

HOUSING PROTECTIONS UPDATE

Consideration of Draft Amendment to Municipal Code, to add Chapter 4-45 Rental Registry, and Possible Direction on Other Housing Protections

**Rules Committee
Housing Services Division/Community Development Department
January 22, 2025**

Overview of Today's Presentation

- I) Background
- II) Review of April 24 Rules Committee Presentation on Rental Housing Data and Policy Options
- III) Review proposed Rent Registry Ordinance
- IV) Staff Recommendation

Background

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:** Rules Committee requested staff prepare draft Rent Registry Ordinance
- **January 22, 2025:** Today, staff will present
 - data/policy options (from April 2024 Rules)
 - proposed Rent Registry Ordinance

Public Outreach/Engagement (2023)

- **Community-wide meetings (Oct 10 & 25)**
 - Oct 10 (online) –simultaneous translation in Spanish, Mandarin & Cantonese
 - Oct 25 (in person)
- **Focus groups/listening session meetings (Fall 2023)**
 - Held 4 meetings for each group: housing providers, tenants, mobilehome residents & mobilehome park owners
- **All meeting/focus group presentations and summaries posted on City Housing Protections webpage (sanleandro.org/Slhousingprotections)**

April 24, 2024 Rules Committee Meeting Presentation on Rental Housing Data & Policy Options

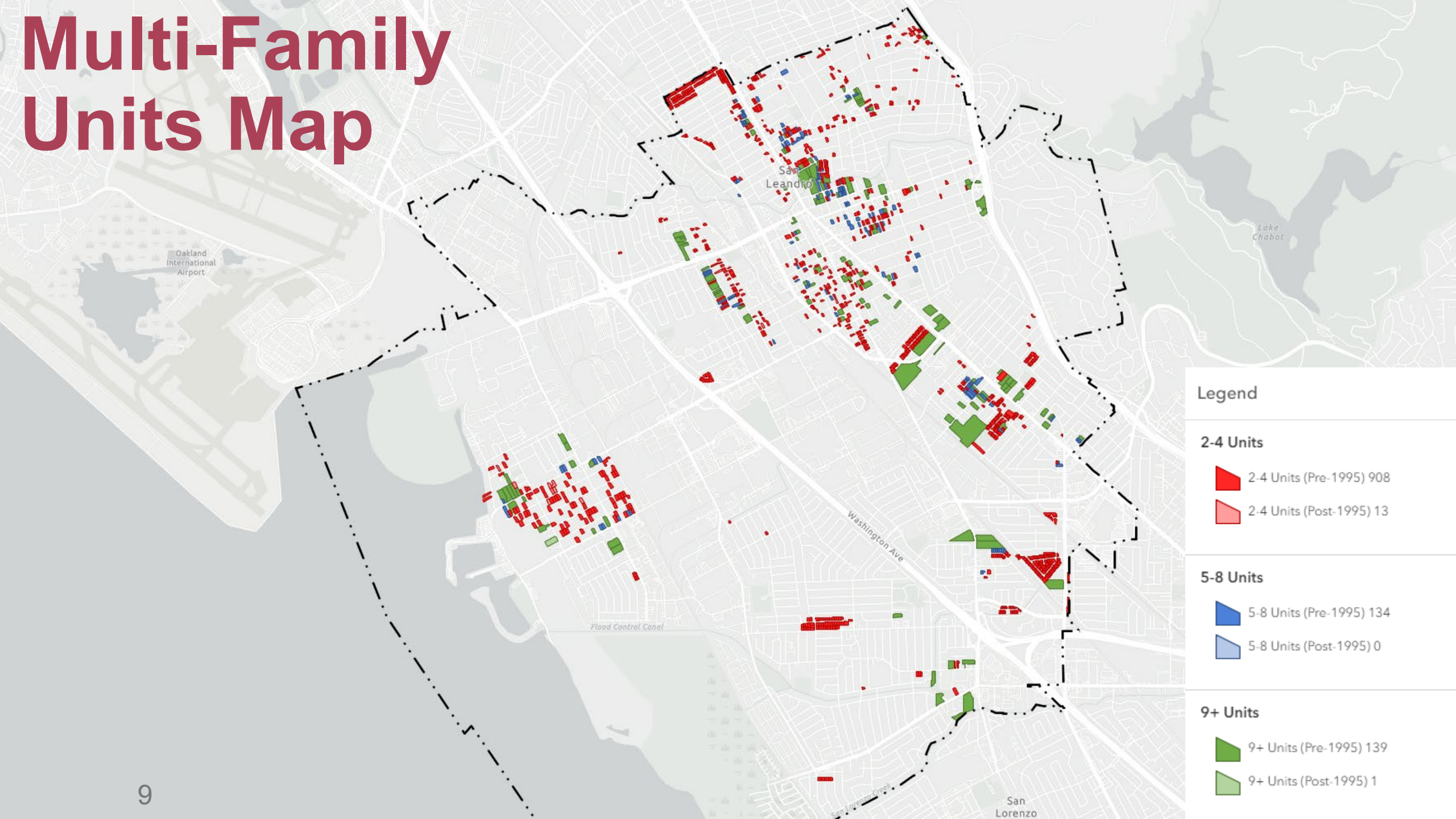
Eligible Units

Eligible Units (Updated)

- There are an estimated 8,548 units that could be eligible for rent control under Costa Hawkins (pre-1995)
- An estimated 32,840 units are eligible for non-rent control protections
- These estimates include units that are currently owner-occupied

Unit Type	Eligible for Rent Control	Eligible for Other Protections
Single-Unit		19,108
Duplex	1,288	1,298
Triplex	393	417
Fourplex	532	532
5-8 Units	815	815
9-19 Units	792	808
20+ Units	3,873	3,873
Multi-Family Restricted		2,094
Mobile Home Spaces	855	855
Condos/Townhomes		3,040
Total	8,548	32,840*

Multi-Family Units Map



Legend

2-4 Units

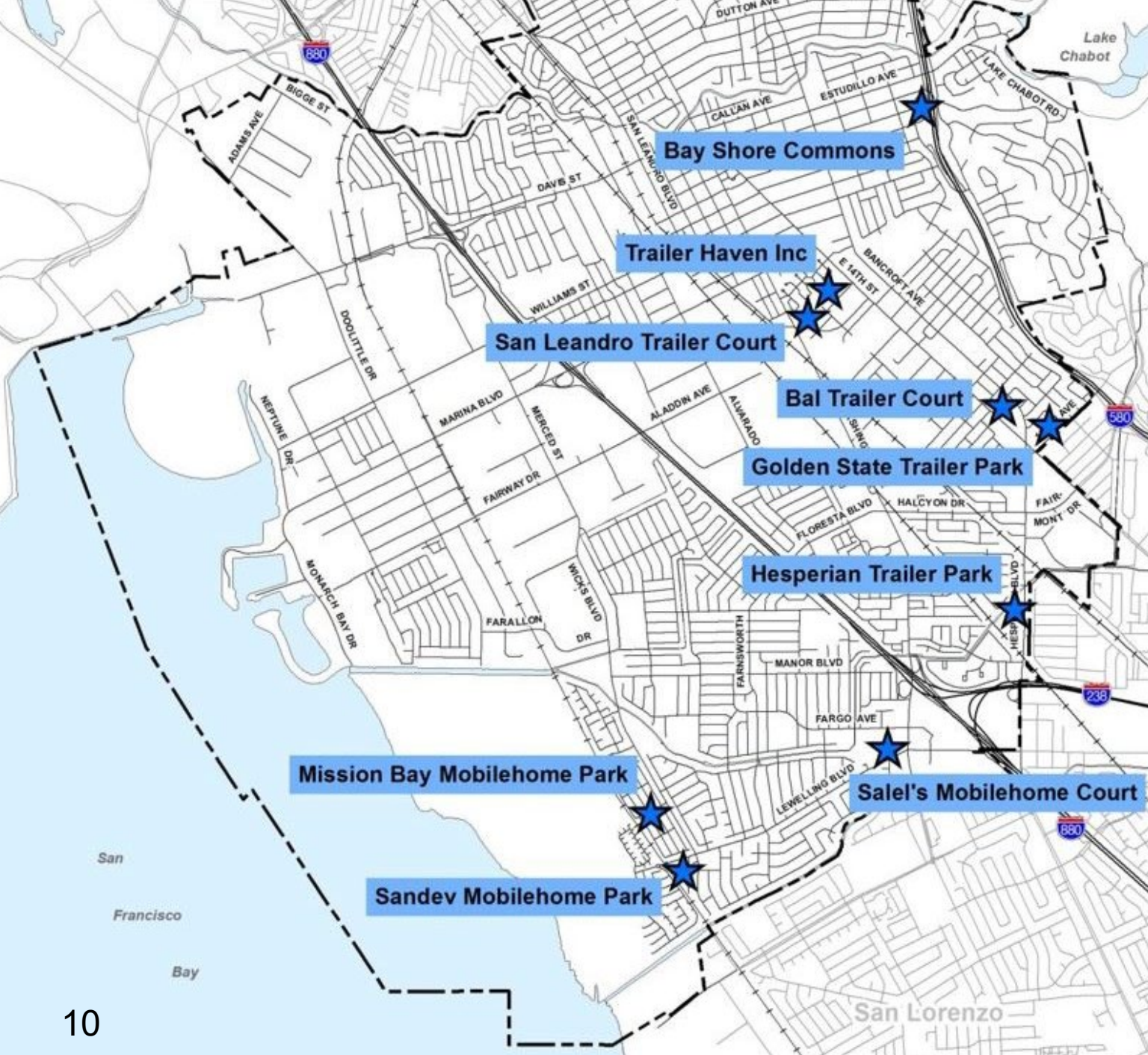
- 2-4 Units (Pre-1995) 908
- 2-4 Units (Post-1995) 13

