

HOUSING PROTECTIONS UPDATE

Rules Committee
November 9, 2023

Existing & New State Housing Protections

- ***AB 1482 (Tenant Protection Act of 2019)***
 - Caps allowable rent increase in a 12-month period: 5% + CPI (10% max.)
 - Does not apply in cities with stricter requirements
 - Sunsets on Jan 1, 2030
 - 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

Existing & New State Housing Protections

- ***AB 1482 & SB 567 (Homeless Prevention Act of 2023)***

- Establishes a just cause eviction requirement
- Applies if all tenants have occupied unit for at least 1 year, or at least one tenant has occupied for 2 years.
- 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
- Does not apply in cities with stricter requirements
- Sunsets on Jan 1, 2030
- 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
- Examples of “at-fault” just cause: failure to pay rent, committing a nuisance, breaching a material term of lease, refusal to sign written lease renewal on same terms
- Examples of “no-fault” just cause: owner/family member move-in, substantial remodel meeting certain requirements

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*

Costa-Hawkins Rental Housing Act

- **State law that took effect in 1995**
 - Limits cities' ability to regulate rents on new housing built after 1995
 - Removed regulatory barriers for new rental housing construction
- **Exempts single family rentals, condos, and townhomes**
- **Prohibits vacancy control**

San Leandro Rental Housing Inventory

Approx 31,800 Total Owner & Renter-occupied Housing Units Citywide

Housing Type	Estimated Total Rental Units
Multi-Family Housing (9+ Units)	3,525
Multi-Family Housing (9+ Units) – City/State Deed Restricted	1,843
2-8 Unit Housing (duplexes, triplexes, four-plexes etc.)	1,939
Mobile Home Spaces	855
Single Family/Condos/Townhomes (exempt under Costa- Hawkins)	7,767
Total Rental Units City-Wide	15,929
Excluded: City/State deed restricted multi-family rental units	(1,843)
Excluded: Non-owner occupied single family homes, condos and townhomes	(7,767)
Total Rental Units Subject to a City Rent Stabilization Ordinance	6,319

Council Direction –

- **Analyze Housing Protections Not Currently in San Leandro**
 - Stricter Rent Control
 - Stricter Just Cause Eviction Requirements
 - Rent Registry
 - Stricter Tenant Anti-Harassment Regulations
- **Assess Implementation and Cost Impacts to the City**

Public Outreach (October/November)

- **Community-wide meetings (Oct 10 & 25)**

- Oct 10 (online) – approx. 70 attendees, simultaneous translation in Spanish, Mandarin & Cantonese
- Oct 25 (in person) - 48 attendees

- **Focus groups/listening session meetings**

- Held 4 meetings: housing providers, tenants, & mobilehome residents & owners
- Mobilehome park owners & residents focus groups summaries were not ready by this agenda deadline & will be presented in a future public meeting

Focus Group Questions

- **Participant Feedback 1**

- What is working well about current housing protections?
- What needs to be improved about current housing protections?

- **Participant Feedback 2**

- Does San Leandro need additional housing protections?
- Why or why not?

- **Participant Feedback 3**

There are several different housing protection measures being explored (just cause, rent stabilization, rent registry, tenant anti-harassment).

- Which ones are you most excited about?
- Which ones are you most concerned about?
- Why?
- If these protections cannot be done at once or all together, how would you prioritize them?

Focus Group Questions

• Participant Feedback 4

Fees may be assessed to support a new rent stabilization ordinance, some of which would be paid by landlords, and some of which may be passed onto tenants.

- If you support a rent stabilization ordinance, would you be willing to pay a monthly or yearly fee to support implementation? If yes, how much?
- If you do not support a rent stabilization ordinance, would you be willing to pay a monthly or yearly fee to support additional affordable housing? If so, how much?

• Participant Feedback 5

- There are many strong opinions about these topics. Do you have ideas for where you could compromise with people who hold different opinions than you?

Housing Providers Focus Group Highlights (Oct 19)

(see Attachment A for longer meeting summary)

Data

- Theme of data was raised several times. City should carefully review data on the results of housing protections and unintended consequences in other nearby cities.

Education

- Enthusiasm for additional education for both tenants and housing providers on current housing protection laws. Most people do not understand AB 1482; if tenants understood the protections they already have, it would not be necessary to add more.

