April 26, 2019

Assemblymember Lorena Gonzalez
Chair, Assembly Committee on Appropriations
1020 N Street, Room 162
Sacramento, CA 95814

Re: SUPPORT for Assembly Bill 1482 (Chiu)

Dear Assemblymember Gonzalez,

On behalf of the Los Angeles Homeless Services Authority (LAHSA), we write in strong support of Assembly Bill 1482 (Chiu), which enacts anti-rent gouging protections for California renters.

LAHSA is a joint powers authority of the City and County of Los Angeles and serves as the lead agency in the Los Angeles Continuum of Care (LA CoC). LAHSA is responsible for funding a significant portion of the interm housing, permanent housing, and supportive services for individuals and families experiencing homelessness in Los Angeles County.

Across California, the burden of the state's affordable housing crisis falls heaviest on those who can afford it the least. Los Angeles County faces a shortfall of 568,225 housing units for the region's lowest-income households, making up a third of the state's affordable housing demand. Nearly all very-low and extremely-low income renters have severe rent burdens, meaning they spend more than half their earnings on housing alone; as a result, these households are left with little to cover basic needs like food, healthcare, and educational costs, let alone savings for an emergency expense. Under AB 1482, California renters are insured against extreme and unplanned rent hikes that can quickly destabilize household budgets and trigger a housing crisis for the most economically at-risk renters.

While more than three million California households face rent burdens, these housing challenges Iom largest for communities of color. Statewide, Black/African American and Latinx households have the highest rate of rent burden across ethnic and racial groups, at 64% and 57%, respectively; for nearly two in five Black/African American renter households, more than half of their incomes are spent on rent. Without viable policy solutions, these racial inequities in the rental market challenge our efforts to reduce the racial inequities in the demographics of the homeless population. Last year, LAHSA convened the Ad Hoc Committee on Black People Experiencing Homelessness to explore the systemic drivers of homelessness that disproportionately affect Black/African Americans. In its findings, the committee recommended robust measures to protect tenants in the private market.

---

1 California Housing Partnership Corporation. (May 2018.) “Los Angeles County’s Housing Emergency and Propose Solutions.”
2 Joint Center for Housing Studies of Harvard University. (2017.) “America’s Rental Housing 2017 – Renter Cost Burdens by Race and Ethnicity.”
3 Los Angeles Homeless Services Authority. (December 2018.) “Report and Recommendations of the Ad Hoc Committee on Black People Experiencing Homelessness.”
Through a statewide anti-rent gouging measure, AB 1482 shields California’s growing renter population from unsustainable rent hikes that not only intensify cost burdens but raise a tenant’s vulnerability to displacement and homelessness. In Los Angeles, a growing number of renters are on that edge. While we have made record gains in housing residents and dramatically reducing the number of homeless veterans and chronically-homeless individuals, those results are tempered by high numbers of new entries into homelessness. According to the count, more than 9,000 adults in the LA CoC reported their first experience of homelessness within the past year, a 16% increase from 2017.\(^4\) Forty-six percent (46%) – or nearly half – attributed their housing loss to economic reasons, including evictions.

At present, rent protections are limited to a small– and in some jurisdictions, shrinking – supply of housing units subject to local rent stabilization measures. In Los Angeles County, only five of its 88 cities and unincorporated areas have a form of rent control in place. Even in these jurisdictions, coverage is limited by state regulations on the type of rental units that are eligible for rent control measures. Taken together, this leaves a large number of renters at high risk of displacement in one of the least affordable rental markets in the country. With AB 1482, all renters in the private market are covered under these protections, regardless of where they live.

AB 1482 offers valuable rent relief and predictability for struggling tenants while ensuring landlords maintain a fair rate of return. As we work together to address housing insecurity and homelessness, we ensure that Californians today remain stably housed. This bill is an important step in that direction. We are grateful for your leadership in addressing the affordable housing crisis and look forward to continuing to work together to ensure all Californians have access to safe, stable, and affordable housing.

Sincerely,

Kelli Bernard
Chair, LAHSA Commission

Peter Lynn
Executive Director

\(^4\) 2018 Greater Los Angeles Homeless Count