

2023 ANNUAL REPORT



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



2023 ANNUAL REPORT

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A MESSAGE FROM THE CEO

CBPA Members,

As we reflect on the past year, it's clear that 2023 has been a year of challenges and opportunities for the commercial real estate industry and California Business Properties Association. We continue to navigate an ever-changing landscape, facing new obstacles like hybrid work models, supply chain disruptions, rising retail theft, increased business costs, and ceaseless legislative and regulatory mandates. CBPA serves as your voice in Sacramento, and our impact is only possible thanks to your support through membership, engagement, and your valuable contributions.

On the legislative front, our elected officials in Sacramento have attempted to add significant burdens to the business community, particularly with recent attacks on Proposition 13, evermore greenhouse gas and energy mandates, and an ongoing housing crisis, only made worse with each passing year of nibbling around the edges of CEQA reform.

This year, we also experienced a sad loss with the passing of our Founding CEO and President Emeritus, Rex S. Hime. Rex was a passionate advocate for the industry and its members, tirelessly defending your interests in the State Capitol for more than 38 years. His pragmatic leadership has left an enduring legacy at CBPA. He was an incredible mentor to many, and he taught me so much about our industry and how to engage in the Capitol. He is deeply missed.

Despite these challenges, 2023 also marked a year of significant progress and growth for CBPA, including the expansion of our staff, which you'll read more about in this report. CBPA led our industry and allied business groups to a major victory by halting AB 1000, a disastrous bill that would have imposed a statewide setback of 1,000 feet on new and expanded logistics facilities. Additionally, CBPA successfully amended several bills, including those requiring green building certifications, added liability of requiring emergency response trauma kits, and negotiating out provisions of a bill that would require industrial developers replace former housing on certain projects.

This year, we hosted two successful events: The California Commercial Real Estate Summit and The Strategic Issues Conference, which you'll read more about in the coming pages. At our Annual Membership Meeting, CBPA members approved modernization of CBPA's bylaws, updating these foundational documents to reflect recent changes in non-profit tax law and the state and federal Corporations code. These revisions also establish new membership categories to better serve the diverse needs of our members.

This report offers a comprehensive overview of CBPA's achievements and how your membership dues are utilized to advance the organization and better serve you and your industry. On behalf of the CBPA Board of Directors and staff, we express our sincere gratitude for your continued membership, engagement, and contributions. Your support is vital in ensuring our industry has a strong voice in Sacramento. Thank you!

Sincerely,

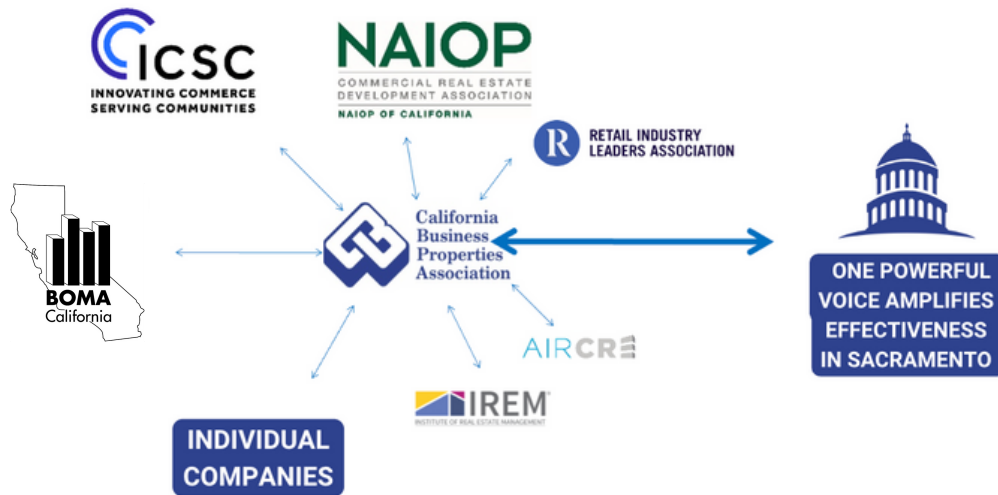
Matthew Hargrove
President & CEO
California Business Properties Association





ABOUT CBPA

CBPA is the voice of the office, industrial, and retail real estate industry in California - Protecting the interests of over 10,000 members in front of the Legislature and regulatory agencies for over 50 years. CBPA has direct member companies, and also represents the associations included below:



KEY ISSUES

- Supply Chain, Logistics, Warehouses
- Infrastructure Development
- Tax Reform, Proposition 13 Protection
- State's Housing Crisis
- Energy and Water
- Economic Competitiveness
- ADA Reform
- CEQA, Land Use
- Organized Retail Crime
- Landlord/Tenant Issues

