

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2023-2024 Regular Session

AB 2926 (Kalra)
Version: June 24, 2024
Hearing Date: July 2, 2024
Fiscal: Yes
Urgency: No
ID

SUBJECT

Planning and zoning: assisted housing developments: notice of expiration of
affordability restrictions

DIGEST

This bill revises the Preservation Notice Law to require that, when an affordable housing development is within the first nine months of the final year of the expiration of its affordability restrictions, a qualified entity intending to maintain the affordable housing may make a bona fide offer to purchase the development, and that the owner must either accept the offer or make an agreement to maintain the development as affordable housing for another 30 years.

EXECUTIVE SUMMARY

In order to warn tenants and local governments that affordable housing may soon be expiring and potentially prevent the loss of affordable housing, California enacted the state's Preservation Notice Law (PNL). The PNL requires that, if an owner of an affordable housing development is looking to convert the affordable housing to market rate at the end of the affordability restrictions, it must give notice of the proposed change to market rate housing to each affected tenant household and to affected housing agencies 12 months before the end of the affordability restrictions. If the owner receives a bona fide offer to purchase the affordable housing from a qualified entity within the first six months of this period, the owner must either accept the bona fide offer or promise not to sell the property for another five years. After the first six-month period, if the owner receives an offer from any buyer, it must first provide the qualified entity that made a bona fide offer a right of first refusal. This bill revises this arrangement to require that, in the first nine months from the final year, if an owner receives a bona fide offer from a qualified entity, it must either accept that offer or agree to maintain the development as affordable housing for another 30 years. This bill also allows a group of affected tenants or a tenant association to sue to enforce the PNL. AB 2926 is sponsored by the California Rural Legal Assistance Foundation, the California

Housing Partnership, and the National Housing Law Project, and is supported by numerous other affordable housing organizations. The Committee has received no timely opposition to this bill. AB 2926 previously passed out of the Senate Housing Committee by a vote of 10 to 0.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Defines various terms, including:
 - a) “affected public entities” means the mayor of the city in which the assisted housing development is located, or, if located in an unincorporated area, the chair of the board of supervisors of the county; the appropriate local public housing authority, if any; and the Department of Housing and Community Development (HCD);
 - b) “affected tenant” means a tenant household residing in an assisted housing development, as defined, at the time notice is required to be provided pursuant to the PNL, that benefits from the government assistance;
 - c) “assisted housing development” means a multifamily rental housing development of five or more units that receives governmental assistance under any of specified housing programs, including project-based Section 8 vouchers, low-income housing tax credits, redevelopment funds, and density bonus developments;
 - d) “expiration of rental restrictions” means the expiration of rental restrictions for an assisted housing development, unless the development has other recorded agreements restricting the rent to the same or lesser levels for at least 50% of the units; and
 - e) “termination” means an owner’s decision not to extend or renew its participation in a federal, state, or local government subsidy program or private, nongovernmental subsidy program for an assisted housing development, either at or prior to the scheduled date of the expiration of the contract, that may result in an increase in tenant rents or a change in the form of the subsidy from project-based to tenant-based. (Gov. Code § 65863.10 (a).)
- 2) Requires an owner proposing the termination or prepayment of governmental assistance, or the owner of an assisted housing development in which there will be the expiration of rental restrictions, to provide a notice of the proposed change to each affected tenant household residing in the assisted housing development and to the affected public entities at least 12 months prior to the anticipated date of the termination, expiration, or prepayment. Exempts from this notice requirement an owner who records a new regulatory agreement at the close of escrow of the sale of

the property and who complies with specified requirements. Requires the notice to include specified information. (Gov. Code § 65863.10 (b).)

