

1996

1995-96 Housing Issues and Legislation

Assembly Committee on Housing and Community Development

Follow this and additional works at: http://digitalcommons.law.ggu.edu/caldocs_assembly

 Part of the [Legislation Commons](#)

Recommended Citation

Assembly Committee on Housing and Community Development, "1995-96 Housing Issues and Legislation" (1996). *California Assembly*. Paper 556.

http://digitalcommons.law.ggu.edu/caldocs_assembly/556

This Committee Report is brought to you for free and open access by the California Documents at GGU Law Digital Commons. It has been accepted for inclusion in California Assembly by an authorized administrator of GGU Law Digital Commons. For more information, please contact jfischer@ggu.edu.

Assembly Committee on Housing and Community Development
1995-96 HOUSING ISSUES AND LEGISLATION

STATE DEPOSITORY
LAW LIBRARY

APR 24 1997

GOLDEN GATE UNIVERSITY



PHIL HAWKINS, Chairman
ROBERT CAMPBELL, Vice-Chairman

KFC
820
. AB
C371
1995-96

R-604-A

KFC
820
'A8
C371

ASSEMBLY COMMITTEE ON HOUSING
AND COMMUNITY DEVELOPMENT

STATE DEPOSITORY
LAW LIBRARY

APR 24 1997

GOLDEN GATE UNIVERSITY

MEMBERS

Phil Hawkins, Chairman
Robert Campbell, Vice-Chair
Mickey Conroy
Denise Moreno Ducheny
Trice Harvey
Dan Hauser
Phillip Isenberg
Bob Margett
Grace Napolitano
Bernie Richter
Ted Weggeland

CONSULTANTS

Paul J. Deiro
Kathryn C. Amann

COMMITTEE SECRETARY

Brenda K. Heiser

STATE DEPOSITORY
LAW LIBRARY

APR 24 1997

GOLDEN GATE UNIVERSITY

TABLE OF CONTENTS

<u>Subject</u>	<u>Page</u>
HOUSING FINANCE	1
LAND USE PLANNING	7
BUILDING STANDARDS	11
COMMUNITY REDEVELOPMENT	17
RENT CONTROL	27
COMMON INTEREST DEVELOPMENTS	31
HOMELESS PROGRAMS	37
HOUSING DISCRIMINATION	39
FARMWORKER HOUSING	43
HOUSING, NATURAL DISASTER ASSISTANCE & PREPAREDNESS	49
MOBILEHOMES/MANUFACTURED HOUSING	53
APPENDIX [All Committee Bills in Numerical Order].....	63

HOUSING FINANCE

California has one of the most expensive single-family housing markets in the nation. Legislative proposals are introduced in each session to alleviate the adverse housing conditions in California. However, it should be emphasized that the vast majority of all housing produced in this state originates through private sector financing.

This section sets forth a summary of housing conditions, a review of government housing financing programs and a description of legislation introduced this session.

Housing Conditions

- 1) **Single-Family Housing:** In 1989, about 53.6 percent of all Californians owned their homes. Since then, home ownership has increased as a result of a drop in median-home prices. In mid-1994, about 56.8 percent of all Californians owned their own homes; nevertheless, the state's home ownership rate is the sixth lowest in the nation.

It should be noted that since 1990 through the present time, a major realignment occurred in California's single-family housing market. Housing prices dropped, interest rates are at historic lows, existing unsold inventories are at their highest in decades. The affordability window has widened considerably at the lower end of the market.

- 2) **Multifamily Housing:** The most important housing need in California is affordable, multifamily housing. According to the California Statewide Housing Plan Update (October 1990), issued by the Department of Housing and Community Development (HCD), more than one-third of all renters in the state spend more than 35 percent of their incomes for housing. The Update states that an average of at least 250,000 housing units need to be built annually through 1996. If net immigration remains at its present level, at least 275,000 new housing units will be needed annually. The 1995 estimated rate of building will result in only 88,000 residential units, of which only 16,000 will be multifamily units.

Governmental Housing Finance Programs

- 1) **Mortgage Revenue Bond Financing:** The California Housing Finance Agency (CHFA) and local housing agencies provide construction and mortgage loans through the sale of tax-exempt revenue bonds. The issuance of these bonds is subject to the Federal Tax Reform Act (TRA) of 1986, which imposes major restrictions on the issuance of tax-exempt revenue bonds used for private activities, including housing bonds.

Under the TRA, a bonded indebtedness ceiling is imposed on all tax-exempt private activity bonds issued within a state. The ceiling is adjusted each year to reflect changes in the state's population. The ceiling for 1996 approximates \$1.571 billion.

In general, housing bond issuers - such as CHFA - must compete for bonding authority against other such issuers and other private activity uses - such as industrial development projects, pollution control and student loans - for allocations under the ceiling.

The California Debt Limit Allocation Committee (CDLAC) has the statutory authority to allocate private activity bond authority to state and local issuers. Typically, housing projects received the preponderance of allocations. In 1996, \$1.2 billion was reserved for housing from a total ceiling of \$1.571 billion. The amounts reserved for housing were allocated as follows: \$400 million for multifamily and \$800 million for single family. Of the \$800 million for single-family, \$408 million went to CHFA and \$392 million went to local agencies.

- a) **Multifamily Housing:** The TRA requires 20 percent of total rental units in an assisted project to be reserved for households with incomes lower than 50 percent of county median income or 40 percent of total units to be reserved for households with incomes under 60 percent of county median income.
- b) **Single-Family Housing:** The TRA requires a single-family mortgagor to be a first-time homebuyer, i.e., the buyer cannot have owned a home within the previous three years. For a family of three or more persons, a mortgagor's family income cannot exceed 115 percent of median family income for the area in which the residence is located or the statewide median income (\$53,590), whichever is greater. The income of a family of one or two persons cannot exceed 100 percent of area median income or statewide median income (\$46,600), whichever is higher.

Two-thirds of the amount of mortgage financing in targeted areas must be provided to those whose family incomes do not exceed 140 percent of median family income (120 percent of median income for a family of one or two persons) for the area or statewide median income, whichever is greater. A target area includes a census tract in which at least 70 percent of the families have incomes which are 80 percent or less than the statewide median family income and areas of chronic economic distress, as defined.

The price of a home may not exceed 90 percent of the average area purchase price or 110 percent of such price in a targeted area. For new construction, prices range from \$149,599 to \$237,705 in non-target areas and \$182,843 to \$290,529 in target areas. For resale homes, prices range from \$88,267 to \$256,510 in non-target areas and \$107,881 to \$313,512 in target areas.

- 2) **Mortgage Bond and Loan Insurance:** California is one of five states which has its own "private" mortgage insurance company, the California Housing Loan Insurance Fund (CHLIF). This has enabled Californians to obtain lower financing in areas and under conditions which the Federal Housing Administration (FHA) or private insurers cannot meet. During the severe devaluation of home prices during 1988 to 1989, CHLIF was able to replace the insurance on those CHFA loans issued by private insurance companies which were collapsing and continue homeowner coverage.

The California Housing Loan Insurance Fund was created in 1977 for the purpose of providing reasonably priced bond and loan insurance; reducing the risk factor in providing loans for single-family and rental housing, including privately financed loans; and securing revenue bonds issued by local agencies.

It was not until 1988, however, that CHLIF earned a claims paying credit rating, thereby becoming the state's equivalent of a private mortgage insurance company. Under an agreement with Standard and Poor's and Moody's, from 1988 until 1991 CHLIF operated under certain rating agency restrictions regarding the types of loans it could insure.

Beginning in March 1991, however, these restrictions were no longer applicable and CHLIF could provide single-family mortgage insurance to developers of affordable housing outside of CHFA's programs, including for-profit and non-profit developers, redevelopment agencies, and local finance agencies.

- 3) **The Federal HOME Program:** The HOME Investment Partnership Act was authorized by the Cranston-Gonzalez National Affordable Housing Act (1989). HOME is a federal block grant program which provides funds to state and local governments which, in turn, make money available for the development or rehabilitation of owner-occupied and rental units, and the provision of first-time homebuyer and rent subsidy programs.

The HOME Program is a unique program among the many programs administered by HCD. Under HOME, applicants may apply for funding for both individual projects and for programs comprising several different types of housing projects.

Under the funding formula, some communities in California are eligible to receive direct allocations from the federal Department of Housing and Urban Development (HUD) while other communities must compete for the general state allocation.

However, a community eligible to receive a direct allocation may transfer that allocation to the state and then compete for a portion of the state allocation. This transfer can be very beneficial to a community which has a solid housing program, but needs more money than it would receive under the direct allocation formula. As an example, the City of Redding has transferred its \$409,000 direct allocation to HCD and is now eligible to apply for up to a \$1 million allocation from HCD.

- 4) **Low Income Housing Tax Credits:** The Low Income Housing Tax Credit (LIHTC) provides a credit against net tax in the personal income, bank and corporation, and insurance gross premiums tax for costs related to ~~qualified low-income housing projects.~~ The credit is 30 percent of costs paid or incurred with respect to the purchase of, or improvements to, low-income housing. The credit is claimed over a four-year period. The state's low-income housing tax credit parallels a similar credit in federal law.

In order to claim the credit, the project must:

- a) Be located in California;
- b) Have been allocated a federal tax credit; and
- c) Meet federal guidelines regarding occupancy eligibility and rent levels.

Taxpayers must apply to the California Tax Credit Allocation Committee for an allocation of both the state and federal credits. The amount of tax credit allocated to a project is based on the amount needed to insure the financial feasibility of the project. The federal tax credit is limited in volume in each state to \$1.25 per resident per year. In 1995, California received approximately \$43 million of federal tax credit allocation.

The low-income housing tax credit is unique among state tax provisions. The amount of credit available is capped and project sponsors must apply for an allocation of credits. In most cases, individual taxpayers receive tax credits as members of a limited partnership when the general partner is the project sponsor and the limited partners receive credits based on their individual financial participation. Investors (i.e., the taxpayer ultimately claiming the credits) typically buy into a project by paying fifty to sixty cents for each dollar of tax credit received.

Credits are awarded based on the amount of assistance needed to insure a project's financial feasibility and a number of criteria established in state and federal law to target projects to areas or types of housing where there is significant need. In this respect, the tax credit program acts as a subsidy for the cost of developing low-income housing.

The LIHTC is one of the few tools available for the development of affordable multifamily housing. In California, since the inception of the LIHTC, over 900 housing developments have been completed producing over 50,000 unit of housing.

It should be noted that the low income housing tax credit program has been criticized on the national level and specifically in California because of cost overruns and expensive multifamily projects (high cost per unit). To address these criticisms and to avert federal repeal of the program, TCAC had to revise the criteria and priorities of its QAP.

The QAP is a document that is required by federal law that sets forth selection criteria to be used to determine housing priorities of the housing credit agency. QAP selection criteria include project location, housing needs characteristics, project characteristics, sponsor characteristics, participation of local tax-exempt organizations, tenant populations with special housing needs and public housing waiting lists. Because of the revised criteria in the QAP and uncertainty with allocations, there have been legal battles which have resulted in numerous delays in the 1996 allocation process.

1995-96 Legislation

The following are brief descriptions of significant legislation heard by the Committee relating to housing finance:

AB 997 (Hauser) - CDLAC

Provides that of the total amount of the state ceiling allocated for the purpose of providing housing, the CDLAC shall endeavor to allocate approximately 2/3 of this amount to local agencies.

Status: Vetoed by the Governor.

AB 1197 (Takasugi) - Housing Bond Credit Committee

Among other things, terminates the existence of the Housing Bond Credit Committee and transfers its duties CHFA.

Status: Chapter 833, Statutes of 1996.

AB 1658 (Battin) - Housing

Defines "rural area" for purposes of the Housing Rehabilitation Loan Fund (Fund) to be the same definition as is applicable for low-income housing credits. The Fund is continuously appropriated for several purposes including making deferred payment loans by the Department of Housing and Community Development (HCD) for the acquisition and rehabilitation of rental housing.

Status: Chapter 12, Statutes of 1995.

AB 1928 (Sweeney) - Multifamily Rental and Affordable Housing: Financing.

Extends the sunset date that authorizes local governments to issue mortgage revenue bonds (MRBs) for multifamily housing. Clarifies the existing authorization of local governments and the California Housing Finance Agency (CHFA) to finance the acquisition and rehabilitation of affordable housing.

Status: Chapter 27, Statutes of 1996.

AB 2599 (Thompson) - California Debt Limit Allocation Committee

Provides a representative from local government as a non-voting member on the California Debt Limit Allocation Committee (CDLAC).

Status: Chapter 831, Statutes of 1996.

AB 2739 (Figueroa) - Low-Income Housing Credit

Changes existing non-voting local representatives on the California Tax Credit Allocation Committee (TCAC) to voting members and establishes certain procedures for tax credit allocation.

Status: Motion to Recommend Concurrence Failed, Assembly Housing Committee

SB 322 (Costa) - California Debt Limit Allocation Committee

Codifies an existing practice by placing the Director of the Department of Housing and Community Development and the Executive Director of the California Housing Finance Agency as nonvoting members of the California Debt Limit Allocation Committee (CDLAC). Double-joins with AB 2599 (Thompson).

Status: Chapter 832, Statutes of 1996.

SB 1015 (Mello) - Assisted Housing developments

Extends the sunset date for the right of first refusal from December 31, 1995 to December 31, 2000 for a provision of existing law which requires an owner of a federally assisted housing development to give a one-year notice to the tenants and applicable local governments prior to the anticipated date of termination of participation in the federal program. Existing law also prohibits owners of specified federal developments who have not given notice of intent prior to January 1, 1991 from selling or otherwise disposing of the development in a manner which would either result in the discontinuance of its use as a development or cause the termination of any low-income use restrictions, as defined, unless the owner provides specified entities with an opportunity to purchase the development at a price and on terms which represent a bona fide intention to sell, as defined (right of first refusal).

The above provision sunsets on December 31, 1995.

Status: Chapter 790, Statutes of 1995.

SB 1100 (Petris) - Assisted Housing developments

Re-enacts in substantially similar form, the provisions of state law, which sunset on January 1, 1995, that required operators of multifamily rental housing to provide notice to tenants or local governmental agencies prior to the termination or prepayment of the governmental assistance.

Status: Failed, Assembly Housing Committee.

LAND USE PLANNING

In 1981, California began a comprehensive program to allocate among local governments the statewide need for low-, moderate- and above moderate-income housing units. For the first time, each community was required to display in the housing element of its general plan how the community would meet its "share" of California's housing need.

The housing element, as a planning tool, was initially developed to describe how growth would be accommodated using a "best case scenario" approach. A locality was not expected to build the units, but was required to provide appropriate zoning for the development of the housing need identified within its housing element, including the regional need for housing.

Over the years, amendments have been made to Housing Element Law which require greater local government responsibility to ensure that housing is actually built, including identifying specific sites to accommodate a community's lower income housing unit regional allocation.

This policy of both distributing growth projections without regard to financial or community viability and requiring greater and greater certainty that specific income units are accounted for is internally inconsistent at best.

In general, it is agreed that something must be done to streamline the housing element approval process, provide a better balance between jobs and housing, and increase first-time homebuyer opportunities.

Housing Element Process

Housing Element Law (HEL), requires every locality to adopt and update a housing element every five years which includes an identification of existing and projected housing needs, an inventory of land suitable for residential development, and a five-year plan to meet those identified needs.

As part of its housing needs assessment, a locality is required to include its share of regional housing needs. A locality's regional housing needs allocation is developed through the following process:

- 1) Every five years, the Department of Finance projects statewide growth for the next five-year period. From this data the Department of Housing and Community Development (HCD) establishes the existing and projected statewide need for affordable housing by income group.
- 2) HCD, in consultation with the regional council of governments (COGs), divides the statewide need into regional shares.

