



December 8, 2021

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

**RE: Gubernatorial State of Emergency – Los Angeles, Ventura, Sonoma, and Napa Counties – Exec Order N-85-20**

Dear Governor Newsom:

On behalf of the members of the California Apartment Association, I am writing to respectfully request that you not renew the state of emergency, which is due to expire on December 31, 2021, for the Counties of Los Angeles and Ventura (initially issued in November of 2018) and Sonoma and Napa (initially issued in October of 2017) due to the devastating fires in those areas (Executive Order N-85-20).

We realize that an emergency proclamation is extremely important when it comes to aid and resources to assist in the areas hit by natural disasters. At the same time, as you know, states of emergency trigger California's Penal Code Section 396, which sets caps on goods and services, including rental rates. The loss of housing that resulted from these fires was an important reason to issue the initial states of emergency. Since that time, however, construction has far surpassed the number of homes destroyed by the fires.

For example, in Los Angeles and Ventura County, over 1,600 residential units were destroyed by the Woolsey fire. From 2018 through the first six months of 2021, the Construction Industry Research Board reports that in the Los Angeles/Long Beach/Anaheim area **85,185** construction permits were issued for residential units.

In Sonoma and Napa, 935 homes were destroyed by the Tubbs and Glass Fires. Over the past four years, the Construction Industry Research Board reports that **9,607** permits were issued in the Santa Rosa/Napa/Fairfield/Vallejo area, far surpassing the number of housing units lost during the fires.

As you know, a declaration of emergency puts a cap on rents – for both existing and new housing – for the life of the emergency declaration. Unfortunately, as states of emergencies are declared and renewed, owners of rental property are frozen in time, unable to keep pace with the costs of operating their buildings. Insurance, taxes,

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and maintenance costs have increased dramatically, and the COVID pandemic has further harmed the industry.

Lifting the states of emergency for housing does not mean that rents will rise dramatically. There are protections under state law (AB 1482 that you signed) as well as local laws that will continue to cap rents and protect tenants from eviction. A declaration of a state of emergency is much more dramatic when it comes to capping rents (10 percent over the life of the declaration). We don't believe anyone ever anticipated these emergency orders would last for nearly five years, making it impossible for owners to recoup even the most basic costs to operate.

I thank you for your consideration.

Respectfully,

**CALIFORNIA APARTMENT ASSOCIATION**

A handwritten signature in blue ink that reads "Thomas K. Bannon". The signature is written in a cursive, flowing style.

By  
Thomas K. Bannon  
Chief Executive Officer