

AMENDED IN ASSEMBLY APRIL 25, 2016

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. The bill would require the Department of Business Oversight, in

designing the program to consider methods 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~~ 15 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 that have, since
6 October 2013, designed a mortgage-based security supported by
7 the revenue from single-family rental properties.
8 (2) The emergence of this type of security is likely to grow and
9 scale institutionally owned single-family rental homes to a level
10 that is, at this time, unknown. However, with home prices currently
11 approaching record highs, yet with homeownership at historic
12 lows, it is important to understand the size and scope of investor
13 activity of single-family homes and the impacts it has on the real
14 estate market in California.
15 (3) It is in the best interest of the State of California to limit the
16 amount of single-family homes that large-scale ~~buy-to-rent~~
17 *buy-to-rent* investors can own in our neighborhoods and
18 communities. Furthermore, we must protect against the potential
19 displacement of persons residing in single-family home rentals

1 that is harmful not only to the persons displaced by these practices
2 but also to the entire community in which those persons reside.

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

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

12 (b) The Department of Business Oversight, with any assistance
13 that may be offered by county recorders, shall design and
14 implement a registration program for the purpose of registering
15 and monitoring large-scale buy-to-rent investors and analyzing
16 the impacts they are having on California's real estate market. In
17 designing this program, the department shall consider methods to
18 require large-scale buy-to-rent investors to renew registration of
19 their rental property on an annual basis, including new and current
20 single-family home rentals that they own or in which they have
21 invested.

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

25 (1) Information regarding how many large-scale buy-to-rent
26 investors own property in the state for the purpose of renting the
27 property, and which regions of the state their investment activity
28 is occurring.

29 (2) The number of single-family homes each large-scale
30 buy-to-rent investor owns, and an analysis of the potential impacts
31 their investments are having on the local real estate market,
32 including the price of homes, the ability of individual home buyers,
33 specifically those who need financing, to compete against the
34 large-scale buy-to-rent investors, the length of time large-scale
35 buy-to-rent investors are holding their property as a rental, and
36 how many homes they are selling each year.

37 (d) A large-scale buy-to-rent investor shall not place a bid on a
38 normal sale of a single-family home that is not a short sale,
39 foreclosure sale, or real estate owned property for a period of not

1 less than ~~90~~ 15 days after the home has been placed on the real
2 estate market.

3 (e) As used in this section, “large-scale buy-to-rent investor”
4 means a publicly traded company devoted to holding and managing
5 single-family home rental properties, either on behalf of clients or
6 on for itself, and which owns more than ~~40~~ 100 single-family
7 homes during a calendar year.

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

11 (2) A report submitted pursuant to subdivision (c) shall be
12 submitted in compliance with Section 9795 of the Government
13 Code.