



State Legislative Roundup (2019 Session Results)

Bills Effective January 1, 2020

TENANTS' RIGHTS, HOMEOWNER PROTECTIONS, AND FAIR HOUSING

AB 1482: Anti-Rent Gouging and Just Cause (Chiu)

Prohibits an owner from increasing rents beyond 5% + CPI and establishes just cause after one year of tenancy. The bill applies to all multifamily housing built prior to the last 15 years (which is calculated on a rolling basis) and single-family homes owned by corporate landlords. Any rent increase beyond 5% + CPI that has occurred since March of 2019 must be reset in January to comply with the law. Any housing with an affordable housing covenant is exempt from the law, including housing developments with expiring covenants that are converting to market rate. Once an expiring covenant building has converted to market-rate it is subject to the law (assuming it was built in the past 15 years).

AB 1110: Rent Increase Noticing Requirements (Friedman)

Requires 90 days' notice if a landlord of a residential dwelling with a month-to-month tenancy increases the rent by more than 10% of the amount of the rent charged to a tenant annually. Existing law only requires a 60 day notice period for rent increases beyond 10%.

SB 18: Noticing Requirements for Tenants in Foreclosed Properties (Friedman)

Removes the Dec. 31, 2019 sunset date on a state law which gives tenants at least 90 days' notice before their tenancy can be terminated if a landlord loses ownership of their rental property as a result of a foreclosure sale.

SB 113: National Mortgage Special Deposit Fund

Creates a National Mortgage Special Deposit Fund to hold the \$331 million in National Mortgage Settlement funds as required by the court decision in National Asian American Coalition v. Newsom (2019).

SB 329: Anti-Discrimination Provisions for Affordable Housing Voucher Holders (Mitchell)

Defines all tenant vouchers (including Section 8/Housing Choice Vouchers) and similar forms of housing assistance as income for the purposes of the state's prohibition on discrimination based on source of income (established under California's Fair Employment and Housing Act (FEHA)). As a result, beginning January 1, 2020 it is unlawful for the owner of any housing accommodation to discriminate against or harass any person who has federal, state, or local public assistance, including housing subsidies.

SB 644: Security Deposit Limits for Military Service Members (Glazer)

Restricts the allowable security deposit amount that landlords can charge service members to one month's rent for an unfurnished residential property or two months' rent for a furnished residential property. The bill would also prohibit a landlord from refusing to enter into a rental agreement with a prospective tenant who is a service member due to the lower security deposit requirement.

SB 222: Anti-Discrimination Protections for Military/Veteran Households (Hill)

Establishes that housing discrimination on account of military or veteran status is unlawful in California by explicitly stating so within the Fair Employment and Housing Act (FEHA). In addition, by defining a Veterans Affairs Supportive Housing (VASH) voucher as a source of income for purposes of FEHA, this bill prohibits landlords from discriminating against a tenant on the basis that the tenant pays part or all of the rent using a VASH voucher.



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HOUSING PRODUCTION: STREAMLINING & DEVELOPMENT INCENTIVES

SB 330: Housing Crisis Act of 2019 (Skinner)

Establishes the Housing Crisis Act of 2019, which until January 1, 2025, places restrictions on certain types of development standards, amends the Housing Accountability Act (HAA), and makes changes to local approval processes and the Permit Streamlining Act. Specifically, the bill prohibits changes to land use that would: result in less intensive use, impose a moratorium on housing development, impose additional design review standards, or limit the number of approvals. The bill also establishes additional tenant protections for tenants living in units that will be demolished including: allowing tenants to stay up to 6 months prior to construction, establishing a right of first refusal, and requiring one for one replacement.

AB 1763: Affordable Housing Density Bonus (Chiu)

Allows affordable developers to get an 80% density bonus and one additional incentive or concession for all 100% affordable housing projects and removes maximum density controls for projects within half a mile of a major transit stop. Projects within half a mile of transit can also use one additional incentive or concession and build up to three additional stories or 33 feet of height. To qualify for these new benefits, up to 20% of the units can be affordable to moderate-income households and the rest of the units must be for lower-income households.

SB 450: CEQA Exemptions for Motel Conversions (Umburg)

Exempts, until January 1, 2025, "interim motel housing projects" from the requirements of CEQA if the project does not result in the expansion of more than 10 percent of the floor area of any individual living unit in the structure or if it does not result in any significant effects relating to traffic, noise, air quality, or water quality.

