



CALIFORNIA ASSOCIATION OF REALTORS®

**STRATEGIES FOR FIGHTING
RENT CONTROL
AT THE LOCAL LEVEL**

*Suggestions for REALTORS® and local Association Staff before,
during and after rent control has been adopted.*

Prepared by C.A.R.'s Local Governmental Relations Division

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INTRODUCTION

As California's housing crisis persists, local governments continue to search for ways to create and maintain affordable housing for their citizens. Often localities turn to rent control to protect tenants from increasing rents.

REALTORS® oppose rent control for a variety of reasons, as outlined below. There are a number of strategies that they can employ to defeat rent control at the ballot box or in city hall. ***However, the best strategy against rent control is a proactive housing program. This requires an understanding of local housing issues, considerable dialogue about housing policies, and constructive involvement in the local political and planning process.***

WHAT IS RENT CONTROL

Rent control is a local or state law that specifies the maximum rent a residential landlord can charge to a tenant to occupy his/her property. Below are some of the specific provisions that may be included in a rent control ordinance:

- *Exemptions:* These are properties that are exempt from rent control law, such as single-family homes or newly constructed buildings.
- *Vacancy Decontrol/Recontrol:* This provision allows property owners to increase rents to market levels for units that have become voluntarily vacant (decontrol); however, in many rent control jurisdictions, once the unit becomes reoccupied, it once again falls under the increase restrictions set by the ordinance (recontrol).
- *Just Cause for Eviction:* State law governing termination of tenancy allows a landlord, in most cases, to terminate a month-to-month tenancy without cause, provided that a 30-day notice is given. (California Civil Code, Section 827). However, most rent control ordinances contain additional provisions that specify the conditions under which a property owner may evict a tenant.

The landlord must state and prove a valid reason as specified in law for terminating a month-to-month tenancy. Some reasons might include: a tenant has refused to pay rent, has damaged the property and refused to pay for damages or has violated specific terms of the rental agreement. In some rent control ordinances where the tenant is asked to relinquish the unit due to major reconstruction or demolition, the law may require that the tenant be given the right of first refusal to reoccupy the unit or be given relocation assistance.

- *Condominium Conversion Bans:* In order to maintain their stock of rental housing, many rent control communities restrict the conversion of

apartments to ownership condominiums. Some communities place outright bans on conversions. Others impose annual quotas on the number of units that may be converted. Some communities impose difficult zoning and building code standards, which make conversions prohibitively costly and impractical for building owners.

- *Rent Increases:* Almost all rent control ordinances have provisions regulating the conditions under which a property owner may raise the rent, as well as mandating the limits of that increase. Often the increases are tied to the cost of living index or a similar index. A connection may also be drawn between the profit that the owner is making on the property and the amount that rents may be increased. Included also are provisions regarding the ability of an owner to “pass-through” the cost of capital improvements to the tenant. Often, landlords are allowed a specified annual increase, usually well below the market rate, and additional increases must be submitted to the city council or a rent arbitration board for formal review and approval.
- *Rent Notification/Registration:* Some rent control ordinances impose an extreme burden on landlords by requiring them to notify a Rent Board of every rent increase or tenant change. They also require landlords to register every new tenancy.
- *Arbitration and Mediation Boards:* Some rent control legislation calls for a group of people, such as a board or council to evaluate requests for rental increases and mediate disputes between landlords and tenants.
- *Administrative Costs and Fees:* Rent control ordinances impose a burden on landlords by requiring them to pay fees and procedural costs, which cover a significant percentage, if not 100 percent, of the costs of administering the program.

WHY DO REALTORS® CARE?

Because rent control is directed at the rental housing market, it is fair to ask the question, “Why do REALTORS® care?” Since many REALTORS® have no involvement in the rental market, they may fail to see the connection.

However, rent control impacts all REALTORS® in the community, regardless of their specialties. Of course, there are the obvious reasons why REALTORS® should care. Those who are involved in property management or the sale of rental property have a vested interest in the government’s ability to regulate their, or their client’s, rate of return.

