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To: Commissioners, Berkeley Rent Stabilization Board
Jay Kelekian, Executive Director

From: Brian Augusta & Michael Moynagh

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Re: State Legislative Report

The new legislative session brought a plethora of new housing bills for consideration this year. The Assembly introduced a large number of landlord-tenant bills. Part One of this memo highlights bills that may be of particular interest to the Board. In Part Two, capsule descriptions of all the housing bills are listed.

With a few exceptions, bills must be heard and passed by their assigned policy committee(s) by April 28th if the bill has a fiscal effect on the state government; non-fiscal bills must be approved by May 12th.

Recommendations

1. We recommend that the Board take a position of “Support” on AB 1506 (Bloom). AB 1506, as introduced, would repeal the Costa-Hawkins Act in its entirety. As you know, the Costa-Hawkins Act, passed in 1995, imposes limitations on local rent control ordinances. Repeal would mean:
 - A. The City could alter Subsection 13.76.050 J, which currently generally exempts units constructed after June 30, 1980 from rent control. Costa-Hawkins freezes that date.
 - B. The Board could amend Regulation 1013, consistent with Subsection 13.76.050 F and Section 13.76.100, to provide for vacancy control and to regulate rents on single-family properties. The City could also amend the Rent Stabilization and Eviction for Good Cause Ordinance itself to effect the same purposes.
2. We recommend that the Board take a position of “Support” on AB 982 (Bloom). The bill would give all tenants a one-year notice of an Ellis Act eviction. Under current law, senior and disabled tenants are entitled to one-year notice. All others must move in 120 days. A problem with current law is that a small number of seniors or disabled can be left in an otherwise vacant building. Concerns over safety issues are heightened dramatically in such a situation. Although the seniors or disabled could move earlier, the economic reality is that they will be paying greatly increased rent after departing, thus have no choice but to live for as long as possible in the empty building.

Part One: Highlights

AB 291 (Chiu) would prohibit landlords from retaliating against tenants, or discriminating against tenants, based upon their immigration status. Unscrupulous landlords who rent to undocumented tenants could no longer threaten to report them to authorities if the tenants assert their rights under the law.

AB 354 (Calderon) is a “spot bill” -- a bill with a statement of what the legislation is intended to accomplish, but as yet with no actual proposed statutory language, which will be amended into the bill at a later date. This bill is intended to address the problem of large-volume purchases of single-family properties by large investment syndicates, typically from out-of-state, which then rent out the properties.

AB 423 (Bonta) would extend the provision of law that exempts residential hotels (SROs) in large cities from the Ellis Act to include Oakland. Currently, SROs in San Francisco, Los Angeles, and San José are exempted.

AB 543 (Chen) would alter the rules for how much an apartment manager's free or reduced rent may count against the landlord's (as an employer) minimum wage obligation. Under current laws, the maximum amount of the offset $\frac{2}{3}$ of the ordinary rental value of the apartment or \$565 per month (\$835 for a couple both acting as managers), whichever is lower. The bill would eliminate the dollar amount limitation. Most managers, especially in high rent areas, could thus be paid less in cash under the bill.

AB 1242 (Grayson) would remove the current requirement that properties with 16 or more units have an on-site manager residing at the property. Instead, under the bill the manager could live anywhere within five miles of the property. The bill does not limit how many units in aggregate that a single manager could manage.

AB 1505 (Bloom) would clarify that local inclusionary ordinances that require inclusionary rental units are not pre-empted by the Costa-Hawkins Act. A court case (*Palmer*) ruled otherwise.

AB 1569 (Caballero) would allow landlords to demand verification of a tenant's need for an animal as reasonable accommodation for a disability. The bill contains no standards as to what verification is sufficient, nor any language about what a landlord may or may not do with the information. Although narrower than last year's bill on the subject, this bill may also run afoul of federal law.

AB 1582 (Bonta) is a spot bill on the state's renters' income tax credit. AB 1100 (Chen) and AB 181 (Lackey) would both increase the credit, but neither would reinstate the prior provision of law that make the credit refundable (i.e., a tenant with little or no state income tax liability could still receive the credit). Winning approval from the Governor for any such bill is problematic.

SB 721 (Hill & Skinner) would require that balconies are inspected at least once every five years. The City adopted stricter inspection rules in 2015 in response to the balcony tragedy, and SB 721 is partially modeled on Berkeley's requirements. The bill follows up on SB 465 (Hill & Hancock) from last year, directing the California Building Standards Commission to look at the problem. In December, the Commission issued rules requiring that contractors obtain an inspector's sign-off on newly constructed balconies before they are sealed, to ensure proper ventilation and quality of construction.

Part Two: All Housing Bills

These are sorted by alphabetically by subject matter, but with landlord-tenant bills listed first. Bills marked with an asterisk are described in more detail above.

