SENATE COMMITTEE ON LOCAL GOVERNMENT Senator María Elena Durazo, Chair

2023 - 2024 Regular

Pursuant to Rule 29.10(c)

Bill No: Author: Version: AB 98 Juan Carrillo 8/28/24 Amended Hearing Date:8/29/24Fiscal:YesConsultant:Favorini-Csorba

PLANNING AND ZONING: LOGISTICS USE: TRUCK ROUTES

Prohibits cities and counties from approving new or expanded logistics uses unless they meet specified standards, requires cities and counties to update their circulation elements to include truck routes, and imposes study requirements on the South Coast AQMD.

Background

Land use planning. The California Constitution allows cities and counties to "make and enforce within its limits, all local, police, sanitary and other ordinances and regulations not in conflict with general laws." It is from this fundamental power (commonly called the police power) that cities and counties derive their authority to regulate behavior to preserve the health, safety, and welfare of the public—including land use authority.

Planning and Zoning Law. State law provides additional powers and duties for cities and counties regarding land use. The Planning and Zoning Law requires every county and city to adopt a general plan that sets out planned uses for all of the area covered by the plan. A general plan must include specified mandatory "elements," including a land use element that specifies that general types and intensities of use that are allowed in different areas covered by the general plan. Cities' and counties' major land use decisions—including most zoning ordinances and other aspects of development permitting—must be consistent with their general plans.

Local governments use their police power to enact zoning ordinances that shape the physical form of development and the allowable activities in an area. These ordinances can also include conditions on development to address aesthetics, community impacts, or other particular site-specific considerations.

The California Environmental Quality Act (CEQA) requires the state and local governments to study and mitigate, to the extent feasible, the environmental impacts of proposed projects, providing a key protection for the environment and residents of California. Under CEQA, a local agency carrying out a discretionary project must first determine if the project may have a significant effect on the environment. Projects can include jurisdiction-wide efforts such as the update of a general plan, approval of jurisdiction-wide contracts (e.g., waste hauling contracts or water service), and zoning ordinance amendments. A project can also include individual development actions such as the approval of warehouses, stadiums, gas storage facilities, and other types of developments. In the case of any discretionary project, if a local agency finds that the potential for significant environmental impacts exists, CEQA requires the agency to prepare and certify the completion of an environmental impact report (EIR).

CEQA places the burden on the approving agency to affirmatively show that it has considered feasible mitigation and alternatives that can lessen or avoid identified impacts through a statement of findings for each identified significant impact. A lead agency may approve a project with unavoidable (unmitigated) adverse environmental impacts. When doing so, CEQA requires the agency to make a statement in the record of its views on the ultimate balancing of the merits of approving the project despite the environmental impacts in a "statement of overriding considerations."

Warehouses and other logistics uses. The proliferation of e-commerce and consumer expectations for rapid shipping contributed to a boom in warehouse development in California. The Environmental Justice Bureau at the California Attorney General's Office notes that in the Inland Empire alone, 150 million square feet of new industrial space was developed from 2009-2019, and that 21 of the largest 100 logistics leases signed in 2019 were located in the Inland Empire.

Supply chain challenges. According to a recent publication by the Legislative Analyst's Office, "In order for businesses to produce and deliver goods and services to the consumer, goods must be transported from one place to another. Businesses often use ports, freight rail, and commercial trucks to move goods across international and state lines. For example, about 40 percent of U.S. imports and 25 percent of U.S. exports pass through the Ports of Los Angeles and Long Beach, which are both situated on San Pedro Bay.... In recent months, ports have experienced higher than normal levels of congestion. This is in part due to greater consumer demand for goods, which has resulted in a record volume of cargo at many ports. For example, in 2021, the San Pedro Bay ports processed 14.3 percent more cargo than in 2018. As a result, there is a growing backlog of ships waiting to offload and pick up goods at ports... Across all goods and services purchased by U.S. consumers, prices have risen by 7 percent over the past year, a considerably faster rate than recent history. Rising consumer prices primarily arise from a surge in the amount of goods consumers want to buy met with businesses struggling to produce and deliver those goods. One result of this dynamic is a dramatic increase in ocean freight costs, which businesses may pass on to consumers through higher prices. Port congestion appears to be a key driver of rising freight costs. Port congestion also may reduce the availability of some goods to retailers, which could increase the prices of some consumer goods."

