

Legislative Update

April 23, 2021













Community Association Institute Legislative Action Committee

- Leg Week: April 12 -22
- Bills of Interest: CAI position
 - AB 502 CID Election Requirements
 SUPPORT
 - Ab 1101 (Irwin): CID Funds & Insurance SUPPORT
 - AB 9 (Atkins): Lot Splitting OPPOSE UNLESS AMENDED
 - SB 391 (Min): Emergency Powers & Procedures SUPPORT

• AB 502 CID Election Requirements

- Acclamation in election is uncontested
- No impact: applies to smaller associations
- TD support is a matter of relations with CAI

RECOMMENDATION:

Direct staff to write letter of support to local reps.

• AB 1101 (Irwin): CID Funds & Insurance

- Cleanup bill to Ca Civil Code 5500 et seq
- Severely limits investment options for funds invested <u>by a managing agent</u> who accepts or receives funds belonging to the association
- **Opportunity:** ride on this bill to include provisions that exempt Associations that meet certain requirement such clean annual audits conducted by a CPA
- **<u>Threat</u>**: that the limits on investment options will be extended to all HOAs
 - Not being talked about as an amendment
 - BUT this the way the bill is being described-risk of inadvertent amendment to "clarify"
- **<u>Reality check</u>**: may transfer from independent bill to omnibus bill
 - No opportunity to ride changes we want if this goes into the omnibus bill

RECOMMENDATION: Direct staff to

- 1. Continue to raise awareness of further cleanup needed to CA Civil Code 5500 *et seq.* with local representatives, the bill sponsors, and other legislators
- 2. Closely monitor this bill for untoward amendments

• S9 (Atkins): Lot Splitting

- Provides for ministerial approval of applications to split single family lots
- Would apply to Tahoe Donner properties
- CAI position is to oppose unless HOAs are exempted
- Threat to Tahoe Donner:
 - Severely threatens housing density,
 - Which, in turn impacts fire prevention and safety, as well as enjoyment
 - Places great stress on amenity capacities
- Reality check:
 - This bill is highly supported by Senate Pro-tem Atkins
 - The Senate Pro-tem and the chair of the Senate Housing Committee both STRONLY oppose HOA exemption

RECOMMENDATION: Direct staff to

- 1. Express strong opposition to this bill to local rep. unless HOAs are exempted
 - Express health & safety issues in our unique environment
- 2. Coordinate with CAI on a TDA member outreach campaign to oppose this bill

• SB 391 (Min): Emergency Powers & Procedures

• Provides for HOAs to operate as we have been under COVID when any local, regional, state or national emergency is declared

RECOMMENDATION:

Direct staff to write letter of support to local reps.