

# NEW CALIFORNIA LAWS

## EFFECTIVE ON OR AFTER JANUARY 1, 2024



### SB 33

**Commercial Financing Disclosures: Commercial financing provider must disclose the cost of a commercial financing transaction as an annualized rate.**

SB 33 removes a sunset provision that applies to a requirement to disclose the cost of a commercial financing transaction expressed as an annualized rate. The requirement was scheduled to sunset on January 1, 2024. By removing the sunset, SB 33 requires commercial financing providers to provide the specified disclosure indefinitely.

### AB 225

**Updates the state's Homeowners Guide to Environmental Hazards booklet to add, as resources permit, three new chapters related to wildfires, climate change, and sea level rise to provide consumers with valuable information regarding these risks.**

Risks associated with wildfires, climate change and sea level rise have increased over the last decade to the point where these risks pose a general hazard to most California property owners. Updating the Homeowners Guide to Environmental Hazards booklet to add three new chapters to the booklet provides consumers with valuable information regarding these risks. Based on previous updates made to the booklet, the benefit to buyers far outweighs the cost to update the booklet as the existing state statute permits industry to pay for the costs associated with the update.

### SB 968

**Disclosures: Flippers must disclose recent repairs and renovations.**

"Flippers" of residential 1 to 4 properties must disclose

recent repairs and renovations to the property in addition to all other existing disclosures. Applies to properties that are resold within 18 months of closing. Standard TDS categories, exemptions and cancellation rights apply.

**Effective for all transactions where the seller accepts an offer on or after July 1, 2024.**

### AB 1280

**Disclosures: NHD Statement specifically identifies fire hazard severity zones for defensible space and fire hardening disclosures.**

Expands the disclosures required by the Natural Hazard Disclosure Statement (NHD) to include High as well as Very High Fire Hazard Severity Zones (FHSZ) by explicitly highlighting three new subcategories of FHSZs. If the property is located in any of these zones, the defensible space and (for properties built before 2010) fire hardening disclosures would then be required.

### AB 1033

**Housing: ADUs may be sold separately from the primary unit as a condominium.**

AB 1033 allows local agencies to adopt ordinances to allow the separate conveyance of ADUs and primary residences as condominiums. Any such ordinance must require that the process to establish the condominiums complies with both the Davis-Stirling Common Interest Development Act, which governs homeowners associations (HOAs), and the Subdivision Map Act, which governs the subdivision of property. It is also required that there is written and recorded evidence that each lienholder consents to the establishment of the condominiums. If a property is within a homeowners association, that homeowners association must approve the creation of the condominium. Finally, AB 1033 requires the local agency to provide notice to applicants for ADUs of these requirements, such that they can make informed decisions in advance.



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### SB 976

**Housing: Makes permanent the existing prohibition on local government's ability to require owner occupancy on a parcel containing an Accessory Dwelling Unit (ADU).**

State law allows a ministerial approval process for ADUs. In 2019, AB 881 removed the ability of local governments to require that either the primary unit or the ADU be owner-occupied until January 1, 2025. SB 976 would remove the "sunrise" provision of AB 881, and thus remove the ability for local governments to require owner-occupancy of either unit beginning January 1, 2025. The locality may require that if the ADU is rented it must be rented for 30 days or longer.

### AB 434

**Housing: HCD now responsible for providing notification of housing law violations in 13 additional categories of housing law.**

The HCD ("California Department of Housing and Community Development") is now responsible for providing notification of housing law violations in 13 additional categories of housing law including local government ministerial approval, permit denial, ADU conveyance, commercial to residential use permitting, ministerial approval of housing splits and affordable housing.

In 2017, AB 72 established a process for HCD to enforce state housing laws. AB 72 requires HCD to notify a local government and allows HCD to notify the office of the Attorney General if HCD finds that a local government's housing element does not substantially comply with state law, or if any local government has taken an action in violation of specified housing laws.

**AB 434 would add eight sections of existing law, and five sections of proposed law, to the list of statutes that HCD must enforce.**

### SB 469

**Housing: Adds exclusions to the requirement that any publicly funded low rent housing project receive voter approval.**

Current Law: Article 34 of the California Constitution prohibits the development, construction, or acquisition in any manner of a low-rent housing project by any state public body unless approved by vote of the people in the city or county in which the project is situated. "Low-rent housing project" is defined as any development composed of urban or rural dwellings, apartments, or other living accommodations for persons of low income, financed in whole or in part by the federal government or a state public body, or to which the federal government or a state public body extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise.

Exclusions: However, there are various exclusions from this definition including a development using moneys appropriated and disbursed pursuant to the Housing and Home Finance Act relating to affordable housing preservation, rental housing developments awarded funds from certain multifamily housing direct loan

programs, and housing for individuals and families who are experiencing homelessness.

### AB 584

**Housing: Increases the exemption limit for improvements otherwise subject to the California Coastal Act.**

The California Coastal Act previously exempted improvements of \$25,000 or less if necessary to protect life and public property from imminent danger. This exemption limit is now increased to \$125,000 which amount will be adjusted annually for inflation pursuant to the consumer price index.

### AB 323

**Housing: Housing: Limits the ability of developers to sell deed-restricted units intended for owner-occupancy to purchasers that would rent the unit.**

It has long been assumed that units offered for sale as the result of local inclusionary zoning policies and the state's density bonus law would go to owner occupants if those units were intended for owner occupancy upon subdivision map approval. However, current law permits developers to petition a local government to change the designation from ownership to rental, which reduces home ownership opportunities.

### AB 821

**Housing: Developments must be approved if consistent with general plan even if not consistent with local zoning ordinance.**

Requires a local agency to approve developments that are consistent with its general plan even if not consistent with the applicable zoning ordinance, or to amend the zoning ordinance to make it consistent with the general plan within 180 days. Provides a legal remedy to ensure compliance.

### SB 684

**Housing: Ministerial approval of 10 or fewer unit developments**

Requires a local government to ministerially approve, without discretionary review or a hearing, a parcel map or a tentative and final map for a housing development project where the proposed subdivision will result in 10 or fewer parcels and the housing development project on the lot proposed to be subdivided will contain 10 or fewer units.

Among other requirements the proposed development must be located on a lot that meets all of the following: i) The lot is zoned for multifamily residential development. ii) The lot is no larger than five acres and substantially surrounded by qualified urban uses, as defined. iii) The lot is a legal parcel located within either of the following: (1) An incorporated city, the boundaries of which include some portion of an urbanized area. (2) An urbanized area or urban cluster in a county with a population greater than 600,000 based on the most recent United States Census Bureau data.