5-8 Units

- 5-8 Units (Pre-1995) 134
- 5-8 Units (Post-1995) 0

9+ Units

- 9+ Units (Pre-1995) 139
- 9+ Units (Post-1995) 1

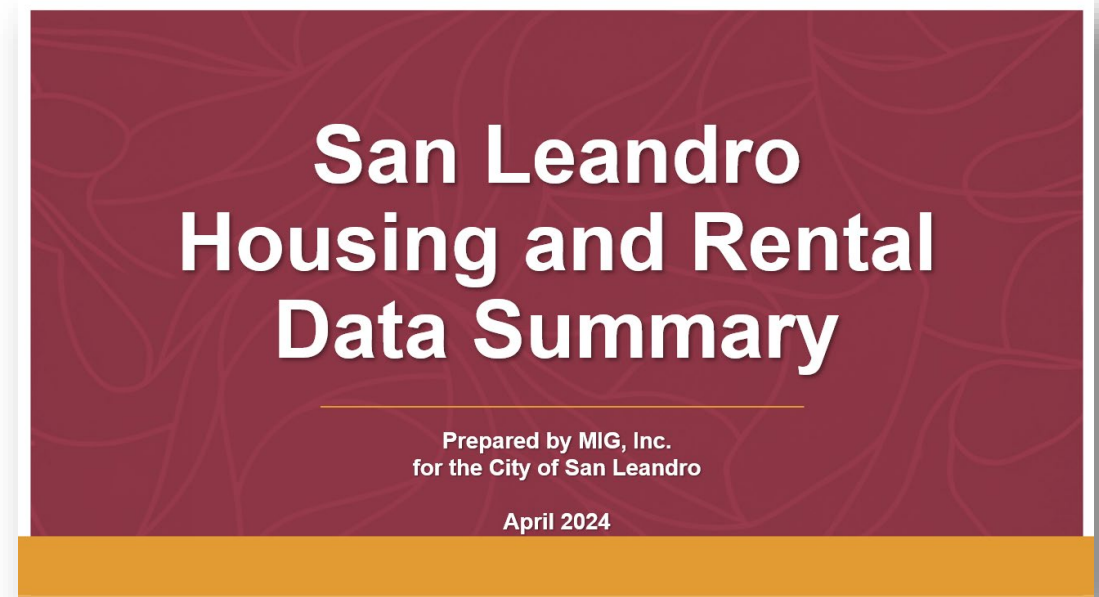


Mobilehome Park Map

San Leandro Rental Housing Data Summary

Data Package

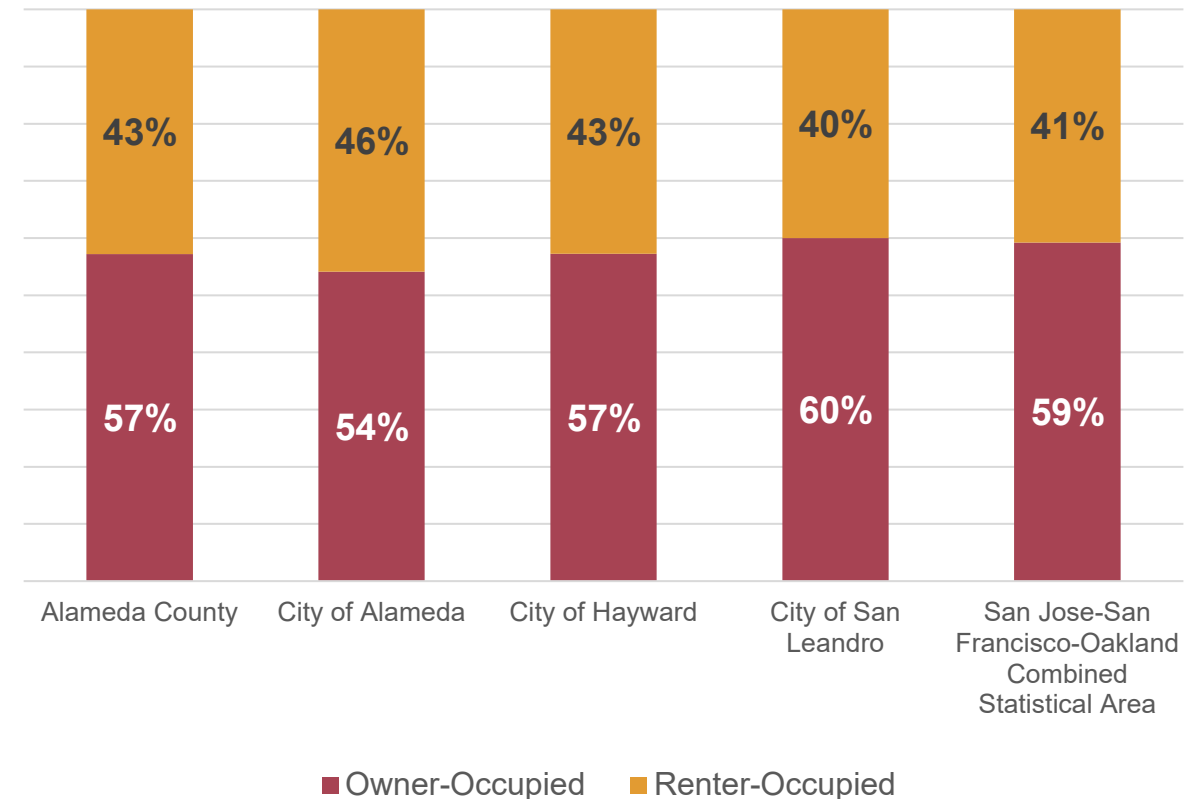
- **Nov 9, 2023:** Rules Committee requested relevant data to inform housing protections
- **MIG Consulting prepared rental data package, including:**
 - Demographic Trends
 - Profile of Renter Households
 - Rental Housing Supply and Cost



Renter Households vs. Bay Area Region

- 12,080 renter households
- Slightly smaller share of renter households (40%) compared to other locations

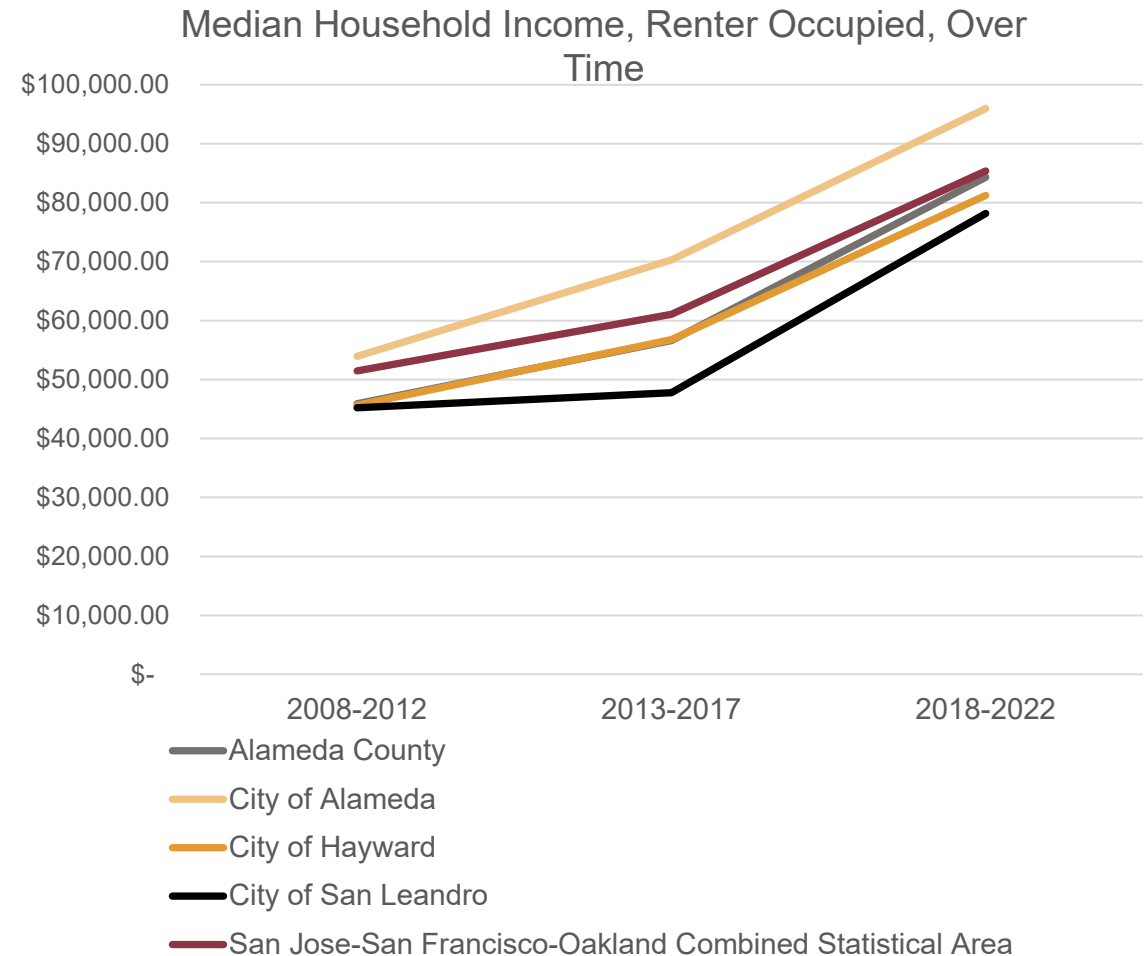
Population by Tenure, 2022 5-Year Estimates



