



April 3, 2020

The Honorable Phil Ting  
California State Assembly, 19<sup>th</sup> District  
State Capitol  
Sacramento, CA 95814

**RE: AB 828 (Ting) – OPPOSE AS PROPOSED TO BE AMENDED**

Dear Assemblymember Ting,

The members of the California Rental Housing Association (CalRHA) and other rental housing providers provide the overwhelming number of rental units to keep California's renters sheltered in place. Our members have ongoing financial obligations and do not have the capacity to absorb more and continued financial hits from multiple directions. We need positive and constructive help from Sacramento to continue assisting California's renters stay in place during, and after, this COVID-19 emergency.

CalRHA opposes your AB 828 as proposed to be amended because it will make the job of keeping Californians sheltered even more difficult. The bill will result in additional significant economic hardship for rental property owners who, like many renters, small businesses, and other Californians, are already under immense financial pressure due to the COVID-19 pandemic. More legislation that reduces income to rental housing providers will result in the inability to hire plumbers, electricians and other trades unless absolutely necessary. Many of the workers in these trades are also our renters and not being able to hire them will make the economy even worse.

This bill also fails to consider other strategies in the short, and longer term, including renter assistance that presents a balanced approach, unlike AB 828, to keep people housed and boost economic activity. We understand and support the goal of keeping Californians housed during this outbreak. However, this bill is a flawed attempt to achieve that goal. Governor Newsom has already established a statewide moratorium on evictions via his March 27<sup>th</sup> Executive Order, as have many local jurisdictions. AB 828 not only creates a duplicative statewide prohibition on evictions, it also establishes a court-ordered, blanket reduction of rent by twenty-five percent (25%) during, and after, the COVID-19 State of Emergency, and as said above, does nothing to put money in renters' hands, instead imposing the overwhelming burden on small rental property owners, many of whom are in no better position to weather this storm than their residents.

Rental housing providers are in the business of housing renters. We want the ability to work with our renters during this difficult time. We encourage the state government to help us rather than making our business, and the lives of our renters, more difficult now and in the future. Going to court to resolve issues means lost income and added expenses that do not help. It makes things more difficult which is why that is not a goal of our business. If rent relief is

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required, our members recognize that it is better to work with their residents and agree on rent payment relief based on the needs of both parties. This bill would virtually eliminate any incentive for renters who need COVID-19 related financial assistance to work cooperatively with their housing providers on a negotiated rent reduction and/or payment plan. Rather than work cooperatively with their housing provider, renters can now take the position of “see you in court”. Unfortunately, our members’ experience is that there are some renters who already “game” the court system. This bill will increase this circumstance and, in any event, cause the courts to be clogged with new cases once the emergency is over.

The bill’s mandated changes to court procedures and the evidence code are also weighted heavily against a plaintiff rental housing provider. For example, the onus would be on rental property owners to prove that a renter’s economic hardship is not related to COVID-19. In the absence of that evidence, the court must conclude that the hardship is COVID-19 related.

Further, AB 828 would create an unlevel playing field for owners of ten or more properties. As proposed to be amended, a court would presume that rental property owner plaintiffs with 10 or more units would not suffer material economic hardship pursuant to the issuance of an order as specified under subdivision (c). *This presumption is not based on fact.* Many larger rental properties have additional expenses. Owners of rental properties large and small are negatively impacted by the COVID-19 outbreak and struggling to stay afloat. However, the proposed definition of “material economic hardship” denies the court the ability to assess the economic hardship to rental housing providers.

Now is the time to focus on positive measures for providing relief to rental property owners as well as renters. For example, CalRHA supports efforts to create a state Renter Assistance program with funding through federal funds or funds earmarked in the Governor’s proposed budget. We stand ready, willing and able to help you fashion and implement this program because it will not only provide immediate financial relief for renters and property owners, it will also decrease the likelihood of future unlawful detainer lawsuits and homelessness.

AB 828 is not a solution and will cripple many rental property owners at a time when they can least afford it. We remain committed to working with the state in any way possible to aid in the response to combat COVID-19, but we do not believe AB 828 will achieve this goal. For these reasons, we must oppose your AB 828. Please contact us if you have any questions.

Sincerely,



Sid Lakireddy, President

cc: The Honorable David Chiu, Chair, Assembly Housing & Community Development Committee  
Members, Assembly Housing & Community Development Committee  
Lisa Engel, Chief Consult, Assembly Housing & Community Development Committee  
Ronda Paschal, Office of Governor Gavin Newsom  
Assembly Republican Caucus