

ASSEMBLY BILL 1482 (CHIU)

TENANT PROTECTION ACT OF 2019

SUMMARY

AB 1482 provides 10 million California renters with two critical tenant protections: a prohibition on exorbitant rent increases, and protections against discriminatory and retaliatory evictions. It does so without diminishing property owners' ability to make a fair return on their investment or placing an undue burden on their ability to manage their property.

THE PROBLEM

California is in a housing crisis. Most of California's 17 million renters do not have safe, secure, and affordable housing. Over half of renters and a striking majority of low-income renters are rent-burdened, meaning they pay over 30% of their income towards rent. This leaves less money for families to spend on other necessities like food, healthcare, transportation, and education. Less than 20% of renters live in rent-controlled units, leaving the vast majority of renters with no certainty about the size of their next rent increase. This uncertainty creates tremendous psychological and economic burden. With no way to know what the rent will be, renters cannot plan for their own housing stability. This increased stress can lead to negative mental and physical health outcomes for family members of all ages.

Additionally, only about a quarter of the states renters have protection against arbitrary evictions. That means, at the end of their lease, they could be evicted for any reason. In California's tight rental market, after eviction it is often extremely difficult to relocate in the same city, or even the same region. This displacement has negative impacts on a family's employment opportunities, their children's education, and their social support structure.

Evictions and large rent increases are a major cause of our homelessness epidemic. Research by Zillow from 2018 found that some areas with a high percentage of rent-burdened households

experienced a rapid increase in homelessness, and areas where high rents are combined with high poverty experienced triple the homelessness rate of the average community. A 2017 survey in Santa Cruz County, found that 14 percent of its homeless population cited eviction as a primary cause of their homelessness.

THE SOLUTION

AB 1482 will protect over three million rental households in California by creating price stability and certainty and by protecting against discriminatory and retaliatory evictions. These essential tenant protections will enable renters and their families to stay in their homes and contribute to their communities.

AB 1482 will achieve this through the implementation of two landmark policies: capping annual rent increases at 7% plus the change in the cost of living, as measured by the Consumer Price Index (CPI), and requiring that a landlord list a cause in their written notice to terminate a tenancy.

These restrictions would not apply to units subject to existing rent control protections, deed-restricted affordable housing, or dormitories. They would not apply to small property owners who own ten or fewer units in their own name. Also, they would not apply to new construction for ten years, ensuring that the rent cap would not discourage new construction.

This bill would sunset after three years, helping lock this provision in place for a limited time and giving it a chance to protect tenants while new units are built to help relieve the overall pressure on rents.

A rent cap of CPI + 7% still enables a favorable return for a property owner compared to other business investments. Bureau of Labor Statistics data shows that CPI + 7% is, on average, 150% higher than the actual median annual rent increase in our state's largest regions. Over the last decade, an annual rent increase of CPI + 7% would have cumulatively

increased rent six times faster than the actual regional median rent in California.

The bill does not place an undue burden on landlords in cases where they must evict a tenant. The provisions of the bill would not become operative until a tenant has occupied a rental unit for at least 12 months, providing a landlord with ample time to evaluate their tenant. Landlords could still evict tenants for a number of reasons, including failure to pay rent, breach of the lease, and for creating a nuisance. Landlords could also evict tenants for a number of reasons that are not the fault of the tenant, such as when the owner or their family intend to occupy the property, if they want to withdraw the property from the rental market, or if they intend or to substantially remodel the property.

Renters shouldn't have to choose between keeping a roof over their heads and feeding their families. AB 1482 takes the choice off the table and makes it easier for renters to stay in the communities they call home.

