



## **\*\*\*PRESS STATEMENT\*\*\***

### **California Rental Housing Association Announces Opposition for AB 2050**

#### ***AB 2050 would restrict property owners' rights and place restrictions on when they can leave the market***

**SACRAMENTO, Calif. – March 23, 2022**– The California Rental Housing Association (CalRHA) announces its opposition for Assembly Bill 2050 authored by Assemblymember Alex Lee (D-Milpitas). This bill will prohibit property owners who have owned rental accommodations for less than five years from using Ellis Act to withdraw rental accommodations and would prevent someone who used Ellis Act from being able to do so again for 10 years.

“Each year it feels like we have to go to battle against, yet another, proposed legislation that restricts our rights as rental housing providers,” said Christine La Marca, CalRHA President. “AB 2050 is another attempt to make it difficult to be a property owner in California. This is an example of government overreach by restricting a rental housing provider’s right to decide when they want to exit the market. If a property owner is losing money or facing bankruptcy it would be more difficult for them to sell their property. As our state faces a housing crisis, its vital property owners have the flexibility to move more rental housing to for-sale housing. Now, is not the time to create new legislation to place less flexibility on housing choice.”

AB 2050 would disassemble the existing law known as the Ellis Act that prohibits rental property owners from filing a notice to withdraw accommodations if not all of the owners of the accommodations have been owners for at least five years or that the owner acquired the property within 10 years of providing notice to withdraw accommodations at a different property. In addition, this would require an owner who intends to withdraw accommodations to provide the public entity with the identity of each person or entity with an ownership interest in the accommodation.

The Legislature passed the Ellis Act in 1985 and it has been an important safeguard for rental property owners ever since. This prohibits local entities from passing ordinances that require rental housing providers to continue to provide housing, and essentially it allows housing providers to go out of business if they must.

CalRHA is committed to working with State Legislators to develop effective solutions to help keep Californians housed and strongly opposes this proposed legislation. This bill was killed on the Assembly Floor in January.

#### **About the California Rental Housing Association**

The California Rental Housing Association represents 20,000+ members totaling more than 575,000+ units, made up of small, medium, and large rental housing owners throughout the

State of California. Our purpose is to advocate in the best interest of the rental housing industry and collectively address industry needs.

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