Evictions

- There is not a big eviction problem in San Leandro; most evictions are due to non-payment of rent. Landlords do not want to evict and would prefer to work with tenants to find a “win-win” solution.

Financial Assistance to Renters

- More financial assistance should be made available to low-income renters through Section 8 or downpayment assistance

Existing Protections

- Housing protections are already in place; let them work (AB 1482, Rent Review Board, etc.) instead of introducing new protections
- Bay Area saw a recent decrease in rents; additional protections not needed

Housing Providers Focus Group Highlights (Oct 19)

(see Attachment A for longer meeting summary)

New Protections

- Need for more protections for housing providers (e.g., “Mom and Pop” landlords need legal aid for unpaid rent cases, protection from false accusations/unfounded “witch hunts”; & threats/harassment by their tenants)

Unintended Consequences

- Strict rent control policy will result in rent increases by landlords fearful of new restrictions, decreased development, benefits only for people who are already renting, & decrease in housing stock due to providers selling and exiting the market. Shared San Francisco & Berkeley examples.

Voice in Public Process

- Housing providers’ voices cannot be heard; renters are listened to more

Tenants Focus Group Highlights (Oct 23)

(see Attachment B for longer meeting summary)

Affordability

- Need for improved affordability; current caps of 7% or 10% are unsustainable, especially when applied multiple years in a row
- Incomes are not rising at the same rate as rents; any increase is challenging for people with fixed incomes (i.e., seniors on Social Security)
- Concerns about new building owners raising both rents & fees, making it less affordable

Education

- More education for tenants to be aware of their rights; make information clear and accessible, ensure information is available in multiple languages, & send info home with students at local schools

Enforcement

- Decisions by the Rent Review Board are non-binding, which undermines its effectiveness
- Concern about the City's capacity to implement and enforce new ordinances; City needs a robust housing department with enough staff & funding to be effective

Tenants Focus Group Highlights (Oct 23)

(see Attachment B for longer meeting summary)

Existing Protections

- Distrust & dissatisfaction with the Rent Review Board; it is “ineffective and biased.” It is chaired by a landlord, which creates distrust.

New Protections

- Support for new tenant protections, including just cause, rent registry, tenant anti-harassment, and rent control; protections should apply to single-family homes too
- Any new fees associated with a new ordinance should be paid entirely by landlords & not be used to raise rent on tenants. Some were willing to pay a small fee if necessary to implement housing protections.

Voice in Public Process

- Concern that landlords have a stronger voice in the policy making process
- Many tenants are fearful of retaliation if they go against their landlord

Community Meeting Questions

- **When you think about San Leandro as a thriving city, how do you picture the housing situation?**
- **What hopes do you have for new housing protections in San Leandro?**
- **What concerns do you have for new housing protections in San Leandro?**
- **What advice do you have for the City while it is exploring new housing protections?**

Oct 10 Online Community Meeting Highlights

(See Attachment C for longer meeting summary)

Affordability

- Need for more affordable housing in the City for different income levels
- Shared desire to preserve existing affordable housing
- Rents have increased, especially when new owners take over rental properties

Balance

- Need for balance and fairness in the rules

Communication and Process

- Concern that the loudest voices raised will be against housing protections & renters may be fearful of retaliation & hesitate to attend meetings

Data and Research

- Several disagreements about the facts related to existing housing protections and results of housing protections in nearby cities
- City should more closely study the impacts of housing protections in neighboring cities & discourage a “one-size-fits-all” solution

Education

- Many participants with different views on housing protections agreed that more education is needed for tenants, landlords, and advocates on existing housing protections

Enforcement

- Any new ordinance should have “teeth”, enough City staffing/funding to support implementation, & be clear & unambiguous

Oct 10 Online Community Meeting Highlights

(See Attachment C for longer meeting summary)

Housing Stock

- There was a general consensus that housing should be safe and of high quality

Incentives

- Acknowledgement that there are many “good actors” on both the tenant and housing provider sides, and that good behavior should be incentivized

Protections for Housing Providers

- Housing providers need housing protections (e.g., non-payment of rent)
- Eviction moratorium put a lot of financial pressure on housing providers
- Misconceptions about landlords’ operating costs: higher costs for new owners & costs are increasing for repairs/materials

