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**State Legislative Update
October 18, 2022**

Sacramento General Overview 2022

Legislative Session ended on August 31 and Governor acted on all bills passed by the Legislature on September 30

Breakdown of Bill Data

- 2,055 bills introduced
- Legislature passed 1,166 (excluding resolutions and constitutional amendments)
- Governor signed 997 bills into law and vetoed 169
- Veto rate higher than prior years (16% in 2022 vs. 7.8% in 2021)

New Legislature – January 2023



Adopted Budget Provisions

2022 State Budget:

\$307.9 billion in total spending, near \$100 billion surplus (\$49 billion for discretionary use)
One-time spending formulas

Healthcare
expansion

\$9.5 billion
inflation relief
rebate

\$2 billion for
housing
investments

Building
reserves/rainy
day fund

\$19 billion multi-
year climate
package

City of Costa Mesa Successful Earmarks - 2022

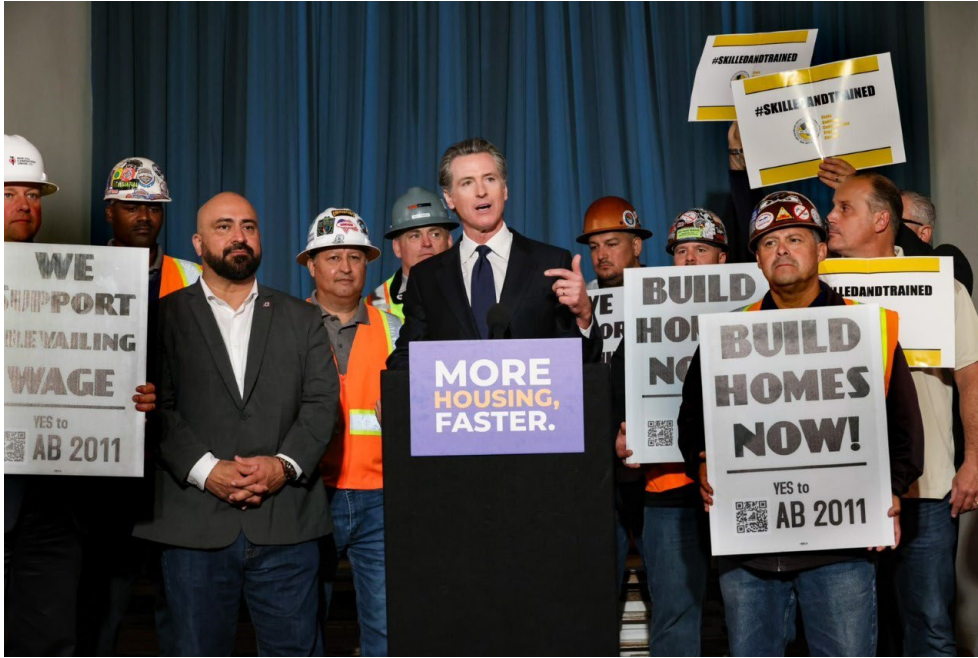


\$11,200,000
Various City
Park Projects



\$3,500,000
Fairview
Developmental
Center

2022 State Housing Package



- \$1 billion for California Housing Accelerator Program
 - 30 low-income projects, 2,700+ new homes
- 41 bills signed into law
- Governor's Housing Focus: production, affordability, jobs, transit-oriented

Legislative Outcomes: Housing and Land Use

AB 2011 (Wicks): Affordable Housing and High Road Jobs Act of 2022

Creates a ministerial, streamlined approval process for 100% affordable housing projects in commercial zones and for mixed-income housing projects along commercial corridors

Signed into Law – Effective July 1, 2023

SB 6 (Caballero): Middle Class Housing Act of 2022

Establishes housing as an allowable use on any parcel zoned for office or retail uses so long as developers use a skilled and trained workforce.

Signed into Law – Effective July 1, 2023

City of Costa Mesa opposed both bills

AB 2011

- Two options for eligibility:
 - 100% Below Market Rate (BMR) in commercial zones
 - Mixed-income (15% BMR) on commercial corridors (local road with a right-of-way of 70 to 150 feet, generally, four to eight lanes)
- Approval Process
 - 90 days for projects with less than 150 units
 - 180 days for projects with more than 150 units
- Location
 - Office, retail or parking
 - Restrictions: industrial, fire severity zone, tribal area, SB 35 exclusions, mobile home parks, 500 feet of freeway, within .6 miles of oil/gas refinery
- Project Criteria
 - Proponents must complete environmental assessment; notices and relocation assistance
 - Multi-family: 5 or more homes for sale/rent

