

CalRHA Legislative Update



Kate Bell, KateBellStrategies.com

December 2021

BUDGET/RENT ASSISTANCE UPDATE



Given the recent projections and tax receipts, the state is facing an unprecedented budget surplus in 2022. The Governor has finished his 2021-22 budget, which will be officially released around January 10, 2021.

Speaking of additional money, on November 30th, the state applied to the U.S. Treasurer for \$1.9 billion in rent assistance money from the pot that is being reallocated from other states. Overall, \$27 billion of the \$46 billion has been obligated nationwide, which leaves about \$19 billion available to be reallocated. Therefore, this request from California will be the first, but there will likely be more.

Note, This additional rental relief funding would be made available for state-run programs only and would not be allocated to local jurisdictions, cities or counties that chose to administer their own rent relief programs and not participate in the state administered program. These local jurisdictions will need to independently apply for additional Federal funding from re-allocated rental relief funds.

As of November 30th, the state has given out over \$1.45 billion in rent relief, out of the nearly \$5.94 billion requested. CalRHA continues to work with HCD on the implementation and advocate for more funding to the program. For more information, please visit Housing is Key (<https://housing.ca.gov>).

POLITICAL UPDATE

In addition to the Redistricting Commission releasing the new draft legislative and Congressional district maps (https://www.wedrawthelinesca.org/draft_maps), which is causing a lot of discussion and angst, there have been several other announcements, including:

- Senator Sydney Kamlager Dove has officially announced she is running for Congress
- Assemblymember Richard Bloom, termed out in 2024, is running for Supervisor

- Assemblymember Ed Chau, termed out in 2024, has been appointed by the Governor as a judge, which will leave a vacancy
- Assemblymember David Chiu left to be the SF City attorney, leaving a vacancy
- Assemblymember Jim Frazier has announced he will not be returning in January and will instead pursue work in the private transportation sector
- Assemblymember Marc Levine, termed out in 2024, is running for Insurance Commissioner
- Assemblymember Kevin Mullin, termed out in 2024, is running for Congress
- Assemblymember Rudy Salas, termed out in 2024, is running for Congress.

LEGISLATIVE UPDATE

The Legislature is in recess until January 3rd, but CalRHA has been busy planning its legislative priorities for 2022. We have been working diligently with stakeholders, Legislators, and legislative staff on our sponsored bill, AB 916 (Salas), which would streamline bedroom and ADU construction and need to pass the Housing and Local Government Committees in January.

The legislative calendar for 2022 has been set. The deadline for new bills to be introduced is February 18, 2022, after which time we will have a sense of most of the legislative fights we will be facing next year.

INITIATIVES

Several active measures have been submitted for the 2022 ballot that are of interest to the rental housing community, including:

21-0042 The Taxpayer Protection and Government Accountability Act

<https://oag.ca.gov/system/files/initiatives/pdfs/21-0042%20%28Taxes%29.pdf>

- Property taxes and favorable vote threshold changes
- Proponent(s): Thomas W. Hiltachk
- Submitted for Title and Summary on November 30, 2021

21-0040 Affordable Housing and Financial Accountability Act of 202

<https://oag.ca.gov/system/files/initiatives/pdfs/21-0040%20%28%2E2%80%9CAffordable%20Housing%20and%20Financial%20Accountability%20Act%20of%202022%2E2%80%9D%29.pdf>

- Bonds for housing and homelessness prevention/ Local Government authority to levy majority vote ad valorem tax on real property for bond indebtedness
- Proponent(s): Amie Fishman
- Submitted for Title and Summary on November 12, 2021

21-0032A1 The Tax Cut and Housing Affordability Act of 2022

<https://oag.ca.gov/system/files/initiatives/pdfs/21-0032A1%20%28%26quot%3BThe%20Tax%20Cut%20and%20Housing%20Affordability%20Act%20of%202022%26quot%3B%29.pdf>

- Establishes property tax 1% surcharge for properties assessed over \$5 million/smaller for those assessed over \$4 million/Increases Homeowners' Property Tax Exemption and Renters' Tax Credit
- Fiscal Impact Estimate Report
<https://oag.ca.gov/system/files/initiatives/pdfs/fiscal-impact-estimate-report%2821-0032A1%29.pdf>
- Proponent(s): Stanley R. Apps
- Submitted for Title and Summary on October 6, 2021

21-0023 Increases homeowners' real property tax exemption and provides supplemental renters' tax credit. Increases taxes on high-value properties. Limits local restrictions on housing development. Initiative constitutional amendment and statute.

<https://oag.ca.gov/system/files/initiatives/pdfs/21-0023%20%28Affordable%20Housing%29.pdf>

- 1.2 percent surcharge on properties assessed at \$5 million or above
- Fiscal Impact Report
<https://oag.ca.gov/system/files/initiatives/pdfs/fiscal-impact-estimate-report%2821-0023%29.pdf>
- Proponent(s): Stanley R. Apps
- Title and Summary Issued on November 30, 2021
https://oag.ca.gov/system/files/initiatives/pdfs/Title%20and%20Summary%20%2821-0023%29_2.pdf

21-0016A1 Provides that local land-use and zoning laws override conflicting state laws. Initiative constitutional amendment.

<https://oag.ca.gov/system/files/initiatives/pdfs/21-0016A1%20%28Local%20Land%20Use%29.pdf>

- Establishes that city and county land use and housing laws override state law
- Fiscal Impact Estimate Report
<https://oag.ca.gov/system/files/initiatives/pdfs/fiscal-impact-estimate-report%2821-0016A1%29.pdf>
- Proponent(s): John Heath, Bill Brand, Peggy Huang, Jovita Mendoza, Dennis Richards
- Title and Summary Issued on November 1, 2021
<https://oag.ca.gov/system/files/initiatives/pdfs/Title%20and%20Summary%20%2821-0016A1%29.pdf>

21-0015A1 Eliminates property tax reassessment for certain family real property transfers. Initiative constitutional amendment and statute.

<https://oag.ca.gov/system/files/initiatives/pdfs/21-0015A1%20%28Death%20Tax%29.pdf>

- Expands inherited property exclusions and removes cap on transfer value for inherited homes
- Fiscal Impact Estimate Report
<https://oag.ca.gov/system/files/initiatives/pdfs/fiscal-impact-estimate-report%2821-0015A1%29.pdf>
- Proponent(s): Jon Coupal
- Title and Summary Issued on November 1, 2021
https://oag.ca.gov/system/files/initiatives/pdfs/Title%20and%20Summary%20%2821-0015A1%29_0.pdf

