

Sacramento Report
By Greg McConnell

TAKING THE HIGH ROAD

At the request of the Berkeley Property Owners Association (BPOA) and the Apartment Association California Southern Cities (AACSC), further movement on AB 2088 has been delayed until next year. This was a difficult decision. BPOA and AACSC sponsored this important legislation because it protects the right to increase rents on a rent-controlled unit when the original tenants move out and replacement tenants remain in the unit.

However, in the interest of industry solidarity and because our friends in San Francisco continue to express concern that tenants will somehow use the notice requirement in the bill to adversely affect their interests¹, BPOA and AACSC agreed not to move the bill on the condition that other industry groups affirmatively support efforts to develop a mutually acceptable approach to address this issue next year.

Those of you who have followed the developments on AB 2088 know that we have moved this bill through the Legislature with only two no votes being cast. The sponsors are confident that they could go the distance and get this bill passed. But they are also concerned about maintaining solidarity with the California Housing Council, the Coalition for Better Housing in San Francisco, and the Apartment Association of Greater Los Angeles. In the long run, they decided that it is in the best interest of all that we have a united front. Therefore, each of these associations has joined with us in a letter to John Dutra asking that he make AB 2088 inactive while we work to resolve San Francisco's concerns.

While we do not relish making public some of our internal conflicts, it is important to set the record straight that the decision to make AB 2088 inactive was made by BPOA and AACSC's Boards of Directors who took the high road. We were disappointed that the California Apartment Association put out a Legislative Alert on August 13 that inaccurately stated that it had succeeded in getting Mr. Dutra to agree to not move the bill on CAA's request. Mr. Dutra left the decision on whether to move AB 2088 to the sponsors of the bill. On August 20, at the sponsors' request, Mr. Dutra placed the bill on inactive status.

In the interest of providing accurate information on AB 2088, I am attaching the joint letter signed by the apartment industry. This is being done solely to clarify the issues and provide accurate information to all members of the apartment associations who read this article.

At the request of BPOA and AACSC, both of which have owners who operate properties in rent controlled cities, I have developed an interim protection for property owners who rent to multiple occupants. I encourage members to contact the offices of BPOA and AACSC for more information.

On a personal note, I am proud to represent associations that take the high road and commend BPOA and AACSC for their continuing leadership on important legislative issues.

Greg McConnell is a rental housing consultant and legislative advocate. He represents and advises apartment associations, property management companies, and individual owners throughout California. For more information please visit www.themcconnellgroup.com.

¹ We disagree with San Francisco owners' assessment of this issue and direct our readers to August's article for a full explanation of our position on this issue.

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Joint Letter to John Dutra

BERKELEY PROPERTY OWNERS ASSOCIATION
APARTMENT ASSOCIATION CALIFORNIA SOUTHERN CITIES
CALIFORNIA HOUSING COUNCIL
COALITION FOR BETTER HOUSING (San Francisco)
APARTMENT ASSOCIATION GREATER LOS ANGELES

August 18, 2004

The Honorable John Dutra
Member of the Assembly
California State Legislature
State Capitol
Sacramento, CA. 95814

Dear Assemblymember Dutra:

We are writing as representatives of our respective organizations to convey a joint decision regarding AB 2088. As you know this legislation was proposed to you by the sponsors to address an issue that has arisen regarding a recent court decision as that decision effects the operation of the Costa-Hawkins Act. Recently owners in the City of San Francisco expressed the belief that the proposed amendment to the Costa-Hawkins Act, while addressing the problem in some jurisdictions, might inadvertently create a problem for other jurisdictions. Despite several discussions among our organizations there has so far not been agreement about the appropriate manner to resolve the dilemma. In light of the imminent legislative deadlines, the sponsors of AB 2088 have agreed not to move forward with this legislation and instead to work with other concerned organizations represented by the signatories to find a mutually acceptable approach to address this dilemma. The other organizations, likewise, agreed to work with the sponsors of AB 2088 during the fall in a good faith effort to reach a consensus.

Therefore, we are jointly requesting that you place AB 2088 on the inactive file and take no further action toward its passage. We agree to keep you informed of the dialogue among our organizations.

Thank you for your leadership on this issue and for your consideration of this request. Please feel free to contact any of us if you have questions or comments.

Sincerely,
(signed)
Berkeley Property Owners Association
Apartment Association, California Southern Cities
Coalition for Better Housing
California Housing Council, Inc.
Apartment Association, Greater Los Angeles