

SENATE JUDICIARY COMMITTEE
Senator Thomas Umberg, Chair
2023-2024 Regular Session

AB 846 (Bonta)
Version: June 26, 2024
Hearing Date: July 2, 2024
Fiscal: Yes
Urgency: No
ME

SUBJECT

Low-income housing credit: rent increases

DIGEST

This bill requires the California Tax Credit Allocation Committee (CTCAC) to adopt regulations, on or before June 30, 2025, to establish a limit on annual rent increases for tenants in existing properties that were allowed a low-income housing tax credit (LIHTC). The bill requires TCAC to assess the limit, on or before June 30, 2026, and annually thereafter, and permits TCAC to adjust the limit, through regulations, if TCAC deems it necessary based on the assessment.

EXECUTIVE SUMMARY

The Tenant Protection Act of 2019 established limits on the annual rent increases specified landlords can impose on their tenants. (AB 1482, Chiu, Ch. 597, Stats. 2019.) Pursuant to AB 1482 landlords can increase rent annually by five percent plus inflation up to a maximum of 10 percent.

These rent increase protections did not extend to deed-restricted affordable housing, such as properties funded through the LIHTC program. The author brings this bill in response to reports of tenants in LIHTC properties seeing their rents increased well above 10% a year. In order to ensure tenants in the LIHTC program rental units are protected from rent increases above those permitted in the Tenant Protection Act, the CTCAC enacted rent increase protections through updated regulations on April 3, 2024. However, the rent increase protection CTCAC adopted only applies to new project approvals and the transfer of LIHTC properties, as specified. Tenants in existing properties that were allowed a LIHTC are not covered by the regulations. This bill requires the CTCAC to adopt regulations to establish a limit on annual rent increases for tenants in existing properties that were allowed a LIHTC and to assess the limit and adjust annually, as specified.

The bill is sponsored by the California Rural Legal Assistance Foundation, Public Counsel, and Western Center on Law and Poverty. The bill is supported by

organizations that support tenants. The bill is opposed by California Council for Affordable Housing, California Housing Consortium, and Housing California. AB 846 passed the Senate Housing Committee on a vote of 6 to 2.

PROPOSED CHANGES TO THE LAW

Existing law:

- 1) Provides that an owner of residential real property, as defined, shall not, over the course of any 12-month period, increase the gross rental rate for a dwelling or a unit more than 5 percent plus the percentage change in the cost of living, or 10 percent, whichever is lower, of the lowest gross rental rate charged for that dwelling or unit at any time during the 12 months prior to the effective date of the increase. (Civ. Code § 1947.12.)
- 2) Provides that the rent increase protections of 1), above, do not apply to housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined. (Civ. Code § 1947.12 (d).)
- 3) Establishes a low-income housing tax credit program, through which CTCAC allocates low-income housing tax credits aimed at providing affordable low-income housing in California. The LIHTC is provided for the costs of constructing, rehabilitating, or acquiring low-income housing. (26 USC § 42.)
- 4) Specifies the ability to establish procedures and requirements LIHTC owners must follow and to administer the program in a manner that advances the state's housing priorities. (26 U.S.C. § 42(m).)
- 5) Sets a maximum rent formula that caps rent in a LIHTC development at 30 percent of the applicable income limitation for a particular unit in the development. (26 USC § 42(g)(2)(A).)
- 6) Establishes the CTCAC to administer the LIHTC program and grants it authority to adopt rules and regulations governing the program. (Health and Saf. Code §§50199.4 - 50199.23.)
- 7) Provides that, upon meeting specified criteria, the owner of deed-restricted affordable housing or an assisted housing development is not subject to rent increase limitations contained in the Tenant Protection Act for purposes of setting the initial, post-restriction rental rate. (Civ. Code § 1947.13.)

