

CalRHA Legislative Updates



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Budget Update

On June 30, 2025, Governor Newsom signed Assembly Bill 130 and Senate Bill 131 into law, finalizing a broad legislative package intended to address permitting and approval delays under the California Environmental Quality Act (CEQA). While AB 130 focuses primarily on housing development and local permitting processes, SB 131 targets infrastructure, public facilities, and procedural CEQA changes. The bills aim to streamline environmental reviews by introducing exemptions and timelines, while preserving key safeguards and adding new labor and oversight requirements.



CA Governor
Gavin Newsom

Beyond CEQA, AB 130 codifies several streamlining measures for housing approvals:

- Expands the Permit Streamlining Act to include ministerial housing projects and makes related timelines permanent.
- Caps the number of public hearings for qualifying housing projects at five.
- Makes permanent provisions of the Housing Accountability Act and Housing Crisis Act, including the builder's remedy.
- Removes certain California Coastal Commission appeal rights for specific residential development proposals.
- Includes a moratorium on the adoption of new or more restrictive residential building standards at both the state and local levels. Effective from October 1, 2025 through June 1, 2031, the moratorium does not apply to updates related to emergencies, fire safety, or conservation.

Finally, AB 130 allows for an expansion of the renters tax credit—subject to future appropriations. See article by SBRPA President Betty Jeppesen on page xx.

SB 131 requires housing projects to meet specific labor standards to qualify for CEQA exemptions. Public agency projects are required to use a skilled and trained workforce unless covered by a qualifying Project Labor Agreement (PLA), while private projects must certify prevailing wage payments and workforce standards, include these in all contracts, and submit monthly compliance reports—unless all contractors are under a PLA with arbitration enforcement. These provisions may increase labor costs and impose additional compliance obligations for qualifying projects.

Legislative Update

Second House Policy Committee Deadline –Summer Recess Begins

The deadline for bills to pass the policy committees in the second house is July 18th and the Legislature is on their summer recess from then until August 18th. After that, the remaining legislative deadlines for the year are as follows:

- August 29th. Appropriations Committee Deadline in Second House
- September 12th. Deadline to Pass the Floor/Recess
- October 12th. Last Day for the Governor to Sign or Veto Legislation

To highlight additional legislative wins that we had:

(Wahab) Right to Redeem Tenancy, which would have changed the 3-day pay or quit statute to a 14-day pay or quit, died in the Assembly Judiciary Committee. Although granted reconsideration, the bill was not set for a second hearing.



CA Senate
Alisha Wahab

Additionally, **Senate Bill 681 (Wahab) Housing**. The Senate's housing reform proposal, which included provisions that limit fees that rental property owners may charge tenants which failed to get a hearing in the Assembly Housing Committee and now is a two-year bill.

Finally, **Assembly Bill 1240 (Lee) Corporate Ownership** has become a two-year bill, parked in the Senate Judiciary Committee. AB 1240 would have prohibited business entities that own more than 1,000 single-family residential properties from purchasing any additional single-family properties and leasing them out.



CA Assembly
Alex Lee

Priority bills that are still moving, include:

AB 414 (Pellerin) Residential Tenancies: Return of Security.

This bill requires a landlord to return any remaining security deposit at the end of a residential tenancy to the tenant electronically if the tenant paid rent or the deposit electronically, and amends the process by which the remaining deposit and required itemized statement of deductions is delivered to the tenant or tenants, as specified.



CA Assembly
Gail Pellerin

Senate floor amendments of 7/8/25 add an exception to the requirement that when multiple adult tenants reside in the residential rental property, the landlord must return the remainder of any security deposit by check payable to all adult tenants and furnish the itemized statement to any one of the adult tenants, as specified, for when no written mutual agreement has been entered into by the landlord and the adult tenants, and the tenancy is terminated by a tenant pursuant to a specified statute related to instances of domestic violence, and the tenant who terminated the lease requests that the security be disbursed in a manner other than by check made payable to all adult tenants. With these amendments, CalRHA went neutral on the bill.

AB 628 (McKinnor) Habitability: Stoves and Refrigerators. This bill makes a dwelling that substantially lacks a stove or refrigerator that are maintained in good working order and capable of safely generating heat for cooking or safely storing food untenable. CalRHA is working with the author's office on further clarifying amendments to the bill, which is pending a vote on the Senate Floor.



CA Assembly
Tina McKinnor

AB 878 (Kalra) Reasonable Accommodations for Victims of Domestic Violence. Provides that a landlord or a landlord's agent shall, upon request, provide a reasonable accommodation to a tenant who is a victim or whose family or household member is a victim of domestic violence, sexual assault, human trafficking, etc. The bill has been amended, but still contains a private right of action so CalRHA remains opposed. The bill is pending a vote on the Senate Floor.



