

## CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 1339 Author:(Mark González)

As Amended Ver:July 2, 2025

Majority vote

**SUMMARY**

Requires 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.

- 1) Requires CDI, upon appropriation, to conduct a study on the availability of property, liability, and builders' risk insurance coverages 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. Among other directives, 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.
- 2) Requires an insurer to provide specified information requested by the Insurance Commissioner (IC) for the study. The information is exempt from disclosure under the California Public Records Act, but the IC may publish reports using the data received as long as the data is de-identified and in aggregate form.
- 3) Requires CDI to submit a report on the study to the Legislature within one year of the appropriation made. The report must make recommendations on potential policy and budget options to address cost and access challenges for affordable housing entities seeking insurance coverage.

**Senate Amendments**

- 1) Clarified that the report specified in the measure would be to be completed by CDI within one year of the appropriation made.
- 2) Changed repeal date from January 1, 2027 to January 1, 2031
- 3) Added to findings and declarations.

**COMMENTS**

*Affordable housing and insurance:* According to the proponents of this measure, the US is facing a housing-industry-wide insurance crisis, with acute and unique impacts to the affordable housing sector in California. Unlike market-rate housing, in which owners can absorb increased operational costs through more robust profit margins and/or rent increases, affordable housing providers are required to keep rents affordable through their public funding sources, which require affordability for at least 55 years, in most cases through a regulatory covenant agreement. It is required by law that these affordable housing providers keep rents affordable to tenants, and most already operate on very narrow margins. This presents an urgent threat to the fiscal solvency and stability of affordable housing, undermines the state's investments in affordable housing, and puts tens of thousands of California's most vulnerable households at risk.

*Other states:* New York and Washington have requested similar studies on insurance and affordable housing.

### **According to the Author**

According to the author, "Rising insurance costs, shrinking coverage, and insurer withdrawals are creating financial hardship for affordable housing providers – jeopardizing the state's investment in safe and stable housing for low-income families, seniors, and people experiencing homelessness." According to the author, "This study will provide critical data and recommendations to inform policy solutions that ensure affordable housing remains viable and protected."

### **Arguments in Support**

According to the Enterprise Community Partners, "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 five years of 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."

### **Arguments in Opposition**

None on file.

## **FISCAL COMMENTS**

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.

## **VOTES:**

### **ASM INSURANCE: 16-0-1**

**YES:** Calderon, Wallis, Addis, Alvarez, Ávila Farías, Berman, Chen, Ellis, Gipson, Hadwick, Harabedian, Krell, Nguyen, Petrie-Norris, Michelle Rodriguez, Valencia

**ABS, ABST OR NV:** Ortega

### **ASM APPROPRIATIONS: 14-0-1**

**YES:** Wicks, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

**ABS, ABST OR NV:** Sanchez

### **ASSEMBLY FLOOR: 79-0-0**

**YES:** 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

**SENATE FLOOR: 40-0-0**

**YES:** Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

**UPDATED**

VERSION: July 2, 2025

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FN: 0001596