

Scity of Leandro

Amendment to Municipal Code to Add Chapter 4-45 Rental Registry (1st Reading) & Direction on Other Housing Protections

Community Development Department

AGENDA

1

Background

2

Rental Registry
Ordinance

3

Existing Housing

Protections

4

Next Steps

Background



How Did We Get Here?

- FEB 2023: Council included housing protections under Housing/Homeless Priority
- JULY 2023: Council requested info on housing protections not currently in SL (stricter rent control, just cause, tenant anti-harassment, rent registry), existing housing protection programs & cost impacts to the City; directed to Rules Committee
- FALL 2023: wide outreach to landlords, renters, and mobile home park owners and renters
- NOV 2023: Rules Committee requested comprehensive rental housing and eviction data
- APRIL 2024: Rules Committee requested further information on rent registries
- OCT 2024: Rules Committee requested staff prepare draft Rent Registry Ordinance
- JAN 2025: Rules Committee approved forwarding Rent Registry Ordinance and proposed staffing/costs to Council
- FEB 2025 (Retreat): Council affirmed housing protections prioritization under Housing/Homeless Priority
- TONIGHT: Rental Registry Ordinance (1st Reading) and further guidance on housing protections

Rental Registry Ordinance (1st Reading)



Purpose/Requirements

- Establish a program for the collection of important data regarding the rental market in San Leandro
- Applicable rental housing providers shall annually pay a fee and submit registration statement with data to the City by January 31
- Rental unit defined as:
 - Any unit in any real property...rented or available for rent for residential use or occupancy....
 Includes rental units exempted from Costa Hawkins such as single family homes, condos/townhome, & post 1995 rental units



Exempted Properties

- 1) Rental units, regardless of ownership, for which rents are subsidized or regulated by federal law or by regulatory agreements between a landlord and (i) the City, (ii) the County of Alameda or (iii) any agency of the State of California or the Federal Government;
- 2) Rental units owned by any public agency;
- 3) Rental units that are rented or leased to transient guests for thirty (30) consecutive days or less;
- 4) Rooms in hotels, motels, inns, tourist homes, short term rentals, rooming or boarding houses, provided that such rooms are not occupied by the same occupant or occupants for more than thirty (30) consecutive days;
- 5) Rooms in any hospital or in a facility for assisted living, skilled nursery, convalescence or extended care;
- 6) Rooms in a convent, monastery, fraternity or sorority house, or in a building owned, occupied or managed by a bona fide education institution for occupancy by students;
- 7) Rooms in a building or in a rental unit where the primary use is providing short-term treatment, assistance or therapy for alcohol, drug or other substance abuse and the room is provided incident to the recovery program and where the occupant has been informed in writing of the temporary or transitional nature of the arrangement at the inception of the occupancy;



Exempted Properties

- 8) Rooms in a building or in a rental unit that provide a structured living environment that has the primary purpose of helping formerly homeless persons obtain the skills necessary for independent living in permanent housing and where occupancy is limited to a specific period of time and where the occupant has been informed in writing of the temporary nature of the arrangement a the inception of the occupancy;
- 9) Mobile homes or mobile home lots (which are subject to the registration requirements of Municipal Code section 4-39-240);
- 10) Rooms in a facility that require, as part of the person's occupancy and use of the room and the facility, some or all of the following: intake, case management, counseling, and an occupancy agreement;
- 11) Rental units in which the landlord owns the rental unit, occupies the rental unit as the landlord's primary residence and shares kitchen or bath facilities with one or more tenants; or
- 12) Any part of a rental unit in which a tenant has allowed or permitted a person to use or occupy such part of the rental unit but that person does not meet the definition of tenant as defined in this chapter.



Registry Data Categories

- Site address and Assessor Parcel Number
- Date purchased by current owner
- Year built
- Type of rental housing (single family, duplex, triplex,etc)
- Total number of rental units
- Total number of rental units exempt from this Ordinance
- Owner type (individual, corporation)

- Info of each person/legal entity possessing ownership interest in the rental unit & the nature of such interest
- Info on the person responsible for managing the rental unit
- rent for the unit effective January 1 of current year
- rent for the unit effective January 1 of previous year
- listing of all other charges, including utilities not included in rent, paid by tenant, & approximate amount of each such charge
- all other information required by the program administrator



Program Fees

- Per Ordinance, a reasonable fee may be established and collected to administer Rental Registry
- Maximum annual fee: \$100 per unit*
 - Staff is currently assessing appropriate fee rate
 - Factors to consider: pass through impacts on renters and funding for effective staffing/administration
- Approx. 16,000 to 20,000 rental units may fall under Rental Registry Ordinance
 - includes single family and condos/townhome units being rented