Landlord-Tenant

AB 62 (Wood) Public housing: smoke-free policy.
AB 150 (Mathis) Disabled persons: rights: liability.
*AB 181 (Lackey) Taxation: renters' credit.
*AB 291 (Chiu) Housing: immigration.
AB 299 (Calderon) Hiring of real property: immigration or citizenship status.
*AB 354 (Calderon) Rental housing.
*AB 423 (Bonta) Residential real property: rent control: withdrawal of accommodations.
*AB 543 (Chen) Employment: resident apartment manager wages.
AB 593 (Gloria) Structural Fumigation Enforcement Program.
*AB 982 (Bloom) Residential real property: rent control: withdrawal of accommodations.
AB 1076 (Medina) Hiring of real property.
* AB 1100 (Chen) Taxation: homeowners' exemption and renters' credit.
*AB 1242 (Grayson) Rental property: owner or owner's agent: contact information.
*AB 1506 (Bloom) Residential rent control: Costa-Hawkins Rental Housing Act.
*AB 1582 (Bonta) Taxation: renters' credit.
SB 178 (Wieckowski) Civil law: nuisance.

Fair Housing

AB 518 (Harper) Discrimination.
AB 686 (Santiago) Housing discrimination: affirmatively further fair housing.
*AB 1569 (Caballero) Disability rights: reasonable accommodations: animals.
AB 1702 (Committee on Labor and Employment) Employment.

Homeownership

AB 53 (Steinorth) Personal income taxes: deduction: homeownership savings accounts.
AB 198 (Patterson) Personal income taxes: deductions: first-time home buyers.
AB 293 (Mullin) Real estate.
AB 717 (Dababneh) Home inspectors.
AB 1426 (Irwin) Common interest developments: association governance: elections.
AB 1626 (Irwin) Real property disclosures.
SB 173 (Dodd) Real estate: Bureau of Real Estate.
SB 407 (Wieckowski) Common interest developments: noncommercial solicitation.
SB 434 (Galgiani) Personal income taxes: gross income exclusion: mortgage debt forgiveness.

Housing Finance & Programs: Local

AB 56 (Holden) Affordable housing: San Gabriel Valley: San Bernardino-Riverside metropolitan area.

AB 199 (Chu) Public works: private residential projects.
AB 346 (Daly) Redevelopment: housing successor: Low and Moderate Income Housing Asset Fund.
AB 358 (Grayson) Regional economic development areas.
AB 482 (Mullin) Real estate brokers.
AB 483 (Bocanegra) Airports: pollution.
AB 663 (Bloom) Coastal resources: housing.
AB 709 (McCarty) Local government surplus land.
AB 733 (Berman) Enhanced infrastructure financing districts: projects: climate change.
AB 734 (Bonta) Local government.
AB 1060 (Burke) Enhanced infrastructure financing districts.
AB 1157 (Mullin) Surplus school property: teacher housing.
AB 1193 (Gloria) Property tax: welfare exemption: low-income housing.
AB 1596 (Gloria) Local government: Enhanced Infrastructure Financing Districts.
AB 1598 (Mullin) Community revitalization and investment authorities.
ACA 4 (Aguiar-Curry) Local government financing: housing and infrastructure: voter approval.
SB 205 (Committee on Governance and Finance) Local Government Omnibus Act of 2017.
SB 404 (Stone) Property taxation: senior and disabled veterans.

Housing Finance & Programs: State

AB 45 (Thurmond) California School Employee Housing Assistance Grant Program.
AB 59 (Thurmond) Local Housing Trust Fund Matching Grant Program.
AB 71 (Chiu) Income taxes: credits: low-income housing: farmworker housing.
AB 302 (Gipson) Greenhouse Gas Reduction Fund: 3-year investment plan.
AB 378 (Garcia, Cristina) California Global Warming Solutions Act of 2006: regulations.
AB 388 (Mullin) Greenhouse Gas Reduction Fund.
AB 682 (Caballero) Multifamily housing program.
AB 863 (Cervantes) Affordable Housing and Sustainable Communities Program.
AB 932 (Ting) Housing: affordable housing.
AB 1086 (Daly) Local government: housing.
AB 1122 (Limón) Affordable housing.
AB 1328 (Limón) Sustainable communities: affordable housing.
AB 1362 (Irwin) Veterans bond acts.
AB 1640 (Garcia, Eduardo) Transportation funding: low-income communities.
AB 1670 (Gomez) Income taxes: credits: qualified developer: affordable housing.
AB 1675 (Gomez) Department of Housing and Community Development.
SB 2 (Atkins) Building Homes and Jobs Act.
SB 3 (Beall) Affordable Housing Bond Act of 2018.
SB 275 (Portantino) Surplus residential property: State Route 710: property taxes: assessments.
SB 711 (Hill) Infrastructure finance: Local-State Sustainable Investment Incentive Program.
SB 745 (Stern) California Global Warming Solutions Act of 2006.

Land Use

AB 30 (Caballero) Planning and zoning: specific plan: housing.
AB 72 (Santiago) Attorney General: enforcement: housing laws.

