

What Just Hit Us?

STATE: CalRHA's Legislative Update

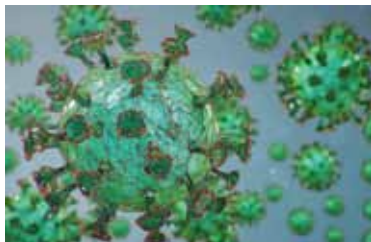


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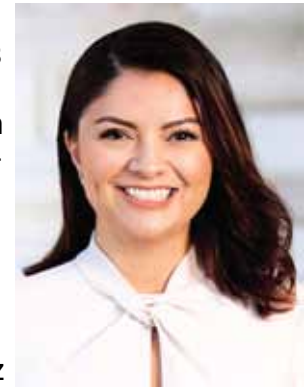
The California Legislature has returned to Sacramento. The Assembly reconvened on May 4th, and the Senate reconvened on May 11th. While members are back in Sacramento, the daily proceedings are vastly different from what they were prior to the COVID-19 pandemic. Assembly and Senate leadership have scheduled various committee hearings, however, they are required to be done in a socially distanced manner. Committee rooms that were once jam packed with members of the public eager to provide testimony, have been replaced with a conference call line, and online webcasts. Members are required to sit at least 6 feet away from one another, and only a select number of people from the public are allowed to attend the hearings in person. Only one staff member for each legislator is allowed to come into the Capitol each day. Needless to say, the once bustling halls of the state capitol have now grown eerily quiet.

Daily proceedings are not the only dramatic change that lawmakers must grapple with as we navigate our way through this pandemic.



Under the direction of leadership, many members have significantly scaled back their legislative bill packages. With uncertainty surrounding tax revenue, the Legislature and the Governor's office have agreed that it would be unwise to significantly expand state spending. In addition to requesting that individual members reduce the number of bills this year, the Assembly and Senate leadership have also directed committee chairs to significantly reduce the number of bills that their committees hear. To this end, only high-profile bills addressing COVID-19 and a number of other hotly contested issues, including housing and wildfires, will be heard in committees.

Even though the main focus in Sacramento is on COVID-19, housing continues to be a high priority issue in the Legislature. Several bills have been introduced to provide relief to renters who are adversely impacted by COVID-19. SB 1410, by Senator Lena Gonzalez



Senator Lena Gonzalez

was recently amended to provide a renter's assistance program for tenants who are unable to pay all or any part of their rent between April 1, 2020 and October 31, 2020 due to COVID-19. This bill would authorize property owners to participate in the program, and would pay them 80% of the amount of rent owed. If the property owner agrees to participate in the program they would not be allowed to demand the lost 20% from the tenant.

Another bill that was recently amended is SB 1431, authored by Senator Steve Glazer. This bill would expand the provisions in current law that authorizes County Supervisors to reassess property tax value to include damage or destruction of property due to a misfortune in an area or region that has been declared to be in a state of emergency by the governor. This bill specifically includes "misfortune or calamity" that has been caused by the COVID-19 pandemic.



Senator Steve Glazer

While the Legislature was adjourned for over 7 weeks, Governor Newsom remained in Sacramento

STATE: CalRHA Legislative Update (continued)

working. Given the massive decrease in state revenue, the Department of Finance has notified all Departments and Agencies in the state that they should not anticipate any additional funding that was included in the January Budget. The Department of Finance released a rare fiscal update in early May, estimating that California faces a \$54.3 billion deficit due to the coronavirus' impact on the state's economy. The Legislative Analyst's Office had a smaller estimate of a \$31 billion deficit over the next 14 months, but regardless of the estimate one thing is clear; California is heading to a recession.



Governor Newsom

On May 7th, Governor Newsom also provided a public health guidance for regions of the state to begin reopening. Retail businesses will be allowed to reopen for curbside service, and manufacturing warehouses will also be allowed to resume. Other higher-risk businesses will remain closed for the time being, however, California is moving in the right direction towards reopening, albeit slowly. Criticism has befallen Newsom as counties analyze the benchmarks that he has established to reopen the state faster. Many counties fail these benchmarks including one requiring zero deaths over the past 14 days

and another requiring that there be no more than one case per 10,000 residents over that same period of time. According to the Los Angeles Times, 95% of Californians live in counties that don't meet that standard.



On Wednesday May 6th, the Governor issued Executive Order N-61-20 which authorized counties to waive late penalties, fees and interest

for many homeowners and small business owners who are unable to pay their property taxes because of the coronavirus. This relief extends through May 6, 2021. CalRHA has advocated for property tax relief because of the hardships that are placed on property owners due to COVID-19. The governor's executive order goes further than what most counties had expected because it extends into next year.

With the Legislature's return to session we can expect a more collaborative process between them and the Governor. For over 7 weeks, Governor Newsom has been the sole point of contact and point of action on the COVID-19 pandemic. The Legislature has been eager to return to work and have input on the state's actions to combat the pandemic. CalRHA remains heavily engaged in the Legislative process as policy is shaped around the COVID-19 pandemic and the housing crisis.