^{*}Source: Baker Tilly Consulting, comparative Bay Area cities data for October 23, 2024 Rules Committee presentation



Program Cost & Staffing

- Estimated annual program cost: \$650,000*
 - Assumes 2 <u>new</u> FTE City Housing staff for Program Implementation
 - Current budgeted Housing Division staffing (4 FTE): 1) Manager, 1) Senior Project Specialist, 1) Project Specialist II (vacant), 1) Project Specialist I (vacant)
 - Assumes Contract with Consultant to develop and administer database
 - Includes rent registry software purchase & annual subscription/maintenance



Implementation & Challenges

Following the approved budget and adoption of the Ordinance (based on January 1, 2026 effective date), staff will first identify future staffing and consultant needs for program implementation:

Program Implementation

- Issue Request for Proposal/Qualifications (RFP/RFQ) and select database vendor
- Develop and launch database
- Develop program materials and website
- Launch community outreach campaign to applicable housing providers

Program Implementation Challenges

- Thousands of housing providers must complete the registration process
- Achieving full annual compliance is <u>projected to take 3–5 years</u>
- Current staff cost and fee revenue estimates may be inaccurate
- Increased administrative burden on existing Housing Division staff while staffing up



Staff Recommendation for Rent Registry

- City Council introduce an Ordinance amending the San Leandro Municipal Code to Add Chapter 4-45 Rental Registry
- City Council direction for staff to submit recommended program fees and annual \$650,000 budget in the FY2025-2027 Two Year Budget

Existing 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 | AB 1482 (2019) 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 (SF) homes, deed-restricted affordable housing Costa Hawkins (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; and Prohibits vacancy control | AB 1482 & SB 567 (2023) establishes just cause eviction requirement if all tenants have occupied unit for at least 1 year, or at least 1 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", landlord must pay 1 month's rent as compensation. Atfault evictions involve conduct by the tenant (e.g. lease violation). No-fault evictions do not involve conduct by the tenant (e.g. owner move-in) Exemptions: Housing built in last 15 years, ADUs, owner occupied duplexes, SF homes & residential property separate from another dwelling unit & not owned by a corporation, real estate trust or LLC; and deed-restricted affordable housing | • N/A | 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 | | | | | |



Current City Protections

| | Limitations on Rent Increases (e.g., Rent Control) | Limitations on Evictions (e.g., Just Cause) | Rent Registry | Anti-Harassment | Other Resources | | |
|------------------------|--|---|---|--|--|--|--|
| Current Protections | Rent increases of more than 7% or 2+ rent increases in a 12-month period eligible for Rent Review Board hearing. Exemptions: Single-family homes, townhomes, condominiums | See programs under "Other Resources" | City business license required to rent units in San Leandro | Rent Review and Tenant Relocation Ordinances include anti-retaliation requirements for tenants exercising rights See programs under "Other Resources" | Tenant/Landlord Counseling Tenant Legal Assistance Tenant Relocation Assistance Fair Housing Services | | |



- Adopted/effective in 2019
- Purpose: protect renters from "arbitrary, capricious or unreasonable rent adjustments and enable park owners to earn a fair and reasonable return on their investment"
- Sets annual rent increase cap at lower of 4% or annual percentage change in the Consumer Price Index
- Limits rent increases to once in a 12 month period
- Annual rent roll or rent registry of park spaces requirement for park owners
- Limits evictions pursuant to California Mobile Home Residency Law

Next Steps



Staff Recommendation

1) Rental Registry:

- City Council introduce an Ordinance amending the San Leandro Municipal Code to Add Chapter 4-45 Rental Registry
- City Council direction for staff to submit recommended program fees and annual \$650,000 budget in the FY2025-2027 Two Year Budget

Next Steps

- 2) Staff to return to March 26 Rules Committee, but seeks direction on which housing protection policies to prioritize and focus efforts on:
 - Rent Control (7 to 12 months)*
 - Just Cause (4 to 9 months)*
 - Tenant Anti Harassment (4 to 9 months)*
 - Mobile Home Space Rent Stabilization Ordinance (separate and distinct process from above, 7 to 12 months)*
 - Staff does not have capacity to work on MHRSO and non mobile home park housing protections (Rent Control, Just Cause and/or Tenant Anti-Harassment) simultaneously

^{*}estimated time range for staff to submit first reading of an ordinance(s) for each policy item based on factors such as level of public and stakeholder outreach/input Council desires and current staff workload on other Council, State and federal housing priorities.



For More Information



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