- 3) The COG distributes the regional need to the county(s) and cities within the region.
- 4) The local government develops its housing element, which includes the local government's regional share.

- 5) The local government submits its housing element for review to HCD to ensure conformity and consistency with existing housing element law.
- 6) The local government adopts its housing element after considering HCD's comments and revising its element to reflect those comments or adopting findings as to why HCD's comments should be ignored.
- 7) If HCD determines that the housing element is in compliance with state law, there is a rebuttable presumption regarding the validity of the housing element.

The housing element is required to identify adequate sites which may be made available through appropriate zoning and development standards. A community whose inventory of land suitable for residential development is inadequate to meet its housing needs is required to minimally identify sufficient sites, with appropriate density and development standards, to accommodate the locality's share of low- and very low-income households.

Additionally, HEL requires a planning agency to make an annual report to its legislative body on the status of the general plan and the community's progress in implementing the plan, including its progress in meeting its regional housing needs and local efforts in removing governmental constraints.

Suspension of the Regional Housing Allocation Mandate

Reimbursable costs for a COG to develop each local government's share of the regional housing need has been suspended by the Budget Act of 1992-93, 1993-94, 1994-95, and 1995-96. In response to this action, the Legislature enacted AB 2172 (Hauser), Chapter 695, Statutes of 1993, which postponed the deadlines from one to three years. To respond to the continuing suspension of this mandate, the Legislature passed, and the Governor signed, SB 1073 (Costa), Chapter 39, Statutes of 1996. This bill extended the third and fourth revision due dates of the housing element in the following manner:

1) Southern California Association of Governments

Third revision: June 30, 1998
Fourth revision: June 30, 2003

2) Association of Bay Area Governments and the San Diego Association of Governments

Third revision: June 30, 1998
Fourth revision: June 30, 2003

3) Council of Fresno County Governments, Kern County Council of Governments, Sacramento Council of Governments, and the Association of Monterey Bay Area Governments

Third revision: June 30, 2001
Fourth revision: June 30, 2006

4) All other jurisdictions

Third revision: June 30, 2001

Fourth revision: June 30, 2006

1995-96 Legislation

The following are brief descriptions of legislation relating to land use planning:

AB 1511 (V. Brown) - Historic Districts

Authorizes a local government to exclude manufactured homes from a state-registered or a locally-designated historic district provided that the jurisdiction has an adopted housing element in compliance with state law and that any locally-adopted special architectural standards apply equally to all other buildings within the district.

Status: Vetoed by the Governor.

AB 1715 (Goldsmith) - Self-Certification

Requires the San Diego Association of Governments (SANDAG) - if it approves a resolution agreeing to participate in a self-certification process, and in consultation with the cities and county within its jurisdiction, its housing element advisory committee, and HCD - to perform a resource assessment for the region to determine a standard for existing and future needs for low- and very low-income households for each local jurisdiction.

Permits a city or county within the jurisdiction of SANDAG to submit a self-certification of compliance to the department with its adopted or amended housing element if the legislative body, after holding a public hearing, makes a finding, based on substantial evidence, that it has met all of several specified criteria for self-certification.

Status: Chapter 589, Statutes of 1995.

AB 3125 (Hawkins) - Identification of Adequate Sites

Authorizes cities and counties to identify permanent housing located on a closed military base that will be available within the five-year planning period for the purpose of identifying adequate housing sites.

Status: Chapter 347, Statutes of 1996.

AB 3452 (V. Brown) - Regional Housing Needs (Napa County)

Allows the County of Napa to meet a percentage of its share of the regional housing needs by funding affordable housing projects in cities within the County.

Status: Chapter 1018, Statutes of 1996.

SB 936 (Campbell) - Regional Housing Needs

- 1) Allows a jurisdiction to identify the following sites:
 - a) Sites being converted from non-affordable to affordable through local government direct financial or rental assistance or acquisition.
 - b) Sites that are in need of substantial rehabilitation which will be accomplished by committed assistance from the local government.
 - c) Sites that provide a net increase in permanent housing for people with special housing needs, including farmworkers, seniors and congregate care facilities.
- 2) Provides that a city or county must show a net increase in the total number of units assisted by the local government programs listed above.
- 3) Recasts and revises existing law as to the determination and distribution of a city or county share of regional housing needs and requires HCD and COGS to hold a public hearing prior to making its allocation.
- 4) Provides a process for a COG to establish subregion councils for allocations.
- 5) Limits the ability of a jurisdiction to use a growth control measure in determining or reducing its share of regional need but exempts a jurisdiction that imposes a moratorium based on preservation and protection of public health and safety.
- 6) Provides for a jurisdiction to use an appeal process to object to its regional housing need through a mediator, arbitrator or administrative law judge (ALJ). Provides that the ALJ may order a reallocation of housing needs within the COG.
- 7) Extends the housing element revision dates for specified COGS.

Status: Vetoed by the Governor.

SB 1081 (Leslie) - Frontier Counties

Requires the Department of Housing and Community Development (HCD) to report to the Legislature on adapting existing housing element requirements to reflect conditions, needs, and possible self-certification of "frontier counties."

Status: Chapter 438, Statutes of 1996.

BUILDING STANDARDS

Overview

Building standards development involves balancing the interests of diverse groups, including the building and real estate industries, state agencies, local fire and building officials, and various consumer groups. Health and safety concerns and construction innovations must be balanced against housing affordability. The Legislature is frequently called upon to strike this balance.

Building standards in California are based upon model codes, such as the Uniform Building Code and the Uniform Mechanical Code. Model codes are developed and published by code adoption organizations consisting of national and regional experts on structural, mechanical, electrical, plumbing, and fire safety standards. State and local building officials also participate in development of the model codes.

California has established a process for review and adoption of these model codes. State agencies are responsible for reviewing the model codes for application to hospitals, housing, schools, and other occupancies. These state agencies also propose modifications to the model codes as necessitated by California conditions and the intended occupancy. The Department of Housing and Community Development is responsible for reviewing and proposing modification to model codes for housing occupancies.

The California Building Standards Commission (Commission) holds public hearings, reviews, adopts, or rejects proposed changes to the model codes. These State modifications are published in the California Building Standards Code, commonly referred to as "Title 24" (Title 24, California Code of Regulations). An updated version of Title 24 is published every three years.

Local governments can adopt standards which are more stringent than Title 24 if necessary because of local climatic, geological, or topographical conditions.

What's New: The model codes are currently adopted by regional organizations. According to building industry representatives and the Commission, these regional organizations are voluntarily working toward the development of national model codes. It is anticipated that the national codes will be published by the year 2000.

The following is a list of building standards bills heard by the Committee during the 1995-96 Legislative Session:

ACR 11 (Aguiar) - Disabled Access Signage

Requires the Division of State Architect (DSA) to appropriately notify designers and manufacturers of Braille tactile signage and state agencies that regulate or purchase Braille tactile signage that the California

requirements are in some cases more stringent than the requirements of the Americans with Disabilities Act and that products sold in California must comply with the California Building Standards Code. Notification must be made prior to January 1, 1996.

Status: Chapter 49, Statutes of 1995.

AB 151 (Baca) - CPVC Plastic Pipe

Exempts from the California Plumbing Code's provisions which prohibit the use of chlorinated polyvinyl chloride (CPVC) piping those jurisdictions which have approved the use of CPVC pipe prior to January 1, 1996, provided that the CPVC piping and solvents are listed as approved materials in the Uniform Plumbing Code and certain specified flushing and worker safety practices are strictly complied with.

In a letter than accompanied the signing of the bill, the Governor instructed the Department of Housing and Community development to draft regulations to make the provisions of this bill applicable statewide.

Status: Chapter 785, Statutes of 1995.

AB 717 (Ducheny) - Building Inspector Training and Certification

Establishes certification, training and continuing education requirements for construction inspectors, plan examiners, and building officials, as follows:

Training: Requires one year of verifiable experience in an appropriation field in an area closely related to the person's primary job function.

Certification: Upon completion of training, requires certification from a state, national, or international association of building officials. Exempts fire department inspectors and grandfathers in any person with two years of continuous employment in the field.

Continuing Education: Requires the completion of at least 45 hours of continuing education every three years. Defines "continuing education" as education relating to enforcement of the California Building Standards Code, model codes, and other locally enforced building standards.

Status: Chapter 623, Statutes of 1995.

AB 747 (V. Brown) - Wood Roof Fire Retardency Standards (Urgency)

- 1) Reduces wood roof fire retardency standards from requiring treated wood shakes and shingles to pass a 10-year natural weathering test to passing a five-year natural weathering test by January 1, 2001.
- 2) Prohibits the sale of any wood roofing materials which fail at any point in the natural weathering test between January 1, 1996 and January 1, 2001.

Status: Chapter 33, Statutes of 1995.

AB 1314 (Sher) - Straw Bale Structures

- 1) Establishes statutory safety guidelines for the construction of structures using rice straw bales.
- 2) These statutory guidelines become effective only if adopted by a city or county, which is authorized to modify the guidelines based upon local conditions. The local government is required to file a copy of its modifications with the Department of Housing and Community Development.
- 3) Authorizes the California Building Standards Commission to prepare a report on the use and implementation of the guidelines before January 1, 2002. Authorizes the Commission to accept and use any funds provided or donated for the preparation of this report.

Status: Chapter 941, Statutes of 1995.

AB 1784 (Speier) - Swimming Pool Safety

Requires the installation of specified safety enclosures or alarms for pools for which permits are issued after January 1, 1997.

Status: Failed passage, Assembly Appropriations Committee.

AB 2908 (Goldsmith) - Occupancy Limits

Allows landlords or other housing providers to establish an occupancy standard provided the standard is equal to or greater than two persons per bedroom plus one additional person per housing unit.

Status: Failed passage, Senate Judiciary Committee.

AB 3026 (Bates) - Security Bar Safety Releases

- 1) Authorizes a local government to adopt an ordinance establishing a date by which security bars must be retrofitted with emergency releases in accordance with the 1995 version of the California Building Standards Code.
- 2) Effective July 1, 1997, requires written disclosure of security bar emergency releases; and modifies the statutory transfer disclosure statement to include disclosure of security bar emergency releases, child-resistant swimming pool barriers (AB 3305), and strapping of hot water heaters (SB 304).

Status: Chapter 926, Statutes of 1996.

AB 3305 (Setencich) - Swimming Pool Safety

Enacts the Swimming Pool Safety Act which:

- 1) Requires sellers of single-family homes to disclose, effective July 1, 1997, whether a swimming pool or spa has a specified fence, cover or other safety feature.
- 2) Requires that swimming pools constructed after January 1, 1998 must have specified safety features, which may consist a fence meeting specified requirements, an approved pool cover, exit alarms on doors providing access to the pool, self-latching devices on doors providing access to the pool, or other means which provide equal or greater protection.
- 3) Authorizes local government to enact more stringent pool safety standards. Additionally, grandfathers-in all existing local ordinances.
- 3) Provides the provisions of this Act are to be published in the California Building Standards Code.

Status: Chapter 925, Statutes of 1996.

AB 3415 (Hawkins) - Model Codes

Deletes the enumeration of specific model codes and adopting organizations currently in statute and provides the California Building Standards Commission with discretion to determine which model building codes will be adopted for use in California.

Status: Died, Assembly Housing Committee.

AB 3372 (Ducheny) - Building Standards: Emergency Regulations

Authorizes the California Building Standards Commission to consider adoption of emergency amendments to model building codes in an expedited rule-making process if: a) The model building code provisions being amended are not under the jurisdiction of a state agency; and b) the state amendments are substantially similar to the emergency amendments adopted by the model codes organization.

Status: Chapter 384, Statutes of 1996.

SB 304 (Rosenthal) - Water Heaters

- 1) Requires a seller of real property to certify in writing that the hot water heater has been braced, anchored, or strapped to resist falling during an earthquake.

- 2) Certification may be included in existing transactional documents including the Homeowner's Guide to Earthquake Safety, the real estate sales contract or deposit receipt, or the transfer disclosure statement.

Status: Chapter 98, Statutes of 1995.

SB 335 (Solis) - Locks & Deadbolts/Rental Housing

- 1) Effective July 1, 1996, requires landlords of rental housing to install and maintain operable deadbolt locks on exterior doors, window locks for accessible windows and sliding glass doors, and locking mechanisms to exterior doors providing access to common areas in developments with 16 or more housing units.
- 2) Provides that, on and after January 1, 1997, a tenant may use existing rights and remedies currently provided by landlord/tenant law to enforce the requirements of this bill. These remedies include repair and deduct, injunctive relief, damages for collecting rent for an untenable dwelling, breach of contract, and an affirmative defense in eviction actions when the landlord was given notice but failed to repair the locks.

Status: Died, Assembly Housing Committee.

SB 533 (Hughes) - Building Code Violations/Los Angeles

Revises the formula used by an enforcement agency for purposes of determining whether or not a substandard building should be repaired or demolished. The current threshold requires an enforcement agency to give preference to repair a building when less than 75 percent of the building is damaged; this bill reduces the damage threshold to 50 percent. This bill applies only to the City of Los Angeles.

Status: Failed passage, Assembly Appropriations Committee.

SB 577 (Rosenthal) - Seismic Safety: Gas Shutoff Devices (Urgency)

Authorizes the State Architect to certify pressure-sensitive gas shutoff devices. Clarifies requirements enacted by SB 304 for strapping hot water heaters by specifying that standards contained in the California Plumbing Code are minimum standards.

Status: Chapter 152, Statutes of 1996.

SB 798 (Mountjoy) - Unvented Fireplaces

Permits the sale of natural gas fueled gas logs and unvented fireplaces if the unvented fireplaces meet standards to be developed by the Department of Housing and Community Development (HCD) and the Department of Health

Services. These standards must be adopted as part of the California Building Standards Code and the unvented fireplaces must be tested and listed by an agency approved by HCD.

Status: Chapter 73, Statutes of 1996.

SB 1109 (Leslie) - Hospital Building Standards

- 1) Reduces the time for a less-restrictive building standard to take effect from 180 to 30 days. Requires the California Building Standards Commission to determine if a proposed amendment or repeal of a building standard will result in a less restrictive regulation.
- 2) Contains other provisions relating to the duties of the Office of Statewide Health Planning and Development.

Status: Chapter 543, Statutes of 1995.

SB 1490 (Rogers) - Earthquake damage

Requires the State Architect to develop guidelines for application of earthquake hazard mitigation technologies. Additionally, requires engineer and architect, when designing or renovating a building, to provide a Seismic Safety Disclosure Statement which provides:

- 1) The standards contained in the California Building Standards Code are minimum standards for building design to safeguard against loss of life and major building failure, and
- 2) Earthquake hazard mitigation technologies are available to increase the probability that buildings will remain functional during and after a major earthquake.

Status: Vetoed by the Governor.

SB 1708 (Alquist) - Solar Easements

Requires tentative subdivisions to be designed, to the extent feasible, for future active heating or cooling opportunities.

Status: Died, Assembly Housing Committee.

COMMUNITY REDEVELOPMENT

Overview

Redevelopment began in 1945 as a post-war blight removal program that used federal urban-renewal grants to clean up blighted urban areas. These first projects were few in number: 27 projects in 1966. Project size was also limited. Prior to 1957, most project areas ranged from 10 to 100 acres.

By 1995, however, due to the use of tax-increment financing authorized by the voters in 1952 and fiscal restrictions imposed upon local governments by Proposition 13, redevelopment has emerged into a key local financing tool. The spread of redevelopment has grown so tremendously that now there is scarcely a jurisdiction that does not have an agency. There are currently 359 cities, 24 counties, and 2 joint city-county agencies. Many project areas encompass thousands of acres. According to the Legislative Analyst, over 100 square miles of California land was put under the control of redevelopment agencies in 1993.

