

## **Appendix A**

List of Organizations and Possible Speakers



## Displacement Contacts

### List of Organizations, Contacts and Possible Speakers

Steve Blanton	San Mateo County Association of Realtors, <a href="mailto:steve@samcar.org">steve@samcar.org</a>
Jennifer Martinez	San Francisco Organizing Project/Peninsula Interfaith Action (SFOP/PIA), <a href="mailto:jennifer@sfop.org">jennifer@sfop.org</a>
Karyl Eldridge	San Francisco Organizing Project/Peninsula Interfaith Action (SFOP/PIA), <a href="mailto:KEldridge@cbnorcal.com">KEldridge@cbnorcal.com</a>
Rhovy Lyn Antonio	California Apartment Association Tri-County Division, <a href="mailto:rantonio@caanet.org">rantonio@caanet.org</a>
Joshua Howard	California Apartment Association, <a href="mailto:JHoward@caanet.org">JHoward@caanet.org</a>
Sam Tepperman-Gelfant	Public Advocates, <a href="mailto:stepperman-gelfant@publicadvocates.org">stepperman-gelfant@publicadvocates.org</a>
David Zisser	Public Advocates, <a href="mailto:dzisser@publicadvocates.org">dzisser@publicadvocates.org</a>
Anne Bellows	Public Advocates, <a href="mailto:abellows@publicadvocates.org">abellows@publicadvocates.org</a>
Nevada Merriman	MidPen Housing Corporation, <a href="mailto:nmerriman@midpen-housing.org">nmerriman@midpen-housing.org</a>
Daniel Saver	Community Legal Services of East Palo Alto, <a href="mailto:dsaver@clsepa.org">dsaver@clsepa.org</a>
Evelyn Stivers	Housing Leadership Council, <a href="mailto:estivers@hlcsmc.org">estivers@hlcsmc.org</a>
Miriam Zuk	The Urban Displacement Project, U.C. Berkeley, <a href="mailto:mzuk@berkeley.edu">mzuk@berkeley.edu</a>
Melissa Morris	Law Foundation of Silicon Valley, <a href="mailto:melissam@lawfoundation.org">melissam@lawfoundation.org</a>
Shireen Malekafzali	Get Healthy San Mateo, <a href="mailto:smalekafzali@smcgov.org">smalekafzali@smcgov.org</a>
Juliet Brodie	Community Law Clinic, Stanford Law School <a href="mailto:jmbrodie@law.stanford.edu">jmbrodie@law.stanford.edu</a>
Kirsten Spaulding	Building Trades of San Mateo, <a href="mailto:smclclabor@netscape.net">smclclabor@netscape.net</a>
Sandra Council	City of San Mateo Sandra Council < <a href="mailto:scouncil@cityofsanmateo.org">scouncil@cityofsanmateo.org</a> >
Rhonda Coffman	City of Redwood City, <a href="mailto:RCoffman@redwoodcity.org">RCoffman@redwoodcity.org</a>
Duane Bay	ABAG, <a href="mailto:DuaneB@abag.ca.gov">DuaneB@abag.ca.gov</a>
Gillian Adams	ABAG, <a href="mailto:gilliana@abag.ca.gov">gilliana@abag.ca.gov</a>
Tony Samara	Urban Habitat, <a href="mailto:tony@urbanhabitat.org">tony@urbanhabitat.org</a>
Patricia Sausedo	Building Industry Association, <a href="mailto:psausedo@biabayarea.org">psausedo@biabayarea.org</a>
Paul McDougall	California Department of Housing and Community Development (HCD), <a href="mailto:Paul.McDougall@hcd.ca.gov">Paul.McDougall@hcd.ca.gov</a>
Kate Harr	HIP Housing, <a href="mailto:KComfort@hiphousing.org">KComfort@hiphousing.org</a>
Pam Cohen	Disability Rights California, <a href="mailto:pamela.cohen@disabilityrightscal.org">pamela.cohen@disabilityrightscal.org</a>
Adrienne Etherton	Sustainable San Mateo, <a href="mailto:Adrienne@sustainable-sanmateo.org">Adrienne@sustainable-sanmateo.org</a>
Melissa Platte	Mental Health Association of San Mateo County, (650) 257-8814
Brian Greenberg	LifeMoves, <a href="mailto:bgreenberg@lifemoves.org">bgreenberg@lifemoves.org</a>
Don Cornejo	Golden Gate Regional Center (Development Disabilities), <a href="mailto:dcornejo@ggrc.org">dcornejo@ggrc.org</a>

**Other Organizations in the Bay Area**

Causa Justa / Just Cause, <https://cjjc.org/>

Non-Profit Housing of Northern California, <http://nonprofithousing.org/>

Greenbelt Alliance, <http://www.greenbelt.org/>

East Bay Housing Organizations (EBHO), <http://www.ebho.org/>

## **Appendix B**

Brief Definitions of Anti-Displacement Strategies and  
Use by San Francisco Bay Area Jurisdictions



# **Glossary of Anti-Displacement Strategies**

## **1. Just Cause Eviction**

Just cause eviction statutes are laws that allow tenants to be evicted only for specific reasons. These “just causes” can include a failure to pay rent or violation of the lease terms.

## **2. Rent Stabilization, Rent Control or Rent Regulation**

Rent Control ordinances protect tenants from excessive rent increases, while allowing landlords a reasonable return on their investments. Such ordinances limit rent increase to certain percentages, but California state law allows landlords to raise rents to the market rate once the unit becomes vacant.

## **3. Rent Review Board and/or Mediation**

Rent review boards mediate between tenants and landlords on issues related to rent increases, and encourage them to come into voluntary agreement. As mediators, the board normally does not make a binding decision in the case.

## **4. Mobile Home Rent Control**

Mobile home rent control places specific rent increase restrictions on the land rented by mobile home owners, or the homes themselves.

## **5. Foreclosure Assistance**

Many cities and counties have local programs that assist homeowners (financially or otherwise) when they are at risk of foreclosure. These programs may be funded with federal grants.

## **6. Locally Required Relocation Assistance**

Projects assisted with Federal and State funds are subject to requirements to provide relocation assistance to households displaced by those projects. And lower income housing units removed from the supply by such projects generally have to be replaced with new units that are comparable in size and affordability. While Federal and State law impose requirements on projects that receive public funds, privately financed development projects are often exempt from such requirements. Some jurisdictions have a requirement that tenants receive relocation payments if they lose their unit due to demolition for redevelopment of the site or due to condominium conversion situations.

Other jurisdictions that have just cause for eviction protections also implement relocation assistance requirements for “no-fault” evictions. For example, tenants may be eligible for relocation assistance if a landlord evicts them in order to move into the unit, or due to extensive renovations to the unit. Tenants who are evicted due to their own conduct (non-payment of rent, breach of lease, nuisance, etc.) are not eligible for relocation assistance under any existing policies in California. While relocation assistance ordinances are prevalent in cities with rent stabilization and just cause, other cities have chosen to adopt relocation assistance ordinances as a stand-alone policy.

## **7. Minimum Lease Terms**

Some jurisdictions, such as the City of Mountain View, have adopted ordinances requiring longer-term leases for renters to add more stability for renters compared to month-to-month rental agreements. Ordinances provide prospective tenants with the ability to reject a written multiple-month lease in the instance that a month-to-month lease better suits their housing needs.

## **8. Voluntary (“Good Behavior”) Rent Program**

Voluntary programs establish guidelines for what is considered “good behavior” in the rental housing market.

## **9. Landlord-Tenant Fair Housing Counseling**

Generally, counseling services can be provided through telephone and/or in-person counseling to both tenants and landlords regarding their rights and responsibilities under California law and local city ordinances. Housing Counselors are trained professionals in landlord/tenant law and are able to inform clients of a wide-range of actions they can take to enforce their rights. Training of City staff on fair housing laws can also be part of this program.

## **10. Tenant Anti-Harassment Policies**

These are policies intended to address actions by landlords against tenants that are intended to upset the tenants and make them want to move out. Such regulation can prohibit the following acts if they're done with the intent to harass:

- Taking away services provided in the lease (such as parking or laundry)
- Entering the apartment without proper notice
- Using lies or intimidation intended to make a tenant move out
- Giving a “three-day notice” or other eviction notice that's based on false charges, where the landlord does not intend to take the case to court
- Using fighting words or threatening bodily harm
- Refusing to do repairs that are required by law
- Intentionally disturbing a tenant's peace and quiet



- Interfering with a tenant's right to privacy
- Refusing to acknowledge receipt of a lawful rent payment

### **11. Source of Income Non-Discrimination Ordinance**

The Section 8 voucher program and other rent subsidies are intended to help low-income families find stable housing in the private rental market by covering the cost of some or all of their rent. In practice, however, many families that receive these subsidies face barriers to using them because some landlords refuse to accept the vouchers. The consequences of this refusal can be severe: voucher holders who are unable to find qualifying housing within a certain time frame may lose the vouchers altogether, and voucher holders who have found housing can lose their homes if their landlord decides to stop accepting rent subsidies. Several jurisdictions in California, and many others around the country, have enacted ordinances outlawing discrimination based on "source of income," defined to encompass all sources of lawful income including rental assistance programs administered by public entities or nonprofits. San Francisco, East Palo Alto, and Corte Madera have provided protections along these lines for more than a decade. In 2015, Santa Monica also adopted a source of income nondiscrimination ordinance; however, a lawsuit challenging that ordinance has raised some legal questions about the interaction of state and local law on this issue.

Source of income nondiscrimination laws can help protect families that receive rental assistance from displacement both by stabilizing their right to remain in their current housing and by providing them more opportunities to find housing in their communities if they need to move.

### **12. Rental Repair and Rehabilitation Program**

Funding or other assistance programs that help landlords with repairs and rehabilitation of rental housing.

### **13. SRO (Single-Room Occupancy) Preservation**

Single room occupancies, also called residential hotels, house one or two people in individual rooms. Tenants typically share bathrooms and/or kitchens. These are often considered a form of permanent residence affordable for low-income individuals. SRO Preservation ordinances help to preserve or create new SRO units.

### **14. Condominium Conversion Regulations**

In addition to state laws regulating the conversion of multifamily rental property into condominiums (like subdivision mapping and homeowner association formation), many cities have enacted condominium conversion ordinances. These impose procedural restrictions (like notification requirements) and/or substantive restrictions on the ability to

convert apartment units into condominiums (such as prohibiting conversions unless the city or regional vacancy rate is above a certain fixed amount or requiring that a certain number of units must be sold to persons of very low, low and moderate incomes). The purpose of such ordinances is to protect the supply of rental housing.

### **15. Jobs-Housing Linkage Fee or Affordable Housing Impact/Linkage Fee**

Affordable housing impact/linkage fees are charges on developers of new market-rate, residential developments. They are based on the square footage or number of units in the developments and are used to develop or preserve affordable housing.

### **16. Commercial Linkage Fee/Program**

Commercial linkage fees are charges on developers per square foot of new commercial development. Revenues are used to develop or preserve affordable housing.

### **17. Housing Trust Fund**

A housing trust fund is a designated source of public funds—generated through various means—that is dedicated to creating affordable housing.

### **18. Inclusionary Zoning**

Inclusionary housing policies require market-rate developers of rental or for-sale housing to rent or sell a certain percentage of units at affordable prices. Some policies include a provision for developers to pay “in-lieu fees” in place of building the housing; this revenue is used to develop affordable units elsewhere. Several court cases have made unenforceable requirements for affordable rental units within market-rate buildings; by contrast, inclusionary homeownership policies have been upheld in the state supreme court.

### **19. Density Bonus**

Density bonuses allow developers of market-rate housing to build higher-density housing, in exchange for having a certain portion of their units offered at affordable prices. In this inventory, we only include a city as having this policy if they allow an additional density bonus beyond that mandated by the state of California.

### **20. Community Land Trusts**

Community land trusts are nonprofit, community-based organizations (supported by the city or county) whose mission is to provide affordable housing in perpetuity by owning land and leasing it to those who live in houses built on that land.

## 21. First Source Hiring Ordinances

First Source hiring ordinances ensure that city residents are given priority for new jobs created by municipal financing and development programs.

## Anti-Displacement Measures Used by Bay Area Jurisdictions

Bay Area Housing and Local Economic Development Policies

	Policy	Number of Bay Area Cities/Counties with policy	Percent of Bay Area Cities/Counties (Total = 109)
Preservation Strategies	Just Cause Eviction Ordinance	7	6%
	Rent Stabilization or Rent Control	9	8%
	Rent Review/Mediation Boards	14	13%
	Preservation of Mobile Homes (Rent Stabilization Ordinance)	34	31%
	SRO Preservation Ordinance	28	26%
	Condominium Conversion regulations	73	67%
	Foreclosure Assistance	45	41%
Affordable Housing Production Strategies	Housing Development Impact Fee (or Jobs-Housing Linkage Fee)	24	22%
	Commercial Linkage Fee/Program	27	25%
	Affordable Housing Trust Fund	15	14%
	Inclusionary Zoning/Housing	78	72%
	Local Density Bonus Ordinance (above state requirements)	19	17%
	Community Land Trusts	26	24%
Asset Building and Local Economic Development Strategies	First Source Hiring Ordinances	17	16%

Source: UC-Berkeley and UCLA Internal Analysis; Association of Bay Area Governments 2015; Center for Community Change 2015; Center for Community Change 2013

See The Urban Displacement Project website for anti-displacement measures used by Bay Area jurisdictions — <http://www.urbandisplacement.org/policy-tools-2>

\*\*Note you can click on the map to see the anti-displacement measures used by a particular jurisdiction.



## **Appendix C**

County Counsel of San Mateo Interdepartmental Correspondence





## COUNTY OF SAN MATEO

### INTERDEPARTMENTAL CORRESPONDENCE

**To:** All County Departments  
**From:** John C. Beiers, County Counsel  
John D. Nibbelin, Chief Deputy County Counsel  
**Subject:** Continuum of Residential Tenant Protection Measures  
**Date:** September 23, 2015

#### I. Introduction and Executive Summary

This memorandum provides legal and historical background for rent stabilization and other tenant protections (including just cause eviction and relocation assistance measures); surveys tenant protection measures that exist throughout the State; describes the legal powers of, and constraints on, local government agencies with respect to the adoption of rent stabilization and other tenant protection measures.

Local jurisdictions throughout the area are confronting a housing affordability crisis and many of these cities and counties are considering a range of tools to address these circumstances. For example, at its meeting on August 5, 2015, the City of Richmond voted to adopt an ordinance that institutes rent stabilization and provides for “just cause evictions, for rental units in that city.”<sup>1</sup> The ordinance also provides for an elected “rent board” to discharge various functions under the ordinance. The City contemplates adding several staff members to administer rent stabilization.

This action by the City of Richmond implements some of the tenant protection tools available to local jurisdictions and this memorandum discusses these and others across the continuum of options available to the County.

In preparing this memorandum, we have surveyed the history of local government tenant protections in California, reviewed statutory and case law and constitutional provisions bearing on such protections and analyzed existing local government tenant protections, with a particular focus on Bay Area jurisdictions.

In addition, we met with local stakeholders, including Community Legal Services in East Palo

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<sup>1</sup> The Richmond rent stabilization ordinance was the first new rent stabilization ordinance adopted in several decades. The ordinance was scheduled to go into effect on September 4, 2015, but the California Apartment Owners Association has submitted a sufficient number of signatures to require a referendum on the ordinance before it goes into effect. The Contra Costa County Elections Office is presently validating the signatures.

Alto and the California Apartment Owners Association.

Finally, we have included the following **attachments** to this memorandum to supplement our work:

- Policy Arguments: a set of documents that briefly summarize the key characteristics of more common tenant protection measures and the policy arguments that are most commonly advanced for and against the measures
- Rent Stabilization Table: a table that summarizes the key characteristics of existing rent stabilization ordinances from a selection of representative jurisdictions

## II. Existing Statewide Laws Relating to Residential Tenancies

### a. Notice of Rent Increases

California law sets forth in the Civil Code the standard that landlords must comply with before raising a residential tenant's rent. If the tenant's lease is for a term of more than thirty days, the rent cannot be raised during the term, unless the lease specifically allows for an increase. In cases where rent increases are allowed, California law requires that tenants receive at least 30 days' advance notice before a rent increase goes into effect.

Specifically, if a proposed rent increase is ten percent or less of the rent charged at any time during the preceding 12 months, the landlord must provide the tenant with at least 30 days advance written notice of the rent increase.<sup>2</sup> If the proposed rent increase is more than ten percent of the rent charged at any time during the preceding twelve months, the landlord must provide the tenant with at least sixty days' advance written notice of the increase.<sup>3</sup>

In our research, we have found no jurisdictions that have attempted to impose, on a local basis, notice periods for rent increases longer than those required under the California Civil Code and, in our view, any such local efforts would be preempted by state law.<sup>4</sup>

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<sup>2</sup> Cal. Civil Code § 827(b)(2).

<sup>3</sup> Cal. Civil Code § 827(b)(3).

<sup>4</sup> Subsection (c) of Civil Code section 827 states that "if a *state or federal* statute, *state or federal* regulation, recorded regulatory agreement or contract provides for a longer period of notice regarding a rent increase than that provided" by section 827, that longer period shall control Cal. Civil Code § 827(c) (emphasis added). This text strongly infers that only state and federal statutes or regulations may impose longer notice provisions than those set forth in section 827.



**b. Notice of Lease Termination**

Along similar lines, California law imposes certain notice obligations upon landlords who seek to end tenancies. If a lease is for a set term (e.g., one year), the tenancy ends on the last day of the lease term, unless the tenant does not vacate and the landlord allows the tenant to remain, in which case the tenancy is converted to a month-to-month periodic tenancy.

To terminate a periodic (e.g., month to month) tenancy, the landlord must give either thirty or sixty days' prior written notice. If all tenants in the rental unit have resided in the unit for at least one year, the landlord must give at least sixty days' prior written notice of termination.<sup>5</sup>

If any tenant in the rental unit has resided there for less than one year or the landlord has contracted to sell the unit another person who intends to occupy it for at least a year after the tenancy ends, the landlord need provide only thirty days' prior written notice.<sup>6</sup> As discussed below, some local jurisdictions, such as the City of San Jose, have adopted ordinances that provide for longer notice periods to terminate a tenancy than those set forth in state law.

Many local jurisdictions have determined that these state law provisions do not afford an adequate degree of protection to residential tenants and they have therefore adopted ordinances that provide additional protections, which we will discuss in this memorandum.

**III. The Continuum of Tenant Protection Measures**

Local government agencies have available and have implemented tenant protection measures that run along a continuum, in terms of the amount of government regulation of the landlord-tenant relationship and the agency resources dedicated to implementation of the regulation. At one end are measures that mandate a minimum lease term with stable rents during the term, required notice periods in addition to or beyond those required under State law and mandatory (but non-binding) mediation of certain landlord-tenant disputes, including with respect to rent increases.

Further along the continuum are measures that limit the basis upon which a tenant may be evicted from a tenancy (so-called "just cause eviction ordinances") and that may require a landlord to provide relocation assistance in some cases to displaced tenants.

Finally, some jurisdictions have moved further along the continuum and adopted rent stabilization ordinances that limit, to some extent, the ability of a landlord to increase rents on covered units. The key characteristics of these ordinances vary among jurisdictions and many of them incorporate other tenant protection measures, such as just cause evictions and relocation

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<sup>5</sup> Cal.Civil Code § 1946.1(b).

<sup>6</sup> Cal Civil Code §§ 1946, 1946.1(c), 1946.(d).

assistance. All of these ordinances are subject to limitations imposed by State law, including in the Costa-Hawkins Act.

#### **IV. Minimum Lease Term**

The City of Palo Alto has adopted a rental housing stabilization ordinance that provides, among other things, that a landlord must offer the prospective tenant of any rental unit (defined to include all multiple-family dwellings) a written lease for a minimum term of *at least one year*.<sup>7</sup> The offered lease must set the rent for the unit at a rate certain for the entire one year term of the lease and the rent cannot be changed during that lease term, except as provided in the written lease. If the tenant rejects the offered one year lease, the parties are free to negotiate a lease term of less than one year.

Requiring a landlord to offer a minimum one year term for a lease affords the tenant protection against rent increases during that term. However, while a landlord is required to offer a tenant a new one-year tenancy at the end of the succeeding one year lease term (if the landlord chooses to renew the lease with that tenant), the landlord is free to demand whatever rental rate the market will bear at the time of lease renewal.

#### **V. Enhanced Notice Provisions**

Other jurisdictions, while not requiring that landlords offer leases with specific minimum terms, do have ordinances requiring ***notice prior to termination*** of a tenancy in excess of the notice otherwise required by State law. San Jose, for example, requires 90 days' prior notice before termination of a tenancy if the tenant has resided in the unit for one year or more.<sup>8</sup> If the city's housing director finds a "severe rental housing shortage," 120 days' notice is required. A shorter notice period (60 days; the amount of notice otherwise provided by State law) is allowed if the landlord agrees to arbitration on the termination date.

As noted above, we believe that State law would preempt any local regulations that would purport to impose ***notice requirements for rent increases*** beyond the notice periods otherwise required under State law (i.e., thirty days notice for rent increases of ten percent or less and sixty days for rent increases of greater than ten percent).

#### **VI. Landlord-Tenant Mediation of Rent Increases**

We have also identified jurisdictions that have adopted ordinances that implement landlord-tenant mediation programs. These ordinances establish programs that offer or, in some cases, require, a mediation process before landlords are able to impose certain rent increases and,

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<sup>7</sup> Palo Alto Ordinance Code, § 9.68.030.

<sup>8</sup> San Jose Ordinance Code § 17.23.610.

depending on the jurisdiction, such programs may also require mediation of other aspects of the landlord-tenant relationship.

Most ordinances imposing mandatory mediation of rent increases limit the types of rental properties that are subject to the mediation requirement (e.g., units in buildings with multiple dwelling units).<sup>9</sup> Likewise, these ordinances typically specify the types of disputes that are subject to mandatory mediation (e.g., proposed rent increases of a set percentage above “base rent,” rent increases of more than a certain dollar amount per month, or multiple rent increases in any twelve-month period).

Under many such ordinances, landlords are required to participate in a non-binding mediation process if a tenant requests mediation of a dispute within the scope of the ordinance and if a landlord fails to do so, the proposed rent increase is invalid.

## **VII. Just Cause Eviction Ordinances**

Moving along the continuum of possible tenant protection measures, some jurisdictions have adopted ordinances that impose relatively extensive restrictions on the circumstances under which a landlord can evict a tenant.

As noted below, jurisdictions with rent stabilization ordinances typically couple them with so-called “just cause eviction” ordinances. However, most such jurisdictions extend the just cause eviction protection of their ordinances to the tenants of rental units that are not themselves subject to rent stabilization, and the California courts have recognized that the Costa-Hawkins Act does not itself preempt just cause eviction ordinances. In fact, some jurisdictions have adopted just case eviction ordinances without instituting rent stabilization.<sup>10</sup>

Under these just cause eviction ordinances, landlords may evict a tenant only for reasons that are specifically enumerated in the ordinance. Examples of permissible grounds for evicting a tenant typically include the following:

- Failure to pay rent or habitually paying rent late;
- Violation of a material term of rental agreement, where there has been notice and an opportunity to correct the violation;
- Committing or allowing the existence of a nuisance;
- Damaging the unit or common areas;
- Unreasonably interfering with the comfort, safety or enjoyment of other tenants;
- Committing or allowing an illegal activity or use;

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<sup>9</sup> Palo Alto Municipal Code, § 9.72.010.

<sup>10</sup> See, e.g., City of Glendale Municipal Code, Chapter 9.30; City of Maywood Municipal Code, Title 8, Ch. 17.

- Owner or family member occupancy;
- Resident manager occupancy;
- Substantial renovation;
- Denying landlord lawful entry; or
- Unauthorized subtenant in possession at the end of the lease term.

In contrast, San Jose employs a narrower approach and only prohibits evictions where the landlord's dominant motive is retaliation against a tenant's exercise of his or her rights under the city's rent stabilization ordinance, or to evade the purposes of the ordinance.

In jurisdictions with a just cause eviction ordinance, landlords are often required to satisfy special notice requirements. For example, a landlord might be required to identify the grounds for the eviction, including the facts that support that determination, and to describe the renter's rights and resources. Some jurisdictions require that a landlord give a former tenant notice when they are returning a property to the rental market where the eviction was based on owner occupancy.

Tenant advocates maintain that just cause eviction ordinances afford tenants some degree of protection against arbitrary landlord actions, particularly in a tight rental market. Landlords often assert that such ordinances make it more difficult for them to act quickly to deal with problem tenants.

## **VIII. Relocation Assistance**

Local jurisdictions often require landlords to provide relocation assistance payments to all tenants when the eviction is not the fault of the tenant ("no-fault evictions"). Other jurisdictions limit such mandated assistance based on the type of eviction or the status of the affected tenant; it is particularly common to require relocation assistance for evictions occurring when landlords require tenants to depart in order to occupy units themselves (so-called "owner-occupancy" evictions) or Ellis Act evictions (i.e., an eviction to remove a unit from the rental market).

In addition to a lump sum payment, many cities require the landlord to pay for relocation assistance services. As with eviction controls, many local agencies extend the relocation assistance requirements to tenants in units that are not subject to rent stabilization.

For example, in Mountain View, landlords are required to pay relocation assistance when evicting tenants under certain circumstances. The Mountain View ordinance applies only where a landlord vacates four or more rental units within a one-year period in order to (1) withdraw from the rental market (an Ellis Act eviction), (2) demolish the rental property, (3) perform substantial renovations, (4) convert to condominiums, or (5) change to a non-residential land use. Further, only tenants with a household income at or less than eighty percent of the area median

household income are eligible for relocation assistance.<sup>11</sup> Other jurisdictions require relocation assistance payments without reference to the income level of the affected tenants.<sup>12</sup>

Under the Mountain View ordinance, in covered eviction cases, the landlord is required to refund the tenant's security deposit (with limited exceptions), provide the affected tenants with a 60-day subscription to a rental agency, and pay the equivalent of three months' rent, based on the median monthly rent for a similar-sized unit in Mountain View. Certain special-circumstances households, including seniors, persons with disabilities, and families with a dependent child, are entitled to an additional \$3,000 payment. The ordinance also requires 90 days' notice of termination.

Other ordinances, such as the City of Glendale's, require payment of "two times the amount of the fair market rent as established by the U.S. Department of Housing and Urban Development for a rental unit of similar size of that being vacated in Los Angeles County . . . plus one thousand dollars." Glendale Municipal Code § 9.30.035.

## **IX. What is Rent Stabilization?**

A further step along the continuum of tenant protection measures is rent stabilization and the following sections describe rent stabilization and statutory/constitutional limits on rent stabilization ordinances and analyze existing rent stabilization ordinances.

The cost of market-rate housing units fluctuates with changes in the housing market. For example, a recent report from the Housing Authority of the County of San Mateo states that the average cost of rent in the County has increased more than 45% over the last four years. The general purpose of rent stabilization is to protect tenants by limiting the amount that rents may increase as market rents increase. These ordinances provide tenants certainty that their rents will not increase above a certain amount each year, while also providing landlords with a fair return on their investments.<sup>13</sup>

### **a. Types of Rent Stabilization Ordinances**

Commentators typically speak of three general types of rent stabilization ordinances, two of which remain legal in California.<sup>14</sup>

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<sup>11</sup> In 2014, 80 percent of the median income for Santa Clara County was \$71,300 for a four-person household.

<sup>12</sup> See, e.g., City of Glendale Municipal Code, § 9.30.035; City of Maywood Municipal Code § 8.17.035.

<sup>13</sup> *Pennell v. City of San Jose* (1988) 485 U.S. 1, 13.

<sup>14</sup> Friedman *et al.*, Cal. Practice Guide: Landlord–Tenant (The Rutter Group 2014) ¶ 2:707, p. 2D–4.

**i. Vacancy Control**

The most restrictive type, known as “vacancy control,” sets the maximum rental rate for a unit and maintains that rate when the unit is vacated and another tenant takes occupancy.<sup>15</sup> Under “vacancy control” ordinances – which, as discussed below, *California law no longer allows* – the rent that can be charged for a unit remains subject to control at all times, including upon the occurrence of a vacancy and the establishment of a new tenancy.

**ii. Vacancy Decontrol-Recontrol**

A less restrictive form of rent regulation, known as “vacancy decontrol-recontrol,” allows a landlord to establish the initial rental rate for a vacated unit (typically at the then-prevailing market rate) but, after that rental rate is fixed, limits rent increases as long as the same tenant occupies the unit.<sup>16</sup>

For example, under such an ordinance, a landlord could set a monthly rent at the hypothetical prevailing market rate of \$1,000 when a new tenant moves in and that amount would become the “base rent” during the term of that tenancy. During that tenancy, the limitations on rent increases would be applied against that \$1,000 base rent. Thus, if the ordinance allowed for rent increases of up to 5% per year, the landlord could increase the rent to no more than \$1,050 after the first year of the lease. However, if this tenant moves out and the landlord thereafter rents to a new tenant who is willing to pay rent of \$1,500 per month, that \$1,500 amount becomes the new “base rent” and the 5% limitation would be applied to this new base rent.

**iii. Permanent Decontrol**

The least restrictive type of rent control, known as “permanent decontrol,” limits rent increases only on units occupied at the time the ordinance is adopted and when such units are vacated, they become unregulated and landlords are free to determine the initial rental rate and any future rent increases.<sup>17</sup>

Stated differently, under “permanent decontrol,” rent stabilization would apply only to tenancies existing at the time that such an ordinance is adopted and, as these tenancies end when the tenants move out, the units would cease to be covered by the ordinance.

**iv. Scope**

Rent stabilization measures may be exhaustive in scope. In addition to capping permissible rent

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<sup>15</sup> *Id.*, ¶ 2:708, p. 2D–4.

<sup>16</sup> *Id.*, ¶ 2:710, p. 2D–5.

<sup>17</sup> *Id.*, ¶ 2:711, p. 2D–5.

increases, they may regulate landlord conduct that has the effect of imposing a rent increase (e.g., decrease in housing services without a corresponding decrease in rental rates).<sup>18</sup> They may also impose “eviction controls,” such as those described above, which protect tenants from arbitrary evictions while ensuring that landlords can lawfully evict tenants for good cause.<sup>19</sup> Also, as noted, rent stabilization ordinances may be, and often are, coupled with relocation assistance provisions, which require landlords who evict tenants for certain reasons to pay tenants some of their displacement costs in advance.<sup>20</sup>

## **X. What Legal Standards Apply to Rent Stabilization Ordinances in California?**

### **a. Costa-Hawkins Rental Housing Act**

Prior to the enactment of the Costa-Hawkins Rental Housing Act in 1995<sup>21</sup>, there was no statutory provision limiting local rent stabilization ordinances in California.<sup>22</sup> Costa-Hawkins was the California Legislature’s first major effort to limit local controls over rents chargeable to residential tenants.<sup>23</sup> Proponents of the legislation viewed it as “a moderate approach to overturn extreme vacancy control ordinances . . . which deter construction of new rental housing and discourage new private investments . . . .”<sup>24</sup> Opponents, on the other hand, argued that the legislation was “an inappropriate intrusion into the right of local communities to enact housing policy to meet local needs” and that the law “would cause housing prices to spiral, with the result that affordable housing would be available to fewer households.”<sup>25</sup>

Costa-Hawkins imposed the following limitations on local rent stabilization ordinances:

1. Housing constructed on or after February 1, 1995 is exempt from such local ordinances;<sup>26</sup>
2. Single-family homes and condominiums (units where title is held separately) are exempt from such ordinances;<sup>27</sup> and
3. Such ordinances cannot regulate the initial rate at which a dwelling unit is offered once the previous tenants have vacated the unit.<sup>28</sup> In other words, “vacancy control” ordinances have been abolished and, with limited exceptions, landlords may impose “whatever rent they choose at the commencement of a tenancy.” *Action Apartment Ass’n*

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<sup>18</sup> *Id.*, ¶ 5:1, p. 5–1.

