

# Assembly Bill 1157

## The Affordable Rent Act

Assembly Member Ash Kalra

### SUMMARY

Assembly Bill (AB) 1157, the Affordable Rent Act, will build on the Tenant Protection Act by lowering the amount rent can increase annually to Consumer Price Index (CPI) +2% or a maximum cap of 5%, expanding the “just cause” and “rent cap” to all rental homes (not including new development within the last 15 years), and removing the Act’s sunset date.

Over the years, the cost of rent has continued to increase, making it unaffordable for many working families. California is home to roughly 17 million renters, which makes up 44% of the state’s population and makes it the second-largest state for renters in the country. Too many Californians are rent-burdened, placing them at risk of housing instability and homelessness. AB 1157 will help stabilize rents for Californians and extend tenant protections to all tenants.

### BACKGROUND

California is amidst a growing housing crisis with many Californians struggling with the high cost of housing. A California Budget and Policy Center report stated that even before the pandemic, over half of renters were cost-burdened (paying more than 30% of their total income in rent), and the other half of renter households were severely cost-burdened (paying more than 50% of their income in rent). Cost-burdened families are at greater risk of becoming homeless or facing housing instability.

For many of these same renters, the COVID-19 pandemic, job losses, and natural disasters hit them the hardest. Oftentimes, they have been unable to recover from the economic loss and have been forced to make adjustments to support their families, such as taking low-wage jobs, which only exacerbates their inability to afford rent. This puts further financial strain on paying utilities, health care, groceries, and other necessities.

In 2019, California passed the Tenant Protection Act (TPA) which delivered critical protections for some renters and established the state’s first-ever “rent cap” and “just cause” for evictions. Despite these measures, the current “cap” remains unsustainable for many renters. For example, the 2024 CPI has increased throughout the state, placing the allowable rent increases between 8.6% (San Diego County) to 9.3% (Riverside and San Bernardino County). These increases can average about \$100 to \$200 or more per month for California renters.

Additionally, while the TPA created rent gouging and eviction protections to existing tenants across the state, landlords are still able to increase to up to 10% per year. Parts of California that were once considered affordable for families to rent have seen some of the biggest rent increases. According to [data sourced from the Zillow Rent Index](#) observing 2020 to 2023, rent has increased nearly 40% in many cities since the pandemic. For instance, in Santa Maria, rent increased by 40.9%, in Bakersfield by 39.4%, in Fresno by 38%, and in Riverside by 37.5%.

Furthermore, although California has established housing programs to help unhoused individual exit homelessness, others continue to be pushed into homelessness each year by rising housing costs in a constant revolving cycle. While thirty-five jurisdictions in California have established stronger rent controls than TPA, these tenant protections need to be extended to all Californians. Stabilizing the rental market will help keep tenants in their homes and take a preventative approach to address the growing homelessness issue in California.

### SOLUTION

AB 1157, the Affordable Rent Act, will protect tenants across the state by lowering the rent cap, expanding the Tenant Protection Act to all renters in California, and removing the sunset to help stabilize skyrocketing rent increases for all California renters.

Specifically, the bill will lower the rent cap to the CPI +2% or a 5% maximum, whichever is lower. By adjusting the rent cap, tenants will be able to afford the rent and be able to place food on the table. In addition, expanding the Tenant Protection Act of 2019 to all rental housing will ensure that all renters in California are afforded the same tenant protections. Lastly, AB 1157 will remove the sunset date to ensure tenants of California will continue to have rent caps and just cause protections.

As the cost of living continues to rise, renters should not have to choose between keeping a roof over their heads and feeding their families. AB 1157 will create meaningful action to help address the housing affordability crisis and reduce the chance of families being pushed into homelessness by high housing costs.

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