

HOUSING PROTECTIONS UPDATE

Rules Committee
Housing Services Division/Community Development Department
October 23, 2024

How Did We Get Here?

- **February 2023:** City Council included housing protections under Housing/Homeless Priority
- **July 2023:** City Council requested assessing housing protections not currently in SL (stricter rent control, just cause & tenant anti-harassment, plus rent registry), existing housing protection programs & cost impacts to the City; directed to Rules Committee
- **Fall 2023:** wide outreach to landlords, renters, & mobile home park owners and renters
- **November 2023:** Rules Committee requested staff present on more comprehensive & current rental housing and eviction data
- **April 24, 2024:** Rules Committee requested further information on rent registries
- **October 23, 2024:** Today, staff will:
 - *present rent registry data*
 - *recommend preparing Rent Registry Program for future Rules Committee consideration*

Presentation Overview

- **Background**
 - *Timeline*
 - *Existing State/City Housing Protections*
- **Rent Registry Data/Findings**
- **Proposition 33 & Impacts on Housing Protections**
- **Recommendations**

Background: Timeline

Timeline – Housing Protections

February
City Council
Planning
Session
*(Set Hsg
Protections
as Priority)*

July
City Council
Housing
Protections
Overview/
Work Plan

November
Rules
Committee
Meeting

April
Rules
Committee
Meeting

October
Rules
Committee
Meeting

May
City Council:
Housing and
Homelessness
Priority Work
Plan

**October –
November**
Community
Meetings,
Listening
Sessions,
Focus
Groups

**December
– April**
Data
Collection
and
Analysis

**June –
October**
Data
Collection
and Analysis

2023

2024

Background: Existing State/City Housing Protections

Current State Protections

	Limitations on Rent Increases (e.g., Rent Control)	Limitations on Evictions (e.g., Just Cause)	Rent Registry	Anti-Harassment
Baseline State Protections	<ul style="list-style-type: none"> • AB 1482 caps allowable rent increase in a 12-month period: 5% + CPI* (10% max.). Sunsets Jan 1, 2030 • Exemptions: housing built in last 15 years, owner occupied duplexes, single-family homes, deed-restricted affordable housing • Costa Hawkins - State law took effect in 1995: <ol style="list-style-type: none"> 1) Limits cities' ability to regulate rents on new housing built after 1995 2) Removed regulatory barriers for new rental housing construction 3) Exempts single family rentals, condos, and townhomes; and 4) Prohibits vacancy control 	<ul style="list-style-type: none"> • AB 1482 & SB 567 (Homeless Prevention Act of 2023) establishes just cause eviction requirement if all tenants have occupied unit for at least 1 year, or at least one tenant has occupied for 2 years. Sunsets on Jan 1, 2030 • Landlord must have "at-fault" just cause or "no-fault" just cause to evict or not renew lease. If "no-fault" just cause, landlord must pay one-month's rent as compensation. At-fault evictions involve conduct by the tenant (e.g. unpaid rent, violating material lease term, unpermitted sublease, etc.). No-fault evictions do not involve conduct by the tenant (e.g. owner move-in, removal of unit from rental market, etc.) • Exemptions: Housing built in last 15 years, ADUs, Owner occupied duplexes, single family homes & residential real property separate from another dwelling unit & not owned by a corporation, real estate trust or LLC; and deed-restricted affordable housing 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • CA fair housing laws prohibit discrimination or harassment based on protected characteristics and require reasonable accommodations and modifications for persons with disabilities. A housing provider may not retaliate against someone who exercised their rights under fair housing laws • Civil Code Section 1940.5 prohibits threatening and harassing conduct that interferes with quiet enjoyment of unit • Civil Code Section 1942.5 prohibits retaliation for landlord exercising rights

Existing City Housing Protection Programs

- **Tenant/Landlord Counseling & Tenant Legal Assistance**
- **Fair Housing Services**
- **Tenant Relocation Ordinance**
- **Inclusionary Zoning/Housing Ordinance**
- **Rent Review Board**
- **Mobile Home Parks**
 - *Mobile Home Space Rent Stabilization Ordinance*
 - *Mobile Home Park Overlay Zoning*

