

**Metropolitan Transportation Commission and the Association of Bay Area Governments
Joint MTC Legislation Committee and
ABAG Legislation Committee**

May 10, 2019

Agenda Item 7b3

California Housing Legislation – Protection Bills

Subject: SB 18 (Skinner) – Keep Californians Housed Act

Background: The bill proposes to (1) provide greater awareness of the legal rights and obligations associated with the landlord-tenant relationship, (2) make permanent the existing protections for tenants in a foreclosed property, and (3) make an unspecified amount of one-time funding available to the Department of Housing and Community Development (HCD) for rental assistance and legal aid services of tenants.

This bill, no later than January 1, 2021, would require the Department of Consumer Affairs (DCA) to publish online, and update biannually, a guide to all state laws pertaining to landlords and the landlord-tenant relationship.

In 2012, as part of its “Homeowners Bill of Rights” responding to the foreclosure crisis, California enacted legislation (AB 2610, Skinner) providing new protections for tenants in foreclosure situations. Specifically, the bill provided such tenants the right to at least 90 days’ notice about termination of their tenancy in all foreclosure situations, and, in the case of tenants with fixed-term leases, the new law prevented the new, post-foreclosure owner of the property from evicting tenants prior to the expiration of the pre-existing lease term. These protections are set to sunset on January 1, 2020. This bill would make them permanent.

This bill would also make an unspecified sum available to HCD for statewide competitive grants under the California Emergency Solutions and Housing Program for rental assistance, mediation, and legal assistance. The bill would limit administrative cost to a maximum of 10%.

Issues: According to HCD, over half of California tenants are rent burdened, meaning that they pay more than 30 percent of their monthly earnings in rent, and almost 29 percent of the state’s tenants are severely rent burdened, meaning that they spend more than 50 percent of their monthly income on rent.¹ In such a tight housing market, an eviction or an escalation in conflict that leads to court proceedings can be prevented by educating both landlords and tenants of their rights and current law.

¹ California's Housing Future: Challenges and Opportunities, Final Statewide Housing Assessment 2025 (Feb. 2018) California Housing and Community Development Department http://www.hcd.ca.gov/policyresearch/plans-reports/docs/SHA_MainDoc_2_15_Final.pdf (as of Apr. 7, 2019) at p. 27.

While the number of foreclosures in California has returned to “normal” levels, after spiking during the Great Recession, tenants remain vulnerable to housing instability when the dwelling they rent changes ownership due to a foreclosure.² High rates of foreclosure could easily return with another downturn in the economy. Extending the common-sense protections for tenants will therefore continue to prevent evictions and displacement of tenants who have otherwise complied with their lease agreement.

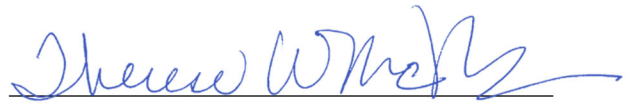
Meanwhile, approximately 165,000 tenants face eviction proceedings in courts each year.³ Most of these tenants lack legal representation due to financial constraints. Providing legal assistance to low-income households can prevent unlawful evictions which have significantly impacted low-income communities in gentrifying neighborhoods.

Providing rental assistance, with caps, could therefore prevent the majority of evictions in the state, while reducing the burden on landlords to evict one tenant and find a replacement. Given the recent sharp uptick in the homeless population statewide, tenant protections could help the state and local governments realize significant financial savings by reducing the demand for homeless services. While SB 18 only provides one-time funding for this purpose, staff recommends a support position on the bill.

Recommendation: Support

Bill Positions: See attached

Attachment: Attachment A: Bill Positions



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² Pradhan, The Foreclosure Rate Is Now Back to Pre-Crisis Levels (Jul. 25, 2018) Core Logic <https://www.corelogic.com/blog/2018/07/the-foreclosure-rate-is-now-back-to-pre-crisis-levels.aspx> (as of Apr. 7, 2019).

³ Inglis and Preston. California Evictions are Fast and Frequent (May 2018) Tenants Together http://www.tenantstogether.org/sites/tenantstogether.org/files/CA_Evictions_are_Fast_and_Frequent.pdf (as of Apr. 7, 2019) at p. 2.

Bill Positions on SB 18 (Skinner)

Support:

Alliance of Californians for Community Empowerment
American Federation of State, County and Municipal Employees, AFL-CIO
American Planning Association, California Chapter
Anti-Eviction Mapping Project-Los Angeles
Rusty Bailey, Mayor, City of Riverside
BASTA, Inc.
Bay Area Legal Aid
Bet Tzedek Legal Services
London Breed, Mayor, City of San Francisco
Building Industry Association of the Bay Area
California Alliance for Retired Americans
California Community Builders
California Rural Legal Assistance Foundation
California Rural Legal Assistance, Inc.
California Teamsters Public Affairs Council
California YIMBY
Central California Legal Services
Community Legal Services in East Palo Alto
Disability Rights Education and Defense Fund
East Bay Community Law Center
East Bay for Everyone
Eden Housing
City of Emeryville
Enterprise Community Partners
Facebook, Inc.
Kevin Falconer, Mayor, City of San Diego
Eric Garcetti, Mayor, City of Los Angeles
Robert Garcia, Mayor, City of Long Beach
Karen Goh, Mayor, City of Bakersfield
Habitat for Humanity East Bay/Silicon Valley
Housing Equality & Advocacy Resource Team
Inner City Law Center
Justice and Diversity Center of the Bar Association of San Francisco
Larkin Street Youth Services
Law Foundation of Silicon Valley
Legal Aid Association of California
Legal Aid Foundation of Los Angeles
Legal Aid of Marin
Sam Liccardo, Mayor, City of San Jose
LA Forward

Los Angeles Community Action Network
Los Angeles County Board of Supervisors
Los Angeles Tenants Union
National Housing Law Project
Neighborhood Legal Services of Los Angeles County
Non-Profit Housing Association of Northern California
Oakland Chamber of Commerce
PICO California
Miguel Pulido, Mayor, City of Santa Ana
Related California
City of Santa Monica
San Francisco Bay Area Planning and Urban Research Association
The San Francisco Foundation
Libby Schaaf, Mayor, City of Oakland
Harry Sidhu, Mayor, City of Anaheim
Silicon Valley At Home
South Bay YIMBY
Darrell Steinberg, Mayor, City of Sacramento
Strategic Action for Just Economy
TMG Partners
Michael Tubbs, Mayor, City of Stockton
UNITE HERE! Local 19
Venice Community Housing Corporation
City of West Hollywood
Western Center on Law & Poverty, Inc.
Working Partnership USA

Oppose:

Affordable Housing Management Association, Pacific Northwest
Apartment Association, California Southern Cities
Apartment Association of Orange County
California Apartment Association
East Bay Rental Housing Association
Southern California Rental Housing Association
Valley Industry and Commerce Association