

RENTAL PROPERTY NEWS

CALRHA





From the President

Earle Vaughan | CalRHA President

President's Message

December 2023

Dear CalRHA Members,

As we close out another year, I hope this holiday season offers you the chance to reset, relax and spend time with your loved ones.

I want to express my deepest gratitude for your support and dedication to advocating for the rights of California's rental housing providers who provide quality affordable housing for millions of Californians. Your attendance at our lobby day, calls and text messages in response to red alerts – they all add up and help our collective efforts for protecting our rights as property owners in a complex rental housing market.

Looking ahead to the new year, we must recognize the looming challenge: the proposed statewide rent control initiative. This initiative poses a threat to property ownership and management, impacting both landlords and tenants. I will continue emphasizing this until November 2024, because we cannot lose this fight – the stakes are far too high. Our goal is to prevent the expansion of rent control, ensuring landlords can set rents based on market rates when tenants vacate. This allows for a fair market and will provide us the opportunity to renovate our properties, recoup our costs, and provide a quality living environment for renters.

We have witnessed in New York how rent control can lower property values by as much as 40%. It's a cautionary tale of what we must prevent in California. Please join me in protecting your rights by donating today at <https://bit.ly/47b1de6>.

Again, I appreciate your ongoing support in our mission to safeguard rights as rental housing providers and for your efforts in maintaining safe and affordable housing for Californians.

Happy Holidays,

In partnership,

Earle Vaughan

CalRHA President

Vacancy DECONTROL vs. CONTROL




Vacancy decontrol allows rental property owners to bring rents to fair market rates when a tenant moves out.

A 2024 ballot initiative seeks to ban vacancy decontrol and instead allow local governments to limit the rent that property owners can set for move-ins (vacancy control). For property owners who have owned their property for many years, rents are often 30% to 40% below market for long term renters. Under vacancy control, owners who are renting below market may never catch up, as shown in the example below.

Ex. A tenant first rents a 1-bedroom apartment in 2020 at \$1,400 per month. Assuming a local rent cap of 3% per year, the rent is \$1,530 in 2023 when the tenant vacates the unit.

What is the rent you can set upon vacancy and the financial impact of vacancy decontrol vs. control? Over a five-year period, you could lose \$14,901 for each 1-bedroom rental unit.

	✔ Decontrol	\$ Difference	✘ Control
 Starting Rent	Owner is allowed to set monthly rent at current fair market value of \$1,757.		Owner is prohibited from raising rent to fair market and is restricted to \$1,530.
Year 1	\$21,717	-\$2,806	\$18,911
Year 2	\$22,369	-\$2,891	\$19,478
Year 3	\$23,040	-\$2,978	\$20,062
Year 4	\$23,731	-\$3,067	\$20,664
Year 5	\$24,443	-\$3,159	\$21,284

Total Loss over 5 years: -\$14,901

Can you afford these losses?

**Stop
Vacancy
Control**
[Contribute now!](#)





RENT CONTROL WEBINAR

2024 BALLOT INITIATIVE SEEKS TO REPEAL COSTA-HAWKINS

Learn more about this 3rd attempt by Michael Weinstein and the AIDS Foundation to repeal Costa-Hawkins and expand rent control.

[Register for the webinar here.](#)

Key Speakers:

- **Russo & McGarty:** Top campaign consultants who led previous battles on rent control initiatives Props. 10 & 21.
- **Housing Experts:** Offering valuable perspectives on the implications for your rental income.

Agenda:

- Understanding the Rent Control Initiative
- Prohibition on Fair Market Rates
- Direct Implications on Rental Income

Why Attend?

- Gain critical insights
- Learn proactive measures
- Safeguard your interests

Don't miss out on this invaluable opportunity to stay informed.

Mark your calendar and secure your spot today!

Register for the webinar [here.](#)



10 AM

16

JANUARY 2024

ONLINE



Mark Dyer, (left) the AIDS Healthcare Foundation's top real estate executive, and foundation President Michael Weinstein at the September opening of New Hope, a 60-unit single-room occupancy hotel on Skid Row, renovated by the foundation into homeless housing.



The Baltimore at 5th and Los Angeles streets in February on Skid Row. The building is a single-room occupancy hotel owned by the AIDS Healthcare Foundation and used as permanent homeless housing.