Rent control also impacts other REALTORS®, as well the community at large. It affects the value of adjacent property and the overall appearance of the

community. It adversely impacts investment and tax revenue generation in the community. It hurts the local economy. It is also a symptom of a larger problem—the lack of affordable housing units, which has great implications for everyone. Renters who struggle with their monthly payments, may never be able to save enough money to buy their own home.

These issues and many others, all of which are explained in detail in this handbook, should prompt REALTORS® to be concerned about rent control and to take an active role in influencing the public debate about this controversial policy.

PROACTIVE STRATEGIES

The best strategies against rent control are proactive. Once residents begin to make complaints about rising rents, it is often very difficult to persuade elected leaders to consider solutions other than rent control. Should a rent control proposal qualify for the ballot, or an ordinance for city council approval, the difficulty of overcoming public sentiment becomes, in many cases, insurmountable.

However, REALTORS® can take several steps to help prevent rent control from ever being considered.

Get involved in your community. If you wish to be an effective force in the decision making process of your community, it is imperative that you take an active role in shaping housing policies. As REALTORS® you know the housing industry and its issues. You have the ability to offer valuable input on various housing policies in your area. In addition to that, your position as an active member of the business community enables you to add another vantage point to many of the issues. Get involved with your Chamber of Commerce, Rotary Club, homeowner's groups, business groups and basically any club or organization that you care to join. The goal of community involvement is to become known as a credible, productive member of your community, and to avoid having REALTORS® being labeled as a "one issue" organization.

Get involved early. ***There is no substitute for early involvement!*** Early involvement allows you to anticipate, prepare for and respond to controversies BEFORE they get to the ballot or the city council agenda, and before they become emotionally charged.

Participate in local commissions and task forces. Once you get involved, stay involved:

- You can influence the debate about local issues by having REALTORS® sit on local commissions and task forces.

- If your city government has not created such a commission or task force, take the initiative and suggest that one be formed.
- Participation in these forums is the best way for REALTORS® to get involved in the dialogue early and counter the influence that local government staff and opposition forces may have over elected officials.
- Remember to stay calm and know the dynamics of the issue. Do your best to avoid letting the issue become emotionally charged.

Establish a base of allies and a network of friends. Identify a group(s) that will be on your side of the issue. Some potential allies include:

- apartment owners
- commercial and single family property owners
- builders/developers
- lenders
- business owners

Get REALTORS® elected and appointed to local office. *Having REALTORS® appointed to planning commissions or elected to city council provides the best assurance that your voice will be heard on important issues.*

Develop Relationships with local officials. It is important to develop historic relationships with local officials before controversies reach their high point to ensure that you will have an open ear. Ways to develop productive legislative relationships are:

- Host a "meet and greet" reception for local officials at your Association headquarters.
- Invite government officials to speak to your membership on particular issues
- Have a regular presence at local government meetings
- Place your Association on local elected officials' mailing lists.
- Always follow through with officials after a decision has been made, especially if the decision was favorable.

Don't forget about staff. *Government staff influences elected officials as much, if not more, than anyone else.*

- Staff prepares reports, studies and analyses of important issues.
- Elected officials often educate themselves by reviewing the information they receive from staff.
- REALTORS® must maintain open lines of communication with staff to ensure that it provides objective information to elected officials.
- Similarly, it is important to have open lines of communication with elected officials, in the event that staff does not share the REALTOR® point of view.

Keep updated on current events. Keep abreast of current events for significant signs of tenant concerns, affordable housing shortages, and any other major change in the rental housing market. Monitor news concerning rental housing, including disputes over maintenance and rent levels.

Get involved in the local housing element process. The housing element is the community's blueprint for housing policies. It is updated every five years, which gives community members (including REALTORS®) the opportunity to provide input. By reviewing and commenting on the housing element, REALTORS® can suggest policies that will enable the community to meet the housing needs of its residents, which may make rent control unnecessary.

