

AMENDED IN ASSEMBLY APRIL 4, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2282

Introduced by Assembly Member Calderon

February 18, 2016

An act to add Section 65009.5 to the Government Code, relating to housing.

LEGISLATIVE COUNSEL’S DIGEST

AB 2282, as amended, Calderon. Rental housing: ~~local limits.~~
large-scale buy-to-rent investors: data collection.

Existing law, the Planning and Zoning Law requires cities and counties to prepare and adopt a general plan for their jurisdictions that contains certain mandatory elements, including a housing element. Existing law requires the housing element to include, among other things, an inventory of land suitable for residential development and make adequate provision for the existing and projected needs of all economic segments of the community. Existing law states legislative findings declaring that the preservation and enhancement of opportunities for homeownership are beneficial to the well-being and prosperity of the people of the state.

~~This bill would require that, on and after January 1, 2017, the number of single family dwellings that are used more than intermittently as rental properties be limited to an unspecified percent age of the total number of single family dwellings in the relevant postal ZIP Code area. The bill would provide that, if the number of these single family dwellings used as rental properties in a postal ZIP Code area already exceeds that percentage on January 1, 2017, the limit on rental properties would apply prospectively to proposed new rental properties. the~~

Department of Business Oversight to design and implement a registration program for the purpose of registering owners of single-family homes who specifically intend to use the property as a rental property more than intermittently. The bill would require the Department of Housing and Community Development to obtain information on the number of ~~single-family~~ single-family dwellings ~~used as rental properties~~ owned by large-scale buy-to-rent investors, as defined, in postal ZIP Code areas in California. The bill would require the Department of Business Oversight and the Department of Housing and Community Development, in carrying out these duties, to consider methods that, among other things, collect data in a way that protects the privacy of homeowners and tenants, organize data to a level that provides information on the number of single-family homes that are owned and operated as rental properties more than intermittently in each postal ZIP Code area in the state, and make that information publicly available on ~~its the relevant department's~~ Internet Web site, ~~organized by ZIP Code area~~ site. The bill would also prohibit large-scale buy-to-rent investors, as defined, from placing a bid on a normal sale of a single-family home, with specified exceptions, for a period of not less than 90 days after the home has been placed on the real estate market. The bill would make various findings and declarations in this regard.

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

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

1 SECTION 1. Section 65009.5 is added to the Government
2 Code, to read:
3 65009.5. (a) (1) It is the intent of the Legislature in enacting
4 this provision to ~~promote the American dream of family home~~
5 ~~ownership by maintaining and, over time, increasing the market~~
6 ~~of homes that are available for purchase. monitor the investment~~
7 ~~activities of large-scale buy-to-rent investors in the State of~~
8 ~~California who have, since October 2013, designed a~~
9 ~~mortgage-based security supported by the revenue from~~
10 ~~single-family rental properties.~~
11 (b) ~~(1) Notwithstanding any law to the contrary, on and after~~
12 ~~January 1, 2017, the number of single family dwellings that are~~
13 ~~used more than intermittently as rental properties shall be limited~~

1 to — percent of the total number of single-family dwellings in the
2 relevant postal ZIP-Code area.

3 ~~(2) On January 1, 2017, if the existing number of single-family~~
4 ~~dwellings that are being used more than intermittently as rental~~
5 ~~properties in a postal ZIP-Code area already exceeds the relevant~~
6 ~~percentage for the area, the percentage for that area is deemed met,~~
7 ~~but not exceeded, and the limit described in paragraph (1) shall~~
8 ~~apply prospectively to proposed new rental properties.~~

9 *(2) The emergence of this type of security is likely to grow and*
10 *scale institutionally owned single-family rental homes to a level*
11 *that is, at this time, unknown. However, with home prices currently*
12 *approaching record highs, yet with homeownership at historic*
13 *lows, it is important to understand the size and scope of investor*
14 *activity of single-family homes and the impacts it has on the real*
15 *estate market in California.*

16 *(3) It is in the best interest of the State of California to limit the*
17 *amount of single-family homes that large-scale buy-to-tent*
18 *investors can own in our neighborhoods and communities.*
19 *Furthermore, we must protect against the potential displacement*
20 *of persons residing in single-family home rentals that is harmful*
21 *not only to the persons displaced by these practices but also to the*
22 *entire community in which those persons reside.*

23 *(4) Large-scale buy-to-rent investors own more single-family*
24 *homes than any other population in the United States, a market*
25 *once dominated by local, private owners.*

26 *(5) Limiting the activity of large-scale buy-to-rent investors can*
27 *have a positive impact on the housing market by providing a*
28 *greater supply of homes to individual buyers, protect the real estate*
29 *market from large fluctuations in home prices, create a stronger*
30 *sense of community in our neighborhoods, and defend the American*
31 *dream of becoming a homeowner.*

32 *(b) (1) The Department of Business Oversight shall design and*
33 *implement a registration program for the purpose of registering*
34 *owners of single-family homes in California who specifically intend*
35 *to use those homes as a rental property more than intermittently.*
36 *In designing this program, the department shall consider methods*
37 *to accomplish all of the following:*

38 *(A) Collect data in a way that protects the privacy of*
39 *homeowners.*

1 (B) Aggregate that data to a level that provides information on
2 the number of single-family homes that are owned and operated
3 as rental properties more than intermittently in each postal ZIP
4 Code area in this state.

5 (C) Provide information regarding how many of the property
6 owners are institutional investors in single-family homes compared
7 to private owners.

8 (D) Require property owners to renew registration of their
9 rental property on an annual basis through an online system.

10 (E) Make the data available on its Internet Web site.

11 (2) A large-scale buy-to-rent investor shall not place a bid on
12 a normal sale of a single-family home that is not a short sale,
13 foreclosure sale, or real estate owned property for a period of not
14 less than 90 days after the home has been placed on the real estate
15 market.

16 (c) The Department of Housing and Community Development
17 shall obtain information on the number of ~~single-family~~
18 ~~single-family dwellings used as rental properties~~ owned by
19 large-scale buy-to-rent investors in postal ZIP Code areas in
20 California and make that information publicly available on its
21 Internet Web site, organized by ZIP Code area, ~~so that buyers of~~
22 ~~single family dwellings can determine where single family homes~~
23 ~~are available and where limits on rental properties are, or may soon~~
24 ~~be, in effect.~~ area. In collecting this information, the department
25 shall consider methods to accomplish all of the following:

26 (1) Collect data in a way that protects the privacy of tenants.

27 (2) Organize the data to a level that provides information on
28 the number of single-family homes that are owned and operated
29 as rental properties more than intermittently in each postal ZIP
30 Code area in this state.

31 (3) Provide information regarding how long the property has
32 been owned by a large-scale buy-to-rent investor.

33 (4) Make the data available on its Internet Web site.

34 (d) As used in this section, “large-scale buy-to-rent investor”
35 and “institutional investor in single-family homes” mean a publicly
36 traded company devoted to holding and managing single-family
37 home rental properties, either on behalf of clients or on for itself,

1 *and which owns more than 10 single-family homes during a*
2 *calendar year.*

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