<sup>19</sup> *Id.*

<sup>20</sup> For further discussion regarding relocation assistance mandates, see section IV.D of this memo.

<sup>21</sup> See Cal. Civ. Code § 1954.50 *et seq.*

<sup>22</sup> Legis. Analyst, analysis of Assem. Bill No. 1164 (1995–1996 Reg. Sess.) p. 1.

<sup>23</sup> Legis. Analyst, analysis of Assem. Bill No. 1164 (1995–1996 Reg. Sess.) p. 1.

<sup>24</sup> *Id.* at p. 6.

<sup>25</sup> *Id.* at p. 6.

<sup>26</sup> Cal. Civ. Code § 1954.52(a)(1).

<sup>27</sup> *Id.* at § 1954.52(a)(3)

<sup>28</sup> *Id.* at § 1954.53(a).

*Inc. v. City of Santa Monica* (2007) 41 Cal. 4<sup>th</sup> 1232, 1237.

Costa-Hawkins allowed local jurisdictions to continue to impose rent stabilization on units that are not otherwise exempt, provided that the rents may be reset to market levels by landlords upon a new tenancy (i.e. “vacancy recontrol-decontrol”).

#### **b. Constitutional Issues**

Both the United States and California Supreme Courts have held that rent stabilization is a proper exercise of a local government’s police power if it is calculated to eliminate excessive rents and it provides landlords with just and reasonable returns on their property.<sup>29</sup> Thus, in order to withstand constitutional scrutiny, a rent stabilization ordinance must provide a mechanism for ensuring landlords a “just and reasonable” return on their property.<sup>30</sup> A “just and reasonable” return is one that is “sufficiently high to encourage and reward efficient management, discourage the flight of capital, maintain adequate services, and enable [landlords] to maintain and support their credit status.”<sup>31</sup> At the same time, the amount of return should not defeat the purpose of rent stabilization, which is to prevent excessive rents.<sup>32</sup>

A rent stabilization scheme would be vulnerable to constitutional challenge if, for instance, it indefinitely freezes landlord profits, imposes an absolute (inflexible) cap on rent increases, or prohibits a particular class of landlords from obtaining rent increases.<sup>33</sup> On the other hand, even a narrowly-drawn ordinance will be valid so long as it grants the responsible body or authority discretion to provide a fair return by approving rent increases in extraordinary cases.<sup>34</sup>

In addition to ensuring that landlords are guaranteed a “just and reasonable” return on their investments, any rent stabilization measure must avoid classification as a “regulatory taking” under federal and state constitutional law principles. Depending on how a rent stabilization ordinance is drafted and/or applied, it may violate the Fifth and Fourteenth Amendments of the U.S. Constitution, which prohibit the taking of private property for public use without “just compensation.”<sup>35</sup> The “just compensation” provision is “designed to bar [g]overnment from forcing some people alone to bear public burdens which, in all fairness and justice, should be

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<sup>29</sup> See *Birkenfeld v. City of Berkeley* (1976) 17 Cal. 3d 129; *Pennell v. City of San Jose*, *supra*, 485 U.S. at 12; *Santa Monica Beach, Ltd. v. Super. Ct* (1999) 19 Cal.4th 952, 962.

<sup>30</sup> *Birkenfeld v. City of Berkeley*, *supra*, 17 Cal.3d at 165; *Galland v. City of Clovis* (2001) 24 Cal.4th 1003, 1021.

<sup>31</sup> *Carson Harbor Village, Ltd. v. City of Carson Mobilehome Park Rental Review Board* (1999) 70 Cal.App.4th 281, 288-289; *TG Oceanside, L.P. v. City of Oceanside* (2007) 156 Cal.App.4th 1355, 1372; *MHC Operating Limited Partnership v. City of San Jose* (2003) 106 Cal.App.4th 204, 220.

<sup>32</sup> *Ibid.*

<sup>33</sup> *Donohue v. Santa Paul West Mobile Home Park* (1996) 47 Cal.App.4th 1168, 1179.

<sup>34</sup> *Ibid.*

<sup>35</sup> See U.S.C.A. Const. Amend. 5, 14.



borne by the public as a whole.”<sup>36</sup>

A regulatory taking of private property occurs when a government regulation limits the uses of the property to such an extent that the regulation effectively deprives the owners of its economically reasonable use or value even though the regulation does not divest them of title to it.<sup>37</sup> If the owners can show the value of their property has been diminished as a result of the regulation and that the diminution in value is so severe that the regulation has “essentially appropriated their property for public use[.]” then a regulatory taking has taken place and the local government which enacted the regulation must provide the owners “just compensation.”<sup>38</sup>

## **XI. Overview of Local Rent Stabilization Ordinances in California**

As of July 2015, we have identified 14 cities in California – many of which are in the Bay Area – that have instituted some form of rent stabilization.<sup>39</sup> News reports also indicate that a number of jurisdictions are currently considering adopting rent stabilization (Santa Rosa) or increasing the stringency of existing measures (San Jose). No county, other than the City and County of San Francisco, has, to date, adopted a rent stabilization ordinance.<sup>40</sup>

As noted, rent stabilization ordinances are price control mechanisms subject to State and Federal constitutional limitations. Therefore, rent stabilization laws tend to be complex and to vary by jurisdiction. Generally, however, rent stabilization measures address the following points: the type of housing subject to rent stabilization; the limits on and procedure for setting or raising rents; and eviction controls. The chart included as an exhibit to this memorandum compares the key features of rent stabilization ordinances adopted by various jurisdictions and a summary of these ordinances is provided below.

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<sup>36</sup> *First English Evangelical Lutheran Church of Glendale v. County of Los Angeles* (1987) 482 U.S. 304, 318-319 (internal quotations marks and citations omitted).

<sup>37</sup> See *Yee v. City of Escondido* (1992) 503 U.S. 519, 522-523; *Hensler v. City of Glendale* (1994) 8 Cal.4th 1, 10.

<sup>38</sup> See *Garneau v. City of Seattle* (9th Cir. 1998) 147 F.3d 802, 807-808. The economic impact equation must also account for any valuable “quid pro quo” the property owners may have received as a result of the enactment. *Id.* Also, a temporary regulatory taking, consisting of the temporary deprivation of all economically viable use of the property, may require compensation for the period of time the regulation denied the owner all use of the land. See *First English Evangelical Lutheran Church of Glendale v. County of Los Angeles*, *supra*, 482 U.S. 304, 318; *Ali v. City of Los Angeles* (1999) 77 Cal.App.4th 246, 254-255.

<sup>39</sup> California jurisdictions with rent stabilization ordinances include Richmond (which recently adopted a rent stabilization ordinance that may be subject to the referendum process), Berkeley, Oakland, San Francisco, San Jose, East Palo Alto, Hayward, Los Gatos, Beverly Hills, Los Angeles, Palm Springs, Santa Monica, Thousand Oaks, and West Hollywood.

<sup>40</sup> Note that a number of counties (including San Mateo County) and many more cities have adopted rent control ordinances that apply only to mobilehome parks; although this type of rent control is subject to the same constitutional standards, mobilehome rent control is governed by a separate statutory scheme (California’s Mobilehome Residency Law) and a review of mobilehome rent control is not included in this memorandum.

**A. What Type of Housing May be Subject to Rent Stabilization?**

As discussed above, State law preempts local ordinances that purport to apply rent stabilization to single-family housing units and to housing built after 1995, or that purport to limit the initial rent established at the beginning of a new tenancy. Likewise, residential units owned or managed by the government, and units with government subsidized rents are exempt under all ordinances. Federal law expressly preempts local rent stabilization on federally-assisted rental buildings.

Beyond the limits imposed by State and federal law, however, local governments often create additional exemptions and limits on the applicability of rent stabilization ordinances. Many jurisdictions that imposed rent stabilization prior to the 1995 adoption of the Costa-Hawkins Act typically exempted from their own ordinances units constructed and initially occupied after the date the local ordinance was adopted.

For example, San Francisco imposes rent stabilization only on units built before 1979, when the San Francisco ordinance was adopted. While it is less relevant to cities or counties considering rent stabilization post-Costa Hawkins, cities tended to impose rent stabilization only on existing housing stock in order to avoid discouraging production of new housing. Similarly, some cities (such as Oakland and San Francisco) allow substantially renovated units to become exempt from rent stabilization if they meet certain criteria. Presumably this type of provision is intended to encourage substantial renovations when necessary.

In addition, most jurisdictions exempt temporary or non-traditional residential uses, such as hotels, hospitals and other medical care facilities, school dormitories, and, in some locations, retirement homes, from rent stabilization. Under Costa Hawkins, rent stabilization may not be applied to single-family residences, but many cities also exempt small-unit residential buildings such as duplexes or triplexes.

We did not identify jurisdictions in California that limit the applicability of rent stabilization based on tenant income, although cities in other states have adopted such an approach. In New York City, for example, tenants must have a combined income under \$200,000 to qualify for rent stabilization. While not focused on tenant income, Los Angeles exempts “luxury” apartments from rent stabilization, based upon the rent level in effect at the time the ordinance was adopted.<sup>41</sup>

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<sup>41</sup> For example, a two-bedroom unit that rented for \$588 per month or more in 1978 would not be subject to rent stabilization in Los Angeles.

## **B. How are Rent Rates and Rent Increases Determined Under Rent Stabilization Ordinances?**

As described previously, State law allows for a form of rent stabilization called “vacancy decontrol,” which prevents local governments from regulating the setting of the *initial rent* at the beginning of a tenancy. The initial rent is set by the landlord, typically at a market level. After that point, though, local rent stabilization ordinances typically limit a landlord’s ability to raise the rents in covered units.<sup>42</sup> Every rent stabilization jurisdiction, however, has some allowance for automatic periodic rent increases, and also for additional rent increases when required to ensure the landlord receives the constitutionally-required fair rate of return.

### **1. Automatic Rent Increases**

Each rent stabilization ordinance permits certain “automatic” rent increases that do not require prior agency approval. These increases typically fall into one of three categories: (1) annual or periodic increases; (2) increases to “pass through” landlord operating costs or registration fees; and (3) increases to market rent upon a unit vacancy.

Examples of allowable annual or periodic rent increases for the various rent stabilization jurisdictions is provided in the chart attached to this memorandum. Some rent stabilization jurisdictions allow an annual increase that is tied to and limited by a corresponding increase in the regional Consumer Price Index (“CPI”). In addition, such jurisdictions often also cap annual rent increases by a certain percentage, regardless of the change in CPI. In San Francisco, for example, the automatic annual rent increase is 60 percent of the CPI increase in the year, but the maximum allowable increase is 7 percent regardless of the increase in CPI.

Other rent stabilization jurisdictions allow greater annual rent increases that are not necessarily tied to changes in economic indicators. San Jose has such an ordinance, and allows annual increases of eight percent per year (or twenty-one percent if the last rent increase was more than twenty-four months prior).

Many ordinances also provide mechanisms for landlords to pass increased operating costs on to their tenants (“pass-through” costs). Acceptable costs often include utilities, property taxes, or rent stabilization ordinance registration fees. Most jurisdictions limit the amount of the pass-through either to a portion of the increased cost or to a percentage of the overall rent.

The last type of “automatic” rent increase is upon termination of a tenancy. As described previously, State law allows a landlord to set an initial rent (typically to market levels) at the start of a new tenancy.

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<sup>42</sup> California law would also allow for “permanent decontrol,” which would result in units covered by the law at the time of its adoption becoming non-rent stabilized when the existing tenants depart.

## **2. Rent Adjustments Requiring Agency Approval**

The constitutional implications of rent stabilization require that any ordinance include a procedure to allow a landlord to petition for an additional rent when necessary to ensure a fair return on the landlord's investment. These fair return requests must be considered on a case-by-case basis, but ordinances typically identify a non-exclusive list of factors that will be considered in determining whether an additional rent increase is justified. Common factors include atypical operating costs and maintenance expenses, physical condition or repair and improvements, level of housing services provided, taxes, and financing or debt service costs.

"Fair return" increase approval procedures vary by jurisdiction. However, the general pattern is to require a written application to a rent board or other decision maker, subject to an initial staff determination and then an administrative appeal. The board's decision must be based on evidence presented, with an opportunity for the affected parties to be heard.

In addition to case-by-case "fair return" increases, many cities allow landlords to separately apply for rent adjustments to recover capital improvement and renovation costs. These ordinances distinguish "capital improvements" from ordinary maintenance and repairs, which do not justify special rent adjustments. The details vary by jurisdiction, but an approved rent increase based on capital improvements is often spread among the tenants who benefit from the improvements, and the increase is amortized over the useful life of the improvements.

Apart from setting maximum rent increases, most ordinances also provide a mechanism for rent reductions to reflect a decrease in housing services that would otherwise effectively allow landlords to increase rent by reducing services. A number of cities vest their rent boards with power to approve tenant requests for rent reductions, usually for reduced housing services or defective conditions, such as code violations or uninhabitable conditions. The procedure usually requires a tenant to petition the rent board and provide documentation of the reduced services and their claimed value. Personal financial hardship is typically not an acceptable reason for a tenant to request a rent reduction by a rent board.<sup>43</sup>

### **C. Eviction Controls**

Because landlords are allowed to set the initial rent at the beginning of a tenancy, rent stabilization in the absence of eviction controls can create an incentive for landlords to terminate existing tenancies in order to raise rents upon establishing a new tenancy. As a result, in addition to limiting rent increases, most rent stabilization jurisdictions include relatively extensive "just cause" eviction restrictions such as those we describe above. Other evictions controls are

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<sup>43</sup> However, San Jose allows a tenant to raise personal financial hardship as a defense when a landlord requests an additional rent increase above the automatic increase provided by ordinance.

described below.

### **1. Ellis Act (Removing Property From Rental Use) Evictions**

The Ellis Act prohibits local governments from requiring residential property owners to offer or continue to offer a property for rent. (Gov. Code § 7060 *et seq.*) Subject to very limited exceptions, landlords have an absolute right to go out of the rental business and to evict tenants on that basis. As discussed above, local governments do have some ability to require payment of relocation assistance for Ellis Act evictions and to potentially regulate initial rents if a landlord later tries to re-enter the rental market. The mechanisms of these relocation assistance ordinances are described further below.

### **2. Evictions to Allow Owner to Occupy the Unit**

Eviction controls typically allow rental property owners to evict tenants so that the owner or the owner's immediate relative can occupy the unit. To reduce the possibility of fraudulent owner occupancy evictions, State law requires that the owner-occupant or owner's relative occupy the unit for at least six consecutive months after eviction of the prior tenant. (Civ. Code § 1947.10.) Some cities have adopted more stringent requirements, such as a requirement to move in within three months and remain for at least 36 months. Other cities prohibit corporate or partnership landlords from using this reason for eviction, and some cities prohibit these type of evictions altogether for certain sensitive populations (e.g., the terminally ill, disabled seniors, etc.).

### **3. Substantial Renovation Evictions**

Eviction of tenants to allow performance of substantial renovation work is often allowed, with limitations. For example, some cities require the landlord to demonstrate that clearing the property of renters is actually necessary for the type of work proposed, and others require that the displaced tenants have the right to return when the renovation is complete. In Oakland, where tenants are provided the right to return after the renovation is completed, the landlord is required to offer the same base rent with an increase amortizing the cost of approved capital improvement expenditure over time.

### **4. Condominium Conversion Evictions**

The conversion of apartment units to condominiums is subject to statewide regulation through the Subdivision Map Act. Local governments also often adopt conversion regulations to further protect their rental housing stock, and San Mateo County has such an ordinance in place. Sections 7108 and 7109 of the County's Subdivision Regulations prohibit conversion of multifamily rental housing to condominiums, except under circumstances where the County's overall housing vacancy, as determined by the California Department of Finance, exceeds 4.15

percent.

#### **D. Relocation Assistance**

Also, as mentioned, rent stabilization jurisdictions often require landlords to make relocation assistance payments to tenants when the reason for the eviction is not the fault of the tenant (“no-fault evictions”). As with eviction controls, many local agencies extend the relocation assistance requirements to tenants in units that are not subject to rent stabilization.

#### **E. Administration of Rent Stabilization Ordinances**

##### **1. Administration by Rent Board or Other Means of Administration**

Most rent stabilization ordinances are operated and implemented by a rent board or similar body, which discharges a variety of tasks, including publishing the annual general rent adjustments allowed under the ordinance, adjudicating requests for rent adjustments beyond the annual general adjustment, and conducting studies and publishing reports.

However, there is nothing in the law that requires a jurisdiction to establish such a board in adopting a rent stabilization ordinance. Rather, a jurisdiction could instead task officials or employees of the jurisdiction to discharge duties under the ordinance.

##### **2. Certification of Rents vs. Complaint-Based System**

Some jurisdictions operate on a complaint basis (San Francisco, Oakland, San Jose), which relies on tenants to raise concerns regarding rent increases that are alleged to violate the ordinance. Oakland’s complaint-based model, for example, relies on tenants to challenge a rent increase that they believe to be in violation of the ordinance. A hearing officer then evaluates information from the tenant and landlord and makes an initial decision, which can be appealed to a rent board. In all cases, decisions of the local agency can ultimately be appealed to the courts.

Other jurisdictions with a more robust administrative approach require landlords to register and certify initial rent amounts (e.g., East Palo Alto and Santa Monica) and to thereafter certify rent increases on covered units.

In East Palo Alto, for example, landlords must register all rental units each year. The city charges an annual registration fee (\$234 in fiscal year 2014-2015), half of which the landlord is allowed to pass on to the tenant. On an ongoing basis, landlords are required to submit documentation to the rent stabilization board for each vacancy and new tenancy, including copies of any new leases. The rent stabilization board sets the annual general rent adjustment and promulgates regulations to implement the city’s rent stabilization ordinance. The rent stabilization board also

issues a certificate of “maximum allowable rent” for each regulated unit upon initial rental of the unit and for each new tenant. The rent stabilization board then reviews any requests for rent adjustments against the certified maximum allowable rent. In addition to the proactive registration and certification component, East Palo Alto also provides for landlord and tenant petitions to challenge the rent stabilization board’s determinations and to enforce the ordinance where landlords are not in compliance.

JCB:jdn

Detailed Comparison of Five Cities with Rent Stabilization							
	<u>Berkeley</u>	<u>Los Angeles</u>	<u>Oakland</u>	<u>San Francisco</u>	<u>San Jose</u>	<u>Santa Monica</u>	<u>West Hollywood</u>
<b>Just Cause Eviction</b>	Extensive	Extensive	Extensive	Extensive	Minimal (dominant motive can't be retaliation)	Extensive (inc. units not subject to rent control)	Extensive
<b>Relocation Assistance</b>	Yes	Yes	No relocation aid	Yes	No relocation aid	Yes	Yes
<b>Condo Conversion Limits</b>	Max 100 units/year	Notice requirements	Replacement unit requirement; notice	First right of refusal to tenant	First right of refusal; notice; 2/3 tenants must agree	Permit req'd unless 2/3 tenants agree; right to remain	CUP req'd, with findings (no adverse effect and vacancy >5%)
<b>Annual Rent Increase</b>	65% of CPI, 7% max.; 1.7% for 2014	Equal to CPI; 3% min./8% max.; 3% for 7/1/14 to 6/30/15	Equal to CPI; 10% max; 1.9% from 7/1/14 to 6/30/15	60% of CPI, max. 7%; 1.0% from 3/1/14 to 2/28/15	8% per year, or 21% if no increase in 2 years	0.8% oe \$14 per month effective 9/1/14; none if market rent set after Sept. 1, 2007	75% of CPI; 1.25% from 9/1/14 to 8/31/15
<b>Landlord Cost Pass-Throughs</b>	None	Gas and electric up to 1% of rent; capital improvement, rehab work	None	Generally allowed for utilities, with some restrictions	Only if charge is new and approved by Council resolution	\$7 for gas and electric upon application and approval	Up to 0.5% for gas/electric
<b>Other Automatic Rent Increases</b>	Additional T: 10% increase; Additional security deposit for pet(s) where previously prohibited	Additional T: 10% increase; Smoke detectors; Rehab and capital improvement work	Accumulate unused increases for up to 10 years	Accumulate unused increases; Stormwater management; Property tax due to ballot measure approved between 11/1/96 & 11/30/98; 50% of property tax for bonds passed after 11/14/02; 50 percent of SFUSD or SFCCD bond costs	None	Security deposit for additional Ts or new pets; School tax surcharges; Stormwater management, clean beaches, and ocean parcel tax surcharges	None
<b>Registration Fees</b>	\$194/yr.; \$4/month for 12 months may be passed through to T; Penalties if late; Reimbursement for low-income Ts	\$24.51/yr.; \$12.25 may be passed through to T	One-half of \$30 service fee may be passed through to T	\$29 apartment registration fee; half may be passed through to T		\$174.96/yr; \$13/month may be passed through; Low-income, senior Ts exempt	\$120/yr.; \$5/month may be passed through; Partial rebate for certain Ts
<b>Rent Increases Requiring Official Approval</b>	To yield fair return on investment; Capital improvements, with limitations; T not in occupancy	To yield fair return	Any ground (includes banking, capital improvements, uninsured repairs, housing service costs, or where necessary to meet fair return requirements); Enhanced notice required for capital improvements	7% annual cap based on "need"; Capital improvement up to 10% of base rent; Rehabilitation	Debt service costs deemed "reasonable" under circumstances" by hearing officer if denial is hardship to L; Any ground for increase beyond 8% where T petitions, hardship to T may be considered; Any reason not provided in ordinance	To yield fair return ; Street lighting; Capital improvement; Earthquake repairs; 12% cap for hardship Ts; To correct rent or amenities; T not in occupancy	To yield fair return, up to 12% increase in first 12 month period after decision
<b>Tenant Application for Rent Reduction</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes



# Detailed Comparison of Five Cities with Rent Stabilization

	<u>Berkeley</u>	<u>Los Angeles</u>	<u>Oakland</u>	<u>San Francisco</u>	<u>San Jose</u>	<u>Santa Monica</u>	<u>West Hollywood</u>
<b>Exempt Units</b>	Hotels <14 days; Single family residences; Duplexes if L occupies one; New construction (only as to rent increases)	Hotels <30 days; Luxury units; Single family dwellings; Substantially renovated units; New construction; Nonofit housing; Voluntarily-vacated units; Mobile-homes, recreational vehicles & parks	Hotels; New construction; Substantially renovated units; Owner-occupied buildings with up to 3 units; Nonprofit cooperatives	Hotels <32 days; Substantially renovated units; New construction; Nonprofit cooperatives & units owned by nonprofit public benefit corporations	Hotels <30 days; Voluntarily-vacated units; Prior T evicted for nonpayment of rent or breach of lease; New construction	Hotels <14 days Retirement homes Owner-occupied 1, 2 or 3-unit building Single family residences New construction “Incentive” unit	Hotels <30 days; New construction; Units first occupied after 7/1/79; Rooms rented to boarders where L occupies unit as principal residence; Dwelling units legally converted from nondwelling units
<b>Evictions for Substantial Renovation</b>	Must require more than 60 days to repair; T refuses to vacate during repair	None for substantial renovation; Limited evictions permitted under Primary Renovation Program	Obtain building permit for repairs necessary to comply with law or correct violation; L to apply for extension beyond 3 months; T offered right to return at same rent; Special notice requirements	Former T may rerent at controlled rent; No minimum cost for nonmajor work; Permits necessary prior to serving notice; No ulterior motive	None	Removal permit from city	Permitted where building must be permanently eradicated or demolished b/c uninhabitable or if building may not be inhabited while correcting violation notice by government agency
<b>Special Eviction Notice Rules</b>	Grounds and specific facts; 120 days' notice to T & city for removal from market	Grounds and specific facts; 60 days' notice to Ts in unit one year; Declaration with city for relative or owner-occupancy, major rehabilitation or permanent removal from rental use	Grounds, statement that advice re termination available from Board & other req'd info; Copy of notice filed with Board within 10 days of service on T	Grounds; Inform T in writing that advice concerning notice may be obtained from Board; File copies of notice with Board w/in 10 days after service	90 days' notice to Ts in unit one year; 120 days' notice where “severe housing shortage” (no “shortage” as of early 2014); Offer to arbitrate; Notice to city within 5 days	Grounds and specific facts; 60 days' notice to Ts in unit one year; Owner/relative evictions to include current T & rent, info on proposed T; notice to board within 3 days of service on T	Grounds and specific facts; 60 days' notice to Ts in unit 1 year; Relative/owner-evictions require 90-day notice specifying proposed T, with copy to city; Written statement of alleged violations for breach of covenant or refusal to renew
<b>Relocation Assistance</b>	Owner/relative occupancy: \$4,500 if in unit 1 year or more; no eviction if elderly, disabled and in unit 5 years or more; Removal from market: \$8,700; \$13,700 if tenancy began prior to 1/1/99; additional \$2,500 for Ts with minors, elderly,	For elderly, disabled & Ts with minors, \$16,350 if <3 years, \$19,300 if >3 years or <80% AMI, \$15,000 if “Mom & Pop” property; For others, \$7,700 if <3 years, \$10,200 if >3 years or <80% AMI, \$7,450 if “Mom & Pop” property; L must pay tenant relocation assistance	None	\$5,261 to eligible Ts (incl. subtenants, minors), max. of \$15,783 per unit; additional \$3,508 for elderly, disabled & Ts with minors; Fees different for Ellis Act evictions	None	\$8,300 to \$17,350 depending on number of bedrooms; \$9,500 to \$19,950 depending on number of bedrooms for seniors, disabled & parents with minor child, OR city approval of displacement plan OR move T to comparable unit	\$5,100 to \$12,800 depending on number of bedrooms; \$13,500 for seniors, disabled, Ts with dependent children, moderate income; \$17,00 for low-income; L must reimburse city for relocation aid

## **POLICY ARGUMENTS REGARDING JUST CAUSE EVICTION**

Main Policy Features: Tenants may only be evicted for certain enumerated reasons (i.e. “just causes”). Just cause ordinances specify the permissible bases for eviction, including those due to the tenant’s “fault” (e.g. nonpayment of rent, criminal activity, etc.) and those due to “no fault” of the tenant (e.g. landlord wishes to occupy the unit).

Statewide Legal Baseline: Absent local regulation, state law provides that month-to-month tenants be evicted for any or no reason (other than retaliation or discrimination) if served with 30 days’ written notice (or 60 days’ written notice if the tenant has resided in the unit for at least one year). Landlords may also initiate eviction proceedings with 3-days’ notice when a tenant fails to pay rent, creates a nuisance or otherwise violates the lease agreement.

Examples: Several California cities have adopted just cause eviction ordinances. See, e.g., City of San Diego Municipal Code, § 98.07; City of East Palo Alto Municipal Code §14.04.160; City of Oakland Municipal Code, § 8.22.300, *et seq.*; City of Berkeley Municipal Code, § 13.76.130.

### Arguments in Support of and in Opposition to Policy: <sup>1</sup>

PRO	CON
<ul style="list-style-type: none"><li>• Limits the ability of landlords to evict existing tenants, especially in low-vacancy and expensive housing markets where landlords may have incentive to evict existing tenants in order to obtain higher rents.</li><li>• Protects tenants who have short-term (month-to-month) leases.</li><li>• Slows down rapid increases in rent.</li><li>• Stabilizes communities by slowing down evictions and decreasing turnover rates.</li></ul>	<ul style="list-style-type: none"><li>• Generally restricts rights of property owners by limiting what they may do with their property, requiring additional legal process before taking action against a problem renter.</li><li>• May impact neighborhoods by making it harder for landlords to evict problem tenants, including those suspected of involvement in criminal activity.</li><li>• Impacts surrounding neighborhoods by making it difficult for landlords to remove “bad tenants.”</li></ul>

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<sup>1</sup> The arguments listed here are among those that are commonly advanced for and against the tenant protection measures in question. This office has not analyzed, and does not offer an opinion regarding, their validity.

## **POLICY ARGUMENTS REGARDING RELOCATION BENEFITS**

Main Policy Features: Tenants who face “no-fault” evictions are eligible for compensation from the landlord for moving costs and other costs of securing new housing.

Statewide Legal Baseline: There is no state law mandate for landlords to assist displaced tenants by compensating for relocation costs.

Examples: City of Mountain View has adopted a relocation assistance ordinance. See City of Mountain View Municipal Code, § 36.38.

### Arguments in Support of and in Opposition to Policy:

<b>PRO</b>	<b>CON</b>
<ul style="list-style-type: none"><li>• Helps ensure that displaced households find affordable and comparable replacement housing by providing compensation for relocation costs, such as first and last months’ rent and security deposit for new rental unit, enrollment for housing search services, moving costs and storage.</li><li>• Helps mitigate trauma and disruption to tenants and their families caused by unforeseen need for relocation (e.g. children leaving school mid-year) by addressing some financial impacts.</li><li>• Requires landlords to internalize relocation costs as part of their “costs of doing business.”</li></ul>	<ul style="list-style-type: none"><li>• Amount of mandated compensation may be excessive relative to some tenants’ needs; landlords may not be able to afford.</li><li>• Relocation assistance payments may be spent on anything as ordinances do not require that compensation provided to displaced tenants be spent on costs of moving and securing new housing.</li><li>• May create a perceived windfall to well-off tenants if relocation assistance not subject to stringent income-specific criteria.</li><li>• If required to absorb relocation costs as part of their “costs of doing business”, landlords could build the cost of relocation benefits into rent structures.</li></ul>

## **POLICY ARGUMENTS REGARDING RENT STABILIZATION**

Main Policy Features: Rent stabilization ordinances limit the amount that rents are allowed to increase each year as market values increase (usually based either on a fixed percentage or tied to inflation).

Statewide Legal Baseline: Currently, under state law, there are no limits on the amount or frequency of rent increases. Landlords may set rent to market rate with every new tenancy (“vacancy decontrol”). Rent control may not be applied to units constructed after 1995, single family homes or condos.

