
THIRD READING

Bill No: AB 1339
Author: Mark González (D), et al.
Amended: 7/2/25 in Senate
Vote: 21

SENATE INSURANCE COMMITTEE: 7-0, 7/9/25
AYES: Rubio, Niello, Becker, Caballero, Jones, Padilla, Wahab

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/18/25
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 79-0, 6/3/25 - See last page for vote

SUBJECT: Department of Insurance: housing insurance study

SOURCE: Enterprise Community Partners, Inc./Housing California

DIGEST: This bill requires, upon appropriation, the California Department of Insurance (CDI) to conduct a study on the availability of property, liability, and builders' risk insurance coverage for certain affordable housing entities within one-year of such an appropriation.

ANALYSIS:

Existing law:

- 1) Establishes the affordable housing risk retention pool that authorizes affordable housing entities to join in an arrangement that provides for the pooling of self-insured claims or losses against tort liability, liability to officers and employees for their acts or omissions, and physical damage to motor vehicles, personal property, and real property of the affordable housing entity. Specifies that the pooling arrangement is not considered insurance, and is not subject to regulation by the Insurance Commissioner.

- 2) Defines “affordable housing” as housing developments in which some of the dwelling units may be purchased or rented, with or without government assistance, on a basis that is affordable to persons or families of low or moderate income, as defined in Section 50093 of the Health and Safety Code.
- 3) Defines an “affordable housing entity” as the following:
 - a) A housing authority created under the laws of this state or another jurisdiction and any agency or instrumentality of a housing authority, including, but not limited to, a legal entity created to conduct a self-insurance program for housing authorities
 - b) A non-profit corporation organized under the laws of this state or another state that is engaged in providing affordable housing.
 - c) A partnership, general or limited, or limited liability company that is engaged in providing affordable housing and that is affiliated with a housing authority if the housing authority or non-profit corporation has one or more of the following:
 - i) A financial or ownership interest in the partnership or limited liability company or the right to acquire that interest.
 - ii) The power to direct the management or policies of the partnership or Limited Liability Company.
 - iii) Contract to lease, manage, or operate the affordable housing owned by the partnership or Limited Liability Company.

This bill:

- 1) Requires CDI, upon appropriation, to conduct a study on the availability of property, liability, and builders' risk insurance coverage for certain affordable housing entities that receive a grant, loan, or tax credit from the Department of Housing and Community Development (HCD) or California Tax Credit Allocation Committee (TCAC). CDI must conduct the study in consultation with specified affordable housing entities, insurers, and other relevant state agencies, including HCD and TCAC.
- 2) Among other things, stipulates that CDI must analyze how, if at all, an insurer considers the level or source of income of an individual or group residing upon

the property to be insured, and identify barriers to keeping the affordable housing entities insured.

- 3) Requires an insurer to provide specified information requested by the Insurance Commissioner for the study. The information is exempt from disclosure under the California Public Records Act, but the Commissioner may publish reports using the data received as long as the data is de-identified and in aggregate form.
- 4) Requires CDI to submit a report on the study to the Legislature within one year of the appropriation that would make this bill's provisions operative. The report must make recommendations on potential policy and budget options to address cost and access challenges for affordable housing entities seeking insurance coverage.
- 5) Makes related findings and declarations.
- 6) Repeals its provisions on January 1, 2031.

Related/Prior Legislation

AB 2327 (Harkey, Chapter 384, Statutes of 2010). Authorized an affordable housing entity to join with one or more affordable housing entities in an arrangement providing for the pooling of self-insured claims or losses.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

“CDI reports costs of \$89,000 in Fiscal Year 2025-26 and \$125,000 in FY 2026-27 to complete the study (Insurance Fund). The bill specifies CDI is required to complete the study within one year an appropriation is made to the department.”

SUPPORT: (Verified 8/20/25)

Enterprise Community Partners, Inc. (Source)

Housing California (Source)

Abode Housing Development

Affordable Housing Management Association -pacific Southwest

All Home, a Project of Tides Center

Brilliant Corners

California Coalition for Rural Housing

California Housing Consortium
California Housing Partnership
Christian Church Homes (CCH)
City and County of San Francisco
Delivering Innovation in Supportive Housing
East Bay Asian Local Development Corporation
East Bay Housing Organizations
Homes & Hope
LISC Bay Area
Little Tokyo Service Center
Midpen Housing Corporation
National Alliance to End Homelessness
Non-profit Housing Association of Northern California (NPH)
Resources for Community Development
San Diego Housing Federation
Southern California Association of Nonprofit Housing
Supportive Housing Alliance
Tenderloin Neighborhood Development Corporation
The John Stewart Company
Wakeland Housing and Development Corporation

OPPOSITION: (Verified 8/20/25)

None received

ARGUMENTS IN SUPPORT:

According to the sponsors, Housing California and Enterprise Community Partners:

“California is facing a severe insurance crisis that has significantly impacted the affordable housing sector in California. Between 2020 and 2022, insurance costs for affordable housing providers increased by 56% on average, with some providers experiencing rate hikes as high as 500% from 2022 to 2024. These increases, coupled with reductions in coverage availability and scope, threaten the financial viability of affordable housing developments. Unlike market-rate housing, where costs can be offset through rent increases or profit margins, affordable housing providers operate under strict regulations on rents as well as significant financial constraints as mission-driven organizations. As a result, many are being forced to implement coping strategies, including using operational reserves meant for one time uses, deferring necessary property maintenance and

improvements, cutting services and staff, and reducing insurance coverage, which increases financial vulnerability.

AB 1339 would facilitate an evidence-based approach to ensuring fair and affordable access to insurance for affordable housing providers. To achieve this, AB 1339 would require CDI to collect and analyze data on policy availability, premium trends, and claims history, and to investigate underwriting factors, including resident populations and source of income. Based on this data, AB 1339 would also require CDI to publish a report with policy and budget recommendations to mitigate cost and access challenges by December 31, 2026. AB 1339 is essential to ensuring the continued viability of California's affordable housing investments and protecting vulnerable residents from displacement due to insurance market challenges.”

ASSEMBLY FLOOR: 79-0, 6/3/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

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