

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT****DIVISION OF CODES AND STANDARDS**

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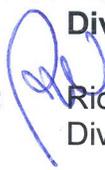
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**INFORMATION BULLETIN 2017-03 (SHL, RT, EH)**

**TO:** State Housing Law Program  
Registration and Titling Program  
Employee Housing Program  
Interested Parties  
Division Staff

**FROM:**  Richard Weinert, Deputy Director  
Division of Codes and Standards

**SUBJECT: 2016 Legislative Changes**

This Information Bulletin summarizes the legislative changes for 2016 to California laws that impact the Division of Codes and Standards' programs. The amendments, repeals, and additions to the California laws summarized in this Information Bulletin became effective January 1, 2017, unless otherwise specified in the legislation.

**STATE HOUSING LAW PROGRAM**

**Chapter 372, Statutes of 2016 (SB 465 - Hill)** adds Sections 7021 and 7071.18 to the Business and Professions Code; repeals and adds Section 18924.5 to the Health and Safety Code; and amends Section 6313.5 of the Labor Code, relating to building construction.

***Contractor's State Licensing Board (CSLB) Licensee Reporting Requirements and Study of Need for Enhanced Reporting Requirements Related to Construction Defects.***

SB 465 authorizes the CSLB to enter into an interagency agreement with other state and local agencies it deems to be in possession of information relevant to protecting the public.

SB 465 mandates CSLB licensees to notify the CSLB within 90 days of suffering a criminal conviction of any felony or other crime that is substantially related to the qualifications, functions, and duties of a licensed contractor.

CSLB is also mandated to consult with licensees, consumers and other stakeholders, on a voluntary basis, to prepare a study of judgments, arbitration awards, and settlements issued against its licensees that are a result of construction defects for rental residential units and are to report to the Legislature, by January 1, 2018, the

results of the study as to whether the CSLB has the ability to protect the public from its licensees or if enhanced self-reporting regulations requiring licensees to report judgments, arbitration awards, or settlement payments of those claims within 90 days of licensee's knowledge of the event are required to protect the public. This bill makes all records or documents (exempt from public disclosure pursuant to the California Public Records Act) obtained by CSLB during the course of the study to remain exempt from disclosure.

SB 465 also requires the Division of Occupational Safety and Health (Division), after consultation with CSLB, to give copies of any citations or other actions taken by the Division against a contractor to CSLB.

This bill also directs a working group formed by the California Building Standards Commission to investigate and report by January 1, 2018, to the appropriate policy committees of the Legislature on any findings and possible recommendations on changes to statute or regulations needed regarding exterior residential balconies. If it is determined that immediate changes are required to protect the public, the changes are to be submitted to the appropriate state agency for consideration as soon as possible.

SB 465 lastly requires the CSLB to solicit technical expertise from the Department of Housing and Community Development, the Division of the State Architect-Structural Safety, the Office of the State Fire Marshal, and other specified entities.

[Chapter 623, Statutes of 2016 \(SB 7 - Volk\)](#) amends Section 1954 of, and adds Chapter 2.5 (commencing with Section 1954.201) to Title 5 of Part 4 of Division 3 of, the Civil Code; adds Section 17922.14 to the Health and Safety Code; and adds Section 517 and Article 5 (commencing with Section 537) to Chapter 8 of Division 1 of the Water Code, relating to housing.

***SB 7 requires the Department of Housing and Community Development (HCD) to develop and propose building standards for the installation of water meters or submeters, in newly-constructed residential and commercial structures, and establishes practices with safeguards that are just and reasonable for landlords and tenants.***

SB 7 mandates the HCD to propose regulations for adoption by the CSLB of building standards requiring the installation of water meters or submeters in newly-constructed multiunit or residential portions of mixed-use structures, and to determine feasible submeter installation exemptions. This bill also authorizes HCD to use funds from the Building Standards Administration Special Revolving Fund for implementation upon appropriation by the Legislature for the HCD administrative costs.