Provide alternatives. Recognize or acknowledge that rent control is not the solution. The rental housing shortage is the problem. Lack of a proactive housing strategy is also the problem. Communities have at their disposal a number of strategies besides rent control that can help to keep housing affordable for renters. ***REALTORS® should make a conscientious effort to pursue a proactive affordable housing agenda before rent control ever comes to the table.***

Communicate with all landlords and property managers regardless of affiliation. Often, a few bad eggs can spoil the political environment for everyone. If one or two landlords are charging exorbitant rents, this may be enough to incite calls for rent control, even if a majority of landlords are charging reasonable rates.

In these situations, it is imperative for REALTORS® and landlords to discuss the issues among themselves and apply some "peer pressure" to keep rents to a reasonable level. ***Landlords should be willing to exercise restraint voluntarily, especially when presented with the alternative (i.e., rent control).***

Be sensitive to the community's affordable housing needs. The label of "greedy landlord" is difficult to shed. By understanding the complex issue of affordable housing and offering solutions that suit the community's needs, REALTORS® and landlords will present their sincere interest in solving this difficult problem.

Hire professional help. There are many professionals who specialize in affordable housing issues and who can help REALTORS develop a proactive housing strategy for their community. Professional consultants can help you analyze the housing needs of the community and suggest proposals to address those needs.

ALTERNATIVES TO RENT CONTROL

Creating more affordable housing. Ultimately, rent control is an affordable housing issue. Local governments can take a number of steps to help the market provide more housing and housing that is more affordable to local residents. REALTORS® should take an active role in the housing element process, and suggest policies that will help the city meet its long-term affordable housing needs.

Housing friendly policies. High rents can be seen simply as a symptom of an imbalance of supply and demand. For cities with restrictive growth policies, however, this can be a complicated problem. Policies that make it difficult for more housing to be constructed, inadvertently limit supply, crippling the market's ability to meet demand. A number of factors can combine to help a community meet its affordable housing needs. These include a streamlined permitting process, infill development, building rehabilitation, up-zoning and a generally more friendly and farsighted approach toward growth, development and housing.

Rental assistance programs. In communities where the market has driven up rental prices, local governments can enact various programs to assist people who need rental housing. Many non-profit organizations, as well as the state and federal government, provide funding and administrative oversight of programs that offer security deposit guarantees for people who need help getting into rental housing.

Non-binding rental mediation. Often the city may be willing to test a mediation process short of adopting rent control. A voluntary, self-policing process will be most appealing to landlords, and less expensive to the city. On the other hand, even a city-sponsored mediation procedure is better than outright caps on rents.

DISCUSSING THE CONS OF RENT CONTROL

REALTORS® should avoid discussing rent control based on a private property rights perspective. The argument is not persuasive. Instead, they should emphasize the negative effects that rent control will have on jobs and sufficient housing in the community.

- Builders and investors of multi-family housing steer clear of cities with stringent rent controls because of the limits on potential returns. Rent controls discourage private-sector capital investments in rental units, reduce the number of rental units and increase the competition for available housing while the absolute rental housing population continues to increase. Thus rent control exacerbates the housing crisis in the cities where it is imposed.

