

AMENDED IN SENATE JUNE 20, 2016

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**

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**Introduced by Assembly Member Calderon**

February 18, 2016

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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 ~~prohibit a large-scale buy-to-rent investor, as defined, from placing a bid on a 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.~~ *establish the Task Force on Institutional Investors within the Bureau of Real Estate, under the leadership of the Real Estate Commissioner.* The bill would ~~also require the Department of Business Oversight, task force,~~ on or before ~~January~~ July 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, 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.~~ *specified, and recommendations on how to increase homeownership among the residents of California. 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 analyze the impacts on the real estate market in  
5 California of the investment activities of large-scale buy-to-rent  
6 investors that, since October 2013, have involved a mortgage-based  
7 security supported by the revenue from single-family rental  
8 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 help  
2 ensure, to the extent feasible, that families and individuals are able  
3 to become homeowners.

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

7 *(b) (1) To ensure that the citizens of California preserve the*  
8 *ability to become homeowners and are not overtly challenged by*  
9 *institutional investors in the real estate market, the Task Force on*  
10 *Institutional Investors, hereafter referred to in this section as “the*  
11 *task force,” is hereby created in the Bureau of Real Estate. Under*  
12 *the leadership of the Real Estate Commissioner, the task force*  
13 *shall examine the impacts that large-scale buy-to-rent investors*  
14 *are having on the real estate market in California.*

15 *(2) The membership of the task force shall be as follows:*

16 *(A) The Real Estate Commissioner, or his or her designee, who*  
17 *shall serve as the chair of the task force.*

18 *(B) A professor from either the University of California or the*  
19 *California State University with an extensive background and*  
20 *knowledge of the real estate market, to be appointed by the*  
21 *Governor.*

22 *(C) A local government official with an extensive background*  
23 *and knowledge of the real estate market, to be appointed by the*  
24 *Governor.*

25 *(D) A real estate expert, to be appointed by the President pro*  
26 *Tempore of the Senate.*

27 *(E) A real estate finance expert, to be appointed by the Speaker*  
28 *of the Assembly.*

29 *(3) The Bagley-Keene Open Meeting Act (Article 9 (commencing*  
30 *with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title*  
31 *2 of the Government Code) shall apply to meetings of the task*  
32 *force.*

33 ~~(b)~~

34 *(c) On or before ~~January~~ July 1, 2018, the ~~department~~ task force*  
35 *shall submit to the Governor and the Legislature a report that*  
36 *includes, but is not limited to, ~~both~~ all of the following:*

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

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

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

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

*(3) Recommendations to the Governor and the Legislature on how to increase homeownership among the residents of California, including proposed legislative or regulatory actions, homebuyer assistance programs, and any other recommendations the task force deems appropriate.*

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

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

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