AB 73 (Chiu) Planning and zoning: housing sustainability districts.
AB 190 (Steinorth) Local government: development permits: design review.
AB 202 (Steinorth) Planning and zoning: density bonuses.
AB 239 (Ridley-Thomas) California Environmental Quality Act: urbanized areas.
AB 256 (Steinorth) Land use: housing.
AB 366 (Obernolte) Water supply: new residential development: building permits.
AB 367 (Obernolte) Water supply: building permits.
AB 464 (Gallagher) Local government reorganization.
AB 489 (Chen) Land use: general plans.
AB 494 (Bloom) Land use: accessory dwelling units.
AB 678 (Bocanegra) Housing Accountability Act.
AB 829 (Chiu) Planning and zoning: regional housing needs allocation.
AB 852 (Grayson) Planning and zoning: general plan: report.
AB 879 (Grayson) Planning and zoning: housing element.
AB 884 (Levine) Local planning.
AB 886 (Bloom) Safe Creative Work and Live Act.
AB 890 (Medina) Local land use initiatives: environmental review.
AB 915 (Ting) Planning and zoning: housing.
AB 943 (Santiago) Land use regulations: local initiatives: voter approval.
AB 979 (Lackey) Local government.
AB 1117 (Fong) California Environmental Quality Act.
AB 1137 (Maienschein) Planning and zoning: housing element.
AB 1156 (Ting) Planning and zoning: general plan: report.
AB 1203 (Gloria) Housing: discrimination.
AB 1281 (Limón) Coastal resources: development policies.
AB 1331 (Gipson) Land use: planning and zoning.
AB 1350 (Friedman) Land use: housing element update.
AB 1397 (Low) Local planning: housing element: inventory of land for residential development.
AB 1404 (Berman) California Environmental Quality Act: categorical exemption: infill development.
AB 1423 (Chiu) Housing: data.
AB 1445 (Reyes) Housing needs.
*AB 1505 (Bloom) Land use: zoning regulations.
AB 1515 (Daly) Planning and zoning: housing.
AB 1521 (Bloom) Land use: notice of proposed change: assisted housing developments.
AB 1568 (Bloom) Land uses.
AB 1585 (Bloom) Planning and zoning: affordable housing: single application.
AB 1637 (Gloria) Planning and zoning: density bonuses.
AB 1683 (Burke) California Environmental Quality Act
AB 1686 (Gloria) Local government: housing elements.
SB 35 (Wiener) Planning and zoning: affordable housing: streamlined approval process.
SB 80 (Wieckowski) California Environmental Quality Act: notices.
SB 196 (Cannella) Land use: general plans.
SB 205 (Committee on Governance and Finance) Local Government Omnibus Act of 2017.
SB 224 (Jackson) California Environmental Quality Act: baseline conditions.
SB 229 (Wieckowski) Accessory dwelling units.
SB 277 (Bradford) Land use: zoning regulations.

SB 279 (Fuller) Local government: land use: general plans.
SB 281 (Fuller) Land use: planning and zoning.
SB 431 (Bates) Planning and zoning: housing: accessory dwelling units.
SB 445 (Gaines) California Environmental Quality Act: infill development.
SB 446 (Gaines) Housing element.
SB 469 (Skinner) Residential density and affordability.
SB 540 (Roth) Workforce Housing Opportunity Zone.
SB 697 (Stone) Land use: development fees.

Mobilehomes

AB 294 (Gipson) Mobilehome parks: disclosure.
AB 440 (Gipson) Property tax.
AB 1269 (Stone, Mark) Mobilehome Residency Law.
SB 46 (Leyva) Mobilehomes: enforcement actions: sunset provision.
SB 136 (Leyva) Mobilehome parks: mobilehome park program funding.
SB 147 (Dodd) Mobilehome parks: residency.
SB 329 (Leyva) Manufactured homes: financial assistance programs.
SB 429 (Stone) Manufactured housing: park model homes.
SB 470 (Stone) The Mobilehome Residency Law: tenancy: termination.
SB 542 (Leyva) Manufactured Housing Act of 1980: notice of transfer and release of liability.
SB 722 (Moorlach) Mobilehomes: principal residences: exceptions.

Rural/Farmworker

AB 317 (Aguiar-Curry) Napa County; farmworker housing.
AB 435 (Thurmond) Child care subsidy plans: County of Contra Costa.
AB 571 (Garcia, Eduardo) Income tax credits: low-income housing: farmworker housing assistance.
AB 645 (Quirk) Local government: organization: dissolution.
AB 1265 (Caballero) Agricultural land contracts: material breach.
SB 240 (Dodd) County service areas: farmworker housing: County of Napa.
SB 530 (Vidak) Employee housing: agricultural employees.

Standards

AB 247 (Garcia, Cristina) Public health: childhood lead poisoning: Lead Advisory Taskforce.
AB 257 (Steinorth) Housing: building standards: violations.
AB 352 (Santiago) State Housing Law: efficiency units.
AB 565 (Bloom) Building standards: alternative building regulations: artists' housing.
AB 593 (Gloria) Structural Fumigation Enforcement Program.
AB 995 (Limón) Ordinances: violations: administrative fines.
AB 1447 (Bonta) State Housing Law.
SB 377 (Monning) Lead-based paint.
*SB 721 (Hill) Contractors: decks and balconies: inspection.