Examples: Thirteen cities in California have adopted rent stabilization ordinances. See, e.g., Santa Monica City Charter, Article XVIII; City of Los Gatos Municipal Code § 14.80; City of East Palo Alto Municipal Code, § 14.04.010, *et seq.*

### Arguments in Support of and in Opposition to Policy:

PRO	CON
<ul style="list-style-type: none"><li>• Prevents landlords from imposing rent increases that cause displacement and accordingly, helps preserve income diverse, stable neighborhoods.</li><li>• Substantial or frequent rent increases may adversely impact schools, youth groups and community organizations by displacing those who access these services. Long-term tenants who contribute to a community’s stability have a legitimate interest in maintaining their tenancies.</li><li>• Provides a basic form of consumer protection – once tenants move into a vacant unit at market rate rents that they can afford and establish lives in these homes, they won’t have to renegotiate.</li><li>• Helps correct power imbalance between landlords and tenants. Because of the high cost of moving, tenants may be pressured by landlords to accept rent increases. Tenants may also be unaware of the real conditions of units until they move in. If the tenant complains about the</li></ul>	<ul style="list-style-type: none"><li>• Fundamentally unfair – why burden landlords for a broader societal problem?</li><li>• Interferes with free market – landlord should be able to rent unit at amount that market bears.</li><li>• May incentivize landlords to raise rents before any rent control ordinance takes effect in an attempt to evade impact of the regulation.</li><li>• As a general matter, restricts rights of property owners as it limits what they may do with their property.</li><li>• With a long line of potential tenants eager to move in at the ceiling price, discourages landlords from maintaining and repairing units until the end of a tenancy. Also, because rent increases are limited, the landlord’s ability to recoup costs of improvement or maintenance is also curtailed.</li><li>• Reduces “urban vitality” by discouraging mobility; decreases vacancy</li></ul>

<p>conditions, the landlord may threaten to increase the rent.</p> <p>Allows tenants to share in the benefit of tenants want to keep their low-rents and are unwilling to leave.</p> <p>Proposition 13, which generally caps annual increases in the assessed value of real estate at 2%. In the campaign to enact Proposition 13, advocates claimed that landlords would pass property tax savings along to tenants; rent control helps to ensure that this occurs.</p> <p>Housing is a positive human right that equals or exceeds the property rights of landlords. Without rent control, even</p> <p>Incentivizes landlords to discriminate tenants paying full rent can be forced unexpectedly from their homes through no fault of their own.</p> <p>Prevents landlords from making speculative profits in strong markets, but also enables landlords to obtain fair returns on their rental properties while ensuring that tenants have the certainty that their rents will not increase more than a certain amount each year.</p> <p>Can be structured in a way so as to minimize bureaucracy and administrative costs (i.e. complaint driven, instead of overseen by Rent Stabilization Board –</p> <p>Encourages some owners to take their “lean and mean” approach).</p>	<p>rates/turnover in rental units because</p> <p>Is not tailored to protect intended beneficiaries – i.e. poor or other vulnerable renters; rather, may incentivize landlord to create stringent standards for applications from prospective tenants (i.e. requiring resumes, credit reports and references) which poor or other vulnerable renters may have trouble meeting.</p> <p>against prospective tenants likely to stay for a long time, like retiree or couples with children.</p> <p>Triggers consequences such as bribes and a “shadow market” (e.g. prospective tenant offers landlord \$5000 just to hold an \$1800-a-month one-bedroom apartment in an industrial neighborhood that he had yet to advertise; landlord offers existing tenant \$5000 to vacate rent controlled unit so landlord can reset rent for vacant unit at amount that market will bear).</p> <p>units off the market and sell properties, rather than rent.</p> <p>Depending on how they are crafted, rent control ordinances may be extremely burdensome and expensive to administer.</p>
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## RENT STABILIZATION DECISION MATRIX

UNITS COVERED	ADDITIONAL EXEMPTIONS	<ul style="list-style-type: none"> <li>· Duplexes, small apartment buildings?</li> <li>· Substantially renovated units?</li> <li>· Temporary, non-traditional residential uses (dorms, hotels, hospitals, etc.)</li> </ul>
CONTROLS ON AMOUNT OF RENT CHARGED	ANNUAL ADJUSTMENT	<ul style="list-style-type: none"> <li>· Economic indicator, such as regional CPI               <ul style="list-style-type: none"> <li>○ With or without maximum percentage increase</li> </ul> </li> <li>· Specify maximum percentage increase</li> </ul>
	OTHER ADJUSTMENTS	<ul style="list-style-type: none"> <li>· Automatic               <ul style="list-style-type: none"> <li>○ Utilities, property taxes, registration fees</li> </ul> </li> <li>· Application for Fair Return/Adjudication               <ul style="list-style-type: none"> <li>○ Capital improvements</li> <li>○ Renovations</li> <li>○ Reduction in housing services</li> </ul> </li> </ul>
ADMINISTRATIVE STRUCTURE	COMPLAINT-BASED OR REGISTRATION AND CERTIFICATION	
	RENT BOARD OR OTHER STRUCTURE	
TERM	INDEFINITE	
	TEMPORARY	<ul style="list-style-type: none"> <li>· Time-based (specified number of years)</li> <li>· Production-based (specified number of affordable housing units)</li> <li>· Market-based (specified vacancy rate)</li> </ul>
ACCOMPANYING TENANT PROTECTIONS	UNITS COVERED	<ul style="list-style-type: none"> <li>· All housing units</li> <li>· Only rent-stabilized units</li> </ul>
	JUST CAUSE EVICTION	<ul style="list-style-type: none"> <li>· Identify acceptable grounds for eviction and any special limitations</li> <li>· Notice requirements</li> </ul>
	RELOCATION ASSISTANCE	<ul style="list-style-type: none"> <li>· When is it required?</li> <li>· Who qualifies?               <ul style="list-style-type: none"> <li>○ Income limits to qualify for assistance?</li> </ul> </li> <li>· Amount of assistance?               <ul style="list-style-type: none"> <li>○ Additional assistance for sensitive groups?</li> </ul> </li> </ul>

## **Appendix D**

### Voluntary Rent Stabilization Examples







## CITY OF HEALDSBURG RENT STABILIZATION ADVISORY

The City Staff met with approximately 25 property owners and rental property managers on July 22nd and July 24th representing approximately 650 rental units in Healdsburg. The discussion focused on the impacts recent evictions and significant rent increases have had on our community. A lengthy discussion ensued regarding the actions of a few property owners / property management firms that have created concerns throughout the Healdsburg community. The City Manager advised those in attendance that Council had directed him to prepare a "Rental Advisory". The "Advisory" is intended to express City Council's intent that all those who reside in rental units are provided a level of stability in their rent and occupancy. The City has taken many steps to address housing challenges our community is facing. Some of these steps include the adoption of the City's Housing Element, the recent Housing Our Community workshops, and Council's goals relating to housing in the 5-year strategic plan and annual goals. The "Advisory" and other steps that are currently being taken are all consistent with those documents and goals.

The City Council of the City of Healdsburg values all members of our community. Housing that is decent, safe and affordable to all is critical to the overall quality of life in our community. The City is committed to providing Healdsburg residents who reside in rental units a level of stability in their rent and occupancy. The following Rental Stabilization Advisory addresses concerns that have been raised due to recent substantial rent increases and tenant displacements related to repair/maintenance issues.

*Please note, City housing policy documents including the City's General Plan and recently adopted Housing Element, as well as the recent Housing Our Community workshops provide additional background on housing topics. While it is expected that property owners comply with all applicable laws, the purpose of this Advisory is to affirm Council's support of the City's housing goals and communicate expectations to property owners.*

1. Property owners have an obligation to provide a measure of reliability to tenants regarding rent increases both in terms of rate of increase and frequency. Rent increases for current tenants should be reasonable and fair. A guideline for a reasonable and fair increase amount should not exceed 10% annually.
  - a. Rents should not be raised more than once per calendar year to current tenants.
  - b. Owner should be able to recover the cost associated with an increased cost of operations and maintenance.
  - c. Owners should, whenever possible, provide tenants with a minimum of 90 calendar days' written notice prior to the effective date of any rent increase.
2. When significant work on a rental unit is needed that requires the tenant to be removed, the tenant is to be given **the first right of return** to his or her unit once repairs are completed.
  - a. Owners should be able to recover the documented cost of capital improvements averaged on a per unit basis amortized over a period of no less than 48 months;
  - b. First right of return would not apply to those tenants that are delinquent in rental payments; and/or that have violated the rental/lease provisions;
  - c. If renovations / improvements require terminating tenancies, owners should provide a minimum of 90 days' written notice to the tenant.
  - d. Owners must consider and respond appropriately to requests for reasonable accommodations from tenants with disabilities.

3. Owners / property managers imposing reasonable rent increases should be willing to listen openly to tenants' concerns and consider special arrangements for hardship cases when appropriate.
4. Safe and healthy living conditions are a shared responsibility. Property owners are expected to respect the rights of their tenants and provide a timely response to maintenance/repair requests and in accordance with applicable law.
  - a. Rental property owners are responsible for maintaining their property in good repair and are encouraged to work with their tenants to visually inspect properties on a regular basis to identify any health and/or safety issues and complete any required corrections promptly.
  - b. It is important to contact the City's Planning and Building Department prior to initiating necessary work to determine whether or not a building permit is required. The Building Department is available to provide information and assistance regarding building code requirements.
  - c. In accordance with State law, owners are prohibited from taking action (such as increasing rent, or serving notices of termination) that could be considered retaliatory against tenants who have recently made complaints to the City regarding unresolved health and safety issues in their units.

## SUPPORT

Alliance Property Management  
BirdSong Property Management  
Canyon Run Apartments  
CB Robertson  
Century 21 Healdsburg  
Dayton Property Management  
DeDe's Rentals  
Fowler  
Harvest Grove Apartments  
Matsuda Enterprises  
Don and Judy Mills

David Spangenberg  
Albina Zhazan  
Monte Vina Apartments  
Oak Grove Apartments  
Parkland Senior Housing Apartments  
Sotheby's  
Timely Property Management  
Fitch Mtn Terrace I & II  
Northcoast Rental Housing Association  
President  
California Apartment Association

## REFERENCES

Healdsburg Housing Element | [www.ci.healdsburg.ca.us/357/Housing-Element](http://www.ci.healdsburg.ca.us/357/Housing-Element)

Healdsburg General Plan | [www.ci.healdsburg.ca.us/354/General-Plan](http://www.ci.healdsburg.ca.us/354/General-Plan)

Housing our Community | [www.ci.healdsburg.ca.us/360/Housing](http://www.ci.healdsburg.ca.us/360/Housing)

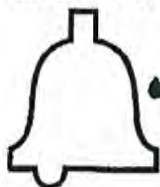
Healdsburg Strategic Plan | [cityofhealdsburg.org/404/Strategic-Plan](http://cityofhealdsburg.org/404/Strategic-Plan)

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401 Grove Street, Healdsburg, CA 95448 | 707.431.3317

CITYOFHEALDSBURG.ORG

CITY OF



*San Rafael*

Mayor  
Albert J. Boro

Council Members  
Paul M. Cohen  
Barbara Heller  
Cyr N. Miller  
Gary D. Phillips

September 17, 2001

Dear San Rafael Property Owner/Manager,

The City of San Rafael would like to commend you for having volunteered to become a **"Fair Rental Practices Owner" (FRPO)**. As a Fair Rental Practices Owner, you have agreed to follow these practices:

- 1) To limit rent increases to no more than once a year for existing tenants.
- 2) To give existing tenants at least 60 days advance notice for all rent increases.
- 3) To keep the amount of rent increases for existing tenants to less than 10% per year.
- 4) To maintain rental buildings in a safe condition as required by law, and to repair in a timely manner any unsafe conditions brought to the owner's attention.
- 5) To encourage other property owners to abide by these same principles for their current properties and existing tenants.

By adopting these principles, you have assisted both the City of San Rafael and the tenants of your building in providing and maintaining rental units at a fair market rate.

In a collaborative effort between representatives of property owners, the City of San Rafael, and Mediation Services, a monitoring program has been set up to track future tenant complaints and concerns both in buildings that are FRPO and buildings that are not. This will help the City to determine whether the volunteer program is working.

The first report from Mediation Services was encouraging. Of the sixty complaints in San Rafael over the past two months, no complaints were lodged against a FRPO owner. The City plans to mail a letter to all tenants in all buildings containing four or more units listing the special Mediation Services telephone number (507-2834).

The City of San Rafael would also like to ask your assistance in two other areas:

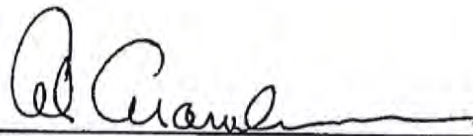
- 1) Proudly post a copy of the attached notice in English and Spanish in a convenient location so that your tenants may know of your participation in the program.
- 2) Volunteer to recruit other landlords who have not yet signed the voluntary practices.

Please feel free to call Stephanie Lovette at the City of San Rafael (485-3460), Al Aramburu at the Marin Association of Realtors (507-1011), or Michael Burke (925-3214) if you have any questions or would like to offer further assistance.

Sincerely,



Al Boro  
Mayor  
City of San Rafael



Al Aramburu  
Director of Local Government Relations  
Marin Association of Realtors



## FAIR RENTAL PRACTICES OWNER

The owner and management of this building are proud sponsors and supporters of the volunteer program of "Fair Rental Practices". As such, we have agreed:

- 1) To limit rent increases to no more than once a year for existing tenants.
- 2) To give existing tenants at least 60 days advance notice for all rent increases.
- 3) To keep the amount of rent increases for existing tenants to less than 10% per year.
- 4) To maintain rental buildings in a safe condition as required by law and to repair in a timely manner any unsafe condition brought to the owner's attention.
- 5) To encourage other property owners to abide by these principles.

If as a tenant you should have any questions, complaints or concerns about this ownership's compliance with this program, please feel free to contact: Mediation Services at 507-2834.

-----

Los propietarios y la administración de este edificio estamos orgullosos de ser los patrocinadores de este programa voluntario "Fair Rental Practices Owner". Propiamente dicho, estamos de acuerdo con estos principios:

- 1) Limitar el aumento de renta a solamente una vez al año para inquilinos existentes.
- 2) Notificar a los inquilinos existentes del aumento por lo menos 60 días de anticipación.
- 3) Mantener la cantidad de aumento de renta para los inquilinos existentes a menos de 10%.
- 4) Mantener las habitaciones en condición segura como requiere la ley y reparar en manera oportuna cualquier condición que sea peligrosa.
- 5) Animar a otros propietarios para cumplir con estos principios.

Si usted como inquilino tiene preguntas, quejas o preocupaciones con la conformidad del propietario con este programa, por favor llame: Mediation Services (Servicio de Mediación) al número 507-2834.



## **Appendix E**

### Minimum Lease Terms Examples





# 12-MONTH LEASE ORDINANCE FREQUENTLY ASKED QUESTIONS

Housing & Economic Development  
701 Laurel St., Menlo Park, CA 94025  
tel 650-330-6648

[housing@menloaprk.org](mailto:housing@menloaprk.org)  
[menlopark.org/housing](http://menlopark.org/housing)



## [Menlo Park Ordinance Number 1023, Title 8, Chapter 53](#)

### **What is the purpose of the 12-month lease?**

On December 6, 2016, the Menlo Park City Council passed this ordinance finding that tenants have a right to a written lease and that a contractual relationship with a landlord may offer some needed assurances of stability and minimize displacement of tenants in a rental housing market affording tenants few and increasingly expensive options.

### **What rental units does the ordinance cover?**

The ordinance applies to multi-family rental properties, with four or more units.

Rental units not included in the 12-month lease ordinance are:

- Single-family dwellings
- Rooms in hotels which are rented for a period of less than thirty (30) consecutive days
- Units in a condominium, community apartment or planned unit development
- Accommodations in a hospital, skilled nursing, health or care facility, extended-care facility, nonprofit home for the aged
- Units shared by landlord and tenant
- Secondary dwelling units
- Duplexes and triplexes
- Units rented by a medical institution which are then subleased to a patient or patient's family
- Units whose rents are controlled or regulated by any government unit, agency or authority, or whose rent is subsidized by any government unit, agency or authority
- Units acquired by the city or any other governmental unit, agency or authority intended to be used for public purposes
- Units in unincorporated Menlo Park

### **When does the 12-month lease ordinance take effect?**

This ordinance takes effect Monday, March 6, 2017.

### **What is required of the landlord/property owner/property management company?**

A landlord shall offer a tenant or prospective tenant a written lease with a minimum term of one (1) year every twelve months. The written offer must include both the English and Spanish paragraphs below, in all capital letters and in at least size fourteen (14) font:

THE MENLO PARK CITY CODE PROVIDES YOU WITH THE RIGHT TO A WRITTEN LEASE. LANDLORDS MUST OFFER TENANTS THE OPTION TO ENTER INTO A ONE (1) YEAR WRITTEN LEASE. IT IS THE TENANT'S CHOICE WHETHER TO ENTER INTO SUCH A WRITTEN LEASE WITH A LANDLORD. FURTHER INFORMATION IS AVAILABLE ON THE CITY'S WEBSITE ([WWW.MENLOPARK.ORG](http://WWW.MENLOPARK.ORG)).

EL CODIGO DE LA CIUDAD DE MENLO PARK LE PROPORCIONA EL DERECHO A UN CONTRATO DE ARRENDAMIENTO POR ESCRITO. LOS PROPIETARIOS DEBEN OFRECER A LOS INQUILINOS LA OPCION DE TENER UN CONTRATO DE ARRENDAMIENTO POR ESCRITO POR UN TIEMPO MINIMO QUE INCLUYE UN OPCION: UN AÑO. ES LA OPCION DEL INQUILINO SI ESCOGE TIPO CONTRATO POR ESCRITO CON DEL DUENO. PARA MAS INFORMACION VISITE EL SITIO WEB DE LA CIUDAD ([WWW.MENLOPARK.ORG](http://WWW.MENLOPARK.ORG)).

<b>Does this ordinance apply to current tenants or new tenants?</b>
It applies to all tenants, both current and prospective.
<b>When does the landlord need to offer a one year lease to a tenant?</b>
A one year lease must be offered to a tenant, in writing, every twelve months. <ul style="list-style-type: none"> <li>- If there is no current written lease agreement (commonly known as month-to-month), a one year lease must be offered within thirty days of the ordinance taking effect April 5, 2017.</li> <li>- If there is a current written lease agreement, with an expiration date in place, a one year lease must be offered when the lease expires.</li> </ul>
<b>How do landlords prove they offered a one year lease to their tenants?</b>
The ordinance does not specify how to prove a one year lease was offered. It is a best practice for landlords to keep track of offering tenants a one year lease and keep all of the signed rejected/accepted offers. The ordinance does specify, "a rejection of the offer must be documented in writing and signed by the tenant" and "signing of a lease which has a minimum term of one year shall be considered an offer in writing."
<b>Is there a specific document for landlords and/or tenants to sign?</b>
No. The landlord is responsible for providing this documentation the tenants. Remember, the one year lease offer must be in writing and the specified language (in question above) must be included in the lease agreement.
<b>What happens if a tenant does not want a one year lease?</b>
A tenant may reject the one year lease option. A rejection of the offer must be documented in writing and signed by the tenant.
<b>May the landlord and tenant agree to terms shorter or longer than a one year lease?</b>
Landlords must offer tenants a one year lease, but the landlord and tenant may agree to other rental terms.
<b>A landlord offers a tenant a one year lease and the tenant declines it. Within the one year, the tenant changes their mind and asks for a one year lease. Does the landlord have to give them a one year lease?</b>
No. Landlord are only obligated to offer tenants a one year lease every twelve months.
<b>A landlord offers a tenant a one year lease but they both agree to and sign a six-month lease. At month three, the tenant wants a one year lease. Does a landlord need to offer a one year lease?</b>
No. The landlord is only obligated to offer a tenant a one year lease every twelve months. Even after the six-month lease is up, the landlord does not need to offer the tenant a one year lease.
<b>Is the landlord required to offer a one year lease to a tenant if they do not want to rent to them anymore?</b>
No. The decision to renew a lease is between the landlord and tenant.
<b>Can a landlord change rates within the one-year lease?</b>
The ordinance does not address rate increases, but if the landlord and tenant agree to a rate increase within the lease agreement, it should be written within the contract of the lease agreement.
<b>How will the city enforce the 12-month lease?</b>
Any person who violates Sections 8.53.030 and 8.53.040 of this Chapter shall be guilty of an infraction, punishable as provided in section 1.12.010 of this Code.

**For more information:**

Visit [menlopark.org/housing](http://menlopark.org/housing)

Call 650-330-6648

Email [marevoilnsky@menlopark.org](mailto:marevoilnsky@menlopark.org)

# Landlord Noticing Requirements

The landlord must provide the following notice to its tenants regarding the right to lease:

*The Mountain View City Code provides you with the right to a written lease. Landlords must offer tenants the option to enter into a written lease with a minimum of two option terms: six months and one year. It is the tenant's choice whether to enter into a written lease with the landlord.*

A version of this Notice and translation in several languages is available on the City's website:

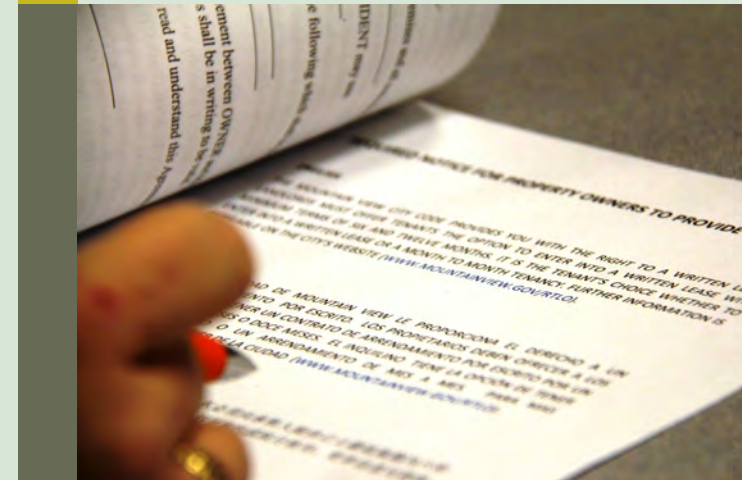
[www.mountainview.gov/RTLO](http://www.mountainview.gov/RTLO)

Please contact  
Project Sentinel  
regarding the occupancy or  
use of a Rental Unit



(650) 960-0495  
[mediate4mv@housing.org](mailto:mediate4mv@housing.org)  
[www.mountainview.gov/RTLO](http://www.mountainview.gov/RTLO)

# Right to Lease Ordinance



## **WHAT IS THE RIGHT TO LEASE ORDINANCE?**

This Ordinance requires landlords to offer tenants in writing a written lease with at least two term options: six months and one year. It is the tenant's choice whether to enter such a written lease. Signing such a lease will be considered an acceptance.

## **WHAT RENTAL UNITS ARE COVERED?**

The Right to Lease Ordinance is applicable to properties with three or more units in a single structure.

## **WHAT IF TENANT DOES NOT WANT A FIXED TERM LEASE?**

If a tenant rejects the offer for a written lease which has at least two term options: six months and one year, this rejection must be in writing and parties may then enter into a mutually acceptable agreement, with an agreed upon term.

## **HOW OFTEN CAN THE RENT BE RAISED?**

The frequency of rent increases fall under the Rental Housing Dispute Resolution Program Ordinance. Under this Ordinance, rents can only be raised twice in a twelve month (one year) period.

## **RENEWAL FIXED TERM LEASES:**

If both landlord and tenant wish to continue the rental relationship, upon expiration of the initial written lease, a lease shall be offered again with a minimum of two option terms: six months and one year.

## **RENEWAL MONTH TO MONTH TENANCY:**

A landlord is required to offer annually a written lease with a minimum of two option terms: six months and one year, to a tenant who rejected an initial offer of a written lease but who has rented a unit from the landlord for a period of at least one year.

## **ARE LEASES MORE EXPENSIVE THAN MONTH TO MONTH AGREEMENTS?**

No. Landlords may offer different rental rates for different lease options as long as these do not exceed what the month to month rental rate would be for the unit.

## **WHAT IF THE LANDLORD DOES NOT COMPLY WITH THE ORDINANCE?**

A violation of this ordinance may provide the tenant with a defense in a legal action brought by the landlord. A violation of the Ordinance is an infraction, punishable by a fine. The fine is \$100 for the first violation, \$200 for a second violation within one year and \$500 for each additional violation within one year.

## **TENANTS**

- ◆ Read the rental agreement or lease carefully, and comply with its terms, including paying the rent on time;
- ◆ Maintain the property in good condition, and notify the landlord promptly if repairs are needed;
- ◆ Safeguard against damage to the property caused by yourselves or guests.

## **LANDLORDS**

- ◆ Notify tenants of the City's Right to Lease Ordinance and the Rental Housing Dispute Resolution Program upon leasing a Rental Unit, renewing a lease and with any notice of a rent increase;
- ◆ Comply with the terms of the rental agreement or lease;
- ◆ Give proper written notice when entering onto the property and make repairs promptly;
- ◆ Return security deposits, with an explanation for any deductions, within 21 days after the tenant vacates.



## **RIGHT TO LEASE ORDINANCE FREQUENTLY ASKED QUESTIONS**

***1. What is the purpose of the Right to Lease Ordinance?***

The Ordinance was enacted by the Mountain View City Council to minimize displacement and limit rent increases in any given year.

***2. What types of rental units are covered under the Right to Lease Ordinance?***

The ordinance applies to rental properties in the City of Mountain View with three or more rental units. Certain types of properties such as motels, mobile home parks and nursing homes are excluded.

***3. When did the Ordinance become effective?***

On December 8, 2015, the City Council of the City of Mountain View adopted a Right to Lease ordinance effective January 7, 2016.

***4. What does the ordinance cover?***

This ordinance requires landlords with three or more rental units in a single structure to offer tenants a written fixed term lease with two options for the term: six months and one year. The tenant has the option of deciding whether to agree to one of these terms.

***5. Will this ordinance affect a current fixed term lease?***

For tenants already in a fixed term lease, where both the landlord and the tenant wish to continue the rental relationship, the landlord is required to offer tenants a written fixed term lease with two options for the term: six months and one year at the expiration of the current lease.

***6. What if a tenant is in a month to month tenancy and now prefers a lease?***

Landlords are required to offer the lease options annually to tenants who are on a month to month rental agreement, who declined the offer of a written lease previously and have been renting for at least one year.

***7. Does the ordinance prohibit parties from agreeing on different terms?***

The ordinance does not prohibit parties from mutually agreeing to an alternate lease term or even agreeing to a month to month tenancy. If tenant rejects the offer for a six months or one year lease, the tenant must provide a written rejection notice to landlord.

***8. Can the landlord offer different rental rates for the six months and one year lease options?***

Landlords may offer different rental rates for different lease options as long as these do not exceed what the month to month rental rate would be for the unit.

***9. How often can a landlord raise the rent?***

According to the Rental Housing Dispute Resolution Program Ordinance (effective date May 26, 2016) rents can only be raised twice in any consecutive twelve month period unless otherwise agreed by parties in writing.

***10. Is the landlord required to provide notice to its tenants regarding the right to lease?***

Yes, the landlord must provide the following notice to existing and prospective tenants:

THE MOUNTAIN VIEW CITY CODE PROVIDES YOU WITH THE RIGHT TO A WRITTEN LEASE. LANDLORDS MUST OFFER TENANTS THE OPTION TO ENTER INTO A WRITTEN LEASE WITH MINIMUM OF TWO OPTION TERMS: SIX MONTHS AND ONE YEAR. IT IS THE TENANT'S CHOICE WHETHER TO ENTER INTO A WRITTEN LEASE WITH THE LANDLORD. FURTHER INFORMATION IS AVAILABLE ON THE CITY'S WEBSITE ([WWW.MOUNTAINVIEW.GOV/RTLO](http://WWW.MOUNTAINVIEW.GOV/RTLO)).

The landlord must provide this notice with a written or electronic lease application. The City has translated a notice into Spanish, Chinese and Russian for use by landlords.

***11. In what manner must the landlord provide notice of the Right to Lease Ordinance to tenants?***

The landlord must provide this notice to tenants in writing. The notice can be provided electronically if the application and/or lease are processed electronically.

***12. What if a landlord does not comply with the ordinance?***

A violation of this ordinance may provide the tenant with a defense in a legal action brought by the landlord. In addition, a violation of the ordinance is an infraction. An infraction is an offense punishable by a fine. The fine is \$100 for the first violation, \$200 for a second violation within one year and \$500 for each additional violation within one year.

## **Appendix F**

### Relocation Assistance Examples







## RELOCATION ASSISTANCE FOR DISPLACED TENANTS

In February 2010, the City Council adopted a Tenant Relocation Assistance Ordinance requiring landlords to provide relocation assistance to eligible tenants displaced from four or more rental units because of renovations, redevelopment, and similar activities. The City's ordinance is intended to help lower income households with moving costs, deposits, and securing replacement housing.

The Council amended the ordinance in June 2014 to increase the amount of assistance and make more households eligible. Households are eligible for relocation assistance if:

- The household income is 80% or less of the Area Median Income (AMI);
- The household has a valid lease or rental agreement with the landlord; and
- The household is not delinquent on rental payments.

Relocation assistance is provided as a cash payment to eligible person(s) on the lease or rental agreement. The following assistance is paid per rental unit, not per tenant:

- Full refund of a tenant's security deposit;
- A 60-day subscription to a rental agency;
- The cash equivalent of three months median market rate rent for a similar sized apartment; and
- An additional \$3,000 for special-circumstances tenants, which are households having at least one person that is either over 62 years of age, handicapped, disabled, or a legally dependent child under 18 years of age.

Copies of the Tenant Relocation Assistance Ordinance are available by clicking on the link below. If you have additional questions or prefer to have a copy of the ordinance mailed to you, contact the Neighborhoods Division at 650-903-6379 or [neighborhoods@mountainview.gov](mailto:neighborhoods@mountainview.gov)

- **Tenant Relocation Assistance Ordinance**

ORDINANCE NO. 11.4

AN ORDINANCE RELATING TO TENANT RELOCATION ASSISTANCE

THE CITY COUNCIL OF THE CITY OF MOUNTAIN VIEW DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Chapter 36, Article XIII, of the Mountain View City Code is hereby amended to read as follows:

**“ARTICLE XIII. TENANT RELOCATION ASSISTANCE.**

**SEC. 36.38. Statement of purpose.**

The purpose of this article is to help mitigate the adverse health, safety and economic impacts experienced by low- and very low-income residents of rental housing who are displaced from their residences due to a demolition of a rental unit, a remodel or redevelopment of a rental unit, a conversion of a residential unit to a condominium unit or a change of use of real property from a residential use to a nonresidential use by requiring the property owner to provide these residents with advance notice of such actions and mitigate the impact on these residents consistent with this article.

**SEC. 36.38.05. Definitions.**

a. **Application.** Any application required to be submitted to the city for discretionary or ministerial approval of a land use change or improvement of real property that will result in a permanent displacement of a residential household.

b. **Displace or Displacement.** The vacating of four (4) or more rental units by residential households within a one-year period upon notice from the landlord as the result of or to enable any of the following:

1. The landlord seeks to withdraw all rental housing units from the rental housing market as provided in Government Code §7060, *et seq.*;

2. The landlord seeks to recover possession to demolish or otherwise remove a residential rental housing unit from residential rental housing use after having obtained all proper permits from the city, if any such permits are required;

3. The landlord seeks to recover possession to remodel, renovate or rehabilitate the unit(s) resulting in permanent displacement of tenants and the project requires discretionary or ministerial permits from the city;

4. The landlord seeks the conversion of a building into a condominium, community apartment or stock cooperative, as those terms are defined in California Government Code and Business and Professions Code;

5. A change of use of real property from a residential use to a nonresidential use that requires a permit from the city; or

6. The change from rental to ownership units where the units were rented out for a period of time after being approved for sale.

