



**The 2017 Legislative Session is now at its half-way point. This year, SDCAA has been actively tracking approximately 100 bills. Several of those bills have already seen their fate decided, while others are still going through the process. Below are some of the major bills that we have been lobbying on this year.**

## **AB 1506 - Bill to Repeal Costa-Hawkins Rent Control Protections Placed On Hold by Author, Now a Two-Year Bill**

In an LA Times article on April 6, Assemblymember Bloom stated he requested that no vote be taken on AB 1506 this year because legislative timelines won't allow for comment from all stakeholders who would be affected by the repeal of the Costa-Hawkins Rental Housing Act, the decades old law limiting the reach of rent control ordinances.

It is no coincidence that this occurred the day after SDCAA volunteers and staff were in Sacramento lobbying against the bill as part of the annual Legislative Day trip. While this is good news, the industry will need to be ready for the bill's return next year. Repealing Costa-Hawkins would mean that Rent Control laws in local jurisdictions could expand to apply to single-family homes, condos and new construction. It would also eliminate vacancy decontrol, removing a landlord's ability to reset the rent once original tenants have vacated.



***SDCAA Volunteers at the State Capitol for Legislative Day, April 4-5, 2017.***

## **Bill to Amend Ellis Act, AB 982, Pulled from Hearing Calendar**

Another bill by Assembly Member Bloom, AB 982, sought to amend the Ellis Act. The Ellis Act protects a property owner's right to leave the rental housing business, an important safety valve for property owners in rent controlled jurisdictions. This isn't the first time SDCAA and industry partners were faced with attempts to alter the Ellis Act (all of which failed) but it is one of two bills this year that seeks to change this important piece of law.

AB 982 would expand the list of tenants who can receive a year's notice before a landlord can close a building and exit the market. Currently, tenants 62 years of age or older or tenants who are disabled are entitled to be given a year's notice - all others are entitled to 120-day notice. SDCAA, and others, opposed AB 982 arguing that the bill was unnecessary and punitive. Once again, the day before the bill was to be heard, Assembly member Bloom pulled the bill from the hearing calendar. Like AB 1506, it is now a two-year bill.

## **SDCAA Makes Significant Progress on AB 291, Rental Housing Immigration Status Bill**

AB 291 (Chiu) seeks to provide renters with some assurance that their landlords won't report them to ICE due to their immigration status. The bill proposed a myriad of changes to existing law, such as prohibiting a landlord from serving a notice to quit the property or from initiating an unlawful detainer action on the basis of the immigration or citizenship status. AB 291 would also provide a tenant with an affirmative defense in an unlawful detainer action.

While the bill overlaps with some existing California laws protecting tenants from discrimination based on immigration status, SDCAA has been working closely with the author and other stakeholders to address concerns. SDCAA understands the intent of the bill and has helped make significant improvements to the proposed law to mitigate unintended consequences that could negatively impact rental housing owners and managers. SDCAA has taken a neutral position but will remain actively engaged on this bill and report on additional progress. AB 291 is now in the Senate pending committee assignment.



**Bills Opposed by SDCAA**

**AB 646 (Kalra) - Rental property: disclosures: areas of potential flooding:** Requires a rental property owner or manager to disclose in writing if a residential dwelling unit is located within a special flood hazard area (any type Zone "A" or "V") designated by the Federal Emergency Management Agency, prior to execution of a rental agreement. SDCAA is opposed to the bill as drafted, but would remove opposition if the bill is amended to require that prospective tenants be provided with a simple disclosure that directs them to where the information can be found as FEMA maps change often. The bill is awaiting a vote on the Assembly Floor.

**AB 1505 (Bloom) - Land use: zoning regulations:** This bill seeks to authorize the legislative body of a city or county to establish inclusionary housing requirements as a condition of the development of residential rental units. AB 1505 is similar to several bills SDCAA has opposed over the years that would allow a city or county to require affordable housing as part of a new rental development. AB 1505 will next be heard in Senate Transportation & Housing.

**SB 721 (Hill) – Contractors: Decks and Balconies inspection:** This bill requires the regular inspection by a licensed individual of specified building assemblies such as decks and balconies with load-bearing components such as joists or posts in a building with three or more multifamily units. There are many concerns with this bill including liability and cost as the current version would require inspections of any elevated surface exposed to water and allow for intrusive sampling. The bill is unlikely to move as several legislative deadlines are approaching.

**Bills Supported by SDCAA**

**AB 1569 (Caballero) - Reasonable accommodations: animal:** This bill seeks to address the abuse of online portals who issue letters to tenants seeking the use of an emotional support animal. It defines reliable verification, what that verification should include, and that online sources are prohibited. Unfortunately, the bill appears to be dead for the year.

**AB 1637 (Gloria) - Local housing authority: mixed-income housing projects:** Sponsored by the City of San Diego, this bill authorizes a housing authority to finance mixed-income housing developments that include rental housing units for households whose income is 150% of area median income (AMI) or less. The bill passed out of the Assembly and is now pending committee assignment in the Senate.

**AB 494 (Bloom)/SB 229 (Wieckowski) - Accessory Dwelling Units:** Both bills seek to clarify law passed last year that requires cities to allow and plan for accessory dwelling units (granny flats). Both bills passed out of their house of origin and will start the committee process in the other house.

**SB 3 (Beall) - Affordable Housing Bond Act of 2018:** SB 3 would enact the Affordable Housing Bond Act of 2018, which authorizes the sale of \$3 billion in general obligation bonds, upon approval by voters at the November 6, 2018 statewide general election. The bond could leverage an additional \$11 billion in federal funding to direct into existing, and successful, state housing programs. As Propositions 46 and 1C have shown by generating 183,000 housing units, SB 3 can have just as great an impact in helping more families call California their home. This bill is in Senate Appropriations.



**New Bed Bug Laws Take Effect July 1, 2017**

New law takes effect soon that will require disclosure language regarding bed bugs for new tenants. [AB 551 \(Nazarian\)](#) was signed into law last year and requires certain disclosures to new and existing tenants, as well as sets protocols for dealing with a bed bug infestation.

**Effective July 1 of this year, all new tenants will need to be provided with prescriptive language describing how to identify bed bugs.** This required language has been incorporated in to the SDCAA Rental Agreement as well as the SDCAA Bed Bug Addendum.

**No later than January 1, 2018, landlords will need to provide the same information to existing residents.**

Additionally, the law prohibits landlords from renting units in which they know bedbugs exist and from retaliating against tenants who report the pests. Landlords must give notice before entering a unit to inspect or treat bed bugs. However, tenants are now required to cooperate with inspection and treatment procedures. Landlords are required to notify tenants of the results of a bed bug inspection that was conducted by a pest control company. This has to be done within two business days of the landlord receiving the report.