Inside the world's largest AIDS charity's troubled move into homeless housing

By Liam Dillon, Doug Smith, Benjamin Oreskes

After her eviction, Alisha Lucero returned to her apartment to find her belongings thrown away. Gone were Lucero's passport and her recently deceased brother's high school letter jacket. Lucero said she couldn't get into her car because her landlord, the AIDS Healthcare Foundation, had trashed her keys. She was wearing the only clothes she had left.

For the next two years, Lucero lived on the streets where she said she was raped and beaten while her mental health spiraled. At times, Lucero slept in a tent steps from her former residence, the Madison on Skid Row.

"What they did to me was unjust, was brutal, was inhumane," said Lucero, 44, speaking about her eviction. "They literally ruined my life."

The foundation evicted Lucero and scores of other tenants in disputes over unpaid rent. At the same time, it was making public statements about the dangers of forcing people from their homes. On social media during the COVID-19 pandemic's darkest days, the foundation put the stakes bluntly.

"Evictions kill," the foundation said.

Such contradictions between the AIDS Healthcare Foundation's vocal pro-tenant advocacy and the harsh conditions depicted by its residents have characterized the charity's six-year foray into providing housing. With \$2.2 billion in annual revenues drawn largely from its pharmaceutical business, the Los Angeles-based global AIDS nonprofit has transformed itself into one of the nation's most prolific funders of tenants' rights campaigns and one of Skid Row's biggest landlords.

Under the direction of co-founder and President Michael Weinstein, the foundation has spent more than \$300 million sponsoring rent control ballot initiatives in California and buying apartment complexes across the country, including more than a dozen in Los Angeles, mostly old single-room occupancy hotels.

To read more [CLICK HERE](#)



Governor Newsom filed a lawsuit asking the California Supreme Court to block it from the ballot, citing loss of revenue.

Taxpayer Protection

The Taxpayer Protection and Government Accountability initiative, which seeks to uphold a two-thirds vote requirement for tax increases, met all requisite requirements and qualifies for the November 2024 ballot.

However, Governor Newsom filed a lawsuit asking the California Supreme Court to block it from the ballot, citing loss of revenue. Below is an Amicus submitted by former Democrat leaders opposing the Governor's lawsuit.

IN CASE YOU MISSED IT

Former Democrat Legislative Leaders Submit Amicus Opposing Lawsuit to Block Taxpayer Protection Act from Voters

Former Senate President Pro Tempore Don Perata, former Assembly Speaker Pro Tempore Mike Roos, and former Assemblymember Joe Coto submitted an amicus letter opposing the Legislature and governor's lawsuit to block the popular Taxpayer Protection and Government Accountability Act (TPA) from the November 2024 ballot.

The letter argues that the California Supreme Court will set a dangerous precedent

if it breaks the court's well-established standards for pre-election challenges and blocks voters from weighing in on TPA.

Read highlights from the [amicus letter](#) below:

“The foundational role that the citizens’ initiative plays in our state, and the right of the voters to utilize the initiative process, cannot and should not be abridged by this Court. “Nothing in Petitioners’ writ necessitates pre-election review, and we ask this Court to allow voters to weigh in first, before any legal challenges are heard and decided. If the measure fails, and it very well may, then the issue will be moot. Even if the measure is approved by voters, there will be ample time to decide any legal issues at that time. “Removing this measure from the ballot would be a marked departure from this Court’s well-established jurisprudence, and could set a dangerous precedent to undermine the voters’ reserved initiative power, which has long been a paramount structural element of our state Constitution.”

You can learn more about the Taxpayer Protection and Government Accountability Act at TaxpayerProtection.com. [CLICK HERE](#)

The Californians for Taxpayer Protection and Government Accountability is sponsored by the California Business Roundtable.



Rick Snyder, a former president of SoCalRHA and current member of CalRHA, who has been selected as Chair of the National Apartment Association (NAA) for the upcoming year.

Southern California Rental Housing Industry Leader And CalRHA Member Appointed to NAA Chair

Congratulations to Rick Snyder, a former president of SoCalRHA and current member of CalRHA, who has been selected as Chair of the National Apartment Association (NAA) for the upcoming year. It's been more than 60 years since this leadership position was held by a representative from California.

With all of the rental housing challenges in our state, we're proud that Rick will be spearheading the national effort to protect our rights and help us fight the 2024 rent control initiative.