Redevelopment offers several unique powers to local officials. First, under redevelopment, jurisdictions can issue bonds without a vote of the people; and second, they can use eminent domain authority to take private property for other private development uses.

Redevelopment agencies accumulate their funds by freezing the property tax base within a project area that has been designated as "blighted." With the property tax base frozen, all the affected taxing entities that receive property tax -- schools, fire departments, police departments, special districts -- continue to receive the same share of property tax that they received in the year when the redevelopment plan took effect. For instance, if a school was receiving \$100,000 in property tax in 1990, it continues to receive that amount from the project area throughout the life of the redevelopment plan. Any additional property tax generated above the base year goes to the redevelopment agency. But the agency must share a percentage of this money with the affected taxing entities. A statutory formula requires certain percentages of funds to be passed through to the affected taxing entities. The specific percentages increase through the term of the redevelopment project.

Redevelopment activity has a significant fiscal impact on the General Fund. Estimates of the cost of redevelopment to the state range from \$400 to \$750 million per year. These state costs are the result of the state guaranteeing minimum levels of school funding. Schools currently receive approximately 50 percent of local property tax dollars. When a redevelopment project area is declared and the property tax base within that area is "frozen," a large portion of the increase in the property tax increment generated within the project area flows to the redevelopment agency. Schools -- unlike all the other affected taxing entities that receive property tax within a project area -- are then reimbursed by the state for any amounts that they lose to redevelopment.

These high state costs, the lack of clear public scrutiny, proliferation of agencies and large project areas make redevelopment highly controversial. Once agencies are started, they gather momentum and are rarely if ever stopped.

City officials and developers tout redevelopment's benefits and advantages to revive down-trodden urban areas; tax watch-dog groups and adversely-affected business owners view redevelopment agencies as administrative behemoths which gobble up scarce tax dollars and engage in grand-scale development deals of dubious value. The suspicious see redevelopment agencies as engaging in games of fiscal sleights of hand with its true powers only understood by cagey attorneys, consultants, and staff.

In many cases, redevelopment powers have been used prudently and have produced good results. Examples are numerous where a run-down urban area is "redeveloped" and brought back to life again. In other more-controversial cases, these powers have been used to "develop" as opposed to redevelop. This happens when large areas of vacant land are deemed "blighted," and redevelopment agencies issue bonds without a public vote. These funds are then used to build infrastructure to attract development or to engage in bidding wars with surrounding communities to attract auto malls and "big-box" retailers and other sales-tax generators.

The Legislature sought to limit redevelopment abuses by passing laws, such as AB 1290 (Isenberg), Chapter 942, Statutes of 1993, to attempt to keep redevelopment focused on removing true urban blight. According to a report prepared by the Legislative Analyst, Redevelopment after Reform: A Preliminary Look, there is no initial evidence that the recent "reforms" have worked. The Analyst found no evidence that redevelopment project areas adopted in 1994 after the "reform" law were either smaller in size or more focused on eliminating urban blight than those project areas adopted in earlier years. The Analyst's report, however, was condemned as "premature" by redevelopment representatives who contended that the reforms had not had been given enough time to work.

Redevelopment Reform: AB 1290

The early 1990's were difficult times for redevelopment agencies. Many members of the Legislature were openly criticizing agencies for adopting large project areas with questionable evidence of blight, engaging in bidding wars with other jurisdictions for new commercial developments, and hoarding millions of dollars in unspent housing set aside funds. The cry for reform was in the air. With little sympathy for the pleas of the defenders of redevelopment, the Legislature raided these perceived "cash cows" to help balance the state's budget deficit for two years in a row. In response to this negative environment, the California Redevelopment Association sponsored AB 1290 (Isenberg), Chapter 942, Statutes of 1993, which proposed numerous reforms to the existing redevelopment process. The bill focused on issues which had historically caused concerns among redevelopment critics, including the definition of "blight," the term of redevelopment plans, and mitigation agreements.

Major portions of language included in AB 1290 were the result of special hearings held by the Committee in 1993 and the numerous discussions following those hearings. In brief, AB 1290:

- o Alters the definition of "blight."

- o Specifies time limits for new and previously adopted project areas, i.e., the term of the redevelopment plan, the term of the available flow of tax increment moneys, and the term of the agency's redevelopment powers.
- o Increases and modifies penalties for the failure to expend tax increment moneys in an agency's LMI Fund.
- o Authorizes the development of affordable housing units outside the project area to count toward an agency's inclusionary requirements. Under the provisions of the bill, an agency must produce two units outside the project area for every one unit owed.
- o Prohibits the dedication of sales tax to an agency by its legislative body.
- o Authorizes the financing of facilities or capital equipment made in conjunction with the development or rehabilitation of property used for industrial or manufacturing purposes.
- o Deletes provisions relating to negotiated mitigation agreements and, instead, provides for a guaranteed statutory pass-through beginning in the first year of a project area for all affected taxing entities.

Redevelopment and Military Base Closures

Over the past several years, communities representing Norton and George, Castle, Mather, Fort Ord, March, Tustin, Alameda and Mare Island closed military facilities, have each come to the Legislature seeking amendments to redevelopment law for the purpose of using redevelopment as a tool to convert the closed base to private use.

In 1993, the Legislature passed SB 915 (Johnston), Chapter 944, Statutes of 1993, which contained special redevelopment legislation for the redevelopment of Mather Air Force Base, as well as general provisions that apply to any closed military base. By the time it was enacted, the general consensus was that the general provisions - Military Base Redevelopment Law (MRL) was moot; many of its provisions (mandatory school pass-through formulas that require schools to receive 100 percent their share of property tax within 15 years, and requirements for the establishment of a fiscal review committee) were reflective of redevelopment law prior to the passage of AB 1290.

In 1996, existing MRL was virtually repealed and replaced by AB 2736 (Weggeland), Chapter 221, Statutes of 1996. AB 2736 reflects existing redevelopment law, and specifically the changes to the law that were contained in AB 1290. AB 2736 applies to all closed military bases that choose to use redevelopment in base reuse efforts. AB 2736 made the following changes to existing MRL:

- 1) Revised the definition of blight to better reflect the conditions on closed military bases.

- 2) Specified that territory outside the military base may only be included in the project area if a finding is made by the governing board of the agency that the area is blighted and that its inclusion in the project area is necessary for effective redevelopment of the base property. Moreover, all territory outside the base must meet the existing CRL definition of "blight" and the CRL definition of "predominantly urbanized." An area outside the boundaries of a military base shall be deemed not necessary for effective redevelopment if such an area is included for the purpose of obtaining tax revenue, without other substantial justification for its inclusion.
- 3) Deleted the (pre-AB 1290) school pass-through formula as well as the option of negotiating an alternative formula, and replaced it with the standard statutory pass-through formula (AB 1290), but retained the existing Military Base Closure Redevelopment trigger for payment to begin when the agency accumulates over \$100,000 in a fiscal year.

This bill also removed, because of the deletion of the negotiated pass-through agreement and the inclusion of a statutory pass-through agreement, existing fiscal review committee provisions.

- 4) Allowed an agency to defer the requirement to allocate 20% of the tax increment to the Low and Moderate Income Housing Fund (LMI) for 5 years based upon an annual finding of the legislative body that the funds are necessary for the effective redevelopment of base property and that an adequate supply of low and moderate income housing is available in the community. This money is required to be paid into the LMI Housing Fund no later than the end of the 20th fiscal year after the date on which the agency adopts its redevelopment project. These provisions do not apply to off-base property.
- 5) Allowed a deferral of the California Environmental Quality Act (CEQA) for the redevelopment plan for up to 18 months. However, projects that implement the redevelopment plan, including specific plans, rezonings, and other projects that may have a significant effect on the environment, would be subject to CEQA. Specifies that if the environmental document is determined to be inadequate, the redevelopment agency shall not undertake additional projects that implement the redevelopment plan until an adequate environmental document has been certified.
- 6) Allow a redevelopment plan to be developed concurrently with the local general plan. However, the agency could not implement the redevelopment plan without a finding that the redevelopment plan is consistent with the local general plan.

Community Redevelopment and Disaster Recovery

In 1995, the Legislature approved redevelopment reform legislation to address some recent redevelopment abuses to existing Disaster Project Law (DPL). The bill, AB 189 (Hauser), Chapter 186, Statutes of 1995, rewrites and tightens DPL in response to some recent abuses after the Northridge Earthquake.

In 1994, the Legislative Analyst issued a report documenting some of the abuses. The existing DPL provisions had not been amended since the law was enacted in 1964, when a tidal wave damaged Crescent City. The 1964 language allowed the project to be developed in an accelerated fashion by reducing public notice requirements from 30 to 10 days, prohibiting the right of the people to vote on the adoption of the plan, and eliminating the requirement that the project area contain blight. Under this outdated authority, some cities proposed massive redevelopment projects after disasters without declaring the area blighted and keeping the public shut-out of the process.

The intent of AB 189 was to reform DPL in a manner that limited future abuses, but also allowed jurisdictions that suffer legitimate disasters to rebuild their communities. AB 189 limits the application of the law so that it can only be used by localities in disaster-stricken areas for a 10-year period, restores the public right to vote on project adoption, and reinstates standard 30-day public notice requirements. It is also anticipated that AB 189 will reduce the need for communities to seek special legislation after future disasters.

1995-96 Legislation

AB 189 (Hauser) - Disaster Project Law

- 1) Requires the adoption of a redevelopment plan to be commenced within six months of a Presidentially declared disaster, and for the adoption to be completed within 24 months.
 - 2) Requires a preliminary plan to be prepared covering the proposed disaster project and compliance with existing CRL 30-day public-notice provisions.
 - 3) Authorizes the ordinance adopting the redevelopment plans to be subject to referendum.
 - 4) Establishes a time limit of 10 years to establish loans, advances, and indebtedness to be paid with tax increment, 10 years to complete the redevelopment plan, and 30 years to repay indebtedness.
 - 5) Authorizes the "base-year assessment roll" to be established through a procedure under existing law which takes into account the decline in property values due to the disaster.
 - 6) Limits the use of tax-increment funds to repairing and replacing only those buildings and facilities which have been damaged or destroyed by a disaster.
-
- 7) Defines "project area" as a predominantly urbanized area limited to those areas in which the disaster conditions are so prevalent and so substantial that they have caused a reduction in, or lack of, the normal pre-disaster usage of the area to such an extent that it causes

a serious physical and economic burden which cannot reasonably be expected to be reversed or alleviated during the term of the redevelopment plan by private enterprise or governmental action, or both, without redevelopment.

- 8) Authorizes the adoption of a redevelopment plan without compliance with the California Environmental Quality Act (CEQA). An agency is allowed to delay CEQA compliance for up to 12 months following the adoption of the plan, but requires all projects undertaken within the 12-month period to be subject to CEQA.
- 9) Clarifies that an agency must comply with existing relocation requirements when the actions of the agency cause displacement.
- 10) Sunsets the law on January 1, 2001.

Status: Chapter 186, Statutes of 1995.

AB 419 (Olberg) - Financial Reports

- 1) Requires a redevelopment agency to submit a detailed report of its administrative funds, as well as a copy of its annual report, upon the written request of a taxing entity which levies taxes within the jurisdiction of the agency.
- 2) Requires the person or taxing agency to reimburse the redevelopment agency for all actual and reasonable costs incurred in connection with the provision of the requested information.

Status: Chapter 116, Statutes of 1995.

AB 1379 (Thompson) - Payments to Affected Taxing Entities

- 1) Authorizes a redevelopment agency to make payments to an affected taxing entity that is a state water contractor (Castaic Lake Water Agency) of those taxes that were originally levied and approved by the state's voters prior to July 1, 1978, to fund a state water contractor's payments on its water supply contract with the Department of Water Resources for the costs of building, operating, maintaining, and replacing the State Water Resources Development System.
- 2) Provides that the payments made shall not cause any reduction in other currently authorized payments.
- 3) Defines "State Water Resources Development System" to mean as that term is defined in the Water Code.

Status: Chapter 137, Statutes of 1995.

AB 1424 (Isenberg) - Affected Taxing Entities

- 1) Expresses the intent of the Legislature with regard to the formula for payments of redevelopment agencies to local taxing entities required by the Community Redevelopment Law Reform Act of 1993 [AB 1290 (Isenberg), Chapter 942, Statutes of 1993], which states in part:

Prior to the enactment of AB 1290, negotiated agreements between redevelopment agencies and taxing entities often led to redevelopment project areas that were not truly blighted, thereby increasing both the size of project areas and the amount of local property taxes diverted to redevelopment activities. These negotiated agreements cost the state General Fund between \$400 million and \$750 million per year.

AB 1290 replaced negotiated agreements with a statewide formula to provide all taxing entities affected by redevelopment project areas a set percentage of their anticipated property tax revenues.

Some private education consultants were advising school districts that the letter and intent of AB 1290 may be circumvented by entering into negotiated agreements that would prevent the state from slowing the financial drain on the General Fund caused by redevelopment projects.

- 2) Requires that a reduction in a payment by a redevelopment agency to a school district, community college district, county office of education, or for special education, be subtracted only from the amount that otherwise would be available for educational facilities (the portion considered to not be property taxes).
- 3) Changes the portions of the amounts paid to a school district that are considered to be property taxes and not to be property taxes from 43.9% and 56.1% to 43.3% and 56.7%, respectively.

Status: Chapter 141, Statutes of 1995.

AB 1820 (McPherson) - Replacement Dwellings

Exempts the City of Marina or its redevelopment agency from existing redevelopment replacement and relocation housing requirements, if it leases housing units for affordable housing purposes, known as Preston Park and Abrams Park Units, from the United States Department of the Army.

Status: Chapter 850, Statutes of 1996.

AB 2063 (Isenberg) - Redevelopment Project Funding

Prohibits redevelopment agencies from providing assistance to gambling enterprises.

Status: Chapter 136, Statutes of 1996.

AB 2569 (Knowles) - Eminent Domain

Prohibits a redevelopment agency from acquiring any property by eminent domain if the project involves the acquisition of a privately-owned parcel of land used at the time of the adoption of the preliminary plan for the operation of a privately-owned business for the eventual use by another privately-owned business.

Status: Died, Assembly Housing Committee.

AB 2736 (Weggeland) - Military Base Conversion

Revises numerous provisions of military base redevelopment law.

Status: Chapter 221, Statutes of 1996.

AB 2850 (Cortese) - Sale of Lease or Property

Exempts small housing projects, when sold or leased by a redevelopment agency, from certain reporting requirements.

Status: Chapter 64, Statutes of 1996.

AB 3025 (Hawkins) - Low- and Moderate-Income Dwelling Units

Extends a sunset date, from January 1, 1997 to January 1, 2001, for provisions relating to redevelopment agencies and replacement housing dwelling units. Also extends the operative date for alternative provisions related to replacement dwelling units.

Status: Chapter 329, Statutes of 1996.

AB 3129 (Lee) - Alameda Naval Air Station

Authorizes the adoption of a redevelopment plan for the Alameda Naval Air Station and the Fleet Industrial Supply Center in the City of Alameda.

Status: Chapter 222, Statutes of 1996.

AB 3255 (Caldera) - Redevelopment: Disaster Relief

Allows a redevelopment plan within the City of Los Angeles and any other municipality that has a redevelopment project area affected by the 1994 Northridge earthquake to utilize a base year value that is estimated after a reassessment for earthquake damage.

Status: Chapter 784, Statutes of 1996.

