

AMENDED IN SENATE SEPTEMBER 5, 2025

AMENDED IN SENATE AUGUST 19, 2025

AMENDED IN SENATE JUNE 17, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

ASSEMBLY BILL

No. 1529

Introduced by Committee on Housing and Community Development

March 25, 2025

An act to amend Sections 1946.2 and 2924b of the Civil Code, to amend Sections ~~65589.5, 65863.10~~, 65863.10 and 65863.11 of the Government Code, and to amend Sections 50053 and 50710.7 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1529, as amended, Committee on Housing and Community Development. Housing omnibus.

(1) Existing law governs the hiring of residential dwelling units. Existing law, the Tenant Protection Act of 2019, prohibits, until January 1, 2030, an owner of residential real property from terminating the tenancy of certain tenants without just cause, either at-fault or no-fault of the tenant, and requires just cause for terminating a tenancy to be stated in the written notice to terminate tenancy. The act requires an owner of residential real property subject to these provisions to provide the above-described notice to a tenant subject to specified requirements, including, for any tenancy commenced or renewed on or after July 1, 2020, as an addendum to the lease or rental agreement, or as a written notice signed by the tenant, with a copy provided to the tenant, except as specified.

This bill would allow the above-described notice to be provided in the lease or rental agreement.

~~(2) Existing law, the Planning and Zoning Law, requires each county and each city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that includes, among other specified mandatory elements, a housing element. Existing law, commonly referred to as the Housing Element Law, prescribes requirements for a city's or county's preparation of, and compliance with, its housing element, and requires the Department of Housing and Community Development to review and determine whether the housing element substantially complies with the Housing Element Law, as specified.~~

~~Existing law, the Housing Accountability Act, which is part of the Planning and Zoning Law, among other things, prohibits a local agency from disapproving, or conditioning approval in a manner that renders infeasible, a housing development project for very low, low-, or moderate-income households or an emergency shelter unless the local agency makes written findings, based upon a preponderance of the evidence, that one of 6 specified conditions exist, as specified. Among these conditions, the act allows the disapproval of a project if, on the date the application for the project was deemed complete, the jurisdiction did not have an adopted revised housing element that was in substantial compliance with this article and the housing development project is not a builder's remedy project, as defined. The act also specifies various conditions and requirements with respect to a builder's remedy project that is required to be approved under these provisions.~~

~~This bill would correct a cross-reference in the definition of the term "builder's remedy project," under the Housing Accountability Act.~~

~~The Housing Accountability Act defines the term "disapprove the housing development project" for purposes of its provisions to include, among other things, any instance in which a local agency makes a written determination that a preliminary application under specified law has expired or that the applicant has otherwise lost its vested rights under the preliminary application for any reason other than, among other reasons, that the development proponent failed to resubmit certain information if the development proponent revised the project such that the number of residential units or square footage of construction changed by 20% or more, as specified.~~

~~This bill would correct a cross-reference in the above-described provision regarding an applicant's failure to resubmit certain information.~~

~~(3)~~

(2) Existing law, the Planning and Zoning Law, requires an owner of an assisted housing development, as defined, that is within 3 years of a scheduled expiration of rental restrictions or a scheduled termination of a subsidy contract to provide notice of the scheduled expiration or termination to any prospective tenant at the time the prospective tenant is interviewed for eligibility, to existing tenants, as specified, and to affected public entities, as defined.

This bill would require a notice of a scheduled expiration of rental restrictions or a scheduled termination of a subsidy contract described above to remain posted until the expiration or termination has occurred, and would make technical changes relating to these provisions.

Existing law requires an owner of an assisted housing development, at least 12 months prior to the anticipated date of the termination of a subsidy contract, the expiration of rental restrictions, or prepayment on an assisted housing development, to provide a notice of the proposed change to each affected tenant household residing in the assisted housing development at the time the notice is provided and to the affected public entities, as specified. Existing law also requires an owner of an assisted housing development proposing to terminate a subsidy contract, or prepay the mortgage, or sell or otherwise dispose of the assisted housing development to provide a notice of the opportunity to offer to purchase, as provided. Existing law requires the notice of the opportunity to purchase to be given concurrently with the notice of the proposed change described above, as specified.

This bill would specify that the notice of the opportunity to purchase is required to be given before or concurrently with the 12-month notice of the proposed change, as specified.

Existing law requires that the initial notice of a bona fide opportunity to submit an offer to purchase contain certain information, including a statement addressing, among other things, whether the owner has an interest in selling the property. Existing law also requires that the initial notice include a statement that specified types of entities, or any combination of them, have the right to purchase the development under these provisions.

This bill would delete the requirement that the initial notice include a statement addressing whether the owner has an interest in selling the

property. The bill would also clarify that the initial notice include a statement that the specified types of entities, as described above, have the right to submit a bona fide offer to purchase the development.

Existing law prescribes various requirements to be satisfied before the exercise of a power of sale under a mortgage or deed of trust and prescribes a procedure for the exercise of that power, including, among other things, that a trustee, mortgagee, or beneficiary, or any of their authorized agents, first file for record, in the office of the recorder of each county wherein the mortgaged or trust property or some part or parcel thereof is situated, a notice of default, as specified. Existing law requires the mortgagee, trustee, or other person authorized to record the notice of default or the notice of sale to mail the notice to specified individuals, including the office of the Controller, Sacramento, California, where, as of the recording date of the notice of default, a “Notice of Lien for Postponed Property Taxes” has been recorded against the real property to which the notice of default applies.

This bill would additionally require the mortgagee, trustee, or other person authorized to record the notice of default or the notice of sale to mail the notice to the office of the Director of Housing and Community Development, Sacramento, California, and the office of the Executive Director of the California Tax Credit Allocation Committee, Sacramento, California, where, as of the recording date of the notice of default, a use restriction, as defined, has been recorded against the real property to which the notice of default applies. The bill would prohibit any failure to comply with the above-described provisions from affecting the validity of a trustee’s sale or a sale in favor of a bona fide purchaser.

(4)

(3) Existing law, the Zenovich-Moscone-Chacon Housing and Home Finance Act, prohibits “affordable rent” for certain rental housing developments that receive assistance on or after January 1, 1991, from exceeding a specified percentage based on the area median income adjusted for family size appropriate for the unit and whether the household is an acutely low income household, extremely low income household, very low income household, lower income household, or moderate-income household. Existing law, for a rental housing development that dedicates 80% of units to lower income households, as specified, prohibits affordable rent from exceeding the rent prescribed by deed restrictions or regulatory agreements pursuant to the terms of public financing or public financial assistance for the rental housing

development, if the rental housing development receives specified awards on or after January 1, 2025. This bill would instead, for an above-described rental housing development that dedicates at least 80% of units to lower income households, as specified, prohibit affordable rent from exceeding an amount consistent with the maximum rent levels for lower income households, as those rents and incomes are determined by the California Tax Credit Allocation Committee. By revising the limit on “affordable rent” for certain housing developments, thereby revising the duties of local government officials with respect to administering various programs and requirements that require a determination of “affordable rent,” this bill would impose a state-mandated local program.

(5)

(4) Existing law requires the Department of Housing and Community Development, through its Office of Migrant Services, to assist in the development, construction, reconstruction, rehabilitation, or operation of migrant farm labor centers, as provided. Existing law requires the department to develop a report that analyzes the feasibility and impact of transitioning housing units at Office of Migrant Services centers to year-round availability, and to submit that report to specified committees of the Legislature by July 1, 2027, as provided. Existing law, by December 31, 2028, and following completion of that report, requires the department to coordinate with the Department of General Services and the Department of Food and Agriculture to identify available excess sites in proximity to migrant farm labor centers.

This bill would specify that, for the purposes of these provisions, the term “available excess sites” refers to prescribed previously identified sites, as provided.

(5) *This bill would incorporate additional changes to Section 1946.2 of the Civil Code proposed by SB 522 to be operative only if this bill and SB 522 are enacted and this bill is enacted last.*

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1946.2 of the Civil Code is amended to
2 read:

3 1946.2. (a) Notwithstanding any other law, after a tenant has
4 continuously and lawfully occupied a residential real property for
5 12 months, the owner of the residential real property shall not
6 terminate a tenancy without just cause, which shall be stated in
7 the written notice to terminate tenancy. If any additional adult
8 tenants are added to the lease before an existing tenant has
9 continuously and lawfully occupied the residential real property
10 for 24 months, then this subdivision shall only apply if either of
11 the following are satisfied:

12 (1) All of the tenants have continuously and lawfully occupied
13 the residential real property for 12 months or more.

14 (2) One or more tenants have continuously and lawfully
15 occupied the residential real property for 24 months or more.

16 (b) For purposes of this section, “just cause” means either of
17 the following:

18 (1) At-fault just cause, which means any of the following:

19 (A) Default in the payment of rent.

20 (B) A breach of a material term of the lease, as described in
21 paragraph (3) of Section 1161 of the Code of Civil Procedure,
22 including, but not limited to, violation of a provision of the lease
23 after being issued a written notice to correct the violation.

24 (C) Maintaining, committing, or permitting the maintenance or
25 commission of a nuisance as described in paragraph (4) of Section
26 1161 of the Code of Civil Procedure.

27 (D) Committing waste as described in paragraph (4) of Section
28 1161 of the Code of Civil Procedure.

29 (E) The tenant had a written lease that terminated on or after
30 January 1, 2020, or January 1, 2022, if the lease is for a tenancy
31 in a mobilehome, and after a written request or demand from the
32 owner, the tenant has refused to execute a written extension or
33 renewal of the lease for an additional term of similar duration with
34 similar provisions, provided that those terms do not violate this
35 section or any other provision of law.

36 (F) Criminal activity by the tenant on the residential real
37 property, including any common areas, or any criminal activity or
38 criminal threat, as defined in subdivision (a) of Section 422 of the

1 Penal Code, on or off the residential real property, that is directed
2 at any owner or agent of the owner of the residential real property.

3 (G) Assigning or subletting the premises in violation of the
4 tenant's lease, as described in paragraph (4) of Section 1161 of
5 the Code of Civil Procedure.

6 (H) The tenant's refusal to allow the owner to enter the
7 residential real property as authorized by Sections 1101.5 and 1954
8 of this code, and Sections 13113.7 and 17926.1 of the Health and
9 Safety Code.

10 (I) Using the premises for an unlawful purpose as described in
11 paragraph (4) of Section 1161 of the Code of Civil Procedure.

12 (J) The employee, agent, or licensee's failure to vacate after
13 their termination as an employee, agent, or a licensee as described
14 in paragraph (1) of Section 1161 of the Code of Civil Procedure.

15 (K) When the tenant fails to deliver possession of the residential
16 real property after providing the owner written notice as provided
17 in Section 1946 of the tenant's intention to terminate the hiring of
18 the real property, or makes a written offer to surrender that is
19 accepted in writing by the owner, but fails to deliver possession
20 at the time specified in that written notice as described in paragraph
21 (5) of Section 1161 of the Code of Civil Procedure.

22 (2) No-fault just cause, which means any of the following:

23 (A) (i) Intent to occupy the residential real property by the
24 owner or the owner's spouse, domestic partner, children,
25 grandchildren, parents, or grandparents for a minimum of 12
26 continuous months as that person's primary residence.

27 (ii) For leases entered into on or after July 1, 2020, or July 1,
28 2022, if the lease is for a tenancy in a mobilehome, clause (i) shall
29 apply only if the tenant agrees, in writing, to the termination, or if
30 a provision of the lease allows the owner to terminate the lease if
31 the owner, or the owner's spouse, domestic partner, children,
32 grandchildren, parents, or grandparents, unilaterally decides to
33 occupy the residential real property. Addition of a provision
34 allowing the owner to terminate the lease as described in this clause
35 to a new or renewed rental agreement or fixed-term lease
36 constitutes a similar provision for the purposes of subparagraph
37 (E) of paragraph (1).

38 (iii) This subparagraph does not apply if the intended occupant
39 occupies a rental unit on the property or if a vacancy of a similar
40 unit already exists at the property.

1 (iv) The written notice terminating a tenancy for a just cause
2 pursuant to this subparagraph shall contain the name or names and
3 relationship to the owner of the intended occupant. The written
4 notice shall additionally include notification that the tenant may
5 request proof that the intended occupant is an owner or related to
6 the owner as defined in subclause (II) of clause (viii). The proof
7 shall be provided upon request and may include an operating
8 agreement and other nonpublic documents.

9 (v) Clause (i) applies only if the intended occupant moves into
10 the rental unit within 90 days after the tenant vacates and occupies
11 the rental unit as a primary residence for at least 12 consecutive
12 months.

13 (vi) (I) If the intended occupant fails to occupy the rental unit
14 within 90 days after the tenant vacates or fails to occupy the rental
15 unit as their primary residence for at least 12 consecutive months,
16 the owner shall offer the unit to the tenant who vacated it at the
17 same rent and lease terms in effect at the time the tenant vacated
18 and shall reimburse the tenant for reasonable moving expenses
19 incurred in excess of any relocation assistance that was paid to the
20 tenant in connection with the written notice.

21 (II) If the intended occupant moves into the rental unit within
22 90 days after the tenant vacates, but dies before having occupied
23 the rental unit as a primary residence for 12 months, as required
24 by clause (vi), this will not be considered a failure to comply with
25 this section or a material violation of this section by the owner as
26 provided in subdivision (h).

27 (vii) For a new tenancy commenced during the time periods
28 described in clause (v), the accommodations shall be offered and
29 rented or leased at the lawful rent in effect at the time any notice
30 of termination of tenancy is served.

31 (viii) As used in this subparagraph:

32 (I) “Intended occupant” means the owner of the residential real
33 property or the owner’s spouse, domestic partner, child, grandchild,
34 parent, or grandparent, as described in clause (i).

35 (II) “Owner” means any of the following:

36 (ia) An owner who is a natural person that has at least a
37 25-percent recorded ownership interest in the property.

38 (ib) An owner who is a natural person who has any recorded
39 ownership interest in the property if 100 percent of the recorded
40 ownership is divided among owners who are related to each other

1 as sibling, spouse, domestic partner, child, parent, grandparent, or
2 grandchild.

3 (ic) An owner who is a natural person whose recorded interest
4 in the property is owned through a limited liability company or
5 partnership.

6 (III) For purposes of subclause (II), “natural person” includes
7 any of the following:

8 (ia) A natural person who is a settlor or beneficiary of a family
9 trust.

10 (ib) If the property is owned by a limited liability company or
11 partnership, a natural person who is a beneficial owner with at
12 least a 25-percent ownership interest in the property.

13 (IV) “Family trust” means a revocable living trust or irrevocable
14 trust in which the settlors and beneficiaries of the trust are persons
15 who are related to each other as sibling, spouse, domestic partner,
16 child, parent, grandparent, or grandchild.

17 (V) “Beneficial owner” means a natural person or family trust
18 for whom, directly or indirectly and through any contract
19 arrangement, understanding, relationship, or otherwise, and any
20 of the following applies:

21 (ia) The natural person exercises substantial control over a
22 partnership or limited liability company.

23 (ib) The natural person owns 25 percent or more of the equity
24 interest of a partnership or limited liability company.

25 (ic) The natural person receives substantial economic benefits
26 from the assets of a partnership.

27 (B) Withdrawal of the residential real property from the rental
28 market.

29 (C) (i) The owner complying with any of the following:

30 (I) An order issued by a government agency or court relating
31 to habitability that necessitates vacating the residential real
32 property.

33 (II) An order issued by a government agency or court to vacate
34 the residential real property.

35 (III) A local ordinance that necessitates vacating the residential
36 real property.

37 (ii) If it is determined by any government agency or court that
38 the tenant is at fault for the condition or conditions triggering the
39 order or need to vacate under clause (i), the tenant shall not be

1 entitled to relocation assistance as outlined in paragraph (3) of
2 subdivision (d).

3 (D) (i) Intent to demolish or to substantially remodel the
4 residential real property.

5 (ii) For purposes of this subparagraph, “substantially remodel”
6 means either of the following that cannot be reasonably
7 accomplished in a safe manner that allows the tenant to remain
8 living in the place and that requires the tenant to vacate the
9 residential real property for at least 30 consecutive days:

10 (I) The replacement or substantial modification of any structural,
11 electrical, plumbing, or mechanical system that requires a permit
12 from a governmental agency.

13 (II) The abatement of hazardous materials, including lead-based
14 paint, mold, or asbestos, in accordance with applicable federal,
15 state, and local laws.

16 (iii) For purposes of this subparagraph, a tenant is not required
17 to vacate the residential real property on any days where a tenant
18 could continue living in the residential real property without
19 violating health, safety, and habitability codes and laws. Cosmetic
20 improvements alone, including painting, decorating, and minor
21 repairs, or other work that can be performed safely without having
22 the residential real property vacated, do not qualify as substantial
23 remodel.

24 (iv) A written notice terminating a tenancy for a just cause
25 pursuant to this subparagraph shall include all of the following
26 information:

27 (I) A statement informing the tenant of the owner’s intent to
28 demolish the property or substantially remodel the rental unit
29 property.

30 (II) The following statement:

31 “If the substantial remodel of your unit or demolition of the
32 property as described in this notice of termination is not
33 commenced or completed, the owner must offer you the
34 opportunity to re-rent your unit with a rental agreement containing
35 the same terms as your most recent rental agreement with the owner
36 at the rental rate that was in effect at the time you vacated. You
37 must notify the owner within thirty (30) days of receipt of the offer
38 to re-rent of your acceptance or rejection of the offer, and, if
39 accepted, you must reoccupy the unit within thirty (30) days of
40 notifying the owner of your acceptance of the offer.”

1 (III) A description of the substantial remodel to be completed,
2 the approximate expected duration of the substantial remodel, or
3 if the property is to be demolished, the expected date by which the
4 property will be demolished, together with one of the following:

5 (ia) A copy of the permit or permits required to undertake the
6 substantial remodel or demolition.

7 (ib) Only if a notice is issued pursuant to subclause (II) of clause
8 (ii) and the remodel does not require any permit, a copy of the
9 signed contract with the contractor hired by the owner to complete
10 the substantial remodel, that reasonably details the work that will
11 be undertaken to abate the hazardous materials as described in
12 subclause (II) of clause (ii).

13 (IV) A notification that if the tenant is interested in reoccupying
14 the rental unit following the substantial remodel, the tenant shall
15 inform the owner of the tenant's interest in reoccupying the rental
16 unit following the substantial remodel and provide to the owner
17 the tenant's address, telephone number, and email address.

18 (c) Before an owner of residential real property issues a notice
19 to terminate a tenancy for just cause that is a curable lease
20 violation, the owner shall first give notice of the violation to the
21 tenant with an opportunity to cure the violation pursuant to
22 paragraph (3) of Section 1161 of the Code of Civil Procedure. If
23 the violation is not cured within the time period set forth in the
24 notice, a three-day notice to quit without an opportunity to cure
25 may thereafter be served to terminate the tenancy.

26 (d) (1) For a tenancy for which just cause is required to
27 terminate the tenancy under subdivision (a), if an owner of
28 residential real property issues a termination notice based on a
29 no-fault just cause described in paragraph (2) of subdivision (b),
30 the owner shall, regardless of the tenant's income, at the owner's
31 option, do one of the following:

32 (A) Assist the tenant to relocate by providing a direct payment
33 to the tenant as described in paragraph (3).

34 (B) Waive in writing the payment of rent for the final month of
35 the tenancy, prior to the rent becoming due.

36 (2) If an owner issues a notice to terminate a tenancy for no-fault
37 just cause, the owner shall notify the tenant in the written
38 termination notice of the tenant's right to relocation assistance or
39 rent waiver pursuant to this section. If the owner elects to waive
40 the rent for the final month of the tenancy as provided in

1 subparagraph (B) of paragraph (1), the notice shall state the amount
2 of rent waived and that no rent is due for the final month of the
3 tenancy.

4 (3) (A) The amount of relocation assistance or rent waiver shall
5 be equal to one month of the tenant’s rent that was in effect when
6 the owner issued the notice to terminate the tenancy. Any relocation
7 assistance shall be provided within 15 calendar days of service of
8 the notice.

9 (B) If a tenant fails to vacate after the expiration of the notice
10 to terminate the tenancy, the actual amount of any relocation
11 assistance or rent waiver provided pursuant to this subdivision
12 shall be recoverable as damages in an action to recover possession.

13 (C) The relocation assistance or rent waiver required by this
14 subdivision shall be credited against any other relocation assistance
15 required by any other law.

16 (4) An owner’s failure to strictly comply with this subdivision
17 shall render the notice of termination void.

18 (e) This section shall not apply to the following types of
19 residential real properties or residential circumstances:

20 (1) Transient and tourist hotel occupancy as defined in
21 subdivision (b) of Section 1940.

