

# CBPA CALIFORNIA 2015 YEAR-END WRAP UP



*During 2015, California Business Properties Association (CBPA) had great success on a number of key legislative and regulatory issues. Below are some highlights.*

**LEGISLATIVE/POLITICAL EVENTS** – CBPA leadership participated in several high-level events which gave them access to peers and policymakers. Starting in January CBPA hosted a “New Legislator Lunch” in Sacramento which was attended by almost half of the newly elected Assemblymembers/Senators. In April, we hosted a Legislative Meeting at which CBPA members were able to weigh in on industry positions on over 400 bills. In June, we hosted the “California Commercial Real Estate Summit,” in which real estate leaders met with Gubernatorial staff and over 1/3 of the Legislature. In November, we hosted the “Strategic Issues Conference,” at which our leadership met with leaders from peer group associations (such as the Building Industry Association and CA Manufacturers’) to learn about major issues in the state.

**LEGISLATION** – On behalf of the retail real estate industry, CBPA engaged on 489 pieces of legislation in the California State Capitol. A full listing of bills, positions, and outcomes has been provided under separate cover.

**REGULATIONS** – On behalf of the retail real estate industry, CBPA engaged regulatory agencies ranging from the California Energy Commission, Public Utilities Commission, Air Resources Board, Building Standards Commission, State Architect and Department of Finance on a range of policies, such as energy efficiency, greenhouse gas regulation, land-use and recycling. This year a lot of time was spent on Energy Issues.

**SPLIT ROLL BILL DEFEATED** – SCA 5 (Hancock; D-Berkeley)/(Mitchell; D-Los Angeles) sought to remove the protections of Proposition 13 by targeting commercial property owners to increase property taxes by triggering a “current fair market valuation” instead of the current acquired value.

**SPLIT ROLL TAX BALLOT MEASURE** – CBPA is an Executive Committee member of the political effort to push back against the myriad of groups attempting to put a split roll measure on the ballot. After more than two years of rebutting arguments with editorial boards, at school board meetings, and a statewide education campaign, and defeat of SCA 5, leaders of the “Make It Fair” campaign have officially abandoned efforts to push a ballot measure in 2016. This action will save industry members from a multi-million dollar budget battle.

**ENERGY CODE: LIGHTING CONTROL REFORMS** -- After almost a year of working with the Energy Commission, Docket No. 15-BSTD-01 was adopted to address issues related to the 2016 Building Energy Efficiency Standards Lighting Retrofit Code. As California’s energy code has lead the way in the nation making sure that our buildings are the most efficient in the country, from time-to-time regulations may not work out in the real world as they do on paper. These lighting retrofit requirements in question turned out to be more complicated, burdensome, and expensive to implement than expected when the Commission adopted the package.

**REPEALED/REPLACED BENCHMARKING LAW** – As a primary proponent of AB 802, we helped repeal the flawed AB 1103 which will re-calibrate the regulatory process to address a number of complaints our industry has had with the mandatory benchmarking law. The new law keeps the benchmarking requirements but removes the statutory requirement it be completed during escrow, limits it to buildings over 50K s.f., allows the commission to exempt certain buildings, and delays the requirement until 2017.

**LEASE LANGUAGE MANDATE STALLED** – CBPA was a primary stakeholder working to change or defeat AB 723 a bill that would require all commercial leases to have provisions that allow a tenant to withhold rent, if the leased space is not fully compliant with provisions of a 2009 statute requiring compliance with certain water efficiency standards – that does not fully to into effect until 2019.

**ADA REFORM** – California has 40% of the nation’s ADA lawsuits but only 12% of the country’s disabled population. Therefore we have played a key role in sponsoring and supporting a package bills that reform ADA in California which



Contact: Rex Hime / Matthew Hargrove  
916-443-4676 or [www.cbpa.com](http://www.cbpa.com)

made it to the Governor's Desk. Two of those bills were signed into law AB 1230 (Gomez D) which provides capital for eligible ADA projects and AB 1521 (Committee on Judiciary) which addresses construction-related accessibility claims.