Source: U.S. Census Bureau, "Total Population in Occupied Housing Units by Tenure," 2022. American Community Survey, ACS 5-Year Estimates Detailed Tables, Table B25008, 2022

Income of Renter Households vs. Bay Area Region

- Median household income for renter households lower than other local areas over time



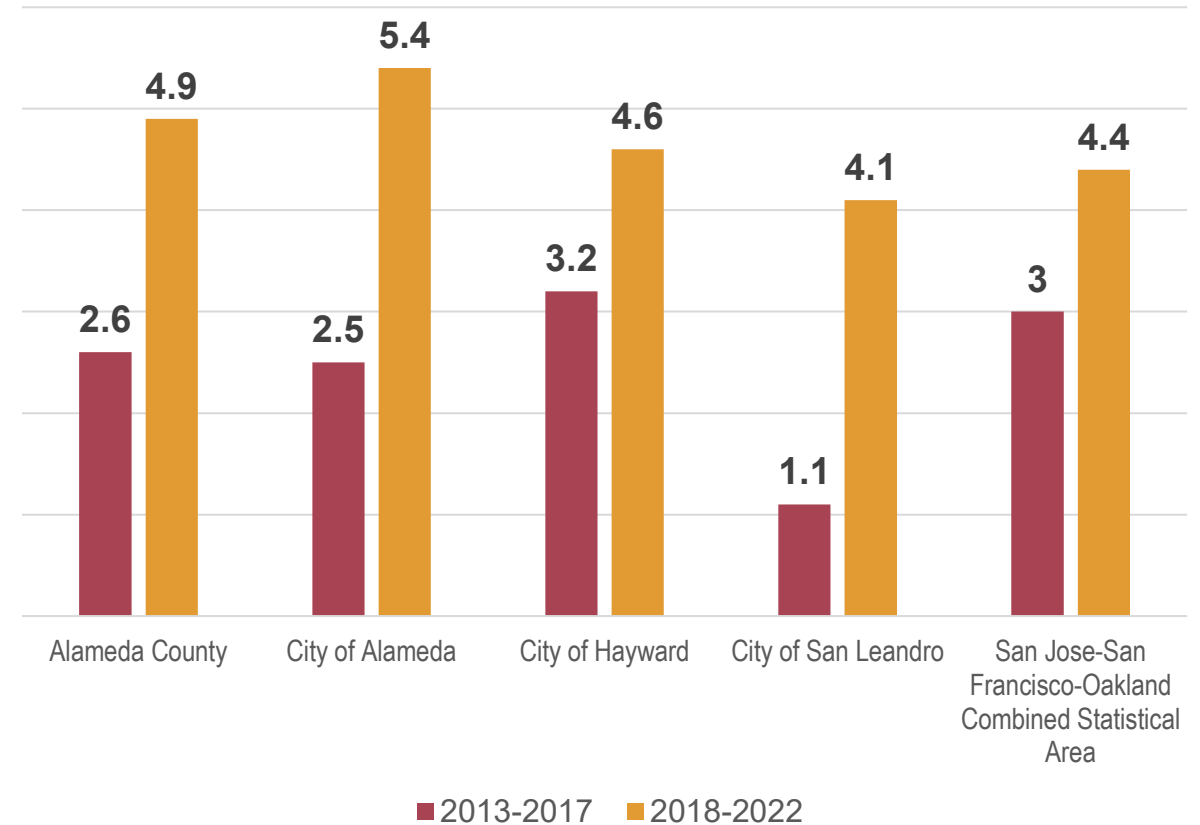
Source: U.S. Census Bureau, "Median Household Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars) by Tenure," 2022. American Community Survey, ACS 5-Year Estimates Detailed Tables, Table B25119, 2022

Rental Housing Units vs. Bay Area Region

- 2013-2017: Lower rental vacancy rate than other local areas
- 2018-2022: Vacancy rate closer to that of other locations

Sources: U.S. Census Bureau, "Selected Housing Characteristics," 2017, 2022. American Community Survey, ACS 5-Year Estimates Data Profiles, Table DP04

Rental Vacancy Rate, Over Time



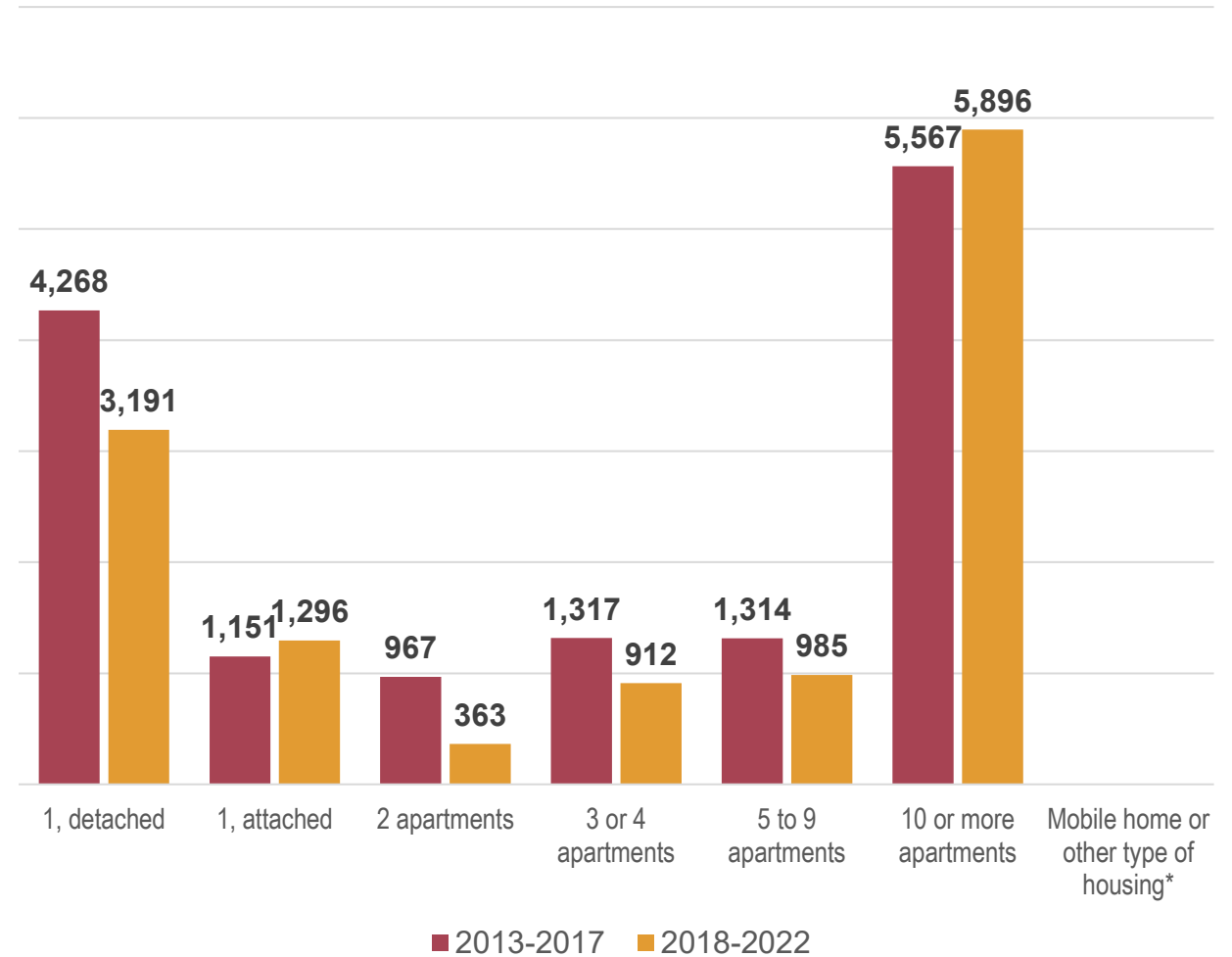
Rental Housing Units

- Between 2013-2017 and 2018-2022: Decline in renter-occupied 1-unit detached rentals and 2 apartment rentals