22 (2) Housing accommodations in a nonprofit hospital, religious
23 facility, extended care facility, licensed residential care facility for
24 the elderly, as defined in Section 1569.2 of the Health and Safety
25 Code, or an adult residential facility, as defined in Chapter 6 of
26 Division 6 of Title 22 of the Manual of Policies and Procedures
27 published by the State Department of Social Services.

28 (3) Dormitories owned and operated by an institution of higher
29 education or a kindergarten and grades 1 to 12, inclusive, school.

30 (4) Housing accommodations in which the tenant shares
31 bathroom or kitchen facilities with the owner who maintains their
32 principal residence at the residential real property.

33 (5) Single-family owner-occupied residences, including both
34 of the following:

35 (A) A residence in which the owner-occupant rents or leases
36 no more than two units or bedrooms, including, but not limited to,
37 an accessory dwelling unit or a junior accessory dwelling unit.

38 (B) A mobilehome.

39 (6) A property containing two separate dwelling units within a
40 single structure in which the owner occupied one of the units as

1 the owner’s principal place of residence at the beginning of the
2 tenancy, so long as the owner continues in occupancy, and neither
3 unit is an accessory dwelling unit or a junior accessory dwelling
4 unit.

5 (7) Housing that has been issued a certificate of occupancy
6 within the previous 15 years, unless the housing is a mobilehome.

7 (8) Residential real property, including a mobilehome, that is
8 alienable separate from the title to any other dwelling unit, provided
9 that both of the following apply:

10 (A) The owner is not any of the following:

11 (i) A real estate investment trust, as defined in Section 856 of
12 the Internal Revenue Code.

13 (ii) A corporation.

14 (iii) A limited liability company in which at least one member
15 is a corporation.

16 (iv) Management of a mobilehome park, as defined in Section
17 798.2.

18 (B) (i) The tenants have been provided written notice that the
19 residential property is exempt from this section using the following
20 statement:

21
22 “This property is not subject to the rent limits imposed by Section
23 1947.12 of the Civil Code and is not subject to the just cause
24 requirements of Section 1946.2 of the Civil Code. This property
25 meets the requirements of Sections 1947.12 (d)(5) and 1946.2
26 (e)(8) of the Civil Code and the owner is not any of the following:
27 (1) a real estate investment trust, as defined by Section 856 of the
28 Internal Revenue Code; (2) a corporation; or (3) a limited liability
29 company in which at least one member is a corporation.”
30

31 (ii) (I) Except as provided in subclause (II), for a tenancy
32 existing before July 1, 2020, the notice required under clause (i)
33 may, but is not required to, be provided in the rental agreement.

34 (II) For a tenancy in a mobilehome existing before July 1, 2022,
35 the notice required under clause (i) may, but is not required to, be
36 provided in the rental agreement.

37 (iii) (I) Except as provided in subclause (II), for any tenancy
38 commenced or renewed on or after July 1, 2020, the notice required
39 under clause (i) must be provided in the rental agreement.

1 (II) For any tenancy in a mobilehome commenced or renewed
2 on or after July 1, 2022, the notice required under clause (i) shall
3 be provided in the rental agreement.

4 (iv) Addition of a provision containing the notice required under
5 clause (i) to any new or renewed rental agreement or fixed-term
6 lease constitutes a similar provision for the purposes of
7 subparagraph (E) of paragraph (1) of subdivision (b).

8 (9) Housing restricted by deed, regulatory restriction contained
9 in an agreement with a government agency, or other recorded
10 document as affordable housing for persons and families of very
11 low, low, or moderate income, as defined in Section 50093 of the
12 Health and Safety Code, or subject to an agreement that provides
13 housing subsidies for affordable housing for persons and families
14 of very low, low, or moderate income, as defined in Section 50093
15 of the Health and Safety Code or comparable federal statutes.

16 (f) An owner of residential real property subject to this section
17 shall provide notice to the tenant as follows:

18 (1) (A) Except as provided in subparagraph (B), for any tenancy
19 commenced or renewed on or after July 1, 2020, in the lease or
20 rental agreement, as an addendum to the lease or rental agreement,
21 or as a written notice signed by the tenant, with a copy provided
22 to the tenant.

23 (B) For a tenancy in a mobilehome commenced or renewed on
24 or after July 1, 2022, as an addendum to the lease or rental
25 agreement, or as a written notice signed by the tenant, with a copy
26 provided to the tenant.

27 (2) (A) Except as provided in subparagraph (B), for a tenancy
28 existing prior to July 1, 2020, by written notice to the tenant no
29 later than August 1, 2020, or as an addendum to the lease or rental
30 agreement.

31 (B) For a tenancy in a mobilehome existing prior to July 1,
32 2022, by written notice to the tenant no later than August 1, 2022,
33 or as an addendum to the lease or rental agreement.

34 (3) The notification or lease provision shall be in no less than
35 12-point type, and shall include the following:

36
37 “California law limits the amount your rent can be increased.
38 See Section 1947.12 of the Civil Code for more information.
39 California law also provides that after all of the tenants have
40 continuously and lawfully occupied the property for 12 months or

1 more or at least one of the tenants has continuously and lawfully
2 occupied the property for 24 months or more, a landlord must
3 provide a statement of cause in any notice to terminate a tenancy.
4 See Section 1946.2 of the Civil Code for more information.”

5
6 The notification or lease provision shall be subject to Section
7 1632.

8 (g) An owner’s failure to comply with any provision of this
9 section shall render the written termination notice void.

10 (h) (1) An owner who attempts to recover possession of a rental
11 unit in material violation of this section shall be liable to the tenant
12 in a civil action for all of the following:

13 (A) Actual damages.

14 (B) In the court’s discretion, reasonable attorney’s fees and
15 costs.

16 (C) Upon a showing that the owner has acted willfully or with
17 oppression, fraud, or malice, up to three times the actual damages.
18 An award may also be entered for punitive damages for the benefit
19 of the tenant against the owner.

20 (2) The Attorney General, in the name of the people of the State
21 of California, and the city attorney or county counsel in the
22 jurisdiction in which the rental unit is located, in the name of the
23 city or county, may seek injunctive relief based on violations of
24 this section.

25 (i) (1) This section does not apply to the following residential
26 real property:

27 (A) Residential real property subject to a local ordinance
28 requiring just cause for termination of a residential tenancy adopted
29 on or before September 1, 2019, in which case the local ordinance
30 shall apply.

31 (B) Residential real property subject to a local ordinance
32 requiring just cause for termination of a residential tenancy adopted
33 or amended after September 1, 2019, that is more protective than
34 this section, in which case the local ordinance shall apply. For
35 purposes of this subparagraph, an ordinance is “more protective”
36 if it meets all of the following criteria:

37 (i) The just cause for termination of a residential tenancy under
38 the local ordinance is consistent with this section.

39 (ii) The ordinance further limits the reasons for termination of
40 a residential tenancy, provides for higher relocation assistance

1 amounts, or provides additional tenant protections that are not
2 prohibited by any other provision of law.

3 (iii) The local government has made a binding finding within
4 their local ordinance that the ordinance is more protective than the
5 provisions of this section.

6 (2) A residential real property shall not be subject to both a local
7 ordinance requiring just cause for termination of a residential
8 tenancy and this section.

9 (3) A local ordinance adopted after September 1, 2019, that is
10 less protective than this section shall not be enforced unless this
11 section is repealed.

12 (j) Any waiver of the rights under this section shall be void as
13 contrary to public policy.

14 (k) For the purposes of this section, the following definitions
15 shall apply:

16 (1) “Owner” includes any person, acting as principal or through
17 an agent, having the right to offer residential real property for rent,
18 and includes a predecessor in interest to the owner.

19 (2) “Residential real property” means any dwelling or unit that
20 is intended for human habitation, including any dwelling or unit
21 in a mobilehome park.

22 (3) “Tenancy” means the lawful occupation of residential real
23 property and includes a lease or sublease.

24 (l) This section shall not apply to a homeowner of a mobilehome,
25 as defined in Section 798.9.

26 (m) This section shall become operative on April 1, 2024.

27 (n) This section shall remain in effect only until January 1, 2030,
28 and as of that date is repealed.

29 *SEC. 1.5. Section 1946.2 of the Civil Code is amended to read:*

30 1946.2. (a) Notwithstanding any other law, after a tenant has
31 continuously and lawfully occupied a residential real property for
32 12 months, the owner of the residential real property shall not
33 terminate a tenancy without just cause, which shall be stated in
34 the written notice to terminate tenancy. If any additional adult
35 tenants are added to the lease before an existing tenant has
36 continuously and lawfully occupied the residential real property
37 for 24 months, then this subdivision shall only apply if either of
38 the following are satisfied:

39 (1) All of the tenants have continuously and lawfully occupied
40 the residential real property for 12 months or more.

- 1 (2) One or more tenants have continuously and lawfully
2 occupied the residential real property for 24 months or more.
- 3 (b) For purposes of this section, “just cause” means either of
4 the following:
- 5 (1) At-fault just cause, which means any of the following:
- 6 (A) Default in the payment of rent.
- 7 (B) A breach of a material term of the lease, as described in
8 paragraph (3) of Section 1161 of the Code of Civil Procedure,
9 including, but not limited to, violation of a provision of the lease
10 after being issued a written notice to correct the violation.
- 11 (C) Maintaining, committing, or permitting the maintenance or
12 commission of a nuisance as described in paragraph (4) of Section
13 1161 of the Code of Civil Procedure.
- 14 (D) Committing waste as described in paragraph (4) of Section
15 1161 of the Code of Civil Procedure.
- 16 (E) The tenant had a written lease that terminated on or after
17 January 1, 2020, or January 1, 2022, if the lease is for a tenancy
18 in a mobilehome, and after a written request or demand from the
19 owner, the tenant has refused to execute a written extension or
20 renewal of the lease for an additional term of similar duration with
21 similar provisions, provided that those terms do not violate this
22 section or any other provision of law.
- 23 (F) Criminal activity by the tenant on the residential real
24 property, including any common areas, or any criminal activity or
25 criminal threat, as defined in subdivision (a) of Section 422 of the
26 Penal Code, on or off the residential real property, that is directed
27 at any owner or agent of the owner of the residential real property.
- 28 (G) Assigning or subletting the premises in violation of the
29 tenant’s lease, as described in paragraph (4) of Section 1161 of
30 the Code of Civil Procedure.
- 31 (H) The tenant’s refusal to allow the owner to enter the
32 residential real property as authorized by Sections 1101.5 and 1954
33 of this code, and Sections 13113.7 and 17926.1 of the Health and
34 Safety Code.
- 35 (I) Using the premises for an unlawful purpose as described in
36 paragraph (4) of Section 1161 of the Code of Civil Procedure.
- 37 (J) The employee, agent, or licensee’s failure to vacate after
38 their termination as an employee, agent, or a licensee as described
39 in paragraph (1) of Section 1161 of the Code of Civil Procedure.

1 (K) When the tenant fails to deliver possession of the residential
2 real property after providing the owner written notice as provided
3 in Section 1946 of the tenant’s intention to terminate the hiring of
4 the real property, or makes a written offer to surrender that is
5 accepted in writing by the owner, but fails to deliver possession
6 at the time specified in that written notice as described in paragraph
7 (5) of Section 1161 of the Code of Civil Procedure.

8 (2) No-fault just cause, which means any of the following:

9 (A) (i) Intent to occupy the residential real property by the
10 owner or the owner’s spouse, domestic partner, children,
11 grandchildren, parents, or grandparents for a minimum of 12
12 continuous months as that person’s primary residence.

13 (ii) For leases entered into on or after July 1, 2020, or July 1,
14 2022, if the lease is for a tenancy in a mobilehome, clause (i) shall
15 apply only if the tenant agrees, in writing, to the termination, or if
16 a provision of the lease allows the owner to terminate the lease if
17 the owner, or the owner’s spouse, domestic partner, children,
18 grandchildren, parents, or grandparents, unilaterally decides to
19 occupy the residential real property. Addition of a provision
20 allowing the owner to terminate the lease as described in this clause
21 to a new or renewed rental agreement or fixed-term lease
22 constitutes a similar provision for the purposes of subparagraph
23 (E) of paragraph (1).

24 (iii) This subparagraph does not apply if the intended occupant
25 occupies a rental unit on the property or if a vacancy of a similar
26 unit already exists at the property.

27 (iv) The written notice terminating a tenancy for a just cause
28 pursuant to this subparagraph shall contain the name or names and
29 relationship to the owner of the intended occupant. The written
30 notice shall additionally include notification that the tenant may
31 request proof that the intended occupant is an owner or related to
32 the owner as defined in subclause (II) of clause (viii). The proof
33 shall be provided upon request and may include an operating
34 agreement and other ~~non-public~~ *nonpublic* documents.

35 (v) Clause (i) applies only if the intended occupant moves into
36 the rental unit within 90 days after the tenant vacates and occupies
37 the rental unit as a primary residence for at least 12 consecutive
38 months.

39 (vi) (I) If the intended occupant fails to occupy the rental unit
40 within 90 days after the tenant vacates or fails to occupy the rental

1 unit as their primary residence for at least 12 consecutive months,
2 the owner shall offer the unit to the tenant who vacated it at the
3 same rent and lease terms in effect at the time the tenant vacated
4 and shall reimburse the tenant for reasonable moving expenses
5 incurred in excess of any relocation assistance that was paid to the
6 tenant in connection with the written notice.

7 (II) If the intended occupant moves into the rental unit within
8 90 days after the tenant vacates, but dies before having occupied
9 the rental unit as a primary residence for 12 months, as required
10 by clause (vi), this will not be considered a failure to comply with
11 this section or a material violation of this section by the owner as
12 provided in subdivision (h).

13 (vii) For a new tenancy commenced during the time periods
14 described in clause (v), the accommodations shall be offered and
15 rented or leased at the lawful rent in effect at the time any notice
16 of termination of tenancy is served.

17 (viii) As used in this subparagraph:

18 (I) “Intended occupant” means the owner of the residential real
19 property or the owner’s spouse, domestic partner, child, grandchild,
20 parent, or grandparent, as described in clause (i).

21 (II) “Owner” means any of the following:

22 (ia) An owner who is a natural person that has at least a
23 25-percent recorded ownership interest in the property.

24 (ib) An owner who is a natural person who has any recorded
25 ownership interest in the property if 100 percent of the recorded
26 ownership is divided among owners who are related to each other
27 as sibling, spouse, domestic partner, child, parent, grandparent, or
28 grandchild.

29 (ic) An owner who is a natural person whose recorded interest
30 in the property is owned through a limited liability company or
31 partnership.

32 (III) For purposes of subclause (II), “natural person” includes
33 any of the following:

34 (ia) A natural person who is a settlor or beneficiary of a family
35 trust.

36 (ib) If the property is owned by a limited liability company or
37 partnership, a natural person who is a beneficial owner with at
38 least a 25-percent ownership interest in the property.

39 (IV) “Family trust” means a revocable living trust or irrevocable
40 trust in which the settlors and beneficiaries of the trust are persons

1 who are related to each other as sibling, spouse, domestic partner,
2 child, parent, grandparent, or grandchild.
3 (V) “Beneficial owner” means a natural person or family trust
4 for whom, directly or indirectly and through any contract
5 arrangement, understanding, relationship, or otherwise, and any
6 of the following applies:
7 (ia) The natural person exercises substantial control over a
8 partnership or limited liability company.
9 (ib) The natural person owns 25 percent or more of the equity
10 interest of a partnership or limited liability company.
11 (ic) The natural person receives substantial economic benefits
12 from the assets of a partnership.
13 (B) Withdrawal of the residential real property from the rental
14 market.
15 (C) (i) The owner complying with any of the following:
16 (I) An order issued by a government agency or court relating
17 to habitability that necessitates vacating the residential real
18 property.
19 (II) An order issued by a government agency or court to vacate
20 the residential real property.
21 (III) A local ordinance that necessitates vacating the residential
22 real property.
23 (ii) If it is determined by any government agency or court that
24 the tenant is at fault for the condition or conditions triggering the
25 order or need to vacate under clause (i), the tenant shall not be
26 entitled to relocation assistance as outlined in paragraph (3) of
27 subdivision (d).
28 (D) (i) Intent to demolish or to substantially remodel the
29 residential real property.
30 (ii) For purposes of this subparagraph, “substantially remodel”
31 means either of the following that cannot be reasonably
32 accomplished in a safe manner that allows the tenant to remain
33 living in the place and that requires the tenant to vacate the
34 residential real property for at least 30 consecutive days:
35 (I) The replacement or substantial modification of any structural,
36 electrical, plumbing, or mechanical system that requires a permit
37 from a governmental agency.
38 (II) The abatement of hazardous materials, including lead-based
39 paint, mold, or asbestos, in accordance with applicable federal,
40 state, and local laws.

1 (iii) For purposes of this subparagraph, a tenant is not required
2 to vacate the residential real property on any days where a tenant
3 could continue living in the residential real property without
4 violating health, safety, and habitability codes and laws. Cosmetic
5 improvements alone, including painting, decorating, and minor
6 repairs, or other work that can be performed safely without having
7 the residential real property vacated, do not qualify as substantial
8 remodel.

9 (iv) A written notice terminating a tenancy for a just cause
10 pursuant to this subparagraph shall include all of the following
11 information:

12 (I) A statement informing the tenant of the owner's intent to
13 demolish the property or substantially remodel the rental unit
14 property.

15 (II) The following statement:

16 "If the substantial remodel of your unit or demolition of the
17 property as described in this notice of termination is not
18 commenced or completed, the owner must offer you the
19 opportunity to re-rent your unit with a rental agreement containing
20 the same terms as your most recent rental agreement with the owner
21 at the rental rate that was in effect at the time you vacated. You
22 must notify the owner within thirty (30) days of receipt of the offer
23 to re-rent of your acceptance or rejection of the offer, and, if
24 accepted, you must reoccupy the unit within thirty (30) days of
25 notifying the owner of your acceptance of the offer."

26 (III) A description of the substantial remodel to be completed,
27 the approximate expected duration of the substantial remodel, or
28 if the property is to be demolished, the expected date by which the
29 property will be demolished, together with one of the following:

30 (ia) A copy of the permit or permits required to undertake the
31 substantial remodel or demolition.

32 (ib) Only if a notice is issued pursuant to subclause (II) of clause
33 (ii) and the remodel does not require any permit, a copy of the
34 signed contract with the contractor hired by the owner to complete
35 the substantial remodel, that reasonably details the work that will
36 be undertaken to abate the hazardous materials as described in
37 subclause (II) of clause (ii).

38 (IV) A notification that if the tenant is interested in reoccupying
39 the rental unit following the substantial remodel, the tenant shall
40 inform the owner of the tenant's interest in reoccupying the rental

1 unit following the substantial remodel and provide to the owner
2 the tenant's address, telephone number, and email address.

3 (c) Before an owner of residential real property issues a notice
4 to terminate a tenancy for just cause that is a curable lease
5 violation, the owner shall first give notice of the violation to the
6 tenant with an opportunity to cure the violation pursuant to
7 paragraph (3) of Section 1161 of the Code of Civil Procedure. If
8 the violation is not cured within the time period set forth in the
9 notice, a three-day notice to quit without an opportunity to cure
10 may thereafter be served to terminate the tenancy.

11 (d) (1) For a tenancy for which just cause is required to
12 terminate the tenancy under subdivision (a), if an owner of
13 residential real property issues a termination notice based on a
14 no-fault just cause described in paragraph (2) of subdivision (b),
15 the owner shall, regardless of the tenant's income, at the owner's
16 option, do one of the following:

17 (A) Assist the tenant to relocate by providing a direct payment
18 to the tenant as described in paragraph (3).

19 (B) Waive in writing the payment of rent for the final month of
20 the tenancy, prior to the rent becoming due.

21 (2) If an owner issues a notice to terminate a tenancy for no-fault
22 just cause, the owner shall notify the tenant in the written
23 termination notice of the tenant's right to relocation assistance or
24 rent waiver pursuant to this section. If the owner elects to waive
25 the rent for the final month of the tenancy as provided in
26 subparagraph (B) of paragraph (1), the notice shall state the amount
27 of rent waived and that no rent is due for the final month of the
28 tenancy.

29 (3) (A) The amount of relocation assistance or rent waiver shall
30 be equal to one month of the tenant's rent that was in effect when
31 the owner issued the notice to terminate the tenancy. Any relocation
32 assistance shall be provided within 15 calendar days of service of
33 the notice.

34 (B) If a tenant fails to vacate after the expiration of the notice
35 to terminate the tenancy, the actual amount of any relocation
36 assistance or rent waiver provided pursuant to this subdivision
37 shall be recoverable as damages in an action to recover possession.

38 (C) The relocation assistance or rent waiver required by this
39 subdivision shall be credited against any other relocation assistance
40 required by any other law.

1 (4) An owner's failure to strictly comply with this subdivision
2 shall render the notice of termination void.

3 (e) This section shall not apply to the following types of
4 residential real properties or residential circumstances:

5 (1) Transient and tourist hotel occupancy as defined in
6 subdivision (b) of Section 1940.

