



Rental Affordability Act
Campaign Headquarters
6500 Sunset Blvd.
Los Angeles, CA 90028

22 April 2020

The Honorable Gavin Newsom, Governor
State of California
State Capitol
Sacramento, CA 95814

Protecting California Renters During the Pandemic Requires Bold Action:

- **Short-Term Relief for Renters and Mortgage Holders with Long Repayment Period**
- **Suspension of the Costa-Hawkins Rental Housing Act of 1995**

Dear Governor Newsom:

We, the proponents of the Rental Affordability Act—a proposed ballot initiative that would allow cities and counties to expand rent control in California—are writing this letter at a moment of crisis. 36,000 California residents have tested positive for COVID-19. Over 1,300 have died.

The global pandemic has forced authorities across the world to adopt stringent measures to contain the spread of the virus. In California, you took the extraordinary and necessary step to impose a stay-at-home order for all residents that took effect on March 19, 2020.

These measures, while essential to combat an unprecedented public health emergency, have had severe consequences for our state. Over 3 million Californians filed for unemployment insurance over the past month. This breath-taking surge in unemployment has sent shockwaves through the rental housing market, with nearly 1 out of every 3 of renters nationwide unable to pay the rent—almost double the rate of delinquency compared to April 2019.

Housing Security During the Crisis

The recent decision by the Judicial Council of California to suspend eviction proceedings was a bold and welcome intervention that eases the concerns of many facing the loss of their home (and shelter) over the next few months. Meanwhile, local jurisdictions across the state have enacted varying degrees of tenant protections, while your office has issued an executive order extending the response period for Unlawful Detainers (UD) by sixty days.

We welcome these moves while recognizing more will need to be done to protect California's 17 million renters. We support calls for significant relief for renters and mortgage holders alike

(including for small landlords) to ensure they do not confront an unsustainable debt overhang in the middle of a deep recession. Short-term eviction moratoria will only postpone an inevitable wave of evictions, foreclosures, and displacement that would exacerbate homelessness in a state already facing a housing crisis before the pandemic. A short-term payment suspension period and/or a minimum 12-month repayment schedule would help bridge the gap between short-term security and longer-term stability for all.

Given the legal and fiscal implications of these and other short-term measures, we understand the need to explore their proper and timely implementation. Nevertheless, the ramifications of the crisis will also require solutions over a longer time horizon.

Preparing for a Multi-Year Recovery

California is facing the deepest recession in a century, with millions of renters facing housing precarity like never before. The scars from this crisis will be with us for some time. We must ensure that this economic shock does not further aggravate the state's housing crisis once the lockdowns end and the economy starts its slow path to recovery.

We need to come together to address the scale of the challenge before us. **In the spirit of cooperation, we will withdraw our initiative from the November 2020 ballot if the state enacts a suspension of the Costa-Hawkins Rental Housing Act.** This would allow cities and counties to pass more robust rent controls to limit rent increases and protect more renters from displacement. Right now, our cities are shackled by this outdated law from further limiting rent increases. We must do more to bring stability and relief to renters at this critical time.

We welcome your support and are asking your office to champion a legislative compromise to stay Costa-Hawkins, thereby suspending legal barriers to Mayors, City Council Members and County Supervisors to provide stability and security for all. The lives of millions of renters depend on it.

Sincerely,

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