Warehouse impacts. Numerous studies have correlated the presence of warehouses with negative health effects on nearby communities, due primarily to the truck traffic associated with the warehouses. Under Attorney General Xavier Becerra, the Office of the Attorney General (OAG) adopted a guidance memo titled *Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act.* The memo notes: "among other pollutants, diesel trucks visiting warehouses emit nitrogen oxide (NOx)—a primary precursor to smog formation and a significant factor in the development of respiratory problems like asthma, bronchitis, and lung irritation—and diesel particulate matter (a subset of fine particular matter that is smaller than 2.5 micrometers)—a contributor to cancer, heart disease, respiratory illnesses, and premature death. Trucks and on-site loading activities can also be loud, bringing disruptive noise levels during 24/7 operation that can cause hearing damage after prolonged exposure."

A staff report from the South Coast Air Quality Management District (South Coast AQMD) analyzed the impacts of warehouses at different distances and found that:

- Communities within ½ mile of large warehouses had scored more poorly on measures of environmental health than the basin as a whole;
- These communities have significantly higher proportions of Hispanic residents than the basin as a whole;
- Risks posed from particulate matter are also higher for populations located within ¹/₂ mile of warehousing facilities; and
- Measures of environmental health improve the further communities are from warehouses.

Warehouse mitigation measures. The OAG's memo identifies best practices for avoiding and mitigating impacts associated with warehouse development. The memo relies heavily on research prepared by the California Air Resources Board (CARB) in 2005. Among the recommendations proposed in the memo related to the siting and design of warehouses the memo notes that a best practice includes: "Per CARB guidance, siting warehouse facilities so that their property lines are at least 1,000 feet from the property lines of the nearest sensitive receptors." Sensitive receptors are areas that children, the elderly, and other vulnerable populations congregate, such as residences or schools. The underlying data the memo cites in support of this recommendation found an 80 percent drop off in the concentration of diesel particulate matter emissions from distribution centers, and associated cancer risk, at approximately 1,000 feet. CARB and South Coast AQMD analyses indicate that providing a separation of 1,000 feet substantially reduces diesel particulate matter concentrations and public exposure downwind of a distribution center.

The Attorney General also intervened in a recent warehouse development, reaching a settlement with the City of Fontana in April 2022 resolving allegations that the city violated CEQA by approving a 205,000 square foot warehouse project that borders a public high school and is located in a low-income neighborhood. As part of the settlement, the warehouse developer must implement mitigation measures and the city adopted an ordinance that requires new warehouse developments of greater than 400,000 square feet to be powered by solar energy, use zero emission (ZE) equipment on site, and set loading docks back by at least 300 feet from sensitive receptors, such as residences or schools.

The author wants to establish minimum mitigation measures for new logistics uses.

Proposed Law

AB 98 establishes standards that new or expanded logistics uses must meet, requires cities and counties to update their circulation elements to include truck routes, and imposes study requirements on the South Coast AQMD.

Standards for new logistics uses. AB 98 prohibits a local agency from approving development of a logistics use that does not meet or exceed specified standards, described below.

Definitions. The bill defines "logistics use" to mean a building in which cargo, goods, or products are moved or stored for later distribution to business or retail customers, or both, that does not predominantly serve retail customers for onsite purchases, and heavy-duty trucks are primarily involved in the movement of the cargo, goods, or products. However, it excludes all of the following:

• Facilities where food or household goods are sold directly to consumers and are accessible to the public;

- A building primarily served by rail to move cargo goods or product; and
- Certain types of intermodal facilities.