This bill:

- 1) Makes various findings and declarations.
- 2) Requires the CTCAC to adopt regulations, on or before June 30, 2025, to establish a limit on annual rent increases for tenants in existing properties that were allowed a low-income housing tax credit.
- 3) Requires CTCAC to assess the limit established in 2), above, on or before June 30, 2026, and annually thereafter, and allows CTCAC to adjust the limit, through regulations, if CTCAC deems it necessary based on the assessment.

COMMENTS

1. Stated need for the bill

According to the author:

Lower-income tenants often wait years to secure a coveted spot in affordable housing, only to be surprised, frustrated, and disappointed to learn there is little to stop their rent from rising well above what they can actually afford. LIHTC rents are set based on AMI, this structure essentially punishes low-wage earners because high-wage earners change the balance scale. In an era of ever-rising income inequality, this makes little sense and frustrates the entire purpose of the LIHTC program to provide affordable housing for lower-income families. AB 846 is a common-sense approach already employed in a number of states to address the problematic rent-setting formula established in federal law. The bill will impose a cap on rent increases in LIHTC properties to provide greater housing stability for low-income tenants while still ensuring that affordable housing properties can remain financially viable over time.

2. California's affordable housing stock

California is experiencing a serious affordable housing crisis. About 44% of all individuals in the state, or 17 million Californians, rent their apartments or homes.¹ For these Californians, rents have increased dramatically in the past decade. In 2022, the median gross rent in the state was \$1,870, which represented about an eight percent increase per year from the median gross rent in 2019.² As a result of these high rents, significant numbers of California renters pay a disproportionate amount of their income

¹ Monica Davalos et al, California's 17 Million Renters Face Housing Instability and Inequity Before and After COVID-19, California Budget & Policy Center (Jan. 2021), available at <https://calbudgetcenter.org/resources/renters-face-housing-instability-and-inequity-before-and-after-covid-19/>.

² U.S. Census Bureau, Table: Median Gross Rent by Bedroom, American Community Survey (multiple years) (accessed May 29, 2024), available at <https://data.census.gov/>.

toward rent and struggle to make ends meet. In 2019, 51.8 percent of California renters were cost-burdened, in which their rent costs exceeded 30 percent of their household income, and 27.3 percent were severely cost-burdened, in which their rent costs exceeded 50 percent of their household income.³ Moreover, 78 percent of extremely low-income households are severely cost burdened, meaning that they spend more than half of their income on housing costs, and 52 percent of low-income households are severely cost burdened.⁴ Data and multiple studies also have demonstrated a strong link between homelessness and the cost of housing, suggesting that California's increases in residential rental rates contributes directly to the state's growing population of individuals experiencing homelessness.⁵ The state's high rents significantly affects people of color, who disproportionately account for the state's renters.⁶

A contributor to these high rents is the state's lack of affordable housing, as the state is experiencing a record shortfall of affordable housing, estimated at 1,283,734 affordable homes.⁷ At the same time, the state is currently losing affordable housing every year. Between 1997 and 2022, California lost 22,078 affordable homes due to expiring regulatory restrictions on government-assisted multifamily developments.⁸ It is estimated that 31,309 affordable homes are at risk of losing their affordability restrictions in the next 10 years.⁹

Affordable housing takes numerous forms in California, though affordable housing usually has specified time requirements for how long it must remain as affordable housing. According to the Senate Housing Committee's analysis of AB 2926, another bill being heard in this Committee today:

Since the 1960s, developers have constructed at least 425,000 units of affordable rental housing in California with the assistance of federal, state, and local subsidies that require owners to maintain rents at affordable levels for specified periods of time. Examples of such subsidy programs include project-based Housing Choice Vouchers (Section 8), mortgages, low-income housing tax

³ Davalos *supra* note 1, p. 3.

⁴ California Housing Partnership, "Housing Needs Dashboard," Mar. 2024, available at <https://chpc.net/housingneeds/>.