SUPPORT

Alliance of Californians for Community Empowerment (ACCE) (Sponsor)
California Rural Legal Assistance Foundation (Sponsor)
PICO California (Sponsor)
Public Advocates (Sponsor)
Western Center on Law and Poverty (Sponsor)
Abundant Housing LA
AFSCME Local 3299
Alliance for Community Transit - Los Angeles
American Civil Liberties Union of California
Asian Americans Advancing Justice - California
Asian Americans and Pacific Islanders for Civic Empowerment Education Fund
Asian Pacific Environmental Network
Association of Bay Area Governments
Bay Area Legal Aid
Bay Area Regional Health Inequities Initiative
Bend the Arc: Jewish Action Southern California
Bricklayers & Allied Craftworkers
California Alliance for Retired Americans
California Calls Action Fund

California Coalition for Rural Housing
California Community Builders
California Conference Board of the Amalgamated Transit Union
California Conference of Machinists
California Labor Federation, AFL-CIO
California Renters Legal Advocacy and Education Fund
California State Council of Laborers
California Teachers Association
California Teamsters Public Affairs Council
California YIMBY
Carpenters & Joiners of America
Central Coast Alliance United for a Sustainable Economy
Central Valley Empowerment Alliance
Chan Zuckerberg Initiative
City of Alameda
City of Santa Monica
ClimatePlan
Coalition for Humane Immigrant Rights
Community Legal Services in East Palo Alto
Congregations Organized for Prophetic Engagement
Construction Employers' Association
Corporation for Supportive Housing
Courage Campaign
Drug Policy Alliance
EAH Housing
East Bay Community Law Center
East Bay for Every One
East Bay Housing Organization
Eden Housing
Engineers and Scientists of CA, IFPTE Local 20, AFL-CIO
Enterprise Community Partners
Environmental Health Coalition
Eric Garcetti, Mayor of Los Angeles City
Esperanza Community Housing Corporation
Faith in Action Bay Area
Faith in the Valley, Stanislaus
Gamaliel of California
Hamilton Families
Heat & Frost Insulators & Allied Workers
Hillcrest Indivisible
House Sacramento
Housing California
Hunger Action Los Angeles

IBEW
Indivisible SF
Indivisible: San Diego Central
Inlandboatmen's Union of the Pacific
Inner City Law Center
International Brotherhood of Boilermakers
Iron Workers
KIWA
Korean Resource Center
LA Forward
La Raza Community Resource Center
LA Voice
Latino Coalition for a Healthy California
Latinos United for a New America
Law Foundation of Silicon Valley
Leadership Counsel for Justice and
Accountability
Legal Services for Prisoners with Children
League of Women Voters of California
Los Angeles County Board Of Supervisors
Los Angeles Homeless Services Authority
Metropolitan Transportation Commission
MidPen Housing Corporation
Mission Neighborhood Centers
Mission Neighborhood Health Center
Monument Impact
National Association of Social Workers,
California Chapter
National Union of Healthcare Workers
Non-Profit Housing Association of Northern
California
North Bay Organizing Project
Oakland Tenants Union
Operating Engineers
Operative Plasters & Cement Masons
Orange County Civic Engagement Table
Orange County Congregation Community
Organization
Painters and Allied Trades
Peace and Freedom Party of California
Planning and Conservation League
PolicyLink
Postmasters
POWER
Power California
Professional and Technical Engineers, IFPTE
Local 21, AFL-CIO
Public Counsel

Public Law Center
Rancho La Paz Senior Mobile Home Park_211
Residents
Related California
Roofers, Waterproofers & Allied Workers
Sacramento Filipinx LGBTQIA
Sacred Heart Community Service
San Francisco Foundation
Santa Monica Rent Control
SEIU California
Sheet Metal Workers
Silicon Valley Community Foundation
SOMOS Mayfair
Southern California Association of NonProfit
Housing
State Building & Construction Trades Council of
California
Strategic Actions for a Just Economy
TechEquity
Tenderloin Neighborhood Development
Thai Community Development Center
The Kennedy Commission
The Public Interest Law Project
Transform
UAW Local 2865
UC Davis Bulosan Center for Filipino Studies
UFCW Local 648 San Francisco
UNITE-HERE, International Union, AFL-CIO
UNITE-HERE, Local 19
United Association
United Food and Commercial Workers,
Western States Council
United Teachers Los Angeles
Utility Workers of America
Venice Community Housing Corporation
Viet Vote SD
Working Partnerships USA
YIMBY Action

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