



C.A.R. 2019-2020 Sponsored Bills

AB 599 (Maienschein) Affordable Owner-Occupied Workforce Housing: Definition -

Currently, there is no uniform definition in state law for “affordable owner-occupied workforce housing” or “affordable workforce housing”. Affordable housing is an important issue at all levels of government. This legislation would codify the Department of Housing and Community Development’s definition of “affordable owner-occupied workforce housing” and “affordable workforce housing,” and define it as households earning up to 120% of area median income (AMI) while allowing for consideration of a higher AMI in “high cost areas”. A uniform definition is needed to help the state to establish new programs in order to bridge the state’s housing supply and affordability gaps. AB 599 died in committee.

Status: Assembly Housing and Community Development Committee

AB 892 (Holden) Clarifications to Real Estate Law Update - In 2015, C.A.R. began its multi-year effort to update and clarify the real estate law with the enactment of AB 685 (Irwin). Subsequently, in 2017-18 C.A.R. successfully sponsored two further measures, AB 1289 (Arambula) and AB 2884 (Irwin), both of which enacted various, more extensive changes to both the Civil Code (AB 1289) and to the Business and Profession Code (AB 2884). This legislation will continue to further update and clarify the real estate law.

Status: Signed into law on September 20, 2019 (Chapter 310, Statutes of 2019)

AB 1020 (Irwin) State Housing Agency: Cabinet Level Secretary - This bill seeks to create a state Housing Agency, with a Cabinet-level Secretary, charged with overseeing activities related to housing. A new Housing Agency would help to focus the state’s efforts to solve the state’s housing supply crisis, while the Secretary of Housing would provide the Governor with a resource to oversee and to interact with professional entities, both governmental and non-governmental, that play a role in the housing market. This bill died in committee, however, C.A.R. has reintroduced this measure as AB 2506 (Irwin).

Status: Assembly Appropriations Committee

AB 1074 (Diep) Bonds for Accessory Dwelling Units (ADUs) - ADUs provide for an additional solution to increasing the supply of affordable housing especially in tight real estate markets within the state. Unfortunately, there have been problems with funding sources for ADU construction. This legislation seeks to create a new bond (similar to CalVet) that would allow homeowners to finance the construct of an ADU by applying for this loan. AB 1074 stalled in the

Assembly Housing and Community Development Committee, however, C.A.R. is exploring other alternatives to accomplish the goal of AB 1074. This bill was reintroduced as SB 1400.

Status: Assembly Housing and Community Development Committee

AB 1484 (Grayson) Fee Mitigation Act: Housing Developments - This bill would among other provisions require the establishment of a stronger connection requirement for fees being charged the actual impact of the specific development. The bill also prohibits local agencies charging new developments to subsidize improvements to existing infrastructure deficiencies and requires the formal adoption of nexus studies. Lastly the bill closes legal loopholes that allow local agencies to avoid nexus requirements or the establishment of a reasonable relationship for fees and taxes.

Status: Senate Rules Committee

AB 1551 (Daly) Enhancing PACE Assessment Disclosures - In recent year, the Legislature has sought to enhance consumer protections for Property Assessed Clean Energy (PACE) financing programs. However, there is still a need for more clear and straightforward disclosures of the key terms of PACE and the consequences of such financing programs. AB 1551 will further enhance the disclosures associated with the financing by mandating a hard copy of the disclosure be given to potential customers. Also, the bill seeks to prohibit prepayment penalties for those who wish to pay off their assessment (commonly done at the time of the transaction) and prohibits PACE assessments when a reverse mortgage is in place.

Status: Senate Rules Committee

AB 1568 (McCarty) Housing Element Implementation and Accountability - Local governments are required to update their housing element every five to eight years. Enacted in 2017, AB 72 (Santiago and Chiu) requires the Department of Housing and Community Development (DHCD) to notify local governments if their housing element does not substantially comply with state law and permits the department to refer these violations to the Attorney General. On or before January 1, 2025, AB 1568 would have prohibited a city or county, that failed to comply with the state's housing element law, from applying for state transportation grant funds. AB 1568 stalled in the Assembly Appropriations Committee, however, AB 101 (Committee on Budget) accomplishes the same goal of C.A.R.-sponsored AB 1568 by keeping local governments accountable when planning for their fair share of housing.