"Sensitive receptors" are defined to mean a residence, school, daycare facility, recreational facilities primarily used by children, nursing homes and similar facilities, and hospitals.

The bill also defines "warehouse concentration region" (WCR) to include the Counties of San Bernardino and the Cities of Chino, Colton, Fontana, Jurupa Valley, Moreno Valley, Ontario, Perris, Rancho Cucamonga, Redlands, Rialto, Riverside, and San Bernardino.

Siting criteria. Any new logistics use development must be sited on roadways that meet the following classifications:

- Arterial roads;
- Collector roads;
- Major thoroughfares; or
- Local roads that predominantly serve commercial uses, which mean 50 percent of the properties fronting the road within 1,000 feet are designed for commercial or industrial use according to the local zoning ordinance.

However, a waiver may be granted where siting on these roadways is impractical due to unique geographic, economic, or infrastructure-related reasons. The waiver shall be approved by the city, county, or city and county, provided that the applicant demonstrates all of the following:

- There is no feasible alternative site that exists within the designated roadways;
- A traffic analysis has been completed and submitted to the local approving authority;
- The site is an existing industrial zone; and
- The proposed site will incorporate mitigations to minimize traffic and environmental impacts on residential areas to the greatest extent feasible.

Buffers. Any new logistics use facility within 900 feet of a sensitive receptor must include a buffer that fully screens all adjacent sensitive receptors and include a solid decorative wall, landscaped berm and wall, or landscaped berm 10 or more feet in height, drought tolerant natural ground landscaping with proper irrigation, and specified types of trees (excluding palm trees) planted in two rows along the length of the property line with specified spacing. The buffer must meet the following widths, measured from the property line of all adjacent sensitive receptors:

- 50 feet if the logistics use is located in an industrial area; or
- 100 feet if the logistics use is located in a non-industrial area.

Setbacks, design and construction standards, and electrification requirements. AB 98 requires new or expanded logistics uses to meet certain requirements for setbacks from sensitive receptors, design and construction standards, and electrification requirements. These requirements vary based on the size of the use, the site's zoning, and its geographic location.

The bill establishes "Tier 1 21st Century warehouse standards" (Tier 1 standards) and a less stringent set of "21st century warehouse standards" (base standards). The base standards include requirements that the logistics use:

- Complies with the building code;
- Includes skylights in at least one percent of the roof area, or equivalent LED efficient lighting;
- Provides conduits and electrical hookups at all loading bays serving cold storage. Idling or use of auxiliary truck engine power to power climate control equipment must be prohibited if the truck is capable of plugging in at the loading bay;
- Ensures that any heating, ventilation, and air-conditioning is high-efficiency; and
- Ensures that all classes of forklifts used on site, pursuant to State Air Resources Board's Zero-Emission Forklifts regulation, as drafted, are zero-emission by January 1, 2030, and equipment using small off-road engines are zero-emission. These requirements apply to the extent that they are operationally feasible, commercially off-the shelf available, and adequate power available on site. If not operationally feasible, commercially off-the shelf available, or if there is inadequate power available on site, the cleanest technology commercially available shall be used. Cost cannot be a factor in determining operational feasibility.

Tier 1 standards include all of the base standards plus requirements that the logistics use:

- Has a microgrid-ready switchgear system capable of supporting distributed energy resources;
- Is advanced smart metering ready;
- Has a minimum of 50 percent of all passenger vehicle parking spaces preinstalled with conduit and all necessary physical infrastructure to support future charging of electric vehicles;
- Has a minimum of 10 percent of all passenger vehicle parking spaces installed with electric vehicle charging stations;
- Ensures that the forklift requirements in the base standards are met two years earlier, by January 1, 2028.