⁵ Margot Kushel et al, "California Statewide Study of People Experiencing Homelessness, UCSF Benioff Homelessness and Housing Initiative (Jun. 2023), available at <https://homelessness.ucsf.edu/our-impact/studies/california-statewide-study-people-experiencing-homelessness>; Alex Horowitz et al, "How housing costs drive levels of homelessness: data from metro areas highlights strong connection," The Pew Charitable Trusts (Aug. 22, 2023), available at <https://www.pewtrusts.org/en/research-and-analysis/articles/2023/08/22/how-housing-costs-drive-levels-of-homelessness>.

⁶ Davalos *supra* note 1, p. 6.

⁷ California Housing Partnership, "Housing Needs Dashboard," Mar. 2024, available at <https://chpc.net/housingneeds/>.

⁸ Danielle Mazzella et al, *Report 2023: Affordable Homes At Risk*, California Housing Partnership (Apr. 2023), available at <https://chpc.net/resources/2023-subsidized-affordable-housing-at-risk-report/>.

⁹ *Id.*

credits, state housing programs under HCD, and city and county redevelopment funds. The affordability restrictions on assisted units typically last 30 to 55 years, depending on the program. Once affordability obligations expire, owners may preserve the affordability of the units by renewing assistance or by refinancing with new public subsidies, or they may convert the development to market rate. Under some federal programs, owners can also terminate affordability restrictions early by prepaying the underlying mortgage early or opting out of the rental assistance contract.¹⁰

3. The California Tax Credit Allocation Committee and the Low-Income Housing Tax Credit Program

As explained by the CTCAC¹¹:

The California Tax Credit Allocation Committee (CTCAC) administers the federal and state Low-Income Housing Tax Credit (LIHTC) Programs. Both programs were created to promote private investment in affordable rental housing for low-income Californians. CTCAC allocates state and federal tax credits to qualifying affordable housing developments as well as oversees a 55-year Compliance period for each project receiving credits. [. . .]

Congress enacted the Low-Income Housing Tax Credit (LIHTC) program in 1986. This program developed under Internal Revenue Service's (IRS) Internal Revenue Code Section 42 provides incentives for the investment of private equity capital to develop affordable rental housing. The LIHTC program reduces the federal tax liability in exchange for the acquisition, rehabilitation, or construction of affordable rental housing units that will remain income and rent restricted over a long period (55 years for California). The amount of tax credit allocated is based on the number of qualified low-income units that meet federal rent and income targeting requirements. [. . .]

Developers/owners of LIHTC properties must develop a minimum number of units at a property and restrict income and the rents at certain amounts. These are called "set-asides" as the owner is setting aside a certain number of units on the property for the LIHTC program. These set-asides are federally determined and reportable to the IRS. [. . .]

The federal regulations for the LIHTC program require rents to be based on the federally published Area Median Income (AMI) for the county the property is located in. This is different than subsidy-based programs such as Section 8 or

¹⁰ Senate Housing Committee analysis of AB 2926 (Jun. 13, 2024).

¹¹ *Low-Income Housing Tax Credit (LIHTC) Rent Requirement: Frequently Asked Questions (FAQ)*, California Tax Credit Allocation Committee, available at <https://www.treasurer.ca.gov/ctcac/2022/compliance.pdf.22>

Housing Choice Vouchers where the tenant paid portion of the rent is based directly on tenant's income. [. . .] The Department of Housing and Urban Development (HUD) releases the Multi-family Tax Subsidy Program (MTSP) limits specifically for the LIHTC program every year. These limits are different than the limits for the Section 8 program. [. . .]

CTCAC will never require an owner of a LIHTC property to raise rents. However, the LIHTC program does allow for rents to be increased, as needed, if there is an increase in the AMI to offset increased management and operating costs, if the rent remains under the rent limits. During the COVID Pandemic and continuing through the current economy of rapidly rising inflation, CTCAC requested that owners and property management companies consider that rent increases be "reasonable" for the tenant population. If proper notice of the rent increase is given to the tenant, it is not a violation of the program to increase the rents. [. . .]