LEARN MORE



[View the video
50 Years of Service](#)



[View the Governor's
Recognition of CBPA](#)

2023 BY THE NUMBERS

10,000+

Total members of CBPA
Includes affiliated members

49%

Direct membership growth
over last two years

137

Total event attendees
CCRES & Strategic Issues

\$100,000

Funds raised for the Industry
Defense Fund to fight for
Prop. 13 / Defeat ACA 13

2,995

Bills introduced this year

200+

Bills CBPA advocated on on
behalf of our industry in 2023



2023 CBPA BOARD OF DIRECTORS

OFFICERS

CHAIR

Rob Cord - AREAS

VICE CHAIR

Francisco Uribe - The Home Depot

VICE CHAIR

Todd Ferrara - Tejon Ranch

SECRETARY/TREASURER

Tom Wulf - Lowe Enterprises

LEGISLATIVE COMMITTEE CHAIR

Stan Lampert - Cox, Castle & Nicholson

LEGAL COMMITTEE CHAIR

Jo Anne Bernhard - Law Offices of J. Bernhard

IMMEDIATE PAST CHAIR

Joe Markling - USAA/C7 Advisors

PAST CHAIR

Greg McWilliams - FivePoint

PAST CHAIR

Doug Wiele - Foothill Partners

DIRECTORS

David Brennan - CBRE

Victor Castillo - Syufy Enterprises

Tom Engberg - Loja Group

Jack Flanigan - Blackstone Group

Stefanie Forsey - Watson Land Company

Adrian Guerrero - Union Pacific

Steven Hussein - Prologis

Jason Korengold - Shea Properties

David Lanzer - Rexford Industrial

Kevin Loscutoff - Walmart Stores

Justin McCusker - C. J. Sergerstrom

John Mehigan - Regency Centers

Roland Neary - Deacon

Chris Pearson - Hudson Pacific

Alex Randolph - Target

Shelly Reininga - JLL

Steve Schuyler - The Irvine Company

Jonathan Shardlow - Allen Matkins

Phil Tate - Kilroy Realty

DIRECTORS - AFFILIATED ASSOCIATIONS

Jim Hill - ICSC

Eric Hepfer - NAIOP of CA, Chair

Justin Shapiro - NAIOP of CA, Vice Chair

Tom Magnussen - BOMA CAL, President

Sarahann Shapiro - BOMA CAL, VP

Lucinda Lilley - IREM CA Council, Chair



2023 CBPA MEMBERS

CHAMPION MEMBERS

The Blackstone Group | Walmart | Prologis

ADVOCATE MEMBERS

Rexford Industrial
The Irvine Company
Target Corporation
Five Point
Unibail-Rodamco-Westfield
The Home Depot

SUPPORTER MEMBERS

Ares Management LLC
CBRE | Hudson Pacific
Jones Lang LaSalle (JLL)
Kilroy Realty | Sares Regis Group
Sempra Energy International
Cushman & Wakefield
NewMark Merrill Companies
Watson Land Company

ASSOCIATE MEMBERS

Tejon Ranch | Allen Matkins | Auerbach Commercial Realty | Badiee Development
Brookfield Properties | C. J. Segerstrom & Sons | Cox Castle Nicholson
H.G. Fenton Company | Lewis Group of Companies/Lewis Management Corp.
Lowe Enterprises | Proficiency Capital | Real Estate Development Associates, LLC
Regency Centers | Rockefeller Group Development Corporation | Shea Properties
Union Pacific Railroad | USAA Real Estate Company | Pier 39 | Deacon Corp.

GENERAL MEMBERS

Advisors Real Estate Asset Services | American Tower Corporation | BIA of Southern CA
Capital Investment Network, Inc. | Colliers | Foothill Partners | Hines | Hoge Fenton
Holland & Knight, LLP | Kosmont | Marcus Millichap | McCarthy Cook & Co.
Murphy Development Company | Peter Bollinger Investment Company | Syufy Enterprises
The Abbey Company | Walgreens | Hughes Investments | Loja Group, LLC
Zylstra Commercial Real Estate | Commercial Real Estate Alliance of San Diego

BASIC MEMBERS

Ballard Spahr LLP | Buzz Oates | Cypress Land Company | Lomak Property Group, Inc./WSA LLC
Read Investments, LLC | The Davidson Group | Trainor Fairbrook | Mani Brothers
Powlan Cassidy Law LLP | CREW | Jones Development Group | Law Offices of Jo Anne M Bernhard
Ms. Christine Firstenberg | Reininga Corporation | Ridgeway Development Company

ASSOCIATION MEMBERS

**ICSC | BOMA California | NAIOP of CA | IREM
AIR CRE | RILA | Nareit | ACRE**



REX S. HIME

February 15, 1948 - February 4, 2023

A Giant Is Lost But Not Forgotten

In February, Rex S. Hime passed away at his home in Loomis, CA, after a lengthy battle with cancer. Rex lit up a room when he walked in – not just with his bright Hawaiian shirts but with his intellect and passion. He will be missed but never forgotten.