For the purposes of this article, a displacement does not include a vacation of a rental unit as the result of the following:

1. A conversion of any portion of a mobile home park regulated and processed pursuant to Chapter 28 of this code;

2. A landlord's compliance with an enforcement order of the city chief building official for which the property owner has been ordered to pay relocation expenses pursuant to Health and Safety Code §17975, *et seq.*, or any other state or federal law;

3. A vacation of a rental unit resulting from the damage or destruction of the unit which is caused by a fire or natural disaster; or

4. Temporary displacement due to remodeling or renovations where tenants have been provided with alternative housing on site or nearby.

c. **Eligible residential household.** A displaced residential household provided the annual household income does not exceed eighty (80) percent of the median household income for Santa Clara County as adjusted for household size according to the United States Department of Housing and Urban Development. The presumption of eligibility specified in the preceding sentence shall not apply where the landlord provides evidence of any of the following circumstances:

1. The residential household's occupancy ended due to the expiration of a term lease and the tenancy was not extended by the operation of Civil Code §1945; or

2. The residential household has not paid rent as required by the rental agreement or was found to have committed an unlawful detainer pursuant to

Subdivisions 2, 3, 4 or 5 of §1161 of the Code of Civil Procedure as evidenced by a final judgment of a court of competent jurisdiction; or

3. The residential household received written notice, prior to entering into a written or oral agreement to become a tenant, that an application to convert their rental unit to another use was on file with the city or had already been approved and would result in their displacement.

d. **Landlord.** An owner, lessor or sublessor of property (including any person, firm, corporation or other entity) who receives or is entitled to receive rent for the use of any rental unit, or the agent, representative or successor of any of the foregoing.

e. **Rental unit.** A habitable structure offered for rent and used as a place of permanent or customary and usual abode of a residential household. Rental units include a building, a group of buildings or a portion of a building used and/or designed as dwellings. A rental unit shall not include:

1. A room or any other portion of any residential unit which is occupied by the landlord or a member of the landlord's immediate family.

2. A single-family dwelling, except where four (4) or more dwelling units are located on one (1) lot.

3. A mobile home.

4. Housing accommodation in hotels, motels, inns, tourist homes and boarding or lodging houses.

5. A unit in a common-interest development where units are owned by different individuals who share ownership of common areas and facilities.

f. **Residential household.** Any person or group of persons entitled to occupy a rental unit under a valid lease or rental agreement (written or oral) with the landlord, including all persons who are considered residents under the civil code.

g. **Special-circumstances households.** An eligible residential household with any of the following characteristics:

1. At least one (1) member is sixty-two (62) years of age or older;

2. At least one (1) member qualifies as disabled as defined by Title 42, United States Code, No. 423 or handicapped as defined by California Health and Safety Code §50072; or

3. Is a household with one (1) or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes).

h. **Tenant.** A tenant, subtenant, lessee, sublessee or any other person entitled to use or occupancy of a rental unit under a valid lease or rental agreement (written or oral) with the landlord.

i. **Third-party agency.** Relocation assistance specialist, agency and/or other third-party agency hired by the city and paid for by the landlord to assist with the relocation assistance process set forth in this ordinance.

**SEC. 36.38.10. Requirement to provide relocation assistance.**

No landlord shall cause the permanent displacement of residential households without paying eligible residential households relocation assistance in accordance with the provisions of this article.

**SEC. 36.38.15. Relocation assistance.**

The landlord shall provide relocation assistance, where required by Sec. 36.38.10, to eligible residential households in accordance with the following requirements:

a. A full refund of a tenant's security deposit, except for funds that may be necessary to repair tenant's damage to property in rental units that will be reoccupied prior to undergoing renovation or demolition.

b. A sixty (60) day subscription to a rental agency.

c. The cash equivalent of three (3) months' rent, based on the median monthly rent for a similar-sized unit with the same number of bedrooms and bathrooms as determined by a survey taken at least once a year of apartment rents in Mountain View, shall be paid to the eligible household renting a unit.

d. Special-circumstances households will be paid an additional three thousand dollars (\$3,000) per rental unit, and this figure will be adjusted annually for inflation based on the Consumer Price Index for the San Francisco Bay Area.

**SEC. 36.38.20. Procedures for assistance payment.**

a. **Third-party processing.** The city shall hire a third-party agency to provide tenant relocation assistance. Landlord shall pay the fees for the third-party agency and



shall deposit sufficient funds with the city when an application is filed to cover the estimated cost of the relocation assistance services. The third-party agency shall provide bilingual assistance, as necessary, and hold an informational meeting with tenants, respond to questions, verify current household incomes, disperse checks to eligible households and provide an accounting of dispersed funds to the landlord and city.

b. **Payments escrow account.** The landlord shall open an escrow account and deposit relocation assistance funds into that account no later than thirty (30) days after filing an application that will be used by the third-party agency for relocation assistance payments to eligible residential households. The amount of the deposit shall be determined by the community development department and unused funds shall be returned to the landlord after all relocation assistance has been paid as verified by the third-party agency.

c. **Relocation assistance claims.** Tenants requesting relocation assistance must provide the necessary information to the third-party agency who will determine their eligibility for relocation assistance and eligible residential households must complete a claim form. Tenants must file a claim before the date to vacate as stated on the notice of termination in order to be eligible for relocation assistance payments. After determination of eligibility, half of the relocation assistance shall be paid to eligible residential households within fifteen (15) days of the date the claim form is submitted to the third-party agency and the remaining half shall be paid when the household vacates the unit.

d. **Payments to eligible residential households.** Relocation assistance is paid per rental unit, not per tenant. If multiple households or individuals occupy a rental unit, relocation assistance shall be paid to the household or individual entitled to occupy a rental unit under a valid lease or rental agreement (written or oral) with the landlord.

e. **Verification of payment.** Prior to issuance of demolition permits, building permits or other city permits that would result in the removal of a rental unit subject to this article, the city must receive verification from the third-party agency that all eligible residential households who applied and qualified for assistance have received relocation assistance. This verification shall be submitted in a form acceptable to the city.

#### **SEC. 36.38.25. Notice to displaced tenants.**

a. **Notice of intent.** No later than thirty (30) days after filing an application, either the landlord or the landlord's agent shall notify each residential household residing on the subject real property that the landlord has filed an application with the

city. The notice shall be sent by regular and certified mail and posted on the door of each rental unit. The landlord must submit evidence of compliance with this section to the city in order for the application to be deemed complete. The landlord shall use a notice of intent form provided by the city that shall contain the following information:

1. The name and address of the current property owner and the project developer;
2. A description of the application(s) being filed and a general time frame for the project approval;
3. An explanation of the relocation assistance available to eligible residential households and special-circumstances households, information on eligible residential household incomes and the procedure for submitting claims for relocation assistance;
4. Contact information for the third-party agency that will be assisting with the relocation assistance process. This contact information and a brief explanation of the purpose of the notice shall be translated into non-English languages as provided by the city;
5. The residential household's right to receive written notice for each hearing and right to appear and be heard at land use hearing, if applicable; and
6. Other information deemed necessary or desirable by the community development department.

b. **Notice of intent verification.** The landlord or agent of the landlord shall submit to the city a duplicate copy of the notice of intent form given to each residential household and a declaration indicating that each notice was sent by regular and certified mail and posted on the door of the rental unit.

c. **Notice of termination.** Landlord shall provide a written notice of termination to all tenants subject to displacement from a multiple-family rental development at least ninety (90) days prior to the date a tenant must vacate the unit. The date to vacate shall not be prior to the city's determination that the landlord's application is complete unless approved by the community development director and relocation assistance has been paid to the eligible household.

#### **SEC. 36.38.30. Submittal requirements.**

a. Concurrent with the filing of an application, the landlord shall provide the community development department with the address number of each unit in the

multiple-family rental development, the monthly rents for those units and the names of every member of the residential household who is a signatory on a written lease or rental agreement for that unit, the household income as shown on the lease or rental agreement and the number of household members included on the lease or rental agreement. Where there is no written lease or rental agreement, the landlord shall provide the name of every person the landlord considers to be a resident under an oral lease or rental agreement.

**SEC. 36.38.35. Alternate mitigation.**

a. All applications governed by this section shall be required to submit the required information; however, the landlord may also submit an alternate mitigation strategy that meets the goals of this section. An alternate strategy may include, but shall not be limited to, providing other mitigation and concessions to tenants such as permanent relocation of displaced tenants into similar apartments on-site or nearby, ongoing rent concessions or suitable notice and other elements of mitigation that would serve the goals and purposes of this article. With each such alternate submission, the landlord shall provide complete information as determined necessary by the community development director. Alternate mitigation proposals must be approved by the city council.

b. A landlord who is withdrawing residential rental units pursuant to Government Code §7060, *et seq.* may elect to comply with the notice provisions of Government Code §7060.4.

c. Landlord's temporary withdrawal of residential rental units from the market pursuant to Sec. 36.38.10.d shall not be subject to this article for any units where, in the opinion of the community development director, the landlord has offered suitable temporary replacement housing accommodations and compensation.

**SEC. 36.38.40. Administrative regulations.**

The community development director may, from time to time, promulgate regulations implementing the provisions of this article, violations of which shall be considered a violation of this section.

**SEC. 36.38.45. Mitigation not exclusive.**

Nothing in this section shall be interpreted to interfere with the city's ability and/or obligation to require relocation assistance for displaced tenants who are not covered by this article."



Section 2. The provisions of this ordinance shall be effective thirty (30) days from and after the date of its adoption.

Section 3. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional, such decision shall not affect the validity of the other remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional.

Section 4. Pursuant to Section 522 of the Mountain View City Charter, it is ordered that copies of the foregoing proposed ordinance be posted at least two (2) days prior to its adoption in three (3) prominent places in the City and that a single publication be made to the official newspaper of the City of a notice setting forth the title of the ordinance, the date of its introduction, and a list of the places where copies of the proposed ordinance are posted.

Section 5. This ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to Sections 15060(c)(2) of the CEQA Guidelines (Title 14, Chapter 3 of the California Code of Regulations) (the activity will not result in a direct or reasonable foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378 of the CEQA Guidelines because it has no potential for resulting in physical change to the environment, directly or indirectly).

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### **III. What must be stated in a lease?**

Under the terms of the Ordinance, if a unit is to become exempt from the Ordinance, a written lease between a landlord and tenant with a term of one year must set the rental rate in the lease.

### **IV. Can my lease be renewed?**

If the landlord wishes to renew the lease, then at least 90 days prior to the expiration of the written lease, the landlord shall offer in good faith a written lease with a minimum term of one year. Within 30 days of the written offer, the tenant must either accept or reject the offer. In either case, the unit is exempt from the Ordinance.

### **V. What if the landlord doesn't want to renew the lease?**

If the landlord wishes to terminate the lease, then at least 90 days prior to the expiration of the written lease, the landlord shall notify the tenant of his intent not to renew. This must be done in writing, separate from the lease.

### **VI. Who must the landlord inform of his intent to renew or terminate the lease?**

Only those individuals who are identified in the lease or those who have been identified as additional tenants in a separate written notice.

### **VII. What must be on the notice to quit or notice to terminate?**

The landlord must set forth the reasons for the termination, with specific facts to permit a determination of the date, place and circumstances concerning the reason.

## **RELOCATION ASSISTANCE**

### **I. Under what conditions must landlords provide relocation assistance?**

#### **A. The following require landlords to provide monetary relocation assistance:**

- 1) When the unit is permanently removed from the rental housing market or requires eviction for demolition.
- 2) When the unit requires eviction for major rehabilitation.
- 3) When the landlord evicts for the occupancy of her/himself, spouse, grandparents, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, children, or parents, a resident manager, or a tenant who requires case management or counseling as part of the tenancy.
- 4) When landlord evicts to comply with a governmental agency's Order to Vacate.
- 5) When they are evicted due to condominium conversion or for commercial use of the property.

### **II. Are there any exemptions from relocation assistance?**

#### **A tenant would not be eligible for relocation:**

- 1) When the tenant received actual written notice prior to entering into a written or oral tenancy agreement that an application to subdivide the property or convert the building to a condominium was on file with or had been approved by the City.
- 2) If evicting a resident manager to replace him/her with another resident manager.
- 3) When landlord evicts to comply with a governmental agency's Order to Vacate due to hazardous conditions caused by a natural disaster or an act of God.

- 4) The tenant receives relocation assistance from another governmental entity and that amount is equal to or greater than the amount provided in the Glendale Just Cause Eviction ordinance.

### **III. What is the relocation amount?**

The Landlord shall pay a relocation fee in the amount of two (2) times the amount of the current fair market rent as established by HUD for a rental unit of similar size, PLUS \$1,000. Additional exceptions may apply. See the City website ([www.ci.Glendale.ca.us](http://www.ci.Glendale.ca.us)) for the current HUD fair market rent rates.

### **IV. How shall payment be made?**

- A.
  - 1) The entire fee shall be paid to a tenant who is the only tenant in a rental unit.
  - 2) If a rental unit is occupied by two or more tenants, each tenant shall be paid a pro-rata share of the fee.
- B.
  - 1) Payment shall be made within fifteen (15) days of service of a written notice of termination; however,
  - 2) The landlord may, at the landlord's sole discretion and at the landlord's cost, deposit the relocation amount with his attorney or establish an escrow account for the tenant(s) in lieu of the payment described in B (1) above to be disbursed to the tenant upon certification of vacation.

## **RETALIATION**

### **I. What's retaliation?**

Retaliation occurs when a landlord, with the intent to retaliate against the tenant as a result of the tenant's assertion or exercise of rights under the law or the tenant's request or demand for or participation in mediation, arbitration, or litigation, does one of the following:

- threatens to evict or evicts a tenant
- causes the tenant to involuntarily move from a rental unit
- serves any notice to quit or notice of termination of tenancy
- decreases any services or increases the rent

The landlord's retaliatory action must be within 180 days of the tenant's assertion or exercise of his/her rights.

### **II. What are the penalties if the landlord has retaliatory intent?**

The tenant may assert retaliatory eviction as a defense. Retaliatory eviction may be punishable by: (1) a fine not exceeding \$250.00 for the first violation; (2) a fine not exceeding \$500.00 for the second violation; and (3) as a misdemeanor by a fine not exceeding \$500.00 or imprisonment for a term not exceeding 6 months.

Additional resources:

Housing Rights Center – 626-791-0211 or 1-800-477-5977

Neighborhood Legal Services – 1-800-433-6251



# consumer protection

City of  
Santa Monica®

city attorney's office

## Temporary Relocation Assistance

### ***What is temporary relocation assistance?***

Santa Monica law requires that owners pay a tenant's expenses when the tenant is forced to vacate an apartment temporarily.

### ***What are some examples of when an owner must pay relocation costs?***

- termite fumigation or "tenting" of the building
- extensive repair or remodel work where tenants must vacate
- Code violations where the City orders tenants to leave

### ***How long does the owner have to pay these costs?***

As long as the tenant is required to stay out of the unit. The only two ways the payments end are (1) the tenant returns to the apartment, or (2) the tenancy is legally terminated – for example, a successful eviction or the City granting a removal permit followed by a notice of termination.

### ***What kind of assistance is required?***

It depends on how long the tenant has to be gone:

- Less than 30 days: tenant gets money for temporary housing and expenses
- 30 days or more: tenant gets alternate rental housing

### ***What expenses are covered if the displacement is less than 30 days?***

If a tenant is displaced for less than 30 days, the owner must pay for:

- hotel or motel room
- meal expenses
- moving and storage expenses
- laundry (if the tenant had laundry facilities in his or her unit)
- pet accommodations (if the tenant has a lawful pet)

### ***What amounts does the owner have to pay for these items?***

The City Council has set fixed amounts to cover the hotel, meals, laundry and pet boarding. These amounts are updated each year to account for inflation. Effective July 1, 2015, the amounts are:

- Hotel or motel: \$154 per day per household
- Meal expenses: \$29 per day per person
- Laundry: \$1 per day per household
- Pet accommodations: \$28 per day per cat; \$51 per day per dog; and actual daily boarding cost for all other pets. (The tenant must provide proof of actual boarding for the requested number of days.)

***What if the tenant chooses not to stay in a motel: is she still entitled to the per diem payment?***

Yes. For example, a tenant could stay with friends free of charge during the relocation period and the owner still must pay the applicable per diem amounts.

***Do tenants have the right to return to their apartments once the violations have been corrected?***

Yes, no matter how long the repairs take.

***What if a tenant caused the problem that led to the relocation – say, by starting a fire that damaged his unit – does that tenant get relocation benefits?***

No. A tenant is not entitled to benefits if the tenant or his or her guest was primarily responsible for causing the problem.

***Can the owner demolish the unit instead of repairing?***

Only if both the Rent Control Board and the Building and Safety Department grant the necessary permits. Owners should contact those agencies to learn more about the requirements. In most cases, the tenants would be entitled to “permanent relocation” benefits once the owner gets the necessary permits and terminates the tenancies.

***How do we determine in advance how many days the owner has to pay for?***

Typically the Building and Safety department will estimate the time of the displacement and give both sides a written notice. If not, the owner must estimate the time. Either way, the owner must pay the tenant based on the estimated amount of time, and then stay current on benefits if that time increases.

***What if the owner disputes that relocation assistance is required?***

The owner can appeal the order to the Building and Safety Commission.

***What if the owner – or the tenant – disagrees with the time estimate?***

The best idea is to try and work it out. Remember that in the end, the owner is responsible for the total number of days regardless. If all else fails, the owner or tenant can appeal to the Building and Safety Commission.

***What kind of housing is required if the relocation is longer than 30 days?***

The owner must provide an apartment for the tenant. It has to be comparable to the tenant’s existing apartment in the:

- location
- size
- number of bedrooms
- accessibility
- type and quality of construction
- proximity to services the tenant needs
- allowing pets (if the tenant has pets)
- other amenities

***How do we decide what is “comparable”?***

The best way is for both parties to agree in advance on a particular apartment (if the relocation is 30 days or more). There are no specific requirements beyond what is listed above. If both sides are reasonable, this decision usually can be handled informally between the parties.

***Can the owner and tenant reach their own agreement about how the tenant will be temporarily housed that is different from what the law says?***

Yes. It's always in both parties' interest to be flexible and reach an agreement.

***What moving costs are covered?***

The owner must pay for all reasonable moving costs, including expenses for:

- transporting personal property
- packing and unpacking
- insurance of personal property while in transit
- compensation for any damage during the move
- storage of personal property
- disconnection and re-connection of utilities
- other costs due to a tenant's special needs, such as disability, age, pets, etc.

***What if a tenant agrees to give up relocation benefits?***

A tenant can't give up these rights. Any agreement between an owner and tenant (in writing or not) which gives up a tenant's right to relocation benefits, is void and is not enforceable.

***What happens if the owner refuses to pay the relocation costs?***

The tenant should call the Rent Control Board (310-458-8751).

***What if the apartment is not under Rent Control?***

It doesn't matter. The temporary relocation law applies to all rental units in the city, whether or not they are rent-controlled.

***How can I get more information?***

Call the Rent Control Board (310-458-8751).

## **Appendix G**

Rent Review Board/Mediation Examples







## City of San Leandro Rent Review Program Summary

***THE RENT REVIEW ORDINANCE APPLIES TO BUILDINGS WITH 3 OR MORE HOUSING UNITS & MOBILE HOMES  
IT DOES NOT APPLY TO DUPLEXES OR SINGLE FAMILY HOMES***

The Rent Review Program is a forum for non-binding arbitration of rent disputes between landlords and tenants.  
<http://www.sanleandro.org/depts/cd/housing/rentreview/default.asp>

- **Rent Review Board.**

The City Council has appointed a Rent Review Board ("Board") to hear rent disputes between landlords and tenants. The membership of the Board consists of two tenants, two landlords, and a fifth member who is neither a landlord nor a tenant.

- **Initiation of Rent Review.**

Either party to a rent dispute may request a Board hearing when a proposed rent increase:

- (1) is greater than \$75 per month;
- (2) exceeds 10% of the base rent; or
- (3) the rent has been raised more than once in a 12-month period.

A tenant or landlord may request a Board hearing by submitting a hearing request form within **15 days** of the tenant's receipt of the notice of rent increase (postmark acceptable).

To request a Board hearing request form, call (510) 577-6005 [TDD (510) 577-3343] or ECHO Housing, the administrator for the City's Rent Review Program, at (510) 581-9380 or email at [shernandez@sanleandro.org](mailto:shernandez@sanleandro.org).

- **Notice of Rent Increase.**

In addition to complying with California State law for notice of rent increases, landlords must provide a **Required Notice Relating to the Review of Rent Increases by the Rent Review Board** (attached) when they provide notice of a rent increase to tenants.

If a landlord fails to provide notice of the Rent Review Program at the time he/she provides notice of the rent increase, such rent increase will be void and unenforceable.

The Rent Review Program Ordinance states that landlords are required by State law to provide a 30-day notice for a rent increase of 10% or less and a 60-day notice for a rent increase greater than 10%.

- **Contents of Notice.**

The **Required Notice Relating to the Review of Rent Increases by the Rent Review Board** 1) describes the tenant's right to request a hearing as set forth above, 2) encourages the tenant to contact the landlord to attempt to resolve the dispute privately prior to requesting a hearing, but explains that such contact is not a requirement of the program, 3) provides the tenant with information about contacting the Board to schedule a hearing, and 4) notes that CA State law protects tenants from retaliation for the exercise of their legal rights.



**Required Notice Per  
City of San Leandro Municipal Code  
Title 4, Chapter 32, Relating to the Review of  
Rent Increases by the Rent Review Board**

Under Civil Code Section 827(b) a landlord must provide a tenant with thirty (30) days notice prior to a rent increase of ten percent (10%) or less and sixty (60) days notice of a rent increase of greater than ten percent (10%). Under Title 4, Chapter 32 of the San Leandro Municipal Code, a landlord must at the same time provide this notice of the City's rent review procedure before demanding or accepting any increase in rent. You are encouraged to contact the owner or manager of your rental unit to discuss a rent increase. However, if you have received notice of a rent increase that 1) will increase your rent more than ten percent (10%) above the rent you paid last month, 2) is greater than \$75 per month, or 3) follows one or more prior rent increases within the past twelve months, you may request that the San Leandro Rent Review Board review the increase. Such a request must be made in writing within fifteen (15) days of your receiving notice of the rent increase (or post marked within 15 days of receipt if mailed). You must submit a copy of the Notice of Increase at the same time you submit the Hearing Request. If you request review of the rent increase, you and your landlord will be required to appear before the Board for a hearing on your rent dispute. After hearing from you and your landlord, the Board will make a non-binding recommendation for resolution of the rent dispute. To request review of your rent increase, please contact the Board through the Community Development Department of the City of San Leandro, 835 East 14<sup>th</sup> Street, San Leandro, CA 94577. Under Civil Code Section 1942.5, it is illegal for a landlord to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights.

***For More Information or Rent Review Request Forms,  
call (510) 577-6005 or email at [shernandez@sanleandro.org](mailto:shernandez@sanleandro.org).***

## **Appendix H**

### Just Cause Eviction Examples



## Article 8: Housing

### Division 7: Tenants' Right to Know Regulations

(*"Tenants' Right to Know Regulations"* added 3-30-2004 by O-19269 N.S.)

#### §98.0701 Purpose of Tenants' Right to Know Regulations

The purpose of these regulations is to promote stability in the San Diego rental housing market and limit adverse impacts on long-term residential tenants displaced and forced to find replacement housing in the expensive and limited San Diego housing market. The regulations protect the rights of long-term residential tenants by limiting grounds for their eviction and requiring *landlords* to provide notice of such grounds. The rights conferred by these regulations are in addition to any provided in state or federal law.

(*"Purpose of Tenants' Right to Know Regulations"* added 3-30-2004 by O-19269 N.S.)

#### §98.0702 When Tenants' Right to Know Regulations Apply

This division applies to the rental of any *rental unit* (as defined in section 98.0720) in the City except as specifically exempted in section 98.0725.

(*"When Tenants' Right to Know Regulations Apply"* added 3-30-2004 by O-19269 N.S.)

#### §98.0720 Definitions

The following definitions apply to the administration and enforcement of this division:

*"Condominium"* means the same as defined in sections 783 and 1351(f) of the California Civil Code.

*"Landlord"* means an owner, lessor, sublessor or any other person or entity entitled to offer any residential unit for rent or entitled to receive rent for the use and occupancy of any *rental-unit*.

*"Resident manager"* means a person who resides on the premises and is employed to perform or to be responsible for the operation and/or maintenance of the *rental-units* on the premises.

*"Rental-unit"* means a room or a group of two or more rooms designed, intended, or used for human habitation. *Rental-units* include apartments, *condominiums*, *stock cooperatives*, *single-dwelling units*, and hotel units not exempted under section 98.0725.

“*Single-dwelling unit*” means a single detached structure containing one dwelling unit for human habitation and accessory buildings appurtenant thereto located on a lot or parcel and all housing services provided in connection with the use or occupancy thereof.

“*Stock cooperative*” means the same as defined in California Business and Professions Code section 11003.2.

“*Tenancy*” means the right or entitlement of a tenant to use or occupy a *rental-unit*.

(“*Definitions*” added 3–30–2004 by O–19269 N.S.)

(Amended 8-4-2011 by O-20081 N.S.; effective 10-6-2011.)

## §98.0725 Exemptions

The following shall be exempt from the requirements of this division:

- (a) **Institutional Facilities.** Housing accommodations in any hospital, convent, monastery, extended care facility, asylum, nonprofit home for the aged, fraternity, or sorority house, housing accommodations owned, operated, or managed by a bona fide educational institution for occupancy by its students or *rental-units* that require intake, case management or counseling and an occupancy agreement as part of the occupation.
- (b) **Agency Owned or Subsidized Units.** Any *rental-unit* owned, operated, or subsidized by any government agency, and which is therefore subject to substantially similar or greater state or federal eviction controls.
- (c) **Rooms Rented to Boarders.** A *rental-unit* in which the *landlord* owns the *rental-unit*, shares kitchen or bath facilities with the tenants, and also occupies the *rental-unit* or a unit in the same building as his or her principal residence.
- (d) **Rental-Units in Hotels, Motels, or Rooming Houses Rented to Transient Guests** which do not qualify as Single Room Occupancy Hotel Rooms pursuant to San Diego Municipal Code Chapter 14, Article 3, Division 5.
- (e) **Mobile Homes.** Mobile homes subject to Mobilehome Residency Law (California Civil Code, Chapter 2.5).
- (f) Transient occupancies defined by California Civil Code section 1940(b).  
(“*Exemptions*” added 3–30–2004 by O–19269 N.S.)

**§98.0730 Termination of Tenancy**

A residential *tenancy* of more than two years duration shall not be terminated, nor shall its renewal be refused, except for one or more of the following reasons:

- (a) **Nonpayment of Rent.**
- (b) **Violation of Obligation of Tenancy.** The tenant has violated a lawful and material obligation or covenant of the *tenancy*, except that the following may not be grounds for termination or nonrenewal of a *tenancy*:
  - (1) The failure to surrender possession of the rental-unit upon the expiration of a specified term, except as provided in section 98.0730(e);
- (c) **Nuisance.** The tenant is committing a nuisance or permitting a nuisance in, or is causing damage to, the *rental-unit* or to the appurtenances thereof or to the common areas of the housing complex containing the *rental-unit*, or is creating an unreasonable interference with the comfort, safety, or enjoyment of any of the other residents of the housing complex.
- (d) **Illegal Use.** The tenant is using or permitting the *rental-unit* to be used for an illegal purpose.
- (e) **Refusal to Renew Lease.** The tenant who had a written lease or rental agreement which terminated on or after April 26, 2004 has refused, after written request by the *landlord*, to execute a written extension or renewal thereof within the written period prescribed by the lease or state law for a further term of like duration with similar provisions.
- (f) **Refusal to Provide Access.** The tenant has refused to give the *landlord* reasonable access to the *rental-unit* for the purpose of making repairs or improvements, or for the purpose of inspection as permitted or required by the lease or by law, or for the purpose of showing the *rental-unit* to any prospective purchaser or mortgagee.
- (g) **Correction of Violations.** The *landlord*, after having obtained all necessary permits from the City of San Diego, seeks to recover possession of the *rental-unit* for necessary repair or construction when removal of the tenant is reasonably necessary to accomplish the repair or construction work.
- (h) **Withdrawal of Residential Rental Structure from the Rental Market.** The *landlord* intends to withdraw all *rental-units* in all buildings or structures on a parcel of land from the rental market.

- (i) **Owner or Relative Occupancy.** The *landlord*, or his or her spouse, parent, grandparent, brother, sister, child, grandchild (by blood or adoption), or a *resident manager* plans to occupy the *rental unit* as their principal residence.  
(Amended 4-26-2004 by O-19274 N.S.)

**§98.0750 Notice to Tenant**

Any *landlord* who attempts to terminate a *tenancy* pursuant to any of the grounds set forth in section 98.0730 shall provide the tenant a written notice to quit or terminate which recites the grounds under which the *landlord* is proceeding. The *landlord* shall provide the notice prior to or at the same time as the written notice of termination set forth in Civil Code section 1946, or a three-day notice described in Code of Civil Procedure sections 1161 and 1161a, is served on the tenant.  
(“Notice to Tenant” added 3-30-2004 by O-19269 N.S.)

**§98.0760 Affirmative Defense**

In any action by a *landlord* to recover possession of a *rental-unit*, the tenant may raise as an affirmative defense any violation or noncompliance with the provisions of this division.  
(“Affirmative Defense” added 3-30-2004 by O-19269 N.S.)



## **Union City**

### **Chapter 5.50**

#### **RESIDENTIAL LANDLORD AND TENANT RELATIONS**

##### **5.50.010 Purpose.**

The purposes of this chapter are to regulate relations between residential landlords and tenants and to protect tenants from arbitrary, discriminatory, or retaliatory evictions. This legislation is designed to preserve the public peace, health and safety, and advance the housing policies of the City.

##### **5.50.020 Definitions.**

A. “Landlord” means an owner, lessor, or sublessor who receives or is entitled to receive rent for the use and occupancy of any rental unit or portion thereof, and includes any legal entity or other individuals, employees, agents, contractors, and subcontractors that comprise or represent the landlord.

B. “Notice of termination” means a written notice that includes all of the components identified in Section 5.50.060.

C. “Owner-occupied residence” means a single dwelling unit in which an individual retains no less than a fifty percent (50%) ownership interest in the individual unit, and resides in that unit as his or her permanent residence no less than ten (10) months of any calendar year.

D. “Rental Unit” means any unit in any real property, regardless of zoning status, including the land appurtenant thereto, that is rented or available for rent for residential use or occupancy (regardless of whether the unit is also used for other purposes), together with all housing services connected with use or occupancy of such property, such as common areas and recreational facilities held out for use by the tenant. A rental unit includes a single family home.

E. “Tenant” means any renter, tenant, subtenant, lessee, or sublessee of a rental unit, or any group of renters, tenants, subtenants, lessees, sublessees of a rental unit, or any other person entitled to the use or occupancy of such rental unit, or any successor of any of the foregoing.