*Number suppressed due to margin of error over 50%

Source: U.S. Census Bureau, "Physical Housing Characteristics for Occupied Housing Units," 2017, 2022. American Community Survey, ACS 5-Year Estimates Subject Tables, Table S2504

San Leandro Renter-Occupied Housing Units by Type, Over Time

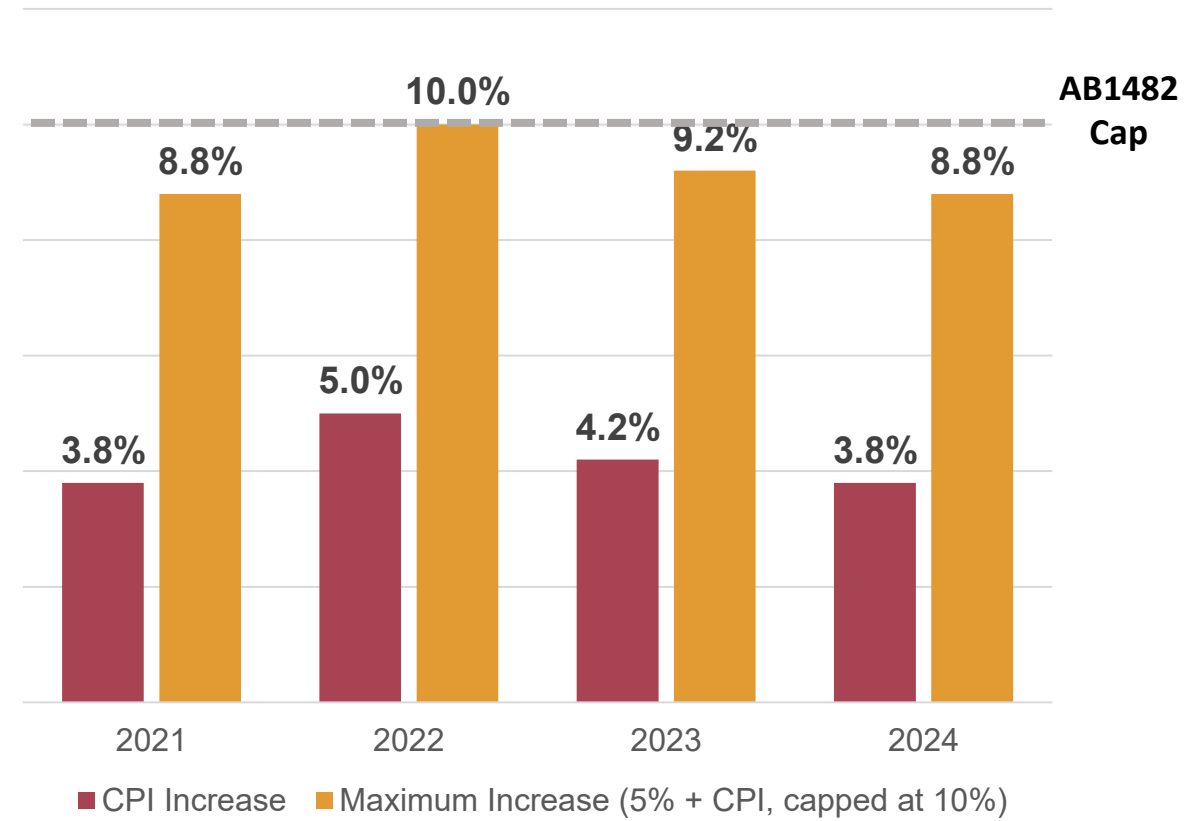


Cost of Rent Bay Area Region (Corrected January 3, 2025)

- Tenant Protection Act limits rental increases to Consumer Price Index (CPI) plus 5% maximum, not to exceed 10% total per year
- 2022: SF Bay Area CPI plus 5% capped at 10%

Source: U.S. Bureau of Labor Statistics "Consumer Price Index for All Urban Consumers (CPI-U): All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted"

Maximum Rental Increase Under Tenant Protection Act



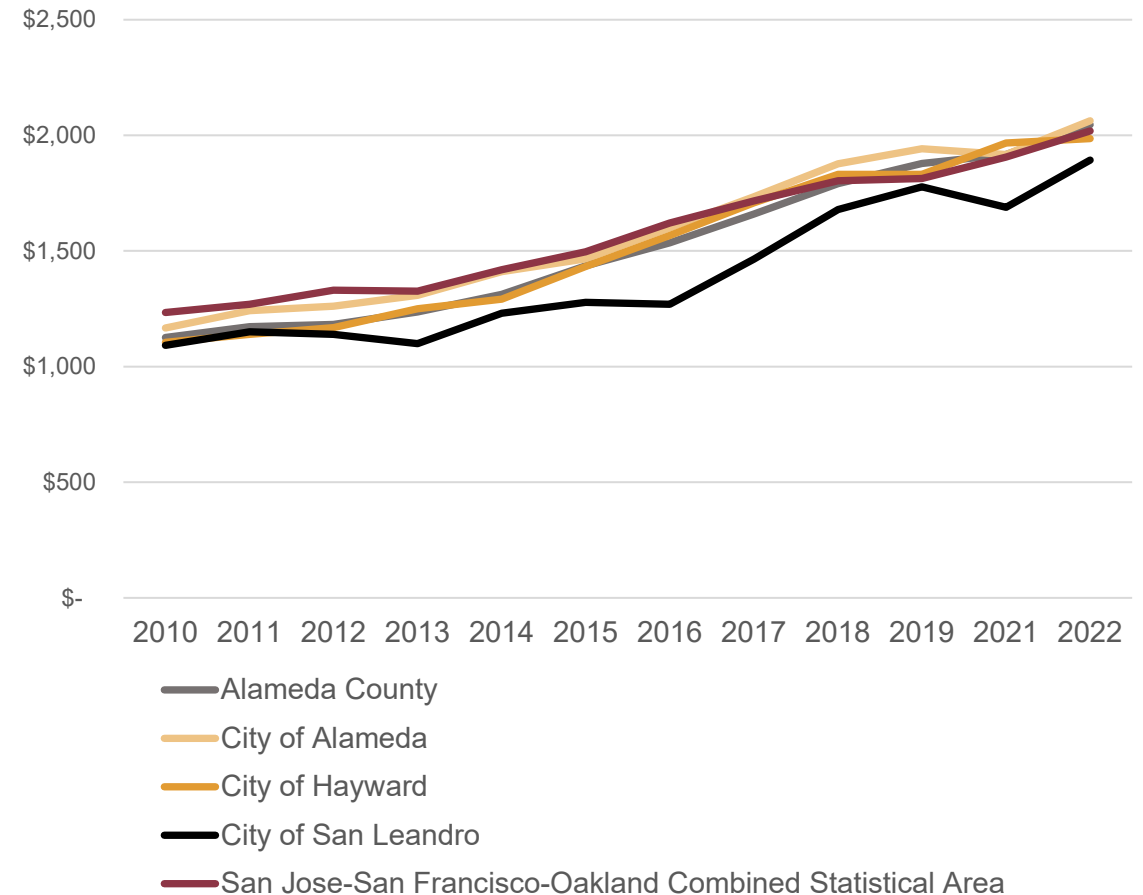
Cost of Rent vs. Bay Area Region

- Comparable median contract rents
- Since 2010: San Leandro slightly lower than other local areas

Note: The U.S. Census Bureau defines contract rent as “The monthly rent agreed to or contracted for, regardless of any furnishings, utilities, fees, meals, or services that may be included. For vacant units, it is the monthly rent asked for the rental unit at the time of interview.”