To honor his decades of work he was recently bestowed with the title of CBPA Founding CEO and President Emeritus by the CBPA Executive Committee to assure he will forever remain a part of this organization he helped create and build.



He loved the commercial real estate industry and all of you, CBPA's many members, which he fiercely defended in the State Capitol and made sure you were all "at the table."

Rex was a pragmatic leader that enjoyed working with anyone regardless of their political affiliation and did everything with good humor and a twinkle in his eye.

Because of his ability to work with so many, he was able to leave a legacy that includes a long list of accomplishments, and depending on who you talk to, you will get something slightly different. Many will remember him as a Warrior that protected Prop. 13 from the threat of a "split roll" many times; others will remember him helping to create the CA Commission on Disability Access, a place for dialogue between groups to find common ground and work towards positive solutions.

His imprint is on so many things from trying to restore Hetch Hetchy, protecting drive through restaurants, serving as a UC Regent, creating a unique to California protection against commercial rent control... Rex did all that and so much more.

Some may just remember personal attributes like his great love of music which he shared and talked about often and liked to start conference calls by singing a hit song from the 1960s or asking a trivia question.

Rex and his mark on California will never be forgotten.

[Rex S. Hime's Obituary](#)

YOUR 2023 CBPA STAFF TEAM

The past few years have been full of change at CBPA. Matthew Hargrove moved into the President & CEO position upon the retirement of Rex S. Hime at the end of 2021. Long time Administrative Assistant Crystal Whitfield moved into the new role of Manager of Operations, and two new hires were made to complete the team with legislative and communications professionals Skyler Wonnacott and William Hixson joining the team this year.



MATTHEW HARGROVE

President & CEO

Joined CBPA in 2006

Became CEO in 2022

mhargrove@cbpa.com

BIO



SKYLER WONNACOTT

Senior Director of Government Relations

Joined CBPA in Oct. 2023

swonnacott@cbpa.com

BIO

New Hire!



WILLIAM HIXSON, CAE

Director of Communications & Marketing

Joined CBPA in March 2023

whixson@cbpa.com

BIO

New Hire!



CRYSTAL WHITFIELD

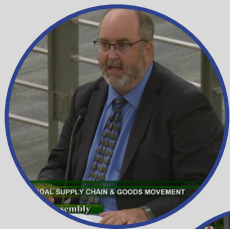
Manager of Operations

Joined CBPA in 2015

cwhitfield@cbpa.com

BIO

CBPA TEAM IN ACTION



From left to right: 1) Hargrove testifies at the Assembly Select Committee Meeting on Ports and Goods Movement. 2) Hixson with Assemblymember Diane Dixon at CCRES. 3) Hargrove speaks at the BOMA OC fundraiser honoring Rex Hime. 4) Whitfield, Hargrove, and Hixson at CCRES. 5) Hargrove speaks at NAIOP Sacramento luncheon. 6) Hixson attends CCDA event with CCDA Director April Dawson and CBPA Board Member Sarahann Shapiro. 7) Hixson attends ICSC Reno Local event. 8) Hixson attends Capitol rally to protect Proposition 13. 9) Hargrove and Hixson attend CA Women Lead Reception with CBPA past board member Eileen Reynolds and member Debbie Haldeman Wells with Cemex.

A LOOK BACK AT CCRES 2023



Commercial real estate professionals from across the state gathered in Sacramento on August 22-23, 2023 to advocate for our industry, connect with lawmakers, and collaborate with peers. This was a critical time of year for our industry to be in Sacramento. Attendees were not only able to advocate on seven bills being considered by the full legislature, but were able to fight for Proposition 13 with the last-minute bill ACA13 introduced and heard on the day of the event.

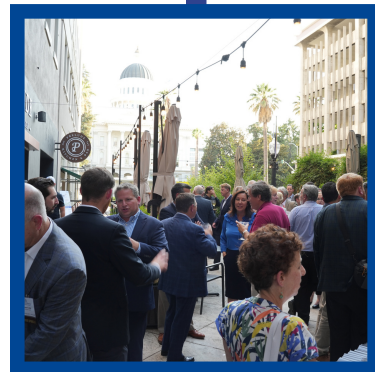


The event kicked off on August 22nd with a welcome reception with the backdrop of the Capitol building. The evening concluded with various local delegation dinners with legislators present. On August 23rd, attendees gathered for breakfast and opening remarks from CBPA Board Chair Rob Cord and President & CEO Matthew Hargrove. Over the next several hours, dozens of meetings took place with legislators and attendees before the event concluded with bites and beverages.