- Rent Controls can cause the deterioration of existing housing that have restrictions. Providers faced with declining revenues are forced to substantially reduce maintenance. By reducing the return of investments in rental housing, rent control can lead to a drop in the quality and quantity of the existing stock of rental housing.
- Rent control has caused many property owners to 1) convert their units into condominiums or 2) occupy the units themselves.
- Rent controls can contribute to declining property values, which reduces local property tax base. Rent control reduces the incentive for the maintenance of, and investment into, existing rental housing, which consequently lowers their property values. By eroding the property values, it also lowers the community's property tax base.
- Rent controls shift the burden of property tax from rental to owner-occupied housing. In order to maintain the level of revenue generated from property taxes, homeowners are forced to bear a greater tax burden. Therefore, not only are property owners subsidizing renters, but additionally, through the shifting property tax burden, homeowners are also compensating for the tax losses.
- Instead of focusing on positive, proactive solutions to a community's housing issues, rent control policy shifts the discussion to a negative format.
- Rent control unfairly places the burden of affordable housing on landlords, labeling them as culprits. Affordable housing is a reflection of the local economy and its housing market, which encompasses a number of different factors. Affordable housing is a community wide problem, and there are a number of other, more equitable steps a community can take to address it.
- Rent Controls have substantial administrative costs that can outweigh any short-term benefit of rent regulation. They require the creation of an elaborate bureaucratic system. Rental property must be registered; detailed information on the systems for determining rents and hearing complaints and appeals must be established. The associated costs in dollars and time fall not only on providers, but also on taxpayers and municipal authorities.
- Despite the fact that rent controls are usually set in place to assist very low income renters, it is the middle-class individuals and families who benefit from them the most. The beneficiaries of rent controls are often predominantly white, well-educated, young, professionally employed and affluent people who are by no means struggling with poverty.

- Rent control may result in a life estate. Therefore, it is more difficult to buy and sell property, and extremely difficult to occupy your own property under rent control.
- Rent control causes less turnover in the housing stock. People get a rent controlled unit and they do not want to give it up. Often, they will sublet it to a family member or a friend. Units are not made available for the most needy people.

WHAT PROPONENTS OF RENT CONTROL ARGUE

It is important for REALTORS® and their allies to anticipate the arguments that rent control proponents use. By staying informed of these and other arguments, REALTORS® can prepare to convey their own message:

- Rent control puts a stop to unfair rent prices that far exceed the market rate.
- Rent control is necessary because specific abrupt, unplanned and insensitive actions of landlords tend to cause immediate displacement of rental households.
- Rent control helps introduce stability to rents and to the local housing market.
- Rent control puts a stop to price gouging.
- Rent control helps provide and maintain affordable housing in the community.
- Rent control helps prevent homelessness.
- Rent control provides protection to the most vulnerable residents of the community—the elderly, the poor, the disabled, and those who are otherwise unable to move.
- Rent control is a fair and justifiable government intervention into the market place because the market place does not and cannot respond to the needs of the poor.
- Rent control is good for the local economy because most low-wage workers are renters, and employers may choose to locate elsewhere if their workers cannot afford to rent in the community.

C.A.R.'S POLICY ON RENT CONTROL

The California Association of REALTORS® is opposed to rent control in any form. REALTORS® believe that rent control is a socially, politically and economically counterproductive policy response, which lowers housing affordability and availability, property maintenance and values. Rent controls discourage investment in rental housing construction, forces landlords to reduce maintenance of rental housing, and acts as a major negative stimulus to expanding or sustaining rental housing. Rent controls also lower property values and erode property taxes. Given the entrenched nature of rent control in some communities within the state, the Association believes that state legislative regulation limiting the scope of local rent regulations is warranted.

DISCUSSING RENT CONTROL AT CITY HALL

Develop a Strategy. Defeating rent control at city hall demands an organized and focused strategy, with the help of professional consultants. It requires an extensive use of community contacts and established relationships with legislators and government staff, as well as a strong comprehension of the issues. The ultimate strategy will depend on goals, target audience, approach, and the resources that are available.

Organize. One of the greatest strengths of a successful campaign against rent control is organization. Organization will enable you to adopt and execute a strategy that clearly delivers the proper message. To develop a well-organized plan:

- Clearly identify the problem and evaluate your options.
- Determine your position and goals
- Develop a consensus with your Association
- Determine how you want to achieve your goals
- Identify resources that will help you implement your strategy.
- Organize with allies (apartment owners, homeowners, builders, lenders, business owners).
- Accumulate facts and information
- Develop position papers. Be able to communicate your coalition's position to everyone and answer any questions they may have.

