

# ALERT

## Job Killer Final: Governor Vetoes 1, Signs the Other



Days after vetoing a California Chamber of Commerce **job killer** bill on forced unionization of agricultural workers, Governor Gavin Newsom this week signed a job killer bill increasing the burden on nonunionized employers in the garment manufacturing industry.

Vetoed on September 22 was **AB 616 (Stone; D-Scotts Valley)**, which would have eliminated agricultural employees' democratic right to cast an independent vote in a secret ballot election on whether to unionize.

Signed on September 28 was **SB 62 (Durazo; D-Los Angeles)**, which significantly increases the burden on

nonunionized employers in the garment manufacturing industry in California, by eliminating piece rate as a method of payment even though it can benefit the employee, expanding joint and several liability for any wage violations to the entire supply chain, and shifting the evidentiary standards in a Labor Commissioner hearing to limit the ability for an employer to defend against an alleged wage violation.

### Vetoed

AB 616 would have limited an employee's ability to independently and privately vote for unionization in the workplace, by essentially eliminating a secret ballot election and

*See Job Killer: Page 6*

## Jennifer Barrera Takes Charge as CalChamber President/CEO



Jennifer Barrera

Starting October 1, Jennifer Barrera is the new president and CEO of the California Chamber of Commerce.

Appointed by the CalChamber Board of Directors in

early September, Barrera comes to the position with a wealth of experience, proven leadership, and a track record of service to the California business community.

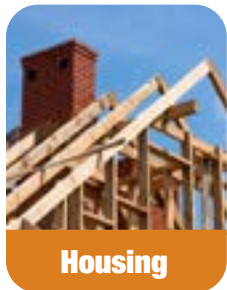
Barrera has been part of the CalChamber team for more than a decade, and steps into the leadership role after serving as CalChamber executive vice president, overseeing the development and implementation of policy and strategy for the organization.

Barrera is well-known for her success rate with CalChamber's annual list of job killer legislation, efforts to reform the Private Attorneys General Act (PAGA) and leadership working with employers on critical issues, including most recently those arising from the COVID-19 pandemic.

"I am honored to lead a talented and respected team in representing and serving CalChamber's 14,000 members," said Barrera. "I look forward to continuing the important work of CalChamber

*See Jennifer Barrera: Page 9*

## Governor Signs CalChamber-Backed Bills to Boost Construction of New Housing



Housing

In recent weeks, Governor Gavin Newsom has signed five California Chamber of Commerce-**supported** bills that will increase housing production in the state.

The bills are part of a suite of housing legislation signed into law in September that complement the Governor's \$22 billion housing affordability and homelessness package. According to the Governor's Office, these actions represent a comprehensive housing vision and the state's

commitment to create more affordable housing, faster and cheaper.

The CalChamber urged support for the bills in conjunction with the California Home Building Alliance, a coalition including trade associations representing small and large businesses, for-profit and not-for-profit home builders, realtors, developers, employers, affordable housing infill builders, and nonprofit research, education and advocacy organizations.

### Signed Legislation

Signed on September 16 were: **Housing Crisis Act of 2019**

• **SB 8 (Skinner; D-Berkeley):**

*See CalChamber-Backed: Page 7*

### Inside

[Vaccination Mandate on Horizon: Page 4](#)

## Labor Law Corner

# When Employee Chooses to Work from Home, Who Pays the Costs?



**David Leporiere**  
HR Adviser

*As a result of COVID-19, many of my employees have been reluctant to come into the office to do their jobs. In an effort to retain my employees, I have allowed employees to work from home if they felt uncomfortable coming into the office. Recently, several of the employees who chose to work from home have asked me to reimburse them for things such as internet and cell phone costs. Since these*

*employees chose to work from home, do I need to reimburse them for these types of expenses?*

Several years ago, a California appellate court heard a case where the employee was seeking reimbursement for cell phone charges, even though the employee had a pre-existing unlimited cell phone plan. (See *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137 (2014)).

In that case, the court ruled in favor of the employee and ruled that the employer was required to reimburse the employee some percentage of the cell phone charges.

The key difference in that case, however, was that the employer **required** the employee to use his personal cell phone. In the situation you described, the employees chose to work from home, and as a result, they arguably chose to incur those costs by working from home.