CA Assembly
Ash Kalra

SB 52 (Perez) Rental Rate Algorithms. SB 52 restricts the use of rental pricing algorithms. Specifically, it bans offering such algorithms to competitors in the same or related market, prohibits knowingly using these algorithms, and forbids incorporating nonpublic competitor data into any rental pricing algorithm. CalRHA is opposed to SB 52, which is being heard on July 16th in the Assembly Privacy Committee.



CA Senate
Renee Perez

SB 384 (Wahab) Preventing Algorithmic Price Fixing Act: prohibition on price-fixing algorithm use. This legislation would ban the creation and employment of pricing algorithms that use the confidential, competitive data of rival companies. CalRHA is opposed to SB 384, which is being heard on July 16th in the Assembly Privacy Committee.



CA Senate
Alisha Wahab

SB 522 (Wahab) Housing: Tenant Protections. This bill excludes, from the exemption to California's just-cause eviction protections for housing issued a certificate of occupancy within the last 15 years, housing that is built to replace a housing unit substantially damaged or destroyed by a disaster, as specified. Unfortunately, SB 522 will have the unintended consequence of discouraging the reconstruction of housing destroyed by disasters. CalRHA is opposed to SB 522, which will be heard next on the Assembly Floor.

PRESS RELEASE: Governor Newsom signs balanced state budget that cuts taxes for vets, fully funds free school meals, builds more housing, & creates jobs

Signing of landmark package to cut red tape, fast-track housing, and infrastructure forthcoming

SACRAMENTO 6/27/2025 – Amid Donald Trump's economic assault on California, Governor Gavin Newsom today signed the 2025 state budget bill advanced in partnership with Senate President pro Tempore Mike McGuire and Speaker Robert Rivas. Together, the Governor and Legislature are enacting a responsible, balanced spending plan that safeguards California's values while maintaining long-term fiscal health. This budget and forthcoming trailer bills include new, landmark policies that will accelerate housing production and boost affordability in communities across the state — addressing California's most urgent challenges.

As we confront Donald Trump's economic sabotage, this budget agreement proves California won't just hold the line — we'll go even further. It's balanced, it maintains substantial reserves, and it's focused on supporting Californians — slashing red tape and catapulting housing and infrastructure development, preserving essential healthcare services, funds universal pre-K, and cuts taxes for veterans.

— Governor Gavin Newsom



Speaker Robert Rivas says:

"This is an incredibly difficult time for Californians. Trump is undermining our economy with reckless tariffs, harsh cuts, and ICE agents terrorizing our communities. At a moment when so many are already struggling, he's adding fear and instability. In contrast,

Democrats have delivered a budget that protects California. It cuts red tape to build more housing faster — because housing is the foundation of affordability and opportunity. It preserves critical investments in health care, women's health, education, and public safety. And it honors our commitment not to raise taxes on families, workers, or small businesses. In unprecedented times, under painful circumstances, Democrats are delivering for Californians."

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The balanced budget comes as California continues to confront significant fiscal pressures fueled by the Trump administration's reckless economic and immigration policies. According to the California Department of Finance, Trump's tariff regime is projected to cost the state an estimated \$16 billion in lost General Fund revenue through the next fiscal year. And a new study released June 17 by the Bay Area Council Economic Institute, in collaboration with UC Merced, found that Trump's mass deportations could slash \$275 billion from California's economy, eliminate \$23 billion in annual tax revenue, and severely disrupt key industries such as agriculture, construction, and hospitality.

In the face of these mounting challenges, the Governor issued a proclamation to access state reserves. This responsible and balanced budget protects Californians, creates more housing, preserves core programs, reinforces fiscal discipline, and invests in the state's long-term economic strength.

For full article, go to GovPressOffice@gov.ca.gov



Pro Tem Mike McGuire says:

"The State is delivering a responsible on-time budget in a challenging year focused on fiscal restraint and investing in the people and programs that make this State great. This budget prioritizes record funding for our kids and public

schools, protects access to healthcare for millions of the most vulnerable, and will create more housing at a scale not seen in years. Thanks to this budget agreement, the state will help get more folks off the streets and into permanent shelter, and we'll expand the ranks of CalFire, deploying hundreds of additional full-time CalFire firefighters, which will save lives and make us all more wildfire safe. And this agreement helps prepare our state for the ongoing chaos and massive uncertainty caused by the Trump administration. Thank you to our Senate Budget Chair Scott Wiener, Speaker Rivas and Governor Newsom and their staffs for their hard work for the people of California."