

AMENDED IN ASSEMBLY MAY 31, 2016

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 a large-scale buy-to-rent investors, *investor*, as defined, from placing a bid on a ~~normal~~ *conventional* sale of a single-family home, with specified exceptions, for a period of not less than 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~~ *property*, which regions of the state their investment activity is occurring, the ~~number~~ *number, density, and percentage* 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~~ *analyze the impacts on the real estate*
5 *market in California of* the investment activities of large-scale
6 buy-to-rent investors ~~in the State of California that have, that, since~~
7 October 2013, ~~designed~~ *have involved* a mortgage-based security
8 supported by the revenue from single-family 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.

1 (3) It is in the best interest of the State of California to ~~limit the~~
2 ~~amount of single-family homes that large-scale buy-to-rent~~
3 ~~investors can own in our neighborhoods and communities.~~
4 Furthermore, we must protect against the potential displacement
5 of persons residing in single-family home rentals that is harmful
6 ~~not only to the persons displaced by these practices but also to the~~
7 ~~entire community in which those persons reside.~~ *help ensure, to*
8 *the extent feasible, that families and individuals are able to become*
9 *homeowners.*

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

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

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

29 (e)

30 (b) On or before January 1, 2018, the department shall submit
31 to the Governor and the Legislature a report that includes, but is
32 not limited to, both of the following:

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

37 (2) ~~The—number~~ *number, density, and percentage* of
38 single-family homes each large-scale buy-to-rent investor owns,
39 and an analysis of the potential impacts their investments are
40 having on the local real estate market, including the price of homes,

1 the ability of individual home buyers, specifically those who need
2 financing, to compete against the large-scale buy-to-rent investors,
3 the length of time large-scale buy-to-rent investors are holding
4 their property as a rental, and how many homes they are selling
5 each year.

6 *(3) The department may hire an independent third party or*
7 *obtain the assistance of another state department to assist in*
8 *analyzing the information described in paragraphs (1) and (2) if*
9 *it finds those actions appropriate and justifiable.*

10 ~~(d)~~

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

16 ~~(e)~~

17 (d) As used in this section, “large-scale buy-to-rent investor”
18 means a publicly traded company devoted to holding and managing
19 single-family home rental properties, either on behalf of clients or
20 ~~on~~ for itself, and which owns more than 100 single-family homes
21 during a calendar year.

22 ~~(f)~~

23 (e) (1) The requirement to submit a report imposed under
24 subdivision (c) is inoperative on January 1, 2022, pursuant to
25 Section 10231.5 of the Government Code.

26 (2) A report submitted pursuant to subdivision~~(e)~~ (b) shall be
27 submitted in compliance with Section 9795 of the Government
28 Code.