



Cultivate ● Activate ● Legislate

NEWS & UPDATES

SEPTEMBER 2019

CaIRHA PRESIDENT'S MESSAGE

The first year of the legislative session is now over. During this first year, CalRHA made itself known inside the State Capitol and we made an impact.

We were successful in stopping an onerous rent control bill and had stopped a just cause eviction bill from initially moving forward.

But we know that our opponents never stop and neither do we.

Legislative leaders and Governor Newsom wanted to show that they did something to help with the housing crisis. Instead of passing legislation that would make a difference to ease the crisis and increase supply, they cut a last minute deal to enact a rent control and just cause eviction legislation known as AB 1482 by Assemblymember David Chiu.

To demonstrate how rushed the legislation was jammed through, there are many provisions that do not make sense and will cause confusion and worsen our current housing challenge. For example, if you own even one duplex you must adhere to rent control but you could own as many single family homes as you want and you would not have to adhere to rent control.

What we know is that this legislation will not satisfy our opponents. We do not expect Michael Weinstein to stop his new rent control initiative which is far more onerous than AB 1482. This initiative is expected to be on the November 2020 ballot.

We know that more legislation will be around the corner. We are already seeing new local ordinances being introduced that are detrimental to rental property owners such as the vacancy tax being floated in Los Angeles and San Francisco and already adopted in Oakland.

We know that the housing crisis will just further restrict under AB 1482 which will encourage legislators to introduce more legislation - some of which we will need to defeat.

Our team is remaining vigilant in Sacramento and actively preparing against the new Weinstein initiative.

We will keep you up to date and we encourage each of you to get involved in StopRentControl.net as together is the way we can make a difference.

Stay alert, active, and loud.

- Sid Lakireddy, CalRHA Board of Directors President

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Rent Control Legislation Update

AB 1482 (Chiu) Rent Caps and Just Cause Eviction

The bill would set a statewide annual cap on rent at seven percent plus inflation above the Consumer Price Index (CPI) for all rental properties in the state that are not subject to a local rent control ordinance. It will also include a statewide just cause eviction requirement.

UPDATE: AB 1482 is was passed in the Senate. It is currently awaiting Governor Gavin Newsom's signature.

SB 248 (Glazer) Renters' Tax Credits & SB 521 (Portantino) Landlord Section 8 Incentives

SB 248 will increase the renter's tax credit which will provide immediate relief for individuals and families across the state. This bill will increase that total to \$220 for single filers without dependents and \$434 for married filers. Additionally, this bill will make the tax credit fully refundable, which will provide necessary aid to even those who do not have a tax obligation. SB 521 provides incentives for rental housing providers to rent to Section 8 recipients. If passed, contracts must be executed after January 1, 2020 to be eligible for incentive.

UPDATE: SB 248 and SB 271 remained in the Assembly Appropriations Committee and could be taken up next year.

SB 329 (Mitchell) Discrimination: housing: source of income

SB 329 would require owners of rental properties to accept all federal, state, and local public assistance subsidies.

UPDATE: AB 329 is was passed in the Assembly. It is currently awaiting Governor Gavin Newsom's signature.

If you're interested in getting involved with advocacy events, letters, or sharing social media posts, visit:

StopRentControl.net/Volunteer

GET INVOLVED

Don't Let Rent Control Steal Your Rights

Rent control is the wrong approach to fix California's housing crisis. Attempting to reinsert failed strategies from the 1970s will not lead us out of our present housing crisis.

Your Voice Must Lead The Way

Elected officials have been chosen to represent your voice, and they need to hear from you! These officials need to listen to the real stories of men and women like you who provide safe and accessible rental housing and the specific ways rent control makes the housing crisis worse.

Rental Housing Community Updates

Local Vacancy Tax Proposals

Several cities have proposed or passed taxing property owners with vacant rental units in a weak attempt to solve the housing crisis. While local leaders attempt to blame property owners for leaving their units vacant, they fail to see that cities with just cause eviction and rent control laws discourage owners from renting out their units.