Protections for Tenants

- Many participants expressed support for new protections for tenants, while many others expressed opposition.
- Fewer exemptions for landlords; existing protections at the State & County levels are insufficient
- Rent control would bring more predictability and stability for tenants

Unintended Consequences

- New protections discourage development & new landlords & prompt landlords to remove units from the rental market due to risk
- Rent control benefits existing renters but hurts new renters because it makes it more difficult for them to find a unit
- New protections will compel small housing providers to sell their rental properties, resulting in big corporations buying up multi-family units and small family homes

Oct 25 In Person Community Meeting Highlights

(See Attachment D for longer meeting summary)

Affordability

- Concerns about affordability for specific groups (seniors, teachers, nurses, people with disabilities)
- Incomes are not keeping pace with rent increases
- Concerns on impact of affordability on increasing homelessness

Communications and Process

- Is this process necessary as well as the expense of exploring new ordinances?
- Ensure transparency & accountability, inclusivity, reporting back to the community & moving quickly

Existing Protections

- Some participants expressed that existing laws favor landlords, and that protections for tenants are not strong enough. Others disagreed and felt that current laws favor tenants.
- Improvements are needed to the City's Tenant Relocation Assistance Program.
- Improvements to the Rent Review Board, including giving it more "teeth" & creating an appeal process.

Oct 25 In Person Community Meeting Highlights

(See Attachment D for longer meeting summary)

Housing Stock

- Create incentives for housing production, providing below market rate rentals, & keeping units on the market

“Mom and Pop” Landlords

- “Mom and Pop” landlords need protections & should not be lumped in with corporations. Others expressed skepticism about the true definition of “Mom and Pop” landlords & encouraged the City to define the term clearly.

New Protections

- Concerns that just cause protections can prevent “bad actors” from leaving & create problems for other tenants. Concerns that it would prevent family members from moving into ADUs or in-law units.
- Concerns about a rent registry & privacy of personal information & displacing people from unpermitted units
- Tenants need protection from landlords passing along the cost of improvements to the unit. Fees should be monitored more closely in addition to rents.

Under New Ownership

- New owners increase rents and fees, which impacts affordability
- “Legacy” housing providers should be protected and supported

Case Study: “The Effect of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco,” Rebecca Diamond, Tim McQuade, & Franklin Qian, March 4, 2019

• **Conclusions on San Francisco rent control:**

- “Thus, while rent control prevents displacement of incumbent renters in the short run, the lost rental housing supply likely drove up market rents in the long run, ultimately undermining the goals of the law.”
- 15% reduction in the supply of “available rental housing” by “impacted landlords” thru condo conversions, removal from rental market & other means to exempt their buildings from rent control
- 25% reduction in “number of renters” living in rent controlled units due to same reasons as above
- Conversion of rental units to higher end condominiums fostered gentrification

Case Study: “The Effect of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco,” Rebecca Diamond, Tim McQuade, & Franklin Qian, March 4, 2019

- **Additional conclusions on SF rent control:**

- “we find the vast majority of those incentivized to remain in their rent-controlled apartment would have been displaced from San Francisco had they not been covered.”
- “rent control has an especially large impact on preventing the displacement of racial minorities from SF, suggesting that rent control helps to foster the racial diversity of SF....”
- “while rent control does prevent displacement from SF, it does not provide access to the best neighborhoods in the city.”
- Future research should look at government “social insurance” programs (e.g., rent subsidies) to assist renters with “large rent increases.”

Case Study: “The Effect of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco,” Rebecca Diamond, Tim McQuade, & Franklin Qian, March 4, 2019

- **This recent study also highlights:**

- Complexity of rent control as a policy issue
- Lack of data driven or empirical research on rent control and its impacts on “tenants, landlords, and the broader housing market.”

Why Don't Cities Have Better Data on Rental Market Impacts on Housing Providers & Tenants?

