

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2145 (Garcia) – As Amended April 29, 2026

Policy Committee: Judiciary

Vote: 10 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the Department of Housing and Community Development (HCD), upon appropriation by the Legislature, to conduct a study assessing the need and desire among seniors (age 60 or older) to downsize their homes, and to submit a report to the Legislature within one year of appropriation. The study must examine reasons seniors choose to downsize, financial and nonfinancial barriers, housing preference trends across age cohorts, and the feasibility of enabling seniors to transfer their existing mortgage interest rate to a new home. The bill sunsets on January 1, 2032.

FISCAL EFFECT:

Costs (General Fund) of an unknown amount to HCD to conduct the study and produce the report, contingent on appropriation by the Legislature. HCD was unable to provide a cost estimate at the time this analysis was written.

Consistent with the committee rules, regardless of cost, this bill is a candidate for the committee's suspense file because it has the primary purpose of creating a report.

COMMENTS:

According to the author, “[n]early 6 million older adults are currently living in homes that are larger than they need at their stage of life, while many growing families remain in smaller spaces, unable to find affordable, larger options that meet their needs.” This bill was introduced as a substantive mortgage portability proposal that would have allowed homeowners reaching retirement age to transfer their existing mortgage interest rate to a replacement residence. Banking and mortgage industry groups raised concerns about feasibility in light of the secondary mortgage market structure, federal preemption of due-on-sale clauses under the Garn-St Germain Act, and Government-Sponsored Enterprise loan guidelines. In response, this bill was narrowed to a study and report. The author argues that elevated mortgage interest rates discourage senior homeowners with low fixed-rate mortgages from selling and downsizing, contributing to constrained inventory of larger homes for younger families. The Joint Center for Housing Studies at Harvard University reports that 2025 saw the lowest level of home buying in the United States since the mid-1990s, and that more than a third of households with a principal resident over age 65 are cost-burdened. It is unclear whether opposition remains to this version of the bill.

Analysis Prepared by: Shiran Zohar / APPR. / (916) 319-2081