7 (2) Housing accommodations in a nonprofit hospital, religious
8 facility, extended care facility, licensed residential care facility for
9 the elderly, as defined in Section 1569.2 of the Health and Safety
10 Code, or an adult residential facility, as defined in Chapter 6 of
11 Division 6 of Title 22 of the Manual of Policies and Procedures
12 published by the State Department of Social Services.

13 (3) Dormitories owned and operated by an institution of higher
14 education or a kindergarten and grades 1 to 12, inclusive, school.

15 (4) Housing accommodations in which the tenant shares
16 bathroom or kitchen facilities with the owner who maintains their
17 principal residence at the residential real property.

18 (5) Single-family owner-occupied residences, including both
19 of the following:

20 (A) A residence in which the owner-occupant rents or leases
21 no more than two units or bedrooms, including, but not limited to,
22 an accessory dwelling unit or a junior accessory dwelling unit.

23 (B) A mobilehome.

24 (6) A property containing two separate dwelling units within a
25 single structure in which the owner occupied one of the units as
26 the owner's principal place of residence at the beginning of the
27 tenancy, so long as the owner continues in occupancy, and neither
28 unit is an accessory dwelling unit or a junior accessory dwelling
29 unit.

30 (7) Housing that has been issued a certificate of occupancy
31 within the previous 15 years, unless the housing is ~~a mobilehome~~.
32 *one of the following:*

33 (A) *A mobilehome.*

34 (B) *Housing built to replace a previous housing unit that meets
35 all of the following criteria:*

36 (i) *The previous unit was substantially damaged or destroyed
37 by a disaster. "Disaster" has the same meaning as that term is
38 defined by Section 8680.3 of the Government Code.*

1 (ii) *The previous unit was issued a certificate of occupancy*
2 *before the unit was substantially damaged or destroyed by the*
3 *disaster.*

4 (iii) *The previous unit was subject to this section.*

5 (8) Residential real property, including a mobilehome, that is
6 alienable separate from the title to any other dwelling unit, provided
7 that both of the following apply:

8 (A) The owner is not any of the following:

9 (i) A real estate investment trust, as defined in Section 856 of
10 the Internal Revenue Code.

11 (ii) A corporation.

12 (iii) A limited liability company in which at least one member
13 is a corporation.

14 (iv) Management of a mobilehome park, as defined in Section
15 798.2.

16 (B) (i) The tenants have been provided written notice that the
17 residential property is exempt from this section using the following
18 statement:

19
20 “This property is not subject to the rent limits imposed by Section
21 1947.12 of the Civil Code and is not subject to the just cause
22 requirements of Section 1946.2 of the Civil Code. This property
23 meets the requirements of Sections 1947.12 (d)(5) and 1946.2
24 (e)(8) of the Civil Code and the owner is not any of the following:
25 (1) a real estate investment trust, as defined by Section 856 of the
26 Internal Revenue Code; (2) a corporation; or (3) a limited liability
27 company in which at least one member is a corporation.”

28
29 (ii) (I) Except as provided in subclause (II), for a tenancy
30 existing before July 1, 2020, the notice required under clause (i)
31 may, but is not required to, be provided in the rental agreement.

32 (II) For a tenancy in a mobilehome existing before July 1, 2022,
33 the notice required under clause (i) may, but is not required to, be
34 provided in the rental agreement.

35 (iii) (I) Except as provided in subclause (II), for any tenancy
36 commenced or renewed on or after July 1, 2020, the notice required
37 under clause (i) must be provided in the rental agreement.

38 (II) For any tenancy in a mobilehome commenced or renewed
39 on or after July 1, 2022, the notice required under clause (i) shall
40 be provided in the rental agreement.

1 (iv) Addition of a provision containing the notice required under
2 clause (i) to any new or renewed rental agreement or fixed-term
3 lease constitutes a similar provision for the purposes of
4 subparagraph (E) of paragraph (1) of subdivision (b).

5 (9) Housing restricted by deed, regulatory restriction contained
6 in an agreement with a government agency, or other recorded
7 document as affordable housing for persons and families of very
8 low, low, or moderate income, as defined in Section 50093 of the
9 Health and Safety Code, or subject to an agreement that provides
10 housing subsidies for affordable housing for persons and families
11 of very low, low, or moderate income, as defined in Section 50093
12 of the Health and Safety Code or comparable federal statutes.

13 (f) An owner of residential real property subject to this section
14 shall provide notice to the tenant as follows:

15 (1) (A) Except as provided in subparagraph (B), for any tenancy
16 commenced or renewed on or after July 1, 2020, *in the lease or*
17 *rental agreement*, as an addendum to the lease or rental agreement,
18 or as a written notice signed by the tenant, with a copy provided
19 to the tenant.

20 (B) For a tenancy in a mobilehome commenced or renewed on
21 or after July 1, 2022, as an addendum to the lease or rental
22 agreement, or as a written notice signed by the tenant, with a copy
23 provided to the tenant.

24 (2) (A) Except as provided in subparagraph (B), for a tenancy
25 existing prior to July 1, 2020, by written notice to the tenant no
26 later than August 1, 2020, or as an addendum to the lease or rental
27 agreement.

28 (B) For a tenancy in a mobilehome existing prior to July 1,
29 2022, by written notice to the tenant no later than August 1, 2022,
30 or as an addendum to the lease or rental agreement.

31 (3) The notification or lease provision shall be in no less than
32 12-point type, and shall include the following:

33
34 “California law limits the amount your rent can be increased.
35 See Section 1947.12 of the Civil Code for more information.
36 California law also provides that after all of the tenants have
37 continuously and lawfully occupied the property for 12 months or
38 more or at least one of the tenants has continuously and lawfully
39 occupied the property for 24 months or more, a landlord must

1 provide a statement of cause in any notice to terminate a tenancy.
2 See Section 1946.2 of the Civil Code for more information.”

3
4 The notification or lease provision shall be subject to Section
5 1632.

6 (g) An owner’s failure to comply with any provision of this
7 section shall render the written termination notice void.

8 (h) (1) An owner who attempts to recover possession of a rental
9 unit in material violation of this section shall be liable to the tenant
10 in a civil action for all of the following:

11 (A) Actual damages.

12 (B) In the court’s discretion, reasonable attorney’s fees and
13 costs.

14 (C) Upon a showing that the owner has acted willfully or with
15 oppression, fraud, or malice, up to three times the actual damages.
16 An award may also be entered for punitive damages for the benefit
17 of the tenant against the owner.

18 (2) The Attorney General, in the name of the people of the State
19 of California, and the city attorney or county counsel in the
20 jurisdiction in which the rental unit is located, in the name of the
21 city or county, may seek injunctive relief based on violations of
22 this section.

23 (i) (1) This section does not apply to the following residential
24 real property:

25 (A) Residential real property subject to a local ordinance
26 requiring just cause for termination of a residential tenancy adopted
27 on or before September 1, 2019, in which case the local ordinance
28 shall apply.

29 (B) Residential real property subject to a local ordinance
30 requiring just cause for termination of a residential tenancy adopted
31 or amended after September 1, 2019, that is more protective than
32 this section, in which case the local ordinance shall apply. For
33 purposes of this subparagraph, an ordinance is “more protective”
34 if it meets all of the following criteria:

35 (i) The just cause for termination of a residential tenancy under
36 the local ordinance is consistent with this section.

37 (ii) The ordinance further limits the reasons for termination of
38 a residential tenancy, provides for higher relocation assistance
39 amounts, or provides additional tenant protections that are not
40 prohibited by any other provision of law.

1 (iii) The local government has made a binding finding within
2 their local ordinance that the ordinance is more protective than the
3 provisions of this section.

4 (2) A residential real property shall not be subject to both a local
5 ordinance requiring just cause for termination of a residential
6 tenancy and this section.

7 (3) A local ordinance adopted after September 1, 2019, that is
8 less protective than this section shall not be enforced unless this
9 section is repealed.

10 (j) Any waiver of the rights under this section shall be void as
11 contrary to public policy.

12 (k) For the purposes of this section, the following definitions
13 shall apply:

14 (1) “Owner” includes any person, acting as principal or through
15 an agent, having the right to offer residential real property for rent,
16 and includes a predecessor in interest to the owner.

17 (2) “Residential real property” means any dwelling or unit that
18 is intended for human habitation, including any dwelling or unit
19 in a mobilehome park.

20 (3) “Tenancy” means the lawful occupation of residential real
21 property and includes a lease or sublease.

22 (l) This section shall not apply to a homeowner of a mobilehome,
23 as defined in Section 798.9.

24 (m) This section shall become operative on April 1, 2024.

25 (n) This section shall remain in effect only until January 1, 2030,
26 and as of that date is repealed.

27 SEC. 2. Section 2924b of the Civil Code is amended to read:

28 2924b. (a) Any person desiring a copy of any notice of default
29 and of any notice of sale under any deed of trust or mortgage with
30 power of sale upon real property or an estate for years therein, as
31 to which deed of trust or mortgage the power of sale cannot be
32 exercised until these notices are given for the time and in the
33 manner provided in Section 2924 may, at any time subsequent to
34 recordation of the deed of trust or mortgage and prior to recordation
35 of notice of default thereunder, cause to be filed for record in the
36 office of the recorder of any county in which any part or parcel of
37 the real property is situated, a duly acknowledged request for a
38 copy of the notice of default and of sale. This request shall be
39 signed and acknowledged by the person making the request,
40 specifying the name and address of the person to whom the notice

1 is to be mailed, shall identify the deed of trust or mortgage by
2 stating the names of the parties thereto, the date of recordation
3 thereof, and the book and page where the deed of trust or mortgage
4 is recorded or the recorder’s number, and shall be in substantially
5 the following form:

6
7 “In accordance with Section 2924b, Civil Code, request is hereby
8 made that a copy of any notice of default and a copy of any notice of sale
9 under the deed of trust (or mortgage) recorded _____, _____, in Book
10 _____ page _____ records of _____ County, (or filed for record with
11 recorder’s serial number _____, _____ County) California, executed
12 by _____ as trustor (or mortgagor) in which _____ is named as
13 beneficiary (or mortgagee) and _____ as trustee be mailed to
14 _____ at _____.

15 Name Address

16 NOTICE: A copy of any notice of default and of any notice of sale will be
17 sent only to the address contained in this recorded request. If your address
18 changes, a new request must be recorded.

19 Signature _____”

20
21 Upon the filing for record of the request, the recorder shall index
22 in the general index of grantors the names of the trustors (or
23 mortgagors) recited therein and the names of persons requesting
24 copies.

25 (b) The mortgagee, trustee, or other person authorized to record
26 the notice of default or the notice of sale shall do each of the
27 following:

28 (1) Within 10 business days following recordation of the notice
29 of default, deposit or cause to be deposited in the United States
30 mail an envelope, sent by registered or certified mail with postage
31 prepaid, containing a copy of the notice with the recording date
32 shown thereon, addressed to each person whose name and address
33 are set forth in a duly recorded request therefor, directed to the
34 address designated in the request and to each trustor or mortgagor
35 at his or her last known address if different than the address
36 specified in the deed of trust or mortgage with power of sale.

37 (2) At least 20 days before the date of sale, deposit or cause to
38 be deposited in the United States mail an envelope, sent by
39 registered or certified mail with postage prepaid, containing a copy
40 of the notice of the time and place of sale, addressed to each person

1 whose name and address are set forth in a duly recorded request
2 therefor, directed to the address designated in the request and to
3 each trustor or mortgagor at his or her last known address if
4 different than the address specified in the deed of trust or mortgage
5 with power of sale.

6 (3) As used in paragraphs (1) and (2), the “last known address”
7 of each trustor or mortgagor means the last business or residence
8 physical address actually known by the mortgagee, beneficiary,
9 trustee, or other person authorized to record the notice of default.
10 For the purposes of this subdivision, an address is “actually known”
11 if it is contained in the original deed of trust or mortgage, or in
12 any subsequent written notification of a change of physical address
13 from the trustor or mortgagor pursuant to the deed of trust or
14 mortgage. For the purposes of this subdivision, “physical address”
15 does not include an email or any form of electronic address for a
16 trustor or mortgagor. The beneficiary shall inform the trustee of
17 the trustor’s last address actually known by the beneficiary.
18 However, the trustee shall incur no liability for failing to send any
19 notice to the last address unless the trustee has actual knowledge
20 of it.

21 (4) A “person authorized to record the notice of default or the
22 notice of sale” shall include an agent for the mortgagee or
23 beneficiary, an agent of the named trustee, any person designated
24 in an executed substitution of trustee, or an agent of that substituted
25 trustee.

26 (c) The mortgagee, trustee, or other person authorized to record
27 the notice of default or the notice of sale shall do the following:

28 (1) Within one month following recordation of the notice of
29 default, deposit or cause to be deposited in the United States mail
30 an envelope, sent by registered or certified mail with postage
31 prepaid, containing a copy of the notice with the recording date
32 shown thereon, addressed to each person set forth in paragraph
33 (2), provided that the estate or interest of any person entitled to
34 receive notice under this subdivision is acquired by an instrument
35 sufficient to impart constructive notice of the estate or interest in
36 the land or portion thereof that is subject to the deed of trust or
37 mortgage being foreclosed, and provided the instrument is recorded
38 in the office of the county recorder so as to impart that constructive
39 notice prior to the recording date of the notice of default and
40 provided the instrument as so recorded sets forth a mailing address

1 that the county recorder shall use, as instructed within the
2 instrument, for the return of the instrument after recording, and
3 which address shall be the address used for the purposes of mailing
4 notices herein.

5 (2) The persons to whom notice shall be mailed under this
6 subdivision are:

7 (A) The successor in interest, as of the recording date of the
8 notice of default, of the estate or interest or any portion thereof of
9 the trustor or mortgagor of the deed of trust or mortgage being
10 foreclosed.

11 (B) The beneficiary or mortgagee of any deed of trust or
12 mortgage recorded subsequent to the deed of trust or mortgage
13 being foreclosed, or recorded prior to or concurrently with the
14 deed of trust or mortgage being foreclosed but subject to a recorded
15 agreement or a recorded statement of subordination to the deed of
16 trust or mortgage being foreclosed.

17 (C) The assignee of any interest of the beneficiary or mortgagee
18 described in subparagraph (B), as of the recording date of the notice
19 of default.

20 (D) The vendee of any contract of sale, or the lessee of any
21 lease, of the estate or interest being foreclosed that is recorded
22 subsequent to the deed of trust or mortgage being foreclosed, or
23 recorded prior to or concurrently with the deed of trust or mortgage
24 being foreclosed but subject to a recorded agreement or statement
25 of subordination to the deed of trust or mortgage being foreclosed.

26 (E) The successor in interest to the vendee or lessee described
27 in subparagraph (D), as of the recording date of the notice of
28 default.

29 (F) The office of the Controller, Sacramento, California, where,
30 as of the recording date of the notice of default, a “Notice of Lien
31 for Postponed Property Taxes” has been recorded against the real
32 property to which the notice of default applies.

33 (G) (i) The office of the Director of Housing and Community
34 Development, Sacramento, California, and the office of the
35 Executive Director of the California Tax Credit Allocation
36 Committee, Sacramento, California, respectively, where, as of the
37 recording date of the notice of default, a use restriction, as defined
38 in subdivision (a) of Section 65863.11 of the Government Code,
39 has been recorded against the real property to which the notice of
40 default applies.

1 (ii) Any failure to comply with the provisions of this
2 subparagraph shall not affect the validity of a trustee’s sale or a
3 sale in favor of a bona fide purchaser.

4 (3) At least 20 days before the date of sale, deposit or cause to
5 be deposited in the United States mail an envelope, sent by
6 registered or certified mail with postage prepaid, containing a copy
7 of the notice of the time and place of sale addressed to each person
8 to whom a copy of the notice of default is to be mailed as provided
9 in paragraphs (1) and (2), and addressed to the office of any state
10 taxing agency, Sacramento, California, that has recorded,
11 subsequent to the deed of trust or mortgage being foreclosed, a
12 notice of tax lien prior to the recording date of the notice of default
13 against the real property to which the notice of default applies.

14 (4) Provide a copy of the notice of sale to the Internal Revenue
15 Service, in accordance with Section 7425 of the Internal Revenue
16 Code and any applicable federal regulation, if a “Notice of Federal
17 Tax Lien under Internal Revenue Laws” has been recorded,
18 subsequent to the deed of trust or mortgage being foreclosed,
19 against the real property to which the notice of sale applies. The
20 failure to provide the Internal Revenue Service with a copy of the
21 notice of sale pursuant to this paragraph shall be sufficient cause
22 to rescind the trustee’s sale and invalidate the trustee’s deed, at
23 the option of either the successful bidder at the trustee’s sale or
24 the trustee, and in either case with the consent of the beneficiary.
25 Any option to rescind the trustee’s sale pursuant to this paragraph
26 shall be exercised prior to any transfer of the property by the
27 successful bidder to a bona fide purchaser for value. A rescission
28 of the trustee’s sale pursuant to this paragraph may be recorded in
29 a notice of rescission pursuant to Section 1058.5.

30 (5) The mailing of notices in the manner set forth in paragraph
31 (1) shall not impose upon any licensed attorney, agent, or employee
32 of any person entitled to receive notices as herein set forth any
33 duty to communicate the notice to the entitled person from the fact
34 that the mailing address used by the county recorder is the address
35 of the attorney, agent, or employee.

36 (d) Any deed of trust or mortgage with power of sale hereafter
37 executed upon real property or an estate for years therein may
38 contain a request that a copy of any notice of default and a copy
39 of any notice of sale thereunder shall be mailed to any person or
40 party thereto at the address of the person given therein, and a copy

1 of any notice of default and of any notice of sale shall be mailed
2 to each of these at the same time and in the same manner required
3 as though a separate request therefor had been filed by each of
4 these persons as herein authorized. If any deed of trust or mortgage
5 with power of sale executed after September 19, 1939, except a
6 deed of trust or mortgage of any of the classes excepted from the
7 provisions of Section 2924, does not contain a mailing address of
8 the trustor or mortgagor therein named, and if no request for special
9 notice by the trustor or mortgagor in substantially the form set
10 forth in this section has subsequently been recorded, a copy of the
11 notice of default shall be published once a week for at least four
12 weeks in a newspaper of general circulation in the county in which
13 the property is situated, the publication to commence within 10
14 business days after the filing of the notice of default. In lieu of
15 publication, a copy of the notice of default may be delivered
16 personally to the trustor or mortgagor within the 10 business days
17 or at any time before publication is completed, or by posting the
18 notice of default in a conspicuous place on the property and mailing
19 the notice to the last known address of the trustor or mortgagor.

20 (e) Any person required to mail a copy of a notice of default or
21 notice of sale to each trustor or mortgagor pursuant to subdivision
22 (b) or (c) by registered or certified mail shall simultaneously cause
23 to be deposited in the United States mail, with postage prepaid and
24 mailed by first-class mail, an envelope containing an additional
25 copy of the required notice addressed to each trustor or mortgagor
26 at the same address to which the notice is sent by registered or
27 certified mail pursuant to subdivision (b) or (c). The person shall
28 execute and retain an affidavit identifying the notice mailed,
29 showing the name and residence or business address of that person,
30 that he or she is over 18 years of age, the date of deposit in the
31 mail, the name and address of the trustor or mortgagor to whom
32 sent, and that the envelope was sealed and deposited in the mail
33 with postage fully prepaid. In the absence of fraud, the affidavit
34 required by this subdivision shall establish a conclusive
35 presumption of mailing.

36 (f) (1) Notwithstanding subdivision (a), with respect to separate
37 interests governed by an association, as defined in Section 4080
38 or 6528, the association may cause to be filed in the office of the
39 recorder in the county in which the separate interests are situated
40 a request that a mortgagee, trustee, or other person authorized to

1 record a notice of default regarding any of those separate interests
2 mail to the association a copy of any trustee’s deed upon sale
3 concerning a separate interest. The request shall include a legal
4 description or the assessor’s parcel number of all the separate
5 interests. A request recorded pursuant to this subdivision shall
6 include the name and address of the association and a statement
7 that it is an association as defined in Section 4080 or 6528.
8 Subsequent requests of an association shall supersede prior
9 requests. A request pursuant to this subdivision shall be recorded
10 before the filing of a notice of default. The mortgagee, trustee, or
11 other authorized person shall mail the requested information to
12 the association within 15 business days following the date of the
13 trustee’s sale. Failure to mail the request, pursuant to this
14 subdivision, shall not affect the title to real property.

15 (2) A request filed pursuant to paragraph (1) does not, for
16 purposes of Section 27288.1 of the Government Code, constitute
17 a document that either effects or evidences a transfer or
18 encumbrance of an interest in real property or that releases or
19 terminates any interest, right, or encumbrance of an interest in real
20 property.