- **Rental market data is private**
 - The City does not currently collect private rental data
 - Even if the City has a rent registry it could not capture all information (e.g. tracking why tenants vacate or end their leases)
- **Unavailable rental housing data that is not regularly reported includes:**
 - Rent increases
 - Eviction notices (3 Day Notices to Quit, Termination of Tenancy, etc)
 - Tenant turnover frequency/reasons for leaving
 - “Self eviction” by tenants

For Rules Committee:

- **Question 1: What policy goal(s) (e.g., fair rate of return, reasonable annual rent increases, community stabilization, etc.) is the City solving for?**
- **Question 2: What policies (e.g., rent control, just cause, rent registry, tenant anti-harassment, and/or existing housing protections) will help address Question 1?**
- **Question 3: What policies would you like in a proposed new draft ordinance(s) or revisions to current housing protection ordinances/programs for future City Council consideration?**

Rent Control Decision Matrix

	Status Quo Model	Stricter Rent Control Model	New Cost Impacts
1	AB 1482 prohibits rent increases greater than 5% + CPI, with 10% cap; Increases greater than 7% entitled to non-binding hearing before Rent Review Board	Create New Ordinance for Rent Control	Medium to High
2		<i>Annual Rent Cap?</i> 1) Percent of CPI, 2) 2% - 7%, or 3) Combo of both	
3		<i>Unit Exemptions?</i> 1) duplexes, 2) triplexes, or 3) duplexes and triplexes	
4		<i>Appeal Body?</i> 1) Rent Board Appointed by Council, 2) 3rd Party Hearing Officers, or 3) Combo of both	
5	Passive Enforcement	<i>Enforcement Type?</i> Passive, Complaint Based, Active	

Low Cost Impact – < \$200K, passive enforcement, 3rd party services and/or no new full time City Housing/Legal staffing increase

Medium Cost Impact – >\$200K, complaint based enforcement, 3rd party services and/or increase of at least 1 to 2 new full time Housing/Legal staff

High Cost Impact – >\$1 million, active enforcement, 3rd party services and/or increase of at least 2 to 3 new full time Housing/Legal staff

Just Cause Decision Matrix

	Status Quo Model	Stricter Just Cause Ordinance	New Cost Impacts
1	AB 1482/SB 567: Requires “at-fault” or “no-fault” just cause to terminate or not renew tenancy of qualifying tenants in certain units	Create New Ordinance for Just Cause	Low, Medium to High
2	City’s existing Tenant Relocation Ordinance requires compensation if tenancy is terminated without fault of tenant	<i>What tenants should be covered?</i> 1) Same as AB 1482, or 2) additional tenants? (shorter tenancies, additional unit types, etc.)	
3		<i>Should the list of “at-fault” or “no-fault” just cause be changed?</i>	
4		<i>Should the City’s Tenant Relocation Ordinance be amended to provide greater compensation for tenancies terminated without fault?</i>	
5	Passive Enforcement	<i>Enforcement Type?</i> Passive, Complaint Based or Active	

Rent Registry Decision Matrix

	Status Quo Model	New Policy Options	Cost Impacts
1	City does not have a Rent Registry Ordinance	Create New Ordinance for Rent Registry	Low, Medium to High
2		<i>Which rental units included?</i> 1) All rental units, 2) Multi-Family Rental Only, or some other subset?	
2		<i>What Information Included?</i> 1) Basic (unit type, rent, rent increases, disclosure of new tenancy) 2) Detailed (Basic + disclosure of why tenancy changed)	
3		Enforcement Type? 1) Passive, 2) Complaint Based or 3) Active	

Tenant Anti-Harassment Decision Matrix

	Status Quo Model	New Policy Options	New Cost Impacts
1	Civil Code Section 1940.5 prohibits threatening and harassing conduct that interferes with quiet enjoyment of unit	Create New Ordinance for Tenant Anti-Harassment	Low, Medium or High
2	Civil Code Section 1942.5 prohibits retaliation for landlord exercising rights	<i>What rental units should be covered?</i>	
3	Rent Review and Tenant Relocation Ordinances include anti-retaliation requirements for tenants exercising rights	<i>What conduct should be prohibited?</i>	
4	Maintain Legal Services/Tenant-Landlord Counseling/Fair Housing Services	<i>What should the penalties be?</i> 1) create incentives for compliance, 2) fines only or 2) fines & jail	
5	Passive Enforcement	Enforcement Type? 1) Passive, 2) Complaint Based or 3) Active	

For more information

www.sanleandro.org/SLhousingprotections

- *Powerpoints & summaries of comments from the community meetings & focus groups are posted online*

Contact:

housing@sanleandro.org

or

510-577-6006