For logistics uses that have a loading bay within 900 feet of a sensitive receptor and are located on industrial land (whether in the WCR or not):

- A logistics use that includes 250,000 or more square feet must have loading bays set back at least 300 feet from the property line of the nearest sensitive receptor and meet Tier 1 standards.
- Smaller logistics uses have no setback requirement and must meet a set of standards that incorporate some, but not all of the requirements in the base standards, specifically no requirement for zero emissions forklifts, and the conduit at loading bays must be equal to one truck per every loading bay serving cold storage.

For new or expanded logistics uses that have a loading bay within 900 feet of a sensitive receptor and are located on non-industrial land, as specified, loading bays must be set back 500 feet from the property line of the nearest sensitive receptor. If the use is 250,000 square feet or more, it must meet the Tier 1 standards, or the base standards if smaller than that.

If the use is located in the WCR, all new or expanded logistics uses on nonindustrial land, regardless of whether there are sensitive receptors within 900 feet, must have a 500-foot setback. If the use is 250,000 square feet or more, the Tier 1 standards apply; if below that, then the base

standards apply. Logistics uses on industrial land in the WCR are treated the same as uses on industrial land in the rest of the state.

All logistics uses subject to any of the above requirements must also meet the following design standards:

- Orient truck loading bays on the opposite side of the logistics use development away from sensitive receptors, to the extent feasible;
- Have a separate entrance for heavy-duty trucks accessible via a truck route, arterial road, major thoroughfare, or a local road that predominantly serves commercial oriented uses;
- Locate truck entry, exit, and internal circulation away from sensitive receptors. Heavyduty diesel truck drive aisles shall be prohibited from being used on sides of the building that are directly adjacent to a sensitive receptor property line.

All new or expanded logistics uses, regardless of size or location, must position entry gates into the loading truck court after a minimum of 40 feet of total available stacking depth inside the property line. This stacking depth must be increased by 70 feet for every 20 loading bays beyond 50 loading bays to the extent feasible.

Housing replacement. If a logistics use demolishes any housing unit that was occupied in the last 10 years, it must replace those units with two units of moderate- or low-income housing per one housing unit demolished, as specified. If residential dwellings are affected through purchase, the developer must provide any displaced tenant with an amount equivalent to 12 months' rent at the current rate.

Truck routing plan. Prior to the issuance of a certificate of occupancy, a facility operator must establish and submit for approval to the planning director or equivalent position for the city or county a truck routing plan to and from the state highway system based on the latest truck route map of the city or county. The truck routing plan must describe the operational characteristics of the use of the facility operator, including, but not limited to, hours of operation, types of items to be stored within the building, and proposed truck routing to and from the facility to designated truck routes that, to the greatest extent possible, avoid passing sensitive receptors.

The truck routing plan must also include measures, such as signage and pavement markings, queuing analysis, and enforcement, for preventing truck queuing, circling, stopping, and parking on public streets. The facility operator must be responsible for enforcement of the truck routing plan. A revised truck routing plan must be submitted prior to a business license being issued by the city, county, or city and county for any new tenant of the property. The planning director has the discretion to determine if changes to the truck routing plan are necessary, including, but not limited to, any additional measures to alleviate truck routing and parking issues that may arise during the life of the facility.

Exemptions. AB 98 exempts from these requirements any logistics projects that:

- Are subject to a commenced local entitlement process prior to September 30, 2024;
- Receive an approval by a local agency prior to the effective date of the bill; or
- Are a mixed use development that may create sensitive receptors on the site of the new logistics use development, and there are no existing sensitive receptors within 900 feet of the loading bay.

Additionally, AB 98 exempts from the setback requirements (but not the other requirements of the bill) any of the following developments even if a new sensitive receptor is constructed, permitted, or established after the bill goes into effect:

- Any logistics use development already in existence as of September 30, 2024;
- Development of a property for a logistics use or a proposed expansion of a logistics use that is in the entitlement process as of September 30, 2024;
- New logistics use developments that require rezoning of land, if the start of the entitlement process for the logistics use began before any sensitive receptor started its own entitlement process, unless the proposed sensitive receptor was an existing allowable use according to local zoning regulations;
- A logistics use in the entitlement process if it wasn't already subject to the setback requirements because of the presence of a sensitive receptor.