If you had required your employees to

work from home, there is a good chance you would have had to reimburse them for their expenses. In that you merely allowed them to work from home, it is less likely that a court would require you to reimburse them for those costs.

Nevertheless, since this specific issue has not yet been addressed by an appellate court in California, we recommend you consult with legal counsel before denying the reimbursement to your employees.

Although you may be legally entitled to deny the reimbursement, it may simply be in your company's best interest to give your employees a little latitude in this area.

*Column based on questions asked by callers on the Labor Law Helpline, a service to California Chamber of Commerce preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at [www.hrcalifornia.com](http://www.hrcalifornia.com).*

### California Chamber Officers

**Donna L. Lucas**  
Chair

**Kailesh Karavadra**  
First Vice Chair

**Gregory S. Bielli**  
Second Vice Chair

**Janet A. Liang**  
Third Vice Chair

**Mark Jansen**  
Immediate Past Chair

**Jennifer Barrera**  
President and Chief Executive Officer

*Alert (ISSN 0882-0929) is published weekly during legislative session with exceptions by California Chamber of Commerce, 1215 K Street, Suite 1400, Sacramento, CA 95814-3918. Subscription price is \$50 paid through membership dues.*

*Send email address changes to [alert@calchamber.com](mailto:alert@calchamber.com). Publisher: Jennifer Barrera. Executive Editor: Ann Amioka. Art Director: Neil Ishikawa. Capitol Correspondent: Sara Proffitt.*

*Permission granted to reprint articles if credit is given to the California Chamber of Commerce Alert, citing original publication date of article, and reprint is emailed to Alert at address above.*

*Email: [alert@calchamber.com](mailto:alert@calchamber.com).  
Home page: [www.calchamber.com](http://www.calchamber.com).*

## CalChamber-Sponsored Seminars/Trade Shows

More at [www.calchamber.com/events](http://www.calchamber.com/events).

### Labor and Employment

HR Symposium. CalChamber. October 7 and October 8, Online. (800) 331-8877.

### International Trade

Expo Dubai 2021. Expo 2020 Dubai UAE. October 1, 2021–March 31, 2022, Dubai, United Arab Emirates. (+971) 800 EXPO (3976).

Taiwan Trade Shows. Taipei Economic & Cultural Office, San Francisco. October 6–December 27, Online. (415) 362-7680.

Build Expo Greece 2021. Build Expo. October 15–17, Athens, Greece. +30 211 180 1801.

2021 Select LA Investment Summit.

World Trade Center Los Angeles and Los Angeles County Economic Development Corporation. October 20–21, Los Angeles. (213) 236-4853.

Israel Defense Expo. Israel Defense & HLS Expo and Israeli Chamber of Commerce. November 9–11, Tel Aviv, Israel. +972-3-691-4564 x 300.

Smart City Expo World Congress 2021. U.S. Commercial Service. November 16–18, Barcelona, Spain. (704) 248-6976.

12th World Chambers Congress: Dubai 2021. International Chamber of Commerce World Chambers Federation and Dubai Chamber of Commerce & Industry. November 23–25, Dubai, United Arab Emirates. [worldchamber-congress@iccwbo.org](mailto:worldchamber-congress@iccwbo.org).

Athens International Tourism & Culture Expo 2021. Greek Ministry of Tourism and Greece 2021 Committee. November 25–27, Athens, Greece. +30 210-614 1164.

**Next Alert: October 15**

**Quick Answers  
to Tough  
HR Questions**

 **HRCalifornia**®

## The Workplace

# Preparing for New COVID-19 Vaccine Rules



In Episode 133 of The Workplace podcast, CalChamber employment law expert Matthew Roberts and CalChamber policy advocate

Robert Moutrie discuss the upcoming federal COVID-19 vaccination mandate for businesses and share how employers can best prepare for the rules.

*Given the unpredictability of the COVID-19 pandemic, government guidance and mandates may be altered at any time. Information presented in this podcast is accurate as of September 16, 2021.*

### Mandate Timeline

On September 9, 2021, President Joe Biden announced that the U.S. Department of Labor is developing an emergency rule to require all employers with 100 or more employees ensure that their workforces are fully vaccinated or show a negative test at least once a week.

The announcement of such a wide-reaching mandate caused much panic among employers and employment law professionals, Roberts says.

