



CalRHA
August 2019

Legislative Update

Legislators returned to Sacramento on August 12th for the final five weeks of the 2019 legislative session. CalRHA's advocacy efforts have been focused on **AB 1482** - Assemblyman David Chiu's rent control bill - and working to obtain amendments to make the bill less onerous. **AB 1482** passed off of the Senate Appropriations Committee Suspense File on August 30th to the Senate Rules Committee. Later that evening, Governor Newsom, legislative leaders and Assemblyman Chiu reached a deal on the bill. Under the agreement, annual rent increases will be capped at 5% plus CPI through 2030. The exemption for new construction will be 15 years, and the just cause provisions will also be amended to reset at certain elements to essentially equal 24 months prior to just cause. Owner-occupied duplexes will be exempted. Clean up language will also be added to firm up vacancy decontrol and clarify a provision relating to the Ellis Act. CAA will go neutral under the deal, but CAR will now oppose.



Assemblyman David Chiu

CalRHA continues to seek an exemption for small noncommercial multifamily units and is urging all CalRHA members to contact key legislators and urge them to vote "no" on **AB 1482** unless it is amended to contain the small unit exemption. **AB 1482** is now on the Senate floor. After it passes, it will have to go back to the Assembly for a concurrence vote before it can go to the Governor.

CalRHA has also been in discussions with Governor Newsom's office to push for the small unit exemption. The Governor has continued to make housing one of his flagship issues. He is supportive of rent caps; even caps more stringent than what are currently in AB 1482 (thus the 5%+ CPI that will now go into the bill), and he would like to avoid another initiative fight. Newsom knows **AB 1482** must get Michael Weinstein's blessing in order for that to happen.

On August 15th, the Governor held a discussion on housing affordability in San Francisco with teachers and public safety representatives, along with San Francisco mayor London Breed. During the discussion, Newsom highlighted the housing investments in this year's budget, as well as his recent proposal to deposit the \$331 million National Mortgage Settlement funds into a trust for nonprofits to provide legal assistance for preventing foreclosures via borrower relief and assisting housing counselors or other legal aid agencies that represent renters in housing-related matters (that proposal has been incorporated into **AB 113/SB 113** to be approved by the Legislature). Among the issues on Newsom's 2019 housing agenda that he said are still "in progress" are "strong rent and anti-gouging protections" and streamlined zoning and permitting.



San Francisco Mayor
London Breed

Beyond rent control, **AB 206**, also by Assemblyman David Chiu, was signed by the Governor on August 30th. It will give property owners limited immunity from lawsuits and other claims that have been associated with a property owner's participation in the lead abatement program. CalRHA submitted a letter to the Governor expressing support and requesting his signature. The bill will go into effect January 1, 2020.

SB 248 (Glazer) and **SB 521** (Portantino) were held on the Assembly Appropriations Committee's Suspense File on August 30th and are dead for the year. **SB 248** would have created a renters' tax credit and **SB 521** would have provided incentives for landlords to rent to Section 8 recipients. CalRHA supported both bills but the fact that they were held on Suspense is not surprising given that they created a tax credit and new incentives.



Senator Holly Mitchell

SB 329, the bill by Senator Holly Mitchell that would require owners of rental properties to accept all federal, state, and local public assistance subsidies, passed off the Suspense file in Assembly Appropriations Committee and is now on the Assembly floor. CalRHA has been pushing for amendments consistent with Senator Mitchell's comments that her goal with the bill is to prevent property owners from advertising that they won't accept Section 8, but that the bill doesn't mandate that the property owner enter into contract with Section 8 applicants and that they would be free to choose a non-section 8 applicant. CalRHA will continue to register opposition and advocate for amendments on the floor.

Several bills have been introduced this session that deal with accessory dwelling units (ADUs), the most prominent of which is **AB 69** by San Francisco Democrat Assemblyman Phil Ting. This bill would require the Department of Housing and Community Development (HCD) to propose small home/ADU building standards for adoption by the Building Standards Commission by 2021. It would specifically define "small home" as an ADU that is less than 800 square feet, a junior ADU, and any other detached dwelling unit that is less than 800 square feet. **AB 69** passed off the Senate Appropriations Committee Suspense File today and now goes to the Senate floor. CalRHA has been in discussions with the author's office on potential amendments to help multi-family property owners. Although Ting agrees with some of our concerns, he will not accept certain changes because they would unwind a prior agreement on ADUs with local planning agencies and others.



Assemblyman Phil Ting

After Labor Day, the Legislature will kick off the last two weeks of daily floor sessions. All bills must pass by September 13th. The Governor has until October 13th to act on bills that make it to his desk.
