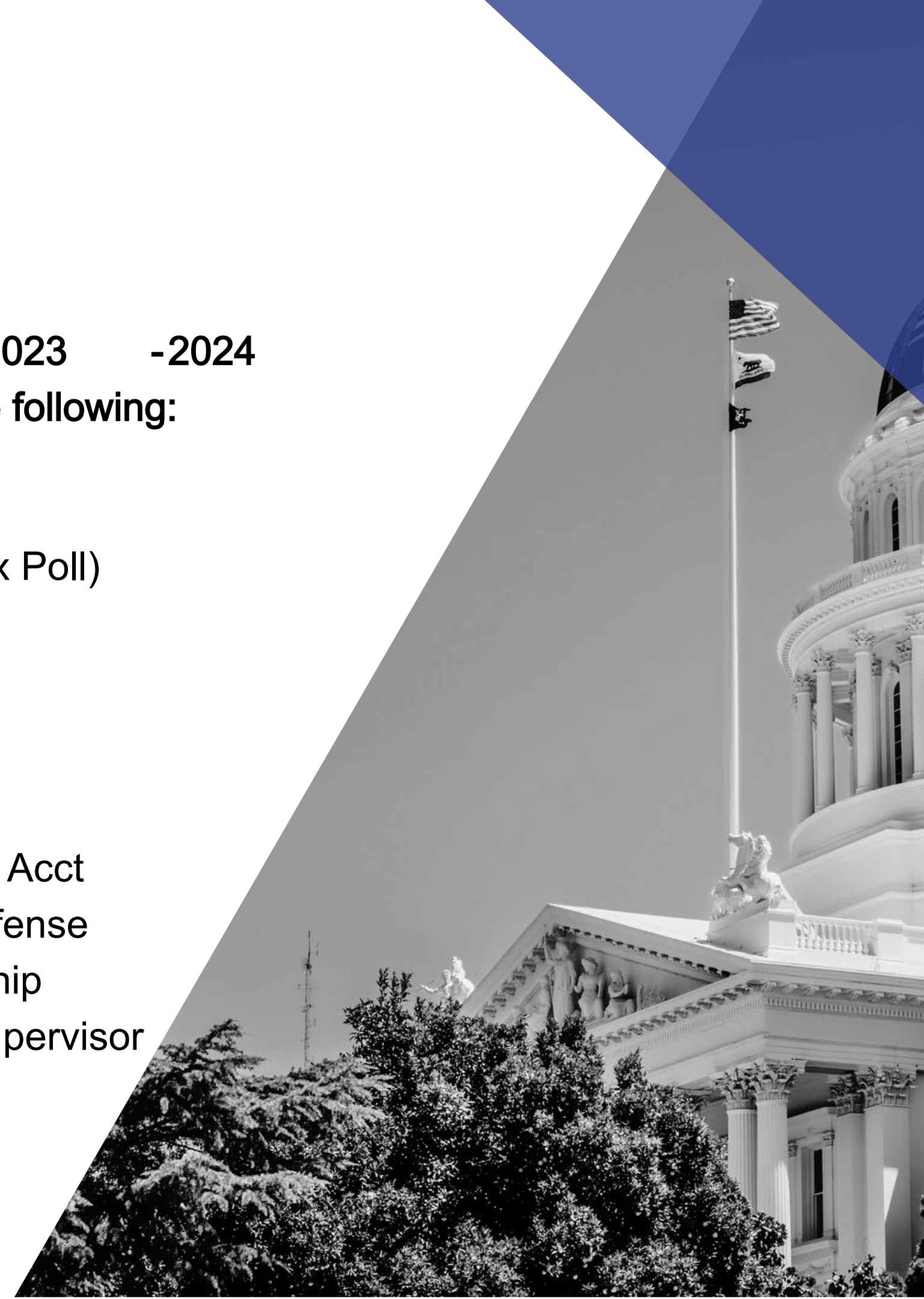
CBPA PAC

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.



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



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!



