

# CBPA Weekly Update – February 19, 2021

*February 20, 2021*

## **BILL INTRODUCTION DEADLINE TODAY!**

Today is the California State Legislature’s “Bill Introduction Deadline,” and as of today we have already seen more than 2,000 new legislative bills introduced on a wide variety of topics.

Your staff in Sacramento reads every single one of these bills and will start working with our own legislative committees and subject matter experts to identify those that have an impact on your business, tenants, and those you do business with, and will work to support the things that make sense, while opposing the bills that will make it harder for you to operate as an employer.

Because we are buried in bills, this will be an abbreviated Weekly so we can focus on slogging through the big pile of legislation!

## **GOVERNOR/LEGISLATURE – \$2B FOR SMALL BUSINESS GRANTS**

On Wednesday, the Governor and the Legislature announced a sweeping agreement to assist Californian’s impacted by COVID, including more than \$2B for small

businesses, which is a fourfold increase from the amount included in the Governor's budget last month.

The commercial real estate industry has actively advocated for grants to businesses impacted by COVID closures since last April when the economy started shutting down in earnest. Our industry wants to make sure tenants come through this emergency still in business and that our properties are not devastated with empty spaces.

The bill carried by Senator Anna Caballero (D-Salinas) is [SB 87](#), includes grants of amounts up to 25K for eligible businesses with gross revenue of up to \$2.5M. Grants can be used for business overhead, including rent.

Last legislative session the state was not willing to step-up financially and we saw bills like SB 939, which simply shifted the debt burden from tenants to property owners, in an unfair and unsustainable manner; a plan that would have seen a rent crisis turn into a mortgage crisis and many small businesses lose their properties to the note-holders.

Although the total impact to businesses in the state is far greater than \$2B, this funding source will help the smallest businesses keep their doors open and employees employed, and we applaud the Governor and Legislature for stepping up in this way.

Additionally, according to the Governor's office, the agreement also "partially conforms California tax law to new federal tax treatment for loans provided through the Paycheck Protection Plan, allowing companies to deduct up to \$150,000 in expenses covered by the PPP loan. All businesses that took out loans of \$150,000 or less would be able to maximize their deduction for state purposes. Larger firms that took out higher loans would still be subject to the same ceiling of \$150,000 in

deductibility. More than 750,000 PPP loans were taken out by California small businesses. This tax treatment would also extend to the Economic Injury Disaster Loans as well.”

Businesses heeded the call of the Governor and health experts to shut down – its only right the State of California help ameliorate the economic impacts.

#### **RESTAURANTS AND BAR FEE WAIVERS FOR COVID RELIEF**

The agreement to help California businesses dealing with COVID Impacts also will provide for two years of fee relief for roughly 59,000 restaurants and bars licensed through the state’s Department of Alcoholic Beverage Control that can range annually from \$455 to \$1,235.

The agreement also reflects fee relief for more than 600,000 barbering and cosmetology individuals and businesses licensed through the Department of Consumer Affairs.

The fee waiver can be found in [SB 94/AB 83](#).

#### **GOVERNOR TELLS LEGISLATURE TO OPEN SCHOOLS FASTER**

Following pressure from business groups last week to open the economy as fast as is safe, including getting kids back to school, the Governor and legislature have been going back and forth on a plan to make it happen.

And yesterday, Governor Newsom asked the Legislature to move it along at a quicker pace, issuing the following statement:

*“Since the first week of this year, the Legislature has had before it our Administration’s plan to accelerate and support school reopenings for our youngest students – as safely and quickly as possible. My Administration has **not waited**: in that time, we have prioritized school staff for COVID-19 vaccinations, launched new online tools for transparency and accountability, provided technical assistance to hundreds of school districts, and are directly supporting over a thousand schools with routine COVID-19 testing. More importantly, local leaders have not waited: every day, more school leaders and staff are coming together to announce safe returns to in-person instruction.*

*“Our plan is grounded in the same science that’s been recognized by the medical professionals at the Centers for Disease Control and Prevention, by the President’s Chief Medical Adviser, Dr. Fauci, and by the President himself.*

*“While the Legislature’s proposal represents a step in the right direction, it doesn’t go far enough or fast enough. I look forward to building on the growing momentum to get our schools open and continuing discussions with the Legislature to get our kids back in school as safely and quickly as possible.”*

**BSC CONSIDERING CHANGES TO ELECTRIC VEHICLE REGS**

At the request of the Air Resources Board (ARB), the Building Standards Commission (BSC) in January unveiled a proposal that would mandate at least one fully operational Level 2 EV-Charging station wherever EV-ready spaces are required.

At that same meeting, it was also announced that the California Energy Commission (CEC) would be providing compliance credit with the energy standards that could help cover some of the EV-charging installation costs.

How much credit has yet to be determined; however, when the CEC releases formal language in March, our energy advisors at ConSol will be calculating the monetary value of this credit.

Many believe the EV charger mandate for commercial and multi-family, is inevitable this year due to heavy support from the Governor, growing demand, new funding opportunities, and the fact that such a mandate has been staved-off for more than a decade.

Unfortunately, in response to the Governor's executive order on EV Charging last summer, ARB is pursuing additional changes to code that could conceivably mandate Level 1 charging for 50% of all parking spaces. While more manageable from a load perspective, Level 1 (120v outlet) being installed in unsecured commercial parking lots exposed to the elements could represent a significant health and safety problem, not to mention being a potential magnet for use by individuals using the outlets for things other than charging a vehicle.

Bottom line: we will continue to raise the questions: Who is paying for the installation, on-going maintenance, and monthly utility bills? After all, this represents an on-going revenue stream to the local electrical utility. How do we

safely provide access to consumers in an unsecured parking lot exposed to the elements, especially during a storm? How do we keep Level 1 chargers from attracting unintended usage?

If you are interested in having a deeper discussion and/or participating in the code process, please let us know. We are seeking experts to help us analyze proposals and figure out how much they will cost different types of properties.