Develop a message. *This is the most important part of the process!!!*
Follow these simple steps to make sure you get your message across in a way that benefits your ultimate objective:

- Determine how you want to convey your position to the city or county, the electorate, and the media.
- Keep your message succinct, simple and easy to understand.
- Your message should convey the positive points of your position.

- Stick with your message throughout your campaign. **Tactics.**

How will you convey your message? Consider these scenarios:

- If you need to lobby city council on an ordinance proposal, you will need to attend city council hearings and take other important steps to make your case. (See below.)
- If you are trying to counter momentum in support of a possible ballot measure, you may want to conduct a public education campaign, including letters to the editor of the local newspaper or maybe a town hall forum with elected leaders.
- Your tactics will depend primarily on what your target audience is and what it is that you are trying to communicate.
- Educate landlords concerning strategies so they can help convey a consistent message.

Identify Targets. Who you are targeting will help you determine what approach to take. Who are you attempting to influence:

- legislators
- local government staff
- planning commissioners
- property managers and landlords
- homeowners
- voters
- all residents
- business owners

Establish a base of allies. Identify a group(s) that will be on your side of the argument. Some potential allies include:

- landlords
- commercial and single family property owners
- builders/developers
- lenders
- business owners

Know the issue. The city council members will be looking to you for information; you must be prepared. You will need to research and analyze the proposal and specifically highlight the workability problems that rent control will pose for your industry.

Work with a professional consultant. Professional evaluation of the electorate's voting pattern, rental housing availability and message delivery will greatly contribute to the success of your efforts.

Work with government staff. Organize your efforts and key into public hearings, meetings, and scheduled sessions with the policy makers. Be ready to answer questions and analyze policy for them.

Furnish position papers. Provide professionally written white papers that show the negative effects of rent control on the entire community. Include, facts and credible material.

Make a case. Obtain copies of articles, studies, copies of testimonies, and other information that is pertinent to your case.

Furnish some alternatives to rent control. Make a strong case showing that rent control is not the answer to the problem. If the city has been involved in efforts to pursue other programs and policies that could alleviate the problem, be sure to highlight them. Emphasize the negatives of rent control, and contrast them to the positives of the alternatives.

Suggest a mediation process. Often the city may be willing to test a mediation process before adopting rent control. A voluntary, self-policing process will be most appealing to landlords, and less expensive to the city. A city-sponsored mediation procedure is better than rent control.

Community support. Ask supporters who have been unable to attend public hearings to furnish written letters. Highlight constituent support for your position, showing elected officials that there are more citizens concerned than just the few that join specific (tenants' rights) groups.

Individual meetings are absolutely necessary. Set up meetings with policy makers to facilitate one-on-one conversations and to ascertain their stance on the issue. This will enable you to analyze your "votes" and determine your strategy.

Map out the political dynamics.

- Know what the political feasibility is of achieving your goals.
- Do you have the votes and what will it take to get them?

Analyze your policy makers. Determine their stance on the issue, the pressures facing them, their position towards your opposition. You may need to offer them the justification they will need to defend their position to their constituents.

Bring a crowd of people to the vote. Bring a crowd of supporters to the vote. Make sure you articulate your position. This can have a considerable visual

impact, since the city council will recognize its constituents. This could serve to sway some elected officials should they witness an impressive turnout.

DEFEATING RENT CONTROL AT THE BALLOT BOX

Organize. The greatest strength of a successful campaign against rent control is knowledge and organization.

- Develop a consensus
- Determine your position and goals
- Determine how you want to achieve your goals
- Identify resources that will help you implement your strategy.
- Organize with allies (landlords, homeowners, builders, lenders, business owners).
- Involve every landlord and property manager.
- Continually accumulate facts and information.
- Develop the message. Be able to communicate your coalition's position to everyone and answer any questions they may have.

Hire a consultant.