- 3) Establishes that injunctive relief shall be available to any affected public entities or affected tenants who are aggrieved by a violation of 2) above, and other specified notice requirements. (Gov. Code § 65863.10 (j).)
- 4) Prohibits an owner of an assisted housing development from terminating a subsidy contract or prepaying a mortgage unless the owner or its agent has first provided specified preservation entities an opportunity to submit an offer to purchase the development. Requires an owner of an assisted housing development in which there will be an expiration of rental restrictions to provide the same entities an opportunity to submit an offer to purchase the development. Exempts from this first opportunity to purchase requirement an owner who records a new regulatory agreement at the close of escrow of the sale of the property and who complies with specified requirements. (Gov. Code § 65863.11 (b).)
- 5) Prohibits an owner of an assisted housing development from selling or otherwise disposing of the development at any time within the five years before the expiration of rental restrictions or at any time if the owner is eligible for prepayment or termination within five years unless the owner or its agent has first provided specified preservation entities an opportunity to submit an offer to purchase the development. Exempts from this first opportunity to purchase requirement an owner who records a new regulatory agreement at the close of escrow of the sale of the property and who complies with specified requirements. (Gov. Code § 65863.11 (c).)
- 6) Requires a preservation entity to do all of the following to qualify as a “qualified entity” to purchase an assisted housing development:
 - a) be certified by HCD, based on demonstrated relevant prior experience in California and current capacity, as capable of operating the housing and related facilities for its remaining useful life, either by itself or through a management agent. Requires HCD to establish a process for certifying qualified entities and maintain a list of entities that are certified, which must be updated at least annually;
 - b) agree to obligate itself and any successors in interest to maintain the affordability of the assisted housing development for households of very low, low, or moderate income for either a 30-year period from the date that the purchaser took legal possession of the housing or the remaining term of the existing federal government assistance, whichever is greater; and
 - c) local nonprofit organizations and public agencies shall have no member among their officers or directorate with a financial interest in assisted housing developments that have terminated a subsidy contract or prepaid

a mortgage on the development without continuing the low-income restrictions. (Gov. Code § 65863.11 (e).)

- 7) Requires an owner who decides to terminate a subsidy contract, to prepay the mortgage, or sell or otherwise dispose of the assisted housing development, or if the owner has an assisted housing development in which there will be the expiration of rental restrictions, to first give notice of the opportunity to offer to purchase to each qualified entity on the list provided to the owner by HCD, as well as to those qualified entities that directly contact the owner. The notice of the opportunity to offer to purchase must be given before or concurrently with the notice required under 2) for a period of at least 12 months. (Gov. Code § 65863.11 (g).)
- 8) Requires a qualified entity that elects to purchase the assisted housing development to make a bona fide offer to purchase the development at the market value. A qualified entity's bona fide offer to purchase shall be submitted within 180 days of the owner's notice of the opportunity to submit an offer pursuant to 7), identify whether it is a tenant association, nonprofit organization, public agency, or profit-motivated organizations or individuals, and certify, under penalty of perjury, that it is qualified. Specifies that, if an owner has received a bona fide offer from one or more qualified entities within the first 180 days from the date of an owner's notice under 7), the owner must notify HCD of all such offers and either accept a bona fide offer from a qualified entity to purchase, or declare under penalty of perjury in writing to the qualified entity or entities and HCD on a form approved by HCD that, if the property is not sold during the first 180-day period or a second 180-day period, it will not sell the property for at least five years after the end of the second 180-day period. (Gov. Code 65863.11 (i).)
- 9) Requires an owner who declines to sell a property to a qualified entity to record the declaration with the county in which the property is located immediately after the end of the second 180-day period. (Gov. Code § 65863.11 (i).)
- 10) Allows an owner, during the 180-day period following the initial 180-day period described in 8), above, to accept an offer from a non-qualifying person or entity. Specifies that this acceptance shall be made subject to the owner's providing each qualified entity that made a bona fide offer the first opportunity to purchase the development at the same terms and conditions as the pending offer to purchase, unless these terms and conditions are modified by mutual consent. The owner must notify in writing HCD and those qualified entities of the terms and conditions of the pending offer to purchase. A qualified entity shall have 30 days from the date the notice is mailed to submit a bona fide offer to purchase, and that offer must be accepted by the owner. The owner is not required to comply with these requirements if the person or the entity making the offer during this time period agrees to maintain the development for persons and families of very low, low, and moderate income. (Gov. Code § 65863.11 (l).)

11) Requires HCD to undertake the following responsibilities:

- a) maintain a form containing a summary of rights and obligations under the PNL and make that information available to owners of assisted housing developments as well as to tenant associations, local nonprofit organizations, regional or national nonprofit organizations, public agencies, and other entities with an interest in preserving the state's subsidized housing;
- b) compile, maintain, and update a list of qualified entities that have either contacted HCD with an expressed interest in purchasing a development in the subject area, or have been identified by HCD as potentially having an interest in participating in a right-of-first-refusal program. HCD must publicize the existence of the list statewide. Upon receipt of a notice of intent under 2), HCD must make the list available to the owner;
- c) monitor compliance with the PNL by owners of assisted housing developments and provide a report to the Legislature on or before December 31 of each year that includes specified information relating to properties and units subject to the PNL;
- d) require owners of assisted housing developments in which at least 25% of the units on the property are subject to affordability restrictions or a rent or mortgage subsidy contract to certify compliance with the PNL annually to HCD, under penalty of perjury, in a form as required by HCD; and
- e) refer violations of the PNL to the Attorney General for appropriate enforcement action. (Gov. Code § 65863.11 (o).)