Status: Assembly Appropriations Committee

AB 1590 (Blanca Rubio) First-Time Homebuyer Tax Credit - The opportunities for first time home buyers are dwindling in California due to a lack of supply and, in turn, increasing costs, especially for individuals and families of low or moderate income in disadvantaged

communities. This bill allows certain first-time homebuyers to receive a tax credit for purchasing a principal residence under specified conditions.

Status: Vetoed by the Governor on October 13, 2019

SB 50 (Wiener) Housing Development - SB 50 sought to identify solutions to the state's housing crisis by encouraging the development of new housing units primarily in urban environments. Specifically, SB 50 sought to implement strategies that meet both California's transportation and housing needs. Recent amendments created flexibility for local government. Cities could tailor their plans to local needs and priorities, integrating community input if their plan zones for the same or greater amount of housing as would be created under SB 50. As amended, SB 50 acted more like a contingency plan for cities that fail to make their own plans to create more housing. SB 50 failed passage on the Senate Floor due to opposition from an unusual coalition of tenant groups, local governments, and NIMBY groups. Upon defeat of the measure Senator Wiener introduced two pieces of legislation that seek to address the housing crisis.

Status: Senate Floor

SB 509 (Portantino) Expansion of "Permanent Source" Funding - Affordable Housing License Plate Program - Under current law, a state agency may sponsor a specialized license plate when it is sponsored by a state agency. Prior to program implementation, the agency must receive at least 7,500 paid license applications. C.A.R.'s proposed bill would have authorized an affordable housing license plate program to help fund housing. SB 509 died in committee.

Status: Senate Appropriations Committee

SB 592 (Wiener) Housing Accountability Act - Existing law prohibits local agencies from disapproving housing projects that are consistent with local planning and zoning requirements, unless the project adversely impacts public health or safety. Local governments failing to comply with the Housing Accountability Act are also subject to monetary fines. In 2018 C.A.R. co-sponsored SB 831 by Senator Wieckowski which, as introduced, contained a provision (that was later removed) to apply the penalties of the HAA to local governments who failed to approve accessory dwelling units (ADUs). This bill seeks to encourage the development of vitally needed housing units throughout California by expanding the Housing Accountability Act to among other things, protect the development of an ADUs.

Status: Assembly Rules Committee

SCA 1 (Allen & Wiener) Public Housing Projects - Enacted by voters in 1950, Article 34 of the California Constitution requires that any development comprised of "low-rent" dwellings,

financed in whole or in part by federal, state or local government be approved by a vote of the people in the jurisdiction where the project is located. Article 34 does not just apply to “public housing”, but also affects mixed income developments which often contain units partially “subsidized” by local government. Since 1992, C.A.R. has had policy supporting affordable workforce housing and has sought to advance policies seeking to increase the state’s housing supply. C.A.R. is co- sponsoring SCA 1 which seeks to repeal Article 34 in its entirety.

Status: Assembly Desk

SCA 4 (Galgiani) Property Tax Basis Portability/Intergenerational Transfer Reforms - This is a reintroduction of SCA 24 (Galgiani, 2018), which was introduced in the closing days of the 2017-18 Legislative Session. This measure includes the property tax basis portability provisions of Proposition 5 (generally, allowing senior homeowners to transfer their property tax basis to a new home regardless of location, price, or the number of previous transfers). The measure offsets that tax expenditure through reforms to the intergenerational transfer laws; namely, eliminating the transfer of real property without reassessment other than for the primary residence, requiring the heir to reside in the inherited residence, and capping the value of the exclusion on the inherited residence at \$1 million.

