



California Rental Housing Association Files Lawsuit Against State of California for Violation of the Fifth Amendment Causing Severe Financial Distress

SACRAMENTO, Calif. – August 5, 2021 – Today, the California Rental Housing Association (CalRHA), representing over 19,000 rental housing providers with nearly 537,000 rental units, filed a lawsuit against the State of California in the federal district court for the Eastern District of California (Sacramento).

Joined by two individual rental housing owners, CalRHA challenges the constitutionality of AB 832, the State's *third* extension of the statewide moratorium on evictions for nonpayment of rent. The suit alleges that the moratorium unconstitutionally violates rental housing owners' basic property rights, and substantially—and retroactively—impairs existing rental agreements and leases, which give owners the contract right to repossess their units for nonpayment of rent.

The lawsuit, filed under the federal civil rights act, seeks a declaration that AB 832 is unconstitutional and an injunction prohibiting its enforcement.

"We tried working with our legislators and the governor to reach an agreement that would recognize the financial burdens faced by both rental housing providers and renters. They chose to ignore the financial burdens of small and medium rental property providers. The courts are our last resort. Rental housing providers across the state are suffering severe economic distress and losses directly caused by the State of California's ongoing overreaching eviction moratorium," said Christine Kevane LaMarca, CalRHA President. "The state continues to extend the eviction moratorium with no distinction between residents who cannot afford to pay due to the pandemic and residents who can afford to pay their rent but are using the moratorium to violate their rental agreements. Rental housing providers continue to provide housing, and in some cases, for no compensation which leaves us with no recourse. Small and medium rental housing providers rely on rental income to pay their mortgages and maintenance expenses, while supporting their own families. We wake up every day thinking about how to house people – that is what we want to do – and government action is interfering with our ability to effectively do so. This lawsuit is intended to restore our rights and allow us to enforce rental contracts that have been unnecessarily expropriated for the past 16-plus months."

About the California Rental Housing Association

The California Rental Housing Association represents 19,000+ members who provide nearly 537,000 rental units. CalRHA's members are primarily small and medium sized rental housing providers throughout the State of California. Our purpose is to advocate in the best interest of the rental housing industry and collectively address industry needs.