- Ballot measure campaigns are tricky business, and one best left to professionals.
- Hiring a consultant to help conduct a campaign will place the important decisions in the hands of someone with experience and take the pressure off of volunteers.
- Volunteers (e.g., REALTORS®) can contribute in many other valuable ways.
- There are many consultants who specialize in local ballot measure campaigns, in general, and rent control measures, specifically.
- Make sure you retain a consultant who has a successful track record, experience with the kind of campaign you are engaged in, and is familiar with your issues.

Polling.

- Conducting polls to determine the electorate's attitude about the issue will help you craft a message and a strategy for communicating it.
- Professional consultants will know how to conduct a poll, or may refer the task to a polling specialist.
- Your input in the development of the questions, and analysis of the results, will be invaluable.

Develop a message. ***This is the most important part of the process!!*** It must capture the voter's attention while making a meaningful and credible point.

Although it would be unrealistic to deny economic reasons for which REALTORS® generally oppose rent control, those interests should play a small role in your campaign. Your industry allegiance should take second place to the allegiance that you hold to the community, and your campaign should focus on a message with which the entire electorate can identify.

Also, do not point to other jurisdictions that have rent control. Stay focused. Talk in terms of the impact rent control will have on your community.

- Keep your message succinct, simple and easy to understand.
- Your message should convey the positive points of your position.
- Determine how you want to convey your position to the electorate.
- Stick with your message throughout the campaign.

Communicate your message. There are number of venues for you to communicate your message. So-called "earned media" (free) includes:

- Editorial boards
- Letters-to-the-editor
- Opinion editorials

You may also want, or have, to incorporate paid media in your campaign:

- Direct mail brochures
- Paid advertisements in print and digital media
- Paid advertisements on radio

Use IMPAC. To help defray your costs, you should consider using local IMPAC funds and consider applying to the State IMPAC Trustees for additional funding. Please see [State and Local IMPAC](#) to find out more.

TIPS FOR HIRING PROFESSIONAL CONSULTANTS

If you are faced with an impending ballot measure campaign and your Association plans to take an active role in this campaign, you will want to hire a professional consultant to organize and lead the campaign effort. While consultants may be viewed as expensive, they will bring the kind of expertise to your efforts that will lead to a successful campaign. Hiring the right professional requires careful consideration. Coordinate with others who share your philosophy, and follow these steps when choosing a consultant:

Take multiple bids: Take bids from several consultants to give yourself more choices.

Interview all candidates:

- Set up a review process
- Appoint a committee of people from your Association or the campaign
- Carefully consider each candidate.

Ask consultants about their track record: When you are evaluating consultants ask them about:

- their past experience on similar campaigns
- their **success** ratio on similar campaigns

Never hire an in-experienced consultant or one with a losing record.

Ask consultants about their knowledge of the community: A qualified consultant will be knowledgeable about:

- local issues
- local politics
- influential people in the community

Ask consultants about strategy:

Does the consultant intend to use earned media?

- Editorial boards
- Letters-to-the-editor
- Opinion editorials

Paid media?

- Direct mail brochures
- Paid advertisements in print or digital media
- Paid advertisements on radio

In terms of strategy, also consider whether the consultant:

- has access to accomplished pollsters
- has access to affordable printing houses, in the event of a direct mail campaign
- intends to use grassroots techniques, such as phone banking and get-out-the-vote (g-o-t-v).

A good consultant will have thought about all of the above and have some very concrete ideas about which methods to use.

Compare Rates. Ask consultants:

- How they structure their rate
- If there are additional charges if the campaign is successful.
- If services, such as polling and printing, are included.

Once you get a full explanation of how each consultant calculates their charges, you can make a comparison of how much each will cost you and evaluate them based on your campaign budget.

Consult with other clients:

- Ask the consultant for a list of other clients
- Contact the clients to get their feedback.

