

April 3, 2024



The Honorable Alex Lee  
California State Assembly  
1021 O Street, Suite 6330  
Sacramento, CA 95814

**RE: AB 2584 (Lee) - Single-family residential real property: corporate entity: ownership – Oppose**

Dear Assembly Member Lee:

On behalf of the members of the California Apartment Association, I am writing to inform you that CAA has taken an oppose position on AB 2584, your bill that would prohibit a business entity that has an interest in more than 1,000 single-family residential properties from purchasing, acquiring, or otherwise obtaining an interest in another single-family residential property and subsequently leasing the property. “Business entity” is defined in AB 2584 as any association, company, firm, partnership, corporation, limited liability company, limited liability partnership, real estate investment trust, or other legal entity, and that entity’s successors, assignees, or affiliates, but does not include a nonprofit corporation or other nonprofit legal entity.

Ownership of single-family homes by “business entities” in California is extremely limited, estimated at 0.15 of 1 percent. Admittedly, there were homes purchased by business entities during the 2007-2008 financial crisis, triggered by a housing bubble in the United States, which led to massive bank foreclosures of homes during that time. Instead of keeping homes boarded up and allowing neighborhoods to decline, banks sold the homes to business entities that maintained them for tenants. Today, however, because of the high cost of homes in California, we do not see investment by “business entities” like we did in the mid 2000’s.

Today business entities are moving away from the single-family home market. It may be a better approach for AB 2584 to focus on requiring these businesses to give tenants in the home the first right to purchase the home when the entity decides to sell. We believe this is a better focus for AB 2584 and may give more tenants the option to become homeowners.

The California Apartment Association is the largest statewide rental housing trade association in the country, representing over 60,000 single family and multi-family apartment owners and property managers who are responsible for over 2 million affordable and market rental units throughout the State of California.

Sincerely,

**CALIFORNIA APARTMENT ASSOCIATION**

By  
Debra Carlton, Executive Vice President  
State Government Affairs & Compliance

cc: Assembly Judiciary Committee