21 (g) No request for a copy of any notice filed for record pursuant
22 to this section, no statement or allegation in the request, and no
23 record thereof shall affect the title to real property or be deemed
24 notice to any person that any person requesting copies of notice
25 has or claims any right, title, or interest in, or lien or charge upon
26 the property described in the deed of trust or mortgage referred to
27 therein.

28 (h) “Business day,” as used in this section, has the meaning
29 specified in Section 9.

30 ~~SEC. 3.— Section 65589.5 of the Government Code is amended~~
31 ~~to read:~~

32 ~~65589.5.— (a) (1) The Legislature finds and declares all of the~~
33 ~~following:~~

34 ~~(A) The lack of housing, including emergency shelters, is a~~
35 ~~critical problem that threatens the economic, environmental, and~~
36 ~~social quality of life in California.~~

37 ~~(B) California housing has become the most expensive in the~~
38 ~~nation. The excessive cost of the state’s housing supply is partially~~
39 ~~caused by activities and policies of many local governments that~~
40 ~~limit the approval of housing, increase the cost of land for housing,~~

1 and require that high fees and exactions be paid by producers of
2 housing.

3 (C) Among the consequences of those actions are discrimination
4 against low-income and minority households, lack of housing to
5 support employment growth, imbalance in jobs and housing,
6 reduced mobility, urban sprawl, excessive commuting, and air
7 quality deterioration.

8 (D) Many local governments do not give adequate attention to
9 the economic, environmental, and social costs of decisions that
10 result in disapproval of housing development projects, reduction
11 in density of housing projects, and excessive standards for housing
12 development projects.

13 (2) In enacting the amendments made to this section by the act
14 adding this paragraph, the Legislature further finds and declares
15 the following:

16 (A) California has a housing supply and affordability crisis of
17 historic proportions. The consequences of failing to effectively
18 and aggressively confront this crisis are hurting millions of
19 Californians, robbing future generations of the chance to call
20 California home, stifling economic opportunities for workers and
21 businesses, worsening poverty and homelessness, and undermining
22 the state's environmental and climate objectives.

23 (B) While the causes of this crisis are multiple and complex,
24 the absence of meaningful and effective policy reforms to
25 significantly enhance the approval and supply of housing affordable
26 to Californians of all income levels is a key factor.

27 (C) The crisis has grown so acute in California that supply,
28 demand, and affordability fundamentals are characterized in the
29 negative: underserved demands, constrained supply, and protracted
30 unaffordability.

31 (D) According to reports and data, California has accumulated
32 an unmet housing backlog of nearly 2,000,000 units and must
33 provide for at least 180,000 new units annually to keep pace with
34 growth through 2025.

35 (E) California's overall home ownership rate is at its lowest
36 level since the 1940s. The state ranks 49th out of the 50 states in
37 home ownership rates as well as in the supply of housing per capita.
38 Only one-half of California's households are able to afford the
39 cost of housing in their local regions.

1 ~~(F) Lack of supply and rising costs are compounding inequality~~
2 ~~and limiting advancement opportunities for many Californians.~~

3 ~~(G) The majority of California renters, more than 3,000,000~~
4 ~~households, pay more than 30 percent of their income toward rent~~
5 ~~and nearly one-third, more than 1,500,000 households, pay more~~
6 ~~than 50 percent of their income toward rent.~~

7 ~~(H) When Californians have access to safe and affordable~~
8 ~~housing, they have more money for food and health care; they are~~
9 ~~less likely to become homeless and in need of~~
10 ~~government-subsidized services; their children do better in school;~~
11 ~~and businesses have an easier time recruiting and retaining~~
12 ~~employees.~~

13 ~~(I) An additional consequence of the state's cumulative housing~~
14 ~~shortage is a significant increase in greenhouse gas emissions~~
15 ~~caused by the displacement and redirection of populations to states~~
16 ~~with greater housing opportunities, particularly working- and~~
17 ~~middle-class households. California's cumulative housing shortfall~~
18 ~~therefore has not only national but international environmental~~
19 ~~consequences.~~

20 ~~(J) California's housing picture has reached a crisis of historic~~
21 ~~proportions despite the fact that, for decades, the Legislature has~~
22 ~~enacted numerous statutes intended to significantly increase the~~
23 ~~approval, development, and affordability of housing for all income~~
24 ~~levels, including this section.~~

25 ~~(K) The Legislature's intent in enacting this section in 1982 and~~
26 ~~in expanding its provisions since then was to significantly increase~~
27 ~~the approval and construction of new housing for all economic~~
28 ~~segments of California's communities by meaningfully and~~
29 ~~effectively curbing the capability of local governments to deny,~~
30 ~~reduce the density for, or render infeasible housing development~~
31 ~~projects and emergency shelters. That intent has not been fulfilled.~~

32 ~~(L) It is the policy of the state that this section be interpreted~~
33 ~~and implemented in a manner to afford the fullest possible weight~~
34 ~~to the interest of, and the approval and provision of, housing.~~

35 ~~(3) It is the intent of the Legislature that the conditions that~~
36 ~~would have a specific, adverse impact upon the public health and~~
37 ~~safety, as described in paragraph (2) of subdivision (d) and~~
38 ~~paragraph (1) of subdivision (j), arise infrequently.~~

39 ~~(4) It is the intent of the Legislature that the amendments~~
40 ~~removing provisions from subparagraphs (D) and (E) of paragraph~~

1 ~~(6) of subdivision (h) and adding those provisions to Sections~~
2 ~~65589.5.1 and 65589.5.2 by Assembly Bill 1413 (2023), insofar~~
3 ~~as they are substantially the same as existing law, shall be~~
4 ~~considered restatements and continuations of existing law, and not~~
5 ~~new enactments.~~

6 ~~(b) It is the policy of the state that a local government not reject~~
7 ~~or make infeasible housing development projects, including~~
8 ~~emergency shelters, that contribute to meeting the need determined~~
9 ~~pursuant to this article without a thorough analysis of the economic,~~
10 ~~social, and environmental effects of the action and without~~
11 ~~complying with subdivision (d).~~

12 ~~(c) The Legislature also recognizes that premature and~~
13 ~~unnecessary development of agricultural lands for urban uses~~
14 ~~continues to have adverse effects on the availability of those lands~~
15 ~~for food and fiber production and on the economy of the state.~~
16 ~~Furthermore, it is the policy of the state that development should~~
17 ~~be guided away from prime agricultural lands; therefore, in~~
18 ~~implementing this section, local jurisdictions should encourage,~~
19 ~~to the maximum extent practicable, in filling existing urban areas.~~

20 ~~(d) For a housing development project for very low, low-, or~~
21 ~~moderate-income households, or an emergency shelter, a local~~
22 ~~agency shall not disapprove the housing development project or~~
23 ~~emergency shelter, or condition approval in a manner that renders~~
24 ~~the housing development project or emergency shelter infeasible,~~
25 ~~including through the use of design review standards, unless it~~
26 ~~makes written findings, based upon a preponderance of the~~
27 ~~evidence in the record, as to one of the following:~~

28 ~~(1) The jurisdiction has adopted a housing element pursuant to~~
29 ~~this article that has been revised in accordance with Section 65588,~~
30 ~~is in substantial compliance with this article, and the jurisdiction~~
31 ~~has met or exceeded its share of the regional housing need~~
32 ~~allocation pursuant to Section 65584 for the planning period for~~
33 ~~the income category proposed for the housing development project,~~
34 ~~provided that any disapproval or conditional approval shall not be~~
35 ~~based on any of the reasons prohibited by Section 65008. If the~~
36 ~~housing development project includes a mix of income categories,~~
37 ~~and the jurisdiction has not met or exceeded its share of the regional~~
38 ~~housing need for one or more of those categories, then this~~
39 ~~paragraph shall not be used to disapprove or conditionally approve~~
40 ~~the housing development project. The share of the regional housing~~

1 need met by the jurisdiction shall be calculated consistently with
2 the forms and definitions that may be adopted by the Department
3 of Housing and Community Development pursuant to Section
4 65400. In the case of an emergency shelter, the jurisdiction shall
5 have met or exceeded the need for emergency shelter, as identified
6 pursuant to paragraph (7) of subdivision (a) of Section 65583. Any
7 disapproval or conditional approval pursuant to this paragraph
8 shall be in accordance with applicable law, rule, or standards.

9 (2) ~~The housing development project or emergency shelter as~~
10 ~~proposed would have a specific, adverse impact upon the public~~
11 ~~health or safety, and there is no feasible method to satisfactorily~~
12 ~~mitigate or avoid the specific, adverse impact without rendering~~
13 ~~the development unaffordable to low- and moderate-income~~
14 ~~households or rendering the development of the emergency shelter~~
15 ~~financially infeasible. As used in this paragraph, a “specific,~~
16 ~~adverse impact” means a significant, quantifiable, direct, and~~
17 ~~unavoidable impact, based on objective, identified written public~~
18 ~~health or safety standards, policies, or conditions as they existed~~
19 ~~on the date the application was deemed complete. The following~~
20 ~~shall not constitute a specific, adverse impact upon the public~~
21 ~~health or safety:~~

22 (A) ~~Inconsistency with the zoning ordinance or general plan~~
23 ~~land use designation.~~

24 (B) ~~The eligibility to claim a welfare exemption under~~
25 ~~subdivision (g) of Section 214 of the Revenue and Taxation Code.~~

26 (3) ~~The denial of the housing development project or imposition~~
27 ~~of conditions is required in order to comply with specific state or~~
28 ~~federal law, and there is no feasible method to comply without~~
29 ~~rendering the development unaffordable to low- and~~
30 ~~moderate-income households or rendering the development of the~~
31 ~~emergency shelter financially infeasible.~~

32 (4) ~~The housing development project or emergency shelter is~~
33 ~~proposed on land zoned for agriculture or resource preservation~~
34 ~~that is surrounded on at least two sides by land being used for~~
35 ~~agricultural or resource preservation purposes, or which does not~~
36 ~~have adequate water or wastewater facilities to serve the project.~~

37 (5) ~~On the date an application for the housing development~~
38 ~~project or emergency shelter was deemed complete, the jurisdiction~~
39 ~~had adopted a revised housing element that was in substantial~~
40 ~~compliance with this article, and the housing development project~~

1 or emergency shelter was inconsistent with both the jurisdiction's
2 zoning ordinance and general plan land use designation as specified
3 in any element of the general plan.

4 ~~(A) This paragraph shall not be utilized to disapprove or~~
5 ~~conditionally approve a housing development project proposed on~~
6 ~~a site, including a candidate site for rezoning, that is identified as~~
7 ~~suitable or available for very low-, low-, or moderate-income~~
8 ~~households in the jurisdiction's housing element if the housing~~
9 ~~development project is consistent with the density specified in the~~
10 ~~housing element, even though the housing development project~~
11 ~~was inconsistent with both the jurisdiction's zoning ordinance and~~
12 ~~general plan land use designation on the date the application was~~
13 ~~deemed complete.~~

14 ~~(B) If the local agency has failed to identify a zone or zones~~
15 ~~where emergency shelters are allowed as a permitted use without~~
16 ~~a conditional use or other discretionary permit, has failed to~~
17 ~~demonstrate that the identified zone or zones include sufficient~~
18 ~~capacity to accommodate the need for emergency shelter identified~~
19 ~~in paragraph (7) of subdivision (a) of Section 65583, or has failed~~
20 ~~to demonstrate that the identified zone or zones can accommodate~~
21 ~~at least one emergency shelter, as required by paragraph (4) of~~
22 ~~subdivision (a) of Section 65583, then this paragraph shall not be~~
23 ~~utilized to disapprove or conditionally approve an emergency~~
24 ~~shelter proposed for a site designated in any element of the general~~
25 ~~plan for industrial, commercial, or multifamily residential uses. In~~
26 ~~any action in court, the burden of proof shall be on the local agency~~
27 ~~to show that its housing element does satisfy the requirements of~~
28 ~~paragraph (4) of subdivision (a) of Section 65583.~~

29 ~~(6) On the date an application for the housing development~~
30 ~~project or emergency shelter was deemed complete, the jurisdiction~~
31 ~~did not have an adopted revised housing element that was in~~
32 ~~substantial compliance with this article and the housing~~
33 ~~development project is not a builder's remedy project.~~

34 ~~(e) Nothing in this section shall be construed to relieve the local~~
35 ~~agency from complying with the congestion management program~~
36 ~~required by Chapter 2.6 (commencing with Section 65088) of~~
37 ~~Division 1 of Title 7 or the California Coastal Act of 1976~~
38 ~~(Division 20 (commencing with Section 30000) of the Public~~
39 ~~Resources Code). Neither shall anything in this section be~~
40 ~~construed to relieve the local agency from making one or more of~~

1 the findings required pursuant to Section 21081 of the Public
2 Resources Code or otherwise complying with the California
3 Environmental Quality Act (Division 13 (commencing with Section
4 21000) of the Public Resources Code).

5 (f) (1) Except as provided in paragraphs (6) and (8) of this
6 subdivision, and subdivision (o), nothing in this section shall be
7 construed to prohibit a local agency from requiring the housing
8 development project to comply with objective, quantifiable, written
9 development standards, conditions, and policies appropriate to,
10 and consistent with, meeting the jurisdiction's share of the regional
11 housing need pursuant to Section 65584. However, the
12 development standards, conditions, and policies shall be applied
13 to facilitate and accommodate development at the density permitted
14 on the site and proposed by the development. Nothing in this
15 section shall limit a project's eligibility for a density bonus,
16 incentive, or concession, or waiver or reduction of development
17 standards and parking ratios, pursuant to Section 65915.

18 (2) Except as provided in subdivision (o), nothing in this section
19 shall be construed to prohibit a local agency from requiring an
20 emergency shelter project to comply with objective, quantifiable,
21 written development standards, conditions, and policies that are
22 consistent with paragraph (4) of subdivision (a) of Section 65583
23 and appropriate to, and consistent with, meeting the jurisdiction's
24 need for emergency shelter, as identified pursuant to paragraph
25 (7) of subdivision (a) of Section 65583. However, the development
26 standards, conditions, and policies shall be applied by the local
27 agency to facilitate and accommodate the development of the
28 emergency shelter project.

29 (3) Except as provided in subdivision (o), nothing in this section
30 shall be construed to prohibit a local agency from imposing fees
31 and other exactions otherwise authorized by law that are essential
32 to provide necessary public services and facilities to the housing
33 development project or emergency shelter.

34 (4) For purposes of this section, a housing development project
35 or emergency shelter shall be deemed consistent, compliant, and
36 in conformity with an applicable plan, program, policy, ordinance,
37 standard, requirement, or other similar provision if there is
38 substantial evidence that would allow a reasonable person to
39 conclude that the housing development project or emergency
40 shelter is consistent, compliant, or in conformity.

1 ~~(5) For purposes of this section, a change to the zoning ordinance~~
2 ~~or general plan land use designation subsequent to the date the~~
3 ~~application was deemed complete shall not constitute a valid basis~~
4 ~~to disapprove or condition approval of the housing development~~
5 ~~project or emergency shelter.~~

6 ~~(6) Notwithstanding paragraphs (1) to (5), inclusive, all of the~~
7 ~~following apply to a housing development project that is a builder's~~
8 ~~remedy project:~~

9 ~~(A) A local agency may only require the project to comply with~~
10 ~~the objective, quantifiable, written development standards,~~
11 ~~conditions, and policies that would have applied to the project had~~
12 ~~it been proposed on a site with a general plan designation and~~
13 ~~zoning classification that allow the density and unit type proposed~~
14 ~~by the applicant. If the local agency has no general plan designation~~
15 ~~or zoning classification that would have allowed the density and~~
16 ~~unit type proposed by the applicant, the development proponent~~
17 ~~may identify any objective, quantifiable, written development~~
18 ~~standards, conditions, and policies associated with a different~~
19 ~~general plan designation or zoning classification within that~~
20 ~~jurisdiction, that facilitate the project's density and unit type, and~~
21 ~~those shall apply.~~

22 ~~(B) (i) Except as authorized by paragraphs (1) to (4), inclusive,~~
23 ~~of subdivision (d), a local agency shall not apply any individual~~
24 ~~or combination of objective, quantifiable, written development~~
25 ~~standards, conditions, and policies to the project that do any of the~~
26 ~~following:~~

27 ~~(I) Render the project infeasible.~~

28 ~~(II) Preclude a project that meets the requirements allowed to~~
29 ~~be imposed by subparagraph (A), as modified by any density bonus,~~
30 ~~incentive, or concession, or waiver or reduction of development~~
31 ~~standards and parking ratios, pursuant to Section 65915, from~~
32 ~~being constructed as proposed by the applicant.~~

33 ~~(ii) The local agency shall bear the burden of proof of complying~~
34 ~~with clause (i).~~

35 ~~(C) (i) A project applicant that qualifies for a density bonus~~
36 ~~pursuant to Section 65915 shall receive two incentives or~~
37 ~~concessions in addition to those granted pursuant to paragraph (2)~~
38 ~~of subdivision (d) of Section 65915.~~

39 ~~(ii) For a project seeking density bonuses, incentives,~~
40 ~~concessions, or any other benefits pursuant to Section 65915, and~~

1 notwithstanding paragraph (6) of subdivision (o) of Section 65915,
2 for purposes of this paragraph, maximum allowable residential
3 density or base density means the density permitted for a builder's
4 remedy project pursuant to subparagraph (C) of paragraph (11) of
5 subdivision (h):

6 (iii) A local agency shall grant any density bonus pursuant to
7 Section 65915 based on the number of units proposed and
8 allowable pursuant to subparagraph (C) of paragraph (11) of
9 subdivision (h):

10 (iv) A project that dedicates units to extremely low-income
11 households pursuant to subclause (I) of clause (i) of subparagraph
12 (C) of paragraph (3) of subdivision (h) shall be eligible for the
13 same density bonus, incentives or concessions, and waivers or
14 reductions of development standards as provided to a housing
15 development project that dedicates three percentage points more
16 units to very low income households pursuant to paragraph (2) of
17 subdivision (f) of Section 65915:

18 (v) All units dedicated to extremely low-income, very low
19 income, low-income, and moderate-income households pursuant
20 to paragraph (11) of subdivision (h) shall be counted as affordable
21 units in determining whether the applicant qualifies for a density
22 bonus pursuant to Section 65915:

23 (D) (i) The project shall not be required to apply for, or receive
24 approval of, a general plan amendment, specific plan amendment,
25 rezoning, or other legislative approval:

26 (ii) The project shall not be required to apply for, or receive,
27 any approval or permit not generally required of a project of the
28 same type and density proposed by the applicant:

29 (iii) Any project that complies with this paragraph shall be
30 deemed consistent, compliant, and in conformity with an applicable
31 plan, program, policy, ordinance, standard, requirement,
32 redevelopment plan and implementing instruments, or other similar
33 provision for all purposes, and shall not be considered or treated
34 as a nonconforming lot, use, or structure for any purpose:

35 (E) A local agency shall not adopt or impose any requirement,
36 process, practice, or procedure or undertake any course of conduct,
37 including, but not limited to, increased fees or inclusionary housing
38 requirements, that applies to a project solely or partially on the
39 basis that the project is a builder's remedy project:

1 ~~(F) (i) A builder's remedy project shall be deemed to be in~~
2 ~~compliance with the residential density standards for the purposes~~
3 ~~of complying with subdivision (b) of Section 65912.123.~~

4 ~~(ii) A builder's remedy project shall be deemed to be in~~
5 ~~compliance with the objective zoning standards, objective~~
6 ~~subdivision standards, and objective design review standards for~~
7 ~~the purposes of complying with paragraph (5) of subdivision (a)~~
8 ~~of Section 65913.4.~~

9 ~~(G) (i) (I) If the local agency had a local affordable housing~~
10 ~~requirement, as defined in Section 65912.101, that on January 1,~~
11 ~~2024, required a greater percentage of affordable units than~~
12 ~~required under subparagraph (A) of paragraph (11) of subdivision~~
13 ~~(h), or required an affordability level deeper than what is required~~
14 ~~under subparagraph (A) of paragraph (11) of subdivision (h), then,~~
15 ~~except as provided in subclauses (II) and (III), the local agency~~
16 ~~may require a housing development for mixed-income households~~
17 ~~to comply with an otherwise lawfully applicable local affordability~~
18 ~~percentage or affordability level. The local agency shall not require~~
19 ~~housing for mixed-income households to comply with any other~~
20 ~~aspect of the local affordable housing requirement.~~

21 ~~(II) Notwithstanding subclause (I), the local affordable housing~~
22 ~~requirements shall not be applied to require housing for~~
23 ~~mixed-income households to dedicate more than 20 percent of the~~
24 ~~units to affordable units of any kind.~~

25 ~~(III) Housing for mixed-income households that is required to~~
26 ~~dedicate 20 percent of the units to affordable units shall not be~~
27 ~~required to dedicate any of the affordable units at an income level~~
28 ~~deeper than lower income households, as defined in Section~~
29 ~~50079.5 of the Health and Safety Code.~~

