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To: Commissioners, Berkeley Rent Stabilization Board
DéSeana Williams, Executive Director
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From: Brian Augusta

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Re: State Legislative Report for the April 2023 Board Meeting

The Legislature is in full swing this month, with thousands of bills to pore through between now and May 5th, when all bills must be heard and passed by policy committees in order to continue moving this year. Among the record number of bills introduced in this session are dozens of notable housing-related bills, including several key landlord-tenant and rent stabilization bills.

SB 466 (Wahab) would amend the Costa-Hawkins Rental Housing Act to alter two key provisions of the Act. It would eliminate the exemption for single-family homes and condominiums, allowing local rent stabilization policies to apply to these units. It would also modify what is commonly known as the “new construction exemption,” which generally prohibits the application of local rent stabilization policies to housing that was first constructed after 1995, or an earlier date when a pre-1995 local exemption was in place, such as in Berkeley. **AB 1620 (Zbur)** would also modify Costa-Hawkins to allow local rent stabilization jurisdictions to mandate that a landlord allow a tenant seeking an accommodation for a disability related to mobility to move to an available first floor unit that is the same size or smaller, and maintain the same rental rate and lease terms as their current unit under certain specified conditions.

In addition, **SB 567 (Durazo)** proposes a number of changes to the Tenant Protection Act (AB 1482 of 2019, Chiu) that covers some renters in non-rent stabilized units. The bill would lower the rent cap to a maximum of 5% per year, expand the protections to all renters living in single-family homes, and close a number of loopholes in the law’s “no fault” provisions.

All of these bills, and most of those listed below, are slated to be heard later this month in committee. It’s expected to be a busy month in Sacramento.

Selected Bills of Interest

Rent Stabilization

SB 466 (Wahab) - Costa-Hawkins New Construction and Single-Family Home Exemptions

Hearing set for Sen. Judiciary on Tuesday, April 18, 1:30 p.m., 1021 O Street, Room 2100
See description above.

AB 1620 (Zbur) - Transferring units as a reasonable accommodation under Costa-Hawkins

Hearing set for Asm. Housing and Community Development on Wednesday, April 19, 9:30 a.m., Room 126
See description above.

Landlord-Tenant

AB 485 (Davies) - Tenant Credit Report

Hearing in Asm. Judiciary not scheduled yet

This bill would require a landlord to provide a prospective tenant with a copy of their credit report within 24 hours after receipt, if requested by the prospective tenant.

AB 500 (Davies) - Electronic rent increase notice.

Hearing in Asm. Judiciary not scheduled yet

Allows landlords to notify tenants of rent increases electronically.

AB 846 (Bonta) - LIHTC Rent Cap

Hearing in Asm. Housing and Community Development not scheduled yet

This would place an annual cap on rent increases in Low-Income Housing Tax Credit properties.

AB 894 (Friedman) - Shared Parking

Awaiting rescheduled hearing in Asm. Local Government

This bill would require local governments to allow shared parking and all shared parking to count towards meeting any required parking minimums for a development project. The bill additionally requires jurisdictions and landowners to study the feasibility of using shared parking when a development uses state funds or prior to a parking lot being developed with public funds.

AB 1317 (Wendy Carrillo) - Unbundling Parking Charges from Rent

Awaiting second hearing in Asm. Judiciary

This bill would require landlords to charge tenants for parking separately from the rent or, where that is not possible, to annually itemize the cost of rent and parking separately.

SB 267 (Eggman) - Use of Credit History for Tenants with Rental Subsidy

Hearing set for Sen. Appropriations on Monday, April 10, 10 a.m., 1021 O Street, Room 2200
For any tenancy where there is a governmental rent subsidy, this bill would require that if the landlord assesses the tenant's credit history as part of the application process the landlord must allow the tenant the option of providing alternative evidence of "financial responsibility and ability to pay." If the tenant elects the alternative method, the landlord must use that evidence in lieu of the tenant's credit history.

SB 395 (Wahab) - Statewide eviction and rent increase database

Hearing set for Sen. Judiciary on Tuesday, April 18, 1:30 p.m., 1021 O Street, Room 2100
Beginning January 1, 2025 would require any notice of termination or rent increase to be filed with HCD within 10 days of being served on the tenant, and require HCD to establish a database to make the information publicly available, while anonymizing any information that could identify an individual tenant.

SB 460 (Wahab) - Fair Chance Housing

Awaiting second hearing in Sen. Judiciary

This bill would prohibit a landlord from inquiring about a prospective tenant's criminal history, except as provided by criminal law, or use of the state's sex offender registry.

SB 567 (Durazo) - Tenant Protection Act

Hearing set for Sen. Judiciary on Tuesday, April 25, 10 a.m., 1021 O Street, Room 2100
See description above.