These protections remain in effect from the time of the initial application submission through the completion of the entitlement process, including any necessary rezoning actions and through the development period. If no development activity occurs within five years of entitlement approvals, the protections are waived.

Additional provisions regarding approval and mitigation. The bill provides that it does not supersede mitigation measures required by CEQA, and does not affect the ability of a local government to deny a logistics use.

Circulation element. AB 98 requires cities and counties to update their circulation elements to include the following requirements regarding truck routes. Cities and counties in the WCZ must update their circulation elements by January 1, 2026; all remaining cities and counties have an additional two years, until January 1, 2028.

The update to the circulation element must do all of the following:

- Identify and establish specific travel routes for the transport of goods, materials, or freight for storage, transfer, or redistribution to safely accommodate additional truck traffic and avoid residential areas and sensitive receptors; and
- Maximize the use of interstate or state divided highways as preferred routes for truck routes. The county or city must also maximize use of arterial roads, major thoroughfares, and predominantly commercially oriented local streets when state or interstate highways are not utilized.

Truck routes must comply with the following:

- Major or minor collector streets and roads that predominantly serve commercially oriented uses must be used for truck routes only when strictly necessary to reach existing industrial zones;
- Trucks must be routed via transportation arteries that minimize exposure to sensitive receptors; and
- On and after January 1, 2028, all proposed development of a logistics use development must be accessible via arterial roads, major thoroughfares, or roads that predominantly serve commercially oriented uses. For purposes of the circulation element, local roads shall be considered to predominantly serve commercial uses if more than 50 percent of

the properties fronting the road within 1,000 feet are designated for commercial or industrial use according to the local zoning ordinance.

The bill allows the county or city to consult with the Department of Transportation and the California Freight Advisory Committee for technical assistance.

AB 98 requires, through the circulation element, a county or city to:

- Provide for posting of conspicuous signage to identify truck routes and additional signage for truck parking and appropriate idling facility locations;
- Make truck routes publicly available in geographic information system (GIS) format and share GIS maps of the truck routes with warehouse operators, fleet operators, and truck drivers;
- Provide opportunities for the involvement of citizens, California Native American Indian tribes, public agencies, public utility companies, and civic, educational, and other community groups through public hearings and any other means the planning agency deems appropriate; and
- Make a diligent effort to achieve public participation of all economic segments of the community in the development of the changes required by the bill.

AB 98 allows the Attorney General to enforce the circulation element requirements and subjects a city or county that fails to comply to a penalty of up to \$50,000 every six months if the required updates have not been made. Upon appropriation by the Legislature, any fines collected must be distributed by the Attorney General and returned to the local AQMD in which the fine was imposed and be used for the district's efforts to improve air quality.

Anti-idling signs indicating a three-minute heavy-duty truck engine idling restriction must be posted at logistics use developments along entrances to the site and at the truck loading bays. These signs must be installed at all heavy-duty truck exit driveways directing truck drivers to the truck route as indicated in the truck routing plan and in the state highway system.

Air quality requirements. Subject to an appropriation for this express purpose, South Coast AQMD must, beginning on January 1, 2026, and until January 1, 2032, deploy mobile air monitoring systems within the Counties of Riverside and San Bernardino to collect air pollution measurements in communities that are near operational logistics use developments. South Coast AQMD must use the data collected to conduct an air modeling analysis to evaluate the impact of air pollution on sensitive receptors from logistics use development operations in the Counties of Riverside and San Bernardino, including relative pollution concentrations from logistics use developments at varying distances from sensitive receptors. South Coast AQMD must submit its findings to the Legislature on or before January 1, 2033, and on or before January 1, 2028, it must submit an interim report. This report must be used to assess the effectiveness of setbacks on public health.

