

MEMORANDUM

To: CalHFA Board of Directors Date: March 11, 2015

From: Di Richardson, Director of Legislation 
CALIFORNIA HOUSING FINANCE AGENCY

Subject: Legislative Report

The 2015-16 Legislative Session is off to a busy start. There seems to be lots of interest in housing issues this year – which will hopefully translate into the passage of some great new resources for us. As you know, affordable housing is a priority for the Speaker of the Assembly, and several new members have taken a very active interest as well. Below is a list of bills I think will be of interest to you. As always, if you have any questions or comments, please don't hesitate to let me know.

Affordable Housing

AB 668 (Gomez D) Property taxation: assessment: affordable housing.
Status: Pending Committee assignment.

Summary: Would state the intent of the Legislature to enact legislation that would require a county assessor to consider a recorded contract with a nonprofit corporation that restricts the use of the land for at least 30 years for affordable housing or affordable rent when valuing real property for property taxation purposes.

AB 790 (Ting D) Housing and home financing.
Status: Pending Committee assignment

Summary: The Zenovich-Moscone-Chacon Housing and Home Financing Act declares that housing is of vital statewide importance to the health, safety, and welfare of the residents of the state and that it is the policy of the state to provide a decent home and suitable living environment for every California family. That act provides that its provisions shall be liberally construed and shall prevail over other conflicting laws. In its current form, this is a spot bill would make a nonsubstantive change to these provisions.

Building Standards/Codes

SB 7 (Wolk D) Housing: water meters: multiunit structures.
Status: Senate Transportation and Housing Committee

Summary: Would express the intent of the Legislature to encourage the conservation of water in multifamily residential rental buildings through means either within the landlord's or the tenant's control, and to ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and include appropriate safeguards for both tenants and landlords.

Density Bonus

AB 744 (Chau D) Planning and zoning: density bonuses.
Status: Pending Committee assignment

Summary: The Planning and Zoning Law requires, when a developer of housing proposes a housing development within the jurisdiction of the local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units. In its current form, this is a spot bill that would make technical, nonsubstantive changes to these provisions.

Fees

SB 341 (Nguyen R) Housing: local fees: study.
Status: Pending Committee assignment.

Summary: Current law authorizes the Department of Housing and Community Development to make investigations of housing and community development in the state. This bill would require, by January 1, 2017, and every 5 years thereafter, the department to conduct a statewide survey of cities and counties to determine the total amount of fees and charges imposed on new home construction by local jurisdictions and submit the survey to specified committees of the Legislature.

Note: The purpose of this bill is to require HCD to update the "Pay to Play" report that was originally issued in 1999. The author is considering the feasibility of offering granting a preference for state housing dollars to local jurisdictions that lower or otherwise eliminate local development fees.

Homeless

AB 870 (Cooley D) Homelessness: rapid rehousing.
Status: Pending Committee assignment

Summary: In its present form, this is a spot bill that would state the intent of the Legislature to enact legislation that would utilize the principles of rapid rehousing in order to better care for California's homeless population.

Housing Finance

AB 90 **(Atkins D) Federal Housing Trust Fund.**
Status: Pending hearing before the Assembly Housing and Community Development Committee

Summary: In its current form, this is a spot bill that would help implement the National Housing Trust Fund in California. The current language would designate the Department of Housing and Community Development as the state agency responsible for administering the federal Housing Trust Fund.

Landlord/Tenant/Rent Control

SB 364 **(Leno D) Residential real property: withdrawal of accommodations.**
Status: Pending hearing before the Senate Committee on Transportation and Housing

Summary: The Ellis Act, generally prohibits public entities from adopting any statute, ordinance, or regulation, or taking any administrative action, to compel the owner of residential real property to offer or to continue to offer accommodations, as defined, in the property for rent or lease. This bill would authorize the City and County of San Francisco to prohibit an owner of accommodations from filing a notice of an intent to withdraw accommodations or prosecuting an action to recover possession of accommodations, or threatening these actions, unless all the owners of the accommodations have been owners of record for 5 continuous years or more, except as specified, or with respect to property that the owner acquired within 10 years after providing notice of an intent to withdraw accommodations at a different property.

Miscellaneous

AB 447 **(Maienschein R) Property insurance: discrimination.**
Status: Pending hearing before the Assembly Committee on Insurance

Summary: Current law provides that sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, or sexual orientation shall not, of itself, constitute a condition or risk for which a higher rate, premium, or charge may be required of the insured. This bill would add certain other classifications and facts relating to the insured or the insured property to the categories that may not be used by an insurer for the purposes described above.

Notes: This bill, sponsored by Housing California, is intended to prohibit any company that provides residential property insurance from refusing to issue a policy to tenants of Section 8 housing.

AB 1056 (Atkins D) Housing assistance: formerly incarcerated tenants.
Status: Pending Committee assignment.

