

AB 1837—Homes in Community Hands Act

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Sponsored by: California Community Land Trust Network

Summary: AB 1837 by Assemblymember Mia Bonta (D-Oakland) will resolve the implementation gaps in California’s “housing for homeowners, not corporations act.” Assemblymember Bonta is championing legislation that will ensure that foreclosed homes are prioritized for homeowners, not corporations.

Background: In 2020, Senator Nancy Skinner introduced and passed SB 1079, the “housing for homeowners, not corporations act.” The intent was to ensure that investor corporations were not allowed to capitalize on a foreclosure crisis like they did in 2008, which led to the displacement of community members, homelessness, and a massive loss of Black and Latinx wealth in our communities. To achieve this, SB 1079 gives residents or non-profits a special window to match the bid of investors at foreclosure auction.

In 2021, housing advocates became aware that for-profit actors were finding ways to defy SB 1079 and even manipulate it in their favor. At least one trustee in Northern California had urged all present bidders at auction, even those who did not qualify as a prospective owner-occupant, to sign a SB 1079 “waiver” form, certifying that they were a prospective owner occupant and would use the

property as their primary residence. These actions effectively precluded the opportunity for actual prospective homeowners to place a bid.

In other cases, bad actors have taken advantage of lax SB 1079 enforcement and legislative loopholes to sideline residents and mission-driven nonprofits and flip properties for a profit.

Solution: AB 1837 (Bonta) would strengthen the law and deter those who would misuse it. The bill would revise the definition of an eligible nonprofit buyer and expand affidavit and declaration requirements for eligible bidders. AB 1837 (Bonta) would also authorize the Attorney General, a county counsel, or a city attorney to bring an action to enforce these provisions, would restrict evictions in homes acquired through SB 1079, and would require that, in specific cases, units be maintained as affordable to lower income households.

Support:

Alliance of Californians for Community Empowerment (ACCE)
California Community Builders
California Community Land Trust Network
California CLT Action
California Reinvestment Coalition

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