CalRHA issued the following press release earlier today:

SACRAMENTO, Calif. – Nov. 13 – Today, the California Rental Housing Association (CalRHA) announced Rick Snyder, a former president of the Southern California Rental Housing Association and current CalRHA member, will be installed as the Chair of the National Apartment Association (NAA) on Thursday, November 16. This is the first time since 1960 that this leadership position is filled by California delegation.

Snyder begins his year-long term in January 2024 and takes the helm as the industry faces new regulatory challenges at the national level and in a time of historical rental demand.

“I am honored and excited to lead our industry in 2024. With renewed focus on rental housing and the importance of adequate supply, I see a unique opportunity to help our members do what they do best, provide quality rental housing to millions of U.S. renters,” said Rick Snyder, Founder and President, R.A. Snyder Properties, Inc. “A healthy rental housing industry benefits the economy and translates to stronger communities.” Snyder has more than 30 years of real estate experience and has been an avid volunteer for housing.

“Rick excels at being a leader in his business and community and today we at CalRHA, applaud Rick for being the first Californian in more than 70 years to represent us at the national level,” said Earle Vaughan, President, CalRHA. “In today’s complex rental housing industry, property owners often consult each other for advice on how to approach challenging situations and Rick is often one of the first turned to.”

A long-time San Diegan, Snyder received his Bachelor of Science in Business Administration from San Diego State University with a major in real estate. He also shares his knowledge as an active expert witness for real estate litigation.



Placerr County becomes first county to receive California's Prohousing Designation

California's Prohousing Designation Program: Rewarding City and County Policies that Boost Housing Supply

By Levi Sumagaysay

In the face of California's severe housing shortage and affordability crisis, many jurisdictions nevertheless continue to block new housing developments, from the city of Woodside's now infamous "mountain lion habitat" defense to the city of Pasadena's liberal use of historic landmark designations that can make it harder to build. In recent years, the state has increased its enforcement efforts, for example, by pursuing legal action against Huntington Beach and other cities that have refused to adopt a Housing Element that is compliant with state law.

What is less often discussed is the fact that many jurisdictions are actually doing the opposite: creating local policies that remove obstacles to new housing. In 2021, the state formally launched a new "carrot" to incentivize exactly these kinds of behaviors: the Prohousing Designation Program (PDP). Complementing the state's enforcement "stick", the program is intended to help motivate elected officials to pursue housing policy changes that might not otherwise result in tangible results until years later.

The PDP uses a points-based system to evaluate a jurisdiction's housing and development policies across four categories:

1. Implementing favorable zoning and land use policies, such as rezoning to increase density, making it easier to build ADUs, and/or reducing or eliminating parking requirements.
2. Accelerating building timelines, for example, by streamlining approvals and reducing the number of public hearings for project approvals.
3. Reducing the costs of building new housing, e.g., by lowering impact fees or promoting the use of modular construction and other innovative housing types; and
4. Providing financial subsidies, such as establishing a Housing Trust Fund or making public lands available for affordable housing development.

To read more [CLICK HERE](#)



Oakland City Council Members Debating Issues



Moratoriums to Mayhem: Crisis Created by Bad Policy

By Derek Barnes

Eviction moratoriums, rent control, and TOPA (Tenant Opportunity to Purchase Act) have a single thread that brings them to life – policy. But not just any policy, policy engineered to advance an extreme social housing agenda. This radical progressive scheme has been in the works for decades but has consistently failed our most underserved and under-resourced communities at every turn. Eviction moratoriums and the chaos produced in their wake are the latest fiasco on legislators' watches.

The recent end to California's remaining eviction moratoriums in some local areas like Berkeley, Oakland, and San Francisco should have been the ultimate reset for many households struggling over the last several years due to COVID pandemic financial hardship. But moratorium expirations are poised to throw more families into despair and poverty – renters and property owners. With presumed fresh starts, why are people still not paying rent? What is the root cause of recent surges in eviction filings and unmanageable backlogs in our court system?

The prevailing backlog of eviction filings in our courts was entirely avoidable. Municipal leaders and legislators had ample time to tactfully modify their local eviction moratorium ordinances in stages and eliminate blanket protections for renters capable of paying rent two years ago. They could have proactively established programs helping renters and rental property owners before ending the moratoriums. Instead, they chose the path of inaction and repeatedly kicked the can down the road. This blatant disregard is not just negligent; it is reprehensible.