Source: U.S. Census Bureau, "Median Contract Rent (Dollars)," 2010-2022. American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B25058, 2010-2022

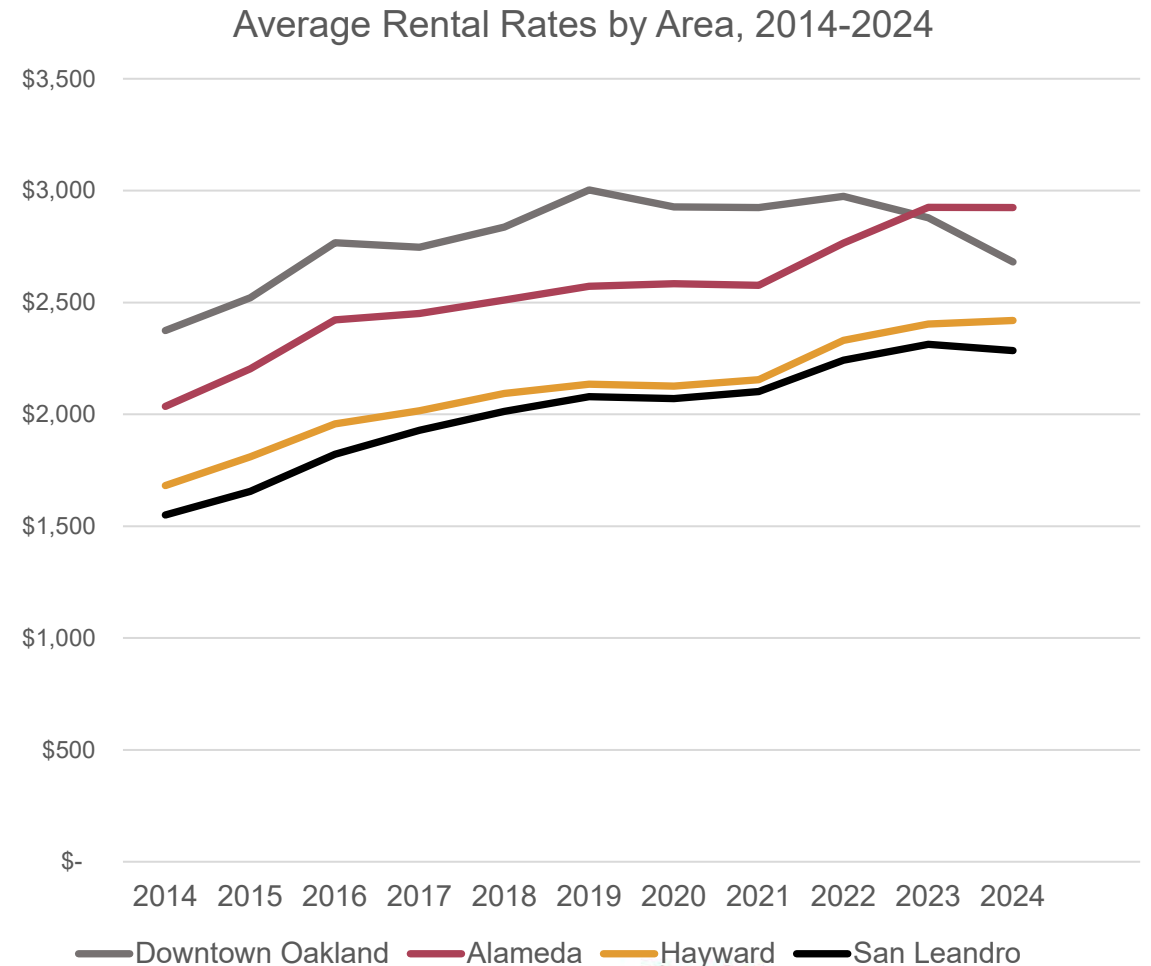
Median Contract Rents 2010-2022



Cost of Rent (New Data as of 12/24)*

- San Leandro has slightly lower rents and higher rent growth rates than neighboring East Bay submarkets

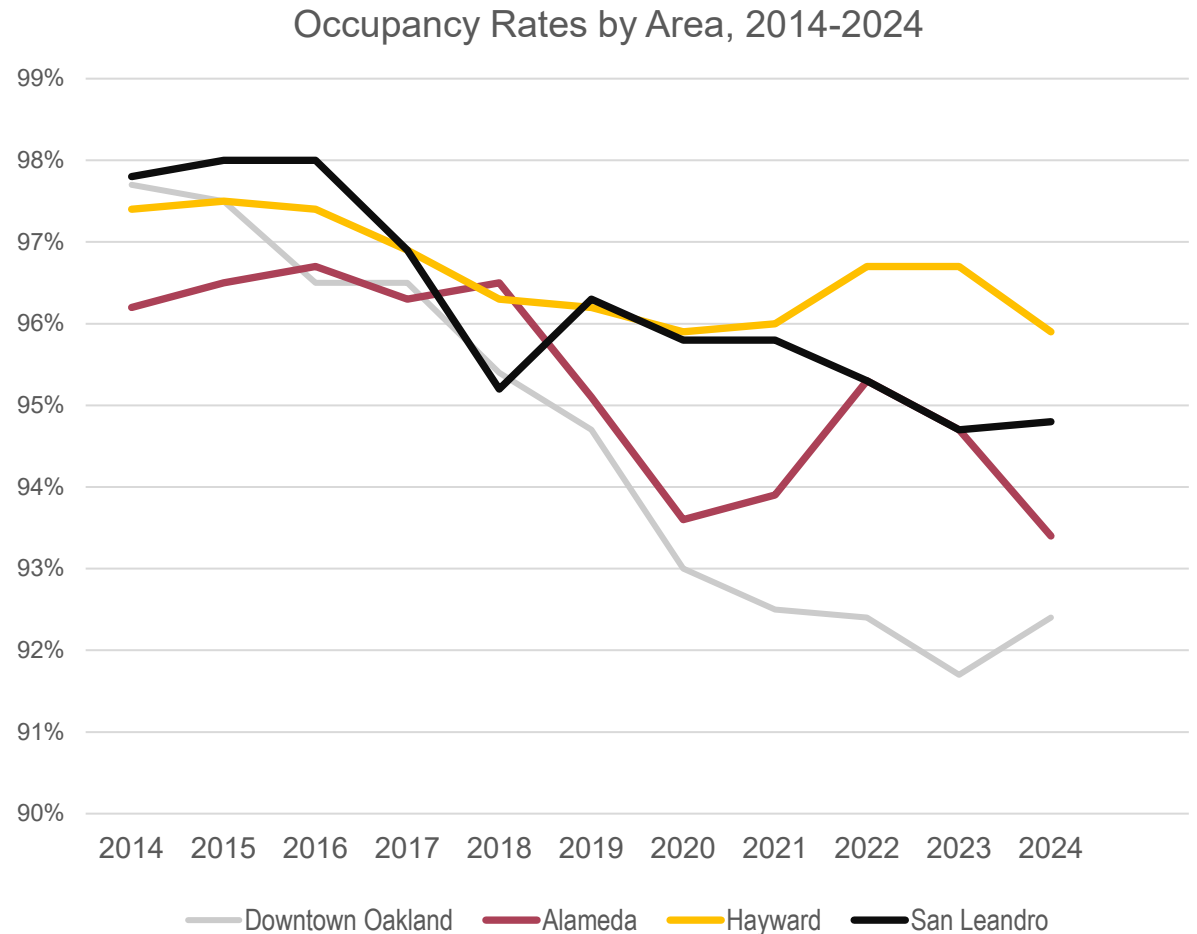
Source: Yardi Matrix, "Rental Rate Trends Grouped by Submarket," December 2014 – December 2024. Not adjusted for inflation. Multifamily rental properties with 50+ units.



Occupancy Rates (New Data as of 12/24)*

- 94.8% of rental units in large multifamily developments in San Leandro are being rented
- Occupancy rates have slightly decreased over the last 10 years locally and regionally

Source: Yardi Matrix, "Occupancy Rate Trends Grouped by Submarket," December 2014 – December 2024. Multifamily rental properties with 50+ units.



Housing Burden in San Leandro

- To afford median rent for 1BR apartment in San Leandro, a person would need to earn \$37.04/hour at a full-time job – more than double the \$16/hour State minimum wage

	Median Rent	Hourly Rate Needed to Afford Median Rent (before Taxes)
1-Bedroom	\$1,925	\$37.04
2-Bedroom	\$2,495	\$48.48

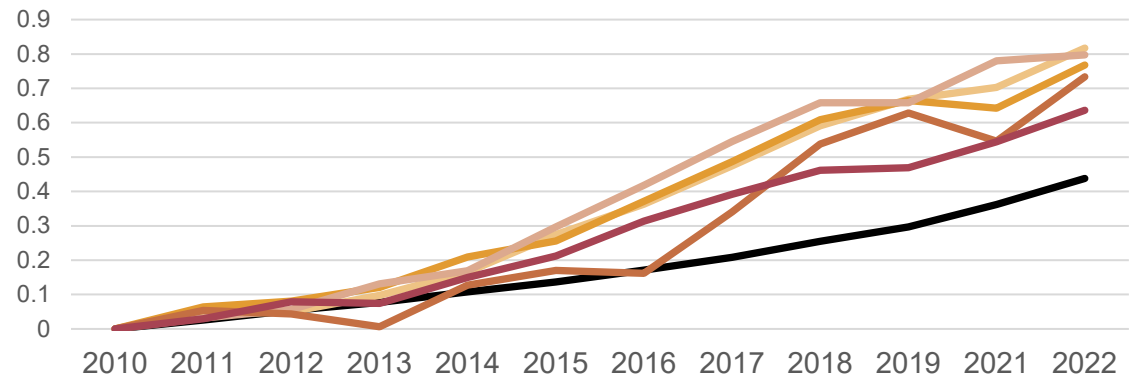
Housing Burden vs Bay Area Region

- Median rents increased 82% over 2010 levels, outpacing CPI, which increased 44%
- Follows same trend as other local areas

Note: 2010 represents base year for comparison.

