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- To: Commissioners, Berkeley Rent Stabilization Board DéSeana Williams, Executive Director Matthew Brown, General Counsel
- From: Brian Augusta, Legislative Advocate
- Date: April 5, 2024

Re: State Legislative Report for the April 2024 Board Meeting

The second half of the 2023-2024 legislative session is in full swing. All of the deadlines have passed for members of the Senate and Assembly to put bills into print, including amending so called "spot bills" to replace the place holder language with substantive changes to the law. In both houses, policy committees are filling out their hearing agendas, culling through the thousands of bills that have been introduced since January.

Unlike last year, the newly introduced bills do not include any measures amending Costa Hawkins or the Ellis Act, but there are a number of bills expanding tenant protections, as described below. These include bills that will protect tenants from unlawful evictions, provide protections against tenant blacklisting and further regulate security deposits, application fees and screening fees. In addition, there are a number of bills relating to corporate ownership of rental housing and fostering more housing in social or community ownership.

In addition to new policy bills, the Legislature is also focused between now and June on the state budget and the increasingly bleak revenue projections. While the Governor's January budget has proposed cuts to affordable housing funding, the Legislature has so far not signaled support for any reductions. Meanwhile, the Assembly has proposed a \$10M housing bond for the November ballot, one of three bonds likely to be before voters later this year.

Below are key bills we we are tracking this year of interest to the board and a summary of their current status.

Landlord-Tenant

AB 2059 (Flora) - Notice of Habitability Issues

Specifies that a landlord is not responsible for habitability issues unless the tenant has given written or oral notice of the issues and the landlord acts to repair the issues within 30 days. *Status:* Hearing in Asm. Judiciary not scheduled yet

AB 2187 (Bryan) - Office of Tenants' Rights

Creates the Office of Tenants' Rights within the Civil Rights Department for the purposes of maintaining an up-to-date list of statewide tenant protections in an understandable format. *Status:* Hearing set in Asm. Judiciary: Tuesday, April 16, 9 a.m., Room 437

AB 2216 (Haney) - Pets in Rental Housing

Prohibits landlords from preventing tenants from owning common household pets. *Status:* Hearing set in Asm. Judiciary: Tuesday, April 9, 9 a.m., Room 437

AB 2278 (Wendy Carrillo) - Allowable Rent Increases

Requires the Attorney General to publish allowable rent increases under the Tenant Protection Act for each metropolitan area online by August 1 of each year. *Status:* Hearing set in Asm. Appropriations: Wednesday, April 10, 9:30 a.m., 1021 O Street, Room 1100

AB 2304 (Lee) - Eviction Masking

Extends the existing eviction masking law to mobilehome cases and unlimited civil cases. *Status:* Hearing set in Asm. Judiciary: Tuesday, April 9, 9 a.m., Room 437

AB 2347 (Kalra) - Proof of Service

Requires landlords to file proof of service in an eviction case with the clerk and prohibits a landlord from requesting a default judgement until the proof has been on file for at least three days.

Status: Hearing in Asm. Judiciary not scheduled yet

AB 2493 (Pellerin) - Application Fees

Prohibits a landlord from charging a prospective tenant a screening fee if they do not have a unit available to rent and prohibits a landlord from collecting more than one screening fee from a prospective tenant in a 30-day period if the prospective tenant is applying for multiple units owned by the landlord.

Status: Assembly Floor - 3rd Reading - eligible for a vote, Item 34 for Monday, April 8

AB 2785 (Wilson) - Security Deposits and Screening Fees

Requires landlords to place security deposits in an interest-bearing account, limits tenant screening fees to no more than \$50, and requires a screening fee to be returned to a

prospective tenant if they are not selected for the unit. *Status:* Assembly Floor - 3rd Reading - eligible for a vote, Item 45 for Monday, April 8

AB 2801 (Friedman) - Security Deposits

Makes a number of changes to the law governing the return of security deposits, including requiring the landlord to provide photographic evidence of the necessary repairs and proof that they were completed.

