



**DOWNTOWN
LONG BEACH
ALLIANCE**

January 11, 2018

The Honorable Richard Bloom
California State Assembly
State Capitol, Room 2003
Sacramento, CA 95814

RE: AB 1506 (Bloom) – Repeal of Costa Hawkins Act – OPPOSED

Dear Assembly Member Bloom:

On behalf of the Downtown Long Beach Alliance (DLBA), representing more than 1,600 businesses and 4,000 commercial and residential property owners within the two Business Improvement Districts (BIDs) in Downtown Long Beach, we oppose Assembly Bill 1506, as this bill proposes to repeal the Costa-Hawkins Rental Housing Act.

The Costa-Hawkins Act created a statewide formula for local governments to follow if they elect to implement rent control. If repealed, cities and counties in California could adopt rent control measures with no limitations. This includes expanding rent control to single-family homes and condos. While AB 1506 has the best of intentions, it would actually exacerbate the housing crisis issue and do more harm than good for working families by stifling new housing construction, diminishing housing quality, and decreasing the number of rental units as a result of owners converting their properties. Both developers and builders within the state would act more cautiously in launching projects, knowing that cities and counties would control rents on new construction.

For Long Beach, this legislation could be particularly detrimental to the recent growth we've seen in our housing market. Downtown Long Beach alone has seen over 500 units built within the last two years to meet our desperate housing needs, and we expect to see nearly 3,000 more units constructed over the next five years. This increase in housing supply is necessary to help combat the state's current housing crisis.

Not only would AB 1506 deter new housing construction, it would result in a loss of rental units throughout the state. Cities with stringent forms of rent control, such as San Francisco and Santa Monica, have lost large numbers of rental units as a result of rent control. In such cases, rental property owners convert their housing to another use like owner-occupied or tenancies in common, or even choose to keep their units off the market. The end result is a significantly constrained housing supply that does more to hurt than help the legislation's intended beneficiaries.

Therefore DLBA is opposed to AB 1506, as it would be ineffective and detrimental to improving California's ongoing housing crisis, and it would negatively impact the progress our Downtown community has made thus far to combat the housing shortage.

Sincerely,



Kraig Kojian
President & CEO

cc:

Assembly Member David Chu
Assembly Member Marc Steinorth
Assemblyman Patrick O'Donnell
Mayor Robert Garcia
Long Beach Area Chamber of Commerce
DLBA Board of Directors