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California Building Industry Association



CBIA Announces Inaugural Housing Killers, Housing Creators Legislation

As California continues to grapple with an unprecedented housing affordability crisis, the California Building Industry Association today announced the release of its inaugural "Housing Killers" and "Housing Creators" lists. The lists label specific legislative proposals based on whether they will either further exacerbate our state's housing crisis or help increase housing affordability and availability for Californians.

"California's housing system is broken. Onerous regulations, abusive lawsuits, and new laws that drive up costs for new housing construction are major contributors to California's growing housing crisis. Currently our state is falling at least 100,000 units short each year on needed new housing and the resulting shortage is causing prices to skyrocket. With too many Californians struggling to make ends meet due to increasing rents or higher mortgages, our organization has decided that now is the time to start identifying which proposals will help bring housing relief and which will make housing affordability worse," said Dan Dunmoyer, President and CEO.

The Housing Killers or Creators lists will be updated throughout the session as bills are amended. [Earlier this year, CBIA announced specific policy criteria](#) which the organization would use to analyze legislative proposals and determine if the proposals would help ameliorate or exacerbate the affordability crisis. Some of the specific elements of the criteria include: whether the legislation will stimulate or slow housing production; decrease or increase the cost to build houses; make housing less or more expensive for Californians; encourage or discourage homeownership; or decrease or increase regulatory barriers.

This year, CBIA has identified two bills as "Housing Killers" and seven bills as "Housing Creators."

"The Housing Killers – AB 2447 and AB 2648 – are textbook examples of legislative proposals that would impose enormous cost pressures on the housing market," said Mr. Dunmoyer. "Legislation that significantly expands CEQA abuse – a recognized barrier to adding housing supply - and needlessly encouraging frivolous lawsuits does nothing to solve the housing crisis."

AB 2447 significantly expands CEQA – a law already subject to expensive litigation abuse – to now include provisions that have nothing to do with environmental analysis and mitigation. The proposal effectively prohibits the approval of all housing projects unless it satisfies every new provision, despite the fact that CEQA allows local jurisdictions to determine whether feasible mitigation has been met. AB 2648 is also deeply flawed and redundant, unnecessarily encouraging frivolous construction defect lawsuits when California already has the most expansive legal options in the nation for an injured party to pursue. Exposing homebuilders to unlimited liability and an increase in litigation abuse drives up builders' costs, which will have an impact on home prices for the consumer.

2018 Housing Killers:

- **AB 2447 (Reyes)** – AB 2447 proposes a gross expansion of the California Environmental Quality Act (CEQA) by inserting social issues into a statute that was intended to cover environmental analysis and mitigation. The bill usurps local government land use authority by adopting a blanket prohibition on the approval of housing projects that violate its new statutory provisions, even when all feasible mitigation has been adopted. The CEQA statute requires disclosure and mitigation but leaves local governments to determine project approvals once all feasible mitigation has been incorporated. AB 2447 is a massive departure from the original intent of CEQA and virtually compels the denial of housing projects in those areas that need it the most.
- **AB 2648 (Friedman)** – AB 2648 opens home builders up to unlimited liability by completely eliminating the 10-year construction defect statute of limitations when it comes to water contamination allegations. The bill is unnecessary as there are already a wealth of legal options for an injured party to seek redress and it would allow for additional frivolous construction defect lawsuits which would be costly for homebuilders and therefore costly for home buyers.

2018 Housing Creators:

- **AB 1758 (Steinorth) / AB 1979 (Bonta)** – AB 1758/AB 1979 would provide prospective first-time homebuyers in California a tax deduction for deposits into a Homeownership Savings Account for the purposes of a down payment or mortgage payment, which will have a favorable impact on prospective home-owners ability to buy a home.
- **AB 2353 (Frazier)** – AB 2353 decreases the statute of limitations for construction defect lawsuits from 10 to 5. This will reduce insurance premiums and self-insured retentions and increase the availability of general liability insurance for contractors and homebuilders, thereby encouraging increased production and helping to hold down costs.
- **AB 2913 (Wood)** – AB 2913 would extend the duration of a building permit from 180 days to 3 years. This will prevent the builder from having to go back to reapply for a new permit, submit updated compliance documentation and potentially pay

for a new permit, submit updated compliance documentation and potentially pay new (and redundant) fees for the same homes previously approved by the local building department.

- **AB 3147 (Caballero)** – AB 3147 would prohibit cities and counties from imposing or adding new requirements, fees, charges, or other exactions to applicants for housing projects once an application is deemed complete by the jurisdiction. This will help provide transparency and certainty in the home construction process.
- **AB 3194 (Daly)** – AB 3194 will close loopholes that undermine the Housing Accountability Act's applicability and effectiveness and encourage the local approval of housing projects.
- **SB 827 (Wiener)** – SB 827 encourages increased housing production in areas with high-quality transit by exempting these areas from certain restrictive zoning standards. By encouraging the production of small and mid-rise apartment buildings, the bill will help increase supply, and could help lower prices for Californians.
- **SB 831 (Wieckowski)** - SB 831 will incentivize the production of accessory dwelling units (ADUs) by eliminating barriers to their production. ADUs are a useful tool in increasing the number of housing units affordable to a wide cross section of Californians.

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"The Voice of Homebuilding and New Construction in California, the California Building Industry Association is a statewide trade association representing thousands of homebuilders, remodelers, subcontractors, architects, engineers, designers, and other industry professionals.

More information is available on the Association's Web site, www.cbia.org