

CalRHA 2020 Housing Legislation



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The legislature officially hit full steam in February as the deadline to introduce bills this year has passed. In 2020, legislators introduced over 2,000 new bills, with housing as a dominant theme. Constitutional rules require that a bill be in print for 30 days before it is heard, which means that Legislative hearings will ramp up in March and will run through April. A number key bills were introduced this year in the housing space, some that would help address the housing crisis, and others that would place additional requirements on property owners. Below is a small sample of priority bills in this space.

This year, CalRHA is sponsoring a bill to expand the pool of licensed professionals who are authorized to inspect and repair balconies. In 2018, **SB 721** by Senator Jerry Hill set out a process and program for the inspection and repair of balconies of multifamily dwelling units. This inadvertently created a problem because language in that bill prohibits recommended repairs from being done by the person who served as the inspector. The result of this is that property owners have had a difficult time identifying enough companies to inspect the immense number of balconies in the state which has caused inspection costs to rise as well as a delay in the inspection process. **SB 1340** is CalRHA's sponsored bill and is authored by Senator Scott Wilk. This would allow those who are qualified to inspect the balcony to do the recommended repairs as long as they are a licensed contractor. Essentially, this bill will streamline the process of balcony inspections and repairs, while simultaneously upholding the safety of California residences.



Senator Scott Wilk

AB 2470, which is authored by Assemblymember Sydney Kamlager is an attempt to increase the number of housing units in the state by spurring development. This would authorize a developer to submit an application to split one or more of the dwelling units in a multifamily housing development and would streamline the ministerial approval process.



Assemblymember Sydney Kamlager

In addition, this bill would restrict a local government's authority to impose parking standards on these developments. Another bill that aims to increase the number of housing units in the state is **AB 2580**, which is authored by Assemblymember Susan Eggman. This would authorize a developer to submit an application to convert a hotel or motel into multifamily housing units. The applications would be streamlined through the ministerial approval process, provided that the developer reserves at least 20% of those units for families of low or moderate income. Both of these bills are aimed at addressing the housing crisis by encouraging developers to increase the number of units in the state.

While the bills described above will help spur development and will aid property owners and developers in addressing the housing crisis, a number of other bills that will make it more



difficult to be a property owner in the state. **SB 1079** by Senator Nancy Skinner was inspired by the issue in Oakland when "Moms 4 Housing" occupied a corporately owned vacant home. This bill would authorize local governments to either impose a fee on residential properties left vacant for 90 days, or acquire those properties, so long as they are used for affordable housing. This causes a number of problems for property owners and would authorize local governments to impose their will on property owners.

Another bill that places additional requirements on property owners is **AB 2406** by Assemblymember Buffy Wicks, which is a reintroduction of **AB 724** from last year. This bill would require the Department of Housing and Community Development to enter into a contract with a contractor to develop and administer a rental registry online portal. Property owners with 5 or more rental units would be required to submit information on the location of the property, its ownership, its occupancy, along with a number of other things. This bill obviously poses a multitude of problems for property owners as well as a massive administrative burden. **AB 724** from last year was opposed by housing groups and ultimately failed passage out of the Assembly Appropriations Committee.

Several bills were introduced about termination of a lease and late fees for tenants. **SB 1079** by Senator Durazo would expand current tenancy protections for

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the termination of a lease to immediate family members and would add whether they were a victim of a crime that caused physical injury, emotional injury and the threat of physical injury, or death. This significant expansion would make it much easier for a tenant to cancel a lease without penalty and would create a level of uncertainty for property owners. **AB 2774** By Assemblymember Jones-Sawyer would prohibit a property owner from charging a late fee in excess of \$50. This is another example of legislation that makes it more difficult for property owners to effectively manage their properties.



Assemblymember
Reggie Jones-Sawyer

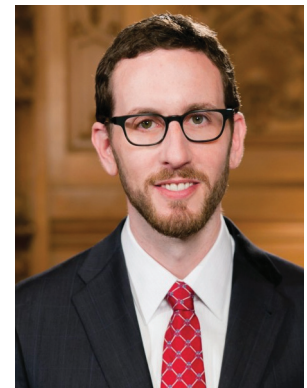
Lastly, **AB 3077** by Assemblymember Santiago would prohibit rental property owners, until January 1, 2031, from giving notice of their intention to terminate a tenancy in order to sell the property to new owners. This also prohibits residential property owners under the Ellis Act provision that allows public entities to provide notice that the owner has initiated actions to terminate tenancies, from withdrawing accommodations from rent or lease in order to sell the property to new owner as tenants in common. This bill is a response to tenants in the Assemblymember's district who were evicted due to a sale of the property to tenants in common.



Assemblymember
Miguel Santiago

Legislators are not the only ones who have housing as a high priority. Governor Newsom continues to list this as one of his highest priorities. In fact, he dedicated almost the entirety of his State of the State address to the homelessness and housing crisis. Governor Newsom's budget has dedicated \$750 million to address the homelessness crisis and included in this is the California Access to Housing Act which contains provisions that would provide renter's assistance to those who are at risk of homelessness.

Just as we expected, housing will continue to be a dominant topic for the legislature as well as for the governor. Last year they addressed tenancy and the price of rent, and the pro-tem and the governor have both said they need to address the issue of increasing production this year. With **SB 50** having failed passage in January, Senator Scott Wiener, the author of **SB 50**, has returned with a similar measure.



Senator Scott Wiener

His new bill, **SB 902** which was amended on March 10th, would change zoning requirements to allow anywhere from two, three, or four units of housing per parcel depending on population size. In urban areas there could be as many as 10 units per parcel. One thing is clear, the issue of addressing the housing crisis is far from being solved and will continue to be a hot topic in Sacramento.



NCSL (National Conference of State Legislatures) is tracking the impact the coronavirus (COVID-19) may have on state legislatures, including suspension or postponement of legislative sessions. As of March 20, 2020, at least 21 legislatures (Alabama, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Illinois, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Nebraska, New Hampshire, New York, Rhode Island, Vermont, Virgin Islands and Wisconsin) have postponed their legislative session. Four additional chambers, Missouri Senate, New Jersey Assembly, Oklahoma Senate and Ohio House, have also postponed their legislative session.

For information on regular legislative session dates <https://www.ncsl.org/research/about-state-legislatures/2020-state-legislative-session-calendar.aspx>