12) Allows the provisions of specified sections of the PNL to be enforced either in law or in equity by any qualified entity entitled to exercise the opportunity to purchase and right of first refusal, any tenant association at the property, or any affected public entity that has been adversely affected by an owner's failure to comply. (Gov. Code § 65863.11 (p).)

13) Exempts from specified sections of the PNL the following:

- a) an assisted housing development in which 25% or less of the units are subject to affordability restrictions; and
- b) an assisted housing development in which 25% or less of the units are subject to affordability restrictions that were developed in compliance with a local ordinance, charter amendment, specific plan, resolution, or other land use policy or regulation requiring that a housing development contain a fixed percentage of affordable units. (Gov. Code § 65863.11 (r).)

14) Exempts from the notice and opportunity to purchase requirements of the PNL an owner who includes specified conditions in a regulatory agreement that has been or will be recorded against the property at the close of escrow of the sale of the property and the owner complies with those conditions during the escrow period. (Gov. Code § 65863.13 (a).)

This bill:

- 1) Revises the definition of “assisted housing development” in the PNL to include assistance provided by counties or cities in exchange for restrictions on the maximum rents that may be charged for units within a multifamily rental housing development and on the maximum tenant income as a condition of eligibility for occupancy of the unit subject to the rent restriction, as reflected by a recorded agreement or other legally enforceable agreement with a county or city, including housing created pursuant to the following:
 - a) the Middle Class Housing Act of 2022;
 - b) streamlining assistance pursuant to the Affordable Housing and High Road Jobs Act of 2022;
 - c) the streamlined, ministerial process for mixed-income developments pursuant to SB 423 (Wiener, Ch. 778, Stats. 2023); and
 - d) the Affordable Housing on Faith and Higher Education Lands Act of 2023.
- 2) Revises the definition of “expiration of rental restrictions” in the PNL to mean the expiration of rental restrictions for an assisted housing development unless the development has other recorded agreements restricting the rent to the same or lesser levels for the same number of units, rather than at least 50% of the units.
- 3) Revises the definition of “termination” to mean the failure of an owner to extend or renew its participation in a federal, state, or local government subsidy program or private, nongovernmental subsidy program for an assisted housing development, either at or prior to the scheduled date of the expiration of the contract, that may result in an increase in tenant rents or a change in the form of the subsidy from project-based to tenant-based.
- 4) Requires the existing notice that must be provided by an owner of an assisted housing development at least 12 months prior to the anticipated date of the termination of a subsidy contract, expiration of rental restrictions, or prepayment, to specify whether the owner might increase rents during the 12 months following prepayment, termination, or expiration, rather than whether they intend to increase rents during that period to a level greater than permitted under existing federal Low-Income Housing Tax Credit law.
- 5) Requires, at least six months prior to the anticipated date of termination of a subsidy contract, expiration of rental restrictions, or prepayment on an assisted housing development, the existing notice to the tenants provided by the owner to also include a statement that the owner shall accept all enhanced Section 8 vouchers if the tenants receive them.
- 6) Revises the existing requirement for owners of assisted housing developments that are within three years of a scheduled expiration of rental restrictions to provide

notice of the scheduled expiration of rental restrictions to prospective tenants, existing tenants, and affected public entities, to also apply the notice obligation to owners of assisted housing developments that are within three years of a scheduled termination of a subsidy contract.