AB 3403 (W. Murray) - Redevelopment: Notices

Requires notices for hearings on proposed redevelopment plans, or amendments to the plan, to be written in nontechnical language and in a clear and coherent manner, using words with common and everyday meaning.

Status: Chapter 249, Statutes of 1996.

SB 77 (Mello) - Fort Ord

Expands the existing exemption from low- and moderate-income set-aside requirements for the Fort Ord Redevelopment Agency. Specifically, this bill authorizes the agency to waive half of the housing set-aside funds from the fifth year through the tenth year, provided the finding of a 6% affordable housing vacancy factor continues to be made.

Status: Chapter 45, Statutes of 1995.

SB 78 (Mello) - Fort Ord

Exempts any housing built prior to January 1, 1970 from being subject to existing redevelopment law replacement requirements for low and moderate income housing under the jurisdiction of the Fort Ord Redevelopment Agency.

Status: Died, Assembly Housing Committee.

SB 1036 (Mello) - Fort Ord

- 1) Authorizes, through various deletions to existing law, FORA or another redevelopment agency with jurisdiction within Fort Ord to finance facilities or infrastructure which are for the primary benefit of CSU or UC.
- 2) Prohibits financial assistance for the development or redevelopment of buildings owned or operated by CSU or UC.

Status: Chapter 441, Statutes of 1995.

SB 1566 (Monteith) - Agricultural and Open-Space Lands

Prohibits the inclusion of agricultural and open-space lands (Williamson Act) in a redevelopment project area and adds reporting requirements.

Status: Chapter 617, Statutes of 1996.

SB 1626 (Kopp) - Redevelopment

Makes various changes to existing community redevelopment law in order to increase the oversight of redevelopment agencies regarding reporting requirements.

Status: Vetoed by the Governor.

SB 1861 (Johnson) - Tustin Marine Corps Air Station

Authorizes the adoption of a redevelopment plan for the Tustin Marine Corps Air Station (TMCAS) Redevelopment Project.

Status: Chapter 165, Statutes of 1996.

SB 2112 (Leonard) - Community Development: San Bernardino County

Removes the statute that prohibits the mayor of a chartered city in San Bernardino County from vetoing any order or resolution of the redevelopment agency or the community development commission.

Status: Chapter 1119, Statutes of 1996.

RENT CONTROL

Under existing law, in the absence of state or local law to the contrary, rental rates for real property are established by contractual agreement. Over 100 jurisdictions have established, through ordinance or initiative, some form of rent control on multifamily rental housing or mobilehome park spaces.

Fourteen cities have some form of residential rent control. Over 100 jurisdictions have enacted mobilehome rent control. Mobilehome rent control applies to 1,365 parks covering about 147,200 mobilehome spaces.

Proponents of rent control argue that either state regulation or the prohibition of rent control is inappropriate - each community is unique and local circumstances should determine whether rent control is warranted. Rent control protects persons with low incomes from high rents which result from speculation, low vacancy rates, or the desire for higher profits.

Opponents of rent control argue that rent controls deter new construction of rental housing and discourage investment. Further, rent controls which do not offer adequate returns inhibit the proper maintenance and upkeep of residential property. Finally, it is contended that rent control subsidizes rents for persons who can readily afford to pay market rates.

Rent controls may be generally categorized as "severe" or "moderate." Severe rent control is characterized by the continuing control of rent when a unit becomes vacant and prohibits a rent increase when a new tenant occupies the unit (vacancy control). Moderate rent control does not control the rent on a unit when it becomes vacant and permits the rent to rise to the market rate when a new tenant moves in. After this new rent is determined, the rent is again controlled (vacancy decontrol).

1995-96 Legislation

The following rent control bills were heard by the Committee:

AB 1164 (Hawkins) - Residential Rent Control

Establishes a comprehensive scheme to regulate local residential rent control, which shall be known and may be cited as the Costa-Hawkins Rental Housing Act, as follows:

- 1) **Vacancy decontrol:** Establishes vacancy decontrol for residential dwelling units where the former tenant has voluntarily vacated, abandoned, or been evicted pursuant to a three-day notice to pay or quit.
-
- a) Specifies that the rental rate of a dwelling or unit whose rental rate is controlled by ordinance or charter provision in effect on January 1, 1995, shall, until January 1, 1999, be established as follows:

Upon a vacancy, as specified, an owner of residential real property may, not more than twice, establish the initial rental rate for a dwelling or unit in an amount that is no greater than 15 percent more than the rental rate in effect for the immediately preceding tenancy or in an amount that is 70 percent of the prevailing market rent for comparable units, whichever amount is greater.

- b) This provision would not apply if the rent control is pursuant to an agreement between the local public entity and the owner for a "direct financial contribution" or other specified assistance from the locality. It would also not apply to impair any obligation of contracts entered into prior to January 1, 1996.
- 2) **Single-family exemption:** Exempts single-family residences from rent control after 1999 upon a vacancy. Provides a three-year phase-in similar to that described above for a single family home, condominium, townhouse, specified community apartment projects and stock cooperatives, and any dwelling unit which could be sold or transferred separately. This "single-family" exemption provides that any tenant in place prior to January 1, 1996 and who remains after the three-year phase-in would remain covered by the local rent control ordinance.
- 3) **New Construction Exemption:** Exempts from local controls any new construction which is issued a certificate of occupancy after February 1, 1995, and exempts from local controls any residential real property which is already exempt from local controls as of February 1, 1995 pursuant to a local exemption for newly constructed units.
- 4) **Evictions:** Provides that this bill would not affect any authority of a public entity that otherwise exists to regulate the basis for eviction (such as local just cause eviction ordinances).
- 5) **Subletting:** Provides that an owner may increase the rent by any amount to a sublessee or assignee where there is a rental agreement prohibiting subletting or assignment and the original occupant(s) who took possession no longer permanently reside there.
- 6) **Code Violations:** Exempts from the bill any dwelling or unit which contains serious health, safety, fire or building code violations, as specified.

Status: Chapter 331, Statutes of 1995.

AB 1337 (Sweeney) - Mobilehome Park Long-Term Leases

Provides that the occupant (i.e. purchaser) of a mobilehome shall not be considered an unlawful occupant of a mobilehome park if the management failed to offer a rental agreement for a term of 12 months, a lesser period requested by the occupant or a longer period, mutually agreed upon by the occupant and management.

Long-term leases are exempt from rent control. The gist of this bill is whether:

- a) A prospective purchaser/occupant should receive the benefits of rent control, by agreeing to a month-to-month lease; or
- b) Management should be reserved the right to determine the requirements of tenancy, including offering only a long-term lease to a prospective purchaser.

Status: Vetoed by the Governor.

AB 3244 (Hawkins) - Real Property: Rent Control

Clarifies existing authorization for increasing the rent on a dwelling unit where the original occupant, pursuant to the rental agreement, did not reside at the dwelling unit prior to January 1, 1996.

Status: Chapter 1031, Statutes of 1996.

SB 1181 (Haynes) - Mobilehome Residency Law: Rent Control

Exempts from local rent control ordinances mobilehome spaces with manufactured homes occupied on a seasonal or secondary basis.

Status: Chapter 392, Statutes of 1996.

SB 1257 (Costa) - Residential Rent Control

This measure was the initial residential rent control bill, the provisions of which were subsequently amended into AB 1164.

Status: Died, Assembly Housing and Community Development Committee.

SB 1632 (Costa) - Real Property: Rent Control

Requires tenant information provided for the purpose of regulating rent control jurisdictions to be treated as confidential information, pursuant to the Information Protection Act of 1977.

Status: Chapter 566, Statutes of 1996.

COMMON INTEREST DEVELOPMENTS

"Subordination of individual property rights to the collective judgment of the owners' association, together with restrictions on the use of real property, comprise the chief attributes of owning property in a common interest development."

California Supreme Court, September 2, 1994
Nahrstedt v. Lakeside Village Condominium Association

The Davis-Stirling Act (Act) defines common interest developments (CID), including community apartment projects, condominium projects, planned developments, and stock cooperatives. In addition, the Act provides for association voting requirements, access to records, levy of assessments, conduct of meetings, and liability of officers and directors.

A CID combines a separate interest in the ownership of a unit with a combined interest in the ownership of the common area.

The owners of the separate interests are members of an association which is created for the purpose of managing the CID. The board of directors of the association is responsible for the day-to-day management and operation of the CID.

The Department of Real Estate is the governmental entity responsible for approving, with limited exceptions, the public report required before a CID can be established. It is estimated that there are over 25,000 CID associations. The majority of these associations are less than 10 years old.

In 1995, the biggest development relating to CIDs involved the Federal Home Loan Mortgage Company (Freddie Mac).

Freddie Mac is a shareholder-owned, government-sponsored enterprise created on July 24, 1970; its primary mission is to provide stability to the secondary market for residential mortgages. Freddie Mac's principal activity consists of purchasing first-lien conventional residential mortgages. Freddie Mac, however, imposes limits on the maximum original principal amount of any type of mortgage that it may purchase. In 1994, the maximum original principal amount for a first-lien conventional single-family mortgage was \$203,150. Altogether, Freddie Mac holds about one out of six mortgages in the United States.

On February 15, 1995, Freddie Mac introduced new requirements for California condominium mortgages. Effective July 1, 1995, Freddie Mac required earthquake insurance on condominium projects in specified high-risk areas of the state (and in moderate-risk areas for certain types of projects) before mortgages on individual units within projects are eligible for sale to Freddie Mac.

Freddie Mac requires these deductibles to be prefunded in one of three ways:

- a) Maintain reserves in the amount of the deductible, designated for such exclusive use and which must be replenished within six months of disbursement for covered loss.

- b) Maintain unit owner's earthquake insurance on all units in the condominium. Each unit must be insured for the dwelling or building coverage at a limit that is at least equal to the unit's prorated share of the project's deductible and for loss assessment coverage.
- c) Institute any other method that fully prefunds the amount of the deductible and is demonstrated in the governing documents.

1995-96 Legislation

Descriptions of the major bills reviewed by the Committee in this area follow:

AB 46 (Hauser) - Meetings

Re-organizes existing law relating to open meetings. Defines "meeting," allows a member to request an executive session to discuss proposed discipline, and provides for notice of meetings. The purpose of this bill is to provide for open CID meetings.

Status: Chapter 661, Statutes of 1995.

AB 104 (Hauser) - Satellite Dishes

Provides that any covenant, condition, or restriction (CC&R) contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of, or any interest in, a (CID) that effectively prohibits or restricts the installation or use of a television or video antenna or satellite dish that is 36 inches or less in diameter or that effectively prohibits or restricts the attachment of that antenna or dish to a structure within that development where the antenna is not visible from any street or common area, is void and unenforceable.

Allows "reasonable restrictions" on a dish or antenna.

Defines "reasonable restrictions" to mean those restrictions that do not significantly increase the cost of the system (including the antenna and related equipment) or significantly decrease its efficiency or performance.

Status: Chapter 978, Statutes of 1995.

AB 463 (Goldsmith) - Fiscal Affairs and Notice of Civil Action

Deletes the exception to the requirement for ownership approval of special assessments for prescribed legal costs (thereby requiring a vote as well for a special assessment to pay for the costs of construction defect litigation).

Requires the board to provide written notice to members of the association regarding any proposed civil action to be filed by the association against the declarant or other developer of a CID for alleged damage to certain areas or interests that the association is obligated to maintain or repair, as specified.

Status: Chapter 13, Statutes of 1995.

AB 1317 (Speier) - Common Interest Developments

Makes common interest development (CID) assessments subject to alternative dispute resolution (ADR), and provides procedures for notifying a property owner of an existing debt. More specifically:

- 1) Requires the board of directors of an association to permit any member of the association to speak at any meeting of the association or the board of directors. An exception to this provision would be for meetings of the board held in executive session.
- 2) Provides that in a dispute between the owner of a separate interest and the association regarding an assessment imposed by the association, the owner of the separate interest can pay "under protest," with written notice, the following:
 - a) The amount of the assessment in dispute;
 - b) Late charges;
 - c) Interest; and
 - d) All fees and costs associated with the preparation and filing of a notice of delinquent assessment, including all mailing costs, and attorney's fees not to exceed \$425.

Requires the notice to be mailed by certified mail not more than 30 days from the recording of a notice of delinquent assessment. The association would be required to inform the homeowner of his or her right to resolve the dispute through ADR or other available procedures. The conference committee amendments would limit the use of ADR for this purpose to two times in a calendar year, and not more than three times within five years. ADR could be used more times, if the association and the homeowner mutually agree.

Specifies that the owner of a separate interest may request, and be awarded through ADR, reasonable interest on the amount that ~~is paid under protest as well as whether the assessment levied~~ by the association was not correctly levied.

- 3) Specifies that before an association may place a lien upon the separate interest of an owner for the collection of a debt that is past due, the association would be required to notify, by certified mail, the homeowner in writing of the following:

- a) The fee and penalty procedures of the association;
- b) An itemization of the charges owed by the homeowner, including the principal owed, any late charges and the method of calculation, and any attorney's fees; and
- c) The collection practices used by the association, including the right of the association to the reasonable costs of collection.

Specifies that any payments towards such debt shall be first applied to the principal owed, and only after the principal owed is paid in full shall payments be applied to interest or collection expenses.

- 4) Requires the notice of delinquent assessment be mailed, as specified, to the recorded owner(s) of the owner's interest in the CID no later than 10 days after recordation.
- 5) Specifies that a monetary penalty imposed by the association for reimbursement of costs incurred by the association for the purpose of repairing damage to common areas and facilities for which the member, member's guest, or tenant was responsible, may become a lien against the member's subdivision interest enforceable by the sale of the subdivision interest. The authority to impose a lien for this purpose would have to be in the CID's governing documents.
- 6) Provides that a monetary penalty imposed by an association as a disciplinary measure for failure of a member to comply with the governing documents, except for late payments, may not be characterized as an assessment for the purpose of lien procedures. Thus, a member could not have a lien placed on his or her subdivision by the association because of the monetary penalty imposed for disciplinary reasons.
- 7) Specifies that a lien created because of a delinquent assessment could not be enforced until 30 days following the recording of the lien.
- 8) Removes the provision that required an association, prior to a sale by a trustee, to make at least one bona fide attempt to serve the owner with notice of sale by trustee.

Status: Chapter 1101, Statutes of 1996.

AB 2166 (Miller) - Common Interest Developments: Managing Agent

Clarifies the responsibilities of sellers and realtors to disclose to prospective purchasers of units in common interest developments information concerning pending and settled litigation against the development.

Status: Failed Passage, Senate Judiciary Committee.

AB 3015 (Hawkins) Common Interest Developments: Reserve Funds

Requires common interest developments to inspect major components of the developments when reviewing their reserve accounts.

Status: Chapter 80, Statutes of 1996.

AB 3056 (Brulte) Common Interest Developments: Roads

Prohibits a common interest development (CID) from banning the operation of any motorcycle by a resident or homeowner within the development.

Status: Vetoed by the Governor.

AJR 23 (Hauser) - Earthquake Insurance

Memorializes the President and the Congress to prevent the Federal Home Loan Mortgage Corporation from imposing new earthquake insurance requirements for condominiums in California.

Status: Died, Senate Judiciary Committee.

SB 110 (Craven) - Resident-Owned Mobilehome Parks

Clarifies that resident-owned mobilehome parks are subject to the Davis-Stirling Act, not the Mobilehome Resident Law (MRL). Clarifies that the MRL solely applies to a renter in a mobilehome park who does not have an ownership interest in the parks.

Status: Chapter 103, Statutes of 1995.