But the mandate is not currently in force and in effect, because the federal government needs time to lay out what is to come. This means that employers have some time to plan ahead, Moutrie says. Although there is no federal timeline available, estimates can be made by looking at how long each step of the process takes.

It can be anticipated that the federal Occupational Safety and Health

Administration (OSHA) will take approximately 4–6 weeks (on the lower end) to draft the rule language, release it and pass it, Moutrie explains. Then, the California Division of Occupational Safety and Health (Cal/OSHA) will take another 30 days to pass its own version of the rules, which can either be equivalent to the federal rules or be more stringent.

Lastly, it is expected that once the mandate is out, businesses will have a grace period to get their employees into compliance.

Of course, Moutrie caveated these estimates as “a reading of the tea leaves” and noted the process could be shorter or longer, but estimates that employers can expect to have a 3–4-month window in which to prepare for the new rules.

### Best Practices

Without any published language available, Roberts says that he cannot comment on what exactly employers need to do, but there are some general best practices that employers can do right now.

- First, Moutrie recommends that employers decide on whether they will require vaccinations or offer the option of weekly testing. Some companies are already requiring that all their workers be vaccinated, but this decision is an individual company’s choice and may depend on industry and worker scarcity.

- Second, Moutrie says that employers should start thinking about the logistics of testing. For larger employers, would it be more practical to have on-site testing? Right now, testing is relatively available through federally subsidized testing, but it is not yet known whether employers will be required to pay for testing in the new federal mandate.

- Lastly, Moutrie expects that the federal mandate will allow for disability and religious accommodation exemptions. This means that small- and medium-sized employers are going to have to make more case-by-case accommodation determinations, and they should think about what their policy will look like and what process they will need to have in place.

The Workplace  
a Podcast by CalChamber.

Catch Up on COVID-19 Employer Issues  
Jobs Climate Best Practices  
Vaccine Mandates  
And More  
calchamber.com/theworkplace



## CalChamber Member Feedback

*“When it comes to my company’s time, resources or choices, the CalChamber is unrivaled in its ability to produce results at the State Capitol.”*

Maryam S. Brown  
President  
Southern California Gas Company

## COVID-19 in the Workplace — Vaccination Mandate on Horizon



COVID-19 continues to dominate discussions around workplace safety in California and across the nation

— and big changes for businesses are on the horizon this fall and in early 2022.

### Coming from Washington D.C.

On September 9, President Joe Biden announced a six-prong plan to fight COVID-19 (available at [www.whitehouse.gov/covidplan](http://www.whitehouse.gov/covidplan)). Most important to California’s general business community is the plan’s first prong (“Vaccinating the Unvaccinated”), which pushes COVID-19 vaccines via two mechanisms:

- **Federal Emergency Regulation:** The Occupational Safety and Health Administration (OSHA) will publish an emergency regulation compelling a “soft” vaccination mandate for all employees of employers with more than 100 employees. The mandate is expected to require employees to get vaccinated or produce a negative test before going to work every week.

Procedurally, California employers can expect a little delay before this one becomes applicable. After OSHA adopts the federal emergency regulation (the draft text isn’t even public yet), the California Division of Occupational Safety and Health (Cal/OSHA) will then be compelled by federal law to adopt an equivalent or more stringent standard within 30 days. And even after that standard is approved, it will likely allow employers 60 days or so in order to get their workforces into compliance.

- **Vaccine Mandate for Federal Contractors:** All we know at this point is that the federal government will begin adding language to contracts signed or extended after October 15 to compel vaccination (without a testing option) for federal contractors.

The specific language to be added is

supposed to be drafted by October 8, and is not yet public. The language, when released, is expected to allow federal contractors until December 8 to come into compliance — but, again, that draft contract provision is not yet public.

### Caveats

For both these mechanisms, employers should keep a couple of caveats in mind.

- Medical and religious exemptions will need to be made for individual employees, meaning that legal and human resources departments will need to be ready to process those issues as the mandates go into effect.

- Legal challenges may delay their effect, particularly for the federal emergency regulation, which one state (Arizona) has already filed a lawsuit to challenge. Although some legal experts believe the vaccine mandate is within OSHA’s authority, that doesn’t mean a legal challenge may not delay application of a mandate considerably — depending on if a district court judge grants an injunction.

