

President's Message

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What a year this has been and not in a good way. Housing providers have been slammed with additional new laws and requirements. As one of your representatives to CalRHA (California Rental Housing Association) with over 738,000 members across the state, I have access monthly to news and views from all of the affiliate and direct members and their experiences. Last week, as I write this, the tragic but totally predictable news to those who understand the rental housing business, was that surveys had been taken by the associations of all of their members. Two out of three small housing providers (those with less than 4 units) are going out of business within the next two years. They are selling.

With all of the onerous laws and conditions piled on them by local governments, those who saved and worked hard to purchase one or two units to supplement their retirement income are now infusing money each month rather than obtaining a small benefit from ownership. They are giving up. It is too much.

How can local governments officials expect that small housing providers can continue to provide affordable housing while being limited in rent increases to less than the CPI (Consumer Price Index) figure which tracks the cost of living? Being limited to LESS than the cost of living increase means that the housing providers are not getting the cost of living increase while their expenses are soaring. Insurance rates are astronomical. Utilities are going up drastically. Repairs and maintenance of these properties which housing providers are mandated to keep up to Civil Code Section 1941.1 standards are at an all-time high. Getting less than the cost of living rent increase can NEVER be a "fair rate of return."

When these owners sell, the properties will not be rented to the market at the same rate. Most likely, they will be sold to large corporations which will not work with the individual tenants to assist with their specific needs such as the local, small housing providers have been doing all these years. It will be a machine. Does the prospective tenant fit into this cookie cutter? If not, there will be no chance

to rent. If one rent payment is missed, no-one will inquire about what the problem is and try to work with the tenant. There will be a Three-Day Pay or Quit Notice served and prosecuted. Once out, another tenant will be there to take their place and no special consideration will be offered.

By far, the majority of my clients have worked with tenants in the past, many times letting them go several months without paying rent when they lost a job or a child was ill and needed expensive medical care or when the tenant was hit with another kind of disaster. These stories really showed compassion and understanding. In my experience, by far the smaller housing providers have been caring and not the evil persona that they are given out to be by the local government officials and tenant representatives.

Every Legislative session sees a new slew of so-called "tenant protection laws" or as one of the CalRHA Board members called it a "cluster of proposals" introduced. But, are they truly "tenant protection laws?" I don't think so. These laws have served to reduce the number of affordable housing units available. I see no other industry being labored with the duties put upon housing providers. Grocery stores are not forced to provide free food. Restaurants are not forced to provide free food. Utility services are not forced to provide free utilities. Insurance companies are not forced to provide free insurance. Nor are any of these forced to reduce their prices for services to those who cannot afford them.



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Legislators, local government officials and tenant groups have been successful: they have completely destroyed the good housing provider and tenant relationship that used to exist. It is gone.

Unless we see a more rational approach in 2026, there will be no improvement but a continued slide down a slippery slope. It is time to look at the situation rationally and with an unbiased perspective.

SBRPA will continue to provide you with announcements of upcoming City Council meetings that concern housing providers and will inform you of upcoming law changes. Please attend these meetings and make your voices heard. You have the right to write in or meet with your local representatives to tell them YOUR stories and how things have been for YOU. Please do so.

We appreciate your membership and participation.

Happy Holidays to you all.

Betty L. Jeppesen, President



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Happy Holidays

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