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Sponsored Bills

TRANSACTIONAL

AB 892 (Holden) Clarifications to Real Estate Law Update - In 2015, C.A.R. began its multi-year effort to update and clarify the real estate law with the enactment of AB 685 (Irwin). Subsequently, in 2017-18 C.A.R. successfully sponsored two further measures, AB 1289 (Arambula) and AB 2884 (Irwin), both of which enacted various, more extensive changes to both the Civil Code (AB 1289) and to the Business and Professions Code (AB 2884). This legislation made further refinements to those changes and also ensures that MLS retains inputted listing data for at least three years.

Position: Sponsor

Status: Signed into law on September 20, 2019 (Chapter 310, Statutes of 2019)

HOMEOWNER PROTECTION

AB 1551 (Arambula) Enhancing PACE Assessment Disclosures - In recent years, the Legislature has enhanced consumer protections for PACE financing programs. However, there was still a need for more consumer protection. AB 1551 mandates a paper copy of the PACE disclosure be given to potential customers unless the customer waives that requirement in a paper copy waiver. Also, the law prohibits prepayment penalties in new PACE contracts for those who wish to pay off their assessment and prohibits PACE assessments when a reverse mortgage is in place.

Position: Sponsor

Status: Signed by the Governor on September 25, 2020 (Chapter 156, Statutes of 2020)

Housing Provider/Tenant Bills

*highlights for the two-year session include: opposing statutory overreach in housing provider/tenant legislation

AB 724 (Wicks) Mandatory Statewide Rental Registry - Current law allows a local government to establish a rental registry within its jurisdiction. AB 724 sought to establish a new statewide one-size-fits-all mandate that required all residential rental property owners to annually register their units with the Department of Housing and Community Development providing and continually updating a multitude of information and would have imposed harsh civil penalties for failing to comply. This would be an extremely costly and burdensome requirement for small housing providers. C.A.R. secured a commitment from the author to amend the bill to exempt small rental property owners who own single- and multi-family rental properties with 15 units or less. AB 724 failed passage and the amendments were never incorporated into the bill.

Position: Oppose Unless Amended

Status: Died.

AB 828 (Ting) Eviction and Foreclosure Moratorium: COVID-19 - C.A.R. strongly opposed AB 828, a bill that, as originally amended, could, among other provisions, have effectively forced a 25% reduction in rents. The bill was amended to remove the 25% rent reduction feature. However, C.A.R. still opposed the bill because of its onerous provisions for housing providers.

Position: Oppose

Status: Died.

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AB 1436 (Chiu) Tenancy: Rental Payment Default: State of Emergency: COVID-19 - AB 1436 sought to, among other things, prohibit a rental property owner from evicting a tenant for COVID-19 back rent accrued before April 1, 2021. Under the bill, rental property owners would have been prohibited from, among other things, pursuing a civil action to recover COVID-19 back rent until April 1. These provisions would have been a significant burden to small housing providers who would not be able to recover unpaid rent for an extended period and practically maybe not at all, but would still have obligations for a mortgage, maintenance and repairs. Additionally, AB 1436 was amended to include foreclosure moratorium provisions, which could have led to higher mortgage and refinance costs for California homebuyers and owners.

Position: Oppose

Status: Died.

SB 939 (Wiener) Emergencies: COVID-19: Commercial Tenancies: Evictions - This bill would have prohibited commercial evictions of specified small businesses and nonprofits. C.A.R. opposed SB 939 because it would have created serious problems for both small commercial property owners and as a result their tenants. SB 939 stalled in the Senate Appropriations Committee.

Position: Oppose

Status: Died.

AB 2501 (Limon) COVID-19: Homeowner, Tenant, And Consumer Relief - This measure, among other provisions, established a moratorium on foreclosure actions and mandated specific financial outcomes for mortgage borrower relief. The law allowed borrowers to have the ability to take advantage of extended forbearance programs above and beyond that available under federal law which could have led to premiums on home loans made in California and also raised constitutional concerns. AB 2501 also sought to require that a rental property owner who received mortgage forbearance provide rent relief to all the tenants on the property, even if not needed. This would have restricted the much-needed rental income that many small “mom and pop” property owners rely on which provides for necessary maintenance, security and other amenities to the tenants. C.A.R. opposed this measure due to the negative effects on current and prospective homeowners and housing providers. AB 2501 was defeated on the Assembly Floor.

Position: Oppose

Status: Died.

Housing Bills

Highlights for the two-year session include: expansion of ADU streamlining and density bonus legislation

THE ADU BILLS

AB 68 (Ting) Accessory Dwelling Units: Local Ordinances - AB 68, among other things, requires ministerial approval of permit applications to create one or more ADUs or Jr. ADUs on a single-family or multifamily dwelling lot. The bill reduces the time in which local governments must approve or disapprove an ADU or Jr. ADU from 120 days to 60 days and prohibits local ordinances from imposing requirements on minimum lot size, lot coverage, floor area ratio, or from establishing ADU size requirements. Specifically, AB 68 requires local ordinances to permit units to be at least 800 square feet and 16 feet high. Finally, local agencies imposing owner-occupancy would only be permitted to monitor compliance annually. C.A.R. supported AB 68 which seeks to alleviate our housing shortage by streamlining the state-wide development of accessory dwelling units.