SB 300 (Petris) - Disclosure of Insurance Policies

Requires that unless the governing documents (rather than the declaration) impose more stringent standards, the association shall prepare and distribute to all its members a summary of the association's general liability policy, a summary of the association's earthquake and flood insurance policy, if one has been issued, and a summary of the liability coverage policy for the ~~director and officers of the association.~~

Provides that notwithstanding the above, the association shall, as soon as reasonably practical, notify its members by first-class mail if any of the policies have been canceled and not immediately replaced. If the

association renews any of the policies or a new policy is issued to replace an insurance policy of the association, and where there is no lapse in coverage, the association shall notify its members of that fact in the next available mailing to all members.

Provides that to the extent that the information to be disclosed is specified in the insurance policy declaration page, the association may meet these requirements by making copies of that page and distributing it to all its members.

Status: Chapter 199, Statutes of 1995.

SB 1325 (Polanco) - Freddie Mac

- 1) For the purpose of the Fair Employment and Housing Act (FEHA), includes within the definition of "person" all institutional third parties including the Federal Home Loan Mortgage Corporation.
- 2) Includes within the definition of "real estate-related transactions" the use of territorial underwriting requirements, including requiring a borrower in a specific geographic area to obtain earthquake insurance, in connection with the purchase by an institutional third party of a loan secured by residential real property.

Status: Chapter 924, Statutes of 1995.

SB 1525 (Wright) Common Interest Developments: Insurance

Clarifies common interest development (CID) insurance disclosure requirements.

Status: Chapter 396, Statutes of 1996.

HOMELESS PROGRAMS

Overview

Homelessness is a problem in every major California city, as well as in many rural areas. California's streets, malls, beaches, parks, and river banks are rife with people who for one reason or another do not have permanent places to live. The homeless problem stems from many sources: unemployment, alcoholism, drug addiction, reduced services for the mentally ill and reduced federal housing funds.

Despite the acknowledgment by many in government, the media, and the private sector of the problems of homelessness there is not agreement on how best to attack the problem.

The number of homeless people in California is difficult to estimate. Since a person can be homeless for days, weeks, months, or years, the homeless population is constantly fluctuating. Basically, the number of homeless depends on how they are counted and who does the counting.

Who are the homeless? According to the Department of Housing and Community Development's Consolidated Plan for 1995-96 through 1999-2000, based on national and local studies and estimates, it is believed that the following percentages are representative:

10 to 15%	Severely mentally ill only (no alcohol/drug problems)
10 to 20%	Alcohol/drug problems only (not severely mentally ill)
20 to 30%	Severely mentally ill and alcohol/drug problems
8 to 12%	Physically ill or disabled
9 to 15%	Diagnosed with AIDS or tested HIV positive
8 to 12%	Domestic violence
5 to 8%	Youths

To address the wide array of needs for the homeless, the state and federal government provides services to the homeless through a myriad of agencies, departments, and programs which focus on either emergency shelter and services or narrowly-focused programs which address specific subgroups of the homeless population.

Department of Housing and Community Development Programs

- 1) **Emergency Housing Assistance Program (EHAP):** Operated by HCD. Provides grants to local service providers who offer temporary emergency shelter to the homeless. Grants may be used for the acquisition and renovation or expansion of existing facilities, general maintenance costs, and limited administrative expenses. For FY 1995-96 EHAP was appropriated over \$4 million.
- 2) **Federal Emergency Shelter Grant Program:** Provides Stewart B. McKinney Homeless Assistance Act of 1987 (McKinney Act) grant funds for rehabilitation of homeless shelters, essential services, operating

expenses, homeless prevention, and grant administration. Approximately \$5 million was allocated from the federal government to California for this program in 1996 and \$80,000 came from the State General Fund.

- 3) **Homeless Handicapped Program:** Funded by HUD under the McKinney Act. The state program contracts with approximately 30 non-profit housing providers who acquire and rehabilitate single-family homes for use by the handicapped homeless. Currently, the program serves between 250 to 300 people. HUD pays for a percentage of the ongoing costs for up to five years, and the residents (most of whom receive Social Security) contribute 30 percent of their incomes toward household needs and maintenance costs. \$1.65 million was allocated from the federal government to California for this program in 1996 and \$80,000 came from the State General Fund.

Federal Stewart B. McKinney Homeless Assistance Act of 1987

The McKinney Act provides grants to states and local agencies for various programs for homeless persons, including the provision of "essential services" which includes drug and employment counseling and homeless prevention. The McKinney Act requires that as a condition of eligibility, applicants must provide a match equal in value to funds provided. This match must be supplied through non-federal sources. In addition, federal surplus property, including portions of recently closed military bases, may be made available to the state, local governments, or non-profits for use as facilities to assist the homeless. In 1994, approximately \$1 billion nationwide was set aside to fund 13 different federal programs.

Recent Legislation

In 1995-96, the Committee had one bill relating to the homeless: AB 368 (Speier), which would have authorized a redevelopment agency to use up to 30% of its funds for the development of transitional housing or emergency shelter outside of the territorial jurisdiction of the agency. AB 368 was not heard by the Assembly Housing Committee.

It should be noted that other legislative committees also heard bills relating to homelessness, including the Health Committee and the Human Services Committee.

HOUSING DISCRIMINATION

The Legislature addressed discrimination in housing in three areas. Housing discrimination laws are found in the California Fair Employment and Housing Act (Fair Housing Act), the Unruh Civil Rights Act (Unruh Act), and the federal Fair Housing Amendments Act of 1988 (FHAA).

The Fair Housing Act prohibits the owner of any housing accommodation from discriminating against any person in the sale or rental of housing accommodations because of race, color, religion, sex, marital status, national origin, ancestry, disability, or familial status. "Familial status" means one or more persons under the age of 18 living with a parent or other person having legal or designated custody and applies to pregnant women or those who are in the process of obtaining legal custody of a child under 18.

The FEHA also prohibits any person from making, printing, or publishing, or causing to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a housing accommodation that indicates any preference, limitation, or discrimination based on race, color, religion, sex, marital status, national origin, ancestry, familial status, or disability or an intention to make any such preference, limitation, or discrimination.

The Unruh Act prohibits discrimination on several bases, including age, in the sale or rental of housing, but permits - as an exception to this prohibition - the establishment and preservation of exclusive housing for senior citizens where the accommodations are designed to meet the physical and social needs of senior citizens, and defines for these purposes a senior citizen housing development.

In 1982, California Supreme Court held in Marina Point, Ltd. v. Wolfson (1982) 30 Cal.3d 72, that the Unruh Act prohibited a business establishment from discriminating in the sale or rental of housing based on age. The Court determined that a landlord of an apartment complex and the owner's association in a planned development are business establishments subject to the Unruh Act.

The Court determined that a ban against children in an apartment complex constitutes arbitrary discrimination under the the Unruh Act. The Court did, however, carve an exception for housing facilities "reserved for older citizens."

The Department of Fair Employment and Housing (DFEH) administers and enforces the Fair Employment and Housing Act (FEHA) and provides for procedures to prevent and eliminate discrimination in housing. DFEH also accepts complaints alleging violations of the Unruh Act relating to housing.

The Fair Housing Act does not expressly require that discrimination be proven intentional. The DFEH states that under the FEHA the burden on a complainant to establish discrimination in housing is met if the complainant demonstrates that the practice has a discriminatory effect. Discriminatory effect is

demonstrated by the disparate impact test. This test allows a complainant (plaintiff) to establish a prima facie case of discrimination by showing that a respondent's (defendant's) practices or policies have an adverse impact on a statutorily protected class of persons.

The DFEH is authorized to investigate complaints and adopt guidelines for accepting complaints regarding occupancy limitations. When a housing provider's occupancy limitation permits the number of occupants to be equal to, or greater than, two persons per bedroom plus one additional person (2+1) for the entire dwelling unit, DFEH will advise the complainant that the complaint probably cannot be sustained unless there is proof of intentional discrimination.

State Housing law provides for the adoption of building standards and the state has adopted by reference the Uniform Housing Code (UHC) as the statewide overcrowding standard; however, a city or county may modify this standard as it determines it is reasonably necessary because of local climatic, geological, or topographical conditions. The UHC provides that every dwelling, except for studio apartments, have one room with at least 120 square feet of floor area. Two persons are allowed to use a room for sleeping purposes if it has a total area of not less than 70 square feet. When more than two persons occupy a room, the required floor area must be increased by an additional 50 square feet per occupant. The UHC is based on health and safety considerations.

The FHAA prohibits discriminatory housing practices based on handicap and familial status. HUD has adopted regulations which recognize, as an exception to the prohibition against discrimination, the special needs and status of senior citizens. These regulations permit "seniors only" developments under specified conditions.

The FHAA expressly does not limit the applicability of any reasonable occupancy standards adopted by the state and local governments.

The FHAA specifies that if HUD receives a complaint alleging discrimination in housing, HUD must refer the complaint to a state or local agency for action if the agency has jurisdiction and is certified by HUD as having protections, procedures, and remedies "substantially equivalent" to HUD in fair housing enforcement.

The following are descriptions of measures relating to discrimination in housing which were heard by the Committee:

AB 1509 (Hawkins) - Advertising

Requires DFEH to adopt regulations, by January 1, 1997, consistent with HUD regulations, to interpret the FEHA with respect to the use of words, phrases, symbols and visual aids in advertising.

Status: Died, Senate Floor.

AB 2611 (Olberg) - Civil Rights: Discrimination

Allows an owner of housing accommodations of eight or fewer units to refuse to rent, or renew rental of, the housing to two or more adults based on marital status and allows the owner, or owner's agent, of such housing accommodations to inquire as to the marital status of a tenant or prospective tenant.

Status: Failed passage on Assembly Floor.

AB 2646 (Granlund) - Senior Housing: Civil Rights

Deletes requirements for senior citizen housing to be specially designed to meet the physical and social needs of seniors.

Status: Died, Senate Judiciary Committee.

AB 2908 (Goldsmith) - Housing: Occupancy Standards

Allows landlords or other housing providers to establish occupancy standards.

Status: Failed passage, Senate Housing Committee.

SB 332 (Campbell) - Senior Housing

Defines a senior citizen housing development in a heavily populated urban area to consist of at least 70 dwelling units built before January 1, 1996, or 150 dwelling units built on or after January 1, 1996

Status: Chapter 147, Statutes of 1995.

SB 1325 (Polanco) - Freddie Mac

Includes within the definition of "person", for the purposes of the FEHA, all institutional third parties including the Federal Home Loan Mortgage Corporation (Freddie Mac).

Includes within the definition of "real estate-related transactions" the use of territorial underwriting requirements, including requiring a borrower in a specific geographic area to obtain earthquake insurance, in connection with the purchase by an institutional third party of a loan secured by residential real property.

Status: Chapter 924, Statutes of 1995.

SB 2097 (Haynes) - Civil Rights: Senior Housing

Modifies state requirements for senior-only housing developments.

Status: Chapter 1147, Status of 1996.

FARMWORKER HOUSING

Overview

Housing opportunities for farmworkers are scant in comparison to high demand, and the trend away from grower-provided housing continues. The Employee Housing Law establishes standards for employee housing and is enforced by the Department of Housing and Community Development (HCD) or local governments who opt to accept enforcement authority (currently 14 jurisdictions). To expand farmworker housing opportunities, there are two state assistance programs administered by HCD:

- 1) **Office of Migrant Services (OMS):** This program operates 26 migrant centers distributed among 15 counties, annually servicing an estimated 12,546 migrant farmworkers in 2,107 units. Thirty percent of the farmworkers come from California, 35 percent from Mexico, and the rest from Arizona, New Mexico, and Texas. The centers generally operate from April through November. Land is provided by the locality. The state owns the buildings and equipment and operates the program, usually by contracting with a local housing authority.
- 2) **Farmworker Housing Grant Program:** This program offers up to 50-percent matching grants for the construction and rehabilitation of owner-occupied and rental housing for low-income, year-round farmworkers. This program has assisted 3,500 units and an estimated 14,280 total farmworkers and their families since 1977. No money is currently appropriated for this program.

There is also a federal program:

- 1) **Section 514/516 RECDS Housing:** This program, funded through the housing program division of the Rural Economic and Community Development Services (RECDS) -- which was formerly known as the Farmers Home Administration -- offers funds for the construction and rehabilitation of low- and moderate-income housing for farmworkers. Federal funding in 1995 was approximately \$26 million nationwide; of that amount, California received approximately \$10 million.

Over the last five years, with allocations totaling \$37.5 million, RECDS has funded the construction of 14 projects in California consisting of 542 farmworker units.

Private Camps

Private camps, which is housing of any kind for five or more agricultural employees, are often the target of negative press stories on miserable farmworker housing conditions. Newspaper photos and video footage of farmworkers crowded in barns and dilapidated shacks with hazardous electrical wiring and unhealthy sanitary conditions affix in the public mind the "dark" side of California's agricultural industry. Not all private camps, however, are substandard; many camps are clean, safe, and well-maintained.

Private camps are licensed under the HCD-administered Employee Housing Act (Act). In 1996, a total of 1,180 licensed camps served 27,948 farmworkers and their families.

Recently, HCD enforcement efforts against substandard farmworker housing have improved. In the past, the Act was enforced by a handful of state inspectors who responded to complaints or randomly drove agricultural backroads looking for illegal camps. These methods proved ineffective, resulting in few illegal camps being repaired or closed. More recently, HCD - armed by recent legislation authorizing stiff civil penalties of up to \$10,000 per day for substandard housing violations - has concentrated its enforcement efforts through an in-house task force by focusing on selected agricultural areas of the state. The task force's efforts have tripled the number of illegal camps identified and brought up to code. In 1993, through 17 strikes, HCD inspectors discovered 180 illegal camps containing 2,349 employees. Under the threat of potentially massive civil penalties, all 180 camps were brought into compliance with health and safety standards.

Cracking down on illegal camps, however, can have its down side, resulting in grower fear and frustration. Some growers, complaining of harassment by state and federal officials, have bulldozed their camps rather than repairing or continuing operation. As a result, their farmworkers will be forced to sleep in cars, other illegal camps, or in the open. For these reasons, HCD inspectors attempt to encourage camp operators to repair substandard camps and keep the camps open.

Battling illegal farmworker housing camps is a difficult fight. This sentiment was voiced by HCD's Director, Tim Coyle, at the Committee's 1992 Oversight Hearing. In response to a question from a Committee member on the enforcement issue, Coyle replied, "With 80,000 farms in the state, it does not matter if the state had 42 inspectors or 420, it still would not be enough for complete enforcement."

Housing Innovations

Despite the enormity of the problem, continuing efforts to improve the farmworker housing situation by housing advocates, non-profit housing providers, academics, growers, legislators, and others are being made. These efforts include:

- o **Emergency Housing:** Some non-profit housing providers and others have argued for the establishment of temporary camps using tents, mobile bunkhouses, and other types of inexpensive shelter as a way of meeting the demand for farmworker housing.
- o **Employer-Provided Housing:** Some growers are building housing. In response to the pressing needs for farmworker housing during the fall grape harvest, Sonoma County recently enacted a red-tape-reducing housing ordinance to promote the building of farmworker housing by local grape growers. In response to over-the-counter permitting and a farmworker-housing friendly board of supervisors, growers have built housing for over 400 workers. Because they offer housing, growers maintain that they are able to attract and keep better workers.

Prior Enforcement Legislation

Over the past several years, the Committee has considered and passed bills which primarily strengthen and tighten enforcement provisions of the Act. These bills did the following:

- o Extended protections to farmworkers who complained about substandard conditions in labor camps and contained a provision which allowed a court to sentence a repeat violator of the Act to house arrest in his/her labor camp.
- o Increased fines from \$2,000 to \$6,000 for specified violations of the Act, required a labor camp operator to pay 10 times the permit fee if he or she is discovered twice within five years to be operating a camp without a permit, and authorized between \$1,000 to \$10,000 in fines and up to four years in prison for various violations of the Act.
- o Allowed for additional civil penalties between \$300 to \$500 for each violation of the Act which is not corrected after 30 days of the issuance of a correction order.
- o Revised numerous provisions of the Act. In addition to creating new duties for enforcement agencies and housing operators and increasing various fines and penalties, an exemption was granted for farmworker housing for 12 or fewer farmworkers from any special local use taxes, fees, or permits.