AB 1560: Defining Major Transit Stop (Friedman)

Broadens the definition of a "major transit stop" under Public Resources Code Section 21064.3 to include bus rapid transit. Projects located within a half-mile of a qualifying bus rapid transit stop that meet other qualifying conditions may qualify for multiple benefits: parking reductions pursuant to the State Density Bonus Law; CEQA infill housing; aesthetic and parking exemptions; SB 375 streamlining for qualifying transit priority projects; a less than significant Vehicle Miles Traveled (VMT) impact presumption. The new definition also applies to local incentives, such as those adopted per Measure JJJ and implemented in the City of Los Angeles's Transit Oriented Guidelines, for residential projects located within 1,500 feet of a major transit stop.

SB 744: No Place Like Home Streamlining

Streamlines the approval process for supportive housing projects by clarifying that a decision to seek funding through the No Place Like Home program is not a project for the purpose of CEQA. No Place Like Home is a voter-approved bond measure that will allocate up to \$2 billion for the development of permanent supportive housing and wraparound mental health services. The new law also provides a number of clarifying amendments that ensures a local government's design standards, impact fees, and exactions are applied similarly to supportive housing projects as other residential projects in the same zone.

AB 1197: CEQA Exemption for PSH Projects and Shelters (Santiago)

Establishes a CEQA exemption for specified emergency shelters and supportive housing projects approved or carried out by the City of Los Angeles until January 1, 2025.



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AB 1486: Surplus Land Act Reforms

Expands the Surplus Land Act requirements for local agencies in an effort to achieve more affordable housing on surplus properties. The bill also gives HCD a role in overseeing and enforcing local processes related to the Surplus Land Act.

Trailer Bill (AB 101)*, Section 7: By Right Approval for Low-Barrier Navigation Centers

Makes “low-barrier navigation centers” a use by right in areas zoned for mixed use and nonresidential zones that allow multifamily uses.

ACCESSORY DWELLING UNITS

SB 13: Accessory Dwelling Units: Impact Fees and Streamlining (Wiekowski)

Prohibits local ADU ordinances from requiring a property be owner occupied, reduces impact fees for ADUs and creates an amnesty program for existing unpermitted units.

AB 587: Sale of Accessory Dwelling Units (Friedman)

Allows ADUs to be sold separately from primary residence if developed by a qualified nonprofit corporation, operated as a Tenancy in Common (TIC), and subject to affordability restrictions.

AB 68 & AB 881 [Overlapping Bills]: Accessory Dwelling Unit: Land Use Restrictions (Ting, Bloom)

Removes minimum lot size requirements for ADUs, reduces the maximum approval time for an ADU to 60 days, allows for up to two ADUs on multifamily properties, exempts garage conversions from replacement parking, reduces maximum setbacks, and eliminates other barriers for ADU construction.

AB 670: Accessory Dwelling Unit: Homeowner’s Associations (Friedman)

Removes restrictions placed by local homeowner's associations to prevent ADUs.

AFFORDABLE HOUSING FINANCE

AB 116: Requirements for Enhanced Infrastructure Financing Districts (Ting)

Removes the requirement that Enhanced Infrastructure Financing Districts (EIFDs) must receive voter approval prior to issuing bonds backed by tax-increment financing. Instead of requiring voter approval, the law will now permit the EIFD's governing body to issue bonds as long as its resolution to do so contains specified information related to the issuance of the bonds, and the board holds at least three public hearings on an enhanced infrastructure financing plan.

Trailer Bill (AB 101)*, Section 20: Infill Infrastructure Grant

Allocates \$500 million for the Infill Infrastructure Grant (IIG) Program - a program with the objective of promoting infill housing by providing gap funding for housing and capital improvement projects. IIG funds both individual housing projects and larger area redevelopments.



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SB 196: Community Land Trust Tax Exemption (Beall)

Enacts a new welfare exemption for property owned by a Community Land Trust (CLT) that is being or will be developed or rehabilitated as housing. A CLT will be liable for property taxes if the property was not developed, rehabilitated, or in the course of construction within 5 years of the lien date following its acquisition.

Trailer Bill (AB 101)*, Section 10: Homeless Housing, Assistance, and Prevention (HHAP) Program

Creates the HHAP program to allocate the \$650 million in funds in the budget earmarked for addressing homelessness at the local and regional level, with a focus on moving homeless individuals and families into permanent housing. Each county will receive \$175 million, which can be used for rental assistance and rapid rehousing, operating subsidies, outreach and coordination, development of permanent housing, prevention and shelter diversion, navigation centers, and systems support to coordinate homeless services and housing delivery. At least 8% of funds to serve homeless youth, no more than 7% of funds can be used for administrative costs, and no more than 5% can be used for planning and development of coordinated entry systems.

