



AISHA WAHAB

CA STATE SENATOR • 10TH DISTRICT



Senate Bill 466

Costa-Hawkins Reform

Senator Aisha Wahab, D-Hayward

SB 466

SB 466 seeks to reform, not abolish, the Costa-Hawkins Rental Housing Act.

After multiple efforts to shift power imbalance between the 16.6 million renters and their landlords, SB 466 amends Costa-Hawkins to help the lowest income earners.

- Primarily, SB 466 seeks to remove the State's prohibition of local control on complexes that have been developed post-1995.
- Under SB 466, the reforms to the Costa-Hawkins Rental Housing Act, will allow all property owners to establish rental rates during the first 15 years after a residential real property has been issued a certificate of occupancy.
- After the 15 years, SB 466 allows local jurisdictions to pass and enforce rent controls on local properties as they see fit.

SB 466 strikes a reasonable compromise. It addresses the affordability crisis by allowing local governments to pass policy that will reduce homelessness and keep lower-income people housed, while protecting a landlord's and developer's profit on their investment.

ISSUE

California has roughly 16.6 million renters living in about 5.7 million rental units.

- California is home to more than 50% of the nation's homeless population, many of whom receive some form of income.
- **Only 15 cities** have rent control; roughly 700,000 units (*Source: Terner Center for Housing Innovation*)

- Only 18% of California households can buy a home. (*Source: Terner Center for Housing Innovation*)
- Over 50% of renters and 80% of low-income renters are rent-burdened, meaning they pay over 30% of their income towards rent. (*Source: Terner Center for Housing Innovation*)
- Costa-Hawkins also prohibits local governments from passing and enforcing rent control on developments post-1995, and further limits cities that have passed rent control ordinances that were passed prior to 1995.
 - Example: Hayward passed rent control in 1979, San Francisco in 1978, and are unable to enforce rent control in properties developed after 1979.

Reforms to the Costa-Hawkins Rental Housing Act are needed.

SOLUTION

- Remove the State's prohibition of local control on complexes that have been developed post-1995.
- Allow all property owners to establish rental rates during the first 15 years after a residential real property has been issued a certificate of occupancy.
- After the 15 years, permit those properties to be eligible to local rent control laws.

SUPPORT

- AIDs Healthcare Foundation (Co-Sponsor)