

November 2025 GAD Report

Local Issues:

The City of Lodi is considering an amendment to their ordinances regarding sidewalk repairs. This is still just in the early stages but there is interest in getting the city to share in the costs associated with repairing damage to sidewalks when the damage was caused by something other than a city tree. This would be a nice benefit for all property owners with sidewalks. More information to follow.

2026 Election:

The general election is still eleven months away but the primary will be in June and candidates are already out raising money and beginning their campaigns. LCRC has jumped out ahead and is already doing pre-candidate interviews and some limited cases we are early supporters to our most Realtor friendly candidates.

State Update:

At the Fall 2025 meeting, the **California Association of REALTORS® Board of Directors** took action on several key policy items related to housing, HOA governance, consumer protections, and lending eligibility.

Home Ownership Housing Committee

- **Supported** the California Middle-Class Homeownership and Family Home Construction Act of 2026.
- Approved **sponsoring legislation** to prevent HOAs from using reserve funds to pay for legal defenses **against their own members**.
- Approved **sponsoring legislation** to establish a fiduciary duty for HOA managers, aligning their obligations with those required of real estate licensees toward clients.

Transaction & Regulatory Committee

- Approved **sponsoring legislation** to eliminate **UCC-1 fixture filings** on residential property.
- Approved **sponsoring legislation** to require **wholesalers to hold real estate licenses** and to strengthen consumer protections in **contract assignments**.

Voted to **support**, and urge NAR to support, restoring FHA's prior policy allowing **non-permanent residents** to qualify for government-backed mortgages if they meet existing underwriting standards.

The California State Legislature is currently in its winter recess, having adjourned in mid-September and scheduled to reconvene on the first Monday in January for the second year of the 2025–26 session. During this recess, no floor sessions are held, and formal committee hearings are essentially paused, but legislative work continues behind the scenes as members refine bill ideas, meet with stakeholders, and prepare measures for

introduction or further action once the Legislature returns. It is also the period when many enacted 2025 bills are being implemented by state agencies, and when the Governor's fall bill-signing and veto deadlines have just recently passed, setting the policy landscape that associations and advocates respond to as they plan their 2026 priorities. Customary activities during this winter recess include policy research, drafting and vetting bill language with Legislative Counsel, district events and site visits, and strategy meetings ahead of key early-year deadlines such as the January reconvening, release of the Governor's proposed budget in early January, and the late-January bill request cutoff.

Federal Update:

On December 3, John Cornyn (R-TX), Michael Bennet (D-CO) and a bipartisan group of senators — including Adam Schiff (D-CA) — introduced the Senate's More Homes on the Market Act. This is the Senate's companion bill to H.R. 1340, the House of Representative's More Homes on the Market Act. The bills would amend the federal tax code to raise the capital-gains exclusion for home sales from the long-static levels set in 1997 to \$500,000 for single filers and \$1 million for joint filers.

With Schiff's participation, the bill gains a key voice from California — one of the states suffering acutely from housing shortage and affordability pressures. For REALTORS and the California real-estate market, this legislation could be especially consequential: by encouraging turnover, it may relieve pressure in a tight market and create more opportunities for younger buyers who otherwise struggle to find available homes.