Sources: U.S. Census Bureau, "Median Contract Rent (Dollars)," 2010-2022. American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B25058, 2010
U.S. Bureau of Labor Statistics "Consumer Price Index for All Urban Consumers (CPI-U): All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted." 2010-2023. <https://data.bls.gov/pdq/SurveyOutputServlet>

Median Rents Compared with Consumer Price Index
(San Francisco-Oakland-Hayward), 2010-2023



- CPI % change from 2010
- Alameda County Median Rent % change from 2010
- City of Alameda Median Rent % change from 2010
- City of Hayward Median Rent % change from 2010
- San Leandro Median Rent % change from 2010
- San Jose-San Francisco-Oakland Combined Statistical Area Median Rent % change from 2010

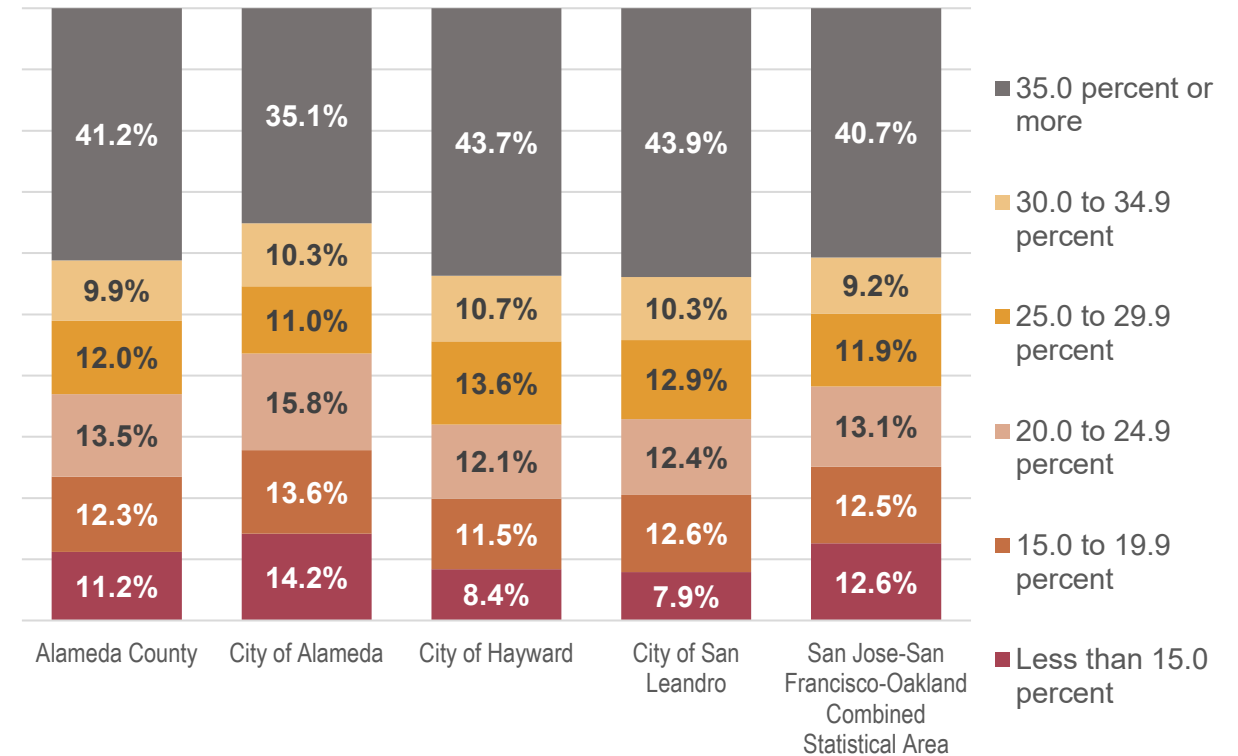
Housing Burden vs Bay Area Region

San Leandro and Hayward

- 43.9% and 43.7% of renter households pay 35%+ of income on rent
- More than half pay 30%+ of income in rent
- 30% is a widely used benchmark of “housing burden”

Source: U.S. Census Bureau, "Selected Housing Characteristics," 2022. American Community Survey, ACS 5-Year Estimates Data Profiles, Table DP04, 2022

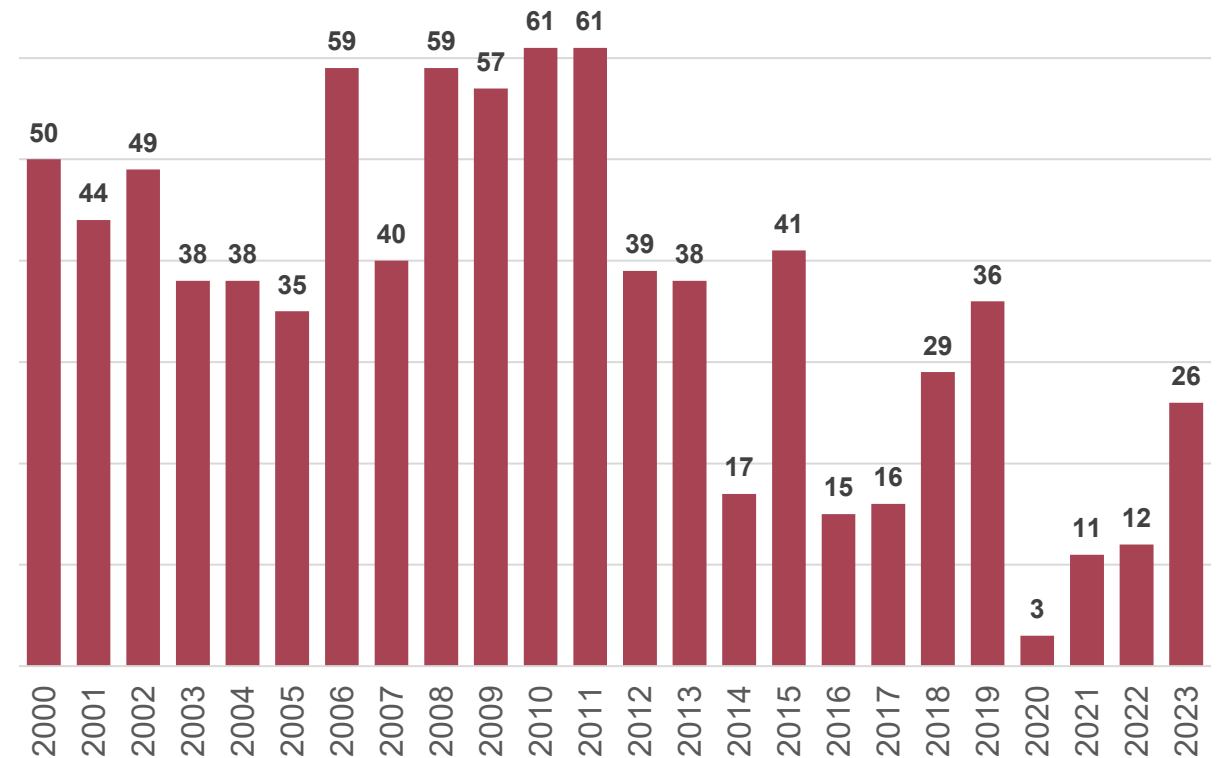
Rent as Percentage of Income



Unlawful Detainers

- Unlawful detainers in San Leandro averaged 41.1 per year prior to 2020 (2000-2019)
- Unlawful detainers had been on a downward trend since peaking at 61 in 2010-2011
- Includes zip codes: 94577, 94578, 94579

Unlawful Detainers, San Leandro, Excluding Commercial



Sources: Alameda County Superior Courts, "Unlawful Detainers, San Leandro, September 2021-December 2023."

