

CBPA Weekly Update- May 21, 2021

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GOVERNOR APPOINTS – SENATE CONFIRMS – REX HIME TO HISTORIC POST

In a historic action in California, CBPA President and CEO Rex S. Hime has been re-appointed to the California Exposition and State Fair Board by Governor Newsom. Hime has now been appointed by six different California Governors from both political parties (Newsom, Brown, Schwarzenegger, Davis, Wilson, and Reagan) to various positions.

Earlier this week the California State Senate approved the appointment on a unanimous vote.

“I thank Governor Newsom and the State Senate for the confidence they have in me to re-appoint me to the State Fair Board,” Hime said. “Giving back to the State of California through serving in various policy capacities has been a great honor. I am so thankful to have had the opportunity – and trust – for so many years.”

The announcement was made in a press release from the Governor’s Office earlier this year, which stated the following about Hime:

“Rex Hime, 72, of Loomis, has been reappointed to the California Exposition and State Fair Board of Directors, where he has served since 1996. Hime has been President and Chief Executive Officer at the California Business Properties

Association since 1984. He was Senior Assistant to the Minority Caucus Chairman at the California State Assembly from 1983 to 1984 and held multiple positions at the California Commission for Economic Development from 1979 to 1983, including Executive Director and Deputy Director. Hime earned a Juris Doctor degree from the University of California, Davis School of Law. This position requires Senate confirmation and there is no compensation. Hime is a Republican.”

Congratulations Rex!

[Click here](#) to see the full press release from Governor Newsom’s office.

CALIFORNIA COMMERCIAL REAL ESTATE SUMMIT – REGISTER NOW

The California Commercial Real Estate Summit (CCRES) will be held from 1:00 pm to 4:00 pm via Zoom on June 8, 2021. This event is the one time of year that industry leaders from all sectors of the commercial, industrial, and retail real estate industry gather and discuss the issues that impact the way we do business in California. The summit gives you an opportunity to hear from state-wide elected officials, leaders in the State legislature, and industry leaders. This year we will be joined by Lieutenant Governor Eleni Kounalakis, Senate Pro Tem Atkins, Speaker Rendon, and John Myers the Sacramento Bureau Chief of the LA Times.

CBPA understands that the Commercial Real Estate community needs to stay active and involved because legislation and policy that affects us all will still be marching forward, whether we are meeting in person or not. The opportunity to hear from our elected officials every year during this event is vital. Now more than ever, we need to

make sure the business community is sitting at the table with the Legislature and Administration to help guide decision making.

You must register in advance to attend. After registering, you will receive a confirmation email containing information about joining the webinar.

[CLICK HERE](#) to register!

Sponsorship opportunities are available! Please contact Melissa Stevens at 916-443-4676 or mstevens@cbpa.com for more information.

CALIFORNIA WILL “REOPEN” JUNE 15

California is preparing to get back to normal. On June 15, capacity and distancing restrictions will be lifted for most businesses and activities. Large-scale indoor events will have vaccination or negative test requirements for attendees through at least October 1.

[Click here](#) to learn more about what this means for the state, your business, and your friends and family.

APRIL JOBS REPORT HAILED BY GOVERNOR

California Governor Gavin Newsom released the following statement on today's April jobs report which showed that California added 101,800 jobs in April, following 132,400 jobs created in March and 156,100 jobs created in February.

“California is continuing to lead the nation's economic recovery, adding 101,800 jobs in April – 38 percent of all the jobs created throughout the entire country. Over the past three months, California has created 390,300 jobs. But we're not letting up, the California Comeback Plan is the biggest economic recovery package in the state's history and will provide historic investments in small businesses and workers to bring California roaring back,” said Governor Newsom.

The commercial real estate industry has maintained throughout the pandemic that the fundamentals of the economy are strong and the best way to recover is to open up the economy as quickly as possible as soon as it is safe. We hope these numbers continue to trend in a positive direction as the state gets closer to the June 15 date of reopening.

[Click here](#) to read the April Jobs Numbers for California.

APPROPRIATIONS DEADLINE

Today is the “Fiscal Deadline” in the California State Senate and Assembly. In order to keep moving along, all bills must be cleared of their House of Origin Appropriations Committee.

