

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

May 10, 2019

Agenda Item 7b1

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**California Housing Legislation – Protection Bills**

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**Subject:** AB 1481 (Bonta) and AB 1697 (Grayson) – Tenancy Termination: Just Cause

**Background:** AB 1481 (Bonta) prohibits residential tenancy termination without just cause. "Just cause" may be either at-fault or no-fault. "No-fault just cause" would include: a) owner intent to occupy the property; b) withdrawal of the property from the rental market; c) unsafe habitation; and d) intent to demolish or to substantially remodel. For at-fault, the bill also requires the landlord must first provide the tenant with a notice of the violation and an opportunity to cure the alleged lease violation. In addition, the bill requires landlords who terminate tenancy for no-fault to notify the tenant of the tenant's right to relocation assistance, and to provide that assistance if requested, regardless of the tenant's income. If a local jurisdiction has stronger just cause laws, those would prevail.

AB 1697 (Grayson) is identical to AB 1481 except that the proposed "just cause" provisions would only apply to a tenancy after 12 months. This provision was also included in the CASA Compact Element #1.

**Issues:** On average, one in 36 renters is taken to eviction court every year in California, and there is evidence that a much higher share of renters are evicted without even going to court. A just cause eviction law would require the landlord to provide tenants with a reason, stated in writing, as to why they are being evicted. And, it would provide an opportunity for tenants to contest or correct the stated reason. In so doing, the law would help reduce the arbitrariness of a no-fault eviction, which most often impact low-income households.

Evictions can be devastating to low-income households especially in an expensive housing market like the Bay Area, with the availability of units affordable to low-income households (both "naturally" affordable and deed-restricted) far short of demand. In the worst case, evictions lead to homelessness. A 2017 survey found that 14 percent of the homeless population in Santa Cruz County was a result of an eviction.<sup>1</sup>

Without a requirement to provide written notice as to the cause of an eviction today, landlords can evict a low-income tenant in order to charge higher rent to a tenant willing to pay more, especially in gentrifying neighborhoods. While fair housing laws are designed to protect against discrimination on the basis of race, given the high correlation between income and race, no-fault evictions can

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<sup>1</sup> Applied Survey Research, Santa Cruz County 2017 Homeless Census & Survey (2017) at p. 32.)

contribute not only to increased displacement of low-income households, but also increased racial segregation.<sup>2</sup>

Just cause policies are considered an essential accompaniment to any effective rent stabilization law. The State of Oregon's recent rent cap, which allows rents to grow by 7 percent, plus inflation, includes within it a just cause provision. The same is true of most of the local ordinances.

Seventeen California cities have already enacted just cause eviction ordinances, ten of which are in the Bay Area: Berkeley, East Palo Alto, Emeryville, Hayward, Mountain View, Oakland, Richmond, San Francisco, San Jose, and Union City. AB 1481/1697 would extend these protections to tenants across the state. A just cause law would help reduce displacement in gentrifying neighborhoods, consistent with the goals of Plan Bay Area 2040.

As you know, the CASA Compact was predicated upon the understanding that a solution to the Bay Area's housing crisis requires progress on the "3Ps" of *protection* of existing residents, *preservation* of existing affordable housing and the *production* of more housing for residents at all income levels. Bay Area legislators are embracing this approach as it's widely recognized that bills that focus on production, while essential, will not address the near-term pressures facing the region's most economically vulnerable households.

In the spirit of supporting a comprehensive and balanced solution to the Bay Area's housing crisis, staff recommends a support position on AB 1481 and AB 1697.<sup>3</sup>

**Recommendation:** Support

**Bill Positions:** See attached

**Attachments:** Attachment A: Bill Positions



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<sup>2</sup> Verma, et al., Rising Housing Costs and Re-Segregation in the San Francisco Bay Area, University of California-Berkeley Urban Displacement Project (2018)

<sup>3</sup> While only one is likely to reach the Governor's desk, staff recommends we support both versions at this time.

