

CalRHA 2020 Housing Legislation



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With the Legislature on interim recess it has been fairly quiet in Sacramento. Naturally, all eyes turned towards the election with interesting races both at the national and the state level. Unsurprisingly, California supported the Biden/Harris ticket by an overwhelming margin, however, there were a number of surprises down the ticket. It was expected that Democrats would expand their majority, however, that expansion seems to be limited to the Senate. Republicans are likely to lose at least two of their seats in the Senate but they may protect the other two targeted seats. Other surprises came in the Assembly where Republicans had six targeted seats to protect. Early vote tallies indicated that Republicans are likely to retain all of these seats and will pick up an additional seat that was open when Democrat Christy Smith decided to run for Congress. This election did reflect the expected trend that California is getting increasingly more blue, however, the scales were not tipped nearly as far as they could have been. One thing that is clear is that Democrats did not sweep the House or the Legislature in California despite many projections that said they would.



With the Legislature gaining seats in the Senate they are poised to continue their progressive agenda when they return to Sacramento in January. Given the impact of COVID-19 we expect that the Legislature will continue to prioritize legislation that addresses the pandemic and California's most wicked problems. We expect that addressing the housing crisis will be amongst those priorities. The Legislature will have to revisit the eviction moratorium for those affected by COVID-19, which was passed at the end of session through AB 3088. This bill is set to expire on January 31, 2021 and we expect that a new proposal will be introduced when the Legislature reconvenes in January and it will likely be passed expeditiously.

While the Legislature remains very progressive, Californians were much more moderate when it came to the ballot initiatives proposed this year. Labor unions, which are a



mighty force in Sacramento with the Legislature, suffered significant losses when it came the ballot initiatives. Proposition 21 was the initiative on rent control and was sponsored by Michael Weinstein with the Aids Healthcare Foundation. It failed passage with only 40.2% of the electorate supporting it. This was one of the initiatives that labor supported and lost on and was one of the few initiatives that were called on election night due to such a significant defeat. Governor Newsom came out in opposition to this initiative citing the passage of the rent control bill passed in 2019, AB 1482.

Another high-profile proposition this election cycle was Proposition 15, otherwise known as the split roll initiative. This would have increased taxes on commercial properties worth more than \$3 million and rolled back tax increases that were passed by the voters through Proposition 13 over 40 years ago. This was a very well-funded initiative and was backed by labor. Proposition 15 had the support of Governor Newsom, President-elect Joe Biden, and a number of other high-profile individuals. Opponents of this measure painted it as being an attack on businesses in the state and would result in a mass exodus. Ultimately this measure failed with nearly 52 percent of the electorate voting no which amounts to over 550,000 votes.



Governor Gavin Newsom

CALIFORNIA PROPOSITIONS RESULTS 2020 (per Associated Press, 97% reporting)

Prop 14. Medical Research Bonds	Yes (51%)	Prop 20. Stricter Parole, Sentencing	No (62%)
Prop 15. Change Commercial Prop Tax	No (52%)	Prop 21. Local Government Rent Control	No (60%)
Prop 16. End Diversity Ban	No (57%)	Prop 22. App-Based Drivers as Contractors	Yes (59%)
Prop 17. Restore Former Felon Vote	Yes (59%)	Prop 23. Dialysis Clinic Standards	No (64%)
Prop 18. Allow Age 17 Primary Voters	No (56%)	Prop 24. Expand Consumer Privacy	Yes (56%)
Prop 19. Change Property Tax Rules	Yes (51%)	Prop 25. Approve Replacing Cash Bail	No (56%)