##### **5.50.030 Applicability.**

A. The provisions of this chapter shall apply to all rental units within the City, including where a notice to vacate/quit any such rental unit has been served as of the effective date of this chapter but where any such rental unit has not yet been vacated or an unlawful detainer judgment has not been issued as of the effective date of this chapter, except that this chapter shall not apply to the following types of units:

1. Dwelling units in hotels, motels, and lodging rooming house, and boardinghouses, as those terms are defined in Title 18 of this Code, as long as the tenant(s) in a given dwelling unit do not reside in that unit for more than thirty (30) consecutive days. Terminating a tenancy or requiring an occupant to move, or to check out and reregister before the expiration of thirty (30) days’ occupancy is prohibited if a purpose is to avoid the effects of this chapter.

2. The entirety of a single owner-occupied residence, when the owner-occupant rents or leases two (2) or fewer bedrooms.

3. Dwelling units in nonprofit cooperatives owned, occupied, and controlled by a majority of the residents.

4. Each dwelling unit where the rent is controlled, regulated, or restricted by a local, State or Federal government unit, agency, or authority, when the control, regulation, or restriction would preempt local regulation of landlord and tenant relations. This exemption includes, but is not limited to, those dwelling units restricted by a recorded encumbrance on title pursuant to the Federal low income housing tax credit program. This exemption applies unless and until such restrictions, regulations, or controls of residential rents are released or no longer preempt local regulation of the landlord and tenant relationship; this exemption does not apply whenever a dwelling unit may be leased or rented for fair market value.

5. Housing accommodations in any nonprofit hospital, convent, monastery, extended care facility, asylum, residential care or adult day health care facility for the elderly which is licensed for such purpose where such license is required.

6. Rental units in a nonprofit facility that has the primary purpose of providing short term treatment, assistance, or therapy for alcohol, drug, or other substance abuse and the housing is provided incident to the recovery program, and where the client has been informed in writing of the temporary or transitional nature of the housing at its inception.

7. Housing units owned by any government unit, agency, or authority, including but not limited to any division or department of a local, State, or Federal government.

B. The provisions of this chapter may not be waived, and any term of any lease, contract, or other agreement which purports to waive or limit a tenant's substantive or procedural rights under this ordinance are contrary to public policy, unenforceable, and void.

#### 5.50.040 Cause For Termination.

No landlord may terminate a residential tenancy of a rental unit, recover possession of a rental unit or otherwise endeavor to recover possession of a rental unit in the City unless the landlord can demonstrate all of the following:

A. That the landlord possesses a valid business license pursuant to Chapter 5.08 of this Code and has properly registered the rental unit pursuant to Section 5.50.090; and

B. That the landlord has provided the tenant with a notice of tenant rights in accordance with Section 5.50.070; and

C. That the landlord served a notice of termination pursuant to Section 5.50.060; and

D. That the landlord has not accepted and will not accept rent or any other consideration in return for the continued use of the rental unit beyond the term of the terminated tenancy in compliance with California Civil Code Sections 1945, 1946 and 1946.1; and

E. The existence of one of the following grounds for termination:

1. Failure to Pay Rent. The tenant has failed to pay rent to which the landlord is legally entitled pursuant to the lease or rental agreement within three (3) days of receiving written notice from the landlord demanding payment in accordance with California Code of Civil Procedure Section 1161.2. However, this subsection shall not constitute grounds for eviction where tenant has withheld rent pursuant to applicable law.

2. Breach of Rental Agreement. The tenant has violated a material term of the rental agreement.

3. Tenant Illegal Activities. Tenant has used the rental unit for an illegal purpose, including but not limited to the unlawful distribution of a controlled substance as contemplated

by California Civil Code Section 3486, or the unlawful use, manufacture, or possession of weapons and ammunition as contemplated by California Civil Code Section 3486.

4. Violations of Applicable Health and Safety Code. Tenant created or is maintaining a dangerous and unsanitary condition as described in the Union City Municipal Code or applicable Federal and State law, and that condition has not been promptly abated or repaired as contemplated by applicable law.

5. Tenant Rejected Written Lease Extension. Tenant failed to execute a written extension of an existing rental agreement.

6. Unit Will be Substantially Renovated. The landlord, after having obtained all necessary permits from the City to imminently begin and diligently complete the permitted work, seeks in good faith to undertake substantial repairs or planned capital improvements or other necessary rehabilitation that will temporarily remove the rental unit from the rental market because the rental unit will imminently become unfit for human habitation.

7. Landlord Returning from Deployment. Landlord has rented or leased the entirety of a single rental unit during the landlord's deployment by any United States Armed Forces, and once the deployment has concluded, landlord returns immediately to the rental unit as his or her residence that the landlord usually occupies for use during off-duty time.

8. Landlord Condominium Conversion. Landlord is converting the rental unit(s) to a condominium in accordance with Chapter 17.84 of the Union City Municipal Code.

9. Landlord Will Remove Unit from Market. Landlord will, within sixty (60) days, demolish the unit or otherwise remove the unit from any residential rental use or purpose for a minimum of a five (5) year period. If a landlord seeks to return the unit to the residential rental market prior to the expiration of the five (5) year period, the landlord shall comply with Section 5.50.040(F).

10. Landlord Will Move into Unit. Landlord, or one of landlord's parents or children, will, within sixty (60) days, move into and reside in the housing unit as his or her permanent residence no less than ten (10) months of any calendar year, for no less than two (2) years from the termination of tenancy. If a landlord seeks to return the unit to the residential rental market prior to the expiration of the two (2) year period, landlord shall comply with Section 5.50.040(F).

F. For a termination of tenancy pursuant to Section 5.50.040(E)(6), (9) or (10) the tenant is entitled to the right to return. The landlord must notify the tenant, upon notice of termination of tenancy, of the right to receive an offer to return to and rent the rental unit when the landlord returns the rental unit to the rental market. The tenant is entitled to receive an offer to return and rent the rental unit upon the following circumstances: (1) the tenant has provided to the landlord a current mailing address at which to receive an offer of the right to return; and (2) the tenant delivers to the landlord an affirmative written acceptance of the offer to return to and rent the unit within thirty (30) days of delivery by the landlord of the offer to return. For purposes of this subsection, "deliver" and "delivery" include deposit with the United States Postal Service of a sealed, addressed envelope, with first-class postage paid. A tenant's right to return survives regardless of any transfer of legal ownership of the rental unit. Except as otherwise provided in this chapter, a tenant's right to return shall terminate after five (5) years.

#### 5.50.050 Anti- Harassment and Other Prohibited Activities.

A. No landlord may do any of the following in bad faith, with ulterior motive, or without honest intent:

1. Interrupt, fail to provide, or threaten to interrupt or fail to provide any housing services under the rental agreement, including but not limited to utility services and other amenities and services agreed to by contract.
  2. Fail to perform repairs or maintenance required by contract or by State, County, or local housing, health, or safety laws;
  3. Fail to exercise due diligence to complete repairs and maintenance once undertaken, including the failure to follow industry-appropriate safety standards and protocols;
  4. Abuse or otherwise improperly use landlord's right to access the property;
  5. Remove personal property of the tenant(s) from the rental unit;
  6. Influence or attempt to influence the tenant(s) to vacate the unit by means of fraud, intimidation, or coercion (including but not limited to threats based on immigration status);
  7. Offer payment or any other consideration, in return for the tenant(s) vacating the unit, more often than once every six (6) months;
  8. Threaten the tenant(s) by word or gesture with physical harm;
  9. Interfere with the tenant(s) right to quiet use and enjoyment of the rental unit;
  10. Refuse to accept or acknowledge receipt of lawful rent from the tenant(s);
  11. Refuse to cash a rent check for over thirty (30) days;
  12. Interfere with the tenant(s) right to privacy;
  13. Request information that violates the tenant(s) right to privacy;
  14. Other repeated acts or omissions of such significance as to substantially interfere with or disturb the tenant(s) comfort, repose, peace, or quiet enjoyment, and that cause, are likely to cause, or are intended to cause the tenant(s) to vacate the unit; or
  15. Retaliate against the tenant(s) for the tenant(s) exercise of rights under this chapter or State or Federal law.
- B. Nothing in this section prohibits the lawful eviction of a tenant by appropriate legal means.

#### 5.50.060 Notice of Termination.

In order terminate a residential tenancy of a rental unit or otherwise endeavor to recover possession of a rental unit, a landlord must send the tenant a notice of termination that contains the reason for termination of the tenancy in accordance with 5.50.040(E). This requirement is in addition to any other notice requirements imposed by local, State or Federal law.

#### 5.50.070 Notice of Tenant Rights.

A. Landlords must provide to each tenant in a rental unit a notice of tenant rights under this chapter in the three (3) predominant languages spoken in the City. Each notice shall include a proof of service. The City shall provide notices for landlord use. The use of the City provided forms shall be prima facie evidence that the landlord has provided the proper notice. The notice shall contain the information and be in substantially the same form as follows: The City of Union City regulates the relationship between most landlords and tenants within the City. Generally, a landlord may only terminate your tenancy for specific reasons, which are set forth in Chapter 5.50 of the Union City Municipal Code. Examples of such reasons include, but are not limited to, a failure to pay rent on time as agreed to in the rental contract. In addition to State and Federal Laws, Chapter 5.50 of the Union City Municipal Code creates certain rights for landlords and tenants. Visit the City of Union City website for more information.

B. Landlords must provide tenants with the notice of tenant rights in accordance with subsection (A) of this section in the following circumstances:

1. Within sixty (60) days of the effective date of this chapter;
2. When entering a lease or rental agreement;
3. When renewing a lease or rental agreement;
4. With a notice of termination;
5. At such times as required by the City of Union City, which may include, but is not limited to, when this chapter is significantly amended.

#### 5.50.080 Civil Remedies.

A. Whenever a landlord retaliates against a tenant for the exercise of any rights under this chapter or engages in activities prohibited under this chapter, the tenant may institute a civil proceeding for money damages or injunctive relief, or both. This section creates a private right of action to enforce all terms, rights, and obligations under this chapter.

B. Any tenant who receives a notice of termination may bring a civil action against the landlord to contest the validity of each necessary component and pre-condition for service of the notice of termination as required by this Chapter and to request injunctive relief to halt the termination of tenancy.

1. A landlord's inability to demonstrate compliance with any individual component of or pre-condition to serve a notice of termination as required by this Chapter will invalidate, nullify, and avoid the effect of a notice of termination. If a notice of termination is invalidated, the tenant(s) will be entitled to costs and reasonable attorney fees incurred to invalidate the notice of termination.

2. If a landlord can demonstrate compliance with each pre-condition to serve the notice of termination to the tenant(s) by a preponderance of the evidence, the notice of termination will be deemed valid and the landlord is entitled to costs and reasonable attorney fees incurred to defend the notice of termination.

C. Any tenant may bring a civil action to determine the applicability of this chapter to the tenancy, including but not limited to a determination of whether the dwelling unit is a rental unit.

#### 5.50.090 Property Registration and Fees.

A. A landlord shall register each rental unit within the City. The registration shall be on forms provided by the City and shall include the name and mailing address of the owner or owners of the rental unit as well as any other information deemed necessary by the City.

B. For the sole purpose of reimbursing the City for the reasonable costs of maintaining property registration records and related administrative systems required by this chapter, the landlord of each rental unit shall pay a fee in an amount to be set by the City for each rental unit.



# **Appendix I**

## Rent Regulation Examples





Detailed Comparison of Five Cities with Rent Stabilization							
	<u>Berkeley</u>	<u>Los Angeles</u>	<u>Oakland</u>	<u>San Francisco</u>	<u>San Jose</u>	<u>Santa Monica</u>	<u>West Hollywood</u>
<b>Just Cause Eviction</b>	Extensive	Extensive	Extensive	Extensive	Minimal (dominant motive can't be retaliation)	Extensive (inc. units not subject to rent control)	Extensive
<b>Relocation Assistance</b>	Yes	Yes	No relocation aid	Yes	No relocation aid	Yes	Yes
<b>Condo Conversion Limits</b>	Max 100 units/year	Notice requirements	Replacement unit requirement; notice	First right of refusal to tenant	First right of refusal; notice; 2/3 tenants must agree	Permit req'd unless 2/3 tenants agree; right to remain	CUP req'd, with findings (no adverse effect and vacancy >5%)
<b>Annual Rent Increase</b>	65% of CPI, 7% max.; 1.7% for 2014	Equal to CPI; 3% min./8% max.; 3% for 7/1/14 to 6/30/15	Equal to CPI; 10% max; 1.9% from 7/1/14 to 6/30/15	60% of CPI, max. 7%; 1.0% from 3/1/14 to 2/28/15	8% per year, or 21% if no increase in 2 years	0.8% oe \$14 per month effective 9/1/14; none if market rent set after Sept. 1, 2007	75% of CPI; 1.25% from 9/1/14 to 8/31/15
<b>Landlord Cost Pass-Throughs</b>	None	Gas and electric up to 1% of rent; capital improvement, rehab work	None	Generally allowed for utilities, with some restrictions	Only if charge is new and approved by Council resolution	\$7 for gas and electric upon application and approval	Up to 0.5% for gas/electric
<b>Other Automatic Rent Increases</b>	Additional T: 10% increase; Additional security deposit for pet(s) where previously prohibited	Additional T: 10% increase; Smoke detectors; Rehab and capital improvement work	Accumulate unused increases for up to 10 years	Accumulate unused increases; Stormwater management; Property tax due to ballot measure approved between 11/1/96 & 11/30/98; 50% of property tax for bonds passed after 11/14/02; 50 percent of SFUSD or SFCCD bond costs	None	Security deposit for additional Ts or new pets; School tax surcharges; Stormwater management, clean beaches, and ocean parcel tax surcharges	None
<b>Registration Fees</b>	\$194/yr.; \$4/month for 12 months may be passed through to T; Penalties if late; Reimbursement for low-income Ts	\$24.51/yr.; \$12.25 may be passed through to T	One-half of \$30 service fee may be passed through to T	\$29 apartment registration fee; half may be passed through to T		\$174.96/yr; \$13/month may be passed through; Low-income, senior Ts exempt	\$120/yr.; \$5/month may be passed through; Partial rebate for certain Ts
<b>Rent Increases Requiring Official Approval</b>	To yield fair return on investment; Capital improvements, with limitations; T not in occupancy	To yield fair return	Any ground (includes banking, capital improvements, uninsured repairs, housing service costs, or where necessary to meet fair return requirements); Enhanced notice required for capital improvements	7% annual cap based on "need"; Capital improvement up to 10% of base rent; Rehabilitation	Debt service costs deemed "reasonable" under circumstances" by hearing officer if denial is hardship to L; Any ground for increase beyond 8% where T petitions, hardship to T may be considered; Any reason not provided in ordinance	To yield fair return ; Street lighting; Capital improvement; Earthquake repairs; 12% cap for hardship Ts; To correct rent or amenities; T not in occupancy	To yield fair return, up to 12% increase in first 12 month period after decision
<b>Tenant Application for Rent Reduction</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes

# Detailed Comparison of Five Cities with Rent Stabilization

	<u>Berkeley</u>	<u>Los Angeles</u>	<u>Oakland</u>	<u>San Francisco</u>	<u>San Jose</u>	<u>Santa Monica</u>	<u>West Hollywood</u>
<b>Exempt Units</b>	Hotels <14 days; Single family residences; Duplexes if L occupies one; New construction (only as to rent increases)	Hotels <30 days; Luxury units; Single family dwellings; Substantially renovated units; New construction; Nonofit housing; Voluntarily-vacated units; Mobile-homes, recreational vehicles & parks	Hotels; New construction; Substantially renovated units; Owner-occupied buildings with up to 3 units; Nonprofit cooperatives	Hotels <32 days; Substantially renovated units; New construction; Nonprofit cooperatives & units owned by nonprofit public benefit corporations	Hotels <30 days; Voluntarily-vacated units; Prior T evicted for nonpayment of rent or breach of lease; New construction	Hotels <14 days Retirement homes Owner-occupied 1, 2 or 3-unit building Single family residences New construction “Incentive” unit	Hotels <30 days; New construction; Units first occupied after 7/1/79; Rooms rented to boarders where L occupies unit as principal residence; Dwelling units legally converted from nondwelling units
<b>Evictions for Substantial Renovation</b>	Must require more than 60 days to repair; T refuses to vacate during repair	None for substantial renovation; Limited evictions permitted under Primary Renovation Program	Obtain building permit for repairs necessary to comply with law or correct violation; L to apply for extension beyond 3 months; T offered right to return at same rent; Special notice requirements	Former T may rerent at controlled rent; No minimum cost for nonmajor work; Permits necessary prior to serving notice; No ulterior motive	None	Removal permit from city	Permitted where building must be permanently eradicated or demolished b/c uninhabitable or if building may not be inhabited while correcting violation notice by government agency
<b>Special Eviction Notice Rules</b>	Grounds and specific facts; 120 days' notice to T & city for removal from market	Grounds and specific facts; 60 days' notice to Ts in unit one year; Declaration with city for relative or owner-occupancy, major rehabilitation or permanent removal from rental use	Grounds, statement that advice re termination available from Board & other req'd info; Copy of notice filed with Board within 10 days of service on T	Grounds; Inform T in writing that advice concerning notice may be obtained from Board; File copies of notice with Board w/in 10 days after service	90 days' notice to Ts in unit one year; 120 days' notice where “severe housing shortage” (no “shortage” as of early 2014); Offer to arbitrate; Notice to city within 5 days	Grounds and specific facts; 60 days' notice to Ts in unit one year; Owner/relative evictions to include current T & rent, info on proposed T; notice to board within 3 days of service on T	Grounds and specific facts; 60 days' notice to Ts in unit 1 year; Relative/owner-evictions require 90-day notice specifying proposed T, with copy to city; Written statement of alleged violations for breach of covenant or refusal to renew
<b>Relocation Assistance</b>	Owner/relative occupancy: \$4,500 if in unit 1 year or more; no eviction if elderly, disabled and in unit 5 years or more; Removal from market: \$8,700; \$13,700 if tenancy began prior to 1/1/99; additional \$2,500 for Ts with minors, elderly,	For elderly, disabled & Ts with minors, \$16,350 if <3 years, \$19,300 if >3 years or <80% AMI, \$15,000 if “Mom & Pop” property; For others, \$7,700 if <3 years, \$10,200 if >3 years or <80% AMI, \$7,450 if “Mom & Pop” property; L must pay tenant relocation assistance	None	\$5,261 to eligible Ts (incl. subtenants, minors), max. of \$15,783 per unit; additional \$3,508 for elderly, disabled & Ts with minors; Fees different for Ellis Act evictions	None	\$8,300 to \$17,350 depending on number of bedrooms; \$9,500 to \$19,950 depending on number of bedrooms for seniors, disabled & parents with minor child, OR city approval of displacement plan OR move T to comparable unit	\$5,100 to \$12,800 depending on number of bedrooms; \$13,500 for seniors, disabled, Ts with dependent children, moderate income; \$17,00 for low-income; L must reimburse city for relocation aid

**CA JURISDICTIONS with Mobilehome Park Rent Stabilization Ordinances**  
(Revised 2015)

<b>City/County</b>	<b>DATE</b>	<b># Pks/Spaces</b>	<b>% Increase</b>	<b>*Vacancy Control</b>	<b>**Committee/Board</b>	<b>Adopted by</b>
Alameda County	12/1965	22 / 712	Automatic up to 5%	YES	Board of Supervisors	Ordinance
Azusa	01/1992	6 / 548	8%/75% of CPI	NO	—	Ordinance
Beaumont	10/1984	8 / 459	Established by Hearing	NO	2-2-1	Ordinance
Benicia	09/1978	4 / 317	Established by Hearing	NO	2-2-1	Ordinance
Calistoga	08/1984	5 / 569	Established by Hearing	NO	1-1-3	Ordinance
Camarillo	12/1981	4 / 747	Established by Hearing	NO	1-1-3	Ordinance
Capitola	11/1979 Repeal'd 8/11	8 / 623	Lesser of 5% or 60% CPI	YES	City Council	Ordinance
Carpinteria	03/1982	7 / 866	75% of CPI	YES	Rent Stabilization Commission	Ordinance
Carson	08/1979	28 / 2565	Set by Board	YES	2-2-3	Ordinance
Cathedral City	03/1983	10 / 2064	75% of CPI	YES	0-0-5	Initiative
Chino	08/1983	5 / 554	66% of CPI	NO	1-1-3	Ordinance
Cloverdale	08/1986	4 / 165	Set by Board	YES to 10%	0-0-3	Ordinance
Clovis	09/1978	6 / 582	Rent Review Commission	NO	1-1-3	Ordinance
Colton	06/1990	8 / 916	60% of CPI	NO	—	Ordinance
Cotati	11/1979	3 / 106	Set by Board	YES	Arbitration	Ordinance
Daly City	06/1980	1 / 501	Set by Board	NO	1-1-3	Ordinance

Delano	11/1984 Rpeal'd '94	4 / 310	50% of CPI	YES	1-1-3	Initiative
East Palo alto	11/1983	4 / 274	Set by Board	YES	—	Initiative
Escondido	06/1988	30 / 3585	Set by Board	YES	City Council	Initiative
Fairfield	11/1984	9 / 883	Set By Board	NO	1-1-3	Ordinance
Fontana	02/1987	10 / 684	100% CPI	NO	Rent Admin.	Ordinance
Fremont	02/1987	3 / 732	Greater \$10 or 70%CPI	YES	Hearing Officer	Ordinance
Fresno	12/1987	30 / 3942	Rent Review Commission	YES	1-1-3	Ordinance
Gardena	04/1987	27 / 1156	Rent Mediation With Arbitration	NO	3-3-3	Ordinance
Gilroy	05/1987	4 / 336	Less of 5% or 80% CPI	NO	NONE	Ordinance
Goleta	06/2002	4/500	75% CPI	10% 1-5 yrs	4-4-0 Meet & Confer Arbitration	Ordinance
Grover Beach	12/1987	3 / 140	Graduated CPI	YES 5%	City App. Mediator	Ordinance
Hawthorne	06/1979	11 / 327	Rent Mediation Board	NO	Rent Board	Ordinance
Hayward	02/1980	16 / 2160	Lesser of 3% or 60%CPI to 8%	NO	NONE	Ordinance
Hemet	05/1979	20 / 2805	Set by Board	NO	1-1-3	Initiative
Hollister	05/1989 Rpeal'd '94	1 / 235	Lesser of 8% or 80% CPI	NO	1-1-3	Ordinance
Indio	03/1984	6 / 528	75% of CPI	NO	Fair Practice Commission	Initiative
Lancaster	03/1985	27 / 2584	Set by Board	YES	1-1-3	Initiative

La_Verne	10/1994	8 / 1762	Lesser of 7% or CPI	No	Rent Admin	Ordinance
Lompoc	12/1983	7 / 654	75% of CPI to 10%	No	2-2-1	Ordinance

LA City	03/1988	62 / 5885	3-8% based on CPI	Lesser of 10% or comp rent in park	Determined by Rent Adj. Comm.	Ordinance
Los Gatos	10/1980	2 / 137	100% CPI or 5%	\$25 or average	Mediation/ Arbitration	Ordinance
Malibu	12/1991	2 / 527	75% of CPI	To 10%	–	Ordinance
Marina	11/2011	5 / 399	100% CPI	5% every 2 yrs	Rent Admin	Ordinance
Merced	5/1982	3 / 574	Set by hearing	NO	2-2-1	Ordinance
Milpitas	8/1992	3 / 521	50% CPI or 8%	Avg Rent	City Council	Ordinance
Modesto	10/2007	9 / 1400	100% CPI	10% every 5 yrs	Hearing Board	Ordinance
Montclair	11/1985	8 / 620	Lessor of 6% or 6% of CPI	NO	2-2-1	Ordinance
Moreno Valley	7/1987	7 / 809	Lessor of % or 65% CPI	With Limit	Park or Res Committee	Ordinance
Morgan Hill	03/1983	9 / 875	75% CPI	YES	1-1-3	Ordinance
Morro Bay	8/1986 Rev'sd 2004	15 / 641	75% of CPI 125% CPI Non-perm res	10-15% Cap	2-2-3	Ordinance
Napa	12/1983 Rpeal'd '85	22 / 1605	8% cap	–	1-1-5	Ordinance
Oakland	9/1980	3 / 49	Automatic 5%	NO	–	Ordinance
Oceanside	5/1982	20 / 2401	Lesser of 8% or CPI	YES	0-0-5	Ordinance
Oxnard	3/1983 Rev'sd '98	25 / 2780	Lesser of CPI or 4%, see Ordinance	YES 15% avg space rent	Hearg Adm/ RentRev Bd	Ordinance
Pacifica	09/1991	1 / 93	75% of CPI	NO	NONE	Ordinance
Palmdale	10/1985	15 / 1455	CPI or Arb Award	NO	1-1-3	Ordinance
Palm Desert	04/1980	4 / 676	75% of CPI	YES	5 picked	Ordinance
Palm Springs	04/1980	14 / 2242	75% of CPI	YES	0-0-5	Ordinance
Paramount	07/1987	17 / 1228	100% CPI	NO	2-2-0	Ordinance

Petaluma	02/1994	9 / 1006	Lesser of 100% CPI or 6%	NO	Arbitration	Ordinance
Pismo Beach	04/1981	2 / 412	Lesser of 6% or 75% of CPI	YES 10%	City Admin.	Ordinance
Pleasanton	02/1993	4 / 412	Lesser of 100% CPI or 5%	To 25% in 5 years	2-2-1	Ordinance
Pomona	05/1992	19 / 1836	Mediation	NO	Hearing Rent Board	Ordinance
Rancho Mirage	07/1982	6 / 882	75% of CPI	Avg Rent	1-1-5	Initiative
Redlands	12/1982	8 / 684	Lesser of 6-9% or 75% CPI	NO	0-0-3	Ordinance
Rialto	03/1992	12 / 1425	Rent Review Commission	YES	0-0-5	Ordinance
Riverside County	08/1983	124/12376	100% CPI	NO	2-2-1	Ordinance
Rocklin	05/1982	3 / 384	Guaranteed CPI	NO	1 and up	Ordinance
Rohnert Park	12/1987	5 / 1314	75% CPI or 4% cap	YES	5	Initiative
Salinas	10/1990	11 / 1437	75% CPI or 8% cap	NO	Rent Review Board	Ordinance
San Bernardino	09/1984	16 / 1487	Lesser of 4% or 75 % CPI	NO	None	Ordinance
San Francisco	06/1970	1 / 56	4-7% or 60% CPI	YES	—	Ordinance
San Jose	07/1985	70 / 11435	3-7% or 75% of CPI	YES	None	Ordinance
San Juan Capistrano	03/1979	7 / 1209	100% CPI	YES	2-2-1	Ordinance
San Luis Obispo City	06/1988	15 / 1551	100% CPI up to 5%, if higher, .75 of diff.	YES 10% (1x in 3 yrs)	Hearing Officer	Initiative
San Luis Obispo County	06/1988	39 / 2408	60% CPI	YES 10%	3 Rent Review Bd	Initiative
San Marcos	11/1980	17 / 3216	CPI or NOI	With Limit	Rent Review Commission	Ordinance
San Raphael	04/1990	1 / 397	3-7.5% or CPI	YES	None	Ordinance

Santa Barbara City	1984	5 / 232	75% CPI	10% 1-5 yrs	Arbitration	Ordinance
Santa Barbara County	09/1994	19 / 2161	75% CPI	10% 1-5 yrs	Arbitration	Ordinance
Santa Clarita	12/1990	15 / 2070	100% CPI with 6% cap	NO	—	Ordinance
Santa Cruz County	01/1979	36 / 2212	50% of CPI + pass through	YES	Hearing Officer	Ordinance
Santa Monica	04/1979	3 / 283	Set by Board	NO	—	Initiative
Santa Paula	06/1984	9 / 838	Lesser of 7% or 75% of CPI	10% 1-3 yrs	0-0-3	Ordinance
Santa Rosa	2004	14/2008	100% CPI or up to 6%	YES	Arbitration	Ordinance
Scotts Valley	11/1980	5 / 527	75% of CPI	YES	0-0-5	Ordinance
Sebastopol	Revised 08/1992	6 / 173	100% of CPI	NO	Arbitration	Ordinance
Simi Valley	03/1983	6 / 354	Rent Review Commission	NO	—	Ordinance
Sonoma County	06/1987	51 / 3736	100% CPI	YES	Arbitration	Ordinance
Thousand Oaks	07/1980 Rev'sd 2011	8 / 897	Designated 10 Yr Plan – see Ordinance	YES 10-15%	Rent Review Board	Ordinance
Ukiah	02/11 orig 10/10	23/1043	100% CPI (cap 5% or less)	YES 10%	Arbitration	Ordinance
Union City	05/1980	3 / 918	90% of CPI or max of 7%	YES	—	Ordinance
Upland	12/1985 Rev'sd 1992	6 / 866	80% CPI or max of 7%	YES	Arbitration	Ordinance
Vacaville	12/1977	12 / 1126	Graduated CPI	NO	0-0-3	Ordinance
Vallejo	02/1982	17 / 1990	5%	NO	1-1-3	Ordinance
Ventura City	06/1981	18 / 1087	Lesser of 7% or 75% CPI	YES to 15%	Rent Review Bd.	Ordinance
Ventura County	02/1983	24 / 1421	Soc. Sec COLA 2%-8%, see Ord.	YES to 15%	0-0-3	Ordinance

Watsonville	03/1989	5 / 717	70% of CPI or 5%	NO	—	Ordinance
West Covina	09/1984	2 / 265	Less of 5-9% or 100% CPI	NO	Human ResourcesComm.	Ordinance
Windsor	08/1992	4-5 / 567	100% CPI cap 6%	NO	Arbitration	Ordinance
Yucaipa	12/1990	42 / 4425	80% CPI 5% cap	Only annual increase allowed	Rent Review Commission	Ordinance

\* **Vacancy Control** – **YES** indicates that there are % or \$ limits as to how much rents can be increased at change of ownership of the mobilehome. Some RCO's exclude any increase in inheritance situations; others do not.

\*\* **Comm/Boards** – Refers to who decides whether a rent increase higher than the ordinance permits would be approved, disapproved or modified. Various jurisdictions responded with different types of comments. In a 3 number response, the first # equals how many park owner reps serve on a board or committee, the 2<sup>nd</sup> # equals how many resident reps and the 3<sup>rd</sup> # equals people who would "neutral".