AB 98 also requires South Coast AQMD to establish a process for receiving community input on how any penalties assessed and collected for violations of the Warehouse Indirect Source Rule are spent. The South Coast AQMD must ensure a wide range of community groups are included in the process and that groups represent the geographic areas where there are high numbers of warehouse facilities. AB 98 defines additional terms and includes findings and declarations to support its purposes.

Comments

1. <u>Purpose of the bill</u>. According to the author, "For more than a decade, the Legislature has heard outcries from communities where local governments have prioritized economic development over the quality of life and health of their communities. AB 98 is the product of months of discussion and collaborations from environmental advocates, leaders in industry, labor, and dedicated public health advocates to raise the standards of warehouse development. This bill requires warehouse operators and developers to build a better product, operate responsibly, and be good neighbors to the communities they set up shop in. AB 98 also requires local agencies to make responsible decisions that promote economic development while maintaining or improving the quality of life for their constituencies. AB 98 provides protections for disadvantaged communities from bad actors while allowing leaders of industry to operate. This bill is a necessary compromise for communities and business entities alike.

2. <u>Getting the number right</u>. AB 98 establishes a set of standards at the state level that apply to new or expanded logistics uses across the state to protect nearby residents from the impacts of those uses. Among the most critical protections for residents are setbacks between the uses and homes, daycares, and other sites that have sensitive receptors. If sufficiently large, setbacks can reduce pollution and noise impacts, and reduce conflicts over truck traffic with other road users and pedestrians, by pushing logistics uses away from populated areas. AB 98 applies 300-foot setbacks from the loading bay in industrial areas, and 500-foot setbacks in non-industrial areas. These are relatively small setbacks compared to the OAG best practice that recommends 1,000-foot setbacks from property line to property line.

Additionally, it is unclear how frequently the 500-foot setback will apply. AB 98 applies a 500foot setback to warehouses proposed on land that isn't zoned industrial. This means that if a developer submits an application for a project that also includes a rezoning to industrial, they would have to meet that requirement. However, if the local government rezones independently of an application for a project, or rezones at the request of a developer, but the developer doesn't propose a project until after the rezoning is complete, the 300-foot setbacks apply. The Committee may wish to consider whether AB 98's setback requirements are sufficiently protective.

3. <u>But wait, there's more</u>! AB 98 includes numerous additional provisions beyond the setbacks intended to reduce impacts from logistics uses on residents, including to:

- Site new uses along larger roads or those predominantly serving commercial uses;
- Orient loading bays and entryways away from sensitive receptors;
- Require the developer of the logistics use to maintain and enforce truck routing plans that direct truck traffic away from sensitive receptors along designated routes; and
- Mandate that local governments update their circulation elements so that there are viable truck routes that avoid residential areas to the extent feasible.

These provisions may help ensure that truck traffic has a lesser impact on nearby communities in such a way that reduce the importance of the setback requirements. The bill also accelerates and increases some electrification requirements relative to requirements under other laws, which may further reduce emissions.

4. <u>Unintended consequences</u>. When taken together, the requirements in AB 98 may reduce available sites for new or expanded logistics uses. A coalition of logistics developers and business entities argue that the buffer zones and mandatory truck route provisions would severely limit the availability of land suitable for logistics uses. They argue that this could push logistics uses further from population centers, increasing the distance that trucks must travel. This could increase the cost of transportation and the emissions from truck traffic. They also state that the bill could hinder efforts to redevelop blighted areas and reduce economic opportunities, particularly in the Inland Empire where logistics uses are a significant driver of economic growth.

On the other hand, the bill provides numerous offramps that relax its rules if they are found infeasible. For example, if the forklift or small engine electrification requirements are found infeasible for various reasons, then they don't apply. Similarly, the requirement to orient truck bays away from sensitive receptors only applies to the extent feasible, and if siting a warehouse on larger roads is impractical, the developer of a logistics use can receive a waiver if they make certain findings. Environmental justice advocates are concerned that these offramps and other provisions negate the protections of the bill. The Committee may wish to consider how AB 98 balances the impact on the logistics industry and nearby communities.

