

CalRHA FACT SHEET

Just Cause Eviction: Harms Tenants, Discourages Housing Growth No on AB 1481 (Bonta)

Current Eviction Process is Lengthy & Harms Good Tenants

The state's current eviction process does not favor law-abiding tenants or their rental property owners. Tenants who do not pay rent or break the rules can force a long and expensive eviction process. Rental property owners pay tens of thousands of dollars in court costs and attorneys fees to complete an eviction. Small property owners are rarely in a position to shoulder these costs. There is nothing "just" about Just Cause Eviction laws for many of our state's rental housing providers.

The number one reason for a tenant eviction is non-payment of rent and occurs in more than 70% of cases. The remainder are typically due to breach of the lease agreement.

Depending on a tenant's response to a legal notice for non-payment of rent/breach of lease, it's a path for the owner that often includes delays, government agency red tape and the increasing cost of legal fees. Since the State's current default is to favor the tenant in the eviction process, too often rental housing providers must repeat the court process more than once, which only adds to the legal costs and extends the time their law-abiding tenants live with a harmful neighbor.

When eviction laws become costlier and more difficult for rental housing providers, the results can be devastating and make the housing crisis far worse. Rental housing providers will become less likely to lease units or will insist upon higher credit scores and income levels, shutting out certain tenants.

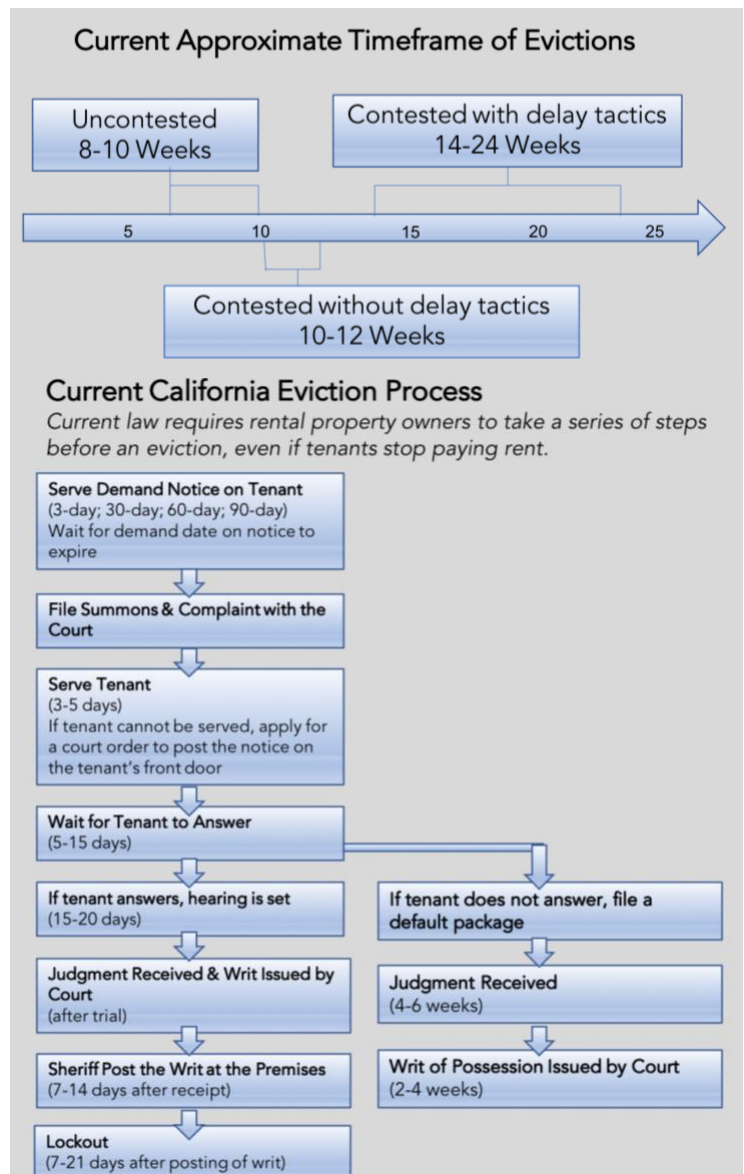
What's at Stake with AB 1481

Local just cause eviction laws never benefit law-abiding renters, nor help with the housing shortage. In fact, these laws have only served to harm law-abiding renters and disturb the peaceful enjoyment of their homes, sometimes even causing them to relocate.

Unfair and Harmful to Law-Abiding Tenants

Tenants who have been evicted for non-payment, breached rental agreements, create nuisances or engage in criminal activity that can attract violence at the rental property, only negatively impact law-abiding neighboring renters often or even place them in harms-way. **As a result, law-abiding renters are left in the position of having to live with difficult neighbors, creating a hostile community. This is a violation of law-abiding renters' rights.**

In addition, valuable resources and time must be spent enforcing violations by a renter that refuses to comply with the rules agreed and being abided upon by all other renters.



Discourages Innovative Housing Solutions

There are innovative new housing arrangements and options being introduced and used in this state to address middle class housing needs. For example, new co-living housing is being tested and launched that innovates the traditional single-resident occupancy (SRO) unit and create affordable housing for young professionals, teachers, and others. They are testing new housing environments with shared kitchens and open space to create community connections as well as affordable spaces.

It is imperative that these community living spaces are safe for tenants. The first step in creative a safe environment is to streamline the eviction process for unlawful renters engaged in crimes that could involve drug dealing or gang activity. For example, one rental home provider battled with eviction hurdles for six months to remove a tenant conducting a drug ring on the property, forcing neighbors to live beside a dangerous individual because the owner's hands were tied. **With laws such as just cause evictions, new solutions to housing could stifled as the costs for eviction of a bad actor become too expensive and lengthy disrupting the other tenants' living on the property.**

Amplifies the Housing Shortage

Just cause eviction laws operate in 17 cities across the state. These policies have not increased or encouraged more housing development or rental properties, let alone affordable rental housing.

In San Francisco alone, there are currently 30,000 vacant rental properties and 33,000 in Los Angeles on any given day. The just cause eviction policy does not help to encourage these properties to become available to new tenants -- leaving them vacant. This is a one-size-fits-all approach does not consider the number of reasons why a rental property owner may be forced to evict a tenant or the impact it has on the other tenants.

We Need to Reject AB 1481; Support Solutions That Increase Housing Supply

We need laws that increase housing supply, not laws that discourage it. If AB 1481 passes, the state will surely risk the sudden cancellation of current, planned rental housing construction expected to provide thousands of jobs and housing relief.

When rental housing providers encounter residents violating lease agreements, the process to remove the renters can be expensive and lengthy. Additionally, the jury trial process can cost an average of \$35,000 or more in addition to costs of lost rent and rehabilitation of the vacant unit, derailing developers from investing in rental housing and keeping entrepreneurs from starting a business in rental housing.

Rent control and "just cause" eviction laws have a history of failing and have never been proven to help with increasing housing supply over time. To get affordable and accessible housing solutions in California, we must invest in a holistic solution that considers the impact on the housing crisis, law-abiding tenants, and rental home providers.

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