In a misguided move, city officials in Berkeley and Oakland allowed external interest groups and self-proclaimed "experts" in housing, like tenant activist and attorney Leah Simon Weisberg, to write their eviction moratorium and tenant protection ordinances without the input of rental housing providers. The fallout and chaos from Ms. Simon-Weisberg's policies have been staggering. It has left hundreds of millions of dollars in unpaid rent in Alameda County, distressed rental owners losing their properties, and a burgeoning backlog of eviction cases paralyzing our courts.

There is zero accountability when bad legislation results in this level of fallout.

In a November 9, 2023, article by the East Bay Times, responding to the current eviction case backlog, Ms. Simon-Weisberg declared, "No one is receiving due process," and "The county has totally failed us." What has failed all of us are her bad housing policies and the righteousness with which she imposes them on struggling communities. No one wins or gets "due process" except the attorney-run nonprofit organizations Ms. Simon-Weisberg leads or influences. There has been no justice or recourse for rental property owners who provided homes during a global pandemic and were coerced into subsidizing households for an unprecedented 40 months when emergency rental assistance funds ran out.

In the same East Bay Times article, Councilmember Carroll Fife appeared with Leah Simon-Weisberg at the November 8 press conference and declared, "It's a factory, and we need to stop it.", referring to the backlog of eviction cases in Alameda County. CM Fife seems to forget that her votes on Simon-Weisberg's policies created the conditions in the "factory" that have led to the loss of small rental property owners during the pandemic, a reduction in affordable housing units, and now the eviction of renters.

A November 7, 2023, Oaklandside report noted Oakland's own conflict of interest tracking system and ethics commission aren't working and it makes transparency, accountability, and enforcement for our city leaders nearly impossible. The web of continued self-dealing by tenant attorney groups and complicit city

council members prompted a complaint filed by EBRHA with the City of Oakland earlier this year. City leaders knew there would be a surge in eviction filings because they created the conditions with their shortsighted and unvetted policies in the first place. Now, they're manipulating the public to advocate for more funding for tenant attorney organizations. It is time the media held City Councilmembers Nikki Bas, Carroll Fife, Dan Kalb, and Rebecca Kaplan accountable for their egregious and irresponsible decisions. Taxpayers, unwittingly bankrolling these attorney-led nonprofit organizations that caused this chaos, should be nothing short of outraged

For over three years, small rental property owners, grappling with non-payment of rent, pleaded for intervention from local legislators and access to resources, only to be met with indifference and neglect by Councilmembers Bas, Fife, Kalb, and Kaplan. These legislators, seemingly under the sway of tenant attorney-led organizations like ACCE and Centro Legal, not only failed to act but, in doing so, created a moral hazard, a mountain of consumer debt, a backlog in our courts, and an eviction filing surge driven by three years of pent-up demand due to enduring moratoriums.

Some crucial notes to underscore are that most eviction filings do not lead to actual evictions (roughly 20%), and renters cannot be evicted for back rent owed during eviction moratorium periods. According to Oakland RAP data, more than 90% of current eviction filings are due to non-payment of rent after the city lifted its moratorium on July 15, 2023. With high inflation and many COVID relief social safety-net programs expired, the most effective solution

lies in directing financial aid to struggling households rather than channeling more dollars into taxpayer-funded tenant attorney organizations—an inefficient and costly route for remedying rental housing disputes. Additionally, the Oakland RAP data for October shows a significant drop in filings compared to the previous two months -- signaling a short-term surge.

We've moved from moratoriums to mayhem. Political leaders endlessly pursuing inept policies that seem to create more harm and crisis - lack of affordable housing, homelessness, drug epidemics, and elevated crime. It's the ultimate manifestation of unintended consequences where policymakers fail to deliver on their promises. Few are ever held accountable for their failures, and this must change. Not only do misguided and unvetted policies rarely reach desired outcomes and goals, but they can also be so dreadful and create intractable and systemic conditions that are hard to reverse. What is the ultimate goal, and does anyone benefit from these unresolved social issues?

The continued non-payment of rent following the expiration of the eviction moratorium is a multifaceted issue resulting from a combination of bad housing policy, misinformed renters, and entitled consumer behavior.

Supporting both renters and housing providers, legislators must focus on developing better housing policies that consider individual economic circumstances of key stakeholders' needs versus a one-size-fits-all approach.