Position: Support

Status: Signed into law by the Governor on October 9, 2019 (Chapter 655, Statutes of 2019)

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AB 670 (Friedman) Accessory Dwelling Units (ADUs): Common Interest Developments (CID) - AB 670 states that a homeowner association's (HOA's) governing documents may not prohibit or unreasonably restrict the construction of an accessory dwelling unit (ADU) or jr. ADU within the CID. The bill also states that it is the intent of the Legislature that ADUs and jr. ADUs constructed under this provision are to be used for rentals longer than 30 days.

Position: Support

Status: Signed into law by the Governor on August 30, 2019 (Chapter 178, Statutes of 2019)

AB 881 (Bloom) Accessory Dwelling Units: Ministerial Approvals - As a condition for issuing a permit authorizing an ADUs construction, existing law permits local governments to require owners to occupy at least one of the units. AB 881 (Bloom) eliminates this owner occupancy requirement and clarifies that a local agency must ministerially approve an application for an ADU building permit if it will be located within an existing accessory structure (i.e. primary residence, a studio, garage, pool house, etc.)

Position: Support

Status: Signed into law by the Governor on October 9, 2019 (Chapter 659, Statutes of 2019)

INCREASING SUPPLY

AB 2345 (Gonzalez) Density Bonus - This bill, among other provisions authorizes an applicant to receive 3 incentives or concessions for projects that include at least 12% of the total units for very low-income households (i.e., those making less than 50% of the Area Median Income (AMI)). The bill also revises the incentives for 2 to 3-bedroom units by decreasing the parking ratios that are required under current law. C.A.R. supports this measure as it promotes development and will help families afford to live within the communities in which they work.

Position: Support

Status: Signed into law by the Governor on September 28, 2020 (Chapter 197, Statutes of 2020)

SB 330 (Skinner) Housing Crisis Act of 2019 - SB 330, among other things, seeks to streamline the permitting process for new developments within "affected" cities by suspending local requirements for voter approval of zoning, general plan, or specific changes in an "affected" city for 5 years. Under SB 330 (Skinner), local governments will be permitted up to five public hearings to approve a proposed housing development, if the project complies with local planning, zoning, and design standards. C.A.R. supports SB 330 because it creates certainty for developers constructing new units consistent with local planning, zoning, and design.

Position: Support

Status: Signed into law by the Governor on October 9, 2019 (Chapter 654, Statutes of 2019)

REALTOR® BUSINESS ISSUES

AB 5 (Gonzalez) Clarification of Independent Contractors - AB 5 clarified the application of the California Supreme Court decision in the Dynamex case which applies a three-part test to determine whether or not a worker is an independent contractor or an employee. AB 5 has from its inception recognized that the Dynamex "ABC test" should not apply to all occupations or businesses. In particular, the section concerning real estate brokers and salespersons recognizes the unique and historic nature of the real estate industry and the complex statutory and licensing framework under which it operates, preserving the ability of real estate licenses to operate as independent contractors or employees.

Position: Support

Status: Signed into law by the Governor on September 18, 2019 (Chapter 296, Statutes of 2019)

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Consumer/Homeowner Protection

*highlights for the two-year session include: expansion of homestead and wildfire relief legislation

AB 1816 (Daly) Insurance Renewals - Under existing law, a 45 day notice prior to the expiration of an insurance policy must be given to the policyholder, failure to do so allows for the current policy to stay in effect for 45 days from the date that either the offer to renew or the notice of nonrenewal is delivered or mailed to the named insured. Beginning July 1, 2020, AB 1816 extends the amount of notice from 45 to 75 days, double the California Insurance Guarantee Association (CIGA) payout limit from \$500,000 to \$1,000,000, and expand the “write-out” credit for the FAIR plan. C.A.R. supports this bill as it will provide homeowners more time to shop and compare insurance policies that meet their needs, ensures claims made by homeowners are fully covered under guaranteed protections, and incentivizes insurers to write policies in high-risk areas.

Position: Support

Status: Signed into law by the Governor on October 12, 2019 (Chapter 833, Statutes of 2019)

AB 2463 (Wicks) Enforcement of Money Judgments: Execution: Homestead - Under current law, a judgment debtor may apply to the court to force the sale of a property and a homeowner is entitled to protect between \$75,000 and \$175,000 of the equity in the property. AB 2463 would expand and clarify this exemption by further defining the types of debt that might result in the forced sale of a property. C.A.R. supports this measure as it seeks to prohibit lenders from forcing the sale of a home to pay a debt if the debt is due to unsecured consumer debt such as medical or credit card debt. In unprecedented times like these, this update to the law is welcome to offer security to homeowners who face debt. The bill does not stop the debt from otherwise being collected, it just stops the unsecured creditor from forcing the sale of the debtor’s home.