SB 594 (Durazo) - Corporate Transparency

Hearing in Sen. Judiciary not scheduled yet

Would require LLCs and other corporate entities, including those that own and operate rental housing, to disclose the "beneficial owners" of the entity, including those who own more than 25% or exercise substantial control over the entity.

SB 712 (Portantino) - Storage of Micromobility Devices by Tenants

Senate Floor - 3rd Reading - eligible for a vote, Item 37 for Monday, April 10

Provides that a landlord may not prohibit a tenant from owning a micromobility device, and may not prohibit the device from being stored in the tenant's rental unit unless the landlord provides alternative secured storage. Micromobility devices are defined to include wheelchairs, bicycles, e-bicycles, scooters, e-scooters, skateboards, and hoverboards.

SB 863 (Allen) - Tenant Protection Act

Hearing in Sen. Judiciary not scheduled yet

This bill would give tenants protected under the Tenant Protection Act at least 7 days to cure a lease violation prior to being served a 3-day notice to quit.

AB 1035 (Muratsuchi) - Limits on Rent Increases in Mobilehome Parks

Hearing set for Asm. Housing and Community Development on Wednesday, April 19, 9:30 a.m., Room 126

Under this bill that would apply statewide, mobilehome park space rent increases would be limited to 5% per year. Also, vacancy control would be put in place, unless a new mobilehome is placed on the space.

SB 352 (Padilla) - Minimum Wage to Afford Housing

Hearing set for Sen. Labor, Public Employment and Retirement on Wednesday, April 12, 9:30 a.m., 1021 O Street, Room 2200

Requires the California Workforce Development Board, in conjunction with HCD and the state Secretary of Labor, to recommend to the Legislature each year the minimum wage for a full-time worker to afford housing in each county.

SB 569 (Glazer) - Renter's Credit

Hearing set for Sen. Governance and Finance on Wednesday, April 12, 9:30 a.m., 1021 O Street, Room 1200

This bill would increase the renter's credit and make it refundable.

Fair Housing

AB 920 (Bryan) - Housing Status as a Protected Class

Hearing in Asm. Appropriations not scheduled yet

This bill would add housing status as a protected class under the state Fair Employment & Housing Act (FEHA).

SB 16 (Smallwood-Cuevas) - Local Enforcement of FEHA

Senate Floor - eligible for a vote, Item 36 for Monday, April 10

This bill would allow cities and counties to enforce the state Fair Employment and Housing Act.

Housing Development Approvals

AB 1218 (Lowenthal) - Replacement Housing/Relocation Assistance Requirements

Hearing set for Asm. Housing and Community Development on Wednesday, April 12, 9:30 a.m., Room 126

This bill would make changes to the existing framework requiring the replacement of certain housing units and relocation assistance for certain displaced occupants as a condition of approval of development projects.

AB 1532 (Haney) - By Right Approval for Office to Housing Conversions

Hearing in Asm. Housing and Community Development not scheduled yet

Requires by right approval for office to housing conversions anywhere, regardless of zoning, as long as the project includes 10% of units for low- or moderate-income households.

SB 4 (Wiener) - Affordable Housing By Right on Faith and University Land

Hearing in Sen. Governance and Finance not scheduled yet
This would make 100% affordable housing (for lower-income households) a use by right on land owned by faith institutions and private colleges and universities.

SB 423 (Wiener) - SB 35 Sunset Removal

Hearing in Sen. Governance and Finance not scheduled yet
This bill would remove the sunset on SB 35, increase labor standards for affordable housing projects and reduce them for market-rate projects, and allow SB 35 streamlining for all projects with at least 10% lower-income units if a jurisdiction does not have a compliant housing element.

Housing Finance

AB 309 (Lee) - Social Housing

Hearing set for Asm. Housing and Community Development on Wednesday, April 26, 9:30 a.m., Room 126

This bill would define social housing and state the intent of the Legislature to pass subsequent legislation to "address the shortage of affordable homes by developing housing for people at all income levels."

AB 1657 (Wicks) - Affordable Housing Bond

Hearing set for Asm. Housing and Community Development on Wednesday, April 26, 9:30 a.m., Room 126

Puts a bond of an unspecified amount on the November 2024 ballot to fund various affordable housing programs.

SB 469 (Allen) - Article 34 Exemptions

Hearing set for Sen. Housing on Tuesday, April 18, 1:30 p.m., 1021 O Street, Room 1200
Exempts all HCD funding programs and Low-Income Housing Tax Credit (LIHTC) projects from triggering Article 34.

SB 555 (Wahab) - Social Housing

Hearing in Sen. Housing not scheduled yet
This bill would define social housing in state law, set statewide social housing goals, establish a Social Housing Fund, and require HCD to prepare a social housing plan.