



# **ACTION Apartment Association, Inc.**

## **BREAKING NEWS**

### **SANTA MONICA: RENT CONTROL UPDATE**

On February 17, 2017, Assembly person Richard Bloom, Rob Vonta (Oakland) and David Chiu (San Francisco), together with Senator Ben Allen (Santa Monica), co-authored AB 1506, a Bill to repeal the CostaHawkins Rental Housing Act, 1995. This Bill is the “bedrock” State legislation protecting Small Apartment Owners insofar as it exempted all new construction, condominiums, single family homes and vacancies created after January 1, 1999 from “local Rent Control laws.”

Should the Bloom Bill succeed, and Costa-Hawkins be repealed, it’s anticipated that cities/counties would have the incentive and ability to adopt “oppressive” Rent Control protocols, without any State pre-emption, restrictions or limitations.

As you may recall. Costa-Hawkins provided the following protections:

1. Exempt single family homes and condominiums from Rent Control;
2. Exempt all new construction built after 1995 from Rent Control;
3. Require local Rent Control to permit Owners the unfettered opportunity to offer a vacant unit for rent at Market rates.  
This is called vacancy decontrol.

Simply stated, if AB 1506 succeeds, then single family homes and condominiums would have to register with the municipality. They would be under Rent Control. All new construction, whether it is homes, condominiums or apartments, would fall under Rent Control.

Housing scholars believe that our State-wide housing shortage would become even more desperate as developers and others would seek “investment” opportunities in Arizona, New Mexico, Nevada and perhaps Texas where there is no Rent Control.

There is a housing crisis. Many believe that the oppressive and restrictive Rent Control measures in communities contributed to the problem. Stricter Rent Control is certainly not the answer.

Support your Action Association and leadership. Attend Meetings and contribute to the Political Action Committee. There are many “business friendly” moderate Democrats... Fully appreciate and understand the danger of AB 1506.

Thank you for your continued support.

**ACTION**

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