Thousands of bills have been heard over the past three weeks and each Appropriations Committee has considered all bills that were moved to the committees’ “Suspense File” due to State General Fund fiscal impacts the bills would have. This deadline is a significant hurdle in the early session.

See below and stay tuned for updates on bills that were stopped or survived “Suspense!”

COMMERCIAL EVICTION BILL AMENDED – NEEDS FURTHER CHANGES

Two weeks ago, AB 255 (Muratsuchi) was amended to address several concerns expressed by our industry along with a 26 member coalition of various business association. The amendments removed some of the more egregious language that would allow one business to unilaterally decide not to pay a valid contractual expense.

The bill now allows a business to use COVID-19 economic hardship as an “affirmative defense” as part of an unlawful detainer proceeding.

[Click here](#) to read the AB 255 current coalition letter.

Although the amendments did address some concerns in the bill, and we appreciate the work the committee staff and the author's office put into it, there remain issues that need to be addressed.

Our coalition continues to agree with the author that the state mandated COVID-19 shelter-in-place orders have had negative impact on businesses of all types, but we fundamentally do not agree with the approach this bill takes to address the issue. All other relief measures provide state and/or federal funds, which the state has received in the billions. AB 255 contains no state funding assistance and instead shifts the burden to assist from one business from another.

The state's own COVID-19 Small Business Relief Grant (SB 87) allows small businesses the ability to receive state assistance while prioritizing their own fiscal needs. With more funding that program can immediately help the same businesses targeted in AB 255 without creating negative unintended consequences. And since that program, the Governor has announced BILLIONS more in tax relief and direct funding for small businesses. These programs will accomplish what AB 255 seeks to do without a complicated court proceeding.

We think the Governor and Legislature's approach is the most appropriate and best way for the state to assist the businesses having issues related the COVID economic closures; not inserting new rules into existing business contracts and court proceedings.

However, we do understand that our industry can be helpful pushing through this and getting the state back open as soon as possible, so we have offered amendments that will address several technical issues with the bill. If these amendments are accepted our coalition will remove its opposition to the bill.

See the story below about the all the funding going to small businesses for relief from this pandemic. AB 255 is completely unnecessary in the face of the historic and unprecedented levels of direct government support.

We will keep you posted and thank you for your help!

CODE ADOPTION HEATS UP – ENERGY COMMISSION HEARINGS NEXT WEEK

The Building Code adoption process continues to move forward now at an accelerated pace. The Energy Commission released its proposals two weeks ago and will hold hearings next week on what it is proposing for adoption to the State's Energy Code, and will formally unveil its 45-day language.

The process has dragged on six months longer than anyone anticipated due to a number of factors including difficulty of meeting during the COVID pandemic, as well as some very late proposals from the Administration, including one to drastically increase Electric Vehicle Charging Station installation requirements for commercial and multi-family properties.

The Commission is hoping to get its work done and adopted by the end of July. It will then formally go to the Building Standards Commission for discussion and adoption at their December 14-16 meeting.

December 14, 15, 16 CEC regs will have to go in front of Building standards commission. What is adopted will be implemented on or after Jan 1, 2023.

The California Energy Commission proposed changes for the Energy Code is a 548 page technical document that will impact all aspects of energy use in commercial buildings. Our industry has participated in many hours of meetings and hearings providing input and recommendations and fighting some very expensive ideas.

This is a massive document with lots of technical changes. We are working to read and identify issues with the proposed changes to prepare for the first hearing that will begin soon.

In the meantime, to give you a head start, below find a link to the document hot off the presses. We hope you will send to your own experts and consultants and provide feedback on issues of concern.

[Express Terms 2022 Energy Code, Title 24 Parts 1 and 6](#)

We are asking that members of our industry get involved and participate in this process. We need financial support to continue to engage the experts needed to help identify, analyze, and advise the staffs of the CEC and the Building Standards Commission. If you can help chip in for the cause, please contact rexhime@cbpa.com.

We are also asking our members to get engaged, participate in the process, and alert us to issues that would have an impact on how you build, operate, and/or manage your building.

The CEC workshops begin this Monday, May 24, and you can find all attendance and policy information by [clicking here](#).

This is a hugely important process. Don't wait until after the codes are adopted to realize their impact. Help us engage now to help advise the Administration so we can avoid expensive building and energy code that has low or no benefit from being adopted.