**ADA REFORM VETOES** – Two bills that made it to the Governor's desk were vetoed for technical reasons and we will be pursuing both of these measures again. SB 251 (Roth D) provides an income tax credit that will promote ADA compliance among small businesses by allowing 90 days from the date of a CASp inspection to fix violations before being subject to liability.

**CASp LEASE LANGUAGE** -- Finally, AB 1342 (Steinorth R) would have fixed the ADA lease language that has prevented many from utilizing the CASp program. Reforming this statute will facilitate more property owners to seek a CASp certification in order to assure their properties are in compliance with the law increasing access and lessening the number of unnecessary lawsuits. The bill was vetoed due to technical issues and will be reintroduced.

**CCDA VP** – Through previous legislation we helped establish the California Commission on Disabled Accessibility that promotes and facilitates disability access compliance. CBPA works directly the Governor's Office to name our industry representative to this board, which is currently CBPA Boardmember Doug Wiele. Doug was elevated to Vice President of the Commission this year.

**RETAIL SCHEDULING MANDATES DEFEATED** – CBPA helped play a key role in defeating two measures that would have mandated expensive and complicated scheduling regimes on retail employees. Bills to increase employer costs for employees working on “family holidays” (AB 67) and one that would mandate rigid schedules and penalize changes (AB 357) were defeated.

**SUCCESSOR EMPLOYER MANDATE FOR GROCERY** – One major bill designated as a “Job Killer” passed into law and could have a significant impact on companies that lease to grocery tenants and do not anticipate issues. The law (AB 359) requires the employees of a grocery store that has vacated a space be considered for employment by any grocery store that moves into that space.

**AUTOMATED EXTERNAL DEFIBRILLATORS (AED)** – Two bills were signed into law with support from the commercial real estate industry pertaining to AEDs. The first (SB 658) makes it easier for properties to get limited liability protection by reforming training and on-site management requirements where an AED is present. The second (SB 287) requires that new construction of certain new buildings starting in 2017 will have to have an AED on premises.

**MOBILE SOURCE STRATEGY** – CA proposes getting 15% of emissions reductions from existing state programs like the low-carbon fuel standard, the zero-emission vehicle requirement and regional transportation planning rules. Additional reductions would come from mandates like 40% of new car sales coming from zero-emission vehicles, biofuel use nearly tripling, and electricity- and hydrogen-based fuel increasing by nearly a factor of 40. We are engaged with this plan that will have several indirect impacts on retail and shopping center owners related to land use, transportation infrastructure planning, and increased energy costs. We expect a major direct impact will be mandates and continued pressure for private property owners to provide fueling stations for electric vehicles.

**GREENHOUSE GAS AND EXISTING BUILDINGS** – The state continues to enact aggressive greenhouse gas reduction laws. The latest, SB 350, requires that the state generate 50% of its energy from “green” sources and it requires a “doubling” of energy efficiency from existing buildings by 2030. This mandate is layered on top of several past bills (notably AB 32 and AB 758) and through the regulatory process has the potential for huge impacts on commercial real estate. CBPA is recommending much heavier engagement in this process in order to help shape the rules and regulations in a way that are implementable and cost effective by our own industry standards.

**OTHER SIGNIFICANT ISSUES** – Several other significant bills were defeated including one that would set 2050 Greenhouse Gas Targets (SB 32); create a water efficient fixtures lease disclosure (AB 723); create an affordable housing tax on real estate documents (AB 1335); and create rights for homeless by eroding private property right, Right to Rest Act (SB 608) and create a right to park and sleep in parking lots (AB 718). As well, there are many other bills that fell by the wayside this year.



Contact: Rex Hime / Matthew Hargrove  
916-443-4676 or [www.cbpa.com](http://www.cbpa.com)