

# NEW REAL ESTATE LAWS

# 2020



*Below are a few of the new California Real Estate Laws that took effect in 2020.*

## **AB 68 Land Use: Accessory Dwelling Units (ADU's) (effective Jan 21)**

This bill allows for homeowners of single-family homes who apply to build accessory dwelling units, to also build a second, "junior" ADU on their property. In other words, it rezones all of California's single-family homes into triplexes and effectively acts as a de facto ban on single-family zoning. In addition time frames for local jurisdictions to respond have been streamlined in order to facilitate the building of ADU's. See all laws affecting ADU's : AB 670, AB 881, SB 13.

## **AB 670 Common interest developments: accessory dwelling units (effective Jan 21)**

This bill would make void and unenforceable any CC&R that effectively prohibits or unreasonably restricts the construction or use of an accessory dwelling unit or junior accessory dwelling unit on a lot zoned for single-family residential use.

## **SB 652 Entry doors: display of religious items: prohibitions ( effective Jan 21)**

This bill would, with certain exceptions, prohibit a property owner, from enforcing or adopting a restriction that prohibits the display of religious items on an entry door or entry door frame of a dwelling. This bill also prohibits the governing documents of a common interest development from doing the same.

## **AB 38 Fire safety: low-cost retrofits: regional capacity review: wildfire mitigation**

This bill, on or after **January 1, 2021**, would require the seller of any real property located in a high or very high fire hazard severity zone to provide a prescribed disclosure notice to the buyer, if the home was constructed before January 1, 2020, of information relating to fire hardening improvements on the property and list of specified features that may make the home vulnerable to wildfire and flying embers and which features, if any, that exist on the home of which the seller is aware. The bill, on or after July 1, 2025, would require the disclosure notice to also include the State Fire Marshal's list of low-cost retrofits. The bill would also require a seller who has obtained a specified final inspection report to provide to the buyer a copy of that report or information on where a copy may be obtained.

## **SB 190 Fire safety: building standards: defensible space program (effective Jan 01)**

This bill would require the Office of the State Fire Marshall to develop, in consultation with representatives from local, state and federal fire services, local government, building officials, utility companies, the building industry, insurers and insurance research organizations, and the environmental community, a model defensible space program to be made available for use by a city or county in the enforcement of the defensible space provisions.

## **SB 330 Housing Crisis Act of 2019 (effective until Jan 01, 2025)**

This will streamline the housing permit process and hold local agencies accountable for "slowing down" housing development by issuing fines and allowing a court to hold them liable when they have not provided acceptable evidence per the law as to the reason for denial or conditional approval.

## **AB 212 Counties: recording fees**

Existing law recording fees are \$10 for the first page and \$3 each additional page. This bill , until Jan 01, 2026 would authorize a \$1 fee to additionally be used to preserve document storage.

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This information is not a comprehensive explanation of the upcoming 2020 California laws. It is being provided solely as a courtesy and merely as a guide. The full laws can be found at : <https://leginfo.ca.gov/faces/home.xhtml>



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## **AB 178 Energy: building standards: Photovoltaic (Solar) requirements for "State of Emergency" (effective Jan 01)**

Starting January 01, 2020 all new home construction will be equipped with solar panels. This bill, until January 01, 2023, specifies that those who are rebuilding their homes due to the result of a disaster in an area in which a state of emergency has been proclaimed can rebuild their homes with requirements that were in place when their original home was constructed.

## **Appraisal requirement threshold raised (effective Oct 2019)**

Beginning October 09, 2019 certain home sales of \$400,000 ( previously \$250,000) and under will no longer require an appraisal. These rules do not apply for loans wholly or partially insured or guaranteed by, or eligible for sale to a government agency ( FHA, VA, Fannie Mae or Freddie Mac )

## **AB 1816 Insurance (effective for policies expiring on July 01 or after)**

Extends the time period from 45 days to 75 days prior to the expiration of an insurance policy to notify the insured of nonrenewal of the policy. This bill also raises the limit on a homeowners insurance claim to \$1 million. Applies to policies renewing or expiring on or after July 01, 2020.

## **AB 1188 Dwelling units: persons at risk of homelessness (effective Jan 01)**

This bill would authorize a tenant to temporarily permit the occupancy of their dwelling by a person who is at risk of homelessness, regardless of the terms of the rental/lease agreements, with written approval of the owner/landlord of the property. The bill would authorize an owner/landlord to adjust the rent payable, and would require the new terms to be agreed to in writing.

## **AB 1110 Rent increase: noticing (effective Jan 01)**

This bill would, instead of 60 days, require 90 days' notice if a landlord of a residential dwelling with a month-to-month tenancy increases the rent by more than 10% of the amount of the rent charged to a tenants annually.

## **SB 644 Tenancy: security deposit: service members (effective Jan 01)**

This bill prohibits a landlord from collecting a security deposit equal to more than one month rent or two months rent for a furnished property.

## **SB 222 Discrimination: veteran or military status**

This bill would declare that housing discrimination on the basis of veteran or military status is against public policy under the Fair Employment and Housing Act.

## **VA Loan Program Changes (effective Jan 01)**

(1) No upper loan limit on VA mortgages, (2) An increase in the VA Loan Funding Fee for all non-exempt borrowers, (3) Purple heart recipients are now exempt from paying VA loan funding fee the same as those who receive or are entitled to receive VA compensation. (H.R. 299)

## **FHA condo spot approvals (effective Oct 15, 2019)**

An individual condo unit in a building of 10 units or more may be eligible for spot approval if no more than 10% of the units are FHA-insured. For units in buildings with fewer than 10 units, no more than two units can have FHA insurance. FHA is also extending the recertification deadline for approved condo projects from two to three years as well as loosening other restrictions.

## **AB 5 Workers Status: Employees and Independent Contractors (effective Jan 01)**

Due to a court decision in a relevant case, AB 5 codified the decision, requiring certain companies in various industries to reclassify independent contractors as employees. This reconfirms the right for real estate agents to be classified as independent contractors. For details please refer to the entire law and it's exemptions.