30 ~~(IV) A local agency may only require housing for mixed-income~~
31 ~~households to comply with the local percentage requirement or~~
32 ~~affordability level described in subclause (I) if it first makes written~~
33 ~~findings, supported by a preponderance of evidence, that~~
34 ~~compliance with the local percentage requirement or the~~
35 ~~affordability level, or both, would not render the housing~~
36 ~~development project infeasible. If a reasonable person could find~~
37 ~~compliance with either requirement, either alone or in combination,~~
38 ~~would render the project infeasible, the project shall not be required~~
39 ~~to comply with that requirement.~~

1 ~~(ii) Affordable units in the development project shall have a~~
2 ~~comparable bedroom and bathroom count as the market rate units.~~

3 ~~(iii) Each affordable unit dedicated pursuant to this subparagraph~~
4 ~~shall count toward satisfying a local affordable housing~~
5 ~~requirement. Each affordable unit dedicated pursuant to a local~~
6 ~~affordable housing requirement that meets the criteria established~~
7 ~~in this subparagraph shall count towards satisfying the requirements~~
8 ~~of this subparagraph. This is declaratory of existing law.~~

9 ~~(7) (A) For a housing development project application that is~~
10 ~~deemed complete before January 1, 2025, the development~~
11 ~~proponent for the project may choose to be subject to the provisions~~
12 ~~of this section that were in place on the date the preliminary~~
13 ~~application was submitted, or, if the project meets the definition~~
14 ~~of a builder's remedy project, it may choose to be subject to any~~
15 ~~or all of the provisions of this section applicable as of January 1,~~
16 ~~2025.~~

17 ~~(B) Notwithstanding subdivision (c) of Section 65941.1, for a~~
18 ~~housing development project deemed complete before January 1,~~
19 ~~2025, the development proponent may choose to revise their~~
20 ~~application so that the project is a builder's remedy project, without~~
21 ~~being required to resubmit a preliminary application, even if the~~
22 ~~revision results in the number of residential units or square footage~~
23 ~~of construction changing by 20 percent or more.~~

24 ~~(8) A housing development project proposed on a site that is~~
25 ~~identified as suitable or available for very low, low-, or~~
26 ~~moderate-income households in the jurisdiction's housing element,~~
27 ~~that is consistent with the density specified in the most recently~~
28 ~~updated and adopted housing element, and that is inconsistent with~~
29 ~~both the jurisdiction's zoning ordinance and general plan land use~~
30 ~~designation on the date the application was deemed complete, shall~~
31 ~~be subject to the provisions of subparagraphs (A), (B), and (D) of~~
32 ~~paragraph (6) and paragraph (9).~~

33 ~~(9) For purposes of this subdivision, "objective, quantifiable,~~
34 ~~written development standards, conditions, and policies" means~~
35 ~~criteria that involve no personal or subjective judgment by a public~~
36 ~~official and are uniformly verifiable by reference to an external~~
37 ~~and uniform benchmark or criterion available and knowable by~~
38 ~~both the development applicant or proponent and the public official~~
39 ~~before submittal, including, but not limited to, any standard,~~
40 ~~ordinance, or policy described in paragraph (4) of subdivision (c).~~

1 Nothing herein shall affect the obligation of the housing
2 development project to comply with the minimum building
3 standards approved by the California Building Standards
4 Commission as provided in Part 2.5 (commencing with Section
5 18901) of Division 13 of the Health and Safety Code. In the event
6 that applicable objective, quantifiable, written development
7 standards, conditions, and policies are mutually inconsistent, a
8 development shall be deemed consistent with the criteria that
9 permits the density and unit type closest to that of the proposed
10 project.

11 (g) This section shall be applicable to charter cities because the
12 Legislature finds that the lack of housing, including emergency
13 shelter, is a critical statewide problem.

14 (h) The following definitions apply for the purposes of this
15 section:

16 (1) "Feasible" means capable of being accomplished in a
17 successful manner within a reasonable period of time, taking into
18 account economic, environmental, social, and technological factors.

19 (2) "Housing development project" means a use consisting of
20 any of the following:

21 (A) Residential units only.

22 (B) Mixed-use developments consisting of residential and
23 nonresidential uses that meet any of the following conditions:

24 (i) At least two-thirds of the new or converted square footage
25 is designated for residential use.

26 (ii) At least 50 percent of the new or converted square footage
27 is designated for residential use and the project meets both of the
28 following:

29 (I) The project includes at least 500 net new residential units.

30 (II) No portion of the project is designated for use as a hotel,
31 motel, bed and breakfast inn, or other transient lodging, except a
32 portion of the project may be designated for use as a residential
33 hotel, as defined in Section 50519 of the Health and Safety Code.

34 (iii) At least 50 percent of the net new or converted square
35 footage is designated for residential use and the project meets all
36 of the following:

37 (I) The project includes at least 500 net new residential units.

38 (II) The project involves the demolition or conversion of at least
39 100,000 square feet of nonresidential use.

- 1 ~~(III) The project demolishes at least 50 percent of the existing~~
2 ~~nonresidential uses on the site.~~
- 3 ~~(IV) No portion of the project is designated for use as a hotel,~~
4 ~~motel, bed and breakfast inn, or other transient lodging, except a~~
5 ~~portion of the project may be designated for use as a residential~~
6 ~~hotel, as defined in Section 50519 of the Health and Safety Code.~~
- 7 ~~(C) Transitional housing or supportive housing.~~
- 8 ~~(D) Farmworker housing, as defined in subdivision (h) of~~
9 ~~Section 50199.7 of the Health and Safety Code.~~
- 10 ~~(3) (A) “Housing for very low, low-, or moderate-income~~
11 ~~households” means housing for lower income households,~~
12 ~~mixed-income households, or moderate-income households.~~
- 13 ~~(B) “Housing for lower income households” means a housing~~
14 ~~development project in which 100 percent of the units, excluding~~
15 ~~managers’ units, are dedicated to lower income households, as~~
16 ~~defined in Section 50079.5 of the Health and Safety Code, at an~~
17 ~~affordable cost, as defined by Section 50052.5 of the Health and~~
18 ~~Safety Code, or an affordable rent set in an amount consistent with~~
19 ~~the rent limits established by the California Tax Credit Allocation~~
20 ~~Committee. The units shall be subject to a recorded deed restriction~~
21 ~~for a period of 55 years for rental units and 45 years for~~
22 ~~owner-occupied units.~~
- 23 ~~(C) (i) “Housing for mixed-income households” means any of~~
24 ~~the following:~~
 - 25 ~~(I) A housing development project in which at least 7 percent~~
26 ~~of the total units, as defined in subparagraph (A) of paragraph (8)~~
27 ~~of subdivision (o) of Section 65915, are dedicated to extremely~~
28 ~~low income households, as defined in Section 50106 of the Health~~
29 ~~and Safety Code.~~
 - 30 ~~(II) A housing development project in which at least 10 percent~~
31 ~~of the total units, as defined in subparagraph (A) of paragraph (8)~~
32 ~~of subdivision (o) of Section 65915, are dedicated to very low~~
33 ~~income households, as defined in Section 50105 of the Health and~~
34 ~~Safety Code.~~
 - 35 ~~(III) A housing development project in which at least 13 percent~~
36 ~~of the total units, as defined in subparagraph (A) of paragraph (8)~~
37 ~~of subdivision (o) of Section 65915, are dedicated to lower income~~
38 ~~households, as defined in Section 50079.5 of the Health and Safety~~
39 ~~Code.~~

1 ~~(IV) A housing development project in which there are 10 or~~
2 ~~fewer total units, as defined in subparagraph (A) of paragraph (8)~~
3 ~~of subdivision (e) of Section 65915, that is on a site that is smaller~~
4 ~~than one acre, and that is proposed for development at a minimum~~
5 ~~density of 10 units per acre.~~

6 ~~(ii) All units dedicated to extremely low income, very low~~
7 ~~income, and low-income households pursuant to clause (i) shall~~
8 ~~meet both of the following:~~

9 ~~(I) The units shall have an affordable housing cost, as defined~~
10 ~~in Section 50052.5 of the Health and Safety Code, or an affordable~~
11 ~~rent, as defined in Section 50053 of the Health and Safety Code.~~

12 ~~(II) The development proponent shall agree to, and the local~~
13 ~~agency shall ensure, the continued affordability of all affordable~~
14 ~~rental units included pursuant to this section for 55 years and all~~
15 ~~affordable ownership units included pursuant to this section for a~~
16 ~~period of 45 years.~~

17 ~~(D) “Housing for moderate-income households” means a~~
18 ~~housing development project in which 100 percent of the units are~~
19 ~~sold or rented to moderate-income households, as defined in~~
20 ~~Section 50093 of the Health and Safety Code, at an affordable~~
21 ~~housing cost, as defined in Section 50052.5 of the Health and~~
22 ~~Safety Code, or an affordable rent, as defined in Section 50053 of~~
23 ~~the Health and Safety Code. The units shall be subject to a recorded~~
24 ~~deed restriction for a period of 55 years for rental units and 45~~
25 ~~years for owner-occupied units.~~

26 ~~(4) “Area median income” means area median income as~~
27 ~~periodically established by the Department of Housing and~~
28 ~~Community Development pursuant to Section 50093 of the Health~~
29 ~~and Safety Code.~~

30 ~~(5) Notwithstanding any other law, “deemed complete” means~~
31 ~~that the applicant has submitted a preliminary application pursuant~~
32 ~~to Section 65941.1 or, if the applicant has not submitted a~~
33 ~~preliminary application, has submitted a complete application~~
34 ~~pursuant to Section 65943. The local agency shall bear the burden~~
35 ~~of proof in establishing that the application is not complete.~~

36 ~~(6) “Disapprove the housing development project” includes any~~
37 ~~instance in which a local agency does any of the following:~~

38 ~~(A) Votes or takes final administrative action on a proposed~~
39 ~~housing development project application and the application is~~

1 disapproved, including any required land use approvals or
2 entitlements necessary for the issuance of a building permit.

3 (B) Fails to comply with the time periods specified in
4 subdivision (a) of Section 65950. An extension of time pursuant
5 to Article 5 (commencing with Section 65950) shall be deemed to
6 be an extension of time pursuant to this paragraph.

7 (C) Fails to meet the time limits specified in Section 65913.3.

8 (D) Fails to cease a course of conduct undertaken for an
9 improper purpose, such as to harass or to cause unnecessary delay
10 or needless increases in the cost of the proposed housing
11 development project, that effectively disapproves the proposed
12 housing development without taking final administrative action if
13 all of the following conditions are met:

14 (i) The project applicant provides written notice detailing the
15 challenged conduct and why it constitutes disapproval to the local
16 agency established under Section 65100.

17 (ii) Within five working days of receiving the applicant's written
18 notice described in clause (i), the local agency shall post the notice
19 on the local agency's internet website, provide a copy of the notice
20 to any person who has made a written request for notices pursuant
21 to subdivision (f) of Section 21167 of the Public Resources Code,
22 and file the notice with the county clerk of each county in which
23 the project will be located. The county clerk shall post the notice
24 and make it available for public inspection in the manner set forth
25 in subdivision (e) of Section 21152 of the Public Resources Code.

26 (iii) The local agency shall consider all objections, comments,
27 evidence, and concerns about the project or the applicant's written
28 notice and shall not make a determination until at least 60 days
29 after the applicant has given written notice to the local agency
30 pursuant to clause (i).

31 (iv) Within 90 days of receipt of the applicant's written notice
32 described in clause (i), the local agency shall issue a written
33 statement that it will immediately cease the challenged conduct or
34 issue written findings that comply with both of the following
35 requirements:

36 (I) The findings articulate an objective basis for why the
37 challenged course of conduct is necessary.

38 (II) The findings provide clear instructions on what the applicant
39 must submit or supplement so that the local agency can make a

1 final determination regarding the next necessary approval or set
2 the date and time of the next hearing.

3 (v) (I) If a local agency continues the challenged course of
4 conduct described in the applicant's written notice and fails to
5 issue the written findings described in clause (iv), the local agency
6 shall bear the burden of establishing that its course of conduct does
7 not constitute a disapproval of the housing development project
8 under this subparagraph in an action taken by the applicant.

9 (II) If an applicant challenges a local agency's course of conduct
10 as a disapproval under this subparagraph, the local agency's written
11 findings described in clause (iv) shall be incorporated into the
12 administrative record and be deemed to be the final administrative
13 action for purposes of adjudicating whether the local agency's
14 course of conduct constitutes a disapproval of the housing
15 development project under this subparagraph.

16 (vi) A local agency's action in furtherance of complying with
17 the California Environmental Quality Act (Division 13
18 (commencing with Section 21000) of the Public Resources Code),
19 including, but not limited to, imposing mitigating measures, shall
20 not constitute project disapproval under this subparagraph.

21 (E) Fails to comply with Section 65905.5. For purposes of this
22 subparagraph, a builder's remedy project shall be deemed to
23 comply with the applicable, objective general plan and zoning
24 standards in effect at the time an application is deemed complete.

25 (F) (i) Determines that an application for a housing development
26 project is incomplete pursuant to subdivision (a) or (b) of Section
27 65943 and includes in the determination an item that is not required
28 on the local agency's submittal requirement checklist. The local
29 agency shall bear the burden of proof that the required item is
30 listed on the submittal requirement checklist.

31 (ii) In a subsequent review of an application pursuant to Section
32 65943, requests the applicant provide new information that was
33 not identified in the initial determination and upholds this
34 determination in the final written determination on an appeal filed
35 pursuant to subdivision (c) of Section 65943. The local agency
36 shall bear the burden of proof that the required item was identified
37 in the initial determination.

38 (iii) Determines that an application for a housing development
39 project is incomplete pursuant to subdivision (a) or (b) of Section
40 65943, a reasonable person would conclude that the applicant has

1 submitted all of the items required on the local agency's submittal
2 requirement checklist, and the local agency upholds this
3 determination in the final written determination on an appeal filed
4 pursuant to subdivision (e) of Section 65943.

5 (iv) If a local agency determines that an application is
6 incomplete under Section 65943 after two resubmittals of the
7 application by the applicant, the local agency shall bear the burden
8 of establishing that the determination is not an effective disapproval
9 of a housing development project under this section.

10 (G) Violates subparagraph (D) or (E) of paragraph (6) of
11 subdivision (f).

12 (H) Makes a written determination that a preliminary application
13 described in subdivision (a) of Section 65941.1 has expired or that
14 the applicant has otherwise lost its vested rights under the
15 preliminary application for any reason other than those described
16 in subdivisions (d) and (e) of Section 65941.1.

17 (I) (i) Fails to make a determination of whether the project is
18 exempt from the California Environmental Quality Act (Division
19 13 (commencing with Section 21000) of the Public Resources
20 Code), or commits an abuse of discretion, as defined in subdivision
21 (b) of Section 65589.5.1 if all of the conditions in Section
22 65589.5.1 are satisfied.

23 (ii) This subparagraph shall become inoperative on January 1,
24 2031.

25 (J) (i) Fails to adopt a negative declaration or addendum for
26 the project, to certify an environmental impact report for the
27 project, or to approve another comparable environmental document,
28 such as a sustainable communities environmental assessment
29 pursuant to Section 21155.2 of the Public Resources Code, as
30 required pursuant to the California Environmental Quality Act
31 (Division 13 (commencing with Section 21000) of the Public
32 Resources Code), if all of the conditions in Section 65589.5.2 are
33 satisfied.

34 (ii) This subparagraph shall become inoperative on January 1,
35 2031.

36 (7) (A) For purposes of this section and Sections 65589.5.1 and
37 65589.5.2, "lawful determination" means any final decision about
38 whether to approve or disapprove a statutory or categorical
39 exemption or a negative declaration, addendum, environmental
40 impact report, or comparable environmental review document

1 under the California Environmental Quality Act (Division 13
2 (commencing with Section 21000) of the Public Resources Code)
3 that is not an abuse of discretion, as defined in subdivision (b) of
4 Section 65589.5.1 or subdivision (b) of Section 65589.5.2.

5 (B) This paragraph shall become inoperative on January 1, 2031.

6 (8) “Lower density” includes any conditions that have the same
7 effect or impact on the ability of the project to provide housing.

8 (9) “Objective” means involving no personal or subjective
9 judgment by a public official and being uniformly verifiable by
10 reference to an external and uniform benchmark or criterion
11 available and knowable by both the development applicant or
12 proponent and the public official.

13 (10) Notwithstanding any other law, “determined to be
14 complete” means that the applicant has submitted a complete
15 application pursuant to Section 65943.

16 (11) “Builder’s remedy project” means a project that meets all
17 of the following criteria:

18 (A) The project is a housing development project that provides
19 housing for very low, low-, or moderate-income households.

20 (B) On or after the date an application for the housing
21 development project or emergency shelter was deemed complete,
22 the jurisdiction did not have a housing element that was in
23 substantial compliance with this article.

24 (C) The project has a density such that the number of units, as
25 calculated before the application of a density bonus pursuant to
26 Section 65915, complies with all of the following conditions:

27 (i) The density does not exceed the greatest of the following
28 densities:

29 (I) Fifty percent greater than the minimum density deemed
30 appropriate to accommodate housing for that jurisdiction as
31 specified in subparagraph (B) of paragraph (3) of subdivision (c)
32 of Section 65583.2.

33 (II) Three times the density allowed by the general plan, zoning
34 ordinance, or state law, whichever is greater.

35 (III) The density that is consistent with the density specified in
36 the housing element.

37 (ii) Notwithstanding clause (i), the greatest allowable density
38 shall be 35 units per acre more than the amount allowable pursuant
39 to clause (i), if any portion of the site is located within any of the
40 following:

- 1 ~~(I) One-half mile of a major transit stop, as defined in Section~~
2 ~~21064.3 of the Public Resources Code.~~
- 3 ~~(II) A very low vehicle travel area, as defined in subdivision~~
4 ~~(b) of Section 65589.5.1.~~
- 5 ~~(III) A high or highest resource census tract, as identified by~~
6 ~~the latest edition of the “CTCAC/HCD Opportunity Map”~~
7 ~~published by the California Tax Credit Allocation Committee and~~
8 ~~the Department of Housing and Community Development.~~
- 9 ~~(D) (i) On sites that have a minimum density requirement and~~
10 ~~are located within one-half mile of a commuter rail station or a~~
11 ~~heavy rail station, the density of the project shall not be less than~~
12 ~~the minimum density required on the site.~~
- 13 ~~(I) For purposes of this subparagraph, “commuter rail” means~~
14 ~~a railway that is not a light rail, streetcar, trolley, or tramway and~~
15 ~~that is for urban passenger train service consisting of local short~~
16 ~~distance travel operating between a central city and adjacent suburb~~
17 ~~with service operated on a regular basis by or under contract with~~
18 ~~a transit operator for the purpose of transporting passengers within~~
19 ~~urbanized areas, or between urbanized areas and outlying areas,~~
20 ~~using either locomotive-hauled or self-propelled railroad passenger~~
21 ~~cars, with multitrip tickets and specific station-to-station fares.~~
- 22 ~~(II) For purposes of this subparagraph, “heavy rail” means an~~
23 ~~electric railway with the capacity for a heavy volume of traffic~~
24 ~~using high speed and rapid acceleration passenger rail cars~~
25 ~~operating singly or in multicar trains on fixed rails, separate~~
26 ~~rights-of-way from which all other vehicular and foot traffic are~~
27 ~~excluded, and high platform loading.~~
- 28 ~~(ii) On all other sites with a minimum density requirement, the~~
29 ~~density of the project shall not be less than the local agency’s~~
30 ~~minimum density or one-half of the minimum density deemed~~
31 ~~appropriate to accommodate housing for that jurisdiction as~~
32 ~~specified in subparagraph (B) of paragraph (3) of subdivision (c)~~
33 ~~of Section 65583.2, whichever is lower.~~
- 34 ~~(E) The project site does not abut a site where more than~~
35 ~~one-third of the square footage on the site has been used, within~~
36 ~~the past three years, by a heavy industrial use, or a Title V~~
37 ~~industrial use, as those terms are defined in Section 65913.16.~~
- 38 ~~(12) “Condition approval” includes imposing on the housing~~
39 ~~development project, or attempting to subject it to, development~~
40 ~~standards, conditions, or policies.~~

1 (13) “Unit type” means the form of ownership and the kind of
2 residential unit, including, but not limited to, single-family
3 detached, single-family attached, for-sale, rental, multifamily,
4 townhouse, condominium, apartment, manufactured homes and
5 mobilehomes, factory-built housing, and residential hotel.

6 (14) “Proposed by the applicant” means the plans and designs
7 as submitted by the applicant, including, but not limited to, density,
8 unit size, unit type, site plan, building massing, floor area ratio,
9 amenity areas, open space, parking, and ancillary commercial uses.