### California COVID-19 Rule

California’s COVID-19 emergency regulation is expected to be re-adopted in December for the final time (in roughly its present form, available at [www.dir.ca.gov/oshsb/documents/Jun172021-COVID-19-Prevention-Emergency-txtbrdconsider-Readoption.pdf](http://www.dir.ca.gov/oshsb/documents/Jun172021-COVID-19-Prevention-Emergency-txtbrdconsider-Readoption.pdf)). Then, in spring 2022, the emergency regulation will either expire or be turned into a permanent regulation.

On September 23, 2021, Cal/OSHA hosted an advisory committee comprised of business leaders (including policy advocate Robert Moutrie on behalf of the California Chamber of Commerce), labor leaders, public health officials, and other stakeholders to discuss what a permanent regulation might look like. Notably, this discussion was intended only to help shape a draft of what the Cal/OSHA Standards Board might vote to approve next year and did not represent a commit-

ment from the participants to support a permanent regulation.

The draft text for discussion is available at [www.dir.ca.gov/dosh/DoshReg/covid-19-emergency-standards](http://www.dir.ca.gov/dosh/DoshReg/covid-19-emergency-standards). This was only a draft, however, and both labor and business leaders expressed disagreement with various provisions, so some changes from Cal/OSHA can be expected in whatever eventually goes to the Standards Board next year.

But where will the vaccine mandate fit in California’s regulation? Although the text isn’t available yet, it appears likely that Cal/OSHA will adopt a second emergency regulation on COVID-19 (focused on vaccines) to comply with the federal requirement to adopt an equivalent standard to President Biden’s vaccine mandate within 30 days of federal OSHA adopting that mandate.

### What About Boosters?

How will boosters fit into the federal regulation or California’s next regulatory text?

At this point, it isn’t clear. President Biden announced booster shots as part of his six-prong plan, but there appears to be uncertainty about who should get them and when.

Notably, an advisory body to the Centers for Disease Control and Prevention (CDC) recommended boosters for only limited segments of the population (elderly or vulnerable) but the CDC director recently overruled the panel and supported boosters for workers in high-risk workplaces as well.

That means boosters will be available soon — but it isn’t clear exactly when the federal regulation will mandate they be taken in order for a person to qualify as fully vaccinated.

In short — California employers have a lot to watch in the coming months. Keep one eye toward federal OSHA and the other toward Cal/OSHA to make sure you stay well ahead of workplace changes.

**Staff Contact: Robert Moutrie**

## CalChamber Public Affairs Conference

# Agenda to Cover Redistricting, 2022 Ballot, Legal Reform and More



New and veteran legislators, pollsters and experts on elections and hot policy topics will gather at Disney's Grand Californian Hotel & Spa on October 26–27 for the CalChamber Fall Public Affairs Conference.

Following are highlights of the agenda.

### Tuesday, October 27

• **People's Voice.** The opening conference session the afternoon of October 27 will provide a look at the annual CalChamber survey on California voter attitudes, presented by pollsters Robert Green, Pierrepoint Consulting and Analytics LLC, and Adam Rosenblatt, Core Decision Analytics.

• **Redistricting Forecast.** Panelists will include Charles Bell of Bell, McAndrews & Hiltachk, LLP; attorney, author and advocate Christine Pelosi; Matt Rexroad of Redistricting Insights; and Marva Diaz of Marva Diaz Strategies.

• **New Kids on the Block.** First-term legislators speaking in this afternoon session will include: Senators Dave Min (D-Irvine) and Rosilicie Ochoa Bogh (R-Yucaipa); and Assembly Members Megan Dahle (R-Bieber), Laura Davies (R-Laguna Niguel), Suzette Valladares (R-Santa Clarita) and Dr. Akilah Weber (D-San Diego). Adam Regele, CalChamber senior policy advocate, will moderate the discussion.

### Wednesday, October 28

• **Private Attorneys General Act (PAGA) Reform.** Senator Anna

Caballero (D-Salinas), and Assembly Members Vince Fong (R-Bakersfield) and Cottie Petrie-Norris (D-Laguna Beach) will be the panelists in this morning session, moderated by Ashley Hoffman, CalChamber policy advocate.

