

BLUE FOLDER ITEM

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CITY COUNCIL MEETING April 16, 2024

H.17

ADOPT BY TITLE ONLY RESOLUTION NO. 2404-028, A RESOLUTION OF THE CITY OF REDONDO BEACH, CALIFORNIA EXPRESSING THE CITY'S SUPPORT OF ASSEMBLY BILL (AB) 2230 (BENNETT) WHICH SEEKS TO APPLY RESIDENTIAL HOUSING TO CALIFORNIA'S PRINCIPAL ANTITRUST LAW AND CLARIFY THAT CITY ATTORNEYS MAY PROSECUTE ANTI-COMPETITIVE BEHAVIOR

APPROVE THE ATTACHED LETTER OF SUPPORT FOR SIGNATURE BY THE MAYOR AND CITY ATTORNEY

CONTACT: MICHAEL W. WEBB, CITY ATTORNEY
LUKE SMUDE, ASSISTANT TO THE CITY MANAGER

- **Attached Resolution and Letter**

RESOLUTION NO. CC-2404-028

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, EXPRESSING THE CITY'S SUPPORT FOR CALIFORNIA ASSEMBLY BILL 2230 (BENNETT) WHICH SEEKS TO APPLY RESIDENTIAL HOUSING TO CALIFORNIA'S PRINCIPAL ANTITRUST LAW AND CLARIFY THAT CITY ATTORNEYS MAY PROSECUTE ANTI-COMPETITIVE BEHAVIOR

WHEREAS, California is currently experiencing a housing and affordability crisis that disproportionately affects low-income households and historically disadvantaged communities. For example, 55% of very low-income households, and 23% of low-income households, are spending over half of their income on rent, compared to 6% of moderate-income households. This problem is made worse by the fact that more and more properties available for sale in California are being purchased by institutional investors; and

WHEREAS, AB 2230 would clarify that California's antitrust laws can be applied to anti-competitive practices occurring in residential housing, and would clarify that City Attorneys may prosecute anti-competitive behavior. In San Diego, one investor group bought 66 relatively low-rent apartment buildings that resulted in rent increases between 7% and 201%, while Los Angeles saw one zip code have as many as 48% of properties sold that year to institutional investors; and

WHEREAS, as institutional investors, with vast resources, continue to purchase property in California, they can potentially limit the ability for individuals and families to compete for the limited housing stock available. Large investment companies are exacerbating the home-inventory shortage by buying up the most affordable properties and renting them out, making it even harder for individuals and families, especially first-time homebuyers, to have a shot at homeownership, and this activity is causing rent to skyrocket; and

WHEREAS, the growing role of algorithms as a tool for property owners to adjust their rental or sale price, and consolidation of properties at the zip code level, requires scrutiny to ensure that the housing market is not being manipulated and AB 2230 provides that protection to all California residents; and

WHEREAS, AB 2230 is needed now, as the U.S. Department of Housing and Urban Development's Office of Policy Development and Research has noted that institutional investors have concentrated their purchases in low-income communities throughout the US, and were 68% more likely to file for eviction compared to small landlords and if this problem is not solved our affordable housing crisis will continue to grow.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the City of Redondo Beach does hereby support AB 2230 the Residential Unfair Housing Practices Act.

SECTION 2. That the City of Redondo Beach does hereby authorize letters of support to be signed by the Mayor and City Attorney, and disseminated to local legislators representing the City of Redondo Beach and at the State level, as well as the Assembly Judiciary Committee.

PASSED, APPROVED AND ADOPTED this 16th day of April, 2024.

James A. Light, Mayor

APPROVED AS TO FORM:

ATTEST:

Michael W. Webb, City Attorney

Eleanor Manzano, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF REDONDO BEACH)

I, Eleanor Manzano, City Clerk of the City of Redondo Beach, California, do hereby certify that Resolution No. CC-2404-028 was passed and adopted by the City Council of the City of Redondo Beach, California, at a regular meeting of said City Council held on the 16th day of April, 2024, and there after signed and approved by the Mayor and attested by the City Clerk, and that said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Eleanor Manzano, CMC
City Clerk

April 16, 2024

The Assembly Judiciary Committee

California State Assembly

Sacramento, CA 95814

Re: AB 2230 (Bennett) - Residential Unfair Housing Practices Act - SUPPORT

To the Assembly Judiciary Committee:

On behalf of the City of Redondo Beach, we are writing in support of Assembly Bill 2230 (Bennett). This bill will clarify that California's antitrust laws can be applied to anti-competitive practices occurring in residential housing, and would clarify that City Attorneys may investigate and prosecute anti-competitive behavior.

California is currently experiencing a housing and affordability crisis that disproportionately affects low-income households and historically disadvantaged communities. For example, 55% of very low-income households, and 23% of low-income households, are spending over half of their income on rent, compared to 6% of moderate-income households. This problem is made worse by the fact that more and more properties available for sale in California are being purchased by institutional investors.

AB 2230 would clarify that California's antitrust laws can be applied to anti-competitive practices occurring in residential housing, and would clarify that City Attorneys may prosecute anti-competitive behavior. In San Diego, one investor group bought 66 relatively low-rent apartment buildings that resulted in rent increases between 7% and 201%, while Los Angeles saw one zip code have as many as 48% of properties sold that year to institutional investors.

As institutional investors, with vast resources, continue to purchase property in California, they can potentially limit the ability for individuals and families to compete for the limited housing stock available. Large investment companies are exacerbating the home-inventory shortage by buying up the most affordable properties and renting them out, making it even harder for individuals and families, especially first-time homebuyers, to have a shot at homeownership, and this activity is causing rent to skyrocket.

The growing role of algorithms as a tool for property owners to adjust their rental or sale price, and consolidation of properties at the zip code level, requires scrutiny to ensure that the housing market is not being manipulated.

AB 2230 provides that protection to all California residents.

AB 2230 is needed now, as the U.S. Department of Housing and Urban Development's Office of Policy Development and Research has noted that institutional investors have concentrated their purchases in low-income communities throughout the US, and were 68% more likely to file for eviction compared to small landlords. This is happening all over California, and if this problem is not solved our affordable housing crisis will continue to grow.

The City of Redondo Beach is a city that has long supported State measures that actually lead to more affordable housing. For example, we have been a local leader in successfully addressing the crisis of homelessness by adding new transitional housing opportunities, creating novel programs to decriminalize homelessness, and starting project-based vouchers for the new State funded Project Homekey in our City. However, we do oppose one-size fits all laws that do not actually lead to more affordable housing and do not take existing density or cities' prior efforts to create housing into account (such as SB 9 which eliminates single family zoning with no protections in place to ensure that affordable housing is built).

AB 2230 is a bill that will actually lead to more affordable housing. For these reasons, we are proud to support AB 2230, and we are grateful for your commitment to protect our state's residents' ability to have a fair opportunity for reasonable rents and homeownership in California.

Sincerely,

Mayor, James A. Light

City Attorney, Michael W. Webb