Revised by GSMOL: March, 2015



## **Appendix J**

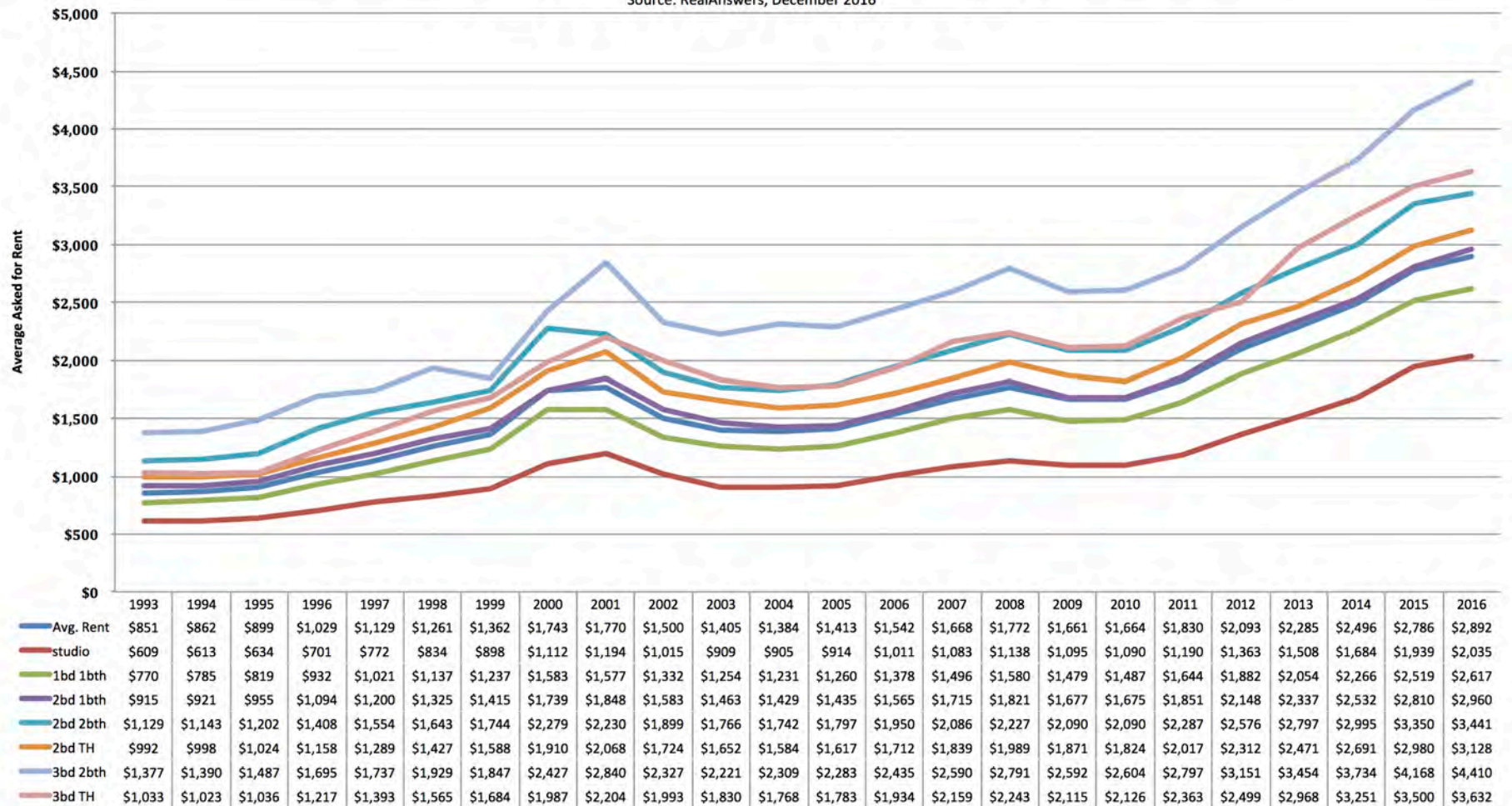
### Rent Trends in San Mateo County



## Appendix J Rent Trends in San Mateo County

**Average Asked for Rents in San Mateo County Between 1993 and 2016 for Various Size Units in Rental Developments of 50 or More Units**

Source: RealAnswers, December 2016



Median Listed ("Asked For") Rents for All Rental Units on Zillow for San Mateo County and Cities (2011-2016)

Jurisdiction	2011 (5-Years Ago)	2012	2013	2014	2015	2016	Change Over Five Years	
							Five-Year Percentage Increase	Average Annual Percentage Increase Over Timeframe
<b>San Mateo County Total</b>	\$2,900	\$2,690	\$3,350	\$3,700	\$3,950	\$3,750	29.3%	5.3%
<b>Town of Atherton</b>	\$11,238	\$11,628	\$12,715	\$14,378	\$16,888	\$16,919	50.6%	8.5%
<b>City of Belmont</b>	\$3,326	\$3,525	\$3,562	\$4,292	\$4,657	\$4,747	42.7%	7.4%
<b>City of Brisbane</b>	\$2,476	\$2,574	\$2,757	\$3,195	\$3,498	\$3,496	41.2%	7.1%
<b>City of Burlingame</b>	\$3,524	\$3,577	\$3,966	\$4,786	\$4,871	\$4,967	40.9%	7.1%
<b>Colma</b>	No rental data for the City of Colma for this table are available on Zillow							
<b>City of Daly City</b>	\$2,358	\$2,487	\$2,467	\$3,124	\$3,463	\$3,452	46.4%	7.9%
<b>City of East Palo Alto</b>	\$2,468	\$2,272	\$2,484	\$3,000	\$3,278	\$3,440	39.4%	6.9%
<b>City of Foster City</b>	\$3,198	\$3,334	\$3,539	\$4,006	\$4,469	\$4,407	37.8%	6.6%
<b>City of Half Moon Bay</b>	\$2,922	\$3,037	\$3,082	\$3,662	\$4,044	\$4,061	39.0%	6.8%
<b>Town of Hillsborough</b>	\$8,457	\$8,636	\$9,464	\$11,393	\$11,526	\$11,329	34.0%	6.0%
<b>City of Menlo Park</b>	\$3,600	\$3,735	\$4,202	\$4,954	\$5,245	\$5,392	49.8%	8.4%
<b>City of Millbrae</b>	\$3,229	\$3,336	\$3,301	\$4,108	\$4,464	\$4,274	32.4%	5.8%
<b>City of Pacifica</b>	\$2,569	\$2,615	\$2,827	\$3,215	\$3,571	\$3,651	42.1%	7.3%
<b>Town of Portola Valley</b>	\$7,731	\$7,991	\$8,868	\$10,840	\$11,005	\$10,273	32.9%	5.9%
<b>City of Redwood City</b>	\$2,843	\$2,981	\$3,236	\$3,715	\$4,125	\$4,049	42.4%	7.3%
<b>City of San Bruno</b>	\$2,476	\$2,553	\$2,826	\$3,212	\$3,588	\$3,668	48.1%	8.2%
<b>City of San Carlos</b>	\$3,387	\$3,620	\$3,675	\$4,517	\$4,756	\$4,749	40.2%	7.0%
<b>City of San Mateo</b>	\$2,758	\$2,852	\$3,081	\$3,471	\$3,797	\$3,869	40.3%	7.0%
<b>City of South San Francisco</b>	\$2,452	\$2,529	\$2,713	\$3,154	\$3,531	\$3,526	43.8%	7.5%
<b>Town of Woodside</b>	\$6,825	\$6,870	\$7,121	\$8,958	\$8,945	\$8,390	22.9%	4.2%

Source: <http://www.zillow.com/research/data/> The Zillow estimate (Zestimate) is the median of the estimated rent price for all homes and apartments in a given geographical area (in this case, San Mateo County as a whole). The amounts show what current housing throughout a geographic area could rent for at a given point in time. The analysis is based on Zillow's current listings as applied to all housing in an area, taking into account the distribution of housing by type, age of housing, linkages with Zillow's sales housing model and other proprietary information and modelling. (Please note the dates above show estimated median rents in January of the following year).

**San Mateo County and Cities Average "Asked For" Rent for Multifamily (5+ Units) and Duplex/Triplex (2-3 Units) from 2012 to 2016** *(the timeframe varies depending on the availability of Zillow rental data)*

Type of Unit and Location (Timeframe in Years)	2012 (4-Years Ago)	2013 (3-Years Ago)	2014 (2-Years Ago)	2015	2016	Timeframe Change	
						Timeframe Percent Increase	Average Annual Percent Increase OverTimeframe
Multi-Family (5+ Units)							
Total San Mateo County (4 Years)	\$2,168	\$2,400	\$2,700	\$3,000	\$2,800	29.2%	6.6%
City of Belmont (2)	n/a	n/a	\$2,310	\$2,740	\$2,619	13.4%	6.5%
City of Burlingame (2)	n/a	n/a	\$2,338	\$2,800	\$2,495	6.7%	3.3%
City of Daly City (2)	n/a	n/a	\$2,400	\$2,548	\$2,650	10.4%	5.1%
City of Foster City (4)	\$2,178	\$2,540	\$2,725	\$3,063	\$2,846	30.7%	6.9%
City of Menlo Park	n/a	n/a	n/a	n/a	n/a		
City of Redwood City (4)	\$2,100	\$2,655	\$3,164	\$3,391	\$3,040	44.8%	9.7%
City of San Bruno (4)	\$2,900	\$2,472	\$3,005	\$3,060	\$2,832	-2.3%	-0.6%
City of San Mateo (4)	\$2,200	\$2,600	\$2,702	\$2,950	\$2,765	25.7%	5.9%
Duplex/Triplex Units							
Total San Mateo County (3 Years)	n/a	\$2,381	\$2,750	\$3,018	\$2,795	17.4%	5.5%
City of Belmont	n/a	n/a	n/a	n/a	n/a		
City of Burlingame	n/a	n/a	n/a	n/a	n/a		
City of Daly City	n/a	n/a	n/a	n/a	n/a		
City of Foster City (3)	n/a	\$2,561	\$2,740	\$3,038	\$2,828	10.4%	3.4%
City of Menlo Park (1)	n/a	n/a	n/a	\$3,195	\$2,895	-9.4%	-4.8%
City of Redwood City (3)	n/a	\$2,425	\$3,083	\$3,383	\$2,984	23.1%	7.2%
City of San Bruno (3)	n/a	\$2,300	\$3,095	\$3,240	\$2,998	30.3%	9.2%
City of San Mateo (3)	n/a	\$2,396	\$2,799	\$2,995	\$2,776	15.9%	5.0%

Source: <http://www.zillow.com/research/data/> The Zillow estimate (Zestimate) is the median of the estimated rent price for all homes and apartments in a given geographical area (in this case, San Mateo County as a whole). The amounts show what current housing throughout a geographic area could rent for at a given point in time. The analysis is based on Zillow's current listings as applied to all housing in an area, taking into account the distribution of housing by type, age of housing, linkages with Zillow's sales housing model and other proprietary information and modelling. (Please note the dates above show estimated median rents in January of the following year).



### ABAG/MTC Plan Bay Area Projections for Housing, Households and Jobs (2010-2040)

	2010 Housing Units	2040 Housing Units	Percent Change	2010 Households	2040 Households	Percent Change	2010 Jobs	2040 Jobs	Percent Change
Atherton	2,530	2,750	+9%	2,330	2,580	+11%	2,610	3,160	+21%
Belmont	11,030	12,150	+10%	10,580	11,790	+11%	8,180	10,450	+28%
Brisbane	1,930	2,180	+13%	1,820	2,090	+15%	6,780	7,670	+13%
Burlingame	13,030	16,700	+28%	12,360	16,170	+31%	29,540	37,780	+28%
Colma	430	680	+58%	410	660	+61%	2,780	3,200	+15%
Daly City	32,590	36,900	+13%	31,090	35,770	+15%	20,760	26,580	+28%
East Palo Alto	7,820	8,670	+11%	6,940	8,340	+20%	2,670	3,680	+38%
Foster City	12,460	13,350	+7%	12,020	12,950	+8%	13,780	17,350	+26%
Half Moon Bay	4,400	4,660	+6%	4,150	4,410	+6%	5,030	6,020	+20%
Hillsborough	3,910	4,230	+8%	3,690	4,010	+9%	1,850	2,250	+22%
Menlo Park	13,090	15,090	+15%	12,350	14,520	+18%	28,890	34,980	+21%
Millbrae	8,370	11,400	+36%	7,990	11,050	+38%	6,870	9,300	+35%
Pacifica	14,520	15,130	+4%	13,970	14,650	+5%	5,870	7,100	+21%
Portola Valley	1,900	2,020	+6%	1,750	1,900	+9%	1,500	1,770	+18%
Redwood City	29,170	37,890	+30%	27,960	36,860	+32%	58,080	77,480	+33%
San Bruno	15,360	19,820	+29%	14,700	19,170	+30%	12,710	16,950	+33%
San Carlos	12,020	13,800	+15%	11,520	13,390	+16%	15,870	19,370	+22%
San Mateo	40,010	50,200	+25%	38,230	48,620	+27%	52,540	72,950	+39%
South San Francisco	21,810	28,470	+31%	20,940	27,900	+33%	43,550	53,790	+24%
Woodside	2,160	2,250	+4%	1,980	2,080	+5%	1,760	2,060	+17%
Unincorporated	22,510	27,470	+22%	21,070	26,170	+24%	23,570	31,180	+32%
<b>County Total</b>	<b>271,030</b>	<b>326,070</b>	<b>+20%</b>	<b>257,840</b>	<b>315,090</b>	<b>+22%</b>	<b>345,200</b>	<b>445,080</b>	<b>+29%</b>
<b>San Mateo County Change (2010-2040)</b>		<b>+55,040</b>			<b>+57,240</b>			<b>+99,880</b>	

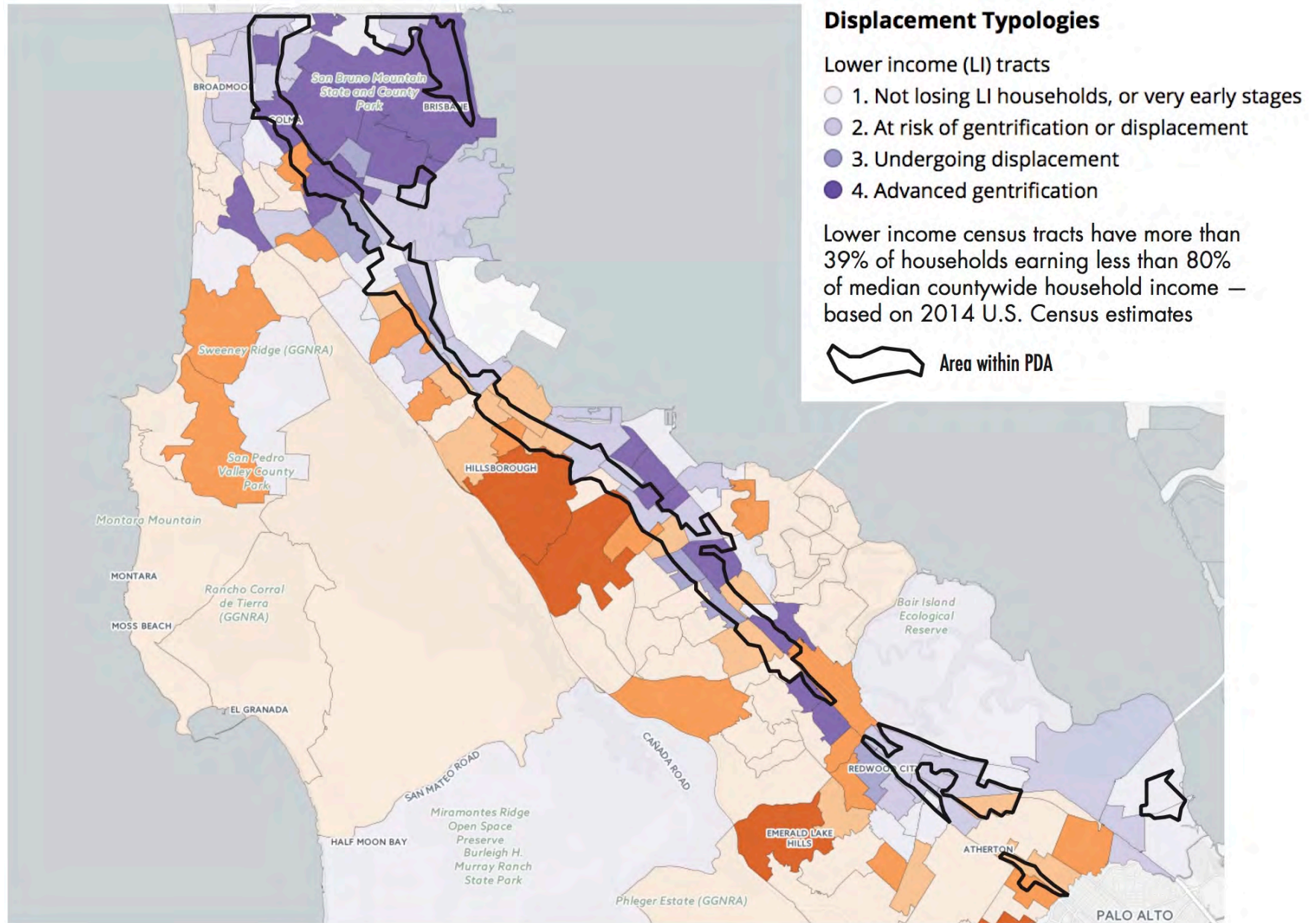
Source: Plan Bay Area, Final Forecast of Jobs, Population and Housing, July 2013

Summary Comparison of Rental Information for San Mateo County as a Whole (see tables in report)

Information/Data Summarized	2011 (5-Years Ago)	2012	2013	2014	2015	2016	Change Over Timeframe	
							5-Year Increase	Compounded Annual Percentage Increase
Rental Amounts								
Real Answers 2016 Average "Asked for" Rent**	\$1,830	\$2,093	\$2,285	\$2,496	\$2,786	\$2,892	58.0%	9.6%
Zillow 2016 Median Rent for All Rental Units Located in San Mateo County	\$2,900	\$2,690	\$3,350	\$3,700	\$3,950	\$3,750	29.3%	5.3%
Zillow 2016 Median "Asked for" All Multi-Family Developments of 5 or More Units in San Mateo County	\$1,930	\$2,168	\$2,400	\$2,700	\$3,000	\$2,800	45.1%	7.7%
Zillow 2016 Median "Listed" Rents for Duplexes and Triplexes Located in San Mateo County (3 years of data)	n/a	n/a	\$2,381	\$2,750	\$3,018	\$2,795	17.4%	5.5%
Comparison of Rental Amounts By Number of Bedrooms (2016)								
	Studio	1-BR	2-BR	3-BR				
Real Answers 2016 Average "Asked for" Rent by bedroom number**	\$2,035	\$2,617	\$2,960	\$4,410				
Zillow 2016 Median "Listed" Rents by bedroom number in San Mateo County as a whole	\$2,142	\$2,509	\$3,226	\$3,900				
San Mateo County Association of Realtors (SAMCAR) — 2016 Rental Data on 400 Rental Units Located in Northern San Mateo County	\$1,250	\$1,434	\$1,882	n/a				
California Apartmenty Association — Third quarter 2015 Rental Data from informal survey of San Mateo CAA members	n/a	\$1,760	\$2,350	n/a				
HUD Fair Market Rents (FY 2017) for San Mateo County	\$1,915	\$2,411	\$3,018	\$3,927				
** Real Answers conducts a quarterly survey of 121 properties with 50+ units/property, which accounts for 24,041 units (23% of all rental units) out of a total supply of about 105,500 rental units in San Mateo County)								
Sources: RealAnswers, December, 2016; Zillow, December, 2016; SAMCAR, March, 2016; CAA, March, 2016; HUD User, December 2016								

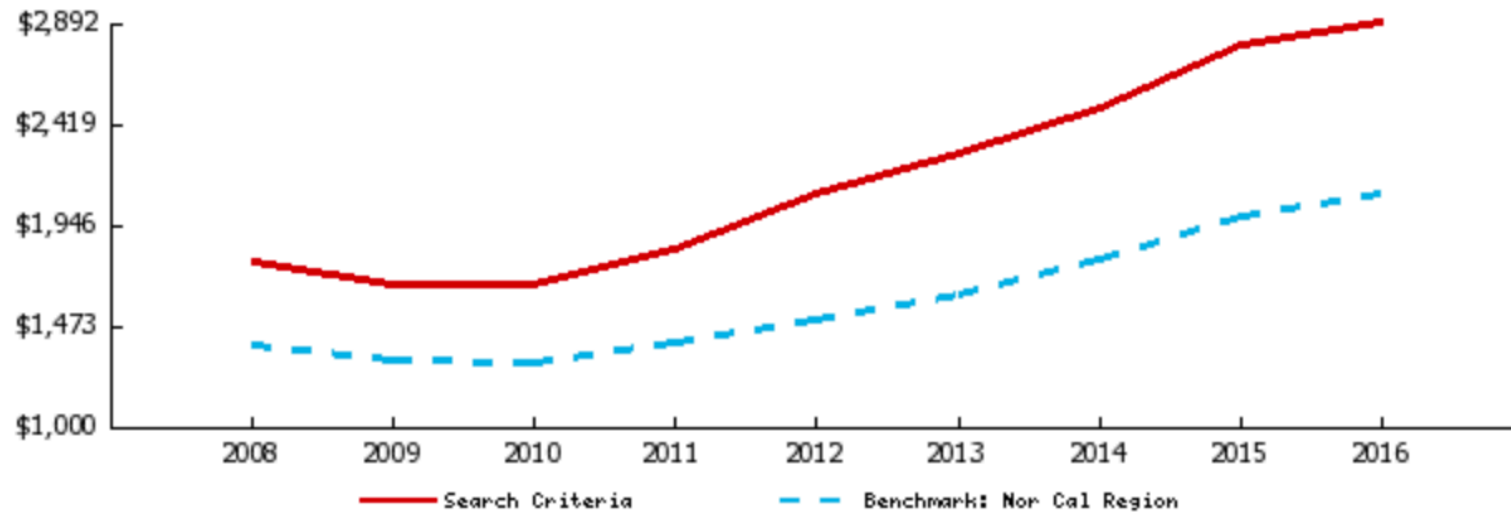


# Mapping of Urban Displacement Project Data with PDA Boundaries in San Mateo County

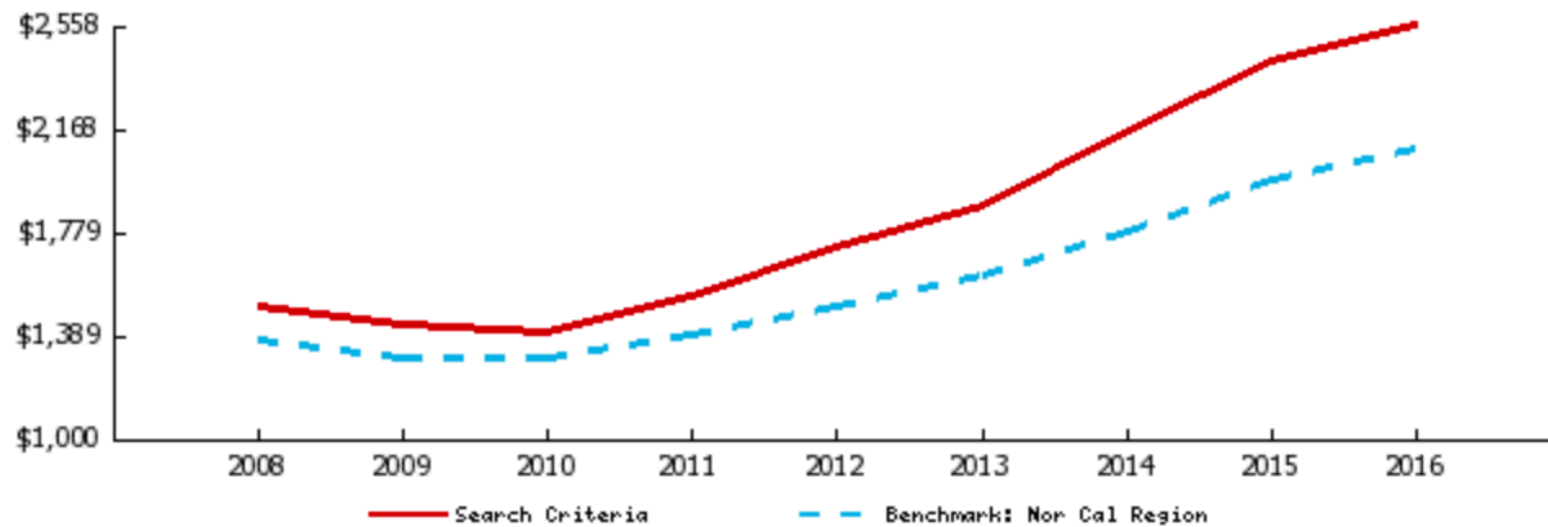




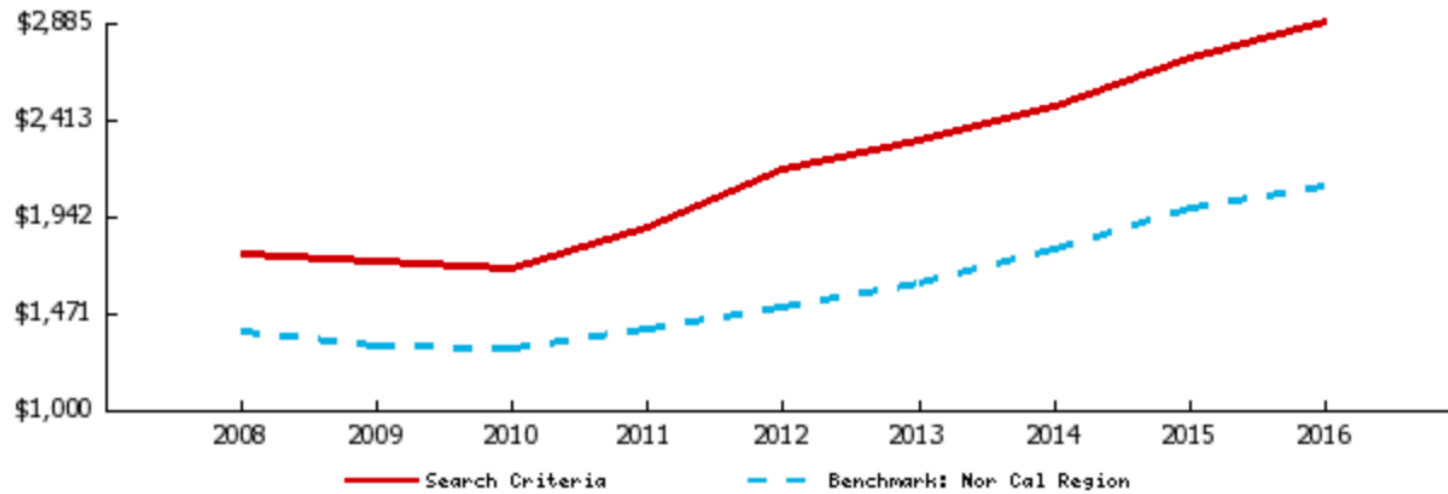
### San Mateo County Total



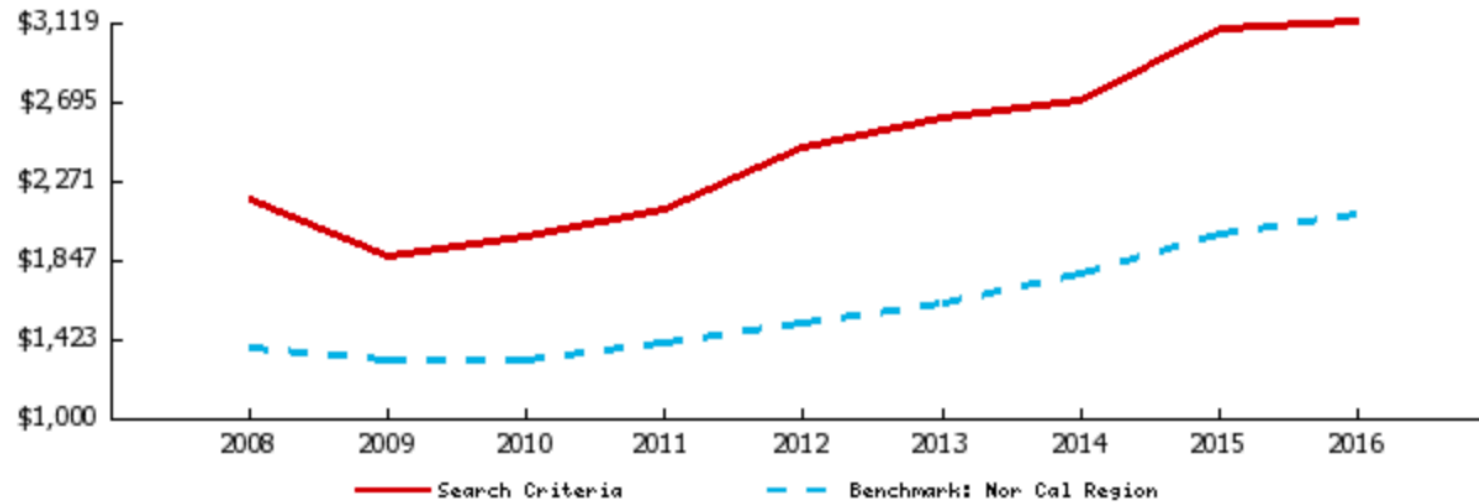
### City of Belmont



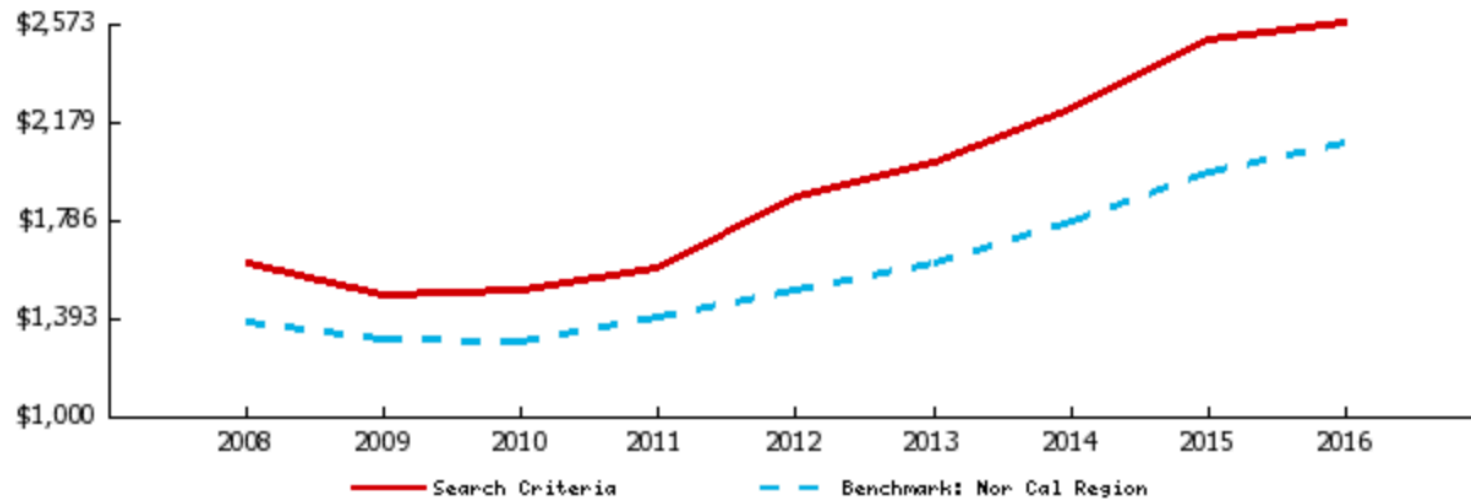
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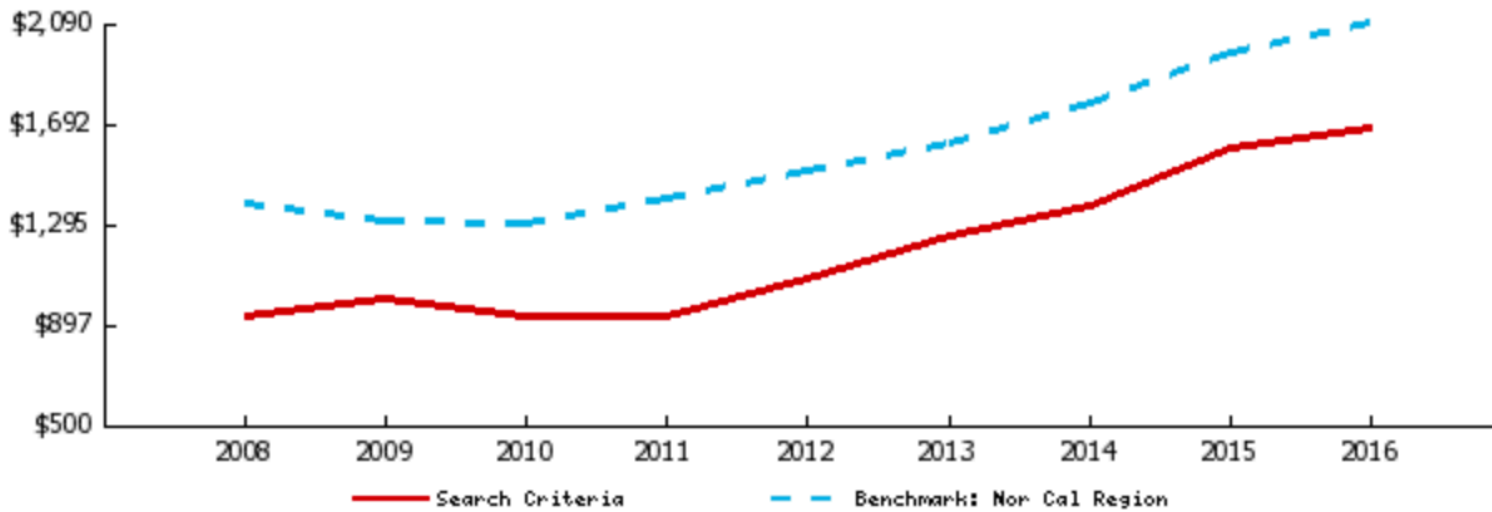
### Town of Colma