Neither the LIHTC program nor CTCAC have authority to limit the rent increase amount an owner or property management company can give. The only federal LIHTC requirement for rent increases is the owner cannot charge rent exceeding the maximum gross rent limit unless the tenant is receiving at least \$1 in Section 8 rental subsidy. Additionally, in California, the owner must provide the tenant proper notice before increasing the rent. [. . .] Effective January 1, 2020, Assembly Bill 1110 (AB 1110) requires that in California, a 30-day notice be provided for any rent increase of 10% or less. If a rent increase exceeds 10%, then a minimum of a 90-day notice must be provided before the rent may be increased. [. . .]

[T]he Tenant Protection Act [provisions enacted by AB 1482 (Chiu, Ch. 597, Stats. 2019)] does not apply to "Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income ... or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income...." Since the LIHTC program is a federal regulatory restriction, with a recorded Regulatory Agreement, by a government agency (CTCAC) for affordable housing for households that are considered low or very low income (50%-60% AMI), the protections under AB 1482 do not apply. [. . .]

4. Some renters have rent increase protections under state statute but LIHTC funded affordable housing units were exempted

The Tenant Protection Act of 2019 established limits on the annual rent increases specified landlords can impose. Pursuant to AB 1482 (Chiu, Ch. 597, Stats. 2019) landlords can increase rent annually by five percent plus inflation up to a maximum of 10 percent. (Civil Code § 1947.12 (a).) These rent increase protections did not extend to

deed-restricted affordable housing, such as properties funded through the LIHTC program. (Civ. Code § 1947.12 (d).) In order to ensure tenants in the LIHTC program rental units are protected in future developments, CTCAC enacted rent increase protections through updated regulations on April 3, 2024. To be approved for the LIHTC, a project proponent must agree to and adhere to the following conditions, among others:¹²

Section 10328. Conditions on Credit Reservations.

(a) General. All reservations of Tax Credits shall be conditioned upon:

[. . .] (4) rents for a low-income household shall not increase in any 12-month period more than the lesser of five percent plus the percentage increase in the cost of living as defined in paragraph (3) of subdivision (g) of Section 1947.12 of the Civil Code or ten percent of the lowest rental rate charged for that household at any time during the 12 months prior to the effective date of the increase, except as follows:

(A) The Executive Director may grant a waiver to exceed this limit provided that the owner shows that the proposed rent increase is necessary to ensure financial stability or fiscal integrity of the property.

(B) An owner may exceed this limit without a waiver in the following circumstances:

(i) to increase the rent up to 30 percent of the monthly income of the household occupying the unit.

(ii) for projects with terminated project-based rental assistance or operating subsidy as described in Section 10337(a)(3)(B); or

(iii) a transfer of a household to another unit in the same property that has a different bedroom count or transfer to a higher AMI designation, as required by a public regulatory agreement or deed restriction, due to a change in the household's income or occupancy

CTCAC did not apply these rent increase limitations on already existing affordable housing units. In an effort to protect tenants in already existing affordable housing units, this bill requires CTCAC to adopt regulations, on or before June 30, 2025, to establish a limit on annual rent increases for tenants in existing properties that were allowed a low-income housing tax credit. The bill also requires CTCAC to assess the limit established, on or before June 30, 2026, and then annually. CTCAC is then allowed to adjust the limit through regulations if CTCAC deems it necessary based on the assessment.

5. Support

Advocates for tenants support this bill and note that LIHTC tenants are vulnerable to rent increases they cannot afford in units that were designated as "affordable." They

¹² TCAC Regulations § 10328, Page 93-94, (April 3, 2024) available at [Microsoft Word - Approved Regulations 4-3-24 Strikeout and Underline Version REVISED \(ca.gov\)](https://www.ctcac.ca.gov/Regulations/4-3-24%20Strikeout%20and%20Underline%20Version%20REVISED)

point to instances of rent increases that severely burden tenants. A Cal Matters article explained that, “California also has more than 350,000 *privately* owned low-income housing units – built with the help of federal tax credits – exempted from the state’s rent cap. Residents of some of those units have seen their rents soar despite being the exact demographic the law sought to protect.”¹³ The article highlights how some of these LIHTC program tenants have seen their rent go up well above 10% a year.

