



1-23-14

INVESTMENT HOUSING COMMITTEE

8:00 - 9:30 a.m.
Thursday, January 23, 2014
San Diego, CA

MISSION STATEMENT

The Investment Housing Committee is a Policy Committee. Its mission is to develop C.A.R.'s housing policy in the rental segment of California's housing opportunities. It has original jurisdiction to evaluate housing legislation and regulation in the following issue areas: Fair Housing/Equal Opportunity, Multifamily, and Property Management.

PRESIDING:

Mike Clancy, Chair
Tica M. O'Neill, Vice Chair

ISSUE CHAIRS (ICs)

Jean Tietgen, Fair Housing/Equal Opportunity
Glen Hellyer, Multifamily Housing
Richard Otterstrom, Property Management

EXECUTIVE COMMITTEE LIAISON

Rick Violet

LEGISLATIVE COMMITTEE

Art Nellessen, Chair
Irma Vargas, Vice Chair
Dave Walsh, Vice Chair

STAFF COORDINATOR:

Dave Milton

FEDERAL ISSUES COORDINATOR

Matt Roberts

I. WELCOME and OPENING REMARKS – Mike Clancy, *Chair*

II. ACTION REQUIRED - Glen Hellyer, Multifamily Housing IC

A. Eviction Process and Jury Trial Demands by Tenant Attorneys**

The experience with evictions and tenant attorneys requesting jury trials for unlawful detainer proceedings has been particularly acute in Southern California. While this effort began in Alameda County, it has become most prevalent under the sponsorship of the Eviction Defense Center and Tenants United in Los Angeles. This issue was discussed during the October meeting of the Committee and the consensus was we would keep it on the agenda of future meetings to maintain visibility of the issue and its evolving status. Updates from Committee Members whose regions are affected by this activity are invited.

The Position Paper presented at the Committee's October meeting is attached for the information of Committee Members.

Does the Investment Housing Committee wish to recommend action on this challenge to the Board of Directors?

B. Other Possible Action Items

III. UPDATES and REPORT ITEMS

A. Fair Housing/Equal Opportunity- Jean Tietgen, Issues Chair (IC)

AB 523 (Ammiano) HCD Loans for Housing Developments -

The Department of Housing and Community Development awards loans to fund the development of low and moderate-income housing. AB 523 would allow HCD to lower the interest rate on low income housing loans to between 0% and .07%, provided that the development being funded meets certain conditions. C.A.R. moved from a support position on this measure to "Favor" because amendments watered it down to only apply to refinancing of existing loans for low income housing instead of its original application to new loans for the production of all multifamily housing.

Position: Favor

Status: Senate Floor

SB 1 (Steinberg) Sustainable Communities Investment Authority-

SB 1 proposes to establish a new approach to local economic development and housing policy that is focused on building sustainable communities and creating high skill, high wage jobs. It seeks to promote collaboration between cities and counties on local development. The bill creates a Sustainable Communities Investment Authority. Among its granted powers is the authority to rely on a legislative determination by a local agency as to the existence of blight and frees such an authority from having to make a separate finding of blight or conduct a survey of blight within a project area, in order to expedite the revitalization of housing in impacted areas. C.A.R has concerns with the "blight" treatment in this legislation and has a "Not Favor" position until these questions are resolved.

Position: Not Favor

Status: Assembly Floor

B. Multifamily Housing- Glen Hellyer, IC

AB 746 (Levine) Prohibition of Smoking in Multifamily Dwellings-

California law regarding the smoking of tobacco products authorizes a landlord to ban smoking in their buildings, at the discretion of the landlord. AB 746 would prohibit smoking in ALL areas of any multifamily dwelling except in designated smoking areas. Any violation of this new provision would result in a fine of up to \$250. C.A.R. is opposed to this measure because it does not protect the rental property owner, landlord or property manager from possible litigation over enforcement of the ban, and does not take into consideration that many rental housing complexes cannot meet such requirements due to lack of space.

Position- Oppose Unless Amended

Status- Assembly Housing & Community Development Committee

SB 750 (Wolk) Water Meters in Multiunit Structures- This bill would require a water purveyor that provides water service to newly constructed multiunit residential structures, or newly constructed mixed-use residential and commercial structures, that submit an application for a water connection after January 1, 2015, to install individually-billed water meters on each unit. Additionally, the bill proposes to impose a myriad of requirements on landlords relating to sub-metered water service to individual dwelling units and specifically delineates how a landlord may bill a tenant for water usage.

Position: Oppose Unless Amended

Status: Assembly Local Government Committee

C. Property Management- Richard Otterstrom, IC

AB 969 (Ammiano) Revisions to Unlawful Detainer and Retaliation Defenses Laws

Sponsored by the East Bay Community Law Center, this bill seeks to revise two sections of law that impact tenants facing eviction. First, it proposes to establish that habitability determinations, which are questions of fact, shall be made by a judge or jury if there is one in the case, in an unlawful detainer trial. Second, this bill would clarify that under current law (Civil Code Section 1942.5(c)), tenants have the right to present evidence of retaliation in an unlawful detainer case, whether or not the landlord has alleged non-payment of rent.

Position: Not Favor

Status: Assembly Judiciary Committee

AB 1229 (Atkins) Rent Control on New Construction – Local legislative bodies are currently allowed to regulate the zoning ordinances within their jurisdictions. However, under the Costa-Hawkins Act of 1995, sponsored by C.A.R., new construction is exempt from rent control. AB 1229 nullifies the new construction exemption by allowing local governments to impose inclusionary zoning as a condition to issuing a permit for housing development. This would require a new housing developer to include affordable residential units in their development plans. C.A.R. opposed this measure and mounted a major campaign against it. AB 1229 barely "squeaked" out of the Assembly and Senate policy committees, and Assembly and Senate Floors, by the minimum number of votes needed for passage. At C.A.R.'s urging, along with efforts from several rental housing advocacy organizations, the Governor vetoed AB 1229.

Position: Oppose

Status: Vetoed by Governor

SB 450 (Galgiani) Unattended Collection Boxes - SB 450 proposes to allow local governments to institute ordinances to provide property owners with immunity from liability for removing unapproved collection boxes from their property. C.A.R. supports this measure as it addresses the public's desire to donate goods for charitable purposes and at the same time protects the rights of rental property owners to remove unpermitted collection boxes from their properties.

Position: Support

Status: Senate Governance and Finance Committee

SB 603 (Leno) Security Deposits - As introduced, SB 603 proposed to require landlords, in February of each year, to pay interest on tenants' security deposits. The landlord would have been required to notify each tenant of their right to receive interest on the deposit through the posting of a public notice or written notice at the time a lease is signed. If a landlord failed to pay interest to a tenant by the end February, SB 603 would have permitted the tenant to deduct three times the interest amount from their rent. C.A.R. opposed this measure because it would have severely restricted landlords' ability to apply proceeds from a security deposit for maintenance of the rental units. Primarily due to C.A.R.'s opposition, all requirements to pay interest on security deposits were removed from the bill. The only provisions remaining are a prohibition against bad faith retention of security deposits.

Position: Not Favor

Status: Senate Floor

IV. OTHER BUSINESS

V. ADJOURNMENT

*** Please Note: This symbol next to the title of an Agenda Item indicates that it is accompanied by a Policy Position Paper in the committee meeting materials.*