COMMERCIAL REAL ESTATE INDUSTRY AWARDS

November 7, 2024 | Costa Mesa, CA



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



LEGISLATIVE 101

How A
Bill Becomes
Law

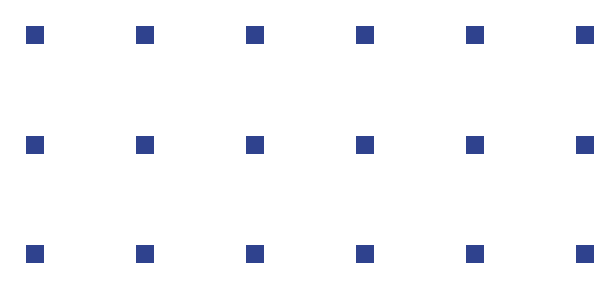
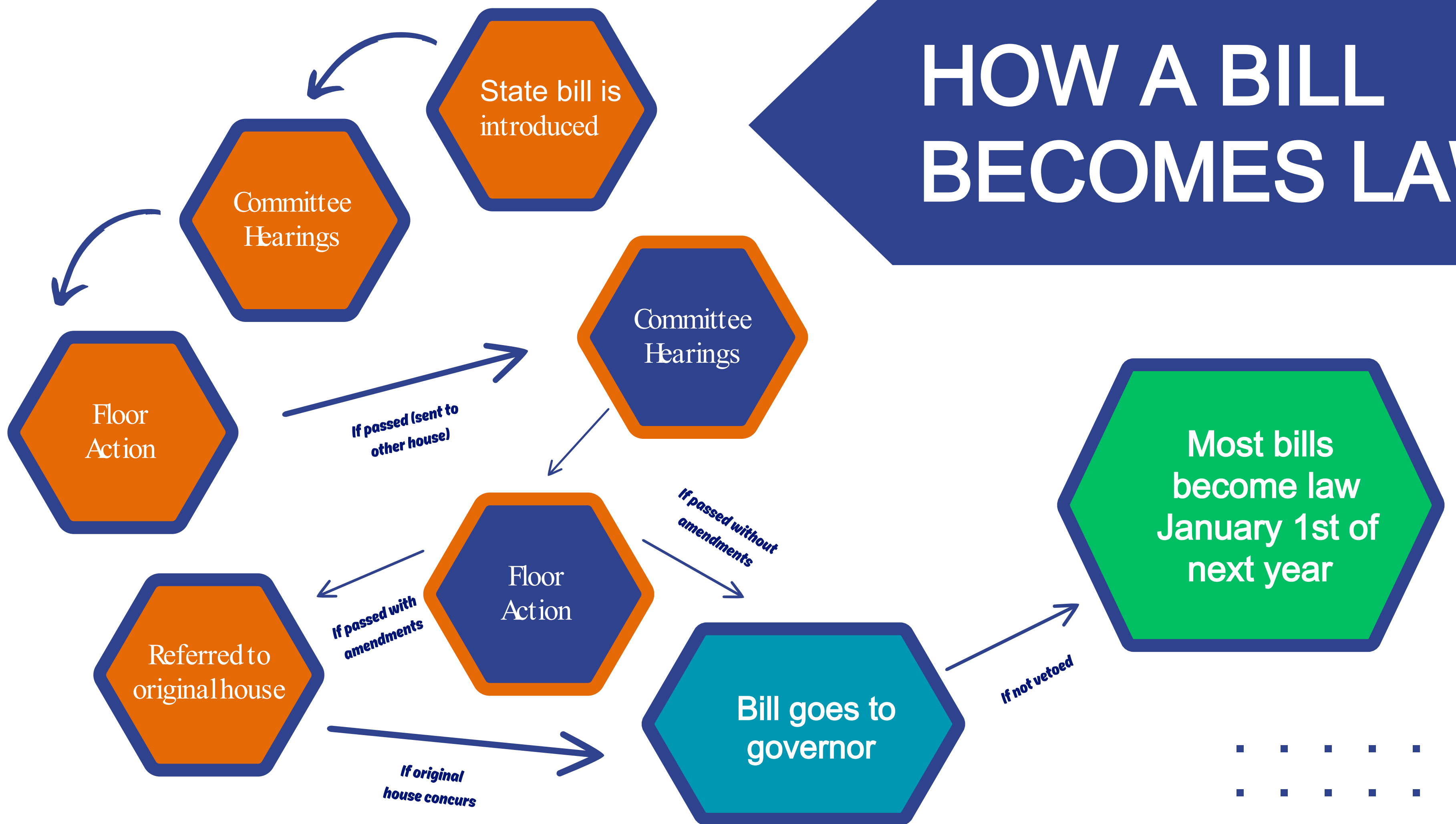
Who
Votes
When



How A Bill
REALLY
Becomes Law

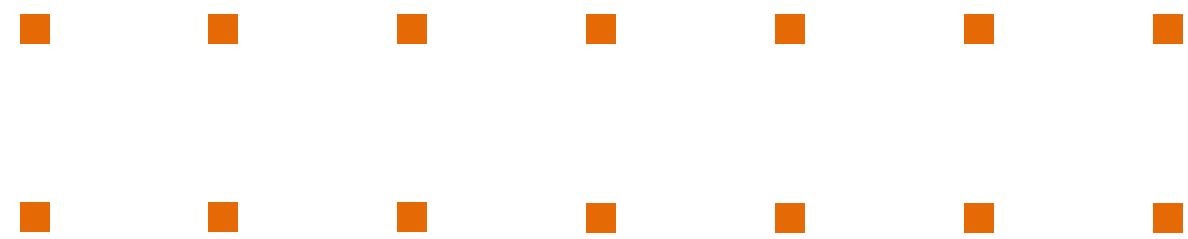
Legislative
Calendar

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">350 HumboldtAmerican Academy of Pediatrics, California DistrictAmerican Lung Association of CaliforniaAsian Pacific Environmental NetworkCalifornia Climate Action VotersCalifornia Environmental Justice Alliance	<ul style="list-style-type: none">California Business Properties AssociationBOMA CaliforniaAssociated General ContractorsAssociation of Western EmployersBay Area CouncilBizFed – Los Angeles County Business FederationBNSF Railway CompanyBrea Chamber of

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

TAX



LEGISLATIVE CALENDAR & DEADLINES

ES



JAN. 3 LEGISLATURE RECONVENES



JAN. 12 LAST DAY FOR POLICY COMMITTEES TO HEAR AND REPORT TO FISCAL COMMITTEES FISCAL BILLS INTRODUCED IN THEIR HOUSES BE REID YEAR



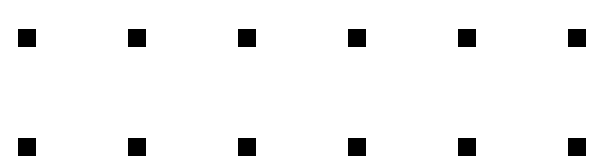
JAN. 19 LAST DAY FOR ANY COMMITTEE TO HEAR AND REPORT TO THE FLOOR BILLS INTRODUCED IN THAT HOUSE IN NUMBERED YEAR



FEB. 16 LAST DAY FOR BILLS TO BE INTRODUCED



MAR. 2 SPRING RECESS BEGINS UPON ADJOURNMENT OF THIS DAY'S SESSION



JUST TO NAME A FEW!



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

QUESTIONS?

Thank You!

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