• **2022 Ballot Measures Preview.**

Veteran campaign managers Adam Stoll of Winner & Mandaback Campaigns, and Christy Wilson of Wilson Public Affairs will look ahead to 2022 in a morning discussion moderated by Marty Wilson, CalChamber executive vice president, public affairs.

• **Energy and Climate Issues.**

The afternoon discussion will feature Senators Bob Archuleta (D-Pico Rivera), Bill Dodd (D-Napa) and Susan Rubio (D-Baldwin Park), along with Assembly Members Rebecca Bauer-Kahan (D-Orinda) and Autumn Burke (D-Inglewood). The moderator will be Leah Silverthorn, CalChamber senior policy advocate.

• **Mid-Session Review and Priorities Preview.** Offering a look back at the first year of the current legislative session and a preview of what's ahead will be Senators Steve Glazer (D-Contra

Costa), Tom Umberg (D-Santa Ana) and Scott Wilk (R-Santa Clarita), as well as Assembly Members Tom Daly (D-Anaheim), Jacqui Irwin (D-Thousand Oaks) and Evan Low (D-Campbell). Moderating the discussion will be Jennifer Barrera, CalChamber president and CEO.

### Sponsors

The CalChamber gives special thanks to the conference sponsors. The presenting sponsors are Chevron and Google. Major sponsors are Amazon, Southern California Edison, Southern California Gas Company and The Walt Disney Company.

Gold sponsors are the Automobile Club of Southern California, Boeing, FSB Public Affairs, a Core Strategic Group Company, Health Net, Kaiser Permanente, Lucas Public Affairs and Trans Bay Cable.

### Register by October 13

October 13 is the deadline to register for the conference. To learn more and to register, visit the [conference link](http://www.calchamber.com/publicaffairs) at [www.calchamber.com/publicaffairs](http://www.calchamber.com/publicaffairs).

Staff Contact: **Martin R. Wilson**

Presenting Sponsors



Major Sponsors



## CalChamber Perks and Discounts Program

Make smarter employee pay decisions using HR-sourced data you can trust from Salary.com. CalChamber members get three free job benchmark reports (a **\$735 value**) and additional reports are available at a discount.

Get your **free report** today.



LEARN MORE

## Streamlined Procedure for Family Leave Mediation Signed into Law



Governor Gavin Newsom this week signed legislation **co-sponsored** by the California Chamber of Commerce

that streamlines procedures in the small employer family leave mediation program under the California Family Rights Act.

**AB 1033 (Bauer-Kahan; D-Orinda)** establishes a more practical, streamlined procedure for implementing the small employer family leave mediation program established in 2020 by AB 1867 and fixes a drafting error in SB 1383.

In 2020, SB 1383 (Jackson; D-Santa Barbara) expanded the family leave requirements under the California Family Rights Act (CFRA). To alleviate SB

1383's threat of litigation for small businesses, budget trailer bill AB 1867 of 2020 required the Department of Fair Employment and Housing (DFEH) to establish a small employer mediation pilot program.

All family leave claims brought against small employers with five to 19 employees could be sent to mediation, instead of directly to court. To initiate mediation, an employer or employee must request mediation within 30 days of receiving a right to sue notice alleging violation of family leave requirements.

AB 1033 fixes issues relating to the implementation of the mediation program by:

- Improving how mediation is initiated under the program and ensuring mediation occurs within a timely manner;
- Requiring the DFEH to inform employees of this requirement, including

instructions on how to initiate mediation on all right-to-sue notices; and

- Clarifying that a small employer may stay a civil lawsuit or arbitration proceeding to pursue mediation if the complaint should have been subject to the mediation pilot program.

AB 1033 also adds parents-in-law to the list of family members in CFRA for which an employee can use leave to provide care. "Parent-in-law" was added as a defined term to CFRA by SB 1383, but was inadvertently omitted from the list of family members that an employee could take leave to care for identified in Government Code Section 12945.2 (b)(4) (B). That omission left employers uncertain about whether they are required to provide employees time off under CFRA to provide care for a parent-in-law. This bill clarifies that issue.

**Staff Contact: Ashley Hoffman**

## Job Killer Final: Governor Vetoes 1, Signs the Other

*From Page 1*

replacing it with the submission of representation cards signed by over 50% of the employees, which would leave employees susceptible to coercion and manipulation by labor organizations.