- 7) Clarifies that the injunctive, legal, and equity relief currently available to affected public entities and affected tenants, as defined, for a violation of specified sections of the PNL includes, but is not limited to, a group of affected tenants that meets the requirements of a legitimate tenant organization, as defined in federal regulations, or a tenant association, as defined.
- 8) Adds a definition of “qualified entity” to the PNL, to mean an entity to whom an opportunity to purchase must be provided and that meets specified requirements.
- 9) Increases from 180 to 270 days the time period during which a qualified entity’s bona fide offer to purchase an assisted housing development at market value must be submitted after the owner’s notice of the opportunity to submit an offer.
- 10) Requires an owner who has received a bona fide offer from one or more qualified entities within the first 270 days from the notice of opportunity date to notify HCD of all such offers within 90 days, and either accept a bona fide offer from a qualified entity to purchase and execute a purchase agreement, or record a new regulatory agreement with a term of at least 30 years that, at a minimum, meets specified criteria relating to preserving the affordability of the property.
- 11) Specifies that, if an owner does not receive a bona fide offer from one or more qualified entities within the 270-day period, or if after the 270 days all bona fide offers have been withdrawn, the owner may:
 - a) sell the property to any buyer;
 - b) extend the affordability restrictions for any period of time; and
 - c) maintain ownership of the property and allow the expiration, termination, or pre-payment to occur at the end of the notice of opportunity to purchase period.
- 12) Requires owners of assisted housing developments in which at least 5% of the units on the property, rather than the 25% required by current law, are subject to affordability restrictions or a rent or mortgage subsidy contract to certify compliance with the PNL to HCD annually, under penalty of perjury, in a form as required by HCD.
- 13) Specifies that the PNL may be enforced either in law or equity by any affected tenant, as defined, any group of affected tenants that meets the requirements of a legitimate tenant organization, as defined in federal regulations, or any tenant association, as defined (in addition to a qualified entity entitled to exercise the

opportunity to purchase under the PNL and any affected public entity, as allowed by current law).

- 14) Prohibits an owner from utilizing the current law exemption from the PNL notice requirement if they terminate a tenancy of a low-income household due to a planned renovation of the property during the escrow period.

COMMENTS

1. Author's statement

According to the author:

Subsidized housing is disappearing faster than we can build new housing. AB 2926 will help preserve our existing affordable housing by ensuring we keep these homes from converting to market rate. A recent report by the California Housing Partnership shared that between 1997 and 2022, California lost 22,078 affordable homes due to expired regulatory restrictions on government-assisted homes, which owners then decided to opt out of the restrictions, sell, or convert to market rate. Furthermore, another 4,749 affordable homes are at high risk of being lost in the next year, and 31,309 more over the next ten years. At a time when our state is facing a housing crisis, we must take proactive measures to preserve our affordable housing while continuing to build more to keep families from being displaced. There will be no harm or money loss to the owner who has benefited from the public subsidy. Property owners under this measure will still receive a fair market price and the policy will ensure homes are sold to a preservation buyer or re-restricted as affordable housing. As California is in the midst of a housing crisis, AB 2926 is a forward-looking measure that will preserve existing subsidized housing and keep people in their homes.

2. California's affordable housing stock

California is experiencing a serious affordable housing crisis. About 44% of all individuals in the state, or 17 million Californians, rent their apartments or homes.¹ For these Californians, rents have increased dramatically in the past decade. In 2022, the median gross rent in the state was \$1,870, which represented about an eight percent increase per year from the median gross rent in 2019.² As a result of these high rents, significant numbers of California renters pay a disproportionate amount of their income

¹ Monica Davalos et al, California's 17 Million Renters Face Housing Instability and Inequity Before and After COVID-19, California Budget & Policy Center (Jan. 2021), available at <https://calbudgetcenter.org/resources/renters-face-housing-instability-and-inequity-before-and-after-covid-19/>.

² U.S. Census Bureau, Table: Median Gross Rent by Bedroom, American Community Survey (multiple years) (accessed May 29, 2024), available at <https://data.census.gov/>.

toward rent and struggle to make ends meet. In 2019, 51.8 percent of California renters were cost-burdened, in which their rent costs exceeded 30 percent of their household income, and 27.3 percent were severely cost-burdened, in which their rent costs exceeded 50 percent of their household income.³ Moreover, 78 percent of extremely low-income households are severely cost burdened, meaning that they spend more than half of their income on housing costs, and 52 percent of low-income households are severely cost burdened.⁴ Data and multiple studies also have demonstrated a strong link between homelessness and the cost of housing, suggesting that California's increases in residential rental rates contributes directly to the state's growing population of individuals experiencing homelessness.⁵ The state's high rents significantly affects people of color, who disproportionately account for the state's renters.⁶