Trailer Bill (AB 101)*, Sections 23-27: Low Income Housing Tax Credit Program

Allocates \$500 million for LIHTC and makes additional changes to the tax credit program including: allowing up to \$200 million of the \$500 million to be set aside for projects funded through CalHFA's Mixed-Income Loan Program, requiring projects funded by the \$500 million to be new construction, and requiring projects receiving the \$500 million to begin construction within 180 days of the award of credits.

Trailer Bill (AB 101)*, Section 29: CalHFA Mixed-Income Loan Program

Allocates \$500 for CalHFA to finance low- and moderate-income housing through its Mixed-Income Loan Program as follows: \$200 million in FY 2019-20, \$95 million in FY 2020-21, \$125 million in FY 2021-22, \$85 million in FY 2022-23. This is in addition to the \$200 million in funding for 4% credits to be combined with the Mixed-Income Loan Program as described above.

DATA SHARING AND HOUSING PLANNING

AB 1255: Surplus Public Land Inventory (Rivas)

Requires cities and counties to create an inventory of their surplus properties, submit the inventory annually to HCD starting April 1, 2021, and provide the inventory free of charge to certain parties that request it, including residents and housing developers. Requires HCD to forward local inventories to DGS each year for inclusion in its database of available properties for residential development.

SB 6: Inventory of Available Residential Land (Beall)

Requires the Department of General Services to create a publicly searchable database that includes all sites identified as suitable for residential development in local housing element sites inventories and all excess state property suitable for residential development. For housing elements due after January 1, 2021, requires jurisdictions to submit their sites inventory to HCD electronically using a standard format to be created by HCD.



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AB 1483: Housing Impact Fee Data Collection and Reporting (Grayson)

Requires local agencies to make information available on housing development fees, applicable zoning ordinances and standards, annual fee reports and archived nexus fee studies and update information within 30 days of any change. The bill also requires HCD to prepare a 10-year housing data strategy that identifies data useful to enforce existing housing laws and inform state housing policymaking. Among other information requirements, the strategy must include information that provides a better understanding of project appeals, approvals, delays and denials and an understanding of the process, certainty, costs and time to approve housing.

Trailer Bill (AB 101)*, Section 4: Housing Element Compliance/AB 72

Provides for additional process when the Attorney General brings suit against a jurisdiction for violations of Housing Element Law, and allows the court to impose monetary fines if the jurisdiction fails to bring its housing element into compliance. The amount of the fines increases the longer the jurisdiction fails to comply, but allows the court to consider whether there are mitigating circumstances and whether the jurisdiction is making a good-faith effort to comply.

Trailer Bill (AB 101)*, Section 11: Local Government Planning Support Grant Program

Creates a new program, administered by HCD, to provide planning grants to cities, counties, and regions using the \$250 million allocated for planning purposes in the budget in order to facilitate compliance with the 6th RHNA/housing element cycle. \$125 million will be distributed among regional entities, and \$125 million will be distributed among cities and counties. The City must apply for the funds by July 1, 2020.

Trailer Bill (AB 101)*, Section 6: Housing Element Compliance – New Condition of Funding

If the state adds housing element compliance as a condition of funding for any additional grant or loan programs, requires HCD to offer any jurisdiction that HCD believes is not in compliance with housing element law two meetings to discuss the issue. Allows a jurisdiction that has adopted a housing element that HCD does not believe complies with the law to request that HCD review its housing element again and issue written findings within 30 days. If HCD finds that the housing element does not comply with the law, allows the jurisdiction to bring an action under Section 1094.5 of the Code of Civil Procedure to challenge HCD's findings.

Trailer Bill (AB 101)*, Section 11: RHNA Reform

Requires HCD, in collaboration with the Office of Planning and Research (OPR) and with the engagement of stakeholders, to develop recommendations to the Legislature by the end of 2022 for improving the RHNA process—both the state's RHNA projection methodology and the regional RHNA allocation methodology.

*AB 101, the Budget Trailer Bill on Housing Development and Finance, includes multiple sections, each of which deals with a different aspect of housing development, finance, and planning. For consistency, the sections have been organized according to their primary focus.

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