

# CBPA Weekly Update– January 21, 2022

*January 22, 2022*

## **PROPOSED CHANGES TO ROOFTOP SOLAR SUBSIDY PROGRAM**

The rooftop solar issue will be heating up in the next few weeks as it goes in front of the CPUC and there will be a lot of activity that may raise some questions and a need for information.

We are SUPPORTING this reform. As leaders in our industry I want to make sure you have some easy resources at your fingertips if you get asked and/or if you want to actively want to support the effort and communicate on the issue.

Net Energy Metering (NEM) was established in 1995 to encourage installation by homeowners of what was then an emerging and expensive technology, rooftop solar. We are currently in NEM 2.0 and the CPUC has a proposal in front of it to move to NEM 3.0 which will take a comprehensive look at the policy and update it.

Although there are some splits in the broader business community, the commercial real estate industry and most of our employer/tenant group allies are supportive of this reform. Most non-residential properties do not get incentives and are subsidizing the residential program through higher energy costs. Additionally we are seeing more and more local – and now a statewide – mandates for installation of solar on our properties, and electrification of buildings as part of the decarbonization policies, and mandates for installation of EV infrastructure. All of which requires a massive update of the state's energy grid.

CBPA, BOMA California, NAIOP California, ICSC, the CalChamber and many more have joined a coalition in support of these proposed changes.

To view the entire coalition and get more information on updating California's rooftop solar program, [click here](#).

To view the CPUC's proposed changes, [click here](#).

**AB 1400- SINGLE PAYER HEALTHCARE REACHES ASSEMBLY FLOOR**

Yesterday AB 1400 (Kalra), a bill paired with ACA 11 (Kalra and Lee), reached the Assembly Floor. These bills would create and fund a single payer health care system in California paid for by raising and establishing taxes for all Californians.

We have joined the CalChamber's coalition of 122 members to oppose this legislation as it would result in higher taxes and more job loss in California.

In the opposition letter, [found here](#), it is stated that this legislation would cost more than \$400 billion annually. Trying to create an entirely new state function that costs more than twice the state budget is an incredibly difficult task, especially given our state's recent experience with massive fraud and uncertainty of the function's feasibility.

Assembly Budget Vice Chairman Vince Fong wrote in a statement, in part, "The jaw-dropping price tag of this singular program is more than the entire budget proposal of \$286 billion proposed by the Governor."

AB 1400 could be voted on next week. Stay tuned for important updates.

#### **TAXPAYER PROTECTION ACT OF 2022- LAO REPORT**

The Legislative Analyst's Office (LAO) released a report on the Taxpayer Protection Act of 2022 this week. We are the proponents of this proposed ballot initiative, as it will fix how the state and local governments can impose taxes, fees, and other charges. We worked with other groups to develop this measure to restore the 2/3 voter threshold, which has been upended and is a critical threat to our industry.

The LAO identified the changes, among others, that this ballot proposition would impose as

- Expanding the definition of tax (include some fees and charges)
- requiring voter approval for state taxes (2/3 vote threshold)
- requirements for approving local taxes (2/3 vote threshold)
- allowable uses and duration of state and local tax revenues must be specified

The LAO also released a fiscal impact stating, "By expanding the definition of a tax, increasing the vote requirements for approving taxes, and restricting administrative

changes to fees, the measure makes it harder for the Legislature to increase nearly all types of state revenues.”

To read the full LAO Report with more details, [click here](#).

Stay tuned for future updates on this important proposed ballot initiative and others as we charge towards November.

#### **2022 CBPA LEADERSHIP AND STAFF**

Earlier this month, [Matthew Hargrove](#) stepped into his new role as President & CEO of California Business Properties Association (CBPA) following the [retirement of Rex S. Hime](#). Hargrove was tapped to lead the organization by its board of directors in December 2021.

Melissa Stevens, Rex W. Hime and Crystal Whitfield continue to fill-out the staff at CBPA. [Melissa M. Stevens](#) serves as the Chief Operating Officer (COO) for California Business Properties Association. As COO, she is responsible for operational, financial, and administrative policies and procedures for CBPA.

[Rex W. Hime](#) serves as the Vice President of Strategic Communications for California Business Properties Association. Hime manages all aspects of internal and external communication to advance organization and industry policy priorities.

[Crystal Whitfield](#) has served as Executive Assistant at California Business Properties since 2015. Whitfield manages scheduling, office administration and is the first point of contact for the office of California Business Properties Association.

[Rex S. Hime](#) remains involved with CBPA as a Senior Advisor as he steps away from the day-to-day operations after 37 years of service.

To read the full release, [click here](#).

#### **INDUSTRY AWARDS DINNER & CBPA'S 50TH ANNIVERSARY- REGISTER NOW**

[California Business Properties Association Industry Awards Dinner & 50th Anniversary Celebration](#) is scheduled for March 24, 2022, at The Renaissance Hotel in Newport Beach starting at 6:00pm. This bi-annual event is a chance to recognize the unwavering leadership of individuals and companies dedicated to the office, industrial, and retail real estate industry.

This year we will be pairing the Awards Dinner with a 50 Year Celebration, acknowledging the history and key role California Business Properties Association has played in advocating for and defending our vital industry. CBPA would not be successful without our leadership, membership, and those in our industry who go above and beyond in the legislative process.

With [Rex Hime's retirement announcement](#), and his 37 years of service to our industry, this event will also be an opportunity to honor and thank him and those who helped establish CBPA to become "The Voice of Commercial Real Estate," in California.

*The following peer-nominated awards represent the highest recognition given to industry leaders in the State of California:*

The Ernest W. Hahn Memorial Award honors our founder's many contributions to the real estate industry. The award is given to an individual and/or organization that go above and beyond the call of duty to impact legislative, regulatory, or public policy issues on behalf of our industry.

**[Honoree: NewMark Merrill, Sandy Sigal](#)**

The John Caldecott Memorial Award honors the unfaltering lifelong community service provided by John Caldecott through his service in the Salvation Army. The award recognizes an individual and/or organization that advances our industry through community service to others.

**[Honoree: Kilroy Realty](#)**

The Ray Magnussen Memorial Award honors Ray Magnussen who, as a provider to our industry, lead a statewide effort of advocacy to help fight issues facing all of us. The award is given to an individual service provider and/or organization that goes above and beyond the call of duty to impact the commercial real estate industry.

**[Honoree: Sarahann Shapiro, Pahl & McCay](#)**

Champion of the Industry Awards are presented to individuals and/or companies who have dedicated themselves to the improvement of the commercial, industrial, and/or retail real estate industry in California through the development of projects that stand-out for their innovation, attraction, and versatility.

**Honoree: Lew Horne, CBRE**

Click the links below for Registration, Sponsorship, and hotel accommodations:

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We look forward to seeing you in March and celebrating our industry together!