

June 13, 2019

Re: Bill to Cap Rents Statewide - AB-1482

Dear Senator Archuleta,

On behalf of the National Multifamily Housing Council (NMHC), National Apartment Association (NAA), Nareit, Mortgage Bankers Association (MBA), California Mortgage Bankers Association, Institute of Real Estate Management (IREM) as well as local IREM affiliates including chapters in the California Central Coast, Sacramento Valley, San Diego, San Francisco Bay Area, Greater Los Angeles, Orange County, San Joaquin and Southern California Inland Empire, we are writing to express our collective opposition to AB-1482, a measure which would impose rent caps on property owners. Enactment of this legislation would curb the building of housing in California, thereby contradicting its stated purpose of solving the housing affordability crisis.

A growing number of families in California are struggling to find housing they can afford, driven by a shortage of 3.5 million homes. Research based on real-life examples here in California has shown that rent control exacerbates housing shortages and disproportionately benefits higher income households – ultimately hurting families that need the most help.

Moreover, the California Legislative Analyst's Office found that expanding rent control could cost the state hundreds of millions of dollars annually, mostly through lost property values. That is why California voters overwhelmingly rejected a ballot initiative in 2018 that sought to expand rent control throughout the state.

To tackle the housing affordability crisis, we need public-private partnerships to help bring the price point down to create more affordable housing, more supply overall to address the critical housing shortage, including by reducing the regulatory cost of building a home, and an increase in direct assistance to renters. It's more effective to tie assistance to a renter rather than a rental unit.

We look forward to working together to put forward sound housing policies that address both affordability and availability. We urge you and your colleagues to reject antiquated policies like price controls and pursue evidence-based alternatives.

Sincerely,

Doug Bibby, President
National Multifamily Housing Council

Steven A. Wechsler, President & CEO
Nareit

Bob Pinnegar, President/CEO
National Apartment Association

Robert D. Broeksmit, CMB, President &
CEO
Mortgage Bankers Association

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Vanessa Honey, CPM®, President
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Amy Martin, CPM®, President
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Jeanette Ruscitti, CPM®, President
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