AB 2011

- Affordability
 - Commercial Zones
 - 100% affordable
 - Commercial Corridors
 - Rental: 8% very low income plus 5% extremely low income, or 15% lower income
 - Owner-Occupied: 30% moderate income or 15% lower income
- Labor Standards
 - Prevailing wage; apprenticeship (50+ units)
- Development Requirements
 - Commercial Zones: Density; zoning (if parcel currently allows residential)
 - Commercial Corridors: height and setback requirements

SB 6

- Eligibility
 - *Allows* for residential development on commercial zones, no ministerial approval process
 - No re-zoning required; no affordability requirements
- Approval Process
 - No streamlined approval process
 - “Allowable use” if local conditions are met (low-income density, parking, design, public notice, local code, permitting)
- Location
 - Retail, office, parking; less than 20 acres

SB 6

- **Criteria**
 - At least half dedicated to housing; proponent must provide notices and relocation assistance
- **Labor Standards**
 - Prevailing wage
 - Skilled and trained workforce (exception if less than 2 bids)
- **Development Requirements**
 - Lower income density requirements
 - Subject to local parking, design, ordinances

Looking Ahead: 2023 Legislative Session

Beginning of a new
2-Year Session

Potential changes in
budget reserves

New class of
Legislators and
possible changes to
leadership

Continued Focus on
issue areas of
behavioral health,
housing production,
and tax reform

Questions and Comments



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An Ordinance to Adopt the 2022 Edition of the California Building Standards Codes



Background

- The California Health & Safety Code Section 17958 mandates that the California Building Standards Commission adopt & publish the California Building Standards Codes (Title 24 CCR) every three years.
- The 2022 California Building Codes have been adopted and published by the State and will become effective of January 1, 2023.
- The California Health & Safety Code requires local government to adopt the most updated State Codes and allows local agencies to make amendments to those Codes to respond to local conditions.



California Building Standards Code & Reference Model Code

California Building Standard Code

2022 California Building Code
2022 California Residential Code
2022 California Fire Code
2022 California Existing Building Code
2022 California Plumbing Code
2022 California Mechanical Code
2022 California Electrical Code
2022 California Energy Code
2022 California Green Building Standards

Reference National Model Code

2021 International Building Code (ICC)
2021 International Residential Code (ICC)
2021 International Fire Code (ICC)
2021 International Existing Building Code (ICC)
2021 International Plumbing Code (IAPMO)
2021 International Mechanical Code (IAPMO)
2020 National Electric Code (NFPA)
2021 International Energy Code (ICC)

Local Amendments to the State Codes

Staff are recommending that the City Council adopt the 2022 State Construction Codes with local amendments to the following:

- **2022 California Building Code**
- **2022 California Residential Code**
- **2022 California Fire Code**

These amendments and changes are necessary due to local climatic, geographic and topographic conditions such as Santa Ana winds and seismic conditions in southern California. The draft Resolution sets forth the required findings for these proposed amendments.

Local Amendments to the State Codes

The Development Services Department is recommending amendments to the 2022 California Building and Residential Codes. For example:

- Fencing less than 6 feet in height, swimming pools of a 18 inches or less in depth, and detached decks below 200 square feet in area do not require a building permit.
- Roof coverings are required to be of Class B materials (minimum)
- Fire retardant treated wood and shingles must comply with state standards

Local Amendments to the State Codes

The Fire & Rescue Department is recommending amendments to the 2022 California Fire Code. For example:

Existing

- Clarification of hazardous (Red Flag) conditions.
- Restrictions on outdoor fires.
- Reference of NFPA 1124 for the temporary retail sale of safe and sane fireworks.
- Maintained modifications to fire sprinkler installation Standards where required.

New

- Energy storage system emergency stop at commercial and residential installations.
- Fire department connection proximity to fire hydrants to match NFPA Standard.

Ordinance Adoption

The draft Ordinance amends the City of Costa Mesa Municipal Code:

- Title 5, Buildings and Construction
 - Section 5-1 (Adopted Construction Codes)
 - Section 5-1.1 (Amendments to 2022 California Building Code)
 - Section 5-1.3 (Amendments to 2022 California Residential Code); and
- Title 7, Fire Protection and Prevention
 - Section 7-14 (Adoption of the California Fire Code)
 - Section 7-15 (Amendments to 2022 California Fire Code)

Recommendation

Staff recommends the City Council:

- 1) Hold a public hearing and adopt the Resolution setting forth findings with respect to climatic, geographic, & topographic conditions to allow local amendments to the State Codes.
- 2) Introduce for first reading the Ordinance to amend Title 5 and Title 7 of the Costa Mesa Municipal Code adopting the 2022 Edition of the State Building Standards Codes, as locally amended, and the current edition of the Orange County Grading and Excavation Code.

An Ordinance to Adopt the 2022 Edition of the California Building Standards Codes