The event was a great success with a nearly 50% increase in attendance over 2022. CCRES makes a significant impact by putting a face to our industry in Sacramento to further our advocacy efforts and advance our industry's interests.

[VIEW PHOTO ALBUM](#)



STRATEGIC ISSUES CONFERENCE



A LOOK BACK AT STRATEGIC ISSUES 2023

Over 60 business leaders joined together on October 26-27, 2023 in Long Beach for the 2023 Strategic Issues Conference. The event kicked off with a networking reception, followed by dinner and a presentation from Mike Jacob, Incoming President of the Pacific Merchant Shipping Association, focused on the future of goods movement in California.

Day two of the conference began with breakfast and a presentation from Rob Lapsley, President of the California Business Roundtable, focused on the 2024 ballot measures impacting the business community. Next, we heard from Benjamin Lopez with Inland Empire Economic Partnership and Greg Devereaux with Worthington Partners on economic issues impacting the Inland Empire and beyond.

The event concluded with a boat tour of the Port of Long Beach, which served as an opportunity to learn not just about the operations of the Port, but the corresponding impacts to our state economy.

Special thanks are due to our event attendees, sponsors, partner organizations, and speakers!

[VIEW PHOTO ALBUM](#)



EVENT PARTNERS





THANK YOU TO OUR EVENT SPONSORS

2023 CALIFORNIA COMMERCIAL REAL ESTATE SUMMIT & STRATEGIC ISSUES CONFERENCE



Save the Date!

2024 CALENDAR OF EVENTS

**LEGISLATIVE ALL STAR
LUNCHEON & PAC
FUNDRAISER**

Sacramento, CA

**FEB
21**

**CALIFORNIA COMMERCIAL
REAL ESTATE SUMMIT**

Sacramento, CA

*Now featuring a welcome reception at the
California Museum!*

**AUG
13-14**

ANNUAL AWARDS DINNER

Southern CA

*Exciting new location to be announced
soon!*

**OCT
24**



CBPA IS THE VOICE OF COMMERCIAL REAL ESTATE IN CALIFORNIA

For over 50 years, California Business Properties Association (CBPA) has been the recognized voice of the office, retail, and industrial real estate industry in California - protecting your interests in front of the State Legislature and a multitude of regulatory agencies. Membership with CBPA is not only an investment in your business - it's your connection to the largest coalition of commercial real estate professionals in California representing over 10,000 members.



“

With new threats to Proposition 13, proposed warehouse and logistics center restrictions, and increasing regulatory challenges to the business community, there has never been a more critical time for our industry to work together. CBPA unites the commercial real estate industry to speak with one powerful voice in our State Capitol.

”

Stefanie Forsey
Watson Land Company

CBPA Members Receive:

- ▶ Representation in Sacramento through our lobbying and advocacy efforts.
- ▶ Risk management services protecting your business from increased legislative and regulatory costs.
- ▶ Weekly legislative updates with timely advocacy information.
- ▶ Monthly industry update meetings held virtually.
- ▶ Free access to Legislative All Star Luncheons.
- ▶ Discounted access to events including the California Commercial Real Estate Summit and the Strategic Issues Conference.
- ▶ Access to leadership opportunities through committee and board service.
- ▶ Career development and networking opportunities by joining the country's largest coalition of commercial real estate professionals.

JOIN TODAY

**Contact CEO Matthew Hargrove at
mhargrove@cbpa.com or (916) 443-4676.**



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

Stronger Together - CBPA is the designated legislative advocate for the organizations listed below:



Your Membership Dollars at Work:

Below are just a handful of the many recent legislative and regulatory successes made possible by CBPA membership dollars.

- Led the effort to defeat Split Roll Property Tax (Prop 15) in 2020, saving each property in the state thousands to millions of dollars in perpetuity on property tax.
- Stopped two COVID-related bills that would have invalidated leases with restaurants. This legislation would have required you to allow a tenant to walk on tenant improvements and lease payments.
- Led the effort to stop unreasonable bans on the building of new warehouses and logistics centers.
- Worked directly with state agencies to assure statewide EV mandates are reasonable and cost effective.
- Worked directly with state agencies to craft reasonable solar policy, assuring solar only must be installed in buildings where it's cost effective.
- Stopped bills banning dual-agency brokerage transactions, which would have put small brokerages out of business and cost large brokerage firms millions.

