

CalRHA Legislative Updates



Kate Bell, KateBellStrategies.com

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Budget Update

The Senate Democrats released their budget plan late last month. Fortunately, it includes a Renters' Tax Credit, which CalRHA has been supporting. In particular, their plan provides \$700 million to increase the Renters' Tax Credit and to reform the program to benefit taxpayers with children, making the credit refundable beginning with the 2023 tax year. The improvements will cut taxes for 3,250,000 taxpayers, with the following details:

- For Joint Filers and Heads of Households with no dependents, increases the credit from \$120 to \$250, a 108% increase.
- For Joint Filers and Heads of Households with dependents, increases the credit from \$120 to \$500, a 316% increase.
- For Single Filers with no dependents, increases the credit from \$60 to \$250, a 316% increase.
- For Single Filers with dependents, increases the credit from \$60 to \$500, a 733% increase.
- Makes the Renters Tax Credit refundable, recognizing that lower income Californians often do not have an income tax liability, but still certainly pay other state and local taxes and should benefit from the credit.

The Legislature is working in earnest on the budget and will be passing the budget bill by June 15, 2023.

Legislative Update

CalRHA and its affiliates had a very productive Legislative Day at the Capitol last month. In fact, we were there during the hearing of our top priority bill, **SB 567 (Durazo)**. SB 567 would have undone a heavily negotiated agreement on just cause eviction rules and rent caps under AB 1482. SB 567 bill eliminates the provision under State law (Assembly Bill 1482) related to termination of tenancy without just cause and requires that just cause to be stated in the written notice to terminate tenancy only after a



CA Senator
Maria Elena Durazo

tenant has continuously and lawfully occupied a residential real property for 12 months. Fortunately, that bill was gutted in Judiciary committee of all of the rent control provisions. We are now in negotiations on the just cause provisions of the bill and have met with the Chair of the Judiciary and Appropriations Committee Chair, etc.

Another top priority bill, **SB 466 (Wahab)**, which would repeal major protections afforded to the state's rental housing providers under the Costa-Hawkins Rental Act of 1995 and expand local rent regulations, was also amended. Recent amendments agreed upon in the Senate Judiciary Committee will put into effect a 28-year rolling process. That means that in 2024, the 95 date would become 96 and move forward one year each year. The 79 date would become 81 and roll forward two years each year. This would make buildings built between 1978 and 1995 that are protected under AB 1482 to now become subject to local rent control of 3% or less, which will have a very negative impact on smaller rental property providers.



CA Senator
Aisha Wahab

Additional Legislation CalRHA is Opposing

AB 12 (Haney, D-San Francisco) Tenancy: Security Deposits. Would prohibit a landlord from receiving a security deposit for a rental agreement in an amount in excess of one month's rent, regardless of whether the residential property is unfurnished or furnished. **AB 12 passed the Assembly Judiciary Committee on a party-line vote and is now on the Assembly Floor.**



CA Assemblyperson
Matt Haney

AB 309 (Lee, D-Milpitas) Social Housing. This bill would define "social housing" for purposes of the Zenovich-Moscone-Chacon Housing and Home Finance Act, and make findings and declarations relating to social housing and would state the intent of the Legislature is to further the



CA Assemblyperson
Wendy Carrillo



CA Assemblyperson
Freddie Rodriguez



CA Senator
Susan Eggman



CA Senator
Steve Glazer

story multifamily housing. *AB 1505 passed the Senate and is pending referral by Senate Rules.*

- **SB 267 (Eggman, D-Stockton) Credit History of Persons Receiving Government Rent Subsidies – OPPOSE.** Would prohibit the use of a person's credit history as part of the application process for a rental housing accommodation without offering the applicant the option of providing alternative evidence of financial responsibility and ability to pay in instances in which there is a government rent subsidy and would require that the housing provider consider that alternative evidence in lieu of the person's credit history. *SB 267 passed the Senate and is pending referral in the Assembly, likely to Judiciary and Housing Committees.*
- **SB 569 (Glazer, D-Orinda) Renters' Tax Credit – Support.** Would require FTB to recompute the renters' tax credit for inflation. *SB 569 passed the Senate and is pending in the Assembly.*

As always, CalRHA will keep you informed as these bills make their way through the Legislature. We will be sure to send out Calls to Action when we are at a pivotal juncture and your involvement could help determine the outcome.

The remainder of the legislative calendar for the year is as follows:

- [June 15](#). Deadline for Legislature to pass budget bill
- [July 14](#). Last day for policy committees to meet and summer recess begins
- [August 14](#). Legislature reconvenes from summer recess
- [September 1](#). Last day for fiscal committee to pass bills to the Floor
- [September 8](#). Last day to amend bills on the Floor
- [September 14](#). Last day for bills to pass the Floor in the second house
- [October 14](#). Last day for Governor to sign or veto bills.

4/28/2023 Good news! Thanks to your efforts and CalRHA members who made the trip to Sacramento during this week's Legislative Day, oppressive rent caps and other



anti-housing provisions are being removed from Senate Bill 567! This is a big win for those who provide quality rental housing to Californians!

SB 567 by Senator María Elena Durazo (D-Los Angeles) would have limited rent adjustments to CPI or 5%, whichever is lower. In periods of high inflation like what we're seeing today, this would have severe consequences on housing providers and California renters. And SB 567 would have extended these rent caps to single-family homes, condominiums, and other properties that are currently exempted.

While amendments are not yet publicly available, the Senate Judiciary Committee voted to approve the bill with amendments that remove rent caps and other anti-housing requirements. SB 567 now advances to the Senate Appropriations Committee where we will have another opportunity to further fix the bill.

Thank you for joining CalRHA's advocacy efforts. Together, we can do great things!

Housing is Key Update. This month, the Business Consumer Services and Housing Agency reported on welcome news from the Department of Finance, which reported strong gains in housing growth in 2022. California added 123,350 net housing units, including more than 20,000 Accessory Dwelling Units and new construction of 116,683 units. These are the largest increases since 2008.