A contributor to these high rents is the state's lack of affordable housing, as the state is experiencing a record shortfall of affordable housing, estimated at 1,283,734 affordable homes.⁷ At the same time, the state is currently losing affordable housing every year. Between 1997 and 2022, California lost 22,078 affordable homes due to expiring regulatory restrictions on government-assisted multifamily developments.⁸ It is estimated that 31,309 affordable homes are at risk of losing their affordability restrictions in the next 10 years.⁹

Affordable housing takes numerous forms in California, though affordable housing usually has specified time requirements for how long it must remain as affordable housing. According to the Senate Housing Committee's analysis of AB 2926:

Since the 1960s, developers have constructed at least 425,000 units of affordable rental housing in California with the assistance of federal, state, and local subsidies that require owners to maintain rents at affordable levels for specified periods of time. Examples of such subsidy programs include project-based Housing Choice Vouchers (Section 8), mortgages, low-income housing tax

³ Davalos *supra* note 1, p. 3.

⁴ California Housing Partnership, "Housing Needs Dashboard," Mar. 2024, available at <https://chpc.net/housingneeds/>.

⁵ Margot Kushel et al, "California Statewide Study of People Experiencing Homelessness, UCSF Benioff Homelessness and Housing Initiative (Jun. 2023), available at <https://homelessness.ucsf.edu/our-impact/studies/california-statewide-study-people-experiencing-homelessness>; Alex Horowitz et al, "How housing costs drive levels of homelessness: data from metro areas highlights strong connection," The Pew Charitable Trusts (Aug. 22, 2023), available at <https://www.pewtrusts.org/en/research-and-analysis/articles/2023/08/22/how-housing-costs-drive-levels-of-homelessness>.

⁶ Davalos *supra* note 1, p. 6.

⁷ California Housing Partnership, "Housing Needs Dashboard," Mar. 2024, available at <https://chpc.net/housingneeds/>.

⁸ Danielle Mazzella et al, *Report 2023: Affordable Homes At Risk*, California Housing Partnership (Apr. 2023), available at <https://chpc.net/resources/2023-subsidized-affordable-housing-at-risk-report/>.

⁹ *Id.*

credits, state housing programs under HCD, and city and county redevelopment funds. The affordability restrictions on assisted units typically last 30 to 55 years, depending on the program. Once affordability obligations expire, owners may preserve the affordability of the units by renewing assistance or by refinancing with new public subsidies, or they may convert the development to market rate. Under some federal programs, owners can also terminate affordability restrictions early by prepaying the underlying mortgage early or opting out of the rental assistance contract.¹⁰

3. The Preservation Notice Law

In order to warn tenants and local governments that affordable housing may soon be expiring and potentially prevent the loss of affordable housing, California enacted the state's Preservation Notice Law (PNL) in 1987. (Gov. Code § 65863.10 et seq.) The purpose of the PNL is to give tenants of affordable housing projects sufficient time to prepare for having to move or for potentially-significant rent increases, as well as to provide potential affordable housing purchasers and local government the opportunity to purchase the property and preserve its affordability restrictions. Upon the expiration of the affordable housing restrictions, the owner may increase rents on current tenants to current market rates, even if this increase is greater than the limitation on annual rent increases currently in state law. Thus, for current tenants, the need for notice and the need to maintain affordable housing are incredibly important.

The PNL requires that, if an owner of an affordable housing development is looking to convert the housing to market rate at the end of the affordability restrictions, it must give notice of the proposed change to market rate housing to each affected tenant household and to affected housing agencies 12 months before the end of the affordability restrictions. (Gov. Code § 65863.10 (b).) The owner must also provide a notice to all affected tenants and housing departments six months prior to the anticipated termination of the affordable housing restrictions. (Gov. Code § 65863.10 (c).) The notice provided to affected tenants must include a statement of the current rent and the anticipated rent for the unit during the 12 months after the termination of the affordable housing restrictions, and the name and telephone number of the city or county, appropriate local housing authority, HCD, and a legal services organization that can be contacted to request information about an owner's responsibilities and the rights and options of an affected tenant. (Gov. Code § 65863.10 (c).) The owner's notice to affected public entities must contain information regarding the number of affected tenants and units, and other information. (Gov. Code § 65863.10 (c)(3).)