“ I have been involved with CBPA for three decades. It's helped me make connections with companies across the state, and it's a wise investment in risk management - from tax policy, laws, and regulations that can have a huge impact on my company. ”

Rob Cord
2023/24 Board Chair



EVENTS



STRATEGIC ISSUES
CONFERENCE



JOIN TODAY

**Contact CEO Matthew Hargrove at
mhargrove@cbpa.com or (916) 443-4676.**



COMMUNICATIONS REPORT

Below is an update on CBPA communication and marketing activity since March 2023.

Communications Refresh

Earlier this year, a review of CBPA's communication channels was completed and various elements were redesigned or refreshed.

1) Each page of the [CBPA website](#) was redesigned with new graphics to create a more modern and visually appealing look.

2) The [Weekly Update](#) email was reconfigured with updated visuals and more concise language.

3) Logos were created for CBPA's two signature events to establish a unique brand for each.



Social Media

It was determined that [LinkedIn](#) would be the primary focus of CBPA's social media efforts. In March, CBPA had 77 LinkedIn followers. That number has increased 558% with 507 followers as of 11/9/23.



558%
Increase in
Followers

Earned Media

This year to date, CBPA has appeared in the media 15 times in outlets such as the Sacramento Business Journal, SF Business Times, Marin Independent Journal, Daily Kos, SiliconValley.com, and Capitol Morning Report.





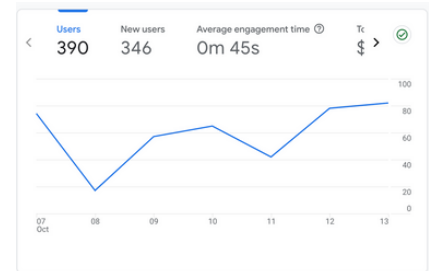
COMMUNICATIONS REPORT (Cont.)

Below is an update on CBPA communication and marketing activity since March 2023.

Communications Metrics

1) [Google Analytics](#) were established to track CBPA website traffic. This snapshot shows website traffic over a recent week, which saw 390 unique visitors, 346 of which were new visitors while 44 were return visitors. Google Analytics also tracks the average time spent on the website, demographics of website visitors, how they were directed to the site, and more. 2) Email communication metrics are also tracked, with an open rate averaging approximately 30%.

1



2

Sent
6780

Open Rate
31.5%

Click Rate
1.4%

BOMA California Communications

Social Media

It was determined that LinkedIn would be the primary focus of BOMA Cal's social media efforts. A [LinkedIn profile](#) was created and currently has 146 followers.

Weekly Update Redesign

The [Weekly Update](#) newsletter was redesigned to display a more modern appearance, increased use of visuals, and shortened text blurbs with links to more resources.

About BOMA CAL

BOMA California's [Stronger Together](#) document was created to provide an overview of the organization and highlight its successes. [Another document](#) was created to provide information on the BOMA Cal PAC.





2023 ANNUAL LEGISLATIVE & REGULATORY REPORT

2023 Commercial Real Estate Legislative and Regulatory Year in Review

While California's business community as a whole had a challenging year in the Legislature with the passage of ACA 1 and ACA 13, CBPA did however, yet again, halt another attack on our industry by stalling AB 1000: Warehouse Buffer Zone - (Reyes; D-San Bernardino). This disastrous bill proposed a statewide setback of 1,000 feet from "sensitive receptors" for all new or expanded logistics use facilities 100,000 square feet or larger in California. In addition, CBPA successfully amended several bills including a bill on building and renovation projects for LEED certification and another on emergency response trauma kits.



TAXPAYER PROTECTION ACT (TPA) – After the defeat of Split Roll in 2020 our industry decided to go on offense and proactively work to fix Proposition 13 and prevent the need to fight a tax increase on the statewide ballot every election cycle. If passed by voters, the Act will close significant loopholes created by recent court decisions (Upland) and other governmental actions, reinstating the will of the voters, and restoring historic protections against new and higher property taxes. CBPA is a co-chair of the effort and is actively fundraising for the effort to ensure its passage in November 2024. However, Governor Newsom and Legislative Leaders have petitioned for removal of TPA from the ballot arguing these issues are too important for voters to decide.

ACA 1/ACA 13 - In the final three weeks of session a major attack was launched to further weaken Proposition 13. ACA 1 Makes it easier to raise taxes. The measure lowers the 2/3s vote threshold for almost all special tax measures to a 55% vote threshold. ACA 13 is aimed specifically at the Taxpayer Protection Act. The measure will change the rules to make it harder to restore the 2/3s vote requirement and make it harder to fix Proposition 13 loopholes.