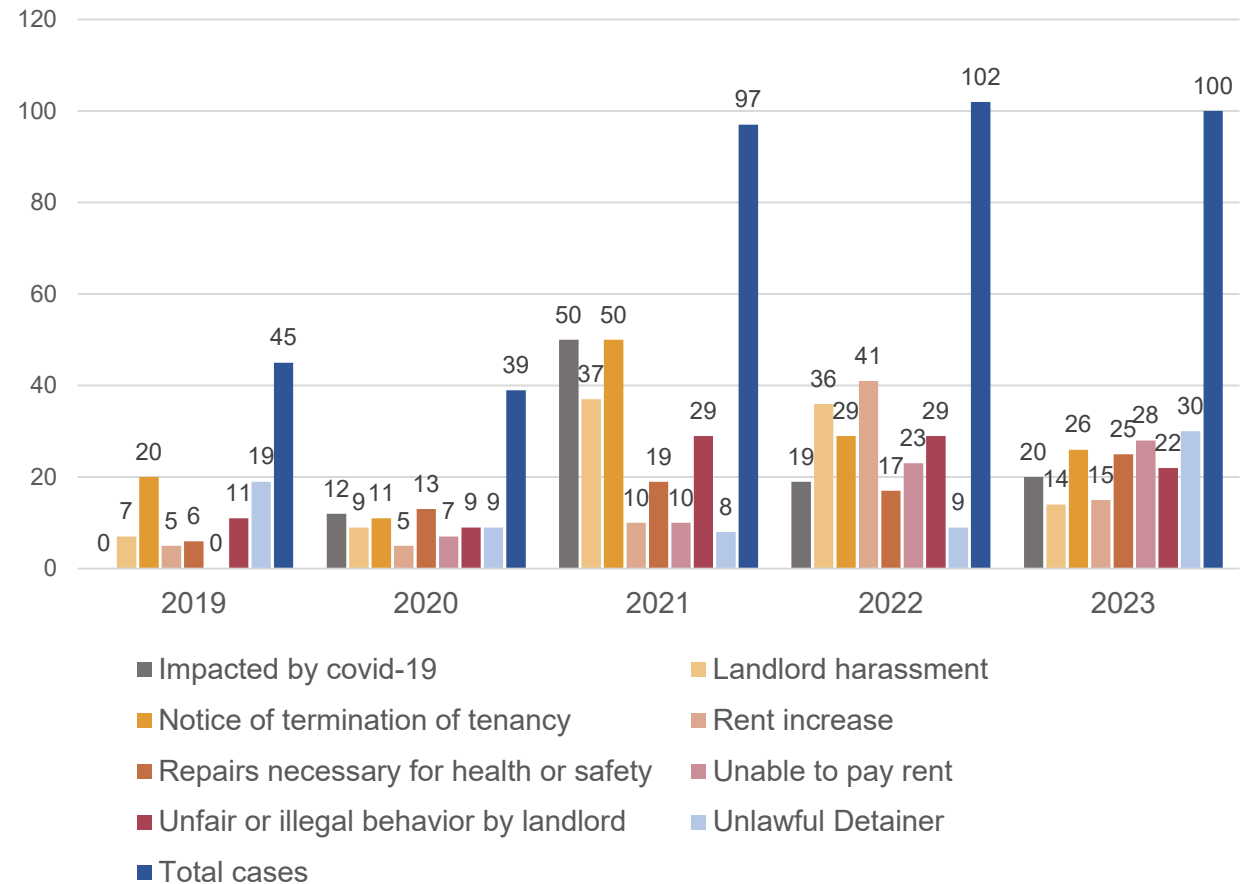
Threats of Displacement

- Centro Legal de La Raza’s San Leandro cases have more than doubled between 2019 (45) and 2023 (100)
- 2023: 40% of cases involved rent increase, 10% increase from prior year

Sources: Centro Legal de La Raza

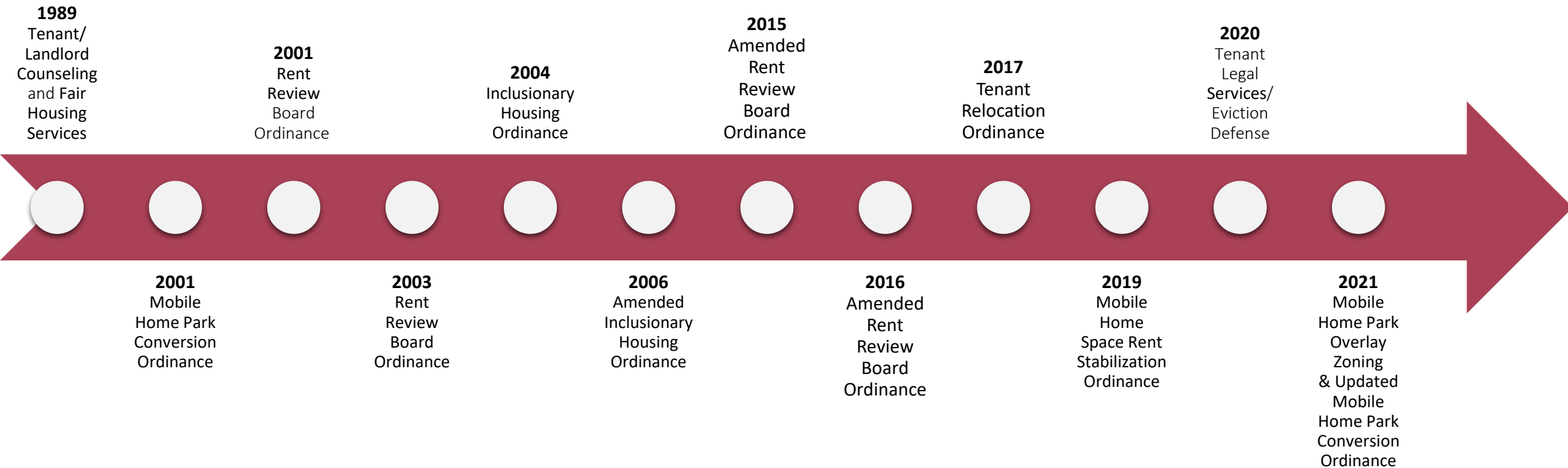
- Percentages will add up to more than 100% because cases can have more than one threat of displacement.
- The category "Notice of termination of tenancy" includes verbal threats of eviction as well as written notices

Threats of Displacement Analysis



Policy Options

Current City Programs Timeline



Current State Protections

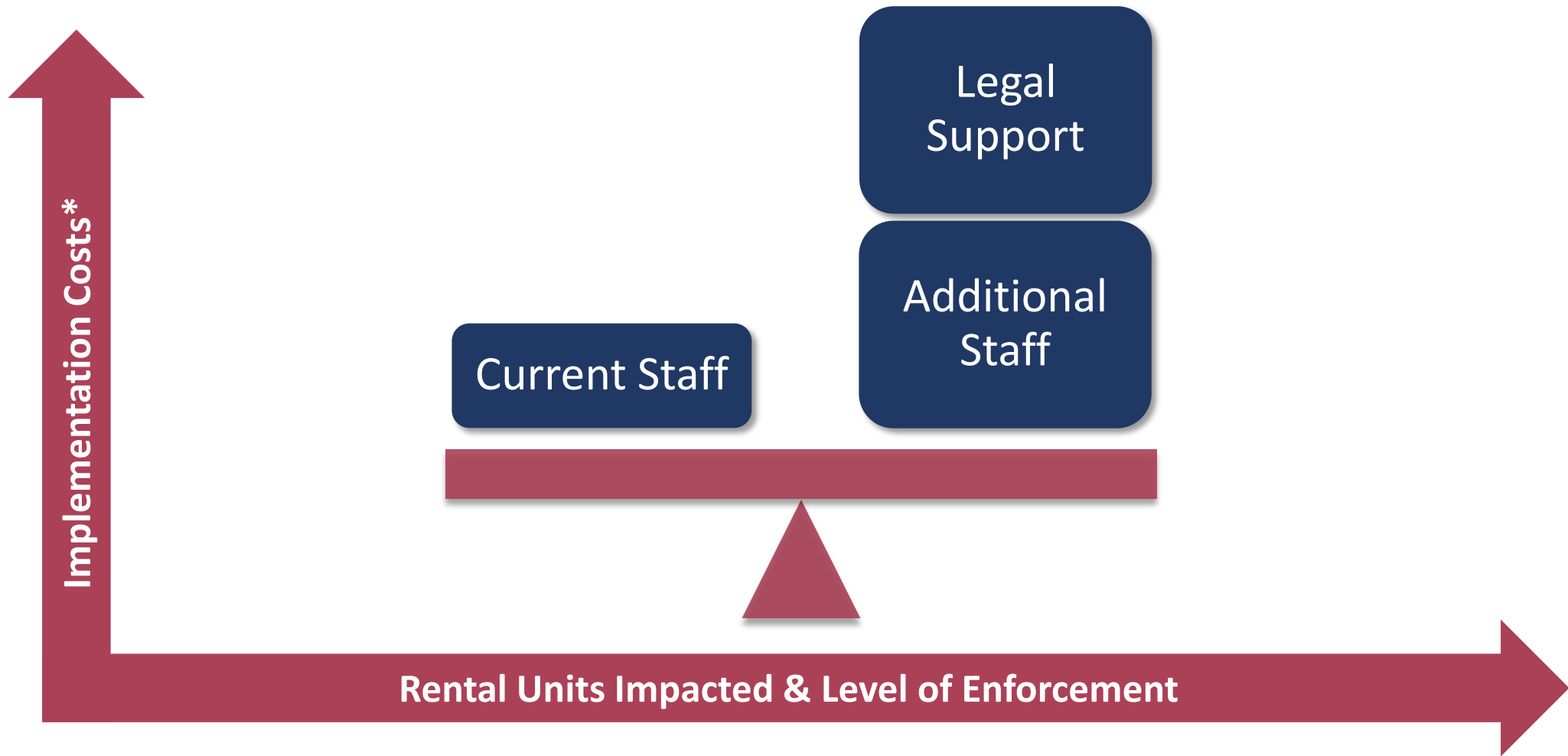
	Limitations on Rent Increases (e.g., Rent Control)	Limitations on Evictions (e.g., Just Cause)	Rent Registry	Anti-Harassment
Baseline State Protections	<ul style="list-style-type: none"> • AB 1482 caps allowable rent increase in a 12-month period: 5% + CPI* (10% max.). Sunsets Jan 1, 2030 • Exemptions: 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