The California Rural Legal Assistance Foundation, Public Advocates, and Western Center on Law & Poverty, sponsors of the bill, write the following in support:

On behalf of the low-income clients and communities we serve, the California Rural Legal Assistance Foundation, Public Advocates, and the Western Center on Law and Poverty are pleased to co-sponsor and support AB 846 (Bonta), which will prevent rental price gouging for renters living in properties funded by the Low-Income Housing Tax Credit (LIHTC) program. The bill does this by directing the California Tax Allocation Committee (CTCAC) to adopt regulations to establish an annual limit on rent increases for tenants in existing LIHTC properties.

LIHTC is one of the primary sources of funding for affordable housing nationwide. Because maximum allowable rents in LIHTC units are based on the Area Median Income (AMI) for the county in which the property is located rather than on the actual incomes of renters, LIHTC tenants are tremendously vulnerable to rent hikes spurred by increased prosperity among higher-income earners even when their own incomes remain stagnant or decline. While not all owners take advantage of the ability to impose significant rent increases, when AMIs rise, far too many do, increasing rents by significant percentages, often multiple times a year.

In 2019, the Legislature passed AB 1482 (Chiu), the Tenant Protection Act (TPA), which established a statewide rent cap that applies to multifamily properties that are over 15 years old. However, the TPA exempts affordable housing properties, including properties funded by the LIHTC program. Since 2019, tenants living in LIHTC properties around the state have seen significant rent increases, including up to 30% in the Bay Area and up to 25% in San Diego. This year in Chico, low-income seniors received rent increases of 15%, bringing their rent to over 50% of their income. These unsustainable rent increases in properties that are intended to provide housing stability for low-income people are placing residents at risk of homelessness.

¹³ *These Californians live in affordable housing. Why did their rent skyrocket?* (Dec. 11, 2023), Jeanne Kuang, Cal Matters April 5, 2024, available at [Affordable housing: Why some Californians have seen rent spikes - CalMatters](#)

Recognizing the need to prevent rent gouging in LIHTC properties, HUD enacted a cap-on-cap, which limits how much AMI can change to the higher of 5% or twice the change in national AMI, not to exceed 10%. Since HUD-determined income limits only affect maximum LIHTC rents, the 10% cap-on-cap limits annual LIHTC rent increases only for tenants already paying maximum LIHTC rents. For those paying less than the maximum allowed for their unit, owners can still impose rent increases above the 10%.

In addition, CTCAC issued regulations earlier this year that cap rent increases in LIHTC properties as a condition of receiving a new allocation of tax credits. This will primarily apply to new construction. The cap is set at 5% plus CPI or 10%, whichever is less, the same cap that applies under the TPA. The regulations allow CTCAC's executive director to grant a waiver to the rent cap if an owner shows that a higher rent increase is necessary to ensure the financial stability or fiscal integrity of the property. In addition, an owner can exceed the rent limit without a waiver for certain prescribed reasons. The regulations also require that an owner demonstrate compliance with the cap in the previous five year as a condition of CTCAC approving the sale of a LIHTC property. While these new regulations are a welcome change, because they are largely prospective the hundreds of thousands of existing renters in current LIHTC properties are still vulnerable to high rent increases.

AB 846 closes this gap by directing CTCAC to adopt regulations establishing a cap on rent increases in existing LIHTC properties. Effectively, the bill requires CTACT to extend its recently adopted rent cap policy to all properties. The existing regulations recognize that there may be circumstances where a property's financial condition necessitates higher rent increase to avoid the property going into foreclosure and losing it from the state's affordable housing stock altogether. This waiver should be sufficient to address concerns from some affordable housing developers about a rent cap's impact on their ability to address financial challenges.

