

CalRHA Legislative Updates



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Budget Update

Governor Newsom will unveil his proposed 2025-26 budget around January 10th, 2025. In the meantime, the Legislative Analyst's Office (LAO) had issued their report saying that we are facing a fairly balanced budget going into 2025. Their publication may be found at: <https://lao.ca.gov/Publications/Report/4939>



CA Governor
Gavin Newsom

Legislative Update

The Legislature came to Sacramento on December 5th to swear in new members. Legislators also took the opportunity to introduce bills for the new 2025-26 legislative session.

Of note, Assemblymember Lee has reintroduced his Social Housing Act via AB 11. Republican Assemblymember DeMaio has introduced the Taxpayer Protection Act of 2025, AB 21.



CA Assemblymember
Alex Lee

CA Assemblymember
Carl DeMaio

Senator Jesse Arreguin introduced SB 9, which would remove the owner-occupancy requirement for ADUs.

There will be many more bills introduced when the Legislature comes back in January, but the leaders of the Legislature, the Pro Tem of the Senate and Speaker of the



CA Senator
Jesse Arreguin

Assembly did institute a lower limit on the amount of bills that a Legislator can introduce. Per the legislative leaders' press release:

"This "bill limit" will allow legislators to invest additional energy on issues that matter most to Californians, such as lowering the cost of living, building more housing and improving public services. It also encourages legislators to spend more time on oversight and accountability, ensuring existing programs remain efficient and effective. So, this session, we are lowering the number of bills legislators can introduce from 50 to 35."

New Legislation being Enacted in 2025

As a reminder and so that you are prepared going into 2025, here is a list of rental housing related legislation that passed and was signed by the Governor this year.

AB 2347 (Kalra) Eviction Delay. Extends the time for tenants to respond to an unlawful detainer (eviction) from 5 court days to 10 court days.



CA Assemblyperson
Ash Kalra

AB 2493 (Pellerin) Rental Application Fees. Permits a landlord to charge a lease applicant an application screening fee only if the landlord offers an application screening process that considers applications in the order in which they are received, or provides any applicant who is not selected for tenancy with a refund or credit for the application screening fee.



CA Assemblyperson
Gail Pellerin

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AB 2579 (Quirk-Silva) Balcony Bill. Extends by one year the deadline for performing inspections of exterior elevated element (balcony) in all buildings containing three or more multifamily dwelling units, from January 1, 2025, to January 1, 2026.



CA Assemblyperson
Sharon Quirk-Silva

AB 2747 (Haney) Positive Rental Credit Reporting. Requires specified landlords to offer each tenant obligated on a lease the option of having the tenant's positive rental payment information reported to at least one nationwide consumer reporting agency. CalRHA has taken an opposition position on this legislation.



CA Assemblyperson
Matt Haney

AB 2801 (Friedman) Security Deposits. Specifies that claims by a landlord against a tenant or deductions from a tenant's security deposit must be limited to reasonable amounts and be reasonable and necessary to restore the premises back to the condition it was in before the tenancy, except for ordinary wear and tear. Requires that, beginning April 1, 2025, a landlord must take photographs of the unit within a reasonable time after the possession of the unit is returned to the landlord, but before any repairs or cleanings for which the landlord will deduct from the deposit are completed, and that the landlord take photographs of the unit within a reasonable time after the repairs or cleanings are completed. In addition, for tenancies beginning on or after July 1, 2025, a landlord must take photographs of the leased unit immediately before, or at the inception of the tenancy.



CA Assemblyperson
Laura Friedman

AB 3057 (Wilson) CEQA Exemption for ADU and JADU. Expands an existing California Environmental Quality Act (CEQA) exemption for city or county adoption of an ordinance to facilitate accessory dwelling units (ADUs) to also include adoption of an ordinance facilitating junior ADUs (JADUs).



CA Assemblyperson
Lori Wilson

SB 440 (Skinner) Regional Housing Authorities. Authorizes two or more local governments to establish a regional housing finance authority (RHFA) to raise, administer, and allocate funding (increase taxes) for affordable housing and provide technical assistance at a regional level for affordable housing development.



CA Senator
Nancy Skinner

SB 1103 (Menjivar) Commercial Tenancies. Requires commercial landlords to provide "qualified commercial tenants" contract translation and notice for month-to-month rent increases or tenancy termination, and places transparency and proportionality requirements on the fees a landlord may impose to recover building operating costs from qualified tenants.

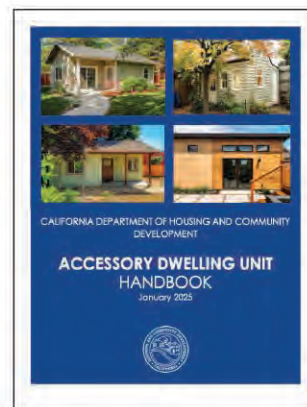


CA Senator
Caroline Menjivar

Senate Bill 1211 (Skinner). Ministerial Approval of ADUs - Increases the number of detached ADUs eligible for ministerial approval on a lot with an existing multifamily dwelling from no more than two detached ADUs to no more than eight detached ADUs. Prohibits a local agency from requiring replacement of uncovered parking spaces demolished to allow for the construction of an ADU.

Administrative Update

The Department of Housing and Community Development (HCD) just released an updated ADU Handbook. In it, you may find updates, resulting from our past sponsored legislation dealing with height limitations, as well as legislation we have supported dealing with streamlining.



The handbook may be found at:
<https://www.hcd.ca.gov/sites/default/files/docs/policy-and-research/ADUHandbookUpdate.pdf>