COMMISSION AGENDA ITEM 9a.iii.

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%.

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.

Issues:

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

Therese W McMillan

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.

Joint MTC Legislation Committee and ABAG Legislation Committee May 10, 2019

Attachment A Agenda Item 7b3

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