

Berkeley Housing Authority

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Office of the Executive Director

Item 6B <u>NEW BUSINESS</u> AB1482, TENANT PROTECTION ACT of 2019 LANDLORD LETTER APRIL, 18 2024

To: Honorable Chairperson and Members of the Berkeley Housing Authority Board of Commissioners

From: James Williams, Executive Directo

Subject: AB 1482, THE TENANT PROTECTION ACT OF 2019 – LANDLORD LETTER

Oral Report

Attachments:

1. BHA - Landlord Letter





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Dear Distinguished Landlord,

On January 1, 2020, Assembly Bill No. 1482 ("Bill"), also known as the Tenant Protection Act of 2019, went into effect and imposed caps on contract rent increases for properties within the State of California that are not exempt by the Bill (link to Assembly Bill No. 1482:

https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1482).

On February 11, 2020, the Legislative Counsel Bureau provided a position statement to all Public Housing Authorities ("PHAs") which stated that both Project-Based Voucher ("PBV") and Housing Choice Voucher ("HCV") units were exempt from this Bill. Therefore, PHAs in the State of California did not enforce the Bill, nor impose caps on contract rent increases.

However, on June 29, 2023, all PHAs within the State of California were informed by Attorney General Rob Bonta that while PBV units are exempt, HCV units that are not subject to a regulatory agreement with a government agency **are not** exempt from this Bill since HCV units are not restricted as affordable units (link to the Attorney General's website: <u>https://oag.ca.gov/home</u>).

Berkeley Housing Authority ("BHA") reached out to legal counsel to review and provide a legal opinion. BHA also reached out to the Department of Housing and Urban Development ("HUD") Field Office to understand HUD's position on the matter and continued to deliberate its options and understand its ability to enforce the Bill.

Finally, on February 9, 2024, the BHA along with other PHAs in California received a letter from HUD Principal Deputy Assistant Secretary Monocchio in which HUD agreed with the Attorney General that HCV units not subject to a regulatory agreement with a government agency are not automatically excluded from the Bill due to the nature of the HCV program. The letter from HUD advises PHAs to implement this Bill and alert HCV owners when a rent increase is received that violates the Bill's requirements.

As such, BHA is reaching out to you to inform you that effective April 1, 2024, all contract rent increases for HCV units not subject to a regulatory agreement with a government agency will need to comply with Assembly Bill No. 1482. If the BHA receives a contract rent increase for an HCV unit not subject to a regulatory agreement with a government agency that violates the rent control requirements of Assembly Bill No. 1482, BHA will alert you of the violation and explain the applicability of Assembly Bill No. 1482 so that you may revise your contract rent increase request to comply. Please note that this is in addition to the current rent reasonableness requirement.

In short, this means that BHA will reject contract rent increases for private market landlords that exceed the current maximum under AB1482. You can calculate the maximum allowable contract rent increase here: https://caanet.org/topics/ab-1482/.

If you have any questions about Assembly Bill No. 1482 itself, please contact the Attorney General's Office (link to the Attorney General's contact information: <u>https://oag.ca.gov/contact</u>). As this is not just a requirement for the HCV program, you may want to review the Bill to ensure compliance with your other units. As an aside, there are other provisions of the Bill that you may want to review such as ones effecting evictions.

We appreciate your cooperation and continued participation in the Housing Choice Voucher program.

Sincerely,

The Office of the Executive Director

Berkeley Housing Authority