

GAD Report June

Local Update

The city of Stockton is exploring some kind of rent control / tenants rights ordinance but first, the council is going to host several listening sessions around town to gather input from citizens. Following that LAR will be meeting with council members to discuss the results of these listening sessions and the next steps going forward. We intend to kill this idea once the listening is over.

State Update

C.A.R. is actively opposing two bills currently moving through the Legislature that would significantly impact property rights, consumer protections, and housing policy in California: AB 1406 and AB 2005.

AB 1406 (Harabedian) – Condominium Deposits

AB 1406 would double California's existing liquidated damages cap for new condominium purchases from 3% to 6% of the purchase price. This change would allow developers to retain significantly larger buyer deposits if a transaction does not close.

C.A.R. opposes AB 1406 because it weakens long-standing consumer protections and places homebuyers' life savings at greater risk. The bill provides developers with access to larger deposits without any guarantee that a condominium project will ultimately be completed or that a single unit will ever be constructed.

AB 2005 (Bonta) – SB 9 Lot Splits

AB 2005 removes the owner-occupancy requirement that was a key safeguard in SB 9 when it was enacted in 2021. The bill would allow corporate entities, institutional investors, and speculative purchasers to utilize the streamlined by-right lot split process without requiring an owner occupant to live on the property.

C.A.R. opposes AB 2005 because it expands SB 9 before there has been sufficient time to evaluate the program's effectiveness and impacts. The bill removes critical protections intended to prevent investor-driven development, while providing no meaningful mechanism to ensure compliance with future owner-occupancy requirements. Additionally, it expands housing density statewide without studying impacts on local infrastructure, utilities, public safety, and community character.