Also, the bill unfairly limited an employer's ability to challenge any order by the Agricultural Labor Relations Board (ALRB) by forcing employers to post an unreasonable bond, and then limited an employee's ability to decertify a union, by forcing them to go through the ballot election process instead of submission of representation cards. The bill also included an unnecessary presumption of retaliation that was effectively unlimited in scope because it would apply for the duration of an election campaign, which could last for a year or more.

In his veto message, Governor Newsom pointed out that AB 616 contained "various inconsistencies and procedural issues related to the collection and review of ballot cards." He also cautioned that significant changes to the state's agricultural labor laws must be carefully crafted.

The state Agricultural Labor Relations Act (ALRA) protects the rights and interests of employees and employers, as well as unions.

Modeled on the National Labor Relations Act, the ALRA affords agricultural employees the opportunity to select — or to refrain from selecting — a particular union as their collective bargaining representative through a formal and secure secret ballot election.

Each employee votes in a private booth, without any pressure or coercion from the employer, union or other employees.

AB 616, however, would have stripped employees of this fundamentally democratic right, instead allowing unions to bypass secret ballot elections under an alternative "ballot card" procedure.

Under AB 616, a union would have been installed as a bargaining unit's representative merely by submitting a petition to the ALRB along with representation cards signed by a majority of affected employees and designating that union for that purpose.

Unlike the current process, which guarantees that employees ultimately express their true sentiments about unionization in the tightly controlled setting of a supervised secret ballot election, the AB 616 procedure provided no safeguards to ensure the representation cards really indicate the employees' free, uncoerced and current choice.

Nearly identical legislation was

vetoed in 2011 by Governor Edmund G. Brown Jr., who signed the ALRA into law in 1975.

### Signed

Opponents of SB 62, including the CalChamber, have argued that the additional requirements in SB 62 will encourage companies to contract with manufacturers outside of California, thereby limiting the demand and workforce of garment manufacturers in California.

Proponents of SB 62 claim joint liability is necessary to hold liable brands who intentionally pay low contracts that do not cover workers' wages. That conduct is already illegal under Labor Code Section 2810, which imposes liability on any entity that enters into a contract for the manufacturing of garments where it knows or should know that the price is insufficient to cover workers' wages.

Nothing in SB 62 will address the problem of underground bad actors in the garment industry evading the law. Instead, SB 62 eliminates piece rate work and allows those bad actors to continue operating as usual while passing the cost and liability to companies that have no control over the workers.

**Staff Contact: Ashley Hoffman**

## CalChamber-Backed Bills to Boost New Housing Supply Signed into Law

From Page 1

Provides technical cleanup and extends the sunset date to January 1, 2030 for SB 330 (Skinner-2019), a law that promotes more affordable housing development in California by reducing permitting delays and unexpected fees levied during the housing development permitting process.

### **Housing Development Approvals**

#### • **SB 9 (Atkins; D-San Diego):**

Streamlines more infill housing while providing substantial local control to land use development by allowing property owners to convert single-family homes into multiple units or divide their properties and build up to two residential units on each lot, all without triggering the California Environmental Quality Act (CEQA) so long as all units are consistent with all local land use laws.

According to McKinsey Global Institute, nearly 800,000 units could be developed by adding units in existing single-family zones. These small-scale development policies build upon successful state housing measures, like the promotion of Accessory Dwelling Units (ADUs), which grew to make up one-fifth of all new housing stock in Los Angeles in just two years.

### **Local Control for Increased Housing Density**

#### • **SB 10 (Wiener; D-San Francisco):**

Provides local cities and counties with full authority to streamline upzoning in their jurisdiction for up to 10 additional middle-income density housing units per parcel without triggering CEQA, if they choose.

SB 10 creates a path to adding modest density to address California's housing shortage, preserves significant local control for local jurisdictions, and makes it faster, less expensive and less risky for a city to undertake a community process to increase density. It is a step forward in fixing what has been a historic problem throughout the state.

In his [September 16 statement](#) announcing the signing of SB 8, SB 9 and SB 10, Governor Newsom said: "The housing affordability crisis is undermining the California Dream for families across the state, and threatens our long-term growth and prosperity. Making a meaningful impact on this crisis will take bold investments, strong collaboration across sectors and political courage from our leaders and communities to do the right thing and build housing for all."

