

AMENDED IN ASSEMBLY APRIL 12, 2016

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: 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 to 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 the Department of Business Oversight to design and implement a registration program for the purpose of registering *and monitoring large-scale buy-to-rent investors and analyzing the impacts they are having on California's real estate market.* ~~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 dwellings 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, Oversight, in carrying out these duties, designing the program 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 the relevant department's Internet Web site. to require large-scale buy-to-rent investors to renew registration of their rental property on an annual basis, including new and current single-family home rentals that they own or in which they have invested. 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. The bill would also require the Department of Business Oversight, on or before January 1, 2018, to submit to the Governor and the Legislature a report that includes information regarding how many large-scale buy-to-rent investors own property in the state for the purpose of renting the property which regions of the state their investment activity is occurring, the number of single-family homes each large-scale buy-to-rent investor owns, and an analysis of the potential impacts of their investments, as specified.~~

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 monitor the investment activities of large-scale
- 5 buy-to-rent investors in the State of California ~~who~~ that have, since
- 6 October 2013, designed a mortgage-based security supported by
- 7 the revenue from single-family rental properties.

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

8 (3) It is in the best interest of the State of California to limit the
9 amount of single-family homes that large-scale buy-to-rent
10 investors can own in our neighborhoods and communities.
11 Furthermore, we must protect against the potential displacement
12 of persons residing in single-family home rentals that is harmful
13 not only to the persons displaced by these practices but also to the
14 entire community in which those persons reside.

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

18 (5) Limiting the activity of large-scale buy-to-rent investors can
19 have a positive impact on the housing market by providing a greater
20 supply of homes to individual buyers, protect the real estate market
21 from large fluctuations in home prices, create a stronger sense of
22 community in our neighborhoods, and defend the American dream
23 of becoming a homeowner.

24 (b) ~~(4) The Department of Business Oversight Oversight, with~~
25 ~~any assistance that may be offered by county recorders, shall~~
26 ~~design and implement a registration program for the purpose of~~
27 ~~registering owners of single-family homes in California who~~
28 ~~specifically intend to use those homes as a rental property more~~
29 ~~than intermittently; and monitoring large-scale buy-to-rent~~
30 ~~investors and analyzing the impacts they are having on California's~~
31 ~~real estate market. In designing this program, the department shall~~
32 ~~consider methods to accomplish all of the following: require~~
33 ~~large-scale buy-to-rent investors to renew registration of their~~
34 ~~rental property on an annual basis, including new and current~~
35 ~~single-family home rentals that they own or in which they have~~
36 ~~invested.~~

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

39 ~~(B) Aggregate that data to a level that provides information on~~
40 ~~the number of single-family homes that are owned and operated~~

1 as rental properties more than intermittently in each postal ZIP
2 Code area in this state.

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

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

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

9 *(c) On or before January 1, 2018, the department shall submit*
10 *to the Governor and the Legislature a report that includes, but is*
11 *not limited to, both of the following:*

12 *(1) Information regarding how many large-scale buy-to-rent*
13 *investors own property in the state for the purpose of renting the*
14 *property, and which regions of the state their investment activity*
15 *is occurring.*

16 *(2) The number of single-family homes each large-scale*
17 *buy-to-rent investor owns, and an analysis of the potential impacts*
18 *their investments are having on the local real estate market,*
19 *including the price of homes, the ability of individual home buyers,*
20 *specifically those who need financing, to compete against the*
21 *large-scale buy-to-rent investors, the length of time large-scale*
22 *buy-to-rent investors are holding their property as a rental, and*
23 *how many homes they are selling each year.*

24 ~~(2)~~

25 *(d) A large-scale buy-to-rent investor shall not place a bid on a*
26 *normal sale of a single-family home that is not a short sale,*
27 *foreclosure sale, or real estate owned property for a period of not*
28 *less than 90 days after the home has been placed on the real estate*
29 *market.*

30 ~~(e) The Department of Housing and Community Development~~
31 ~~shall obtain information on the number of single-family dwellings~~
32 ~~owned by large-scale buy-to-rent investors in postal ZIP Code~~
33 ~~areas in California and make that information publicly available~~
34 ~~on its Internet Web site, organized by ZIP Code area. In collecting~~
35 ~~this information, the department shall consider methods to~~
36 ~~accomplish all of the following:~~

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

38 ~~(2) Organize the data to a level that provides information on the~~
39 ~~number of single-family homes that are owned and operated as~~

1 rental properties more than intermittently in each postal ZIP Code
2 area in this state.

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

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

6 ~~(d)~~

7 (e) As used in this section, “large-scale buy-to-rent investor”
8 and ~~“institutional investor in single-family homes”~~ *mean means* a
9 publicly traded company devoted to holding and managing
10 single-family home rental properties, either on behalf of clients or
11 on for itself, and which owns more than 10 single-family homes
12 during a calendar year.

13 (f) *(1) The requirement to submit a report imposed under*
14 *subdivision (c) is inoperative on January 1, 2022, pursuant to*
15 *Section 10231.5 of the Government Code.*

16 *(2) A report submitted pursuant to subdivision (c) shall be*
17 *submitted in compliance with Section 9795 of the Government*
18 *Code.*