10 (i) If any city, county, or city and county denies approval or
11 imposes conditions, including design changes, lower density, or
12 a reduction of the percentage of a lot that may be occupied by a
13 building or structure under the applicable planning and zoning in
14 force at the time the housing development project’s application is
15 complete, that have a substantial adverse effect on the viability or
16 affordability of a housing development for very low, low-, or
17 moderate-income households, and the denial of the development
18 or the imposition of conditions on the development is the subject
19 of a court action which challenges the denial or the imposition of
20 conditions, then the burden of proof shall be on the local legislative
21 body to show that its decision is consistent with the findings as
22 described in subdivision (d), and that the findings are supported
23 by a preponderance of the evidence in the record, and with the
24 requirements of subdivision (c).

25 (j) (1) When a proposed housing development project complies
26 with applicable, objective general plan, zoning, and subdivision
27 standards and criteria, including design review standards, in effect
28 at the time that the application was deemed complete, but the local
29 agency proposes to disapprove the project or to impose a condition
30 that the project be developed at a lower density, the local agency
31 shall base its decision regarding the proposed housing development
32 project upon written findings supported by a preponderance of the
33 evidence on the record that both of the following conditions exist:

34 (A) The housing development project would have a specific,
35 adverse impact upon the public health or safety unless the project
36 is disapproved or approved upon the condition that the project be
37 developed at a lower density. As used in this paragraph, a “specific,
38 adverse impact” means a significant, quantifiable, direct, and
39 unavoidable impact, based on objective, identified written public

1 health or safety standards, policies, or conditions as they existed
2 on the date the application was deemed complete.

3 (B) There is no feasible method to satisfactorily mitigate or
4 avoid the adverse impact identified pursuant to paragraph (1), other
5 than the disapproval of the housing development project or the
6 approval of the project upon the condition that it be developed at
7 a lower density.

8 (2) (A) If the local agency considers a proposed housing
9 development project to be inconsistent, not in compliance, or not
10 in conformity with an applicable plan, program, policy, ordinance,
11 standard, requirement, or other similar provision as specified in
12 this subdivision, it shall provide the applicant with written
13 documentation identifying the provision or provisions, and an
14 explanation of the reason or reasons it considers the housing
15 development to be inconsistent, not in compliance, or not in
16 conformity as follows:

17 (i) Within 30 days of the date that the application for the housing
18 development project is determined to be complete, if the housing
19 development project contains 150 or fewer housing units.

20 (ii) Within 60 days of the date that the application for the
21 housing development project is determined to be complete, if the
22 housing development project contains more than 150 units.

23 (B) If the local agency fails to provide the required
24 documentation pursuant to subparagraph (A), the housing
25 development project shall be deemed consistent, compliant, and
26 in conformity with the applicable plan, program, policy, ordinance,
27 standard, requirement, or other similar provision.

28 (3) For purposes of this section, the receipt of a density bonus,
29 incentive, concession, waiver, or reduction of development
30 standards pursuant to Section 65915 shall not constitute a valid
31 basis on which to find a proposed housing development project is
32 inconsistent, not in compliance, or not in conformity, with an
33 applicable plan, program, policy, ordinance, standard, requirement,
34 or other similar provision specified in this subdivision.

35 (4) For purposes of this section, a proposed housing development
36 project is not inconsistent with the applicable zoning standards
37 and criteria, and shall not require a rezoning, if the housing
38 development project is consistent with the objective general plan
39 standards and criteria but the zoning for the project site is
40 inconsistent with the general plan. If the local agency has complied

1 with paragraph (2), the local agency may require the proposed
2 housing development project to comply with the objective
3 standards and criteria of the zoning which is consistent with the
4 general plan, however, the standards and criteria shall be applied
5 to facilitate and accommodate development at the density allowed
6 on the site by the general plan and proposed by the proposed
7 housing development project.

8 (k) (1) (A) (i) The applicant, a person who would be eligible
9 to apply for residency in the housing development project or
10 emergency shelter, or a housing organization may bring an action
11 to enforce this section. If, in any action brought to enforce this
12 section, a court finds that any of the following are met, the court
13 shall issue an order pursuant to clause (ii):

14 (I) The local agency, in violation of subdivision (d), disapproved
15 a housing development project or conditioned its approval in a
16 manner rendering it infeasible for the development of an emergency
17 shelter, or housing for very low, low-, or moderate-income
18 households, including farmworker housing, without making the
19 findings required by this section.

20 (II) The local agency, in violation of subdivision (j), disapproved
21 a housing development project complying with applicable,
22 objective general plan and zoning standards and criteria, or imposed
23 a condition that the project be developed at a lower density, without
24 making the findings required by this section.

25 (III) The local agency, in violation of subdivision (o), required
26 or attempted to require a housing development project to comply
27 with an ordinance, policy, or standard not adopted and in effect
28 when a preliminary application was submitted.

29 (IV) The local agency violated a provision of this section
30 applicable to a builder's remedy project.

31 (ii) If the court finds that one of the conditions in clause (i) is
32 met, the court shall issue an order or judgment compelling
33 compliance with this section within a time period not to exceed
34 60 days, including, but not limited to, an order that the local agency
35 take action on the housing development project or emergency
36 shelter. The court may issue an order or judgment directing the
37 local agency to approve the housing development project or
38 emergency shelter if the court finds that the local agency acted in
39 bad faith when it disapproved or conditionally approved the
40 housing development or emergency shelter in violation of this

1 section. The court shall retain jurisdiction to ensure that its order
2 or judgment is carried out and shall award reasonable attorney's
3 fees and costs of suit to the plaintiff or petitioner, provided,
4 however, that the court shall not award attorney's fees in either of
5 the following instances:

6 (I) The court finds, under extraordinary circumstances, that
7 awarding fees would not further the purposes of this section.

8 (II) (ia) In a case concerning a disapproval within the meaning
9 of subparagraph (I) or (J) of paragraph (6) of subdivision (h), the
10 court finds that the local agency acted in good faith and had
11 reasonable cause to disapprove the housing development project
12 due to the existence of a controlling question of law about the
13 application of the California Environmental Quality Act (Division
14 13 (commencing with Section 21000) of the Public Resources
15 Code) or implementing guidelines as to which there was a
16 substantial ground for difference of opinion at the time of the
17 disapproval.

18 (ib) This subclause shall become inoperative on January 1, 2031.

19 (B) Upon a determination that the local agency has failed to
20 comply with the order or judgment compelling compliance with
21 this section within the time period prescribed by the court, the
22 court shall impose fines on a local agency that has violated this
23 section and require the local agency to deposit any fine levied
24 pursuant to this subdivision into a local housing trust fund. The
25 local agency may elect to instead deposit the fine into the Building
26 Homes and Jobs Trust Fund. The fine shall be in a minimum
27 amount of ten thousand dollars (\$10,000) per housing unit in the
28 housing development project on the date the application was
29 deemed complete pursuant to Section 65943. In determining the
30 amount of the fine to impose, the court shall consider the local
31 agency's progress in attaining its target allocation of the regional
32 housing need pursuant to Section 65584 and any prior violations
33 of this section. Fines shall not be paid out of funds already
34 dedicated to affordable housing, including, but not limited to, Low
35 and Moderate Income Housing Asset Funds, funds dedicated to
36 housing for very low, low-, and moderate-income households, and
37 federal HOME Investment Partnerships Program and Community
38 Development Block Grant Program funds. The local agency shall
39 commit and expend the money in the local housing trust fund
40 within five years for the sole purpose of financing newly

1 constructed housing units affordable to extremely low, very low,
2 or low-income households. After five years, if the funds have not
3 been expended, the money shall revert to the state and be deposited
4 in the Building Homes and Jobs Trust Fund for the sole purpose
5 of financing newly constructed housing units affordable to
6 extremely low, very low, or low-income households.

7 (C) If the court determines that its order or judgment has not
8 been carried out within 60 days, the court may issue further orders
9 as provided by law to ensure that the purposes and policies of this
10 section are fulfilled, including, but not limited to, an order to vacate
11 the decision of the local agency and to approve the housing
12 development project, in which case the application for the housing
13 development project, as proposed by the applicant at the time the
14 local agency took the initial action determined to be in violation
15 of this section, along with any standard conditions determined by
16 the court to be generally imposed by the local agency on similar
17 projects, shall be deemed to be approved unless the applicant
18 consents to a different decision or action by the local agency.

19 (D) Nothing in this section shall limit the court's inherent
20 authority to make any other orders to compel the immediate
21 enforcement of any writ brought under this section, including the
22 imposition of fees and other sanctions set forth under Section 1097
23 of the Code of Civil Procedure.

24 (2) For purposes of this subdivision, "housing organization"
25 means a trade or industry group whose local members are primarily
26 engaged in the construction or management of housing units or a
27 nonprofit organization whose mission includes providing or
28 advocating for increased access to housing for low-income
29 households and have filed written or oral comments with the local
30 agency prior to action on the housing development project. A
31 housing organization may only file an action pursuant to this
32 section to challenge the disapproval of a housing development by
33 a local agency. A housing organization shall be entitled to
34 reasonable attorney's fees and costs if it is the prevailing party in
35 an action to enforce this section.

36 (l) If the court finds that the local agency (1) acted in bad faith
37 when it violated this section and (2) failed to carry out the court's
38 order or judgment within the time period prescribed by the court,
39 the court, in addition to any other remedies provided by this
40 section, shall multiply the fine determined pursuant to subparagraph

1 (B) of paragraph (1) of subdivision (k) by a factor of five. If a court
2 has previously found that the local agency violated this section
3 within the same planning period, the court shall multiply the fines
4 by an additional factor for each previous violation. For purposes
5 of this section, “bad faith” includes, but is not limited to, an action
6 or inaction that is frivolous, pretextual, intended to cause
7 unnecessary delay, or entirely without merit.

8 (m) (1) Any action brought to enforce the provisions of this
9 section shall be brought pursuant to Section 1094.5 of the Code
10 of Civil Procedure, and the local agency shall prepare and certify
11 the record of proceedings in accordance with subdivision (c) of
12 Section 1094.6 of the Code of Civil Procedure no later than 30
13 days after the petition is served, provided that the cost of
14 preparation of the record shall be borne by the local agency, unless
15 the petitioner elects to prepare the record as provided in subdivision
16 (n) of this section. A petition to enforce the provisions of this
17 section shall be filed and served no later than 90 days from the
18 later of (1) the effective date of a decision of the local agency
19 imposing conditions on, disapproving, or any other final action on
20 a housing development project or (2) the expiration of the time
21 periods specified in subparagraph (B) of paragraph (5) of
22 subdivision (h). Upon entry of the trial court’s order, a party may,
23 in order to obtain appellate review of the order, file a petition
24 within 20 days after service upon it of a written notice of the entry
25 of the order, or within such further time not exceeding an additional
26 20 days as the trial court may for good cause allow, or may appeal
27 the judgment or order of the trial court under Section 904.1 of the
28 Code of Civil Procedure. If the local agency appeals the judgment
29 of the trial court, the local agency shall post a bond, in an amount
30 to be determined by the court, to the benefit of the plaintiff if the
31 plaintiff is the project applicant.

32 (2) (A) A disapproval within the meaning of subparagraph (I)
33 of paragraph (6) of subdivision (h) shall be final for purposes of
34 this subdivision, if the local agency did not make a lawful
35 determination within the time period set forth in paragraph (5) of
36 subdivision (a) of Section 65589.5.1 after the applicant’s timely
37 written notice.

38 (B) This paragraph shall become inoperative on January 1, 2031.

39 (3) (A) A disapproval within the meaning of subparagraph (J)
40 of paragraph (6) of subdivision (h) shall be final for purposes of

1 this subdivision, if the local agency did not make a lawful
2 determination within 90 days of the applicant's timely written
3 notice.

4 (B) This paragraph shall become inoperative on January 1, 2031.

5 (n) In any action, the record of the proceedings before the local
6 agency shall be filed as expeditiously as possible and,
7 notwithstanding Section 1094.6 of the Code of Civil Procedure or
8 subdivision (m) of this section, all or part of the record may be
9 prepared (1) by the petitioner with the petition or petitioner's points
10 and authorities, (2) by the respondent with respondent's points and
11 authorities, (3) after payment of costs by the petitioner, or (4) as
12 otherwise directed by the court. If the expense of preparing the
13 record has been borne by the petitioner and the petitioner is the
14 prevailing party, the expense shall be taxable as costs.

15 (o) (1) Subject to paragraphs (2), (6), and (7), and subdivision
16 (d) of Section 65941.1, a housing development project shall be
17 subject only to the ordinances, policies, and standards adopted and
18 in effect when a preliminary application including all of the
19 information required by subdivision (a) of Section 65941.1 was
20 submitted.

21 (2) Paragraph (1) shall not prohibit a housing development
22 project from being subject to ordinances, policies, and standards
23 adopted after the preliminary application was submitted pursuant
24 to Section 65941.1 in the following circumstances:

25 (A) In the case of a fee, charge, or other monetary exaction, to
26 an increase resulting from an automatic annual adjustment based
27 on an independently published cost index that is referenced in the
28 ordinance or resolution establishing the fee or other monetary
29 exaction.

30 (B) A preponderance of the evidence in the record establishes
31 that subjecting the housing development project to an ordinance,
32 policy, or standard beyond those in effect when a preliminary
33 application was submitted is necessary to mitigate or avoid a
34 specific, adverse impact upon the public health or safety, as defined
35 in subparagraph (A) of paragraph (1) of subdivision (j), and there
36 is no feasible alternative method to satisfactorily mitigate or avoid
37 the adverse impact.

38 (C) Subjecting the housing development project to an ordinance,
39 policy, standard, or any other measure, beyond those in effect when
40 a preliminary application was submitted is necessary to avoid or

1 substantially lessen an impact of the project under the California
2 Environmental Quality Act (Division 13 (commencing with Section
3 21000) of the Public Resources Code):

4 ~~(D) The housing development project has not commenced~~
5 ~~construction within two and one-half years, or three and one-half~~
6 ~~years for an affordable housing project, following the date that the~~
7 ~~project received final approval. For purposes of this subparagraph:~~

8 ~~(i) “Affordable housing project” means a housing development~~
9 ~~that satisfies both of the following requirements:~~

10 ~~(I) Units within the development are subject to a recorded~~
11 ~~affordability restriction for at least 55 years for rental housing and~~
12 ~~45 years for owner-occupied housing, or the first purchaser of each~~
13 ~~unit participates in an equity sharing agreement as described in~~
14 ~~subparagraph (C) of paragraph (2) of subdivision (c) of Section~~
15 ~~65915.~~

16 ~~(II) All of the units within the development, excluding managers’~~
17 ~~units, are dedicated to lower income households, as defined by~~
18 ~~Section 50079.5 of the Health and Safety Code.~~

19 ~~(ii) “Final approval” means that the housing development project~~
20 ~~has received all necessary approvals to be eligible to apply for,~~
21 ~~and obtain, a building permit or permits and either of the following~~
22 ~~is met:~~

23 ~~(I) The expiration of all applicable appeal periods, petition~~
24 ~~periods, reconsideration periods, or statute of limitations for~~
25 ~~challenging that final approval without an appeal, petition, request~~
26 ~~for reconsideration, or legal challenge having been filed.~~

27 ~~(II) If a challenge is filed, that challenge is fully resolved or~~
28 ~~settled in favor of the housing development project.~~

29 ~~(E) The housing development project is revised following~~
30 ~~submittal of a preliminary application pursuant to Section 65941.1~~
31 ~~such that the number of residential units or square footage of~~
32 ~~construction changes by 20 percent or more, exclusive of any~~
33 ~~increase resulting from the receipt of a density bonus, incentive,~~
34 ~~concession, waiver, or similar provision, including any other locally~~
35 ~~authorized program that offers additional density or other~~
36 ~~development bonuses when affordable housing is provided. For~~
37 ~~purposes of this subdivision, “square footage of construction”~~
38 ~~means the building area, as defined by the California Building~~
39 ~~Standards Code (Title 24 of the California Code of Regulations):~~

1 ~~(3) This subdivision does not prevent a local agency from~~
2 ~~subjecting the additional units or square footage of construction~~
3 ~~that result from project revisions occurring after a preliminary~~
4 ~~application is submitted pursuant to Section 65941.1 to the~~
5 ~~ordinances, policies, and standards adopted and in effect when the~~
6 ~~preliminary application was submitted.~~

7 ~~(4) For purposes of this subdivision, “ordinances, policies, and~~
8 ~~standards” includes general plan, community plan, specific plan,~~
9 ~~zoning, design review standards and criteria, subdivision standards~~
10 ~~and criteria, and any other rules, regulations, requirements, and~~
11 ~~policies of a local agency, as defined in Section 66000, including~~
12 ~~those relating to development impact fees, capacity or connection~~
13 ~~fees or charges, permit or processing fees, and other exactions.~~

14 ~~(5) This subdivision shall not be construed in a manner that~~
15 ~~would lessen the restrictions imposed on a local agency, or lessen~~
16 ~~the protections afforded to a housing development project, that are~~
17 ~~established by any other law, including any other part of this~~
18 ~~section.~~

19 ~~(6) This subdivision shall not restrict the authority of a public~~
20 ~~agency or local agency to require mitigation measures to lessen~~
21 ~~the impacts of a housing development project under the California~~
22 ~~Environmental Quality Act (Division 13 (commencing with Section~~
23 ~~21000) of the Public Resources Code).~~

24 ~~(7) With respect to completed residential units for which the~~
25 ~~project approval process is complete and a certificate of occupancy~~
26 ~~has been issued, nothing in this subdivision shall limit the~~
27 ~~application of later enacted ordinances, policies, and standards~~
28 ~~that regulate the use and occupancy of those residential units, such~~
29 ~~as ordinances relating to rental housing inspection, rent~~
30 ~~stabilization, restrictions on short-term renting, and business~~
31 ~~licensing requirements for owners of rental housing.~~

32 ~~(p) (1) Upon any motion for an award of attorney’s fees~~
33 ~~pursuant to Section 1021.5 of the Code of Civil Procedure, in a~~
34 ~~case challenging a local agency’s approval of a housing~~
35 ~~development project, a court, in weighing whether a significant~~
36 ~~benefit has been conferred on the general public or a large class~~
37 ~~of persons and whether the necessity of private enforcement makes~~
38 ~~the award appropriate, shall give due weight to the degree to which~~
39 ~~the local agency’s approval furthers policies of this section,~~
40 ~~including, but not limited to, subdivisions (a), (b), and (c), the~~

1 suitability of the site for a housing development, and the
2 reasonableness of the decision of the local agency. It is the intent
3 of the Legislature that attorney's fees and costs shall rarely, if ever,
4 be awarded if a local agency, acting in good faith, approved a
5 housing development project that satisfies conditions established
6 in paragraph (1), (2), or (3) of subdivision (a) of Section 65589.5.1
7 or paragraph (1), (2), or (3) of subdivision (a) of Section 65589.5.2.

8 ~~(2) This subdivision shall become inoperative on January 1,
9 2031.~~

10 ~~(q) This section shall be known, and may be cited, as the
11 Housing Accountability Act.~~

12 ~~(r) The provisions of this section are severable. If any provision
13 of this section or its application is held invalid, that invalidity shall
14 not affect other provisions or applications that can be given effect
15 without the invalid provision or application.~~

16 ~~SEC. 4.~~

17 ~~SEC. 3. Section 65863.10 of the Government Code is amended
18 to read:~~

19 ~~65863.10. (a) As used in this section, the following terms have
20 the following meanings:~~

21 ~~(1) "Affected public entities" means the mayor of the city in
22 which the assisted housing development is located, or, if located
23 in an unincorporated area, the chair of the board of supervisors of
24 the county; the appropriate local public housing authority, if any;
25 and the Department of Housing and Community Development.~~

26 ~~(2) "Affected tenant" means a tenant household residing in an
27 assisted housing development, as defined in paragraph (3), at the
28 time notice is required to be provided pursuant to this section, that
29 benefits from the governmental assistance.~~

30 ~~(3) "Assisted housing development" means a multifamily rental
31 housing development of five or more units that receives
32 governmental assistance under any of the following programs:~~

33 ~~(A) New construction, substantial rehabilitation, moderate
34 rehabilitation, property disposition, and loan management set-aside
35 programs, or any other program providing project-based assistance,
36 under Section 8 of the United States Housing Act of 1937, as
37 amended (42 U.S.C. Sec. 1437f).~~

38 ~~(B) The following federal programs:~~

- 1 (i) The Below-Market-Interest-Rate Program under Section
2 221(d)(3) of the National Housing Act (12 U.S.C. Sec. 1715l(d)(3)
3 and (5)).
- 4 (ii) Section 236 of the National Housing Act (12 U.S.C. Sec.
5 1715z-1).
- 6 (iii) Section 202 of the Housing Act of 1959 (12 U.S.C. Sec.
7 1701q).
- 8 (iv) Section 811 of the Cranston-Gonzalez National Affordable
9 Housing Act (42 U.S.C. Sec. 8013).
- 10 (C) Programs for rent supplement assistance under Section 101
11 of the Housing and Urban Development Act of 1965, as amended
12 (12 U.S.C. Sec. 1701s).
- 13 (D) Programs under Sections 514, 515, 516, 521, 533, and 538
14 of the Housing Act of 1949, as amended (42 U.S.C. Sec. 1485).
- 15 (E) Section 42 of the Internal Revenue Code.
- 16 (F) Section 142(d) of the Internal Revenue Code or its
17 predecessors (tax-exempt private activity mortgage revenue bonds).
- 18 (G) Section 147 of the Internal Revenue Code (Section 501(c)(3)
19 bonds).
- 20 (H) Title I of the Housing and Community Development Act
21 of 1974, as amended (Community Development Block Grant
22 Program).
- 23 (I) Title II of the Cranston-Gonzalez National Affordable
24 Housing Act of 1990, as amended (HOME Investment Partnership
25 Program).
- 26 (J) Titles IV and V of the McKinney-Vento Homeless Assistance
27 Act of 1987, as amended, including the Department of Housing
28 and Urban Development's Supportive Housing Program, Shelter
29 Plus Care Program, and surplus federal property disposition
30 program.
- 31 (K) Grants and loans made by the Department of Housing and
32 Community Development, including the Rental Housing
33 Construction Program, CHRP-R, and other rental housing finance
34 programs.
- 35 (L) Grants and loans made by the California Housing Finance
36 Agency for rental housing.
- 37 (M) Chapter 1138 of the Statutes of 1987.
- 38 (N) The following assistance provided by counties or cities in
39 exchange for restrictions on the maximum rents that may be
40 charged for units within a multifamily rental housing development

1 and on the maximum tenant income as a condition of eligibility
2 for occupancy of the unit subject to the rent restriction, as reflected
3 by a recorded agreement, or other legally enforceable agreement,
4 with a county or city:

5 (i) Loans or grants provided using tax increment financing
6 pursuant to the Community Redevelopment Law (Part 1
7 (commencing with Section 33000) of Division 24 of the Health
8 and Safety Code).