In addition, previous bills specified procedures for court-ordered receiverships of substandard employee housing and clarified the procedure for awarding attorney's fees in cases involving resident relocation from a substandard camp which was closed by an enforcement agency.

1995-96 Legislation

The following are descriptions of farmworker housing bills heard by the Committee in the 1995-96 Legislative Session:

AB 397 (Bustamante) - Various Tax Credits

Creates the Farmworker Housing Assistance Program to distribute and allocate tax credits to encourage the development of farmworker housing units.

Status: Vetoed by the Governor.

AB 2664 (Bustamante) - Farmworker Housing Incentive Act

Creates the Farmworker Housing Incentive Act and authorizes two types of tax credits related to the construction or rehabilitation of farmworker housing.

Status: Died, Assembly Appropriations Committee.

AB 3120 (Ducheny) - Migrant Labor Centers: Contracting

Requires, rather than allows, the Department of Housing and Community Development (HCD) to contract with eligible nonprofit organizations for administration of at least five migrant housing centers operated by the Office of Migrant Services (OMS).

Status: Died, Assembly Housing and Community Development Committee.

AB 3122 (Ducheny) - Migrant and Seasonal Farmworker Housing Financing Authority

Modifies the Farmworker Housing Grant (FWHG) Program and provides an appropriation.

Status: Failed passage, Assembly Floor (Concurrence).

SB 305 (Polanco) - Farmworker Housing Construction

- 1) Provides that if an owner of employee housing fails to maintain a permit to operate "12-or-fewer" employee housing throughout the first ten consecutive years after the issuance of the original certificate of occupancy, then both of the following shall occur:
 - a) The enforcement agency shall notify the appropriate local government entity, and
 - b) The public agency that has waived any taxes, fees, assessments, or charges for employee housing under the 12-or-fewer law may recover the amount of those funds from the land owner, less 10% of that amount for each year a valid permit has been maintained.
- 2) Grandfathers any prospective, planned, or unfinished employee housing facility that has applied to the appropriate state and local public entities for a permit to construct or operate employee housing prior to January 1, 1996.

Status: Chapter 376, Statutes of 1995.

SB 851 (Costa) - Farmworker Housing Inspections

- 1) Exempts from the definition of "employee housing" a hotel, motel, inn, tourist hotel, multifamily dwelling, or single-family house that meets all of the following conditions:
 - a) The housing is offered for rent to both agricultural and ~~non-agricultural employees on the same terms.~~
 - b) None of the occupants are employed by the owner, property manager, or another party with an interest in the housing.
 - c) None of the occupants have rent deducted from their wages.

- d) The owner of the housing is not an agricultural employer or an agent of an agricultural employer.
 - e) The terms of occupancy are negotiated between each occupant and the owner or manager of the housing.
 - f) The occupants are not required to live in the housing as a condition of employment or of securing employment, or are not referred to the housing by the employer of the occupants, the employer's agent, or an agricultural employer.
 - g) The housing was not used as housing provided by an employer prior to January 1, 1984.
- 2) Exempts inactive employee housing from the annual inspection requirement. Loosens the inspection requirement for housing with no violations identified in the prior calendar year from an annual to a biennial inspection.
 - 3) Rewrites and reorganizes the required information for the annual inspection reports prepared by HCD and enforcement agencies. Requires local enforcement agencies to submit their inspection reports to HCD by March 31 instead of June 30 on forms provided by the department.
 - 4) Deletes the requirement that HCD send copies of its annual inspection report to both housing committees of the Legislature and the Legislative Analyst. (Both houses of the Legislature and the Governor will receive this information in the department's annual report.) In addition, the bill deletes language authorizing the Legislative Analyst to include inspection information in its annual budget report to the Legislature.

Status: Chapter 561, Statutes of 1995.

NATURAL DISASTER ASSISTANCE & PREPAREDNESS

Overview

"California has four seasons - earthquake, fire, flood, and drought;" at times, that saying appears to be true. In the past, many Californians have accepted these disasters as facts of life which were soon forgotten. But recent disasters, such as the Loma Prieta and Northridge Earthquakes and the Oakland Hills and Malibu firestorms, may have altered that perception somewhat. The reality of school yards brimming with homeless disaster victims, hospital parking lots crowded with patients, and collapsed freeways and bridges made it clear to government officials, policy makers, and the public that California must be better prepared for future disasters.

A listing of recent earthquakes, fires, and other incidents reveals that California's reputation for major disasters is not based upon myth:

- o **Earthquakes:** Coalinga (1983), Whittier-Narrows (1987), Loma Prieta (1989), Upland (1990), Sierra Madre (1991), Cape Mendocino (1992), Landers/Big Bear (1992), and Northridge (1994).
- o **Fires:** Santa Barbara, Tehama, and Yosemite (1990); Oakland Hills (1991); Calaveras and Shasta Counties (1992); and Malibu (1993).
- o **Other Disasters:** Butte County - snow storms (1990), Dunsmuir - toxic spill (1991), Los Angeles Riots (1992), Southern California - floods (1992), and Northern California - floods (1995).

The Legislature has responded to recent disasters with a mixture of cure and prevention. When a disaster occurs, the state may be requested by a local government to assist in recovery. Post-disaster assistance generally involves directing funds and resources to the disaster site and implementing existing statutory recovery programs such as the California Disaster Assistance Program (CALDAP), which offers an array of housing rehabilitation funds and assistance to disaster victims. These initial efforts are often followed by urgency legislation which contains narrowly drafted tax exemptions, redevelopment authorities, or enterprise zones to assist in long-term recovery. Following that, administrative or legislative hearings may result in an effort to strengthen and upgrade building standards aimed at reducing future disaster damage.

Below is a brief summary of the CALDAP Program, an outline of recent damage reduction and prevention legislation, an overview of the crisis in homeowner's earthquake insurance, and a list of natural disaster legislation heard by the Committee during the 1995-96 Session.

California's Residential Disaster Assistance Program

CALDAP is a permanent disaster assistance program, administered by HCD, which provides "last-resort" financial assistance to repair owner-occupied and rental housing damaged or destroyed by a natural disaster. CALDAP was developed in response to the 1989 Loma Prieta Earthquake. Financial assistance is only

provided to applicants who have exhausted all other forms of assistance, including loans from private lenders, insurance, and the federal Small Business Administration. Since its inception, CALDAP has dispersed over \$125 million in disaster assistance. The program, however, has withered in recent years because it was not used. Once one of the largest housing programs operated by HCD, CALDAP has dwindled from a staffing high of 50 personnel years to the current low of under 10.

In conjunction with CALDAP, there are several other disaster assistance programs at HCD created to address specific subcategories of post-disaster needs which include farmworker housing rehabilitation, rental security deposits, emergency shelters, rural infrastructure rehabilitation, and migrant worker centers. Despite their existence, none of these programs have received any funding since the Loma Prieta Earthquake.

Prevention

Much is learned in the aftermath of each disaster. Disaster-response networks are tested and improved. Bridges, roads, and buildings are rebuilt with better construction methods. Likewise, the Legislature has passed bills to improve California's ability to withstand disasters, especially earthquakes and wildfires. Most recent legislative efforts have been directed toward improving existing buildings - unreinforced masonry buildings (URMs) in particular - to withstand earthquakes. Other legislation has improved mobilehome foundation systems, required water heaters to be braced, and increased fire-safe roofing requirements.

Seismic Safety

Unreinforced masonry buildings are a serious danger during earthquakes. Because URMs lack steel reinforcement bars, they have the propensity to collapse during earthquakes. A strong legislative emphasis has been on identifying and retrofitting these structurally unsafe buildings.

Fire Prevention

Numerous wildfires occur every year during the long, rainless California summers. Many fires are suppressed with little or no structural damage; damage by other fires, however, such as the ones in the Oakland Hills and Malibu, have been extremely severe. The Legislature has responded by authorizing local jurisdictions to enact more stringent fire protection standards than those contained in the CBSC. [AB 2666 (Hansen), Chapter 1111, Statutes of 1990].

Statewide fire-safe roofing was also mandated by the Legislature. In addition to requiring extensive fire prevention measures to be performed by property owners in high-risk areas, AB 337 (Bates), Chapter 1188, Statutes of 1992, required the Department of Forestry and Fire Protection to identify very high fire hazard severity zones in local government jurisdictions and required all new roofs in these high-risk zones to meet at least Class B fire-safe roofing requirements. In addition, AB 2131 (O'Connell), Chapter 553, Statutes of 1992, required all other new roofs in the state to meet at least Class C standards.

In 1994, roofing standards were increased again by AB 3819 (W. Brown), Chapter 843, Statutes of 1994, which increases roofing requirements in "moderate" zones of state firefighting responsibility areas from Class C to Class B. AB 3819 also requires jurisdictions with designated very high fire hazard severity zones to adopt a model fire prevention ordinance developed by the State Fire Marshal by January 1, 1997 or mandate Class A roofing requirements within these high-risk zones.

AB 747 (V. Brown), Chapter 333, Statutes of 1995, reduced natural weathering test requirements from 10 to five years and required treated wood roof products to meet specified testing criteria by specified dates in order to be sold in California.

Earthquake Insurance

The Northridge Earthquake has had a constricting effect on the homeowner's casualty insurance market. Because state law requires insurance companies to offer earthquake insurance, the largest California insurance companies - fearing future losses - have either reduced the amount of homeowner's insurance they offer or withdrawn from the market entirely. Insurance industry sources state that since 1971 California insurers have collected \$3.383 billion in earthquake insurance premiums, but have paid out over \$7 billion in claims.

According to the Natural Disaster Coalition - a group composed of the insurance industry, banks, and state emergency managers among others, there had never been a disaster in the United States with insured losses over \$1 billion before 1987. Disasters since then have carried much higher price tags: Northridge Earthquake - \$6.5 billion, Hurricanes Andrew and Iniki - \$20 billion combined, and the Midwest floods - \$10 billion.

Because state law requires insurers to offer earthquake coverage with every homeowners policy, most insurance companies stopped selling new homeowners policies and some considered dropping their existing customers to reduce their exposure to earthquake losses. To respond to the earthquake insurance crisis in California, the Legislature passed several bills to implement a California Earthquake Authority (CEA). The CEA is a privately financed, publicly managed state agency that will provide insurance coverage for earthquake damage to residential property owners, mobilehome owners and renters.

1995-96 Legislation

The following is a brief description of disaster recovery bills from the 1995-96 Session:

AB 5X (Sher) - Real Estate Disclosures: Flood Plains

Requires various real estate disclosures regarding homes located in flood plains.

Status: Died, Assembly Housing Committee.

AB 160 (Baca) - California Earthquake Recovery Act

Creates the California Earthquake Recovery Act.

Status: Died, Assembly Housing Committee.

SB 1490 (Rogers) - Earthquake Damage.

Requires architects and engineers to provide a "Seismic Safety Disclosure Statement" to customers and requires the State Architect to issue guidelines for the application of seismic hazard mitigation technology.

Status: Vetoed by the Governor.

MOBILEHOMES/MANUFACTURED HOUSING

Mobilehome Parks: Mobilehome parks are a source of affordable housing, especially for seniors and low- and moderate-income families. Statewide, there are over 5,700 parks, with approximately 465,000 spaces, housing an estimated 800,000 people. The growth of mobilehome parks has leveled out -- there are virtually the same number of mobilehome spaces in 1996 as there were in 1990. In the 1980's, the number of spaces increased only 10% compared to an 80% increase in the prior decade.

The age and location of many parks are creating new challenges. Some older mobilehome parks have deteriorating infrastructure and, as cities expand, the areas surrounding mobilehome parks are increasingly developed as commercial or industrial. Park owners, who want to maximize their investment, are faced with the decision whether to invest in upgrading their park or to sell to developers who plan on converting the park to other, more profitable uses. The threat of conversion of parks to other uses has been one of the motivations for residents to buy their park.

New Directions For Manufactured Housing: The manufactured housing industry continues to strive to improve quality, introduce innovative designs and create new niches in the market place of their products. This is vital to manufacturers, given that few mobilehome park spaces are being developed. The industry is expanding to produce housing for infill lots, affordable single-family subdivision developments, land-lease communities, and rural property. More than half of all new manufactured homes are being sited outside of mobilehome parks.

Senior-Only Mobilehome Parks: Prior to 1988, many mobilehome parks were reserved for adults only (age 18 and over). The passage of the 1988 Fair Housing Amendments Act, which prohibits age discrimination in housing except for senior citizen housing, caused a shift in the demographics of mobilehome parks by forcing owners whose parks did not meet the criteria for senior housing to open their parks to families with children. In 1988, 75 percent of mobilehome parks were either senior- or adult-only parks; by 1994, only 25 percent of parks restricted occupancy to seniors. In 1995, under pressure from senior groups, Congress enacted HR 660, which eliminated the requirement that senior housing provide significant facilities and services requirements. While this change makes it easier to develop senior housing, it is unclear whether family mobilehome parks will be able to convert to senior parks since 80 percent of the spaces must be rented to a person who is age 55 or older.

The Committee heard the following bills pertaining to senior-only mobilehome parks during the 1995-96 session:

SB 1585 (Craven), Chapter 61, Statutes of 1996, conformed the Mobilehome Residency Law to the revised federal standards enacted by HR 660 which no longer require that senior housing be designed to provide significant facilities and services to seniors.

Mobilehome Park Rent Control: While only 14 cities and counties have rent control on multifamily rental housing, over 100 local governments have established some form of mobilehome rent control. Rent control ordinances are generally classified as "moderate" or "severe." Severe rent control is characterized by the continuing control of rent including a prohibition against rent increases when a space becomes vacant or the manufactured home is sold to a new resident. Moderate rent control permits the rent to rise to market rate when there is a change in tenancy; the rent is then controlled at the new level for the duration of the tenancy.

A recent ballot initiative, the "Mobilehome Fairness And Rental Assistance Act," was defeated in the March, 1996 election. The initiative, sponsored by park owners, would have prevented enactment of new rent control ordinances, required vacancy decontrol, and required park owners to provide for limited rental assistance to low-income residents.

Since 1985, the Mobilehome Residency Law has granted an exemption from rent control measures to long-term leases. As a result, bills attempting to limit or expand long-term leases are proposed as well to deal with the scope of local rent control measures.

The following is a brief description of mobilehome park rent control and long-term lease bills heard by the Committee in the 1995-96 session:

AB 1337 (Sweeney) - Rental Agreements/Prospective Tenants

Provides that a purchaser of a mobilehome shall not be considered an unlawful occupant if management failed to offer a rental agreement for a term of 12 months, a lesser period requested by the occupant or a longer period, mutually agreed upon by the occupant and management.

Status: Vetoed by the Governor.

AB 1944 (K. Murray) - Rent Control

Authorizes park management to establish the initial rental rate for the space on which a vacancy occurs on or after January 1, 1996. Provides that the rental rate for such spaces shall be exempt from local rent control measures.

Status: Died, Assembly Housing Committee.

AB 2994 (Kuykendall) - Long-Term Leases

Limits the application of local rent control measures by providing that a prospective mobilehome owner who rejects a rental agreement offered by management has no right of tenancy in the park. "Rental agreement" ~~includes a long-term lease, defined as a rental agreement for more than 12 months.~~ These provisions apply to the both the resale of a mobilehome already in the park and new mobilehomes.