SB 7 encourages conservation of water in multifamily residential rental buildings through the use of the installation of submeters. SB 7 also requires the establishment of practices involving submetering of dwelling units with safeguards for both tenants

and landlords that are just and reasonable as it relates to billing for submetered units, disclosure in rental agreements about billing and payment, reading of submeter for billing and other rental billing requirements.

[Chapter 691, Statutes of 2016 \(AB 2176 – Campos\)](#) amends Section 8698 of, and repeals and adds Section 8698.3 of, the Government Code.

***AB 2176 authorizes the City of San Jose to undertake a pilot program until January 1, 2022, that provides for the use of alternative forms of emergency housing upon a declaration of emergency pursuant to the Shelter Crisis Act, including the use of emergency sleeping cabins, to shelter the local homeless population. .***

AB 2176 authorizes the City of San Jose, upon the declaration of a shelter crisis by the City, to adopt local standards by ordinance for the design, site development, and operation of emergency bridge housing communities and related structures and facilities to address the declared homeless shelter crisis. This bill also defines an emergency sleeping cabin with specific minimum health and safety building standards. The bill requires HCD to review the City's ordinance and report findings to the Legislature within 30 days after receiving the draft ordinance and thereafter to report to the Legislature annually.

[Chapter 720, Statutes of 2016 \(SB 1069 – Wieckowski\)](#) amends Sections 65582.1, 65583.1, 65589.4, 65852.150, 65852.2, and 66412.2 of the Government Code, relating to land use.

***SB 1069 removes some existing requirements that limit the use of Accessory Dwelling Units (ADU) as a housing option and provides stated standards to be applied by local governments for the purpose of increasing the use of ADU to accommodate the state's housing needs for its growing population (also see AB 2299).***

SB 1069 provides reforms and incentives to facilitate construction of affordable housing, which includes the use of ADU. This bill replaces the term "second unit" with ADU throughout the law. This bill also revises requirements for the approval or disapproval of an ADU application when a local agency has not adopted an ordinance and it prohibits the imposition of parking standards under specified circumstances. SB 1069 also requires the ministerial approval of an application for a building permit to create one ADU attached to or within the existing space of a single-family residence or its lot, as specified.

SB 1069 reduces parking requirements to one space per bedroom or unit or otherwise prohibits parking requirements under specified conditions. This bill provides that ADU shall not be considered new residential uses for the purpose of calculating utility connection fees or capacity charges and prohibits local agencies from requiring applicants to install a new or separate utility connection or impose related connection or

capacity fees for accessory dwelling units within an existing structure or access structure. Charges or fees for attached and detached ADU must be proportionate to the burden of the unit on the water or sewer system and not exceed reasonable cost of service.

This bill also specifies that fire sprinklers shall not be required in an ADU if they are not required for the primary residence. It also prohibits a local agency from requiring an applicant to install a new or separate utility connection directly between the unit and the utility or imposing a related connection fee or capacity charge. This bill also has additional changes that are operative only if AB 2299 is chaptered.

[Chapter 735, Statutes of 2016 \(AB 2299 – Bloom\)](#) amends Section 65852.2 of the Government Code, relating to land use.

***AB 2299 removes some existing requirements for the installation of ADU for the purpose of increasing the use of such units to accommodate the state’s housing needs for its growing population (also see SB 1069).***

AB 2299 replaces the term “second unit” with “accessory dwelling unit” (ADU).

This bill requires local government when promulgating an ordinance for the creation of ADU in single-family and multifamily residential zones, to include specified elements and comply with other specified conditions. This bill requires ministerial, nondiscretionary approval of an ADU under an existing ordinance. This bill also specifies that a local agency may reduce or eliminate parking requirements for any ADU located within its jurisdiction and deletes the requirements for additional parking for second units or ADUs.

AB 2299, in general, requires local government, effective January 1, 2017, to ministerially approve ADU if the units are in compliance with specified parking requirements, maximum allowable size of an attached accessory dwelling unit, and setback requirements, as specified. This bill also specifies that existing accessory dwelling unit ordinances which do not comply with the bill’s requirements are null and void upon the effective date of the bill. In these cases, ADUs are required to be approved under the conditions specified by Government Code Section 65852.2. This bill also has additional changes that are operative only if SB 1069 is chaptered.