ANNUAL LEGISLATIVE & REGULATORY REPORT

2023 Commercial Real Estate Legislative and Regulatory Year in Review

ORGANIZED RETAIL CRIME - CBPA has long been a leader in protecting private property rights, but Proposition 47 has made it next to impossible to protect your property. Addressing Organized Retail Crime through reform of Prop. 47 is a top priority. CBPA is working closely with the California District Attorneys Association and the California Retailers Association in support of an effort they are leading to qualify a measure for the 2024 ballot to reform Prop 47 and combat organized retail crime.

WAREHOUSE BUFFER BILL STALLED (FOR NOW) – CBPA strongly opposed AB 1000 and successfully stalled the bill (for now). The bill unreasonably targets one building type, warehouses, effectively limiting development in most urban areas. Current law already requires extensive disclosure of information by all project types through regional air quality regulations and the CEQA process. This bill sought to layer a setback rule specifically for warehouses creating a de-facto ban.

In response to AB 1000, CBPA was instrumental in the creation of AB 1748 (Ramos; D-San Bernardino) which is our alternative to AB 1000. AB 1748 will provide a requirement for local agencies to implement a 300-foot minimum setback for qualifying logistic facilities and other landscape buffer requirements next to sensitive receptors.

LEGISLATION – On behalf of the commercial real estate industry, CBPA tracked over 400 pieces of legislation in the State Capitol this legislative session and directly engaged on over 200 bills. Additional details on priority legislation can be found on the following pages. A full listing of bills, positions, and outcomes can be provided separately upon request.

REGULATIONS – CBPA engaged with regulatory agencies on a variety of issues including electric vehicles, solar, energy, and water regulations. CBPA works closely with code consultant Bob Raymer to remain active on code related issues. A full regulatory report can be found in the following pages.



ANNUAL LEGISLATIVE & REGULATORY REPORT

2023 Commercial Real Estate Legislative and Regulatory Year in Review

SUPPORTED/AMENDED BILLS SIGNED INTO LAW:

SB 416 (Laird; D – Santa Cruz) Building and Renovation Projects: LEED Certification

We removed opposition after successfully amending SB 416. The bill requires LEED certification for new state buildings, does not apply to existing leased properties.

AB 225 (Grayson; D – Concord) - Real-estate Environmental Hazards Booklet

AB 225, which was supported by our industry, will inform buyers and tenants on the potential hazards within the area they live, including wildfire risks, climate change and sea level rise. The bill will also provide an opportunity for a public private partnership to pay for the update if resources are not made available by the state.

AB 70 (Rodriguez; D – Pomona) - Emergency Response: Trauma Kits

AB 70 will require that trauma kits be installed next to AED stations during certain building renovations. CBPA took a neutral position as the measure includes liability protection language negotiated in 2021 for building owners and follows the same limited installation requirements.

AB 883 (Mathis; R – Tulare) – Licenses – Expedition for Veterans

AB 883, which was supported by our industry, expands expedition requirements under the United States Department of Defense SkillBridge program to expedite license applications for veterans transitioning back into civilian life, making it easier for our service members to obtain licenses in fields requiring licensure, like real estate. AB 883 will directly and positively impact a veteran's transition and hasten their ability to earn an income and support their families.

AB 1218 (Lowenthal; D-Long Beach) Development Projects: Demolition of Residential Dwelling Units

This bill would have expanded a current law written specifically to apply to residential projects, without thinking through how non-residential projects are different. In turn, the bill would have stopped many important industrial projects, and have a negative impact on goods movement, jobs, and economic development. After weeks of working with the bill author and sponsors, CBPA and its partners were able to have the bill amended. The bill will now exempt industrial projects in areas zoned for non-residential, clarify how replacement housing is built, and adjust effective dates.



ANNUAL LEGISLATIVE & REGULATORY REPORT

2023 Commercial Real Estate Legislative and Regulatory Year in Review

BAD BILL VETOED:

SB 799 (Portantino; D-Burbank) – Disastrous Unemployment Insurance for Striking Workers *Will be back next year*

SB 799 was opposed by a large coalition of business groups. The bill, which was heavily backed by organized labor would have been disastrous for businesses large and small and would have ballooned California's already high federal unemployment insurance debt. The measure aimed to provide unemployment insurance (UI) benefits to individuals who left work and chose to go on strike during a labor dispute.

SIGNIFICANT BILLS THAT WERE HELD BUT MAY BE BACK NEXT YEAR:

AB 1000 – (Reyes; D-San Bernardino) - Warehouse Buffer Zone

This bill proposes a statewide setback of 1,000 feet from “sensitive receptors” for all new or expanded logistics use facilities 100,000 square feet or larger in California.