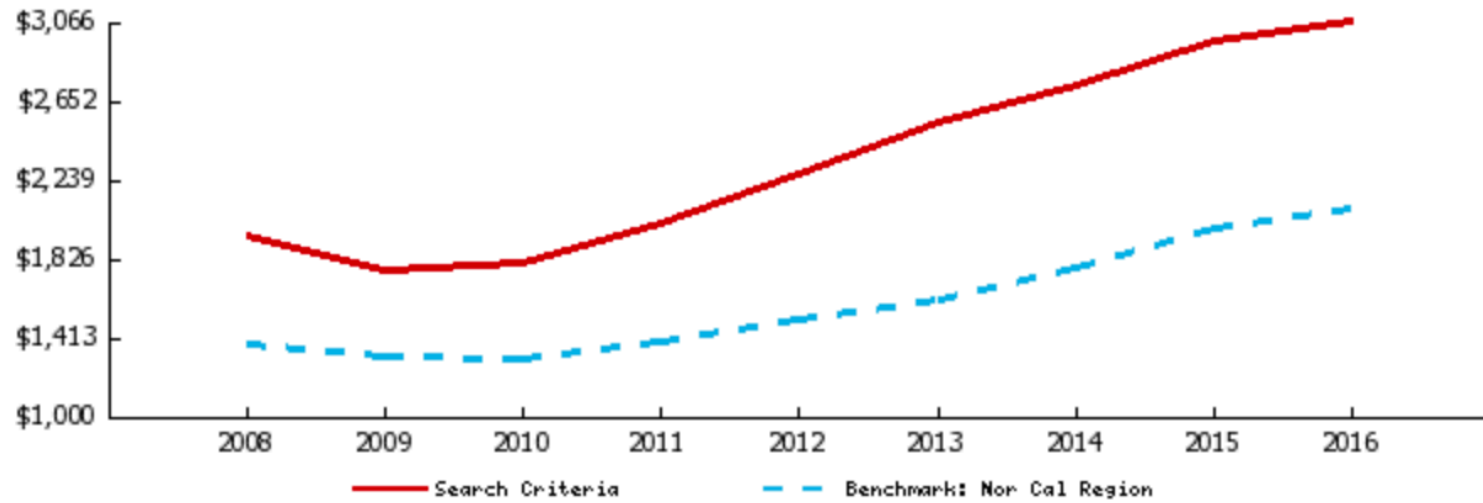
### City of Daly City



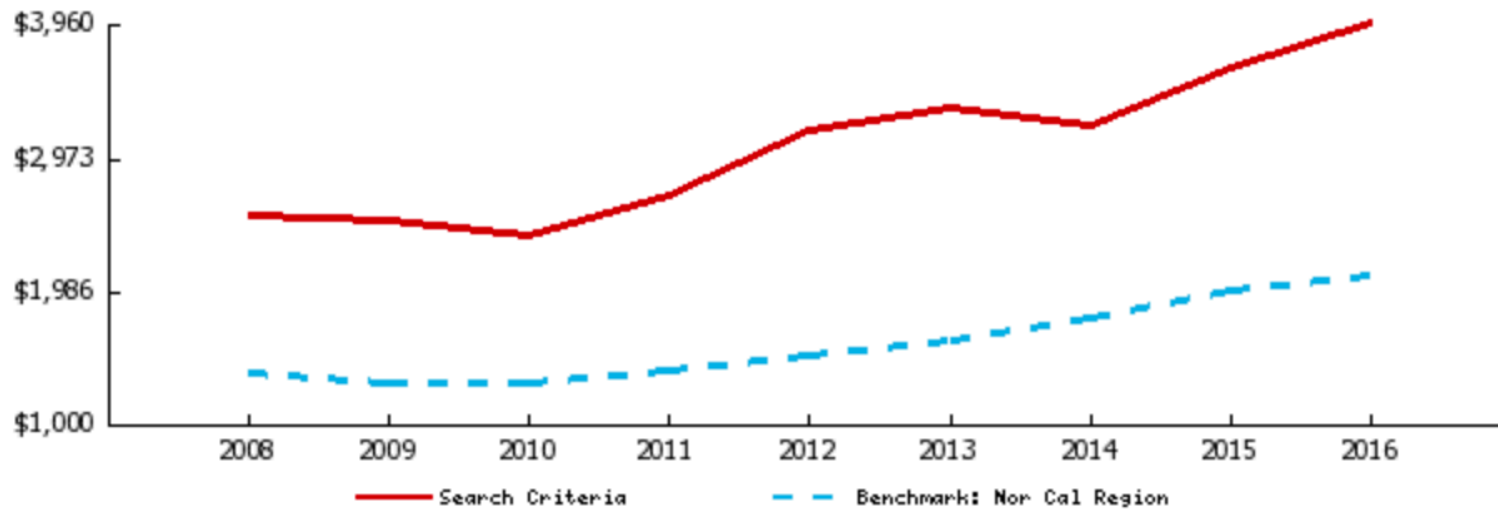
### City of East Palo Alto



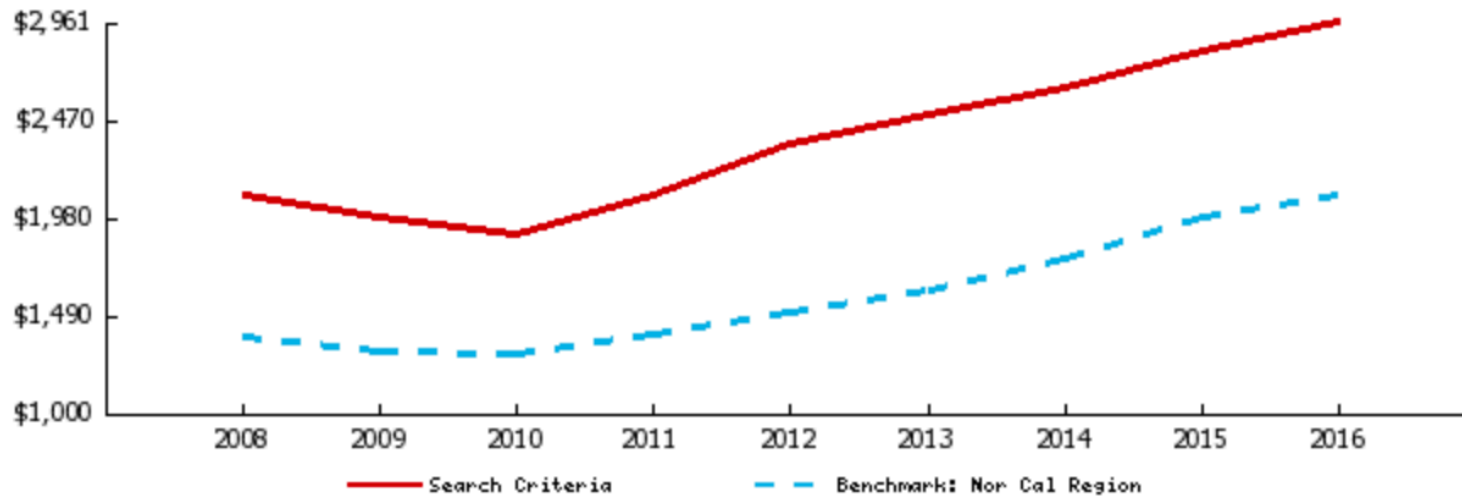
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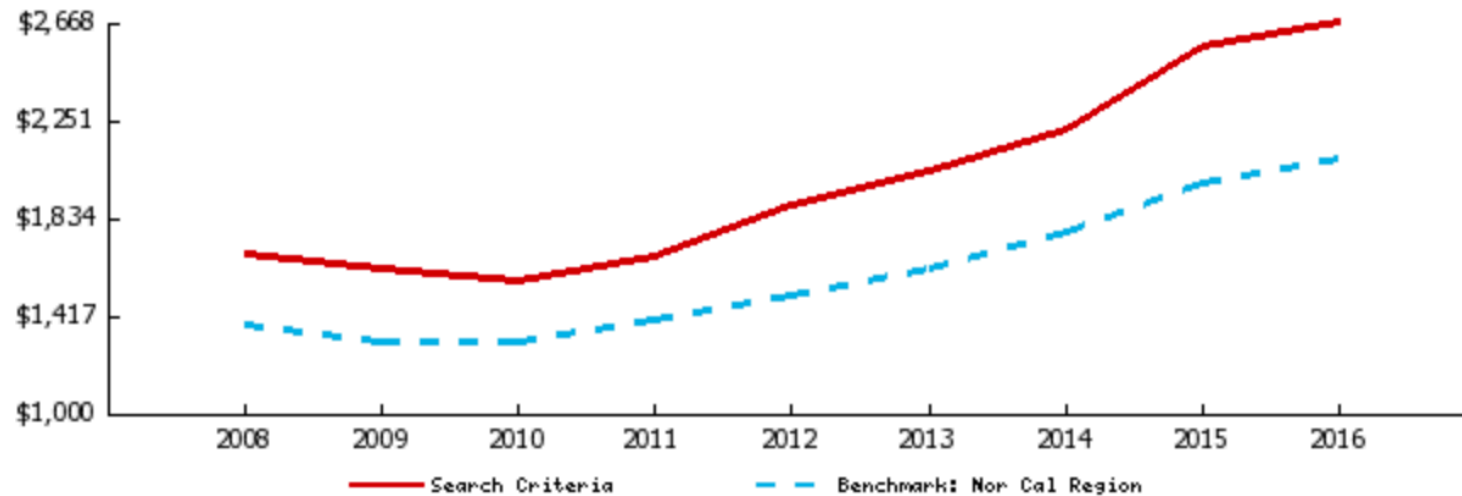
### City of Menlo Park



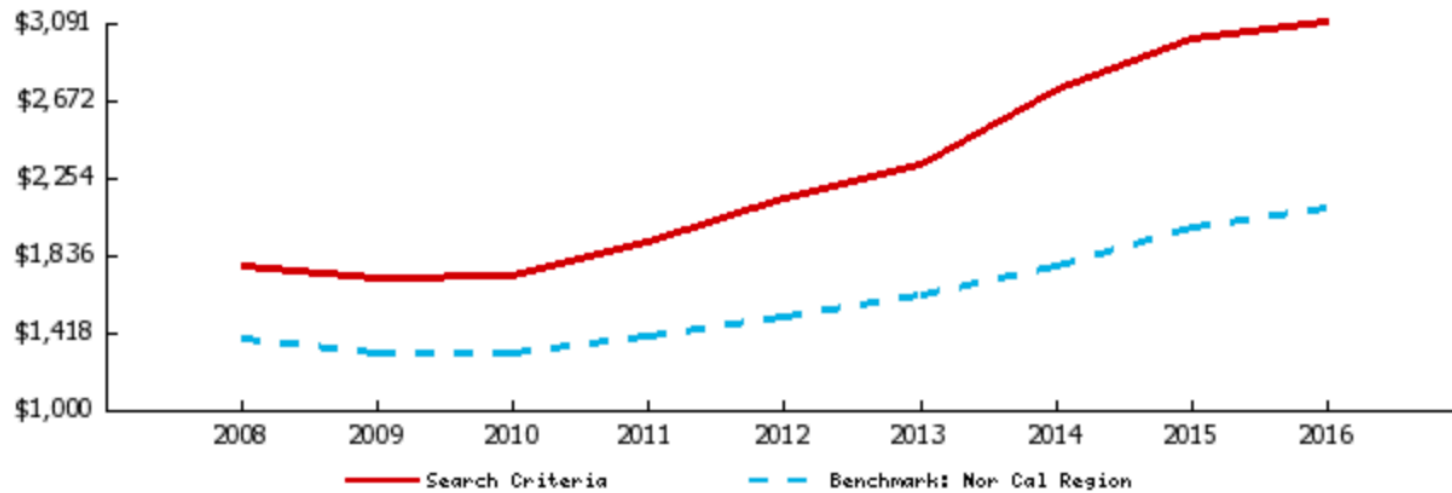
### City of Millbrae



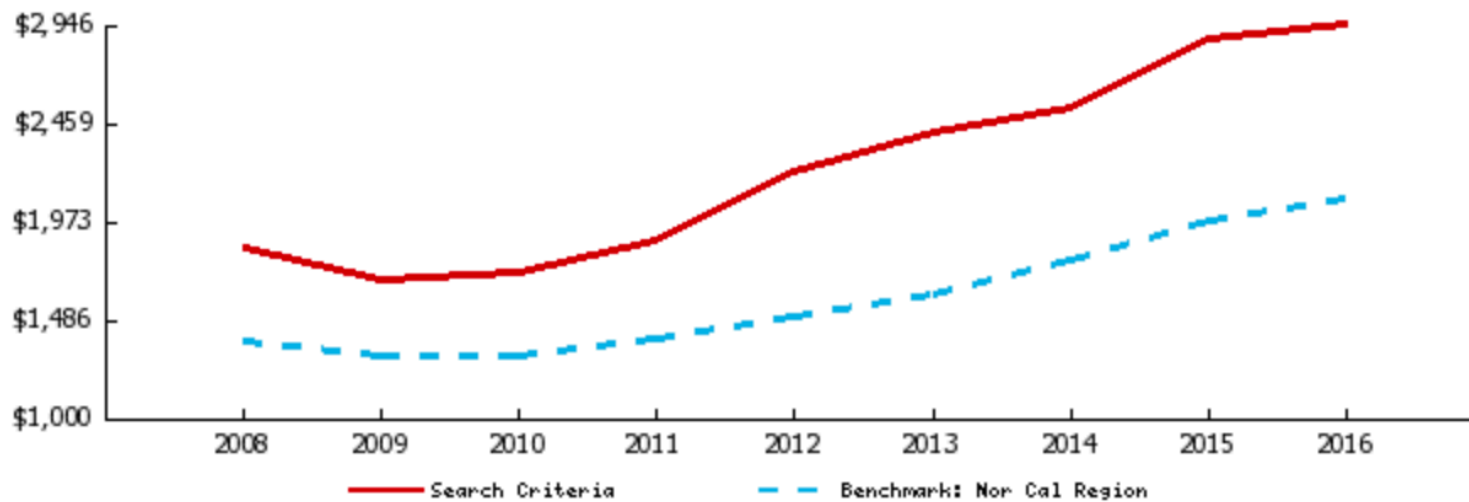
### City of Pacifica



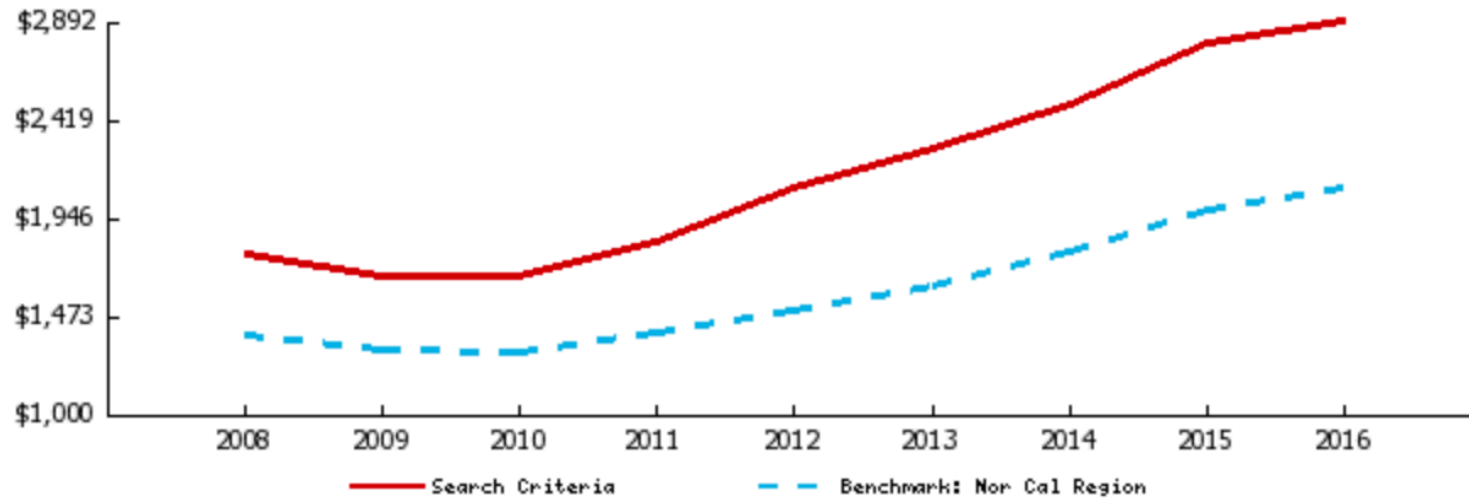
### City of Redwood City



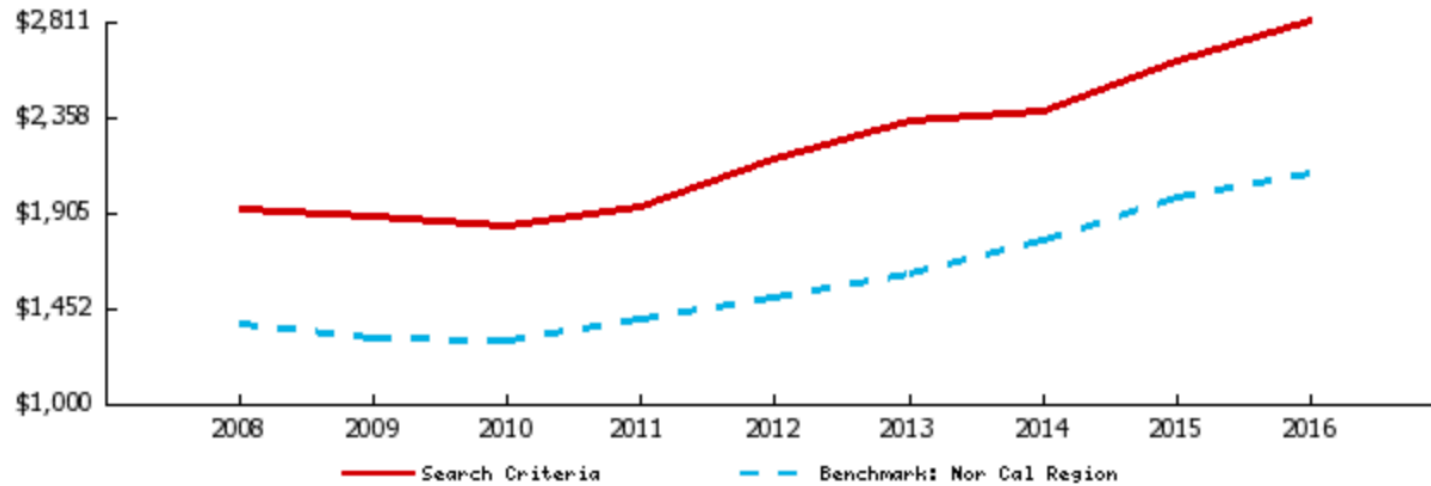
### City of San Bruno



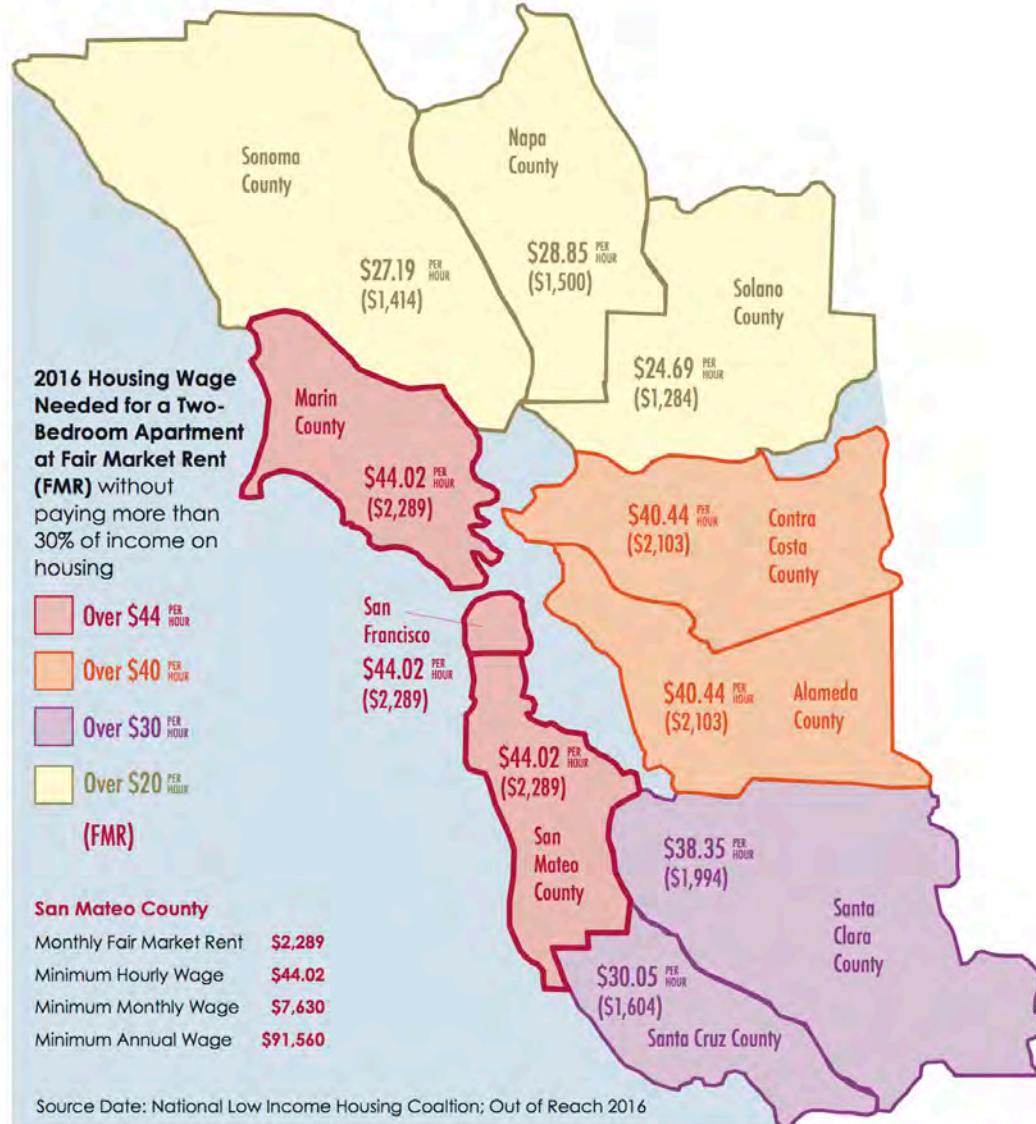
### City of San Mateo



### City of South San Francisco



## Bay Area Housing Wages Needed for a Two-Bedroom Apartment at HUD Fair Market Rent (2016)



In California, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,487**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn **\$4,955** monthly or **\$59,464** annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of **\$28.59**. The map above shows the housing wage needed for a two-bedroom apartment in various San Francisco Bay Area counties in 2016.



PowerPoint presentation given on September 24, 2015 by  
Shireen Malekafzali, Senior Manager for Health Policy,  
Planning and Equity, Get Healthy San Mateo County

<http://www.gethealthysmc.org/healthy-housing#presentations>

## One San Mateo County Health and Housing for All!

Building Healthy Places and Ensuring Stable Communities  
Shireen Malekafzali | September 24, 2015



### 4 Key Priorities



- **Stable and affordable housing** protects health and provides the ability to engage in healthy opportunities
- **Complete neighborhoods** make it easy for residents to be healthy everyday in their communities
- **High-quality education** in healthy places creates pathways to better health
- **A strong local economy** builds household financial security for all and promotes everyone's health

3

## Get Healthy San Mateo County



- **Collaborative:** Community based organizations, schools, cities, hospitals, and leaders
- **Mission:** Supports policy change to prevent diseases and ensure everyone has equitable opportunities to live a long and healthy life

2



## The Health Connection



- **Healthy Housing: 6M** housing units put kids at greater health risks
- **Healthy Neighborhoods: 54%** do not engage in regular physical activity
- **Healthy Schools: 1 in 7** (high school degree) vs. 1 in 11 (higher education) likely to have diabetes
- **Healthy Economy: 19 years** difference in life expectancy between Atherton and East Palo Alto

4





## We are unquestionably in a housing crisis

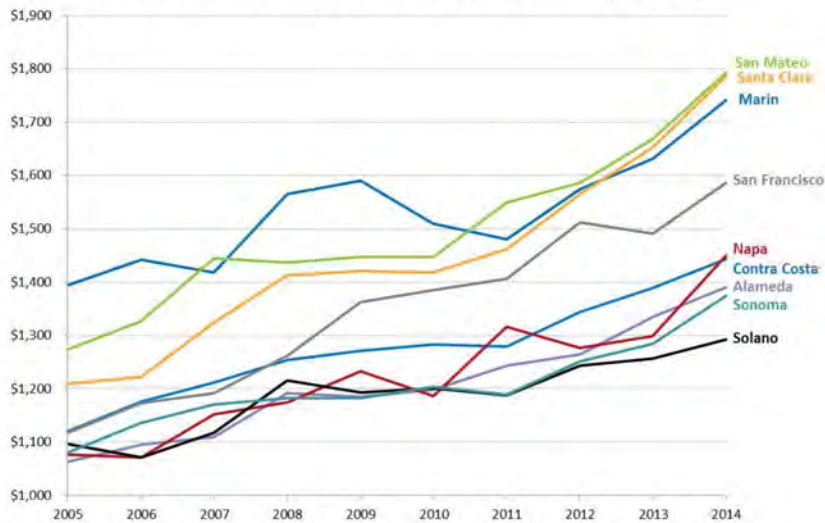


- Rents increased 70% over last 5 years in many communities
- Over 40% of households spend 30% of income on rent – and over 20% spend more than 50%



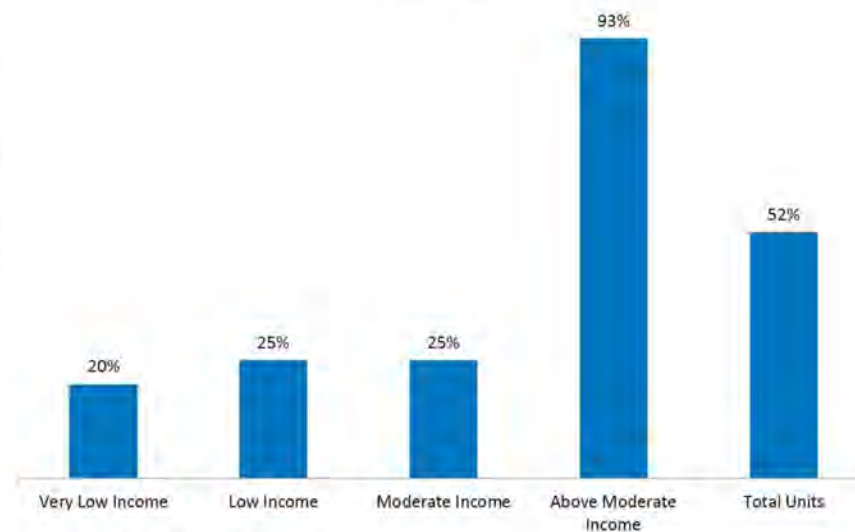
6

Median Monthly Rent in the Bay Area by County, 2005-2014



Source: U.S. Census Bureau, 2005-2013 American Community Survey 1-year Estimates

Percent of RHNA Permitted by Income in San Mateo County, 2007-2014

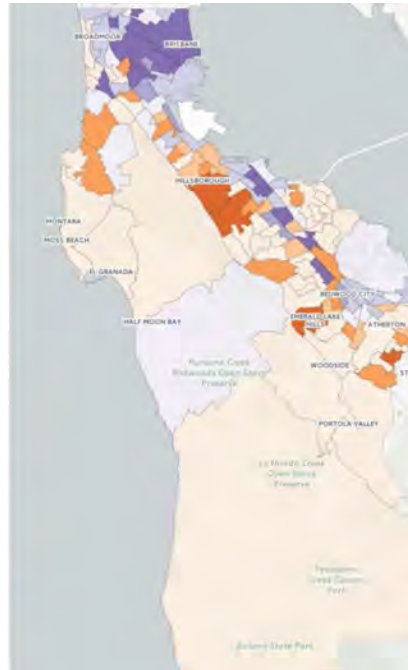


Source: Association of Bay Area Governments



## Gentrification and Displacement in San Mateo County

Census Tract Typology Classification	
Lower Income Tracts (> 39% of HH are considered Low Income)	Moderate to High Income Tracts (<39% of HH are considered Low Income)
<b>Not losing low income households or very early stages</b> Does not fall within any of the below categories	<b>Not losing low income households or very early stages</b> Does not fall within any of the below categories
<b>At risk of gentrification or displacement</b> <ul style="list-style-type: none"> <li>Strong market</li> <li>In TOD</li> <li>Historic housing stock</li> <li>Losing market rate affordable units</li> <li>Employment center</li> </ul>	<b>At risk of displacement</b> <ul style="list-style-type: none"> <li>Strong market</li> <li>In TOD</li> <li>Historic housing stock</li> <li>Losing market rate affordable units</li> <li>Employment center</li> </ul>
<b>Undergoing displacement</b> <ul style="list-style-type: none"> <li>Already losing low income households, naturally affordable units, and in-migration of low income residents has declined</li> <li>Stable or growing in size</li> </ul>	<b>Undergoing displacement</b> <ul style="list-style-type: none"> <li>Already losing low income households</li> <li>Decline in other naturally affordable units or in-migration of low income residents</li> <li>Stable or growing in size</li> </ul>
<b>Advanced Gentrification</b> <ul style="list-style-type: none"> <li>Gentrified between 1990 and 2000 or between 2000 and 2013 based on:               <ul style="list-style-type: none"> <li>Neighborhood vulnerability</li> <li>Demographic change</li> <li>Real estate investment</li> </ul> </li> </ul>	<b>Advanced Exclusion</b> <ul style="list-style-type: none"> <li>Very low proportion of low income households</li> <li>Very low in-migration of low income households</li> </ul>