The fact that so many tenants in LIHTC properties routinely face significant rent increases and find themselves facing severe rent burden over time is antithetical to the entire purpose of the program to provide housing affordability and stability to low-income renters. All tenants in LIHTC properties should have the same protections from significant annual rent increases to ensure that they are not displaced by unpredictable rent hikes that they cannot afford.

6. Opposition

Housing California writes the following in opposition to this bill:

[. . .] Housing California has long advocated for bills that protect California renters, including AB 1482 (2019, Chiu), SB 567 (2023, Durazo), and SB 329 (2019, Mitchell). However, the stability that AB 846 would provide to renters is outweighed by the negative consequences it may have on tenants and affordable housing developers.

For the past year and a half, Housing California has worked closely with your staff and the sponsors of AB 846 to find a compromise that simultaneously protects low-income renters from egregious rent increases and allows affordable housing developers to meet the needs of tenants and their own financial obligations. This balance is critical – affordable housing developers rely exclusively on rental income to cover the cost of their operating expenses, so any change to the amount of rent developers can collect has serious implications for their financial stability.

The regulations adopted by TCAC in April 2024 represent a successful compromise between the needs of LIHTC tenants and affordable housing developers. Because the U.S. Department of Housing and Urban Development (HUD) already restricts maximum rents in LIHTC developments and caps annual increases, the most likely scenario in which a LIHTC tenant could experience an egregious rent increase is when a non-profit, mission-driven affordable housing developer who has kept rents below the HUD limits sells a property to a for-profit developer, who then increases rents to the HUD limits (as notably happened in Antioch). The April 2024 TCAC regulations, which apply a rent cap prospectively, solve this problem because the rent cap is triggered when a property is sold. Additionally, the prospective nature of the April 2024 TCAC regulations provides important safeguards for the financial stability of affordable housing developers because it allows them to adjust their practices to the new rent cap moving forward.

We are concerned that AB 846 will have unintended consequences for tenants because a rent cap will force non-profit, mission-driven affordable housing developers to end practices that keep rents low for tenants. Developers have told us that they feel an acute need to be financially prudent right now due to the immense strain caused by skyrocketing insurance rates, high interest rates, and rental arrears accumulated during the COVID-19 pandemic. As a result, if AB 846 caps developers' ability to raise rents when necessary, they will likely be forced to end their common practice of keeping rents below the HUD limits to promote affordability. Instead, they would likely proactively raise rents on all tenants to the HUD maximum, so they do not end up in a position where rents cannot cover the operating costs of their buildings. This would result in many tenants paying higher rents than they currently do. Additionally, in order to effectively house tenants with very low incomes, developers sometimes allow tenants to occupy a unit restricted at a higher area median income (AMI) level than the tenant actually earns while keeping rent below the HUD limit (e.g.,

placing a 30% AMI tenant in a 60% AMI unit but only charging rent at the 30% AMI level). AB 846 would discourage this practice because it would remove developers' flexibility to raise rents in the future.

We are also concerned about the precedent that AB 846 would set by applying TCAC regulations retroactively (i.e., to existing LIHTC properties). Currently, TCAC regulations only apply to future properties to ensure that affordable housing developers can assemble their financing and plan their operating expenses according to accurate financial projections. Applying regulations retroactively sets a dangerous precedent that existing contracts can be amended and threatens developers' financial stability.

SUPPORT

California Rural Legal Assistance Foundation (sponsor)

Public Advocates (sponsor)

Western Center on Law and Poverty (sponsor)

ACCE

All Rise Alameda

Bay Area Legal Aid

Building the Base Face to Face

California Democratic Renters Council

Change Begins With ME

Cloverdale Indivisible

Contra Costa MoveOn

Defending Our Future: Indivisible in CA

Disability Rights California

52nd District

East Valley Indivisibles

El Cerrito Progressives

Feminists in Action Los Angeles

(Indivisible CA 34 Womens)

Hillcrest Indivisible

Housing Now!