Position: Support

Status: Signed into law by the Governor on September 28, 2020 (Chapter 218, Statutes of 2020)

AB 2756 (Limon) Residential Property Insurance – This measure seeks to ensure homeowners have knowledge of whether their homeowner’s policy includes fire coverage. Additionally, the provisions which mandate 10% building code upgrade coverage for replacement cost coverage policies will work to ensure more homes are rebuilt and existing housing stock is maintained when disaster strikes. C.A.R. supports this measure as it provides more transparency to homeowners on information related to their home insurance policy.

Position: Support

Status: Signed into law by the Governor on September 29, 2020 (Chapter 263, Statutes of 2020)

AB 3012 (Wood and Daly) Residential Property Insurance - This measure among other provisions, provides that certain information be included in a notice of nonrenewal of a homeowner’s insurance policy, clarifies that a policyholder shall receive the full amount of what would have been recoverable if the home were to be rebuilt at the original location, clarifies that policies which include additional living expenses (ALE) shall not limit claims if the home is uninhabitable, but not destroyed. Additionally, the bill states that a policyholder is entitled to a payment of 30% (up to \$250,000) of the stated policy limit for contents coverage in the event of a total loss without itemization and directs the FAIR plan to create a clearinghouse of policy information that should be made available to admitted insurers to encourage them to offer policies to FAIR plan customers. C.A.R. support this measure as it will help to alleviate the home insurance crisis that many Californians in wildfire prone areas face.

Position: Support

Status: Signed into law by the Governor on September 29, 2020 (Chapter 258, Statutes of 2020)

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SB 872 (Dodd) Residential Property Insurance: State of Emergency - SB 872 improves the state of homeowner's insurance in three ways. First, the bill prohibits an insurer from denying what is known as "Additional Living Expense" or "ALE" coverage from limiting the right to recover from a covered peril but allows an insurer to offer a reasonable remedy that addresses the habitability issue. Second, in the event of a civil order restricting access to the property, ALE coverage will be provided for a period of two weeks with two weeks extensions available. Finally, the bill provides that the measure of damages provided to a policyholder in the event of a total loss shall be the same regardless of whether the insured decides to rebuild in place or buy or rebuild in a new location. If a new location is chosen, an insurer shall not deduct any amount for the value of the land. C.A.R. supports this measure as it eases burdens on homeowners who are faced with what was once "unthinkable" disaster.

Position: Support

Status: Signed into law by the Governor on September 29, 2020 (Chapter 261, Statutes of 2020)

Taxation

*highlights for the two-year session include: Prop 19 victory and stopping the elimination of the MID & second home legislation

AB 1905 (Chiu) Housing and Homeless Response Fund: Personal Income Taxation; Mortgage Interest Deduction – This bill would have eliminated the mortgage interest deduction for second homes and also conformed California tax law to the more restrictive mortgage interest deduction rules of federal law. C.A.R. strongly opposed these changes to the mortgage interest deduction as harmful to California homeowners and purchasers.

Position: Oppose

Status: Died.

Land Use & Environmental

*highlights for the two-year session include: clarification of development fees and wildfire prevention legislation

AB 831 (Grayson) Evaluation of Local Fees: New Developments – This bill will allow qualified housing development projects to effectively utilize the streamlined approval process established by SB 35 (Wiener, 2017) a bill that C.A.R. supported to create a streamlined, ministerial approval process for infill developments in localities that have failed to meet their regional housing needs assessment numbers. This bill requires that routine modifications to an accepted development application be approved in a timely manner without resubmission, refines the permitting process for connecting the project to existing public infrastructure, and clarifies that the 2/3 residential requirement in SB 35 applies to the project itself, not the zoning for the site on which it is built. C.A.R. supports this measure as it will help to clarify existing law and will provide much needed technical changes to SB 35 to ensure the law works as intended.

Position: Support

Status: Signed into law by the Governor on September 28, 2020 (Chapter 194, Statutes of 2020)

AB 1483 (Grayson) Housing Data: Collection and Reporting - This measure directs local governments to make information such as planning and zoning standards, fees, special taxes and assessments, and impact fee nexus studies available to the public online. The bill also freezes housing development fees at the time the application is approved or at the required time of payment. C.A.R. supports AB 1483 which seeks to bring greater transparency to the costs associated with housing developments and allow stakeholders to create solutions to California's housing affordability crisis.

Position: Support

Status: Signed into law on October 9, 2019 (Chapter 662, Statutes of 2019)

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AB 3074 (Friedman) Fire Prevention: Wildfire Risk: Defensible Space: Ember-Resistant Zones - Current law requires a person who owns, leases, controls, operates, or maintains an occupied dwelling or structure to maintain a defensible space of 100 feet from each side of the structure. This bill would require more intense fuel reductions between 5 and 30 feet around the structure and create an ember-resistant zone within 5 feet of the structure to help reduce ember ignitions. C.A.R. supports this measure as it will help to protect Californians living in high fire hazard through the creation of an ember-resistant zone located immediately adjacent to the perimeter of the building.

Position: Support

Status: Signed into law by the Governor on September 29, 2020 (Chapter 259, Statutes of 2020)