Signed by the Governor on September 28 at an affordable housing development in Oakland were:

### **Density Bonus Law**

#### • **SB 290 (Skinner; D-Berkeley):**

Removes four barriers that limit density bonus applicability in California by allowing low-income student housing projects to receive up to one incentive, aligning the density bonus approval requirements with those in the Housing Accountability Act, expanding the definition of for-sale projects beyond common interest developments, and adding a parking waiver for housing developments within one-half mile of transit that include 40% moderate-income units.

California is facing a massive shortage of housing at every level—from affordable to market rate. One tool the state has to increase the production of affordable homes is the density bonus law. It currently allows affordable and senior housing developers to increase a project's density by up to 35%, depending on the amount of affordable housing being built. The density bonus law, however, is underutilized due to significant barriers, making its application infeasible.

According to the University of California, Berkeley, Terner Center for Housing Innovation, less than half of California cities and counties have had a development project that used the density bonus, and most jurisdictions have had only one or two projects.

SB 290 addresses four barriers that limit density bonus applicability.

### **Planning and Zoning**

#### • **AB 215 (Chiu; D-San Francisco):**

Helps ensure more housing units are constructed by requiring any localities not meeting their regional average production requirements to consult with the Department of Housing and Community Development; incentivizes local governments to amend local requirements to encourage more housing production; and empowers the Attorney General to enforce the Housing Crisis Act of 2019. The Housing Crisis Act of 2019 prevents cities from reducing their overall development capacity and from approving the demolition of rental housing without in-kind replacement.

Combined, these three accountability strategies will better ensure the alignment of state and local goals. By increasing accountability at the local level, the state and cities can continue to work together to facilitate the necessary production of homes for Californians of all income levels.

In his [September 28 news release](#), the Governor acknowledged that the "acute affordability crisis we are experiencing in California was decades in the making, and now we're taking the necessary steps to fix it."

In interviews with news outlets, the Governor has committed to continue working to address the state's housing shortage.

The CalChamber supports more legislation to build on the first steps taken this year and continue streamlining housing production and reduce the cost of housing for the workforce.

**Staff Contact: Adam Regele**



## Capitol Insider

presented by **CalChamber**

The Capitol Insider blog presented by the California Chamber of Commerce offers readers a different perspective on issues under consideration in Sacramento.

Sign up to receive notifications every time a new blog item is posted at [capitolinsider.calchamber.com](http://capitolinsider.calchamber.com).

*AmCham Shanghai*

# Focus on Cross-Border Business, Markets Aims to Support Growth in Commerce



The American Chamber of Commerce in Shanghai  
上海美国商会

*The following answers to questions posed by the California Chamber of Commerce are from Ker Gibbs, president of the American Chamber of Commerce in Shanghai.*

## AmCham Shanghai

*Please tell us a bit about the American Chamber of Commerce in Shanghai, services you provide and activities.*

We have a long history in China. AmCham Shanghai was founded in 1915. Today we have 3,000 members, representing most of the Fortune 500 companies as well as American entrepreneurs and small business owners.

We provide a wide range of services, from training programs and health insurance to help with government relations. Our staff of 50 or so people helps members stay informed and maintain close contacts with Chinese officials in Shanghai and the surrounding cities. We organize visits and round table discussions for members, and advocate issues on their behalf.

There are some tax law changes coming up, for example, that will impact foreign companies in China in a big way. For issues like this we form a task force of members so all voices can be heard.

Our publications team puts out a magazine for members and a weekly electronic newsletter covering important business, economic and policy matters. We also produce podcasts and video interviews with key business and policy

figures. AmCham Shanghai conducts industry surveys and puts out an annual China Business Report, a must-read for any foreign businessperson in China.

AmCham Shanghai membership is organized around 20 or so industry committees, representing everything from health care to automotive, and of course financial services. Shanghai is the financial and commercial center of China, so most of the large banks and insurance companies are based here.

We host about 400 events per year.



Ker Gibbs, president of AmCham Shanghai, speaks at a conference on U.S.-China relations at Duke Kunshan University in China.

Some are small, invitation-only events, but others are quite large. We host a government relations dinner, for example, where the U.S. ambassador to China would attend along with many Chinese government officials. We also organize a delegation of members to visit Washington D.C., where we meet with administration officials and with Congress.

