



Public Policy Update July 2022

State Budget Update

The Governor and Legislative Leaders came to a deal on the state budget and finalized it before leaving on summer recess on July 1st. As part of the state budget, they approved:

- \$2.7 Billion for Emergency Rental Assistance. Governor Newsom is proposing significant state funds for qualified low-income tenants who requested rental assistance before March 31, helping these Californians get the support they need.
- \$1.4 Billion to Help Californians Pay Past-Due Utility Bills. As Californians continue to face difficulties in paying for utility bills, this investment expands upon last year's utility relief program to continue this vital support – \$1.2 billion for electricity bills and \$200 million for water bills.
- \$50 million for ADU financing

Although there was an attempt by tenants rights groups and some Legislators to pass a budget trailer bill to extend the eviction moratorium sunset yet again, we advocated against another extension and, fortunately, **the Legislature chose not to extend the sunset beyond June 30, 2022.**

Legislative Update

We have now passed the policy committee deadline in the second house. When the Legislature reconvenes in August, the first few weeks will be spent on the Appropriations Committee and the final weeks will be focused on the Floor. Our sponsored bill, AB 916 (Salas), which would streamline the creation of bedrooms and increase the height limit of ADUs, passed the Housing and Governance and Finance Committees in the Senate. It will be heard in the Appropriations Committee in August.

Several other bills that we are proactively supporting continue to move, including:

- SB 847 (Hurtado) "COVID-19 Rent Relief: Grant Program" - Would create a grant program for landlords who received a negative decision or no response within 20 days – for "Tier 1" applicants (e.g., not corporation, non-REIT, and non-LLC). - SUPPORT
- SB 897 (Weickowski) "ADU Height Limits" – Was amended to increase ADU height limit to: 18 feet tall if they are located on: i) A parcel with an existing multi-story-multifamily building. ii) A parcel within ½ mile of a major transit station, and allow these ADUs an additional 2 feet of height (total of 20 feet) to accommodate a roof pitch that aligns with the roof pitch of the primary residence OR 25 feet tall or the height limitation in the local zoning ordinance



that applies to the primary residence, whichever is lower, if the ADU is attached to a primary residence.- SUPPORT

- SB 1133 (Archuleta) - "Price Gouging: State of Emergency: Specified Housing Exclusion" - The bill would also exclude specific categories of housing from these provisions, including housing that was issued a certificate of occupancy for residential use within the 3 months preceding a proclamation of a state of emergency or declaration of local emergency or within the duration of the proclamation or declaration. - SUPPORT
- SB 1262 (Bradford) - Courts' Indexes - This bill would require publicly accessible electronic indexes of defendants in criminal cases to permit searches and filtering of results based on a defendant's driver's license number or date of birth, or both. - SUPPORT

Fortunately, a few more bills that we were opposing, failed to pass the policy committees in the second house and are now dead. Those include:

- AB 2053 (Lee) - Social Housing - Would have created the Social Housing Act and would have established the quasi-governmental authority, California Housing Authority, to produce and acquire social housing developments for the purpose of eliminating the gap between housing production and regional housing needs. - DEAD
- AB 2597 (Bloom) - Indoor Air Temperature - This bill would have required for the next edition of the California Building Standards Code adopted after January 1, 2023, to adopt mandatory building standards for the lack of cooling as a substandard condition for human habitation to ensure safe indoor ambient air temperature in dwelling units. - DEAD
- SB 1335 (Eggman) - Credit History - This bill would have prohibited the use of a person's credit history as part of the application process for rental housing without offering the applicant the option of providing alternative evidence of financial responsibility and ability to pay as the applicant may choose to submit when there is a government rent subsidy. The bill would require the housing provider to consider that alternative evidence in lieu of the person's credit history when determining whether to offer the rental accommodation to the applicant. - DEAD

The remaining "high-priority" bills that we continue to be opposed to that will be going into August include:

- AB 2383 (Jones Sawyer) - "Ban the Box in Rental Applications" - Would make it an unlawful housing practice for the owner of a rental housing accommodation or business establishment to inquire about or require an applicant for a rental housing



accommodation to disclose a criminal record during the initial application assessment phase. (Note: Owner has 5 days to notify of denial of an applicant given 3 days to appeal.) - OPPOSE

- SB 679 (Kamlager) - Los Angeles County: Affordable Housing - Establishes the Los Angeles County Affordable Housing Solutions Agency (LACAHS), and authorizes LACAHS to utilize specified local financing tools to fund renter protections and the preservation and production of housing units affordable to households earning up to 80 percent of the area median income (AMI). OPPOSE
- SB 1017 (Eggman) - Lease Termination - Abuse - Prohibits a landlord from terminating or failing to renew a tenancy based on an act of abuse or violence of a tenant, immediate family member, or member of the tenant household. Also allows a landlord to terminate or refuse to renew a tenancy if the tenant voluntarily permits the presence of the perpetrator of abuse or violence. Also sets forth specific requirements for unlawful detainer proceedings. This bill would also make a landlord or agent liable to the tenant for actual damages and, except as specified, statutory damages of not less than \$100 and more than \$5,000 in a civil action for violation of these provisions. - OPPOSE
- SB 1026 (Wieckowski) - Residential Energy Efficiency Disclosure - This bill would grant a prospective tenant the right to obtain from the owner of a residential dwelling unit or the owner's agent a residential energy efficiency disclosure statement for the residential unit offered. The bill also would require the owner of a residential dwelling unit or the owner's agent to make specified residential energy efficiency disclosures to a prospective tenant before entering into a rental agreement with the prospective tenant or requiring or accepting payment for specified fees or writings that would initiate a tenancy, subject to certain exceptions. The bill would make these provisions operative on January 1, 2024. - OPPOSE
- SB 1105 (Hueso) San Diego Regional Equitable and Environmentally Friendly Agency - This bill would establish the San Diego Regional Equitable and Environmentally Friendly Affordable Housing Agency and authorize the agency to, among other things, incur and issue indebtedness, place various measures on the ballot in the County of San Diego and its incorporated cities to raise and allocate funds, in accordance with applicable constitutional requirements, and to issue general obligation bonds secured by the levy of ad valorem property taxes, for purposes of producing and preserving equitable and environmentally friendly housing and supporting rental protection activities, as specified. Among the funding measures, the bill would authorize the agency to impose a parcel tax, a gross receipts business license tax, a special business tax, specified special taxes on real property, and a commercial linkage fee, as defined. The bill would also authorize local



jurisdictions within San Diego County to impose a special documentary transfer tax, as specified, and authorize those local jurisdictions to remit proceeds of the tax to the agency to support the purposes of the agency. - OPPOSE

Here is a timeline of the remaining legislative deadlines.

Aug. 1 Legislature reconvenes from Summer Recess

Aug. 12 Last day for fiscal committees to meet and report bills

Aug. 15 - 31. Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rules 77.2, and Conference Committees

Aug. 25 Last day to amend bills on the floor

Aug. 31 Last day for each house to pass bills

Sept. 30 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1

Rent Assistance Update

The rent assistance application portal is now closed and approximately \$3.99 billion has been paid out in rent assistance in the state, as of July 5, 2022. For more information on the rental assistance program, please visit Housing is Key.