***AB 1481 (Bonta)***

**Support:** ACCE Action (co-sponsor), PICO California (co-sponsor), PolicyLink (co-sponsor), Public Advocates (co-sponsor), Western Center on Law & Poverty (co-sponsor), ACT-LA, AFSCME Local 3299, American Civil Liberties Union (ACLU), Asian Americans Advancing Justice-California, Asian Americans and Pacific Islanders for Civic Empowerment Education Fund, Asian Pacific Environmental Network (APEN), Bay Area Legal Aid, California Alliance for Retired Americans, California Conference of Machinists, California Conference Board of the Amalgamated Transit Union, California Labor Federation, California Reinvestment Coalition, California Renters Legal Advocacy and Education Fund (CaRLA), California Rural Legal Assistance, California Rural Legal Assistance Foundation, California Teamsters Public Affairs Council, Central Coast Alliance United for a Sustainable Economy (CAUSE), Central Valley Empowerment Alliance, Chan Zuckerberg Initiative, Coalition for Humane Immigrant Rights (CHIRLA), Community Legal Services in East Palo Alto, Congregations Organized for Prophetic Engagement (COPE), Courage Campaign, East Bay Community Law Center (EBCLC), East Bay For Everyone, East Bay Housing Organizations, Engineers and Scientists of California IFPTE Local 20 AFL-CIO, Enterprise Northern California, Eric Garcetti (Mayor of Los Angeles ), Esperanza Community Housing Corporation, Fair Rents for Redwood City, Faith in Action Bay Area, Faith in the Valley, Hamilton Families, Housing California, Housing For All Burlingame, Hunger Action Los Angeles, Indivisible San Diego Central, Indivisible SF, Inlandboatmens Union of the Pacific, Just Cities/Dellums Institute, The Kennedy Commission, Korean Resource Center, Koreatown Immigrant Workers Alliance, LA Forward, LA Voice, Law Foundation of Silicon Valley, Leadership Counsel for Justice & Accountability, Legal Aid Foundation of Los Angeles (LAFLA), Legal Services for Prisoners with Children, Los Angeles Alliance for a New Economy, Los Angeles Homeless Services Authority, Monument Impact, National Association of Social Workers-California Chapter, National Union of Healthcare Workers, Nonprofit Housing Alliance of Northern California, The Orange County Civic Engagement Table, Planning and Conservation League (PCL), Power California, Progressive Asian Network for Action (PANA), Public Counsel, Public Interest Law Project, Professional and Technical Engineers IFPTE Local 21 AFL-CIO, Sacramento Filipinx LBTQIA, Sacred Heart Community Service, San Francisco Foundation, SEIU California, SEIU Local 1021, South Bay Progressive Alliance, Southern California Association of Nonprofit Housing (SCANPH), State Building Trades and Construction Trades Council of California, Strategic Actions for a Just Economy (SAJE), TechEquity Collaborative, Tenderloin Neighborhood Development Corporation, Thai Community Development Center, TransForm, United Teachers Los Angeles, University of California Davis Bulosan Center for Filipino Studies, Utility Workers of America, UNITE HERE AFL-CIO, UNITE HERE Local 19, Viet Vote.

**Support if Amended:** Building Industry Association of the Bay Area, Related California, San Francisco Bay Area Planning and Urban Research Association (SPUR).

**Oppose:** Apartment Association California, Southern Cities Apartment Association of Orange County, California Apartment Association, California Association of Realtors, California Rental Housing Association, East Bay Rental Housing Association, Southern California Apartment Association.

**AB 1697 (Grayson)**

**Support:** SV@Home

**Support if Amended:** Bay Area Council, Oakland Chamber of Commerce, San Francisco Bay Area Planning and Urban Research Association (SPUR), TMG Partners

**Oppose:** Apartment Association California, Southern Cities Apartment Association of Orange County, California Apartment Association, California Association of Realtors, California Rental Housing Association, East Bay Rental Housing Association, Southern California Apartment Association