Summary: Would authorize a housing authority to develop a housing supports program to provide rental assistance for a specified period to persons who are formerly incarcerated, provide rapid rehousing services, and conduct an individual needs assessment for each prospective tenant to determine the level of services provided and length of assistance.

Notes: According to the author's staff, this bill was introduced to create the Second Chance Community Re-Entry Program to provide post-incarceration housing supports using a rapid-rehousing model. In its current form, CalHFA would be authorized to provide grants to housing authorities for this purpose. Those grants would be funded from a newly created Fund created by the bill.

Mortgage Lending

AB 139 (Gatto D) Nonprobate transfers: revocable transfer upon death deeds.
Status: Pending hearing before Assembly Judiciary Committee

Summary: Would, until January 1, 2021, create the revocable transfer on death deed (revocable TOD deed), as defined, which would transfer real property on the death of its owner without a probate proceeding. The bill would require that a person have testamentary capacity to make or revoke the deed and would require that the deed be in a statutory form provided for this purpose. The revocable TOD deed must be signed, dated, acknowledged, and recorded, as specified, to be effective.

AB 205 (Wood D) Residential property: possession by declaration.
Status: Pending hearing before Assembly Judiciary Committee

Summary: Until January 1, 2018, current law permits an owner of specified residential property in the Cities of Palmdale and Lancaster in the County of Los Angeles or the City of Ukiah in the County of Mendocino to register vacant real property with the local law enforcement agency and to execute a Declaration of Ownership of Residential Real Property that may be filed with the local law enforcement agency of the jurisdiction in which the property is located. This bill would extend the residential property subject to these provisions to include the City of Eureka in the County of Humboldt, the City of Fairfield in the City of Solano, and the Counties of Humboldt and Lake.

AB 244 (Eggman D) Mortgages and deeds of trust: successors in interest.
Status: Pending hearing before Assembly Banking and Finance

Summary: Current law imposes various requirements to be satisfied prior to exercising a power of sale under a mortgage or deed of trust. This bill would include a successor in interest in the definition of a borrower for purposes of specified eligibility provisions. The bill would define a successor in interest as a natural person who provides the mortgage servicer with notification of the death of the mortgagor or trustor and reasonable documentation showing that the person falls into one of four categories of successors, including a personal representative of the mortgagor's or trustor's estate or a surviving spouse.

AB 1053 (Mathis R) Military service: benefits.
Status: Pending Committee assignment.

Summary: Current law authorizes a member of the United States Military Reserve or the National Guard who is called to active duty, as specified, to defer payments on certain obligations while serving on active duty. In its current form, this is a spot bill that would make technical, nonsubstantive changes to this provision.

Perm Source

AB 1335 (Atkins D) Building Homes and Jobs Act.
Status: Pending Committee assignment.

Summary: Would enact the Building Homes and Jobs Act. The bill would make legislative findings and declarations relating to the need for establishing permanent, ongoing sources of funding dedicated to affordable housing development.

Supportive/Special Needs Housing

SB 377 (Beall D) Accessible housing.
Status: Pending hearing before Senate Committee on Transportation and Housing

Summary: Would require the owners and managers of multifamily housing projects that have received a Department of Housing and Community Development grant or loan, and that have accessible units, to adopt suitable means to ensure that information regarding the availability of accessible residential dwelling units reaches eligible individuals with disabilities, and would require the owners and managers to give priority for those units to persons with disabilities.

Tax Credits

AB 35 **(Chiu D) Income taxes: credits: low-income housing: allocation increase.**
Status: Pending hearing before the Assembly Committee on Housing and Community Development

Summary: Current law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation of state insurance, income, and corporation tax credit amounts among low-income housing projects based on federal law. This bill, for calendar years beginning 2015, would increase the aggregate housing credit dollar amount that may be allocated among low-income housing projects by \$300,000,000. It would achieve this not only by increasing the amount of California credit, but also by increasing the state credit percentage so that it can more effectively leverage federal tax-exempt bond financing and 4% credits.

Notes: According to the author's staff, this state investment and policy change would leverage an estimated additional \$200 million in federal 4% tax credits and at least \$400 million in federal tax-exempt bond authority

AB 781 **(Wilk R) Low-income housing tax credits.**
Status: Pending Committee assignment.

Summary: Current law establishes a low-income housing tax credit program pursuant to which the California Tax Credit Allocation Committee provides procedures and requirements for the allocation of state insurance, income, and corporation tax credits among low-income housing projects based on federal law. In its current form, this is a spot bill that would make a nonsubstantive change to those provisions.

Veterans

AB 388 **(Chang R) Housing: homeless veterans: reports.**
Status: Pending hearing before the Assembly Committee on Housing and Community Development

Summary: The Department of Housing and Community Development is required to submit an annual report to the Governor and both houses of the Legislature on the operations and accomplishments during the previous fiscal year of the Veterans Housing and Homeless Prevention Program. This bill would additionally require the evaluation to include information relating to the effectiveness in helping homeless veterans of any organization that was issued funds under the program.