

April 12, 2023

Honorable Maria Elena Durazo California Senate 1021 O Street, Room 7530 Sacramento, CA 95814

RE: SB 567 (Durazo) SUPPORT

Dear Senator Durazo:

Our organizations are pleased to support SB 567, the Homelessness Prevention Act, which will protect California renters from unjust evictions and exorbitant rent increases. According to a recent study by the U.S. Government Accountability Office, a \$100 median rent increase led to a 9% increase in homelessness. By enacting these protections your bill promises to prevent more people from being pushed into homelessness and provide greater housing stability for low-income renters, predominantly people of color, who are disproportionately impacted by the state's housing crisis.

In 2019, California enacted AB 1482 (Chiu), the Tenant Protection Act (TPA), which provided some protections for certain California renters. For renters covered by the TPA, it established both a rent cap to prevent the most egregious rent gouging and just cause eviction protections that for the first time at the state level provided that renters cannot be evicted unless the landlord can establish that they have a valid reason for the eviction. These just cause protections allow a landlord to evict a tenant for at-fault causes such as non-payment of rent, but limit the circumstances in which a landlord can evict a tenant when the tenant is not at fault. While helpful, the TPA left numerous loopholes leaving renters vulnerable to homelessness.

After several years of experience with the TPA, we know that the state's renters need more. Too many tenants remain unprotected, rents are still allowed to be increased beyond what most renters can afford, and loopholes in the current law have led to widespread abuses that leave many covered renters vulnerable to eviction even when they are in compliance with their lease. Between 2017 and 2022, homelessness increased 30% across the state, faster than anywhere

else in the country. Now that eviction moratoriums and many of the pandemic-era renter protections that kept families housed are gone, homelessness will continue to rise at an even faster rate unless we act. Over the last several years, property values have increased substantially. As landlords and homeowners continue to grow their equity, essentially profiting off of the state's dire housing shortage, we must ensure renters have housing stability by limiting rent increases and strengthening eviction protections.

Our organizations hear from renters every day who are facing rent increases or no-fault evictions who are either not covered by the TPA or for whom the protections of the TPA's no-fault just cause provisions are illusory. Rapidly rising rents are endemic in California and threaten the stability of all renter households, yet the TPA leaves hundreds of thousands of renters unprotected by allowing unlimited rent increases for renters living in most single-family homes and condos. Even those who are protected by the TPA's rent cap provisions can face a rent increase of as high as 10% each year, far too high for many struggling renters and unnecessary for landlords—increasingly large corporate entities—to make a reasonable return on their investment.

One of the central goals of the TPA was to prevent unjust evictions without cause. Unfortunately, for covered renters, those protections do not even begin until they have lived in their home for at least 12 months and sometimes not until two years into their tenancy. Additionally, once covered by this protection, renters too often find that the "no-fault" provisions that allow an eviction for owner-move-in, substantial rehabilitation, or withdrawal of the unit from the rental market provide no meaningful protection at all. Landlords too easily claim to be doing one of these things without any requirement of proof or any post-eviction obligation to follow through. "Withdrawal from the rental market" and "substantial rehabilitation" in particular have become magic words for landlords seeking a free pass to avoid all of the protections of the TPA. Because the law lacks sufficient parameters–parameters that are common in many locally enacted rent stabilization ordinances–landlords can assert a no-fault just cause as the reason for eviction without having to prove anything about their actual intent. Tenants facing an unjust eviction cloaked in these magic words are nearly powerless to defend themselves. The result is rising evictions and, for the most vulnerable tenants, the very real prospect of homelessness.

SB 567 responds to the present-day reality faced by millions of California renters and provides greater housing stability for more renter households by strengthening the Tenant Protection Act, closing easily exploitable loopholes, and providing for robust enforcement. The bill:

- Lowers the annual rent cap to the increase in the consumer price index (CPI) or 5%, whichever is lower.

- Provides greater specificity around the allowable "no fault" just causes for eviction to address rampant abuse of these provisions.

- Requires just cause to evict tenants from the beginning of a tenancy.

- Enhances tenants' ability to defend themselves in eviction cases by requiring landlords to strictly comply with the TPA.

- Expands both public and private enforcement of the TPA.

As inflation soars, and state and local eviction protections enacted during the pandemic come to an end, the gaps in existing state protections are impacting more and more renters, who are facing significant rent increases and a spike in "no fault" evictions. The Homelessness Prevention Act will provide critical safeguards to stop abuses and ensure that renters can stay in their homes.

Thank you for your leadership on this important issue. We look forward to working with you to enact these critical protections.

Sincerely,

Alliance of Californians for Community Empowerment (ACCE) (Co-Sponsor) California Rural Legal Assistance Foundation (Co-Sponsor) Leadership Counsel for Justice and Accountability (Co-Sponsor) Faith In Action East Bay Navigating Structures Housing is a Human Right Orange County (HHROC) Catholic Charities of Stockton- Environmental Justice Program Ground game LA Parable of the Sower Intentional Community Cooperative Housing Rights Committee of San Francisco End Poverty in California (EPIC) Pasadena Tenants Union California Environmental Voters The Greenlining Institute Black Women for Wellness Action Project CLUE: Clergy & Laity United for Economic Justice East Bay Alliance for a Sustainable Economy (EBASE) Greater Napa Valley Fair Housing Center **Oakland Tenants Union** Pomona United for Stable Housing PUSH St. Luke's/ San Lucas Episcopal Church, Long Beach National Alliance to End Homelessness Viet Rainbow of Orange County San Gabriel Valley Tenants Alliance Housing Now! Communities for a New California Action Fund **CADEM Renters Council** Alameda County Democratic Party CHIRLA (Coalition for Humane Immigrant Rights) **ACLU California Action Evolve** California **Orange County Equality Coalition UC Student Association Fresno Tenants Union** Muslim Public Affairs Council CEJA Public Law Center Law Foundation of Silicon Valley Esperanza Community Housing Corporation

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