

AB 1482 (Chiu/Bonta/Grayson/Wicks) California Tenant Protection Act of 2019

"...we don't believe that owners who are doing the right thing by their tenants would violate the standards here set forth in this bill."

California Apartment Association representative's testimony during the Senate Judiciary Committee hearing on AB 1482
July 9, 2019

THE BASICS

For the 3-Years before the law sunsets, AB 1482 will:

Prohibit Rent-Gouging

Consistent with the State's existing anti-price gouging statute, AB 1482 limits allowable annual rent increases to a maximum of 10%, or 7% + CPI (Consumer Price Index) if that is less than 10%.

Require Just Cause for Evictions

Protects tenants from being unjustly evicted by requiring that landlords provide in writing a reason, allowable by this bill, for the eviction. A long list of allowable reasons includes: *Failure to pay rent, Nuisance, Illegal conduct, Owner move-in, Major renovation by owner.* This bill simply prevents discriminatory evictions.

Units Exempted from the Protections Provided by AB 1482

- Rental housing units built within the previous 15 years
- Single-family rentals except those owned by Corporate Landlords
- Rental housing covered by local jurisdictions with more restrictive rent caps
- Deed restricted affordable housing and dormitories

Will AB 1482 Negatively Impact New Construction?

No. No new construction will be covered by AB 1482's tenant protections. Additionally, as described in the recent UC Berkeley Turner Center analysis, accepted industry practice by developers when "penciling out" a project and seeking underwriting is to base expected rental income on an annual rent increase of 2% or 3% and "typically no more than 4%." The cap of 7% + CPI (Consumer Price Index) provides developers a significant margin above that norm.

(The CPI in California has averaged 2.5 percent over the past 25 years, although it can fluctuate year to year and region to region based on macro- and local economic conditions.)

Will AB 1482 Make It Harder for Landlords to Evict Problem Tenants?

No. Listing a cause and "proving it in court" is the exact standard that applies to anyone with a lease. If this was such a burden, landlords would never sign year-long leases. If a tenant fails to pay rent, breaches the terms of the lease, mistreats the property, commits repeated nuisance violations, or conducts illegal activity on the property, they can be evicted, just like under existing law. This bill only covers the specific situation where a landlord decides to remove a tenant and cannot articulate a reason why they need to do so.



Why Support AB 1482?

California's Housing Crisis – A State of Emergency

THE CRISIS

Rising rents, evictions and displacement are wreaking havoc on families and communities up and down the state. Take a look at some of the data:



How Many People Will Benefit

More than 7 million people (over 2.6 million households) will receive the basic protections afforded by AB 1482.

The 3 P's – Protection, Preservation and Production

The public and policy makers alike are talking about the importance of a multi-faceted approach to solving the housing crisis, that includes **protection, preservation** and **production**. Protections help alleviate the crisis today while our state works to dig itself out of this crisis over the coming years. Year after year, the State Legislature has failed to provide meaningful protections to the 17 million Californians who rent, many of whom are struggling. Now's the time!

Who is Supporting the Tenant Protection Act of 2019

- ➔ **Governor Newsom** Newsom has repeatedly stated his explicit support for AB 1482 and his hope to sign a rent stability bill into law.
- ➔ **The California Democratic Party**
- ➔ **Over 100 labor, civil rights, senior, and community organizations including:**
 - Western Center on Law & Poverty (Sponsor)
 - PICO CA and ACCE (Sponsors)
 - PolicyLink & Public Advocates (Sponsors)
 - Tech Equity (Sponsor)
 - ACLU of California
 - California Alliance of Retired Americans
 - California Labor Federation
 - State Building & Construction Trades Council of California
 - California YIMBY
 - League of Women Voters
 - California Building Industry Association



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