



CalRHA  
November 2019

# Legislative Update

CalRHA continues to work with the Legislature and Governor's office over the interim on several issues. In this month's newsletter, we provide: clarification on the implementation on **AB 1482**, key actions by the Governor, and an update on 2020 legislative planning by the CalRHA Legislative Committee.

## Implementation of AB 1482

In the aftermath of the passage of **AB 1482**, a number of property owners have been unsure regarding several provisions in the bill and how they will be expected to comply. First, there has been a question with respect to which CPI should be used in order to clearly define the amount of rent control that should be imposed in any given region. After conversations with the Assembly Housing Committee, CalRHA has clarified that the rate should be based off of the regional CPI posted on the Department of Industrial Relation's website (<https://www.dir.ca.gov/OPRL/CAPriceIndex.htm>).

Data on CPI is posted on this website, as well as a CPI calculator which can be used to determine CPI in regions across the state. When making this calculation, property owners should use the percentage change from April 1 of the prior year to April 1 of the current year in the designated region where the property is located. In some cases, this information is not available for every region in the month of April, or a property isn't located in one of the designated regions. If either of these happen to be the case, the property owner would use the percentage change of statewide CPI from April 1 of the prior year to April 1 of the current year. For purposes of 2020, that number is 3.25-3.34%, meaning that the maximum rent increase of CPI plus 5 would be 8.34%.

Additional questions have been raised about Section 8 tenants and whether or not they are exempt from the provisions of **AB 1482**. While Section 8 is referenced under the exemptions in the bill for both the just cause evictions and the rent control provisions, it has become clear that exempting Section 8 tenants was not the intent of the author. Conversations with Assemblyman Chiu have revealed that this was an oversight in the bill and that he plans to include a fix to this in a "clean up" bill to **AB 1482** next year.



Photo: Govtech.com

Assemblyman David Chiu



Photo: SanDiegoTimes

California Governor Gavin Newsom

## Governor Newsom Actions

The Governor has continued the conversation regarding and actions to combat the housing crisis. He has engaged in stakeholder meetings and has made budgetary allocations to address this problem. On November 13th, Governor Newsom convened a roundtable discussion with top executives from a number of California's major employers to discuss the role that the private sector will play in addressing the state's housing crisis. Over a dozen top executives in the state attended, and the Governor highlighted commitments that were recently made by **Apple**, **Facebook**, and **Google** to build more affordable housing. The Governor encouraged more business leaders to join state and philanthropic efforts to combat this crisis.

In addition, the Governor has announced nearly \$900 million in funding for affordable housing and sustainable community development. Of that, \$610 million will be provided from the state's cap-and-trade fund to help communities build more housing and increase transit options that are close to job centers. The Governor claims that this investment will help combat the state's housing crisis through the addition of new housing, and will simultaneously fight climate change by reducing the length of commutes and the number of drivers on the road.



*Executive Order N-06-19  
Affordable Housing Development*

The Governor's office has also worked this year to solicit bids from developers to build homes on at least three state-owned properties. In January, Newsom issued an Executive Order to inventory all state property in order to determine what properties could be developed to address the housing crisis. Pursuant to the Executive Order, a survey was conducted earlier this year on state lands that could be used to construct housing. The report revealed that there were nearly 45,000 state-owned parcels and that 1,300 of them could be used to construct new homes. This launched a partnership with 6 cities in the state—Chico, Fresno, Oakland, Sacramento, San Diego, and San Francisco—to develop additional affordable housing on those lands. In October, the Governor announced that the first Request for Proposal (RFP) on state-owned land will be issued in Stockton.

Finally, we had the CalRHA President attend a meeting with Governor Newsom during which he was able to provide an overview of our industry and reiterate the threat of the Weinstein initiative to it.

## 2020 Legislative Planning

On November 8th, CalRHA held a legislative program planning meeting at Capitol Advocacy to discuss potential legislation the association would like to pursue in 2020. Over 16 different proposals were discussed and working groups were assigned to begin laying the ground work for sponsoring legislation. The next meeting of the CalRHA Legislative Committee to discuss the results from research on these proposals was to be held on November 26th.



*Sid Lakireddy  
CalRHA President*