9 (ii) Local housing trust funds, as referred to in paragraph (3) of
10 subdivision (a) of Section 50843 of the Health and Safety Code.

11 (iii) The sale or lease of public property at or below market
12 rates.

13 (iv) The granting of density bonuses, or concessions or
14 incentives, including fee waivers, parking variances, or
15 amendments to general plans, zoning, or redevelopment project
16 area plans, pursuant to Chapter 4.3 (commencing with Section
17 65915).

18 (v) The Middle Class Housing Act of 2022 (Section 65852.24).

19 (vi) Streamlining assistance pursuant to the Affordable Housing
20 and High Road Jobs Act of 2022 (Chapter 4.1 (commencing with
21 Section 65912.100)).

22 (vii) Section 65913.4.

23 (viii) The Affordable Housing on Faith and Higher Education
24 Lands Act of 2023 (Section 65913.16).

25 Assistance pursuant to this subparagraph shall not include the
26 use of tenant-based Housing Choice Vouchers (Section 8(o) of the
27 United States Housing Act of 1937, 42 U.S.C. Sec. 1437f(o),
28 excluding paragraph (13) relating to project-based assistance).
29 Restrictions shall not include any rent control or rent stabilization
30 ordinance imposed by a county, city, or city and county.

31 (4) “City” means a general law city, a charter city, or a city and
32 county.

33 (5) “Expiration of rental restrictions” means the expiration of
34 rental restrictions for an assisted housing development described
35 in paragraph (3) unless the development has other recorded
36 agreements restricting the rent to the same or lesser levels for at
37 least 50 percent of the units or the same number of units under the
38 rent restrictions prior to the expiration, whichever is greater.

39 (6) “Low or moderate income” means having an income as
40 defined in Section 50093 of the Health and Safety Code.

1 (7) “Owner” means an individual, corporation, association,
2 partnership, joint venture, or business entity that holds title to the
3 land on which an assisted housing development is located. If the
4 assisted housing development is the subject of a leasehold interest,
5 “owner” also means an individual, corporation, association,
6 partnership, joint venture, or business entity that holds a leasehold
7 interest in the assisted housing development, and the owner holding
8 title to the land and the owner with a leasehold interest in the
9 assisted housing development shall be jointly responsible for
10 compliance.

11 (8) “Prepayment” means the payment in full or refinancing of
12 the federally insured or federally held mortgage indebtedness prior
13 to its original maturity date, or the voluntary cancellation of
14 mortgage insurance, on an assisted housing development described
15 in paragraph (3) that would have the effect of removing the current
16 rent or occupancy or rent and occupancy restrictions contained in
17 the applicable laws and the regulatory agreement.

18 (9) “Termination” means the failure of an owner to extend or
19 renew its participation in a federal, state, or local government
20 subsidy program or private, nongovernmental subsidy program
21 for an assisted housing development described in paragraph (3),
22 either at or prior to the scheduled date of the expiration of the
23 contract, that may result in an increase in tenant rents or a change
24 in the form of the subsidy from project-based to tenant-based.

25 (b) (1) At least 12 months prior to the anticipated date of the
26 termination of a subsidy contract, the expiration of rental
27 restrictions, or prepayment on an assisted housing development,
28 the owner shall provide a notice of the proposed change to each
29 affected tenant household residing in the assisted housing
30 development at the time the notice is provided and to the affected
31 public entities. An owner who meets the requirements of Section
32 65863.13 shall be exempt from providing that notice. The notice
33 shall contain all of the following:

34 (A) In the event of termination, a statement that the owner
35 intends to terminate the subsidy contract or rental restrictions upon
36 its expiration date, or the expiration date of any contract extension
37 thereto.

38 (B) In the event of the expiration of rental restrictions, a
39 statement that the restrictions will expire, and in the event of
40 prepayment, termination, or the expiration of rental restrictions,

1 whether the owner might increase rents during the 12 months
2 following prepayment, termination, or the expiration of rental
3 restrictions.

4 (C) In the event of prepayment, a statement that the owner
5 intends to pay in full or refinance the federally insured or federally
6 held mortgage indebtedness prior to its original maturity date, or
7 voluntarily cancel the mortgage insurance.

8 (D) The anticipated date of the termination, prepayment of the
9 federal or other program or expiration of rental restrictions, and
10 the identity of the federal or other program described in subdivision
11 (a).

12 (E) A statement that the proposed change would have the effect
13 of removing the current low-income affordability restrictions in
14 the applicable contract or regulatory agreement.

15 (F) A statement whether or not the applicable program allows
16 the owner to elect to keep the housing in the program after the
17 proposed termination or prepayment date and, if so, a statement
18 as to whether the owner expects to elect to keep the housing in the
19 program after such date if allowed.

20 (G) A statement whether other governmental assistance will be
21 provided to tenants residing in the development at the time of the
22 termination of the subsidy contract or prepayment.

23 (H) A statement that a subsequent notice of the proposed change,
24 including anticipated changes in rents, if any, for the development,
25 will be provided at least six months prior to the anticipated date
26 of termination of the subsidy contract, or expiration of rental
27 restrictions, or prepayment.

28 (I) A statement that the notice of opportunity to submit an offer
29 to purchase has been sent to qualified entities, is attached to or
30 included in the notice, and is posted in the common area of the
31 development, as required in Section 65863.11.

32 (2) Notwithstanding paragraph (1), if an owner provides a copy
33 of a federally required notice of termination of a subsidy contract
34 or prepayment at least 12 months prior to the proposed change to
35 each affected tenant household residing in the assisted housing
36 development at the time the notice is provided and to the affected
37 public entities, the owner shall be deemed in compliance with this
38 subdivision, if the notice is in compliance with all federal laws.
39 However, the federally required notice does not satisfy the
40 requirements of Section 65863.11.

1 (c) (1) At least six months prior to the anticipated date of
2 termination of a subsidy contract, expiration of rental restrictions
3 or prepayment on an assisted housing development, the owner
4 shall provide a notice of the proposed change to each affected
5 tenant household residing in the assisted housing development at
6 the time the notice is provided and to the affected public entities.
7 An owner who meets the requirements of Section 65863.13 shall
8 be exempt from providing that notice.

9 (2) The notice to the tenants shall contain all of the following:
10 (A) The anticipated date of the termination or prepayment of
11 the federal or other program, or the expiration of rental restrictions,
12 and the identity of the federal or other program, as described in
13 subdivision (a).

14 (B) The current rent and rent anticipated for the unit during the
15 12 months immediately following the date of the prepayment or
16 termination of the federal or other program, or expiration of rental
17 restrictions.

18 (C) A statement that a copy of the notice will be sent to the city,
19 county, or city and county, where the assisted housing development
20 is located, to the appropriate local public housing authority, if any,
21 and to the Department of Housing and Community Development.

22 (D) A statement of the possibility that the housing may remain
23 in the federal or other program after the proposed date of subsidy
24 termination or prepayment if the owner elects to do so under the
25 terms of the federal government's or other program administrator's
26 offer or that a rent increase may not take place due to the expiration
27 of rental restrictions.

28 (E) A statement of the owner's intention to participate in any
29 current replacement subsidy program made available to the affected
30 tenants.

31 (F) A statement that the owner shall accept all enhanced Section
32 8 vouchers if the tenants receive them.

33 (G) The name and telephone number of the city, county, or city
34 and county, the appropriate local public housing authority, if any,
35 the Department of Housing and Community Development, and a
36 legal services organization, that can be contacted to request
37 additional written information about an owner's responsibilities
38 and the rights and options of an affected tenant.

39 (3) In addition to the information provided in the notice to the
40 affected tenant, the notice to the affected public entities shall

1 contain information regarding the number of affected tenants in
2 the project, the number of units that are government assisted and
3 the type of assistance, the number of the units that are not
4 government assisted, the number of bedrooms in each unit that is
5 government assisted, and the ages and income of the affected
6 tenants. The notice shall briefly describe the owner’s plans for the
7 project, including any timetables or deadlines for actions to be
8 taken and specific governmental approvals that are required to be
9 obtained, the reason the owner seeks to terminate the subsidy
10 contract or prepay the mortgage, and any contacts the owner has
11 made or is making with other governmental agencies or other
12 interested parties in connection with the notice. The owner shall
13 also attach a copy of any federally required notice of the
14 termination of the subsidy contract or prepayment that was
15 provided at least six months prior to the proposed change. The
16 information contained in the notice shall be based on data that is
17 reasonably available from existing written tenant and project
18 records.

19 (d) The owner proposing the termination or prepayment of
20 governmental assistance or the owner of an assisted housing
21 development in which there will be the expiration of rental
22 restrictions shall provide additional notice of any significant
23 changes to the notice required by subdivision (c) within seven
24 business days to each affected tenant household residing in the
25 assisted housing development at the time the notice is provided
26 and to the affected public entities. “Significant changes” shall
27 include, but not be limited to, any changes to the date of
28 termination or prepayment, or expiration of rental restrictions or
29 the anticipated new rent.

30 (e) (1) An owner who is subject to the requirements of this
31 section shall also provide a copy of any notices issued to existing
32 tenants pursuant to subdivision (b), (c), or (d), or paragraph (2) of
33 this subdivision, to any prospective tenant at the time the
34 prospective tenant is interviewed for eligibility.

35 (2) The owner of an assisted housing development that is three
36 years from a scheduled expiration of rental restrictions or a
37 scheduled termination of a subsidy contract shall also provide
38 notice of the scheduled expiration of rental restrictions or a
39 scheduled termination of a subsidy contract to existing tenants by
40 posting the notice in an accessible location of the property. The

1 notice shall remain posted until the expiration of rental restrictions
2 or the termination of a subsidy contract has occurred. This notice
3 shall also be provided to affected public entities. This paragraph
4 is applicable only to owners of assisted housing developments
5 where the rental restrictions are scheduled to expire after January
6 1, 2021.

7 (f) This section shall not require the owner to obtain or acquire
8 additional information that is not contained in the existing tenant
9 and project records, or to update any information in the owner's
10 records. The owner shall not be held liable for any inaccuracies
11 contained in these records or from other sources, nor shall the
12 owner be liable to any party for providing this information.

13 (g) (1) For purposes of this section, service of the notice to the
14 affected tenants shall be made by first-class mail postage prepaid.

15 (2) For purposes of this section, service of notice to the city,
16 county, city and county, appropriate local public housing authority,
17 if any, and the Department of Housing and Community
18 Development shall be made by either first-class mail postage
19 prepaid or electronically to any public entity that has provided an
20 email address for that purpose.

21 (h) Nothing in this section shall enlarge or diminish the
22 authority, if any, that a city, county, city and county, affected
23 tenant, or owner may have, independent of this section.

24 (i) If, prior to January 1, 2001, the owner has already accepted
25 a bona fide offer from a qualified entity, as defined in subdivision
26 (c) of Section 65863.11, and has complied with this section as it
27 existed prior to January 1, 2001, at the time the owner decides to
28 sell or otherwise dispose of the development, the owner shall be
29 deemed in compliance with this section.

30 (j) Injunctive relief shall be available to any party identified in
31 paragraph (1) or (2) of subdivision (a) who is aggrieved by a
32 violation of this section, including, but not limited to, a group of
33 affected tenants that meets the requirements of a legitimate tenant
34 organization, as defined in federal regulations, or a tenant
35 association, as defined in paragraph (4) of subdivision (a) of
36 Section 65863.11. Injunctive relief pursuant to this subdivision
37 may include, but is not limited to, reimposition of the prior
38 restrictions until any required notice is provided and the required
39 period has elapsed, and restitution of any rent increases collected
40 without compliance with this section. In a judicial action brought

1 pursuant to this subdivision, the court may award attorney’s fees
2 and costs to a prevailing plaintiff.

3 (k) The Director of Housing and Community Development shall
4 approve forms to be used by owners to comply with subdivisions
5 (b), (c), and (e). Once the director has approved the forms, an
6 owner shall use the approved forms to comply with subdivisions
7 (b), (c), and (e).

8 ~~SEC. 5.~~

9 *SEC. 4.* Section 65863.11 of the Government Code is amended
10 to read:

11 65863.11. (a) Terms used in this section shall be defined as
12 follows:

13 (1) “Assisted housing development” and “development” shall
14 have the same meaning as in paragraph (3) of subdivision (a) of
15 Section 65863.10.

16 (2) “Owner” shall have the same meaning as in paragraph (7)
17 of subdivision (a) of Section 65863.10.

18 (3) “Tenant” means a tenant, subtenant, lessee, sublessee, or
19 other person legally in possession or occupying the assisted housing
20 development.

21 (4) “Tenant association” means a group of tenants who have
22 formed a nonprofit corporation, cooperative corporation, or other
23 entity or organization, or a local nonprofit, regional, or national
24 organization whose purpose includes the acquisition of an assisted
25 housing development and that represents the interest of at least a
26 majority of the tenants in the assisted housing development.

27 (5) “Low or moderate income” means having an income as
28 defined in Section 50093 of the Health and Safety Code.

29 (6) “Very low income” means having an income as defined in
30 Section 50105 of the Health and Safety Code.

31 (7) “Local nonprofit organizations” means not-for-profit
32 corporations organized pursuant to Division 2 (commencing with
33 Section 5000) of Title 1 of the Corporations Code that have as
34 their principal purpose the ownership, development, or
35 management of housing or community development projects for
36 persons and families of low or moderate income and very low
37 income, and which have a broadly representative board, a majority
38 of whose members are community based and have a proven track
39 record of local community service.

1 (8) “Local public agencies” means housing authorities,
2 redevelopment agencies, or any other agency of a city, county, or
3 city and county, whether general law or chartered, which are
4 authorized to own, develop, or manage housing or community
5 development projects for persons and families of low or moderate
6 income and very low income.

7 (9) “Regional or national organizations” means not-for-profit,
8 charitable corporations organized on a multicounty, state, or
9 multistate basis that have as their principal purpose the ownership,
10 development, or management of housing or community
11 development projects for persons and families of low or moderate
12 income and very low income and own and operate at least three
13 comparable rent- and income-restricted affordable rental properties
14 governed under a regulatory agreement with a department or
15 agency of the State of California or the United States, either directly
16 or by serving as the managing general partner of limited
17 partnerships or managing member of limited liability corporations.

18 (10) “Regional or national public agencies” means multicounty,
19 state, or multistate agencies that are authorized to own, develop,
20 or manage housing or community development projects for persons
21 and families of low or moderate income and very low income and
22 own and operate at least three comparable rent- and
23 income-restricted affordable rental properties governed under a
24 regulatory agreement with a department or agency of the State of
25 California or the United States, either directly or by serving as the
26 managing general partner of limited partnerships or managing
27 member of limited liability corporations.

28 (11) “Use restriction” means any federal, state, or local statute,
29 regulation, ordinance, or contract that, as a condition of receipt of
30 any housing assistance, including a rental subsidy, mortgage
31 subsidy, or mortgage insurance, to an assisted housing
32 development, establishes maximum limitations on tenant income
33 as a condition of eligibility for occupancy of the units within a
34 development, imposes any restrictions on the maximum rents that
35 could be charged for any of the units within a development; or
36 requires that rents for any of the units within a development be
37 reviewed by any governmental body or agency before the rents
38 are implemented.

39 (12) “Profit-motivated housing organizations and individuals”
40 means individuals or two or more persons organized pursuant to

1 Division 1 (commencing with Section 100) of Title 1 of, Division
2 3 (commencing with Section 1200) of Title 1 of, or Chapter 5
3 (commencing with Section 16100) of Title 2 of, the Corporations
4 Code, that carry on as a business for profit and own and operate
5 at least three comparable rent- and income-restricted affordable
6 rental properties governed under a regulatory agreement with a
7 department or agency of the State of California or the United States,
8 either directly or by serving as the managing general partner of
9 limited partnerships or managing member of limited liability
10 corporations.

11 (13) “Department” means the Department of Housing and
12 Community Development.

13 (14) “Offer to purchase” means an offer from a qualified or
14 nonqualified entity that is nonbinding on the owner.

15 (15) “Expiration of rental restrictions” has the meaning given
16 in paragraph (5) of subdivision (a) of Section 65863.10.

17 (16) “Qualified entity” means an entity that meets the
18 requirements of subdivisions (d) and (e).

19 (b) An owner of an assisted housing development shall not
20 terminate a subsidy contract or prepay the mortgage pursuant to
21 Section 65863.10, unless the owner or its agent shall first have
22 provided each of the entities listed in subdivision (d) an opportunity
23 to submit an offer to purchase the development, in compliance
24 with subdivisions (g) and (h). An owner of an assisted housing
25 development in which there will be the expiration of rental
26 restrictions shall also provide each of the entities listed in
27 subdivision (d) an opportunity to submit an offer to purchase the
28 development, in compliance with subdivisions (g) and (h). An
29 owner who meets the requirements of Section 65863.13 shall be
30 exempt from this requirement.

31 (c) An owner of an assisted housing development shall not sell,
32 or otherwise dispose of, the development at any time within the
33 five years before the expiration of rental restrictions or at any time
34 if the owner is eligible for prepayment or termination within five
35 years unless the owner or its agent shall first have provided each
36 of the entities listed in subdivision (d) an opportunity to submit
37 an offer to purchase the development, in compliance with this
38 section. An owner who meets the requirements of Section 65863.13
39 shall be exempt from this requirement.

1 (d) The entities to whom an opportunity to purchase shall be
2 provided include only the following:
3 (1) The tenant association of the development.
4 (2) Local nonprofit organizations and public agencies.
5 (3) Regional or national nonprofit organizations and regional
6 or national public agencies.
7 (4) Profit-motivated housing organizations or individuals.
8 (e) For the purposes of this section, to qualify as a purchaser of
9 an assisted housing development, an entity listed in subdivision
10 (d) shall do all of the following:
11 (1) Be certified by the department, based on demonstrated
12 relevant prior experience in California and current capacity, as
13 capable of operating the housing and related facilities for its
14 remaining useful life, either by itself or through a management
15 agent. The department shall establish a process for certifying an
16 entity meeting the requirements of subdivision (d) and maintain a
17 list of entities that are certified, which list shall be updated at least
18 annually.
19 (2) Agree to obligate itself and any successors in interest to
20 maintain the affordability of the assisted housing development for
21 households of very low, low, or moderate income for either a
22 30-year period from the date that the purchaser took legal
23 possession of the housing or the remaining term of the existing
24 federal governmental assistance specified in subdivision (a) of
25 Section 65863.10, whichever is greater. The development shall be
26 continuously occupied in the approximate percentages that those
27 households who have occupied that development on the date the
28 owner gave notice of intent or the approximate percentages
29 specified in existing use restrictions, whichever is higher. This
30 obligation shall be recorded before the close of escrow in the office
31 of the county recorder of the county in which the development is
32 located and shall contain a legal description of the property,
33 indexed to the name of the owner as grantor. An owner that
34 obligates itself to an enforceable regulatory agreement that will
35 ensure for a period of not less than 30 years that rents for units
36 occupied by low- and very low income households or that are
37 vacant at the time of executing a purchase agreement will conform
38 with restrictions imposed by Section 42(f) of the Internal Revenue
39 Code shall be deemed in compliance with this paragraph. In
40 addition, the regulatory agreement shall contain provisions

1 requiring the renewal of rental subsidies, should they be available,
2 provided that assistance is at a level to maintain the project's fiscal
3 viability.