Incentives are needed to create more affordable multi-unit homes, issue emergency housing grants, and preserve ownership of our

legacy housing providers - especially those in immigrant communities and communities of color.

Finding a fitting epilogue to a maze of convoluted policies often at odds with public demand and expectation is difficult. If legislators refuse or are unwilling to address root causes to persistent social issues through comprehensive impact analysis, real housing reform, and renter education, we cannot foster a more equitable and resilient rental housing market. Policymakers must engage a variety of subject matter experts who understand the business of housing and can correctly identify problems and root causes. Understanding the interconnectedness of these critical factors is crucial in developing effective policies that provide stability for both renters and property owners.



We're always sharing the housing perspective with policymakers and the media. Have a story to share or want to submit an opinion piece for publication in our digital magazine? [Email us.](#)



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Why California's Rent Control Can't Stop Rents From Skyrocketing | Dan Yukelson



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Measure H:
Pasadena's New Rent Control and Tenant Protection Law

AAGLA WEBINAR
Tuesday, January 9, 2024
11:00 A.M. - 12:00 P.M.

Featured Presenter

MEASURE H: PASADENA'S NEW RENT CONTROL AND TENANT PROTECTION LAW

JANUARY 09, 2024 @ 11:00 AM - 12:00 AM PST TUESDAY

In November 2022, Ballot Measure H in the City of Pasadena passed by a majority of voters imposing rent control and tenant protection rules on the City's rental housing providers. Under Pasadena's new rent control law, annual rent increases are limited to just 75% of the annual change in the Consumer Price Index (CPI) which CPI will be announced every September 1st by the newly established Rent Control Board. Additionally, any tenant eviction now requires the property owner to provide "just cause" for initiating the eviction process.

Since its passage, Measure H has undergone several updates by the Rent Control Board. Join us for an important, in-depth overview of Pasadena's rent control and eviction protection rules under Measure H from legal expert, Mike Brennan of the Brenna Law Firm.

[CLICK HERE](#)

PART 2
Tenant Screening 101
with CIC Reports

AAGLA WEBINAR
Tuesday, January 16, 2024
11:00 A.M. - 12:00 P.M.

Featured Presenters
CIC
The Power of Statistics

TENANT SCREENING 101 - PART 2: SELECT THE BEST APPLICANTS AND AVOID FRAUD IN YOUR SCREENING PROCESS

JANUARY 16, 2023 @ 11:00 AM - 12:00 PM PST TUESDAY

Have you been considering selling an investment property? Join us in discovering the advantages of Delaware Statutory Trust (DST) fractional property investments. Utilizing a DST enables numerous investors like you to trade their properties for fractional ownership in institutional-quality real estate. Come hear a presentation from the experts at DSTs 1031 Investments – they are acutely aware of the complexities associated with selling appreciated real estate. They are experts at managing capital gain tax deferral on appreciated properties, securing a consistent passive cashflow, and identifying suitable replacement properties within the confines of your 1031 exchange timeline that can pose significant challenges.

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Representing more than **25,000**
members with **676,000** rental units



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of an affiliate

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The Man at the Center of America's Biggest Insurance Crisis.

Ricardo Lara said climate change was a threat in California, then insurers fled the state.

Read more:



wsj.com

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Daniel Yukelson, Executive Director of the Apartment Association of Greater Los Angeles, discusses factors driving rent increases and proposes changes for affordable housing in California. Watch:



youtube.com
Why California's Rent Control Can't Stop Rents From Skyrocketing
Daniel Yukelson, who serves as the executive director of the Apartment Association of Greater Los Angeles, ...

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Let's shift the focus: providing rental assistance prevents defaults and fosters stability. It's about proactive support, not reactive measures.

"[R]ENTAL ASSISTANCE LOWERS THE LIKELIHOOD THAT TENANTS DEFAULT IN THE FIRST PLACE, AS OPPOSED TO MAKING IT HARDER TO EVICT THEM ONCE THEY HAVE ALREADY DEFAULTED"

- DR. BOAZ ABRAMSON, PROFESSOR OF FINANCE, COLUMBIA UNIVERSITY



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Vacancy decontrol allows rental property owners to bring rents to fair market rates when a renter moves out. A 2024 ballot initiative would ban vacancy decontrol and allow local governments to limit the rent that property owners can set for move-ins (vacancy control)

VACANCY DECONTROL V. CONTROL

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