Status: Failed passage, Assembly Floor.

SB 1181 (Haynes) - Rent Control/Second Homes

Exempts mobilehome spaces with homes occupied as a seasonal or secondary residence from local rent control measures. Mobilehome park management must establish, through public records, that the mobilehome owner is claiming a homeowner's property tax exemption on another home in California. Requires management provide a 90-day notice of the proposed rent increase to provide the homeowner with an opportunity to respond.

Status: Chapter 392, Statutes of 1996.

Rent:

SJR 12 (Craven) - Mobilehome Rental Space Assistance

- 1) Memorializes the President and the Congress of the United States to support modification of proposed rule changes to the Section 8 federal housing assistance program formula relating to manufactured home and mobilehome space rent.
- 2) Requests, alternatively, the enactment of urgency legislation to clarify that persons receiving Section 8 assistance for manufactured home and mobilehome space rent be treated no differently under federal rules than other program recipients living in other types of rental housing, or to at least provide a more realistic formula in recognition of higher manufactured housing space rents in more populous California counties.

Status: Chapter 41, Statutes of 1995.

SB 1624 (Craven) - Senior Caregivers

Prohibits management from charging an additional occupant fee when a homeowner over the age of 55 who resides in a senior only park shares his or her home with a relative under the age of 55 who needs medical or supportive care treatment pursuant to a medical treatment plan.

Status: Chapter 157, Statutes of 1996.

Park Conversions To Resident Ownership

Since 1991, over 150 parks have converted from rental parks to resident owned parks. Some resident groups are motivated to purchase their parks because of the likelihood that the park owner may sell to developers for conversion of the park to commercial or other uses, while other resident groups pursue resident ownership to provide more certainty over the management of the park.

Residents, however, are usually unable to buy their parks without some kind of government assistance. Financing is obtained through a combination of private loans, local bond issues, or low-interest loans from the Mobilehome Park Resident Ownership Program (MPROP) operated by HCD.

The following is a list of bills concerning resident purchase of mobilehome parks considered by the Committee during the 1995-96 session:

SB 310 (Craven) - Park Conversion To Resident Ownership

- 1) Permits a nonprofit corporation which wishes to purchase a mobilehome park to include a commercial lender and states that the lender may own more than one membership, as specified.
- 2) Provides that the subdivider of a mobilehome park, that is proposed to be converted to resident ownership, prior to filing a notice of intent to apply for a public report, shall make a written disclosure to homeowners and residents of the park. Clarifies that this disclosure does not authorize the subdivider to engage in specified prohibited activities prior to the issuance of a public report.
- 3) Clarifies that the power to require mitigation measures, with respect to displaced residents, by a legislative body when a park is converted to another use, is not applicable to a park converted to resident ownership.
- 4) Deletes the reference to MPROP with respect to the statutory mitigation scheme, thereby making the existing statutory mitigation provisions applicable to all mobilehome park conversions.
- 5) Specifies that the subdivider desiring to convert a park to resident ownership shall be subject to a hearing by a legislative body, or an advisory agency which is authorized by local ordinance to approve, conditionally approve, or disapprove the map.

Status: Chapter 256, Statutes of 1995.

SB 360 (Craven) - MPROP/San Marcos

- 1) Prohibits HCD from requiring more than a majority of households residing in the park to purchase, or enter escrow to purchase, interests or spaces in their parks prior to releasing funds to certain qualified households.
- 2) Limits the application of this measure to a park acquired by the City of San Marcos on or after June 1, 1993, and before August 1, 1993, for the purpose of converting the park to resident ownership, where HCD has entered into a binding agreement for the commitment of funds.
- 3) Declares that the reason for the urgency clause is to avoid delays in the conversion of mobilehome parks to resident ownership.

Status: Chapter 409, Statutes of 1995.

Park Rules and Regulations

The Mobilehome Residency Law (MRL) is the landlord/tenant law which governs mobilehome park residencies. The MRL authorizes mobilehome park management to establish and enforce reasonable park rules. Management may also amend rules with either a 60-day or six-month notice to residents. Like other types of landlord/tenant law, disputes concerning park rules must be resolved voluntarily by the parties or through civil litigation.

AB 46 (Hauser) - Resident-Owned Park Rules

Initially, this bill contained a provision that provided that the MRL does not apply to a tenant or resident in a resident-owned park that is a CID. However, this was amended out. As enacted, AB 46 contained other provisions relating to the Davis-Stirling Act which are explained in the section of this report dealing with Common Interest Developments.

Status: Chapter 661, Statutes of 1995.

SB 110 (Craven) - Resident-Owned Park Rules

Clarifies that non-purchasing residents of a resident-owned park are entitled to the protections of existing Mobilehome Residency Law (MRL), and that MRL does not apply to residents with an ownership interest in their space, subdivision, cooperative, or condominium in which his or her mobilehome is located or installed.

Status: Chapter 103, Statutes of 1995.

SB 2077 (O'Connell) - Pets

Provides that mobilehome park rules that prohibit pets do not apply to any person age 62 or older or to a disabled person who keeps the pet pursuant to a medical treatment plan. The bill also applies to common interest development and rental housing (disabled persons only). Authorizes management to establish reasonable pet policies.

Status: Died, Assembly Housing Committee.

Manufactured Housing Purchase/Construction Standards

Manufactured housing is built to a federal pre-emptive standard. The state, however, has jurisdiction over manufactured housing installation, safety standards, and sales.

AJR 7 (Hauser) - Manufactured Homes/Chassis Removal

Petitions the President and Congress to amend the federal definition of "manufactured home" to allow a manufactured home to be designed to

accommodate a removable chassis when the home is placed upon a permanent foundation and the floor system is designed to accommodate appropriate design loads.

Status: Chapter 27, Statutes of 1995.

AB 431 (Hauser) - Factory-Direct Purchase By Public Agencies

- 1) Authorized any public agency to purchase manufactured housing directly from the factory for housing acquired for low- and moderate-income households.
- 2) Authorized manufactured housing designed as a dormitory or a small efficiency unit to be installed on either a mobilehome support system (the way homes are installed in mobilehome parks) or a permanent foundation system (the way site-built homes are installed).
- 3) Clarified that the term "mobilehome" has the same meaning as "manufactured home" under state law, and creates a new term "multi-unit manufactured housing" to describe the concept of when manufactured housing is used to create a duplex, triplex, dormitory, residential hotel, or efficiency unit.

Status: Chapter 185, Statutes of 1995.

AB 2221 (K. Murray) - Transfer Disclosure Statement

Eliminates the strict prohibition against mobilehome dealers and sales persons selling used manufactured homes with defects and substitutes, instead, a requirement that the dealer or sales person conduct a reasonably competent and diligent visual inspection of the mobilehome and to disclose material facts to prospective purchasers.

Status: Chapter 812, Statutes of 1996.

SB 577 (Rosenthal) Seismic Gas Shut-off Valves

Initially, would have required park master-meters to be retrofitted with seismic shut-off valves by the year 2000. However, this provision was dropped from the bill; as enacted the bill revised the authority of the State Architect pertaining to certification of gas-shut off valves.

Status: Chapter 152, Statutes of 1996.

SB 1704 (Craven) - Disclosure

- 1) Commencing January 1, 1999, requires that sellers of used manufactured ~~homes comply with statutory disclosure requirements which apply to real property, i.e. disclosure of material facts affecting the value or desirability of the property.~~

- 2) States legislative intent for the Senate and Assembly to jointly appoint a task force to propose recommendations for modification of the disclosure requirements for the sale of used manufactured homes which are not a fixture to real property; the recommendations are to be reported to the Legislature no later than July 1, 1997.

Status: Chapter 677, Statutes of 1996.

Miscellany

A number of bills were heard by the Committee on a broad range of issues important to mobilehome park residents, park owners, and manufacturers.

AB 283 (Cortese) - Guests Fees

Expands the definition of "immediate family" to include grandchildren under 18 years of age, thereby prohibiting mobilehome park management from charging a guest fee for a homeowner's grandchildren under 18 years of age.

Status: Chapter 24, Statutes of 1995.

AB 622 (Conroy) - Master-Meter Task Force

Provides a procedure for the transfer of master-meter electricity and gas systems from existing mobilehome park owners to the local serving utility.

Status: Chapter 424, Statutes of 1996.

AB 1511 (V. Brown) - Manufactured Housing/Historic Districts

Authorizes a local government to exclude manufactured homes from a state-registered or a locally-designated historic district provided that the jurisdiction has an adopted housing element in compliance with state law and that any locally-adopted special architectural standards apply equally to all other buildings within the district.

Status: Vetoed by the Governor.

AB 2781 (Cunneen) - Lienholders

Reorganizes and makes non-substantive amendments to provisions of the MRL pertaining to lienholder rights and responsibilities.

Status: Chapter 95, Statutes of 1996.

SB 69 (Kelley) - Final Money Judgment

Authorizes a mobilehome park owner who obtains a final money judgment for unpaid rent against the registered owner of a manufactured home or mobilehome to file a lien against the title of the home with the Department of Housing and Community Development. More specifically, this bill:

- 1) Requires the park owner with the final money judgment to be treated as a junior lienholder.
- 2) Requires HCD to accept the lien upon receipt of a certified copy of the final money judgment, as specified.
- 3) Requires the release of the lien within 20 days of satisfaction of the final money judgment. Establishes penalties for violations.
- 4) Clarifies that a lien filed under this provision is not subject to execution (court-ordered seizure of the home by the park owner).
- 5) Clarifies that if the lienholder (bank) pays a portion of the amount owed by the former homeowner, then this amount shall be deducted from the amount owed by the former registered owner.
- 6) Clarifies that a lien on the title of the home shall be extinguished if the registered owner surrenders his/her ownership interest in the home to the legal owner (bank) and either: (1) The bank sells the home, but is unable to recover the total amount due to satisfy the amount owed under the security agreement, promissory note, or other debt instrument, or (2) The sale of the home generates enough funds to satisfy the bank, but there are no surplus funds available to pay junior lienholders, or (3) Upon payment of any surplus proceeds of the sale to the junior lienholder.
- 7) Clarifies that nothing in this provision -- other than funds paid to the junior lienholder (park owner) through foreclosure proceedings -- reduces in any way the amount owned by the former registered owner for unpaid rent.
- 8) Provides that an interest in a mobilehome in an abandonment hearing is established by a right of possession of the mobilehome or a security or ownership interest in the mobilehome.
- 9) Authorizes a parkowner who is filing notice for a petition for abandonment to send notice of this petition to the registered owner and any other individual holding a lien or a security interest by either certified or registered mail.

Status: Chapter 446, Statutes of 1995.

SB 1450 (Kelley) - Escrow Requirements & Transportation Decals

- 1) Provides that a purchaser's escrow funds can be disbursed directly to a government agency for the payment of fees and permits required to be paid in advance as a condition of occupancy. The purchaser must to authorize this disbursement through the escrow instructions.
- 2) Repeals the requirement that the Department of Housing and Community Development issue decals to dealers for transportation of manufactured homes on public streets.

Status: Chapter 394, Statutes of 1996.

SB 1594 (Craven) - Mobilehome Ombudsman Sign

Requires the Department of Housing and Community Development to enforce posting requirements for the Mobilehome Ombudsman Sign within mobilehome parks. The Mobilehome Ombudsman Sign provides park residents with an "800" telephone number to call regarding mobilehome related issues.

Status: Chapter 402, Statutes of 1996.

APPENDIX

Revised: October 2, 1996

Assembly Committee on Housing and Community Development
1995-96 Committee Legislation

Assemblyman Phil Hawkins, Chairman

1995 Consultants:
Steve Holloway (SH) Daniel Carrigg (DC)

1996 Consultants:
Paul J. Deiro (PD) Kathryn C. Amann (KA)

Fiscal (\$) / Non-Fiscal (N\$) / Urgency (Urg.)

<u>BILL #</u>	<u>AUTHOR</u>	<u>SUBJECT</u>	<u>CON</u>	<u>AMENDED</u>	<u>ACTION</u>
AB 46 N\$	Hauser	Common Interest Developments	SH	9/01/95	Chpt. 661, Stat. of '95
AB 104 N\$	Hauser	Common Interest Developments	SH	5/31/95	Chpt. 978, Stat. of '95
AB 151 \$ Urg.	Baca	Buildings: CPVC Plastic Piping	DC	9/01/95	Chpt. 785, Stat. of '95
AB 160 \$	Baca	Housing: California Residential Earthquake Recovery Act	SH		Died, Ass. Housing
AB 189 N\$	Hauser	Redevelopment Disaster Project Law	DC	6/13/95	Chpt. 186, Stat. of '95
AB 283 N\$	Cortese	Mobilehomes: Guest Fees	DC	3/30/95	Chpt. 24, Stat. of '95
AB 368 N\$	Speier	Housing: Redevelopment Agencies: Transitional Housing: Shelters for Battered Women	SH		Died, Ass. Housing

BILL #	AUTHOR	SUBJECT	CON	AMENDED	ACTION
AB 397 \$ Tax	Bustamante	Farmworker Housing Incentive Act: Tax Credits	DC	9/13/95	Vetoed
AB 419 \$	Olberg	Redevelopment Agencies: Report of Revenues and Expenditures	DC	5/09/95	Chpt. 116, Stat. of '95
AB 431 \$	Hauser	Housing: Multi-Unit Manufactured Housing: Mobilehomes	DC	6/01/95	Chpt. 185, Stat. of '95
AB 457 \$	Ducheny	Housing: Substandard Buildings	SH	9/05/95	Chpt. 906, Stat. of '95
AB 463 N\$	Goldsmith	Common Interest Developments Reserve Funds	SH	4/04/95	Chpt. 13, Stat. of '95
AB 489 \$ Urg.	Allen	California REACH Program [Former Goldsmith legislation relating to fire protection]	SH	7/29/95	Died, Sen. Floor
AB 530 N\$	Weggeland	Real Estate Transfers Disclosure	SH	7/03/95	Chpt. 335, Stat. of '95
AB 616 \$	Morrow	Fire Behavior & Fire Spread Study Matching Funds [Former legislation relating to buildings: occupancy levels]	SH	8/08/96	Chpt. 975, Stat. of '96
AB 622 \$	Conroy	Electric & Gas Service: Master Meter Customers	DC	8/12/96	Chpt. 424, Stat. of '96
AB 717 \$	Ducheny	Construction Inspectors Plans Examiners & Building Officials: Certification and Training	DC	8/22/95	Chpt. 623, Stat. of '95
AB 747 \$ Urg.	V. Brown	Wood Roofing Product Standards	DC	6/13/95	Chpt. 333, Stat. of '95

BILL #	AUTHOR	SUBJECT	CON	AMENDED	ACTION
AB 765 N\$	Kaloogian	Mobilehome Residency Law	DC	7/26/95	Failed passage, Sen. Judiciary
AB 997 \$	Housing Cmte	Housing Finance	SH	8/29/95	Vetoed
AB 1089 \$	Olberg	Redevelopment	PD	8/13/96	Chpt. 929, Stat. of '96
AB 1164 \$	Hawkins	Rent Control	SH	7/20/95	Chpt. 331, Stat. of '95
AB 1197 \$	Takasugi	State Finance	SH	6/20/96	Chpt. 833, Stat. of '96
		[Former legislation relating to Housing's Housing Bond Credit Cmte]			
AB 1264 N\$	Knight	Community Redevelopment Financial Assistance & Disaster Project Law	DC		Died, Ass. Housing
AB 1314 \$	Sher	Buildings: Straw-bale Structures	DC	9/01/95	Chpt. 941, Stat. of '95
AB 1317 N\$	Speier	Common Interest Developments	PD	8/28/96	Chpt. 1101, Stat. of '96
AB 1337 N\$	Sweeney	Mobilehome Parks: Sale	SH	7/28/95	Vetoed
AB 1379 N\$	Thompson	Redevelopment Agencies: Payments to Affected Taxing Agencies: State Water Resources Development System	DC	5/09/95	Chpt. 137, Stat. of '95
AB 1424 \$	Isenberg	Redevelopment Agencies: Payments to Affected Taxing Agencies	SH	5/01/95	Chpt. 141, Stat. of '95

<u>BILL #</u>	<u>AUTHOR</u>	<u>SUBJECT</u>	<u>CON</u>	<u>AMENDED</u>	<u>ACTION</u>
AB 1455 \$	Cortese	Contractors [Former legislation relating to Mobilehomes: Protection]	DC	6/27/96	Vetoed
AB 1509 \$	Hawkins	Housing: Housing Discrimination	SH	7/18/95	Died, Sen. Floor
AB 1511 N\$	V. Brown	Manufactured Homes: Historic Districts	DC	9/01/95	Vetoed
AB 1518 N\$	Morrow	Common Interest Developments	SH		Died, Ass. Housing
AB 1625 N\$	McDonald	Mobilehomes: Manufactured Homes	DC	1/24/96	Died, Sen. Judiciary
AB 1648 N\$	Conroy	Military Base Conversion Economic Redevelopment Agencies	DC	5/02/95	Died, Ass. Housing
AB 1658 N\$	Battin	Housing	SH		Chpt. 12, Stat. of '95
AB 1715 \$	Goldsmith	Housing Elements: Self- Certification	SH	8/30/95	Chpt. 589, Stat. of '95
AB 1731 \$ Urg.	Goldsmith	Land Use: General Plans	SH	9/11/95	Chpt. 662, Stat. of '95
AB 1745 \$	Campbell	Manufactured Housing: Designated Historical Zones	DC	3/11/96	Died, Sen. Housing
AB 1761 \$	Bustamante	Farmworker Housing Incentive Act: Tax Credits	KA	8/05/96	Died, Sen. Appro.
AB 1784 \$	Speier	Swimming Pools: Safety: Disclosures	SH	1/24/96	Failed passage, Ass. Appro.