The PNL also specifies a process through which eligible entities may make bids to buy the affordable housing for the purposes of keeping the affordable housing restrictions. If the owner receives a bona fide offer to purchase the affordable housing within the

¹⁰ Report of the Senate Housing Committee, AB 2926 (Jun. 13, 2024).

first six months of the final year of the development's affordable housing restrictions, the owner must either accept the bona fide offer or promise not to sell the property for another five years. (Gov. Code § 65863.11 (i).) After the first six-month period, the owner does not have to sell to a qualified entity that intends to keep the development affordable, but if it receives an offer, it must first provide any qualified entity that previously had made a bona fide offer the opportunity to purchase the development at the same terms as the offer it received from the non-qualified entity.

The PNL provides a provision for enforcement of its requirements on owners of affordable housing developments with expiring affordable housing restrictions. That provision allows for the PNL to be enforced in law or in equity by any qualified entity that is entitled to exercise the opportunity to purchase and the right of first refusal, any tenant association at the property, or any affected public agency that has been adversely affected by the owner's failure to comply with the PNL. (Gov. Code § 65863.111 (p).) In any such action, the court may waive any bond requirement and may award attorney's fees and costs to a prevailing plaintiff. (*Id.*)

4. AB 2926 strengthens the Preservation Notice Law to ensure the state can maintain its affordable housing

AB 2926 proposes to strengthen the PNL to provide entities wishing to maintain an expiring affordable housing project's affordable housing restrictions. It expands the scope of affordable housing projects that are covered by the PNL, along with other programmatic changes. However, most significantly, it changes the process by which a qualified entity may make a bona fide offer to purchase. AB 2926 provides that, if a qualified entity makes a bona fide offer to purchase the property within the first nine months of the final 12-month period before the end of the affordability restrictions, the owner must either accept the offer or record a new agreement to restrict the property to affordable housing for another 30 years. If the owner does not receive a bona fide offer from a qualified entity within the nine-month period, or if any bona fide offers it did receive are withdrawn, the owner may: sell the property to any buyer; extend the affordability restrictions for any period of time; or maintain ownership of the property and allow the affordability restrictions to expire.

AB 2926 also provides additional parties the ability to sue to enforce the PNL. It expands the parties that may enforce the PNL in law or equity to include any affected tenant, a group of affected tenants that meets the requirements of a legitimate tenant organization, and to a tenant association, as defined. A tenant association, for the purposes of eligibility to bring a suit under AB 2926, is defined as: "a group of tenants who have formed a nonprofit corporation, cooperative corporation, or other entity or organization, or a local nonprofit, regional, or national organization whose purpose includes the acquisition of an assisted housing development, and that represents the interest of at least a majority of the tenants in the assisted housing development." Thus, under AB 2926's provisions, an affected tenant who lives in the affordable housing

development, any group of tenants or tenant group, or any nonprofit that acquires affordable housing and represents at least a majority of tenants in the development may also sue to enforce the PNL. Through these enforcement provisions and the changes to how an owner of an affordable housing development may sell or convert the development to market rate housing, AB 2926 aims to ensure that more of California's affordable housing stock can be retained as affordable housing.

SUPPORT

California Rural Legal Assistance Foundation (sponsor)
California Housing Partnership (sponsor)
National Housing Law Project (sponsor)
Bay Area Regional Health Inequities Initiative
Disability Rights California
East Bay Housing Organization
East Bay Housing Organizations
Eden Housing
Housing Now! CA
Long Beach Forward
Merritt Community Capital Corporation
Southern California Association of Non-profit Housing
Techequity Action
The Children's Partnership
Urban Habitat

OPPOSITION

None received

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation:

AB 1521 (Bloom, Ch. 377, Stats. 2017) strengthened the PNL by requiring an owner of an assisted housing development to accept a bona fide offer to purchase from a qualified purchaser within the first six months of the 12-month period before the restriction expires, or declare that it will not sell the property for at least five years, and gave HCD additional enforcement authority.

AB 1216 (Fuentes, 2011) would have authorized any affected public entity, or any affected tenant, to enforce the PNL. AB 1216 was vetoed by Governor Brown on the explanation that the bill failed to specify the remedies available.

AB 2926 (Kalra)

Page 13 of 13

SB 454 (Lowenthal, Ch. 308, Stats. 2010) removed the January 1, 2011 sunset date for the PNL.

PRIOR VOTES:

Senate Housing Committee (Ayes 10, Noes 0)

Assembly Floor (Ayes 71, Noes 0)

Assembly Appropriations Committee (Ayes 15, Noes 0)

Assembly Housing and Community Development Committee (Ayes 9, Noes 0)
