



Brian Augusta & Associates

1107 9th Street, Suite 1011
Sacramento, CA 95814

To: Commissioners, Berkeley Rent Stabilization Board

From: Brian Augusta
Michael Moynagh

Date: February 7, 2022

Re: **State Legislative Report for the February 2022 Board Meeting**

The second half of the 2021-2022 legislative session is just beginning and the legislative activity in Sacramento is swiftly ramping up. New bill drafts were required to be submitted to the Office of Legislative Counsel by January 21, in preparation for the introduction deadline that lies just ahead on February 18. Between now and then, new bills will slowly trickle in. So far, roughly 300 new bills have been introduced, though few of them relate to housing (a short summary of those introduced so far is below). That will undoubtedly change in the weeks ahead.

January 31 was the deadline for any bills from last year to pass their house of origin. One such bill of note was **AB 854 (Lee)**, which proposed to amend the Ellis Act to allow localities to prohibit landlords from pursuing Ellis evictions until they have owned the property for at least five years. This bill is the most recent attempt on the subject. Former Senator Mark Leno pursued a similar policy in several bills during his tenure, all of which failed to make it to the Governor. Like prior efforts, AB 854 was supported by a broad array of tenant groups and opposed by the California Apartment Association, the California Association of Realtors and other landlord groups. Although the bill passed Assembly Housing Committee 6-2 on January 12 and Appropriations 12-3 on January 20, the votes did not materialize on the Assembly floor and the bill was not taken up for a vote. Having missed the deadline, the bill is now dead, although a similar bill could be introduced this year by the February 18 deadline.

Another January event is the introduction of state budget by the Governor, which kicks off budget negotiations and hearings that will continue between now and the end of June. The Governor's proposal has a few items of interest regarding affordable housing. These include:

- \$500M additional allocation to the state's Low-Income Housing Tax Credit program.
- \$500M to the Infill Infrastructure Grant program.
- \$300M to the Affordable Housing and Sustainable Communities program to provide funding for infill housing and transportation projects that reduce greenhouse gas emissions.
- \$100M to support affordable housing development on excess state-owned land.
- \$100M for adaptive reuse projects that convert non-residential uses to housing.

In addition, the legislature and Governor have begun to take "early action" on budget-related measures. Much of these are adjustments to the prior year budget, contained in a follow-up budget bill known as a "Budget Bill Junior." Of interest to the Board, **AB 147 (Ting)** and **SB 115 (Skinner)** are identical Budget Bill Juniors that include a mechanism for continuing to fund the local and state Emergency Rental Assistance

Programs (ERAP), that has provided COVID rent relief through funding from the federal government. Both the state and local programs are projecting a shortfall of funding compared to projected demand. While more funding is expected from the federal government as it redistributes ERAP dollars that went unused in other states, the amount is unclear.

The proposal in AB 147/SB 115, which will likely be acted on this week, provides cashflow loans to the ERAP programs administered at the state and local level to allow them to continue to fund ERAP applications between now and the end of March. If the money that arrives from the federal government is not enough to cover what is loaned, the amount will be forgiven and the cost will be backfilled from the state General Fund. The bills do not propose to extend the enhanced eviction process enacted in last year's **AB 832 (Chiu)** beyond March 31, when they are set to expire. Tenant advocates are calling for an extension to ensure that tenants waiting for rent relief are not evicted.

A related bill, **SB 847 (Hurtado)**, proposes to establish an additional state ERAP program funded with state dollars that would provide landlords with a payment equal to 100% of the COVID-rental debt. This program would provide relief in cases where the landlord or the tenant do not qualify under the federally funded state or local program, where the state or local program has not responded to an application within 20 days, or where the landlord has obtained a judgment against the tenant. Unlike the current federally funded ERAP program, this proposal provides relief regardless of the tenant's income.

Selected Bills of Interest Introduced So Far in 2022

AB 1615 (Ting)

Renames the Housing Navigation for Young Adults Program as the Housing Navigation and Maintenance Program; increases required eligibility by grantees from ages 18-21 to 18-24.

AB 1674 (Voepel)

Exempts newly-constructed ADUs from new construction photovoltaic requirements.

AB 1695 (Santiago)

Spot bill to fund reuse of nonresidential buildings for affordable housing.

AB 1707 (Boerner Horvath)

Requires the Senior Citizens and Disabled Citizens Property Tax Postponement Fund to begin each fiscal year with a balance of \$15M, with any shortfall made up by a transfer from the General Fund.

AB 1719 (Ward)

Expands the Teacher Housing Act of 2016 to include faculty and employees of community college districts.

AB 1738 (Boerner Horvath)

Revises requirements for enacting building standards for electric vehicle charging stations.

AB 1748 (Seyarto)

Exempts local public agency surplus land from disposal requirements if the parcel is zoned for less than 30 units/acre and the jurisdiction has met specified RHNA targets.

AB 1755 (Levine)

Requires an insurer to offer insurance on residential property if specified hardening steps have been taken.

SB 843 (Glazer)

If appropriated each year, increases the renters' credit to \$1000 for joint returns, surviving spouses, and heads of households earning under \$50,000/year, and others earning under \$25,000/year.

SB 849 (Umberg)

Spot bill on surplus land.

SB 869 (Leyva)

Requires training for mobilehome park managers and assistants, to be offered by HCD online.

SB 897 (Wieckowski)

Limits local ADU height restrictions to no less than 25 feet, prohibits requiring sprinklers and makes other changes.

Selected 2021 Housing Bills

In addition to AB 854, described above, here are the current status of other bills of interest introduced last year:

Signed by the Governor

AB 361 (Robert Rivas) Teleconferences & remote meetings: Brown Act requirements.