BILL #	AUTHOR	SUBJECT	CON	AMENDED	ACTION
AB 1820 N\$	McPherson	Redevelopment: Replacement Dwelling Units	PD	8/13/96	Chpt. 850, Stat. of '96
AB 1928 N\$ Urg.	Sweeney	Multifamily Rental and Affordable Housing: Financing	PD	3/12/96	Chpt. 27, Stat. of '96
AB 1944 N\$	K. Murray	Rent Control	SH	4/17/95	Died, Ass. Housing
AB 2046 N\$	Tucker	Redevelopment: Gang- related Violent Crime: Controlled Substances	PD		Died, Ass. Housing
AB 2063 N\$	Isenberg	Redevelopment Project Funding	PD	6/12/96	Chpt. 136, Stat. of '96
AB 2166 N\$	Miller	Common Interest Developments: Managing Agent	PD	6/27/96	Failed passage, Sen. Judiciary
AB 2221 \$	K. Murray	Mobilehomes & Manufactured Housing: Consumer Protection	KA	8/12/96	Chpt. 812, Stat. of '96
AB 2383 N\$	Weggeland	Real Property: Transfer Disclosure	KA	6/24/96	Chpt. 240, Stat. of '96
AB 2569 N\$	Knowles	Redevelopment: Eminent Domain	PD	5/06/96	Died, Ass. Housing
AB 2599 \$	Thompson	CA Debt Limit Allocation Committee	PD	6/27/96	Chpt. 831, Stat. of '96
AB 2609 \$	Hawkins	Housing: Nuisance Abatement	KA	3/25/96	Died, Ass. Housing
AB 2611 N\$	Olberg	Civil Rights: Discrimination	KA	5/28/96	Failed passage, Ass. Floor

BILL #	AUTHOR	SUBJECT	CON	AMENDED	ACTION
AB 2646 N\$	Granlund	Senior-housing: Civil Rights	KA	5/20/96	Died, Ass. Housing
AB 2664 \$	Bustamante	Farmworker Housing Incentive Act	KA	5/02/96	Died, Ass. Appro.
AB 2715 \$	McDonald	Community Development: Financial Institutions Fund	PD		Died, Ass. Housing
AB 2725 N\$	Hoge	Housing Elements: City of Industry	PD	5/02/96	Died, Ass. Housing
AB 2728 \$	Hawkins	Housing: Building Standards: Nuisance Abatement	PD		Died, Ass. Housing
AB 2732 N\$	Hawkins	Common Interest Developments: Governing Documents	PD		Died, Ass. Housing
AB 2736 N\$ Urg.	Weggeland	Redevelopment: Military Base Conversion Economic Redevelopment Agencies	PD	6/19/96	Chpt. 221, Stat. of '96
AB 2739 \$	Figueroa	Low-income Housing Credit: CA Tax Credit Allocation Cmte	PD	6/19/96	Died, Ass. Housing
AB 2781 N\$	Cunneen	Mobilehomes	KA	5/09/96	Chpt. 95, Stat. of '96
AB 2836 \$	Hoge	Surplus Residential Property: Sale by the State	KA	4/15/96	Died, Ass. Housing
AB 2850 N\$	Cortese	Redevelopment: Sale or Lease of Property: Exemption	PD	5/09/96	Chpt. 64, Stat. of '96
AB 2904 N\$	Hawkins	Real Property: Defects	KA	8/23/96	Chpt. 657, Stat. of '96

<u>BILL #</u>	<u>AUTHOR</u>	<u>SUBJECT</u>	<u>CON</u>	<u>AMENDED</u>	<u>ACTION</u>
AB 2908 \$	Goldsmith	Housing: Occupancy Standards	KA	5/24/96	Failed passage, Sen. Housing
AB 2952 \$	Bordonaro	Housing: Home Investment Partnership Act funds	PD	4/23/96	Died, Ass. Housing
AB 2994 N\$	Kuykendall	Mobilehome Parks	KA		Died, Ass. Floor
AB 3015 N\$	Hawkins	Common Interest Developments: Reserve Funds	PD	5/09/96	Chpt. 80, Stat. of '96
AB 3025 \$	Hawkins	Redevelopment: Low- and Moderate-income Dwelling Units	PD	6/11/96	Chpt. 329, Stat. of '96
AB 3026 N\$	Bates	Housing: Security Window Bars	KA	8/29/96	Chpt. 926, Stat. of '96
AB 3056 N\$	Brulte	Common Interest Developments: Roads	PD	7/10/96	Vetoed
AB 3120 \$	Ducheny	Migrant Labor Centers: Services: Contracting	KA	4/10/96	Died, Ass. Housing
AB 3121 N\$	Hawkins	Residential Real Property: Rent Control	PD		Died, Ass. Housing
AB 3122 \$	Ducheny	Migrant & Seasonal Farmworker Housing Financing Authority	KA	8/23/96	Failed passage, Ass. Floor
AB 3125 N\$	Hawkins	Housing Elements: Identification of Adequate Housing Sites.	KA	7/08/96	Chpt. 347, Stat. of '96
AB 3129 N\$	Lee	Alameda Naval Air Station: Fleet Industry Supply Center	PD	6/13/96	Chpt. 222, Stat. of '96
AB 3131 \$	Lee	Security Bars: Fire Safety: Regulations	KA	6/27/96	Chpt. 290, Stat. of '96

BILL #	AUTHOR	SUBJECT	CON	AMENDED	ACTION
AB 3244 \$	Hawkins	Real Property: Rent Control	PD	6/24/96	Chpt. 1031, Stat. of '96
AB 3255 \$ Urg.	Caldera	Redevelopment: Disaster Relief	PD		Chpt. 784, Stat. of '96
AB 3305 \$	Setencich	Swimming Pools: Safety Disclosures	KA	8/21/96	Chpt. 925, Stat. of '96
AB 3372 \$	Ducheny	Building Standards: CA Building Standards Commission	KA	7/01/96	Chpt. 384, Stat. of '96
AB 3403 \$	W. Murray	Redevelopment: Notices	PD		Chpt. 249, Stat. of '96
AB 3415 \$	Hawkins	Housing: Building Standards	KA	3/28/96	Died, Ass. Housing
AB 3452 \$	Brown	Housing: Regional Housing Needs: Napa County	PD	8/21/96	Chpt. 1018, Stat. of '96
ABX1 5 N\$ Urg.	Sher	Flood Plains: Real Estate Transfer Disclosures	SH		Died, Ass. Housing
ACR 11 \$	Aguiar	Disabled Access: Signage	DC	6/12/95	Res. Chpt. 49, State. of '95
AJR 7 N\$	Hauser	Manufactured Housing	DC	4/26/96	Res. Chpt. 27, Stat. of '95
AJR 12 N\$	K. Murray	Federal Fair Housing Act: Housing for Older Persons	SH		Died, Ass. Housing
AJR 23 N\$	Hauser	Condominiums: Earthquake Insurance: Federal Home Loan Mortgage Company	SH	4/27/95	Died, Sen. Judiciary
SB 69 \$	Kelley	Mobilehomes: final money judgments	DC	7/06/95	Chpt. 446, Stat. of '95

<u>BILL #</u>	<u>AUTHOR</u>	<u>SUBJECT</u>	<u>CON</u>	<u>AMENDED</u>	<u>ACTION</u>
SB 77 N\$	Mello	Redevelopment Agency of Fort Ord	DC	5/23/95	Chpt. 45, Stat. of '95
SB 78 N\$	Mello	Redevelopment Agency of Fort Ord	DC	3/13/95	Died, Ass. Housing
SB 110 N\$	Craven	Mobilehomes: Residency	SH	6/13/95	Chpt. 103, Stat. of '95
SB 300 N\$	Petris	Common Interest Developments	SH	6/29/95	Chpt. 199, Stat. of '95
SB 304 N\$	Rosenthal	Building Standards: Water Heaters	DC	6/15/95	Chpt. 98, Stat. of '95
SB 305 N\$	Polanco	Housing: Employee Housing	DC	6/29/95	Chpt. 376, Stat. of '95
SB 310 N\$	Craven	Mobilehome Parks: Conversion to Resident Ownership	SH	6/22/95	Chpt. 256, Stat. of '95
SB 322 \$	Costa	California Debt Limit Allocation Committee	PD	8/15/96	Chpt. 832, Stat. of '96
SB 332 N\$	Campbell	Senior Citizen Housing Developments	SH	6/19/95	Chpt. 147, Stat. of '95
SB 335 N\$	Solis	Untenantable Dwellings: Door Locks	DC	6/29/95	Died, Ass. Housing
SB 360 \$ Urg.	Craven	Mobilehome Park Resident Ownership Program	DC	6/02/95	Chpt. 409, Stat. of '95
SB 533 \$	Hughes	Buildings: Buildings in Violation of the State Housing Law	SH	4/06/95	Failed passage, Ass. Appro.

BILL #	AUTHOR	SUBJECT	CON	AMENDED	ACTION
SB 577 \$ Urg.	Rosenthal	Mobilehomes: Seismic Gas Shutoff Devices	DC	6/20/96	Chpt. 152, Stat. of '96
SB 660 \$ Urg.	S. Housing	Housing and Land Use Omnibus Act of 1995	SH	8/31/95	Chpt. 686, Stat. of '95
SB 798 \$	Mountjoy	Heaters: Gas Logs	KA	2/29/96	Chpt. 73, Stat. of '96
SB 851 \$	Costa	Employee Housing Inspection Reports	DC	8/21/95	Chpt. 561, Stat. of '95
SB 895 N\$	Leslie	Civil Rights: Senior Housing	SH	5/08/95	Died, Ass. Housing
SB 936 \$	Campbell	Housing: Regional Housing Needs	SH	9/14/95	Vetoed
SB 1015 \$	Mello	Assisted Housing Developments: Termination Date	SH		Chpt. 790, Stat. of '95
SB 1036 \$	Mello	Redevelopment Agency of Fort Ord	DC	7/10/95	Chpt. 441, Stat. of '95
SB 1073 N\$ Urg.	Costa	Housing Elements	PD	4/08/96	Chpt. 39, Stat. of '96
SB 1081 \$	Leslie	Land Use: Frontier Counties	PD	8/15/96	Chpt. 438, Stat. of '96
SB 1100 \$	Petris	Housing: Termination of Government Assistance	SH	6/29/95	Failed passage, Ass. Housing
SB 1109 \$ Urg.	Leslie	Hospital Buildings: Building Standards	DC	6/29/95	Chpt. 543, Stat. of '95
SB 1181 N\$	Haynes	Mobilehome Residency Law: Rent Control	KA	5/15/96	Chpt. 392, Stat. of '96

BILL #	AUTHOR	SUBJECT	CON	AMENDED	ACTION
SB 1257 \$	Costa	Rent Control	SH	5/11/95	Died, Ass. Housing
SB 1325 \$ Urg.	Polanco	Housing discrimination	SH	9/11/95	Chpt. 924, Stat. of '95
SB 1450 \$	Kelley	Mobilehome & Manufactured Housing: Sales	KA	7/08/96	Chpt. 394, Stat. of '96
SB 1490 \$	Rogers	Earthquake Damage	KA	8/28/96	Vetoed
SB 1525 N\$	Wright	Common Interest Developments: Insurance	PD	6/24/96	Chpt. 396, Stat. of '96
SB 1566 \$	Monteith	Redevelopment: Project Areas: Agricultural and Open-space Lands	PD	8/05/96	Chpt. 617, Stat. of '96
SB 1585 N\$ Urg.	Craven	Mobilehomes: Age Requirements	KA	5/09/96	Chpt. 61, Stat. of '96
SB 1594 \$	Craven	Mobilehome Parks: Mobilehome Ombudsman Sign	KA	6/06/96	Chpt. 402, Stat. of '96
SB 1624 N\$	Craven	Mobilehomes	KA	6/11/96	Chpt. 157, Stat. of '96
SB 1626 \$	Kopp	Redevelopment	PD	8/15/96	Vetoed
SB 1632 \$	Costa	Real Property: Rent Control	PD	8/05/96	Chpt. 566 Stat. of '96
SB 1704 \$	Craven	Manufactured Homes: Transfers	KA	8/15/96	Chpt. 677, Stat. of '96

BILL #	AUTHOR	SUBJECT	CON	AMENDED	ACTION
SB 1708 N\$	Alquist	Subdivisions: Solar Energy Systems	KA	5/01/96	Died, Ass. Housing
SB 1748 \$	S. Housing	Housing & Land Use Omnibus Act of 1996	PD	8/29/96	Chpt. 799, Stat. of '96
SB 1861 N\$ Urg.	Johnson	Redevelopment: Tustin Marine Corps Air Station	PD	6/11/96	Chpt. 165, Stat. of '96
SB 1989 \$	Thompson	Low-income Housing Tax Credit: Regulations: Notice	PD	8/21/96	Vetoed
SB 2022 \$	Haynes	Mobilehome Parks: Attachment and Installation	KA	8/28/96	Died, Ass. Education
SB 2077 N\$	O'Connell	Civil Rights: Housing: Pets	KA	5/23/96	Died, Ass. Housing
SB 2097 N\$	Haynes	Civil Rights: Senior Housing	KA	5/02/96	Chpt. 1147, Stat. of '96
SB 2112 N\$	Leonard	Community Development: San Bernardino County	PD	5/01/96	Chpt. 1119, Stat. of '96
SJR 12 N\$	Craven	Manufactured Home and Mobilehome Rent Space:	SH	3/09/95	Res. Chpt. 41, Stat. of '95