[Chapter 755, Statutes of 2016 \(AB 2406 – Thurmond\)](#) adds Section 65852.22 to the Government Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

***AB 2406 clarifies the definition of a junior accessory dwelling unit (JADU) and how it differs from an ADU for the purpose of adoption of ordinances by a local jurisdiction.***

AB 2406 authorizes cities and counties to adopt an ordinance for the creation of JADUs. The bill defines a JADU to mean a unit no more than 500 square feet in size, contained entirely within a single-family structure and which may share sanitation facilities with the existing structure. Ordinances providing for JADUs must require an existing bedroom, separate entrance and efficiency kitchen as specified. For purposes of fire or life protection ordinance or regulations or providing for water, sewer or power, a JADU is not considered a separate or new dwelling unit. Local jurisdictions must issue a ministerial permit within 120 days of receiving a permit application for the construction of a JADU. This bill contains an urgency clause; thus, went into effect September 28, 2016.

## REGISTRATION AND TITLING PROGRAM

[Chapter 300, Statutes of 2016 \(AB 2450 – Achadijian\)](#) amends Section 5091 of, and adds Section 402.2 to, the Revenue and Taxation Code, relating to property tax.

***AB 2450 mandates that contracts with government agencies restricting use of property for affordable housing are to be recorded and a tax assessor may consider the affordable housing use restriction when valuing real property for taxation purposes to ensure appropriate tax rates are applied.***

AB 2450 requires that contracts with government agencies restricting the use of property for owner-occupied housing available at affordable cost be recorded. This bill does not prevent or prohibit the local tax assessor from considering a contract that restricts the use of the property to owner-occupied housing available at an affordable housing cost when assessing the fair market value of the property.

This bill requires that a public entity give the county assessor, county tax collector, and any public entity whose taxes are not collected by the county tax collector, notice if it proposes to acquire property for public use that is exempt from taxation.

[Chapter 396, Statutes of 2016 \(AB 587 - Chau\)](#) amends section 798.15 of the Civil Code; amends Sections 18092.7, 18116.1, and 18550 or and adds Section 18550.1 to, the Health and Safety Code; and amends Section 5832 of the Revenue and Taxation Code, relating to mobilehomes.

***AB 587 authorizes a Fee and Tax Waiver Program, upon satisfaction of specified conditions, permits an unregistered manufactured home/mobilehome owner to have the home properly registered and titled in the owner's name.***

AB 587 authorizes HCD to waive all outstanding fees and charges assessed prior to the transfer of title under the Fee and Tax Waiver Program when application for the program occurs prior to December 31, 2019. The Fee and Tax waiver program will result in the release of any lien imposed with respect to those outstanding charges; the issuance of a duplicate or new certificate of title or registration card; and will amend the

title record. AB 587 also requires HCD to issue a conditional transfer of title when an applicant, meeting all specified requirements and who is not currently the registered owner of a manufactured home/mobilehome subject to local property taxation, applies for registration or transfer of registration of the home prior to December 31, 2019.

AB 587 also requires the county tax collector to accept the conditional transfer of title and issue a tax liability certificate to a person in possession of the conditional transfer of title and who applies for the tax liability certificate prior to January 1, 2020. AB 587 requires the applicant to pay only a portion of the taxes, as specified, reasonably owed from the date of sale or acquisition of the home by the current applicant/owner.

Lastly, AB 587 repeals and then amends Health and Safety Code Section 18550(c). The amendment, effective January 1, 2020, prohibits any person to use for occupancy any manufactured home/mobilehome that does not conform to the registration requirements of HCD.

## **EMPLOYEE HOUSING PROGRAM**

[Chapter 732, Statutes of 2016 \(SB 1413 - Leno\)](#) adds Part 14 (commencing with Section 53570) to Division 31 of the Health and Safety Code, relating to housing.

***SB 1413 authorizes school districts to develop housing on district owned property that is targeted for teachers working in those districts.***

SB 1413 establishes the Teacher Housing Act of 2016 and provides that a school district may establish and implement programs that address the housing needs of teachers and school district employees who face challenges in securing affordable housing.