



**APA CALIFORNIA LEGISLATIVE UPDATE
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The 2024 Legislative Session Begins

The California State Legislature reconvened for the 2024 Legislative Session on January 3, and we are preparing for what is expected to be a busy year. Especially as the Governor and the Legislature navigate a significant projected budget deficit. The deadline to introduce new bills is February 16 and it's anticipated that we will again see several proposals to address the housing and homelessness crisis, in addition to continuing to address infrastructure needs to help meet California's climate goals. However, given the current budget deficit, legislative proposals with new state costs will likely face a challenging path forward. As always, we expect hundreds of bills of interest to planners to be introduced. APA California will be reviewing these bills and creating a tracking list that will be posted on the [advocacy](#) page of the APA California website in February. Stay tuned for more updates on specific bills and our activities as the session moves forward.

2023-2024 Proposed Budget Released

Governor Newsom released his 2024-2025 California State Budget on January 10, which focuses on navigating through another challenging year. Projecting a \$38 billion deficit, the Governor is proposing to declare a budget emergency later this year, which is required by law to tap the state's main reserves. Noteworthy, this deficit projection is much less than the \$68 billion deficit that the Legislative Analyst's Office had previously projected. Overall, the projected deficit is a result of reduced state revenues and delayed tax deadlines. To balance the budget, the Governor proposes several actions, including:

- Withdrawing \$13.1 billion from the budget stabilization and safety net reserve accounts
- Cutting \$8.5 billion from existing programs and services, including climate, housing and education
- Delaying \$5.1 billion worth of spending, which includes funding for transit

Related to housing and homelessness, the Governor noted that while the funding committed to in last year's budget to provide a Fifth round of HHAP grants will remain, he will continue to work with the Legislature to require additional accountability measures. Additionally, while the Governor remains committed to addressing the housing and homelessness crisis, the proposed budget does include reductions for some housing related programs, including (but not limited to) REAP 2.0 grants, the Infill Infrastructure Grant Program and more.

Additionally, from page 65 in the budget summary:

... "The Administration is identifying opportunities to pursue additional federal funding that supports housing development, as well as opportunities to streamline and rationalize the process by which the state and local governments plan for housing. Additionally, the Administration is advancing and developing strategies to facilitate housing construction and adaptive reuse in infill areas, as well as strategies to reduce the cost of housing construction overall."

Over the next few months, draft budget trailer bill language to implement specifics in the proposed budget will be published online and budget subcommittees will begin to hold hearings on these proposals. The Governor will offer a revision to the proposed budget in mid-May, which is when the state will have a more accurate understanding of 2023 income tax collection. The final budget must be passed by June 15 and budget trailer bills must be passed by the end of session on August 31. For more details on this proposal, please review the Governor's [Budget Summary](#).