Indivisible CA: StateStrong

Indi Squared

Indian Valley Indivisibles

Indivisible 30/Keep Sherman

Accountable

Indivisible 36

Indivisible 41

Indivisible Auburn CA

Indivisible Beach Cities

Indivisible CA-3

Indivisible CA-7
Indivisible CA-25 Simi Valley-Porter
Ranch
Indivisible CA-29
Indivisible CA-37
Indivisible CA-39
Indivisible CA-43
Indivisible Claremont/Inland Valley
Indivisible Colusa County
Indivisible East Bay
Indivisible El Dorado Hills
Indivisible Elmwood
Indivisible Euclid
Indivisible Lorin
Indivisible Los Angeles
Indivisible Manteca
Indivisible Marin
Indivisible Media City Burbank
Indivisible Mendocino
Indivisible Normal Heights
Indivisible North Oakland Resistance
Indivisible North San Diego County
Indivisible OC 46
Indivisible OC 48
Indivisible Petaluma
Indivisible Sacramento
Indivisible San Bernardino
Indivisible San Jose
Indivisible San Pedro
Indivisible Santa Barbara
Indivisible Santa Cruz County
Indivisible Sausalito
Indivisible Sebastopol
Indivisible SF
Indivisible SF Peninsula and CA-14
Indivisible Sonoma County
Indivisible South Bay LA
Indivisible Stanislaus
Indivisible Suffragists
Indivisible Ventura
Indivisible Westside L.A.
Indivisible Windsor
Indivisible Yolo
Indivisible: San Diego Central
Indivisibles of Sherman Oaks

Leadership Counsel for Justice and Accountability

Livermore Indivisible

Mill Valley Community Action Network

Mountain Progressives

Movement Legal

National Housing Law Project

Nothing Rhymes with Orange

Orchard City Indivisible

Orinda Progressive Action Alliance

Our Revolution Long Beach

PICO California

PowerCA Action

Public Interest Law Project

RiseUp

Rooted in Resistance

Ross Valley Indivisible

San Diego Indivisible Downtown

SFV Indivisible

Tehama Indivisible

Tenants Together

The Resistance Northridge

Together We Will Contra Costa

TWW/Indivisible - Los Gatos

Vallejo-Benicia Indivisible

Venice Resistance

Women's Alliance Los Angeles

Yalla Indivisible

OPPOSITION

California Council for Affordable Housing

California Housing Consortium

Housing California

RELATED LEGISLATION

Pending Legislation: None known.

Prior Legislation:

SB 567 (Durazo, Ch. 290, Stats. 2023) made a series of revisions to existing statewide protections against eviction without just cause and provided enforcement mechanisms for the violation of statewide restrictions on residential rent increases and statewide protections against no fault evictions.

AB 3088 (Chiu, Ch. 37, Stats. 2020), among other things, made minor clarifying and technical revisions to the Tenant Protection Act of 2019.

AB 1482 (Chiu, Ch. 597, Stats. 2019) limited rent-gouging in California by placing an upper limit on annual rent increases: five percent plus inflation up to a maximum of 10 percent. To prevent landlords from engaging in rent-gouging by evicting tenants, AB 1482 also required landlords have and state a just cause, as specified, in order to evict tenants who have occupied the premises for at least a year. Both the rent cap and the just cause provisions were subject to exemptions including, among others: housing built in the past 15 years, specified affordable housing, and single family residences unless owned by a real estate trust or a corporation. AB 1482 sunsets January 1, 2030.

PRIOR VOTES:

Senate Housing Committee (Ayes 6, Noes 2)

Assembly Floor (Ayes 59, Noes 6)

Assembly Housing and Community Development Committee (Ayes 6, Noes 2)
