

Attack on Vacancy Decontrol!
Assembly Bill 1506 wants to Repeal Costa Hawkins Act

If Costa-Hawkins is repealed, each city and county in California would have the ability to adopt rent control measures without any limitations. Santa Monica will revert to NO Rent Increases upon vacancy in a Nano Second.

The current law provides for "vacancy decontrol" and allows us to increase rents to fair market value upon voluntary vacancy. For those of you who remember what happened in 1979 when Santa Monica implemented the most onerous rent control in the Country, this is frightening! Values dropped and we dealt with the most unreasonable Rent Control Board ever.

If you do not remember what it was like under the old regime, I hope that you never will live under rent control without the ability to raise rents.

On Friday, February 17, the last day for a bill to be introduced in the California State Legislature for 2017, Assembly members Bloom, Bonta and Chiu introduced AB 1506 a bill to repeal the Costa-Hawkins Rental Housing Act. The Costa-Hawkins Rental Housing Act has been the law in California for over 20 years. As an active participant in the passage of the Costa Hawkins Act, I remember how hard and long the fight was to get it passed. Senator Costa fought for over 10 years.

All Landlords must oppose this measure aggressively. It will take a lot of effort to prevent passage based on the upward rental rate pressure and lack of supply.

Tenant groups and their allies which include the all-powerful Unions, will place pressure on local government officials to support AB 1506. The proponents of AB 1506 will likely focus on housing being a "local control issue" as they request that City Councils and Council Members to sign-on to supporting the measure.

From a timing perspective, we anticipate that AB 1506 will be set for a hearing in the Assembly Judiciary or Housing Committee in late March.

We will keep you apprised of developments as they occur. Please feel free to call us for the latest developments.

Thank you,
Carl Lambert
Francyne Lambert

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