AB 1748 – (Ramos; D-San Bernardino) – Our Alternative to the Reyes Warehouse Bill

AB 1748 will provide a requirement for local agencies to implement a 300-foot minimum setback for qualifying logistic facilities and other landscape buffer requirements next to sensitive receptors.

**2023
BY THE
NUMBERS**

NEARLY
3,000
BILLS
INTRODUCED



890
BILLS SIGNED
INTO LAW



200+
BILLS CBPA
ENGAGED ON



ANNUAL LEGISLATIVE & REGULATORY REPORT

2023 Commercial Real Estate Legislative and Regulatory Year in Review

BAD BILLS SIGNED INTO LAW

SB 253 (Wiener; D-San Francisco) – Redundant Greenhouse Gas Reporting

SB 253 was heavily opposed by a massive coalition of business groups. The bill requires any business entity with total annual revenues more than \$1 billion to publicly report their annual greenhouse gas (GHG) emissions. These disclosures will include corporate supply chains (scope 3), which can include more than 90% of a corporation's carbon emission.

SB 616 (Gonzalez; D-Long Beach) – Costly Sick Leave

Sick Leave Expansion on all employers. The bill increases the number of job-protected paid leave hours employees can take each year under state law. Current law allows employers to limit employees' paid leave use per year to 24 hours or 3 days, whichever is greater. SB 616 increases the permitted annual use cap to the greater of 40 hours or 5 days.

AB 1572 (Friedman; D-Burbank) – Water Restrictions

Limits irrigation of turf that may have a beneficial use (municipal, multifamily and industrial). Could limit approaches and design techniques that mitigate heat impacts and urban heat islands. Restricts local water agencies from adopting reasonable regulations.

SB 723 (Durazo; D-Los Angeles) – Extension of Employee Rights to Recall Under COVID-19 Regulations

Extends from December 31, 2024 to December 31, 2025, the sunset date on the existing "right to recall" rights for employees in the hospitality and service industry, and adds to these provisions a presumption that a separation due to a lack of business, reduction in force, or other economic, nondisciplinary reason is due to a reason related to the COVID-19 pandemic, unless the employer establishes otherwise by a preponderance of the evidence.

SB 1439 (Glazer; D-Antioch) - Campaign Contributions

This bill was signed into law in 2022 by Governor Newsom. It sets a \$250 cap on contributions to local elected officials from certain entities such as businesses and their employees. SB 1439 could adversely affect small business owners' ability to engage in the local political process limiting their influence in government decisions that can significantly impact their operations.



ANNUAL LEGISLATIVE & REGULATORY REPORT

2023 Commercial Real Estate Legislative and Regulatory Year in Review

ATTACK ON PROPOSITION 13

In the final three weeks of session a major attack was launched to further weaken Proposition 13.

**Assembly Constitutional Amendment 1:
Makes it easier to raise taxes**

- Lowers 2/3s vote for almost all special tax measures to 55%
- Put on ballot by a one-sided partisan vote of the Legislature.

**Assembly Constitutional Amendment 13:
Makes it harder to fix Proposition 13**

- Aimed specifically at the Taxpayer Protection Act
- Changes the rules to make it harder to restore 2/3s vote
- Put on ballot by a one-sided partisan vote of the Legislature
- In coordination with ACA 13 the Gov and Legislative Leaders have petitioned for removal of TPA from the ballot arguing these issues are too important for voters to decide.

PROTECTING PROPOSITION 13

Our industry has successfully placed a ballot initiative on the November 2024 ballot that will protect proposition 13, The Taxpayer Protection Act and Government Accountability Act (TPA). However, Governor Newsom, Speaker Rivas and Former Democratic Party Chairman John Burton have petitioned the California Supreme Court to remove TPA from the ballot stating this issue it too complex for voters to weigh in.

TPA: Restores taxpayer protections recently eroded by court decisions

- Restores 2/3s Vote for All Special Taxes & Protects Against Split Roll
- Put on ballot through 1.4M voter signatures
- Supported by Real Estate/Business Groups





ANNUAL LEGISLATIVE & REGULATORY REPORT

2023 Commercial Real Estate Legislative and Regulatory Year in Review

REGULATORY SUCCESSES

CBPA maintains a presence as part of the building code process to provide early input to regulatory agencies on technical matters, identify major initiatives that will impact CBPA members, and to redirect measures that are introduced as legislative measures.