Council Direction

- **City Council Meeting – July 17, 2023**
- **Analyze Existing and New Housing Protection Options:**
 - Stricter Rent Control
 - Stricter Just Cause Eviction Requirements
 - Rent Registry
 - Stricter Tenant Anti-Harassment Regulations
- **Assess Implementation and Cost Impacts to the City**

Policy Options

	Limitations on Rent Increases (e.g., Rent Control)	Limitations on Evictions (e.g., Just Cause)	Rent Registry	Anti-Harassment	Other Resources
Highest Protections	Cap maximum allowable rent increase	Prohibit “No Fault” evictions	Require expansive rental property registration	Adopt Anti-Harassment ordinance enforceable by third parties, with award of attorneys-fees for successful cases	<ul style="list-style-type: none"> • Include options below for Increased Protections and Current Protections
Increased Protections	<ul style="list-style-type: none"> • Amend Rent Review Ordinance: 1) Lower 7% rent cap threshold for hearing; 2) expand types of covered units; 3) allow appeals to neutral hearing officer • Adopt Minimum Lease Term Ordinance that: 1) requires mandatory offer of minimum term leases to in place tenants; 2) limits frequency of rent increases 	<ul style="list-style-type: none"> • Increase Tenant/Landlord Counseling and Tenant Legal Assistance • Require landlords to provide City with copy of termination notices • Narrow types of evictions which qualify as “at-fault” just cause • Add requirements for “No Fault” evictions 	Require basic rental property registration	Expand Anti-Harassment policies	<ul style="list-style-type: none"> • Fund rental assistance program • Create Rental Housing Inspection Program • Establish Education/ Mediation/ Legal Enforcement • Amend Tenant Relocation Assistance: 1) increase assistance and 2) expand types of covered units
Current Protections	<ul style="list-style-type: none"> • AB 1482 & Costa Hawkins • 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 • Rent control ordinance for mobile home spaces 	<ul style="list-style-type: none"> • AB 1482 & SB 567 • See programs under "Other Resources" 	<ul style="list-style-type: none"> • City business license required to rent units in San Leandro • Rent registry for mobile home park spaces 	<ul style="list-style-type: none"> • Rent Review and Tenant Relocation Ordinances include anti-retaliation requirements for tenants exercising rights • See programs under "Other Resources" 	<ul style="list-style-type: none"> • Tenant/Landlord Counseling • Tenant Legal Assistance • Tenant Relocation Assistance • Fair Housing Services



** Costs may be passed through to landlords and tenants*

Enforcement Service Models

	Services provided
Highest	<ul style="list-style-type: none"> • Proactive enforcement by staff, without receipt of complaints • Complaints from public lead to in-depth investigations • Significant enforcement, including possible civil lawsuits or criminal enforcement, in addition to administrative fines • Expert hearing officers are available to handle appeals of complex enforcement matters
Increased	<ul style="list-style-type: none"> • Minor administrative enforcement of clear violations, such as the issuance of notices of violation and administrative fines. • Additional counseling and individualized advice/education for tenants and landlords (proactively and in response to complaints, public education workshops)
Current	<ul style="list-style-type: none"> • Produce reference materials about local regulations (such as FAQs) • Answer basic questions about local regulations • When significant issues arise, refers public to Centro Legal and other third-party organizations • When staff receives complaints of alleged violations, follow-up/education with relevant parties regarding applicable regulations

Rental Housing Program Cost Comparison FY2021-22

Program Components	Berkeley	Beverly Hills	Richmond	Santa Monica	West Hollywood	Average
Year Rent Stabilization Program was Established	1978	2017	2017	1979	1985	--
Population	123,065	31,896	110,051	92,408	35,399	--
Rent-stabilized Units	19,607	7,794	7,665	27,484	16,741	--
Units Subject to "Just Cause" Only	24,306	--	10,485	--	--	--
Total Program Costs	\$5,446,666	\$1,600,000	\$2,595,497	\$5,505,179	\$2,523,827	\$3,534,234
Fee Per Unit	\$400	\$59	\$353	\$228	\$144	\$237

Source: Management Partners, "Objective Analysis of a Ballot Measure, Titled "The Pasadena Fair and Equitable Charter Amendment," August 2022.

Possible Policy Options

- Staff seeks direction from the Rules Committee on Policy option(s) to move forward:

	1. Rent Increases	2. Evictions	3. Rent Registry	4. Anti-Harassment	5. Other
Highest	A. Cap maximum allowable rent increase (“Rent Control”)	A. Prohibit “No Fault” evictions	A. Require expansive rental property registration	A. Adopt Anti-Harassment ordinance with award of attorneys-fees	A. Include options below for Increased Protections and Current Protections
Increased	B. Amend Rent Review Ordinance: C. Adopt Minimum Lease Term Ordinance 34	B. Increase Tenant/Landlord Counseling and Tenant Legal Assistance C. Require landlords to provide City with copy of termination notices D. Narrow types of evictions which qualify as “at-fault” just cause E. Add requirements for “No Fault” evictions	B. Require basic rental property registration	B. Expand Anti-Harassment policies	B. Fund rental assistance program C. Create Rental Housing Inspection Program D. Establish Education/ Mediation/ Legal Enforcement E. Amend Tenant Relocation Assistance

Draft Rent Registry Ordinance

Purpose of Ordinance

- **“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

Which Properties Are Exempt?

- 1) Rental units subsidized or regulated by City, State, federal & other public agencies
- 2) Rental units owned by any public agency
- 3) Rental units rented or leased for 30 consecutive days or less (hotels/motels, hosted Airbnb)
- 4) Hospital or facility for assisted living, skilled nursing, convalescence....
- 5) 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....
- 6) 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....
- 7) Mobile homes or mobile home lots (which are subject to requirements of Municipal Code section 4-39-240)
- 8) 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;
- 9) 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
- 10) 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.

Rent 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

- 1) **Per Ordinance, a reasonable fee may be established and collected to administer Rent Registry Program**

- 1) **Maximum annual fee: \$100 per unit***
 - Staff still assessing fee amount
 - Criteria include pass through impacts on renters & funding for effective staffing

- 2) **Approx. 16,000 to 20,000 rental units may fall under Rent Registry Ordinance**
 - includes single family and condos/townhome units being rented

** October 23, 2024 Rules Committee presentation*

Program Cost & Staffing

1) Estimated annual program cost: \$650,000

- Assumes 2 new FTE City Housing staff
 - Current budgeted Housing Division staffing (4 FTE): 1) Manager, 2) Senior Project Specialist, 3) Project Specialist II, 4) Project Specialist I (vacant)
- Includes 3rd party consultant to augment staff
- Includes rent registry software purchase & annual subscription/maintenance

Implementation & Challenges

- **Within first 90 to 120 days of Ordinance adoption:**
 - Find/select database vendor
 - Set up database
 - Develop forms, public information & website
 - Begin outreach to landlords
- **Implementation Challenges**
 - Thousands of housing providers will need to submit registration
 - Approx. 3 to 5 years to achieve full annual compliance
 - Staff costs & fee revenue estimates may be wrong
 - Administrative burden on existing Housing staff while staffing up

Staff Recommendations

Staff Recommends Rules Committee Provide:

1) Direction on Rent Registry Ordinance

- a) Proposed program costs/staffing levels
- b) Referral to City Council (1st reading)

2) Possible direction (policy options, next steps) for other housing protections:

- a) rent control
- b) just cause
- c) anti-harassment, and
- d) amending Mobile Home Rent Stabilization Ordinance

For more information



sanleandro.org/SLhousingprotections



housing@sanleandro.org



(510) 577-6006