Status: Hearing in Asm. Judiciary not scheduled yet

AB 846 (Bonta) - LIHTC Rent Cap

Places an annual cap on rent increases in Low-Income Housing Tax Credit properties. *Status:* Pending in the Senate.

Board Position: Oppose Unless Amended

SB 924 (Bradford) - Rent Reporting in Affordable Housing

Removes the sunset on the existing law requiring affordable housing providers to give tenants the option of having their rent payments reported in order to build credit. *Status:* Hearing in Sen. Appropriations not scheduled yet

SB 1051 (Eggman) - Lock Changes

Requires a landlord to pay to change the locks when a person is alleged to have committed violence or abuse against a tenant or a tenants' household member and that person is not a tenant of the same dwelling unit.

Status: Hearing set in Sen. Judiciary: Tuesday, April 23, 9:30 a.m., Room 112

SB 1465 (Archuleta) - Substandard Buildings

Makes a number of changes to the law governing substandard buildings, including prohibiting an enforcement agency from compelling repairs if the only reason the building has been deemed substandard is because it is inhabited and the inhabitant is not a legal occupant. *Status:* Senate Floor - 2nd Reading - not eligible for a vote, Item 16 for Monday, April 8

Affordable Housing Preservation

AB 2926 (Kalra) - Preservation Notice Law Changes

Makes a number of changes to the Preservation Notice Law, including eliminating the ability of an owner to convert an affordable housing property to market rate if the owner receives a purchase offer from a qualified buyer who will preserve the project as affordable housing. *Status:* Hearing in Asm. Housing and Community Development not scheduled yet

Other

SB 1201 (Durazo) - Corporate Transparency

Requires disclosure of the beneficial owners of an LLC or corporation, including LLCs or corporations that own rental housing.

Status: Hearing set in Sen. Banking and Financial Institutions: Wednesday, April 17, 1:30 p.m., 1021 O Street, Room 2100

SB 1212 (Skinner) - Ban on REITs Owning Single-Family Homes

Prohibits investment entities from owning single-family homes. *Status:* Hearing set in Sen. Judiciary: Tuesday, April 30, 1:30 p.m., 1021 O Street, Room 2100

AB 2584 (Lee) - Single-family residential real property: corporate entity: ownership.

Prohibits corporate entities that own more than 1,000 single-family homes from acquiring and offering for rent additional single-family homes.

Status: Hearing set in Asm. Judiciary: Tuesday, April 9, 9 a.m., Room 437

AB 2881 (Lee) - California Housing Authority

Creates the California Housing Authority for the purposes of developing social housing throughout the state.

Status: Hearing in Asm. Housing and Community Development not scheduled yet

Distributed at the Meeting

Legislative Update

Berkeley Rent Board April 18, 2024

Presented by Brian Augusta

Legislative Advocate

Overview of 2024 Session

Barriers to Tenant Access to Housing

AB 2493 (Pellerin) Application Fees

No Unit = No Fee One Fee Per Owner AB 2304 (Lee) Eviction Case Masking

Extends Masking to All Tenants Protects Tenants from Unfair Marks on Rental History AB 2785 (Wilson) Security Deposits and Screening Fees

Caps Screening Fees

Interest on Security Deposits

Refund of Security Fees

AB 2801 (Friedman) Security Deposits

Makes a number of changes to the law governing the return of security deposits, including:

- Limits on charging for cleaning
- Strengthens "walkthrough" option
- Requires landlord to provide photographic evidence of the necessary repairs and proof that they were completed.
- Strengthens remedies for tenants

Corporate vs. Community Ownership of Housing AB 2539 (Connolly) Mobilehome Park Right of First Refusal

Provides a right of first refusal for the residents to purchase a mobilehome park when the owner sells. SB 1212 (Skinner) Ban on REITs Owning Single-Family Homes

Prohibits investment entities from owning single-family homes.

AB 2584 (Lee)

Limits on Corporate Ownership of Housing Prohibits corporate entities that own more than 1,000 single-family homes from acquiring and offering for rent additional single-family homes.