Rent Registry Data/Findings

Existing City Rent Registry

- City adopted Mobile Home Space Stabilization Ordinance in 2019
 - *Required mobile home parks submit annual rent roll data*
 - *Functions as a basic rent registry for the 9 mobile home parks*
- All mobile home parks must submit annual rent roll data including:
 - *Owner/renter*
 - *Address*
 - *Is unit registered as mobile home or RV with State?*
 - *Exemption reasons*
 - *Special circumstance household (elderly, persons with disabilities)*
 - *Move in date*
 - *Current space rent lease effective & expiration dates*
 - *Annual space rent amount since 2018 & percent change*
 - *Date of last rent increase*
 - *Cost of additional charges (electric, water, trash, sewer, etc.)*
 - *Info on temporary increase of rent, or from capital replacement/improvement info (if applicable)*

Baker Tilly Peer Research Scope

- Staff contracted with Baker Tilly Consulting in Summer 2024
- Selected peer Bay Area jurisdictions:
 - *Alameda*
 - *Emeryville**
 - *Hayward**
 - *Union City**
 - *Mountain View+*
- Developed a peer questionnaire for peer cities including staffing, costs
- Conducted individual interviews with peers
- Provided assessments of rent registries (costs, staffing, content, pros/cons, etc)

**Do not have a fully developed rent registries.*

+Mountain View is not located in Alameda County but is considered a peer for the purposes of this engagement.

Population, Density, and Other Characteristics

Peer cities were selected based on proximity to San Leandro and incorporated characteristics such as population, household income, and nature of the rental market. All peer cities are within Alameda County except for the City of Mountain View.

Jurisdiction	Population ¹	Population per Square Mile (2020) ²	Median Household Income ³	Owner-Occupied Housing Unit Rate ⁴
Alameda	78,280	7,491.6	\$129,917	48.3%
Emeryville	12,905	10,137.5	\$114,345	30.2%
Hayward	162,954	3,556.5	\$105,371	56.5%
Mountain View	82,376	6.888.8	\$174,156	39.6%
San Leandro	91,008	6,830.9	\$97,141	57.9%
Union City	70,143	3,656.5	\$138,013	66.0%

Sources:

¹ 2020 Decennial Census.

² United States Census Bureau.

³ 2022 American Community Survey 5-Year Estimates.

⁴ United States Census Bureau. Note: This is the owner-occupied housing unit rate from 2018-2022.

Comparative Rental Housing Stock

Jurisdiction	Total Rental Units	Total Rental Units Subject to Rent Control ¹
Alameda	15,519	12,437
Emeryville	877	719
Hayward	24,000	11,500
Mountain View	20,118	12,155
San Leandro	15,929*	8,548
Union City	6,940	6,123

- *In 2021, Alameda adopted an annual rent program fee. This rent program fee is currently approx. \$161/ fully regulated unit.*
- *This fee covers more than just operation of the rent registry, such as administration of relocation payments, providing tenancy protections and other provisions. Single family and condo rentals must register and are subject to tenancy protection and relocation provisions only.*
- *Since the rent registry function is just one cost component, Baker Tilly estimated costs would likely be \$100/unit or less to administer the rent registry component in Alameda.*

¹ Includes only those units built before February 1995

*estimates vary by source; city staff is still assessing

Rent Registry Comparisons

Jurisdiction	Rent Registry Information Collected**	Rent Registry Platform Annual Cost (includes operations/maintenance)
Alameda	<ul style="list-style-type: none"> • Assessor Parcel Number (APN) and primary site address • Date purchased • Year built • Number of rental units • Owner name, mailing address, phone, and email • Property manager name, mailing address, phone, and email • Owner type • Unit address and number 	<p>3Di</p> <p>Costs paid to vendor for FY 2023-24:</p> <ul style="list-style-type: none"> • \$30,000 annual subscription fee • \$12,000 for updates, requested new features, etc.
Mountain View	<ul style="list-style-type: none"> • Number of bedrooms • Start date of tenancy • Occupant type • Rent charged on effective date of rent control • Current rent • Date of last rent increase • Last rent increase amount and percentage increase • Housing services included with rent • Tenant name(s) 	<p>3Di</p> <p>Annual platform cost unavailable</p> <p>Cost to purchase the 3Di approx. \$75K based on Hayward comparison</p>