5. One size fits all. The California Constitution grants local city councilmembers and boards of supervisors broad authority to protect the welfare of their residents. One key way local officials exert this authority is through land use decisions-general plan elements and zoning ordinances that allow certain uses in particular areas, and impose requirements on those uses to offset their impacts and balance competing needs in the community. New warehouses and other logistics uses are constructed pursuant to these policies. In adopting these ordinances, local governments go through the CEQA process to identify impacts and adopt mitigation measures. Local officials also approve specific projects, and discretionary approvals of individual projects also must comply with CEQA. On the other hand, CEQA authorizes lead agencies to prepare a "statement of overriding considerations," which allows a city, county, or other public agency to approve a project with unmitigated or unavoidable impacts. In practice, some cities and counties have exercised this authority to approve projects that may significantly impact local residents, including through air pollution, citing the creation of local jobs or increased revenues. AB 98 removes some discretion from local officials by mandating that they impose specified setbacks and other standards on logistics uses, even if those officials believe that their communities as a whole would benefit from lesser measures that enable more development. AB 98 does allow local governments to impose requirements that exceed the bill's provisions. However, by setting a statewide standard for setbacks and other requirements, it may encourage local governments to gravitate to these standards instead of setting their own that might in some cases be more protective of public health. Should decisions about the standards that apply to logistics uses be left up to local officials?

6. <u>Where will the money come from</u>? AB 98 requires a significant update of the circulation element, which will be costly for local governments. Because the circulation element is part of the general plan, the cost is likely to be funded by increases in general plan permitting fees that fall on new development, including housing. In recent years, the Legislature has been concerned about the effect of fees on the development of housing. AB 98 may exacerbate that concern. Moreover, AB 98's planning requirements apply statewide, even in jurisdictions that are unlikely to see any new logistics use developments. Jurisdictions that don't comply face being fined by the Attorney General. Finally, even if jurisdictions find the resources to comply, they still face the costs of upgrading their road infrastructure to manage the truck traffic. The Committee may

wish to consider whether the cost of AB 98's requirements on local governments exceed the benefits.

7. Let's be clear. AB 98 includes numerous provisions that would benefit from additional clarity:

- AB 98 uses a variety of different terms for the uses that are subject to the bill's requirements. For example, the setback and construction requirements, including the requirement that the entrance for heavy duty vehicles be on a truck route, arterial, major thoroughfare, or predominantly commercial road apply to new or expanded logistics uses, but the buffer requirements and the requirement that a facility be located on those streets apply to new logistics uses. Meanwhile, the requirement for anti-idling signs to be posted does not include any qualifiers, and so appear to apply to both new developments and expansions. These distinctions raise questions regarding whether all or only some of the bills requirements apply to expansions of warehouses.
- The bill uses two slightly different definitions of "local road serving predominantly commercial uses," and in both definitions does not specify where the measurement for the 1,000 feet of frontage begins or ends.
- The bill requires cities and counties, through the circulation element, to post signage for truck routes, but also includes other signage requirements for idling without specifying which entity (for example, a city or a logistics use operator) is responsible for posting that signage.
- It is unclear whether local governments are required to issue a waiver of the requirement to site logistics uses on larger roads, or if they can choose not to issue the waiver.

8. <u>Mandate</u>. The California Constitution requires the state to reimburse local governments for the costs of new or expanded state mandated local programs. Because AB 98 imposes new duties on local officials, Legislative Counsel says that it imposes a new state mandate. AB 98 disclaims the state's responsibility for providing reimbursement by citing local governments' authority to charge for the costs of implementing the bill's provisions.