City of Los Angeles: Calling it the ‘empty homes penalty,’ LA City Councilmember Bonin in June is moving towards options to place a vacancy tax on the 2020 ballot. He calls it a “bold” and “aggressive” step that would “confront one of the root causes of the homelessness crisis in Los Angeles.” Landlords are keeping “housing units empty while tens of thousands of Angelenos are forced to live on the streets because of the high cost of housing.” Read more here.

San Francisco: San Francisco’s Board of Supervisors are considering putting a tax on vacant housing units and storefronts on this November’s ballot.

City of Oakland: Voters approved the tax in November to properties that are not “in use” for 50 days or more per year with a fee of \$6,000 per parcel. It’s projected to generate as much as \$10 million annually according to KQED.

Proposed Natural Gas Ban

As the fight against climate change continues to amplify, lawmakers are proposing a ban on the use of natural gas in residential and commercial buildings.

Berkeley spearheaded the movement by passing the first ordinance in the U.S. that prohibits gas systems in newly constructed buildings. Now major California cities, like San Jose, Los Angeles, and Menlo Park, are making similar moves. In late August, the Menlo Park City Council announced their plan for all new residential and commercial buildings heating systems to run on purely electrical power, claiming it will dramatically reduce costs and cut down GHG emissions.

San Jose and Los Angeles seem to be moving in a similar fashion. Cities are taking the initiative in pursuing electrical ordinances because residential and commercial buildings account for about 12% of United States greenhouse gas emissions. Opponents of the electricity shift speculate that it will force significant costs on property owners or possibly even deter construction in participating cities. If the ban on gas is going to be implemented, it will cause a major shift in the construction workforce and property costs.

CalRHA Opinion Editorials

**SAN FRANCISCO
BUSINESS TIMES**

Guest opinion: State rent control will hit small rental owners hardest

BY SID LAKIREDDY

Californians need to brace for higher rental costs in 2020. Our cost of living is one of the highest in the country and legislators are poised to pass legislation that would increase the costs of rents while exacerbating the housing crisis.

Behind closed doors, state leaders made a deal with large corporate interests to pass a statewide rent control and just cause eviction measure known as Assembly Bill 1482 by Assemblymember David Chiu. Unfortunately, the provisions of this measure ignored the interests of small mom-and-pop rental property owners and ultimately will guarantee annual rent increases on all California renters.

[HTTPS://WWW.BIZJOURNALS.COM/SANFRANCISCO/NEWS/2019/09/12/GUEST-OPINION-STATE-RENT-CONTROL-WILL-HIT-SMALL.HTML?IANA=HPMVP_SFBT_NEWS_HEADLINE](https://www.bizjournals.com/sanfrancisco/news/2019/09/12/guest-opinion-state-rent-control-will-hit-small.html?iana=HPMVP_SFBT_NEWS_HEADLINE)



Backroom housing deal reflects failed policies

BY SID LAKIREDDY

Housing solutions have been touted for the past year as the top priority of our legislative leaders. Leaders have continued to highlight various reports about the need for more housing including the most recent report that stated that Southern California needs to build 3.5 million new housing units to ease the crisis.

However, instead of moving forward with progressive and innovative policies that would expedite new housing or encourage Californians to take the risk and buy their first rental property, they have decided to shelve most of those proposals and support failed policies that have been rejected by voters and communities for years.

[HTTPS://CAPITOLWEEKLY.NET/BACKROOM-HOUSING-DEAL-REFLECTS-FAILED-POLICIES/](https://capitolweekly.net/backroom-housing-deal-reflects-failed-policies/)

CalRHA in the News

INDUSTRY BRACES AS CALIFORNIA IS SET TO CAP RENT INCREASES STATEWIDE

Commerical Observer

BIG RENT HIKES ARE ABOUT TO BE ILLEGAL IN CALIFORNIA. HERE'S WHAT YOU SHOULD KNOW

CalMatters

CAP RATES ARE ALREADY RISING IN MARKETS WITH NEW RENT CONTROL LAWS

BizNow

DAVID CHIU'S RENT CAP BILL GETS STRONGER, LASTS LONGER

Curbed SF

CALIFORNIA ASSEMBLY PASSES STATEWIDE RENT CONTROL BILL

Curbed SF

CALIFORNIA RENT CAP MEASURE COULD HAVE LIMITED IMPACT

San Jose Mercury News

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