Status: Signed by the Governor

Description: Allows local agencies to hold meetings remotely during a declared emergency under specified procedures. Certain Brown Act requirements would not need to be complied with, including: Providing a teleconference location accessible to the public; Having at least a quorum of members participating within the jurisdiction; and Allowing the public to address the legislative body at each teleconference location (thereby allow members of the body to participate remotely without having to post their home address or other remote location).

AB 838 (Friedman) State Housing Law: enforcement response to complaints.

Status: Signed by the Governor

Description: Establishes standards for cities and counties to follow up on complaints from tenants about substandard buildings and potential lead hazards.

SB 8 (Skinner) SB 330 cleanup.

Status: Signed by the Governor

Description: Clean-up bill for SB 330. Changes include clarifying that the law applies to both ministerial and discretionary projects and to charter cities.

SB 9 (Atkins) Lot split ministerial approval.

Status: Signed by the Governor

Description: Requires ministerial approval of duplexes and specified lot splits, similar to SB 1120 from 2020; allows an extension of subdivision map validity by one year.

SB 10 (Wiener) By-right infill approval.

Status: Signed by the Governor

Description: Allows local governments to rezone a parcel by right in infill or jobs-rich areas.

SB 274 (Wieckowski) Local government meeting agenda and documents.

Status: Signed by the Governor

Description: Requires a local agency with an internet website to email a copy of, or website link to, the agenda and agenda packet if a person requests that the items be delivered by email; If the agency determines it is technologically infeasible to email or post, the agenda and packet must be mailed.

SB 498 (Umberg) Legal aid eligibility.

Status: Signed by the Governor

Description: Increases income level to qualify for assistance from legal services projects to 200% of federal poverty level; also makes eligible veterans receiving disability compensation.

Vetoed by the Governor

AB 1487 (Gabriel) Eviction defense funding.

Status: Vetoed

Description: Upon appropriation, creates a grant program at the State Bar Legal Services Trust Fund Commission for legal services organizations for eviction defense and education for tenants at risk of homelessness.

Still Active in 2022

ACA 7 (Muratsuchi) Preemption of state land use laws by charter cities.

Status: Awaiting referral to an Assembly committee (deadlines do not apply to constitutional amendments)

Description: Specifies that a city charter provision, or an ordinance or regulation adopted pursuant to a city charter, that regulates zoning or land use is deemed to address a municipal affair and prevails over a conflicting state statute; also provides that those regulations would prevail over conflicting general laws, with specified exceptions.

SB 6 (Caballero) Housing on commercial sites.

Status: Awaiting a hearing in Assembly Housing

Description: Authorizes housing on commercial sites that include affordable units and comply with a skilled and trained workforce requirement.

SB 355 (Becker) Court fee waiver eligibility.

Status: On Assembly Floor

Description: Changes income eligibility for court fee waivers to 80% of the highest area median income in the state; adds to the categories of litigants eligible for court fee waivers persons receiving unemployment compensation, WIC program participants, and persons receiving the EITC.

SB 649 (Cortese) Local governments: affordable housing: local tenant preference.

Status: Awaiting a hearing in Assembly Housing

Description: Allows local governments to have a policy giving preference to lower-income households at risk of displacement in tax credit-funded affordable housing.

SB 679 (Kamlager) County of Los Angeles housing finance agency.

Status: Awaiting a hearing in Assembly Housing

Description: Establishes the Los Angeles County Affordable Housing Solutions Agency (LACAHSAs); authorizes LACAHSAs to utilize specified local financing tools to fund renter protections and the preservation and production of housing units affordable to lower income households; the agency would serve in a secondary capacity for any cities with similar local programs.

SCA 2 (Allen) Article 34 repeal.

Status: Awaiting assignment to an Assembly committee

Description: Would place the repeal of Article 34 on a future ballot.

Dead

AB 115 (Bloom) Housing in commercial zones.

Status: Died

Description: Re-run of AB 3107 from 2020 making housing with 20% lower-income units an allowable use in commercial zones. Similar to SB 6 in the Senate Housing Package.

AB 834 (Choi) Tax credit for assisted tenants.

Status: Died

Description: Creates a tax credit for property owners renting to tenants receiving housing assistance.

AB 964 (Boerner Horvath) Short-term rentals: hosting platforms.

Status: Died

Description: Provides that local regulation of short-term rental hosting platforms are not subject to the Coastal Act.

AB 1000 (Ward) Homelessness discrimination.

Status: Died

Description: Adds housing status as a prohibited form of discrimination under CalFEHA; prohibits background checks from including information on crimes and violations associated with homelessness.

AB 1199 (Gipson) Large-scale landlord excise tax.

Status: Died

Description: Imposes an excise tax on landlords who rent 10 or more single family homes or 25 or more multifamily properties with 5 or more units, to be used to fund a variety of activities to benefit low-income renters.

AB 1241 (Jones-Sawyer) Rental housing applications: criminal records.

Status: Died

Description: Establishes procedures for landlords to follow regarding tenant applicant criminal background checks.

SB 238 (Melendez) Fair employment and housing: political affiliation.

Status: Died

Description: Adds "political affiliation" as a protected class for housing and employment under the California Fair Employment and Housing Act.

SB 676 (Bates) Unlawful detainer.

Status: Died

Description: Authorizes a defendant in an unlawful detainer action to file a motion to strike on or before the day fixed for the defendant's appearance; authorizes a party in an unlawful detainer action to file a motion for summary adjudication in the same manner as a motion for summary judgment.

SB 5 (Atkins) \$6.5B housing bond.

Status: Died

Description: Places a \$6.5B housing bond on the November 2022 ballot.