As a “non-government organization,” AmCham Shanghai maintains an independent voice that advocates on behalf of business. That means we leave the sensitive national security issues to the two governments to work out, although

this has become increasingly difficult. Export controls and sanctions and Chinese counter-sanctions have narrowed the space where foreign businesses can operate. Compliance has become very challenging.

## China-California Relations

*How do you support the unique relationship between Shanghai/China and California?*

We have recently put more focus on cross-border business between the United

States and China, in particular looking to help California businesses export to China. This reflects our broader mission, which is to support strong commercial ties between the two countries.

As we know from the headlines, there is a great deal of tension in the relationship, driven largely by a perception that China has benefited from trade with the United States more than we have. Also, the Biden administration has been clear that any new trade deals will need to bring specific benefits to American workers. We support that. Our members operating in China bring revenue and profit back to the United States, but the positive impact on employment has been more difficult

to demonstrate.

AmCham Shanghai is hosting webinars on cross-border and market entry, specifically aimed at California businesses that are looking to export for growth.

For example, a recent article offered readers a granular perspective on Chinese e-commerce platforms and how to use them in a market where consumer tastes change very quickly. AmCham Shanghai also can help match companies with advisers and experts that can help get them into the China market without having to travel.

*See Focus: Page 9*



## Focus on Cross-Border Business, Markets Aims to Support Growth

From Page 8

### COVID-19 Impact

*As countries slowly start to recover from the pandemic, what is the economic impact of COVID-19 on businesses in China?*

In China, the pandemic has certainly changed the way we do things, but it hasn't had the severe negative impact on business that we've seen in other parts of the world.

In the early days of the pandemic, we

saw China impose large-scale quarantines and other measures that we thought would be impossible for us to implement in a democracy like the United States. Over time, the foreign business community has come to accept the contact tracing and mask mandates as a necessary inconvenience, especially as the public health measures appear to be quite effective at controlling the outbreaks.

As a result, business has been quite good, even through 2020. In 2021, business has fully recovered — all but the

few businesses that are directly impacted by COVID controls. The airlines, theme parks and movie theaters, for example, will be slower getting back to normal.

The restrictions on international travel are likely to be in place for some time, but that should not stop businesses from operating as usual, or taking advantage of China as a market. Most of our members are anticipating excellent growth in 2021 as the Chinese consumer market continues to expand.

**Staff Contact: Susanne T. Stirling**

## Jennifer Barrera Takes Charge as CalChamber President/CEO

From Page 1

that will ensure California's economic success, protect our jobs climate, promote international trade and provide the very best compliance resources available for employers."

Leading an experienced team at CalChamber, Barrera is well-positioned to build on CalChamber successes and address the challenges California employers face.

"California is home to the nation's innovators and job creators and our state has a history of finding pathways to

success even in the midst of unprecedented adversity," said Barrera. "The grit to meet challenges head-on is in California's DNA. Our goal at CalChamber will be to continue our role as the authoritative voice of California employers, ensuring their concerns are heard by state policy makers. Every company doing business in California — from the smallest, to the startup, to the major employer — deserves to have their voices heard about the challenges they face as they strive to keep their doors open and provide for their employees. The quality jobs provided by

our members create growth opportunities that keep the California economic engine humming on all cylinders."

Barrera succeeds Allan Zarembeg, who served as CalChamber president and CEO for 23 years. Zarembeg will remain on the job until the end of 2021. Under his leadership, CalChamber grew to be the most influential business organization in California, helping five Governors understand employers' needs in our complex economy, and serving California businesses with strong advocacy and unique compliance tools.

## 2021 HR SYMPOSIUM

Presented by CalChamber



# October 7 & 8

THANK YOU TO OUR MAJOR SPONSORS



CalChamber's annual HR Symposium returns in 2021 as a virtual event, featuring two half days of live presentations:

Thursday, October 7th: 8:30 a.m. - 12:30 p.m.

Friday, October 8th: 8:30 a.m. - 12:30 p.m.

You'll engage with top subject matter experts who will share timely, relevant information.

Preferred and Executive Members receive their 20 percent member discount.

**LEARN MORE** at [calchamber.com/2021hrsymposium](https://calchamber.com/2021hrsymposium)