Note: Staffing and budgetary costs dedicated to rent registry were difficult to compare because cities like Alameda & Mountain View did not break out by function/program. Therefore, staffing and administration costs were excluded in this analysis.

***Largely the same information collection between both cities.*

Rent Registry Platform Options

Some platforms charge based on user licenses, while others charge based on number of rental units. Ongoing costs can be significant.

Platform	Client Jurisdiction(s)	Services, Fees, and Other Information
3Di	<ul style="list-style-type: none"> • Located in Alameda, Oakland • Operates in many Northern California cities/jurisdictions 	<ul style="list-style-type: none"> • Subscription cost based on number of rental units rather than number of licenses needed for staff; includes additional system development fees • Estimated to cost \$75,000 upfront for Hayward to purchase the platform
Tolemi	<ul style="list-style-type: none"> • Operates throughout the country, primarily in the Northeast (it appears) • Located in Boston, Massachusetts 	<ul style="list-style-type: none"> • Appears to be able to identify rental properties based on linkages with existing City/County systems (though unclear if rent-controlled properties will have to be manually identified) • Appears to have more of a focus on inspection and code compliance of properties
Salesforce	<ul style="list-style-type: none"> • San Jose (reportedly) 	<ul style="list-style-type: none"> • It was reported by Hayward that San Jose built their platform in-house and have one FTE managing the rent registry full-time, and another FTE who helps manage the rent registry as part of their duties
Citizenserve	<ul style="list-style-type: none"> • Operates primarily in the Midwest and South (it appears); unclear if they have any clients located in California 	<ul style="list-style-type: none"> • Subscription cost based on number of user licenses (five minimum), and comes with unlimited support and training as part of the subscription • Estimated \$13,500 subscription cost and an additional \$7,500 for setup and training; ¹ each additional year will cost \$13,500
HdL Companies	<ul style="list-style-type: none"> • Operates in California (headquartered in Brea) and throughout the country 	<ul style="list-style-type: none"> • HdL seems to offer management of the rent registry as a service • They also offer other rent stabilization services

Rent Registry Pros and Cons

- **Pros**

- Establishes rental housing trend data (rent increase, changes in tenancy/displacement) & better policy decisions
- Monitoring/enforcement of existing City housing protections (tenant relocation)
- Tracks data for strategic planning/housing goals & reporting (Housing Element)
- Data accessibility & transparency

- **Cons**

- Annual costs to landlords and/or renters (typically split 50 / 50)
- Ongoing platform costs may be expensive
- Impacts on City budget & existing staff capacity
- Takes time to register all regulated units
- Possible market impacts relating to local government regulation

Proposition 33 & Impacts on Housing Protections

Proposition 33 (November 5th State Ballot Measure)

- If approved by voters, Proposition 33 will have significance for cities/counties because:
 - Repeal Costa Hawkins Act of 1995, which:
 - ✓ *Limits cities' ability to regulate rents on new housing built after 1995*
 - ✓ *Exempts single family rentals, condos, and townhomes*
 - ✓ *Prohibits vacancy control*
 - Expand local government ability to enact rent control on a broader range of residential properties (single family homes, condos, post-1995 new rental housing)
 - Allow cities/counties to retain some or all Costa Hawkins restrictions
 - Changes scope of tenant rent protections in many cities/counties

Recommendations

Staff Recommends

- **Staff recommends preparing a proposed Rent Registry Program for Rules Committee because it:**
 - *Begins regular collection of private rental housing data*
 - *Provides data for future housing protections policy discussions*
 - *Advances a key housing protections policy*

For more information



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