AGENCIES UPDATE WILDFIRE REGULATIONS: Two different state agencies have updated regulations for construction performed in areas mapped as Urban-Wildland Interface (WUI) zones. As done every 18 months, the Office of the State Fire Marshal updated their WUI fire safety building standards. These will continue to apply to construction in State Responsibility Areas (SRAs) zones mapped as Moderate, High, and Very High Fire Severity Zones and Local Responsibility Areas (LRAs) mapped as Very High Fire Severity Zones. The industry was able to block a proposal that would have eliminated a very low-cost, prescriptive way to show compliance with the Class A roof covering mandate for these zones. We also successfully blocked a proposed change that could have inadvertently expanded the application of the standards to moderate and high fire severity zones in the LRAs.

Perhaps the biggest news of this regulatory update is the completion of a new set of updated fire severity zones in the SRAs by the Office of the State Fire Marshal. These maps have not been updated for over 15 years. These maps have been forwarded to local jurisdictions for ratification via the local ordinance process. Also, the California Board of Fire Safety (Cal Fire) has adopted updated regulations for development in these WUI regions. The greatest impact of these updated standards will be on new residential construction in existing residential areas.

UNIFORM BUILDING STANDARDS: CBPA worked to help the Building Standards Commission approval of Uniform Building Re-Use/Rehab Standards. A policy strongly supported by industry and local code enforcement agencies, the BSC approved regulations proposed by the State Fire Marshal, adopting additional chapters of the 2021 International Existing Building Code by reference. This code change will provide additional compliance methodologies and options for California design professionals working on alterations, changes of occupancy, and additions to existing buildings, and will be available for use by the industry for permits submitted on or after July 1, 2024.



ANNUAL LEGISLATIVE & REGULATORY REPORT

2023 Commercial Real Estate Legislative and Regulatory Year in Review

REGULATORY SUCCESSES (Cont.)

CARBON REPORTING/REDUCTION REPORTING: In response to strong objections from CBPA and local building officials, the BSC significantly reduced the stringency of their proposed mandate for “embodied carbon” reporting and reduction which initially proposed a trigger for carbon reporting on new buildings as small as 25,000 sf. After strong objections from industry this threshold was later raised to only include new buildings greater than 100,000 sf.

ELECTRIC VEHICLE CHARGING MANDATE: On both the legislative and regulatory front, CBPA has been able to keep EV charger mandates at the levels that were negotiated and adopted in 2021, despite strong pushes to significantly increase the mandated number of charging unit installations through legislation and regulatory effort.

However, in response to a proposal from the Governor’s Office a proceeding to require EV-charging retrofit when a commercial building alters or adds to its existing parking facility when that retrofit includes an upgrade to the building’s electrical panel(s) is now under consideration. A similar mandate has been required in exiting residential facilities for the past three years. CBPA representatives have suggested several edits to this proposal to increase clarity. For example, no such retrofit would be required if the parking lot is simply being refinished/restriped. Also, exemptions for significant cost impact and infeasibility have been added to these new regulations due to our advocacy and engagement.

ROOFTOP SOLAR FOR COMMERCIAL: CBPA has been able to protect major victories earned engaging with state agencies on the solar mandate for non-residential buildings, keeping the focus on new construction only, applying reasonable rooftop ratios, and providing numerous exemptions.

More information on both EV charger and rooftop solar regulations can be found in the following joint report from CBPA: [Title 24 Non-Residential: Solar, Batteries and EV Charging](#).



2023 CBPA PAC UPDATE

In 2023 the two CBPA PACs have raised over \$230K, the highest CBPA has ever raised in an off-election year.

CBPA did its first “official” PAC fundraiser this year in Santa Monica in conjunction with a board meeting, which netted over \$100K and engaged leadership of the Moderate Caucus.

The Issues PAC has distributed \$25K to support the Taxpayer Protection Act and to support initial polling on a proposed San Diego Document Transfer Tax.

The Candidate’s PAC has distributed \$100K to twelve candidates, the L.A. Chamber Jobs PAC, the Moderate Democrat Caucus, and Governor Newsom.

CBPA PAC strives to support business friendly candidates and elected officials that are relatively business friendly and engaged on issues impacting our industry.

The CBPA PAC is led by the following four individuals appointed by the CBPA Board: Phil Tate, Chair (Kilroy), Todd Ferrara, Vice Chair (Tejon Ranch), Trini Jimenez (Watson Land), Steven Schuyler (Irvine Company).

Service on the CBPA PAC board require that you be a CBPA Associate Level Member and contribute a minimum of \$5K to the PAC.



**CBPA PAC’s Inaugural
Fundraiser**
Santa Monica
May 11, 2023

The following companies have generously supported the CBPA PAC in 2023:

Kilroy Realty | Irvine Company

FivePoint | CJ Segerstrom & Sons | Sempra Energy

Watson Land Company | Tejon Ranch Company | CEMEX

Target Corporation | NAIOP Inland Empire

NAIOP SF Bay Area | FCE | Goodman