4 (3) Local nonprofit organizations and public agencies shall have
5 no member among their officers or directorate with a financial
6 interest in assisted housing developments that have terminated a
7 subsidy contract or prepaid a mortgage on the development without
8 continuing the low-income restrictions.

9 (f) If an assisted housing development is not economically
10 feasible, as determined by all entities with regulatory agreements
11 and deed-restrictions on the development, a purchaser shall be
12 entitled to remove one or more units from the rent and occupancy
13 requirements as is necessary for the development to become
14 economically feasible, provided that once the development is again
15 economically feasible, the purchaser shall designate the next
16 available units as low-income units up to the original number of
17 those units.

18 (g) If an owner decides to terminate a subsidy contract, or prepay
19 the mortgage pursuant to Section 65863.10, or sell or otherwise
20 dispose of the assisted housing development pursuant to
21 subdivision (b) or (c), or if the owner has an assisted housing
22 development in which there will be the expiration of rental
23 restrictions, the owner shall first give notice of the opportunity to
24 offer to purchase to each qualified entity on the list provided to
25 the owner by the department, in accordance with subdivision (p),
26 as well as to those qualified entities that directly contact the owner.
27 The notice of the opportunity to offer to purchase must be given
28 before or concurrently with the notice required pursuant to
29 subdivision (b) of Section 65863.10 for a period of at least 12
30 months. The owner shall contact the department to obtain the list
31 of qualified entities. The notice shall conform to the requirements
32 of subdivision (h) and shall be sent to the entities by registered or
33 certified mail, return receipt requested. The owner shall also post
34 a copy of the notice in a conspicuous place in the common area of
35 the development.

36 (h) The initial notice of a bona fide opportunity to submit an
37 offer to purchase shall contain all of the following:

38 (1) A statement addressing both of the following:

39 (A) Whether the owner intends to maintain the current number
40 of affordable units and level of affordability.

1 (B) Whether the owner has executed a contract or agreement
2 of at least five years' duration with a public entity to continue or
3 replace subsidies to the property and to maintain an equal or greater
4 number of units at an equal or deeper level of affordability and, if
5 so, the length of the contract or agreement.

6 (2) A statement that each of the type of entities listed in
7 subdivision (d), or any combination of them, has the right to submit
8 a bona fide offer to purchase the development under this section.

9 (3) (A) Except as provided in subparagraph (B), a statement
10 that the owner will make available to each of the types of entities
11 listed in subdivision (d), within 15 business days of receiving a
12 request therefor, that includes all of the following:

13 (i) Itemized lists of monthly operating expenses for the property.

14 (ii) Capital improvements, as determined by the owner, made
15 within each of the two preceding calendar years at the property.

16 (iii) The amount of project property reserves.

17 (iv) Copies of the two most recent financial and physical
18 inspection reports on the property, if any, filed with a federal, state,
19 or local agency.

20 (v) The most recent rent roll for the property listing the rent
21 paid for each unit and the subsidy, if any, paid by a governmental
22 agency as of the date the notice of offer to purchase was made
23 pursuant to subdivision (g).

24 (vi) A statement of the vacancy rate at the property for each of
25 the two preceding calendar years.

26 (vii) The terms of assumable financing, if any, the terms of the
27 subsidy contract, if any, and proposed improvements to the
28 property to be made by the owner in connection with the sale, if
29 any.

30 (B) Subparagraph (A) shall not apply if 25 percent or less of
31 the units on the property are subject to affordability restrictions or
32 a rent or mortgage subsidy contract.

33 (C) A corporation authorized pursuant to Section 52550 of the
34 Health and Safety Code or a public entity may share information
35 obtained pursuant to subparagraph (A) with other prospective
36 purchasers, and shall not be required to sign a confidentiality
37 agreement as a condition of receiving or sharing this information,
38 provided that the information is used for the purpose of attempting
39 to preserve the affordability of the property.

1 (4) A statement that the owner has satisfied all notice
2 requirements pursuant to subdivision (b) of Section 65863.10,
3 unless the notice of opportunity to submit an offer to purchase is
4 delivered more than 12 months before the anticipated date of
5 termination, prepayment, or expiration of rental restrictions.

6 (i) If a qualified entity elects to purchase an assisted housing
7 development, it shall make a bona fide offer to purchase the
8 development at the market value determined pursuant to
9 subdivision (k), subject to the requirements of this subdivision. A
10 qualified entity's bona fide offer to purchase shall be submitted
11 within 270 days of the owner's notice of the opportunity to submit
12 an offer pursuant to subdivision (g), identify whether it is a tenant
13 association, nonprofit organization, public agency, or
14 profit-motivated organizations or individuals, and certify, under
15 penalty of perjury, that it is qualified pursuant to subdivision (e).
16 If an owner has received a bona fide offer from one or more
17 qualified entities within the first 270 days from the date of an
18 owner's bona fide notice of the opportunity to submit an offer to
19 purchase, the owner shall notify the department of all such offers
20 within 90 days and either (1) accept a bona fide offer from a
21 qualified entity to purchase and execute a purchase agreement, or
22 (2) record a new regulatory agreement with a term of at least 30
23 years that, at a minimum, meets the criteria of subdivision (a) of
24 Section 65863.13. Once a bona fide offer is made, the owner shall
25 take all steps reasonably required to renew any expiring housing
26 assistance contract, or extend any available subsidies or use
27 restrictions, if feasible, before the effective date of any expiration
28 or termination.

29 (j) The market value of the property shall be determined by
30 negotiation and agreement between the parties. If the parties fail
31 to reach an agreement regarding the market value, the market value
32 shall be determined by an appraisal process initiated by the owner's
33 receipt of the bona fide offer, which shall specifically reference
34 the appraisal process provided by this subdivision as the means
35 for determining the final purchase price. Either the owner or the
36 qualified entity, or both, may request that the fair market value of
37 the property's highest and best use, based on current zoning, be
38 determined by an independent appraiser qualified to perform
39 multifamily housing appraisals, who shall be selected and paid by
40 the requesting party. All appraisers shall possess qualifications

1 equivalent to those required by the members of the Appraisal
2 Institute and shall be certified by the department as having
3 sufficient experience in appraising comparable rental properties
4 in California. If the appraisals differ by less than 5 percent, the
5 market value and sales price shall be set at the higher appraised
6 value. If the appraisals differ by more than 5 percent, the parties
7 may elect to have the appraisers negotiate a mutually agreeable
8 market value and sales price, or to jointly select a third appraiser,
9 whose determination of market value and the sales price shall be
10 binding.

11 (k) If an owner does not receive a bona fide offer from one or
12 more qualified entities within the 270 days specified in subdivision
13 (i), or if after the 270 days specified in subdivision (i) all bona fide
14 offers are withdrawn, the owner may do any of the following:

- 15 (1) Sell the property to any buyer.
- 16 (2) Extend the affordability restrictions for any period of time.
- 17 (3) Maintain ownership of the property and allow the expiration,
18 termination, or prepayment to occur at the end of the notice periods
19 specified in Section 65863.10.

20 (l) This section does not apply to any of the following: a
21 government taking by eminent domain or negotiated purchase; a
22 forced sale pursuant to a foreclosure; a transfer by gift, devise, or
23 operation of law; a sale to a person who would be included within
24 the table of descent and distribution if there were to be a death
25 intestate of an owner; or an owner who certifies, under penalty of
26 perjury, the existence of a financial emergency during the period
27 covered by the offer to purchase requiring immediate access to the
28 proceeds of the sale of the development. The certification shall be
29 made pursuant to subdivision (q).

30 (m) Prior to the close of escrow, an owner selling, leasing, or
31 otherwise disposing of a development to a purchaser who does not
32 qualify under subdivision (e) shall certify under penalty of perjury
33 that the owner has complied with all provisions of this section and
34 Section 65863.10. This certification shall be recorded and shall
35 contain a legal description of the property, shall be indexed to the
36 name of the owner as grantor, and may be relied upon by good
37 faith purchasers and encumbrances for value and without notice
38 of a failure to comply with the provisions of this section.

39 A person or entity acting solely in the capacity of an escrow
40 agent for the transfer of real property subject to this section shall

1 not be liable for any failure to comply with this section unless the
2 escrow agent either had actual knowledge of the requirements of
3 this section or acted contrary to written escrow instructions
4 concerning the provisions of this section.

5 (n) The department shall undertake the following responsibilities
6 and duties:

7 (1) Maintain a form containing a summary of rights and
8 obligations under this section and make that information available
9 to owners of assisted housing developments as well as to tenant
10 associations, local nonprofit organizations, regional or national
11 nonprofit organizations, public agencies, and other entities with
12 an interest in preserving the state's subsidized housing.

13 (2) Compile, maintain, and update a list of entities in subdivision
14 (d) that have either contacted the department with an expressed
15 interest in purchasing a development in the subject area or have
16 been identified by the department as potentially having an interest
17 in participating in a right-of-first-refusal program. The department
18 shall publicize the existence of the list statewide. Upon receipt of
19 a notice of intent under Section 65863.10, the department shall
20 make the list available to the owner proposing the termination,
21 prepayment, or removal of governmental assistance or to the owner
22 of an assisted housing development in which there will be the
23 expiration of rental restrictions. If the department does not make
24 the list available at any time, the owner shall only be required to
25 send a written copy of the opportunity to submit an offer to
26 purchase notice to the qualified entities which directly contact the
27 owner and to post a copy of the notice in the common area pursuant
28 to subdivision (g).

29 (3) (A) Monitor compliance with this section and Sections
30 65863.10 and 65863.13 by owners of assisted housing
31 developments and, notwithstanding Section 10231.5, provide a
32 report to the Legislature, which may be combined with the report
33 submitted pursuant to Section 50408 of the Health and Safety
34 Code, on or before December 31 of each year, containing
35 information for the previous fiscal year, except that the report due
36 December 31, 2022, shall include information for the 18 months
37 from January 1, 2021, to June 30, 2022, inclusive, that includes,
38 but is not limited to, the following:

39 (i) The number of properties and rental units subject to this
40 section and Sections 65863.10 and 65863.13.

- 1 (ii) The number of properties and units that did any of the
- 2 following:
- 3 (I) Complied with the requirements of this section and Sections
- 4 65863.10 and 65863.13.
- 5 (II) Failed to comply with the requirements of this section and
- 6 Sections 65863.10 and 65863.13.
- 7 (III) Were offered for sale and therefore subject to the purchase
- 8 right provisions of this section.
- 9 (IV) Were offered for sale and complied with the purchase right
- 10 provisions of this section and the outcomes of the purchase right
- 11 actions, including whether the property changed hands, to whom,
- 12 and with what impact on affordability protections.
- 13 (V) Were offered for sale and failed to comply with the purchase
- 14 right provisions of this section, the reason for their failure to
- 15 comply, and the impact of their failure to comply on the
- 16 affordability protections and the tenants who were residing in the
- 17 property at the time of the failure.
- 18 (VI) Claimed exemptions from the obligations of this section
- 19 pursuant to Section 65863.13 by category of reason for exemption.
- 20 (VII) Claimed exemptions from the obligations of this section
- 21 and lost affordability protections and the impact on the tenants of
- 22 the loss of the affordability protections.
- 23 (VIII) Were not offered for sale and complied with the
- 24 requirement to properly execute and record a declaration.
- 25 (IX) Were not for sale and failed to comply with the requirement
- 26 to properly execute and record a declaration.
- 27 (B) To facilitate the department’s compliance monitoring,
- 28 owners of assisted housing developments in which at least 5 percent
- 29 of the units on the property are subject to affordability restrictions
- 30 or a rent or mortgage subsidy contract shall certify compliance
- 31 with this section and Sections 65863.10 and 65863.13 to the
- 32 department annually, under penalty of perjury, in a form as required
- 33 by the department.
- 34 (C) The department may request information, in a form
- 35 prescribed by the department, from counties and cities that provide
- 36 assistance to owners of projects as described in subparagraph (N)
- 37 of paragraph (3) of subdivision (a) of Section 65863.10.
- 38 (D) The report required to be submitted pursuant to this
- 39 paragraph shall be submitted in compliance with Section 9795.

1 (4) Refer violations of this section and Sections 65863.10 and
2 65863.13 to the Attorney General for appropriate enforcement
3 action.

4 (o) (1) The provisions of this section may be enforced either
5 in law or in equity by any affected tenant, as defined in paragraph
6 (2) of subdivision (a) of Section 65863.10, any qualified entity
7 entitled to exercise the opportunity to purchase and right of first
8 refusal under this section, a group of affected tenants that meets
9 the requirements of a legitimate tenant organization, as defined in
10 federal regulations, a tenant association, as defined in paragraph
11 (4) of subdivision (a) of Section 65863.11, or any affected public
12 entity that has been adversely affected by an owner's failure to
13 comply with this section. In any judicial action brought pursuant
14 to this subdivision, the court may waive any bond requirement and
15 may award attorney's fees and costs to a prevailing plaintiff.

16 (2) An owner may rely on the statements, claims, or
17 representations of any person or entity that the person or entity is
18 a qualified entity as specified in subdivision (d), unless the owner
19 has actual knowledge that the purchaser is not a qualified entity.

20 (3) If the person or entity is not an entity as specified in
21 subdivision (d), that fact, in the absence of actual knowledge as
22 described in paragraph (2), shall not give rise to any claim against
23 the owner for a violation of this section.

24 (p) It is the intent of the Legislature that the provisions of this
25 section are in addition to, but not preemptive of, applicable federal
26 laws governing the sale or other disposition of a development that
27 would result in either (1) a discontinuance of its use as an assisted
28 housing development or (2) the termination or expiration of any
29 low-income use restrictions that apply to the development.

30 (q) Except as provided in subparagraph (B) of paragraph (3) of
31 subdivision (n), this section does not apply to either of the
32 following:

33 (1) An assisted housing development receiving government
34 assistance as described in clauses (iv) to (viii), inclusive, of
35 subparagraph (N) of paragraph (3) of subdivision (a) of Section
36 65863.10 in which 30 percent or less of the units are subject to
37 affordability restrictions.

38 (2) An assisted housing development in which 30 percent or
39 less of the units are subject to affordability restrictions that was
40 developed in compliance with a local ordinance, charter

1 amendment, specific plan, resolution, or other land use policy or
2 regulation requiring that a housing development contain a fixed
3 percentage of units affordable to extremely low, very low, low-,
4 or moderate-income households.

5 (r) The department shall comply with any obligations under this
6 section through the use of standards, forms, and definitions adopted
7 by the department. The department may review, adopt, amend,
8 and repeal the standards, forms, or definitions to implement this
9 section. Any standards, forms, or definitions adopted to implement
10 this section shall not be subject to Chapter 3.5 (commencing with
11 Section 11340) of Part 1 of Division 3 of Title 2.

12 ~~SEC. 6.~~

13 *SEC. 5.* Section 50053 of the Health and Safety Code is
14 amended to read:

15 50053. (a) For any rental housing development that receives
16 assistance prior to January 1, 1991, and a condition of that
17 assistance is compliance with this section, “affordable rent” with
18 respect to lower income households shall not exceed the percentage
19 of the gross income of the occupant person or household
20 established by regulation of the department that shall not be less
21 than 15 percent of gross income nor exceed 25 percent of gross
22 income.

23 (b) (1) Except as provided in paragraph (2), for any rental
24 housing development that receives assistance on or after January
25 1, 1991, and a condition of that assistance is compliance with this
26 section, “affordable rent,” including a reasonable utility allowance,
27 shall not exceed:

28 (A) (i) For acutely low income households, as defined in Section
29 50063.5, the product of 30 percent times 15 percent of the area
30 median income adjusted for family size appropriate for the unit.

31 (ii) This subparagraph shall apply to a lease entered into on or
32 after January 1, 2022.

33 (B) For extremely low income households, the product of 30
34 percent times 30 percent of the area median income adjusted for
35 family size appropriate for the unit.

36 (C) For very low income households, the product of 30 percent
37 times 50 percent of the area median income adjusted for family
38 size appropriate for the unit.

39 (D) For lower income households whose gross incomes exceed
40 the maximum income for very low income households, the product

1 of 30 percent times 60 percent of the area median income adjusted
2 for family size appropriate for the unit. In addition, for those lower
3 income households with gross incomes that exceed 60 percent of
4 the area median income adjusted for family size, it shall be optional
5 for any state or local funding agency to require that affordable rent
6 be established at a level not to exceed 30 percent of gross income
7 of the household.

8 (E) For moderate-income households, the product of 30 percent
9 times 110 percent of the area median income adjusted for family
10 size appropriate for the unit. In addition, for those moderate-income
11 households whose gross incomes exceed 110 percent of the area
12 median income adjusted for family size, it shall be optional for
13 any state or local funding agency to require that affordable rent be
14 established at a level not to exceed 30 percent of gross income of
15 the household.

16 (2) Notwithstanding paragraph (1), for a rental housing
17 development described in paragraph (1) that dedicates at least 80
18 percent of units, exclusive of a manager’s unit or units, to lower
19 income households, “affordable rent,” including a reasonable utility
20 allowance, shall not exceed an amount consistent with the
21 maximum rent levels for lower income households, as those rents
22 and incomes are determined by the California Tax Credit
23 Allocation Committee, if the rental housing development receives
24 an award on or after January 1, 2025, of any of the following:

25 (A) Federal or state low-income housing tax credits.

26 (B) Tax-exempt private activity bonds or general obligation
27 bonds.

28 (C) Local, state, or federal loans or grants that utilize rent and
29 income limits determined by the California Tax Credit Allocation
30 Committee.

31 (c) The department’s regulation shall permit alternative
32 percentages of income for agency-assisted rental and cooperative
33 housing developments pursuant to regulations adopted under
34 subdivision (f) of Section 50462. The department shall, by
35 regulation, adopt criteria defining and providing for determination
36 of gross income, adjustments for family size appropriate to the
37 unit, and rent for purposes of this section. These regulations may
38 provide alternative criteria, where necessary, to be consistent with
39 pertinent federal statutes and regulations governing federally
40 assisted rental and cooperative housing. The agency may, by

1 regulation, adopt alternative criteria, and pursuant to subdivision
2 (f) of Section 50462, alternative percentages of income may be
3 adopted for agency-assisted housing developments.

4 (d) For purposes of this section, “area median income” and
5 “moderate-income household” shall have the same meaning as
6 provided in Section 50093.

7 (e) For purposes of this section, and provided there are no
8 pertinent federal or state statutes or regulations applicable to a
9 project or program that are in conflict with this definition, “adjusted
10 for family size appropriate to the unit” shall mean for a household
11 of one person in the case of a studio unit, two persons in the case
12 of a one-bedroom unit, three persons in the case of a two-bedroom
13 unit, four persons in the case of a three-bedroom unit, and five
14 persons in the case of a four-bedroom unit. If there is a conflict,
15 the applicable state or federal statutes or regulations for the project
16 of program shall apply.

17 ~~SEC. 7.~~

18 *SEC. 6.* Section 50710.7 of the Health and Safety Code is
19 amended to read:

20 50710.7. (a) By December 31, 2028, the department shall,
21 following the completion of the report under Section 50710.6,
22 coordinate with the Department of General Services and the
23 Department of Food and Agriculture to identify available excess
24 sites in proximity to migrant farm labor centers. For the purposes
25 of this section, “available excess sites” refers to those sites
26 identified pursuant to Section 14684.3 of the Government Code.

27 (b) The department shall, in collaboration with the Department
28 of General Services, the California Housing Finance Agency, and
29 the Department of Food and Agriculture, prioritize the locations
30 identified in subdivision (a) for the development of permanent
31 farmworker housing, with the highest prioritization to the areas
32 with the greatest need for permanent farmworker housing, as
33 identified in the report under Section 50710.6.

34 *SEC. 7. Section 1.5 of this bill incorporates amendments to*
35 *Section 1946.2 of the Civil Code proposed by both this bill and*
36 *SB 522. That section of this bill shall only become operative if (1)*
37 *both bills are enacted and become effective on or before January*
38 *1, 2026, (2) each bill amends Section 1946.2 of the Civil Code,*
39 *and (3) this bill is enacted after SB 522, in which case Section 1*
40 *of this bill shall not become operative.*

1 SEC. 8. If the Commission on State Mandates determines that
2 this act contains costs mandated by the state, reimbursement to
3 local agencies and school districts for those costs shall be made
4 pursuant to Part 7 (commencing with Section 17500) of Division
5 4 of Title 2 of the Government Code.

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