WHAT TO DO WHEN RENT CONTROL IS ALREADY IN PLACE

Ironically, rent control proponents claim that it is a “temporary” policy to help address a housing emergency. However, history has shown that once rent control is in place, it is very difficult to change. Once tenants enjoy the benefits of rent control, they make it very difficult to repeal rent regulations.

Outright Repeal. There are only three possible methods of repealing rent control:

- Working with the local elected body.
- Seeking passage of a repeal initiative through the ballot box.
- Fair Property Rights Initiative (see below).

Legal Challenges. There have been countless legal challenges to rent control laws, they have a very small rate of success. Legal challenges on behalf of a particular property owner who is aggravated by the decision or who complains about financial hardship may be effective on an individual basis. *Note: **In California, few local rent control ordinances have ever been significantly scaled back due to a successful legal challenge.***

Gradual Phase Out. A gradual phase out will occur in instances where the local elected body adopts a permanent vacancy decontrol provision. Permanent vacancy decontrol will, over time, release the rental housing stock to compete in the market as tenants voluntarily vacate the units.

Los Angeles County began phasing out rent control in 1981. In 1985, Los Angeles County rent control was completely phased out. The phase out began when the landlords were given the authority to increase the rents to market rates on the last day of the anniversary month in which the tenant originally moved into the unit.

JURISDICTIONS WITH RENT CONTROL

Cities With Rent Control

Berkeley
Beverly Hills
East Palo Alto
Fremont
Hayward
Los Angeles

Los Gatos
Oakland
Palm Springs
San Jose
Santa Monica
West Hollywood

Counties

San Francisco

EXISTING LAWS ON RENT CONTROL

Costa-Hawkins Act

California Civil Code 1954.50, created by Senator Jim Costa (D-Fresno) and Assemblymember Phil Hawkins (R-Bellflower) in 1995. This bill was sponsored by C.A.R. It dramatically changed local rent control ordinances. Under Costa-Hawkins rents may be raised to market value when tenants move out. The law also provides an exemption for single-family residences and all new construction. Finally, landlords are allowed to sublet their units without restrictions during the entire term of the sublease.

The law applies to residential real property, for which the owner has a certificate of occupancy before February 1, 1995. The law does not apply to mobile homes or mobile home park owners.

Ellis Act—Rights of Owner Occupants

California Government Code Section 7060 et. Sec. is known as the “Ellis Act.” It was sponsored by C.A.R. several years ago in response to a landmark court case. This law allows cities to require a property owner in rent controlled jurisdictions to provide the appropriate public entity and affected tenants with a notice of the landlord’s intention to withdraw the property from the rental market and to occupy the property 120 days after delivery of the notice. Moreover, if a tenant is 62 years of age or older, or is disabled (as defined by federal law), and has lived in the property for at least one year prior to the date the owner delivers the notice to the public entity, then that tenant may remain in the property for one year following the delivery of the notice. This is subject to the condition that the tenant complies with the terms and conditions of the contract. Finally, if a property owner withdraws property from the rental market and then offers it again for rental within two years, local laws can make the owner liable for actual damages and punitive damages, can compel the owner to offer the property to the displaced tenant

prior to offering it to others. The city also can make the property subject to any rent control ordinances in effect at the time the property was withdrawn from the market.

Many rent control jurisdictions require owners to pay relocating costs and withdraw all of the units from the rental market, in order to take a unit off the rental market.

Fair Property Rights Initiative

The concept of a fair property rights initiative is a political strategy designed to prevent rent control or to repeal an existing rent control law. The law states that property owners have the sole right to establish the price for which their property is sold, rented, leased, transferred or exchanged. Since local laws vary, the wording of the law must be tailored as needed.

Passage of a fair property rights initiative is very difficult. Absolute care must be taken when assessing the viability of this type of campaign. These campaigns have been proven to be difficult and costly. **In the past many have resulted in a negative political environment with negative sentiment against the real estate industry. A political analysis is highly recommended, before considering a fair property rights initiative campaign.**