9. <u>Charter city</u>. The California Constitution allows cities that adopt charters to control their own "municipal affairs." In all other matters, charter cities must follow the general, statewide laws. Because the Constitution doesn't define "municipal affairs," the courts determine whether a topic is a municipal affair or whether it's an issue of statewide concern. AB 98 says that it applies to charter cities and includes findings and declarations to support this statement.

10. <u>Gut and amend</u>. As introduced in January 2023, AB 98 repealed the authority for Orange, San Diego, and Ventura counties to establish Cotton Pests Abatement Districts. On August 28, 2024, the author amended the bill to remove those contents, insert its current provisions, and change the author. Because the amendments create a new bill, the Senate Rules Committee referred the amended bill to the Senate Local Government Committee pursuant to Rule 29.10(c).

11. <u>Related legislation</u>. The Legislature has considered three measures on logistics use and their impacts in recent years:

• AB 2840 (Reyes, 2022), which died in the Senate Governance and Finance Committee, would have required cities and counties within the Counties of Riverside and San Bernardino to impose setbacks of 1,000 feet from residences, schools, and other sensitive receptors, or equivalently protective alternative measures, as specified.

- AB 1000 (Reyes, 2023), which died in the Assembly Local Government Committee, contained similar provisions to AB 2840, but would have allowed setbacks as low as 500 feet if specified mitigation requirements were met.
- AB 1748 (Ramos, 2023), which died in the Assembly Appropriations Committee, would have required specified local agencies to impose a 300-foot setback requirement on parcels that are adjacent to sensitive receptors and include a warehouse that is larger than 400,000 square feet unless the local agency adopts specified alternative policies.

Assembly Actions

Not relevant to this version of the bill.

Support and Opposition (8/28/24)

<u>Support</u>: California Hospital Association California State Council of Laborers United Food and Commercial Workers, Western States Council

Opposition: Active San Gabriel Valley Air Quality Monitoring and Exposure Lab Alliance for Community Empowerment Alliance of Californians for Community Empowerment American Planning Association, California Chapter Atmospheric Modeling Lab Building Owners and Managers Association of California California Association for Local Economic Development (CALED) California Business Properties Association California Business Roundtable California Environmental Justice Alliance (CEJA) Action California Grocers Association California Manufacturers & Technology Association California State Association of Counties (CSAC) California Taxpayers Association (CALTAX) Can Manufacturers Institute Center for Community Action & Environmental Justice Center on Race, Poverty & the Environment Central California Asthma Collaborative Central California Environmental Justice Network Central Valley Air Quality Coalition (CVAQ) City of Bakersfield City of Beaumont City of Corona City of Cypress City of Eastvale City of Merced City of Rancho Cucamonga City of Shafter Clean Water Action Cleanearth4kids.org

Communities for A Better Environment **Community Alliance With Family Farmers** Concerned Neighbors of Bloomington County of Kern County of San Bernardino Cultiva LA Salud **Decolonial Praxis Collective** Earthjustice East Yard Communities for Environmental Justice Environmental Justice Coalition for Water Faith in The Valley Fresno Building Healthy Communities Friends of Calwa Greenhouse Gas Emissions Lab Inland Empire Economic Partnership (IEEP) Inland Valley Alliance for Environmental Justice Invest Fresno Leadership Counsel for Justice and Accountability League of California Cities Los Angeles Area Chamber of Commerce Mead Valley Coalition for Clean Air Naiop California **Orange County Business Council** People's Collective for Environmental Justice Perris Neighbors in Action Physicians for Social Responsibility - Los Angeles Planning and Conservation League Powerca Action Public Health Institute **Real Estate Development Associates Riverside Neighbors Opposing Warehouses** Rural County Representatives of California (RCRC) San Joaquin County Board of Supervisors See (social Eco Education) Sierra Club Southern California Leadership Council The Institute of Real Estate Management Town of Apple Valley Unite for Colton Valley Improvement Projects (VIP) Warehouse Worker Resource Center Several Individuals