



## 2019 Session Outlook

# A New Administration

- Governor Gavin Newsom was sworn in on January 7<sup>th</sup>.
- A handful of appointees have been named so far. Most are well respected professionals from around the Capitol.
- Ann O’Leary is Chief of Staff. Formerly held senior roles in the Clinton administration, Hillary Clinton’s Senate office, and her presidential campaign. Former senior policy adviser for President Bill Clinton.
- Ana Matosantos is Cabinet Secretary. Previously served as the Director of the Department of Finance under Governors Brown and Schwarzenegger.
- Angie Wei is Chief Deputy Cabinet Secretary for Policy Development. Formerly, Chief of Staff to the California Labor Federation.
- Jason Elliott is Chief Deputy Cabinet Secretary for Executive Branch Operations. Former policy advisors to then Mayor Newsom, and Chief of Staff to Mayor Lee and Breed.

## *New Legislature*

- Both the Senate and Assembly Democrats hold a super majority in both houses.
- Senate has 29 Democrats and 11 Republicans, although Senator Ricardo Lara (D-Bell Gardens) resigned to become the State's Insurance Commissioner and Senator Ted Gaines (R-El Dorado Hills) also departed for his position on the Board of Equalization.
- Assembly has 60 Democrats and 20 Republicans.

# Committee Changes

- No significant changes to Assembly Committees.
  - Assemblyman Bonta remains Assistant Majority Floor Leader, Assemblyman Quirk continues as chair of Environmental Safety & Toxic Materials, Assemblyman Frazier remains chair of Transportation, and Assemblyman Chu continues on Transportation.
- Senate committee shake-up.
  - Transportation & Housing Committee split. Senator Beall will continue to chair Transportation, and Senator Wiener will chair Housing.
  - Senator Allen replaces Senator Wieckowski as chair of Environmental Quality. Senator Wieckowski continues as chair of Senate Budget Subcommittee #2 on Resources, Environmental Protection, Energy & Transportation.
  - Senator Skinner continues to serve as Majority Whip and chair of Public Safety.

# Budget

- Governor Newsom unveils his first budget on January 10<sup>th</sup>.
- LAO's fiscal outlook remains positive. Predicts a Rainy Day Fund balance of \$14.5 billion, and a potential surplus of \$14.8 billion for the 2019-20 fiscal year.
- Governor Newsom is expected to expand funding for early childhood development.
- While no significant changes are expected for the transportation budget, the details will be known on January 10<sup>th</sup>.

# Legislation

- Last day to submit bill requests to Legislative Counsel is January 25<sup>th</sup>, and the deadline to introduce legislation is February 22<sup>nd</sup>.
- As expected several measures have already been introduced related to housing and tax increment financing.
- Many of these bills focus on transit oriented development and furthering goals to reduce GHG emissions.

# New Bills

- **AB 11 (Chiu):** This bill would recreate a new redevelopment program that would focus on affordable housing and infrastructure investments. AB 11 does require any new RDA to be approved by the Strategic Growth Council, which must find that the redevelopment plan furthers GHG reduction goals. The new RDA could finance housing, transit, interchanges, bridges, parks and port infrastructure, to name a few.
- **SB 5 (Beall):** This bill would have a similar result to AB 11, but it does not recreate Redevelopment Law. With demise of RDA law, existing law has been expanded to allow for the creation of various forms of Infrastructure Finance Districts (IFD). SB 5 would allow the various forms of IFDs to divert a portion of the ERAF property tax share to the IFD – not just the incremental growth.
- **SB 50 (Wiener):** In general SB 50 would provide development incentives such as density bonuses and eliminating height restrictions for housing projects constructed near rail transit stations, ferry terminals, or along high quality bus corridors. This is the reintroduction of SB 827.

# SB 50 (Wiener)

- The bill defines a high quality bus corridor as follows:
- *(e) “High-quality bus corridor” means a corridor with fixed route bus service that meets all of the following criteria:*
  - *(1) It has average service intervals of no more than 15 minutes during the three peak hours between 6 a.m. to 10 a.m., inclusive, and the three peak hours between 3 p.m. and 7 p.m., inclusive, on Monday through Friday.*
  - *(2) It has average service intervals of no more than 20 minutes during the hours of 6 a.m. to 10 a.m., inclusive, on Monday through Friday.*
  - *(3) It has average intervals of no more than 30 minutes during the hours of 8 a.m. to 10 p.m., inclusive, on Saturday and Sunday.*