



## APA CALIFORNIA LEGISLATIVE UPDATE MAY 2025

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### **Legislature Works to Pass Hundreds of Bills Introduced in Their Respective House**

The Appropriations Committees will meet on May 23 to consider hundreds of bills sitting on the “Suspense File”, where proposed legislation with state costs above a specified threshold are sent to be considered at one time. It is common for several bills on the Suspense File to be held, due to fiscal impacts (and sometimes policy related), and therefore stopped from moving forward. This year will be especially challenging given the state’s budget deficit (noted below) and ongoing uncertainty. Because of this, it’s possible that more legislation than normal might be held. That said, as is typical, most high priority planning-related bills will likely continue to move. After the Suspense File has been dispensed with, the Legislature will work on the floors of their respective house to pass bills to the other house by the June 6 deadline. After that policy committees will resume, where all planning-related bills will have a second pass before Summer Recess in mid-July.

For more information on all the bills APA California is currently tracking, you can always visit the website for the current [list](#). As we continue to develop positions on bills moving in the Legislature, APA California shares [position letters](#), online. Note that even if you don’t see a position letter on a particular bill, that doesn’t mean we aren’t working on it. We often work in advance of taking a position to try and address concerns where possible. In fact, we are continuing to do this as we speak!

### **Governor Newsom Releases May-Revise, Projecting a Deficit Amid Ongoing Uncertainty**

Governor Newsom released the [May Revision](#) to his proposed 2025-2026 State Budget, which totals \$321.9 billion in state spending and anticipates a shortfall of \$12 billion – a stark contrast to the budget released in January that included a “modest surplus”. The projected deficit is due in large part to economic uncertainty, as noted in the Governor’s [press release](#). We are still reviewing the details but wanted to share a few items in that we think will be of interest to planners. Specifically, the May-Revise included the following:

#### **Housing and Homelessness**

- Funding to support the reorganization and creation of the California Housing and Homelessness Agency (CHHA), which includes resources for CHHA and the creation of the Housing Development and Finance Committee (HDFC).
- Statements of support for proposals that *“hold all permitting entities accountable to existing statutory processes and timelines to reduce delays, alongside targeted improvements to existing streamlining tools and innovative financing strategies that reduce vehicle miles traveled by supporting affordable, transit-oriented housing. The Administration is also committed to partnering with the Legislature to include key legislation into the budget that advances these goals, which are essential to accelerating infill development.”* The Governor announced through a separate [press release](#) more detail on what this streamlining effort will look like. Also noted during both during the press conference on the May-Revise and the follow up press release is his support for two legislative proposals ([AB 609](#) and [SB 607](#)) currently moving through the Legislature that will be taken up in budget trailer bills as part of the budget process. APA California has had numerous discussions with legislative staff, supports both pieces of legislation and will be monitoring for more details on other streamlining efforts through the budget.
- **Does not include any new funding for housing/homelessness programs**, while noting interest in working with the Legislature on a potential statewide bond measure to fund critical investments in



housing and infrastructure. Two identical affordable housing bonds are also moving in the Legislature and supported by APA California ([AB 736](#) and [SB 417](#)).

- **Proposes a reversion** of \$31.7 million unexpended funds that was previously appropriated for the Infill Infrastructure Grant Catalytic Program, the Commercial Property Pilot Program, and the 2021 Infill Infrastructure Grant Program. The amount identified for reversion represents the unused balance of funds that have not been awarded to date.

#### **Climate**

- Proposes an extension of the Cap-and-Trade (renamed to Cap-and-Invest). The Administration will work with the Legislature *“to design an expenditure plan that invests the program’s proceeds in transformative climate projects, such as the High-Speed Rail Project, as well as other climate programs.”*
- Proposes statutory changes to streamline administrative processes for the Delta Conveyance Project.

#### **Next Steps**

Discussions on the budget will continue between the Administration and the Legislature, budget trailer bill language to implement specifics in the proposed budget will be published online and budget subcommittees will continue to hold hearings on these proposals. The final budget must be passed by June 15 and budget trailer bills must be passed by the end of session on September 12.

#### **Stay Connected on Legislation**

If you’re interested in receiving updates on legislative and regulatory issues from the Chapter’s Policy and Legislation Team, please join here. Have questions on policy and legislative related issues, including bills and regulations? APA California members are welcome to reach out to the VP for Policy and Legislation at [policy@apacalifornia.org](mailto:policy@apacalifornia.org).

#### **APA California’s Work in the Legislature**

APA California has a robust legislative program at the Chapter level that engages with the California Legislature. The Policy and Legislation team includes an elected VP for Policy and Legislation, two appointed Legislative Technical Advisors, and a Lobbyist retained by the Chapter. The team engages directly with APA California Section Legislative Representatives from each of the 8 Sections within the Chapter to discuss feedback on legislation and other relevant issues regularly throughout the year. To view the Policy and Legislation team, visit the Board of Directors page.

APA California actively engages in many bills throughout the year. In fact, we work closely with legislative and committee staff on amendments and clarifications to bills before taking a position. As an organization, APA California is often asked to provide feedback on planning related bills and provide technical expertise, giving a voice to planners and an opportunity to help shape legislation. This is a valuable role that the Chapter works hard to maintain. More broadly, we will continue to discuss the work planners are doing at the local level to implement and keep up with all the planning related bills that pass year over year and how that relates to the cumulative impact of bills on the table this year. We also continue seek opportunities to suggest tangible ways, absent fiscal resources at the state level, that the Legislature can help to make implementation more successful and support the planning community.