Status: Senate Governance and Finance Committee

AB 3148 (Chiu) Density Bonus: Fee Reduction to Construct Below Market Rate Units - This bill would require cities and counties to reduce impact and pre-development fees imposed on affordable housing units, proportional to the affordability of the unit included in the density bonus application. This fee reduction seeks to encourage the construction of more affordable units by reducing costs to produce units. If enacted, above market rate units will no longer have to absorb 100% of the below market rate unit’s predevelopment costs, which will likely lead to lower housing costs for all income levels purchasing in that development. In light of COVID-19 all proposed legislation related to density bonus will be consolidated into one vehicle. At this time it is unclear which vehicle will be used. The measure will also likely voluntarily permit local governments to offer developers the ability to use more “concessions” than mandated by law. C.A.R. will no longer sponsor the measure and C.A.R.’s support is contingent on the amended version of the bill, which has not yet been released.

Status: Assembly Housing and Community Development Committee

AB 2506 (Irwin) State Housing Agency: Cabinet Level Secretary - This bill seeks to create a state Housing Agency, with a Cabinet-level Secretary, charged with overseeing activities related to housing. In light of COVID-19, this author has decided not to pursue this bill this year and may re-introduce in 2021.

Status: Assembly Accountability and Administrative Review Committee

AB 2662 (Blanca Rubio) Updating California's Affordable Housing Cost Study - Production cost increases are often passed along to buyers in the form of higher home prices or can increase the amount of subsidy needed to build affordable housing units. REALTORS® and policy makers need to have a clear view on the costs associated with housing production for both affordable and market rate construction if we are going to solve the state's housing supply crisis. This bill will require that the California Affordable Housing Cost Study, which was released in October 2014, be updated in order to better understand the cost difference between constructing affordable and market rate housing. In light of COVID-19, this author has decided not to pursue this bill this year and may re-introduce in 2021.

Status: Assembly Housing and Community Development Committee

AB 2139 (Petrie-Norris) Business Dealings: Use of Prior Surname -

Currently, a real estate licensee cannot transact business using a former legal name (including a "maiden" name). This bill seeks to clarify that a real estate licensee who is a natural person may use their former surname to conduct business so long as both names are filed with the Department of Real Estate. This will ensure that Realtors can continue to benefit from their name brand, recognition and community status despite a legal name change. In late April, staff from the Assembly Member's office contacted C.A.R. to inform us that due to the changing priorities of the legislature because of COVID-19, AB 2139 will not be pursued this legislative session. At this time, the Assembly Member wishes to reintroduce the bill in the next legislative session.

Status: Assembly Business and Professions Committee

SB 981 (Archuleta) Mandating HOA's Maintain Websites & Email Communications -

Existing law permits homeowners to opt-into electronic delivery for HOA communications and reports. C.A.R. is sponsoring legislation to require homeowner associations with 50 or more units to deliver documents by electronic delivery, unless the recipient has revoked their consent to electronic documents in writing or by email. SB 981 will also require an HOA to maintain a website where general information such as a newsletter is provided. In light of COVID-19, this author has decided not to pursue this bill this year and may re-introduce in 2021.

Status: Senate Rules Committee

SB 1400 (Umberg) Accessory Dwelling Unit Construction Bond Act of 2020 – Would enact the Accessory Dwelling Unit Construction Bond Act of 2020 which would authorize the issuance of bonds in the amount of \$500,000,000 pursuant to the State General Obligation Bond Law to finance the Accessory Dwelling Unit Construction Program, established as part of the bond act. The bill would authorize the Department of Housing and Community Development to enter into a contract under that program with a homeowner to provide financing to pay for the eligible

costs incurred by the homeowner in constructing an accessory dwelling unit (ADU) on the homeowner's property. The current pandemic has put this effort on "hold" for purposes of the November 2020 ballot; however, the author has indicated a willingness to pursue placement on a subsequent statewide ballot.

Status: Senate Rules Committee

AB XXX (Arambula) Agency Disclosure- Per C.A.R.'s legal department's recommendation, this bill would have sought to clarify the agency disclosure that exists in statute to ensure that unintentional errors are avoided and to update outdated language. C.A.R. staffed engaged in discussions with the Assembly Judiciary Committee regarding our proposed bill language and the language that the committee countered with would have, in C.A.R.'s legal department's opinion, been more confusing and detrimental to both Realtors and homebuyers than what currently exists in statute. Therefore, C.A.R. leadership decided to not move forward with this bill.

Status: Dead