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San Diego County Apartment Association Applauds Governor's AB 1229 Veto

Controversial real estate bill would have restricted landlords' rights on setting rental rates for new and privately owned units

SAN DIEGO – Oct. 14, 2013: Gov. Jerry Brown has vetoed Assembly Bill 1229, a controversial real estate bill that would have allowed local governments to require inclusionary housing in new residential development projects.

The [San Diego County Apartment Association](#) (SDCAA), along with a statewide coalition of housing providers and developers, is relieved and thrilled by Gov. Brown's decision. SDCAA strongly opposed AB 1229, fighting its passage for several reasons. Its author, Assemblywoman Toni Atkins of San Diego, said her bill was not a big deal. But it was.

AB 1229 would have set a new precedent for circumventing state rent-control law by granting local governments broad authority to demand low-income housing contributions from private developers. It would have severely impacted the development of new rental housing in California, which sparks job growth and provides alternatives to home ownership.

"Local governments would have been given unconditional authority to mandate that low-income housing be a part of every new private apartment development, and would have forgiven those local governments their statutory requirement of offsetting the cost, effectively creating a new form of rent control," SDCAA Executive Director Alan Pentico said. "The bill would have returned us to a time when the power of local government to control rents was unchecked. That was never good for affordable housing and the people who need it."

Repeated studies have shown rent control to be more harmful than helpful to low-income families. Setting limits on rents also discouraged new investment in rental housing. Gov. Brown agreed. In his statement on the veto, the governor said that allowing local governments to require developers to include below-marking units in new residential projects can exacerbate challenges of attracting development to low- and middle-income communities, "even while not meaningfully increasing the amount of affordable housing in a given community."

SDCAA is pleased with this victory for the rental housing industry. We acknowledge and support the need for new affordable housing. We are looking forward to continuing the cooperation between developers and local governments that has resulted in the construction of thousands of affordable apartments over the past two decades.

SDCAA is a member of the largest and most influential rental housing coalition in California. A non-profit organization that has served the rental housing industry since 1919, SDCAA's 2,200 members are rental property owners, rental property managers and suppliers of goods and services to the rental housing industry. The overall improvement of the rental housing industry is a primary focus of SDCAA, which represents single-family rental homes to the largest multi-family rental communities. SDCAA provides a wide range of services to its members, including legislative advocacy, education and resident screening. You can follow SDCAA on [Twitter](#) and [Facebook](#).