## Shared Goals

- Supporting our clients
- Advancing health for all
- Ensuring we are not displacing our health challenges as we promote healthy communities



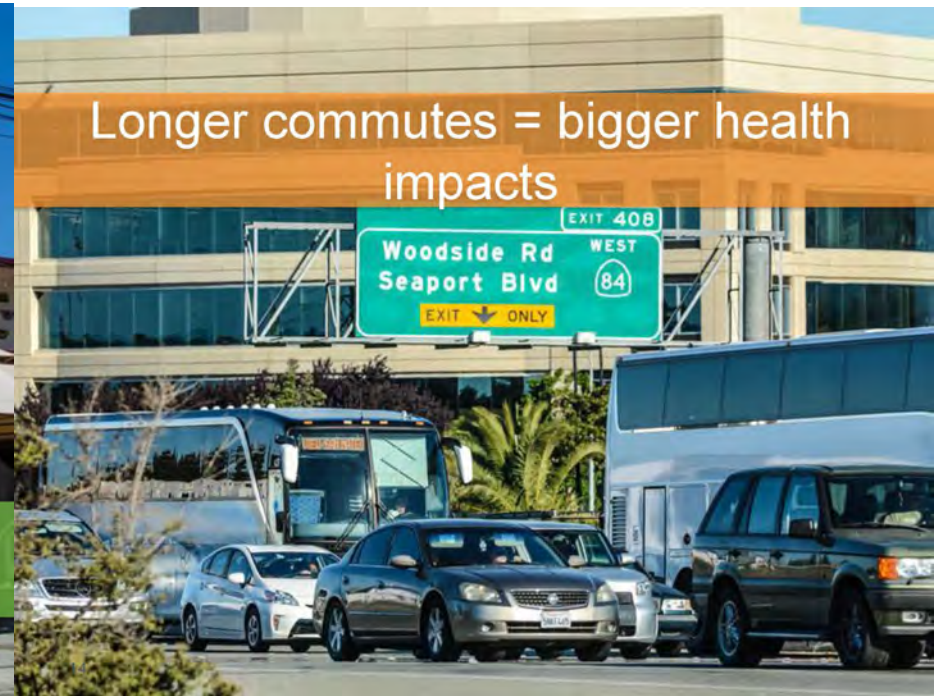
10







Unstable housing accelerates displacement



Longer commutes = bigger health impacts



Housing instability has multi-generational impacts

## Promoting healthy housing



- **Protection** of existing residents to be able to stay in their homes
- **Preservation** of existing affordable homes
- **Production** of new housing units at a diversity of affordability levels
- **Participation** of residents and community leaders in decision-making processes
- **Placement** of homes in locations that facilitate health and access to opportunity



## Addressing housing instability



- Engage in city and regional planning and policy efforts to advance solutions
- Provide a larger framework for the housing crisis
- Provide data to community-based organization, cities and other leaders
- Promote a comprehensive solution
- Make the connection: healthy communities without displacement

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## **Appendix K**

National Rent Trends Information

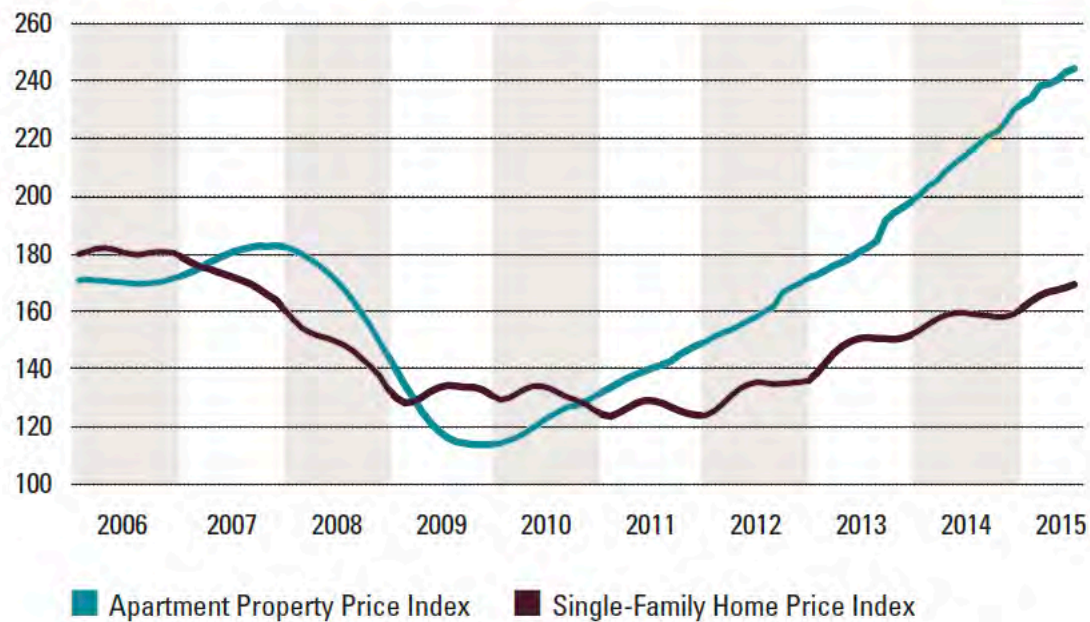




Appendix K  
National Rental Trends Information

## Prices for Apartment Properties Have Rebounded Well Beyond Their Previous Peak

Price Index (December 2000=100)

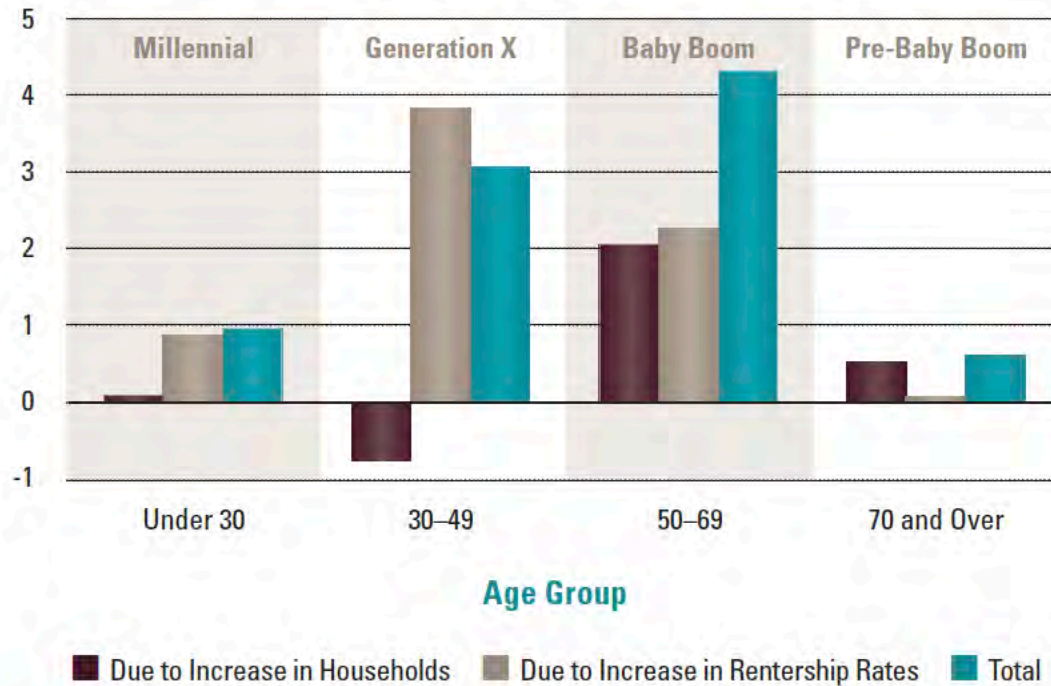


Note: Estimates for 2015 are through September.

Sources: CoreLogic, US National Home Price Index; Moody's Investors Service and Real Capital Analytics, Commercial Property Price Index for Apartments.

## Gen-Xers and Baby Boomers Have Driven Most of the Recent Growth in Renter Households

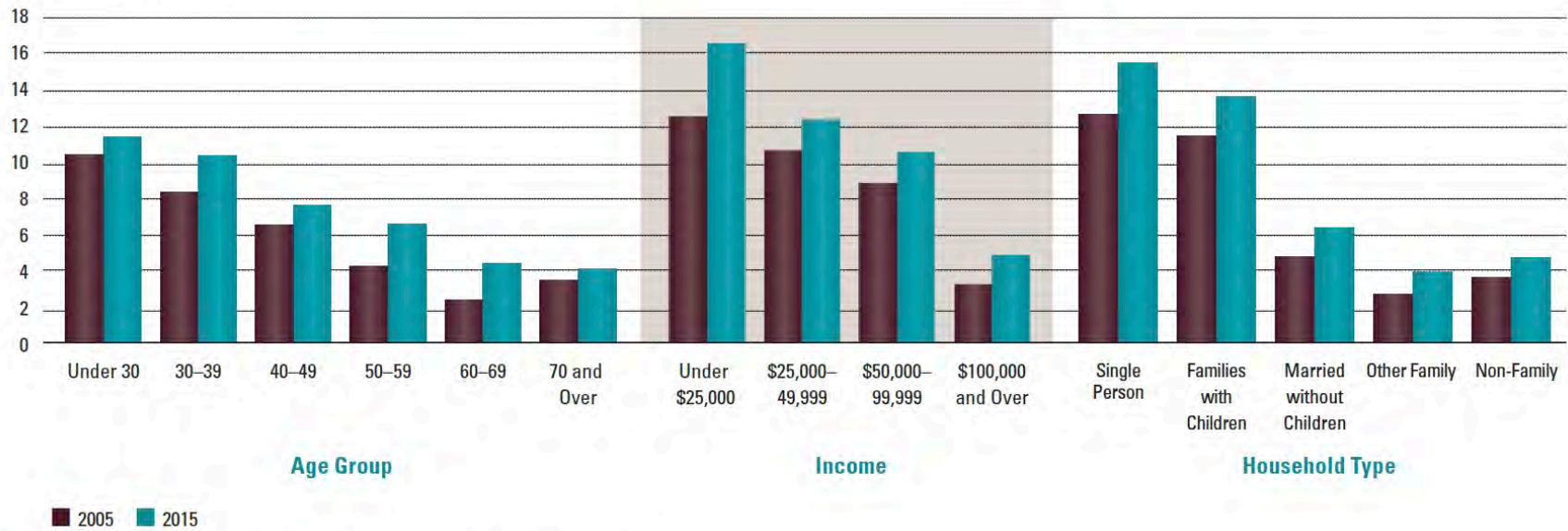
Renter Household Growth, 2005–15 (Millions)



Note: Growth estimates are based on annual data that are three-year trailing averages.  
Source: JCHS tabulations of US Census Bureau, Current Population Surveys.

## The Decade-Long Increase in Renter Households Has Been Broad-Based

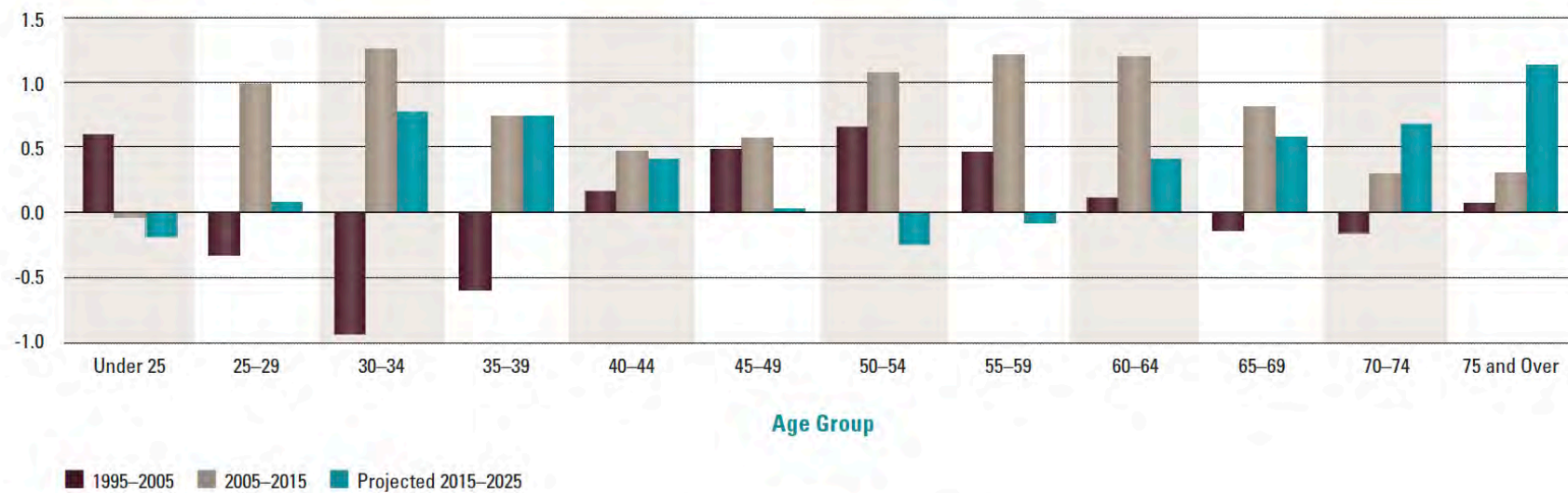
Renter Households (Millions)



Note: Household counts are three-year trailing averages and define children as under age 18 only.  
Source: JCHS tabulations of US Census Bureau, Current Population Surveys.

## Even Without Further Homeownership Rate Declines, Demographics Will Drive Up the Number of Renter Households Over the Next 10 Years

Change in Renter Households (Millions)



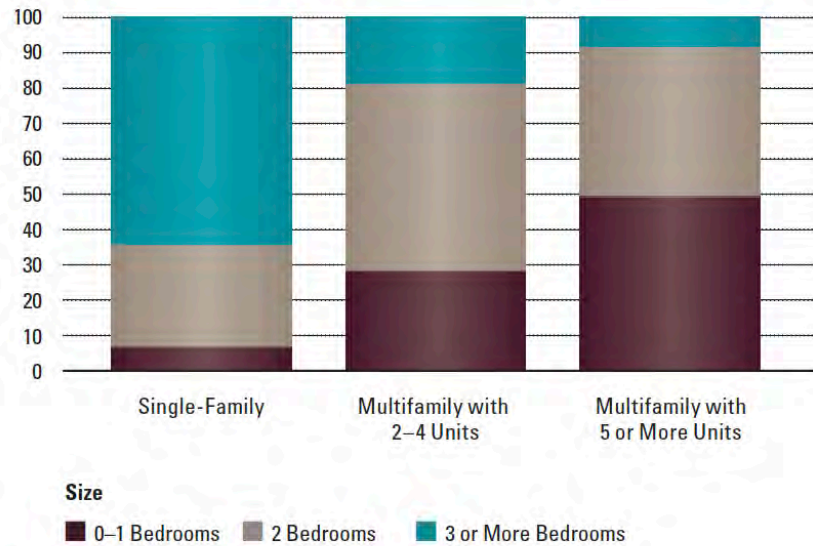
Notes: Projected renter growth assumes homeownership rates by age, race, and household type remain at their averages in 2014-2015. Historical growth rates are based on annual data that are three-year trailing averages.

Sources: JCHS tabulations of US Census Bureau, Current Population Surveys; 2013 JCHS household growth projections.



## Small Buildings Play a Key Role in Providing Low-Cost, Family-Sized Units

Distribution of Rental Units by Size (Percent)



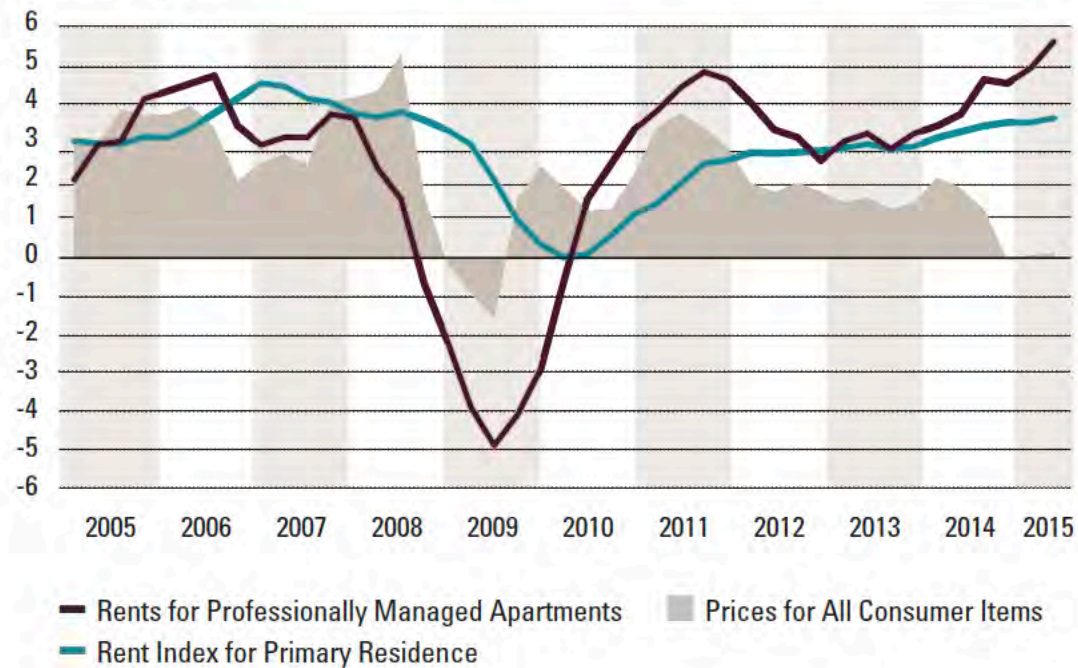
Distribution of Rental Units by Rent (Percent)



Notes: Estimates include vacant units. Monthly rent calculations exclude no-cash rentals and other rentals where rent is not paid monthly.  
 Source: JCHS tabulations of US Department of Housing and Urban Development, 2013 American Housing Survey.

## Rent Increases Continue to Outpace Inflation

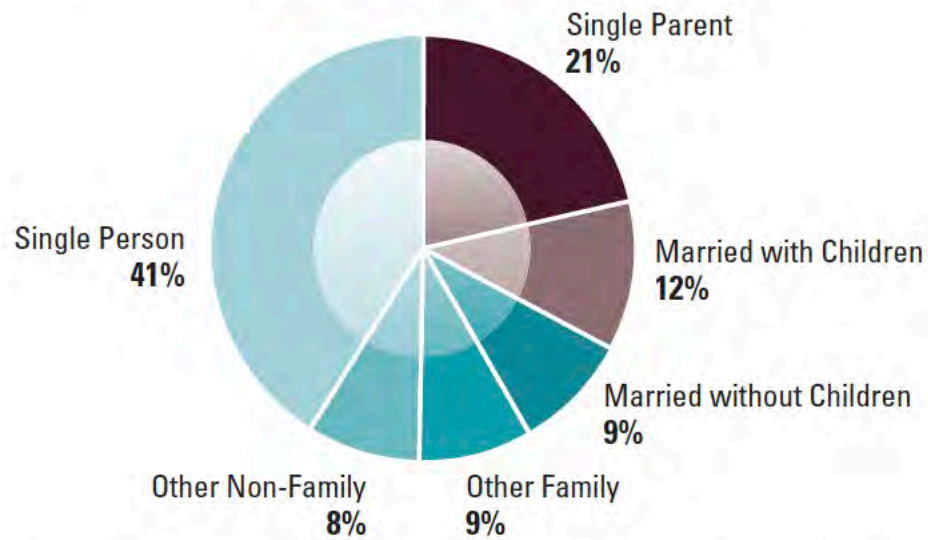
Annual Change (Percent)



Source: JCHS tabulations of US Bureau of Labor Statistics and MPF Research data.

## About a Third of Cost-Burdened Renters Are Families with Children

Share of Renter Households with Cost Burdens

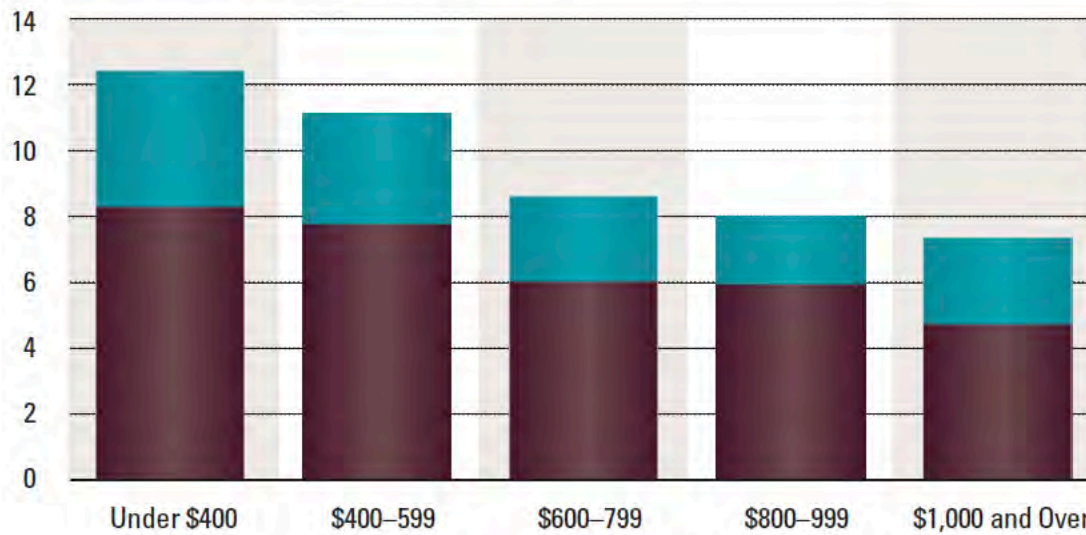


Notes: Cost-burdened households pay more than 30% of income for housing. Households with zero or negative income are assumed to have severe burdens, while households paying no cash rent are assumed to be without burdens.

Source: JCHS tabulations of US Census Bureau, 2014 American Community Survey.

## Lowest-Cost Rentals Are Most Likely to Have Major Quality Issues

Share of Units That Are Inadequate (Percent)



Monthly Rent

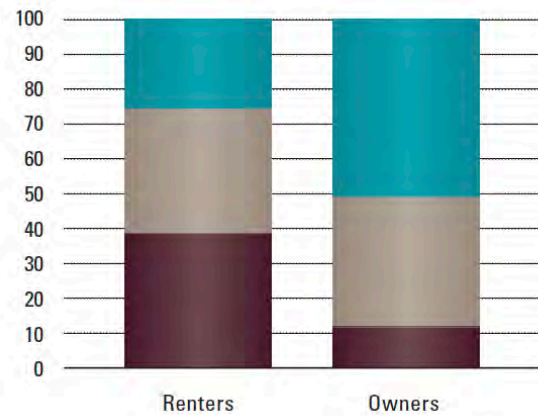
■ Moderately Inadequate ■ Severely Inadequate

Notes: Estimates exclude vacant units, no-cash rentals, and other rentals where rent is not paid monthly. Inadequate units lack complete bathrooms, running water, electricity, or have other indicators of major disrepair. For a complete definition, see HUD Codebook for the American Housing Survey, Public Use File. Source: JCHS tabulations of US Department of Housing and Urban Development, 2013 American Housing Survey.



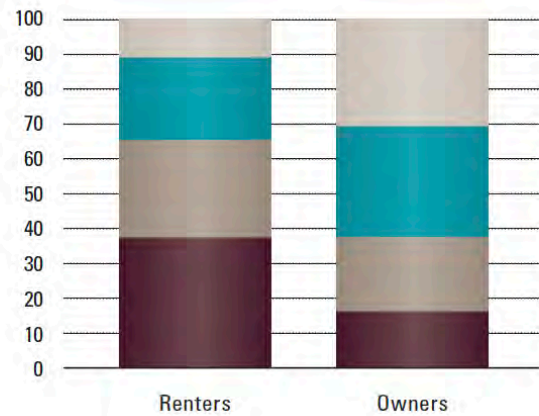
## Renters Reflect the Diversity of US Households, But Are More Likely than Owners to be Young, Low-Income, and Single

Share of Households (Percent)



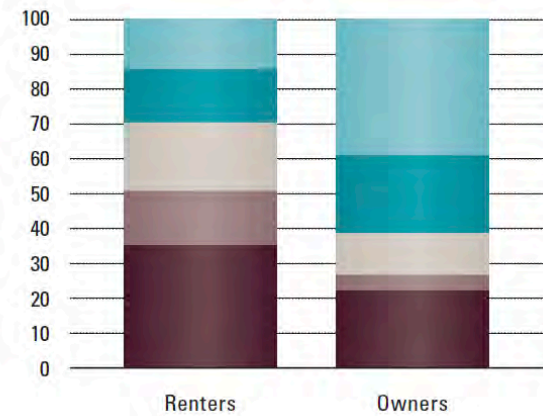
### Age of Household Head

- Under 35
- 35-54
- 55 and Over



### Household Income

- Under \$25,000
- \$25,000-49,999
- \$50,000-99,999
- \$100,000 and Over



### Household Type

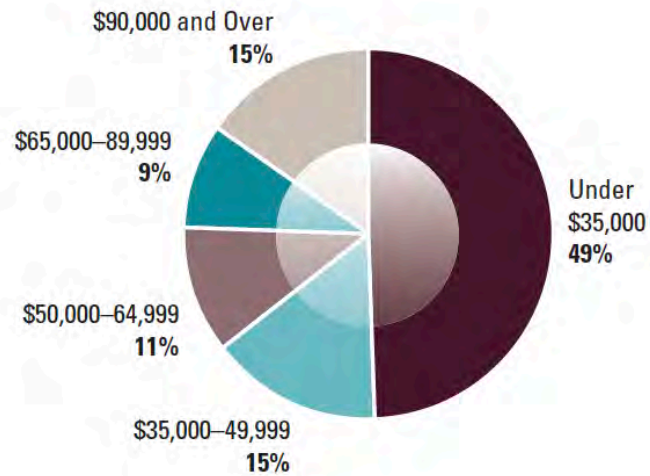
- Single Person
- Single Parent
- All Other
- Married with Children
- Married without Children

Note: Estimates are based on annual data that are three-year trailing averages and define children as under age 18 only.

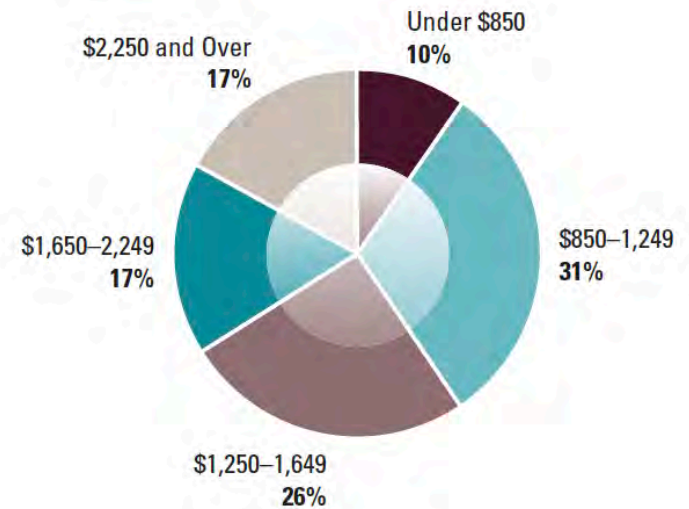
Source: JCHS tabulations of US Census Bureau, 2013-15 Current Population Surveys.

## Rents for New Multifamily Units Are Out of Reach for Most Renter Households

**Income Distribution of Renter Households**



**Asking Rents for New Multifamily Units**



Note: Income category cutoffs align with rent category cutoffs at the 30% of income affordability standard.  
Sources: US Census Bureau, 2015 Survey of Market Absorption and 2015 Current Population Survey.

## The Decade-Long Increase in Renter Households Has Been Broad-Based

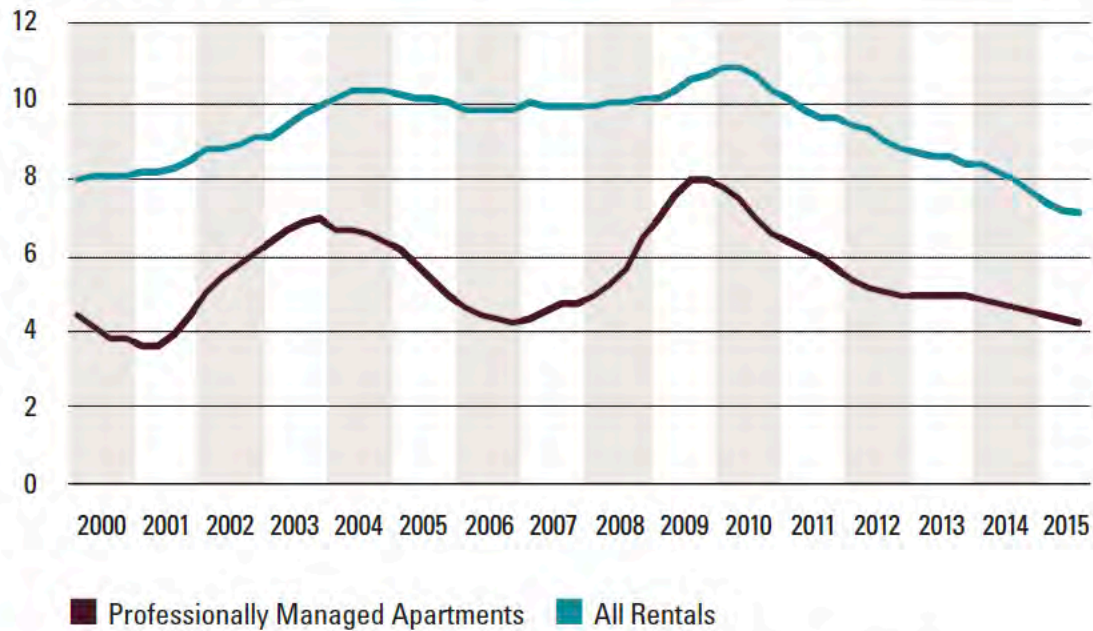
Renter Households (Millions)



Note: Household counts are three-year trailing averages and define children as under age 18 only.  
Source: JCHS tabulations of US Census Bureau, Current Population Surveys.

## Rental Markets Continue to Tighten

Vacancy Rate (Percent)



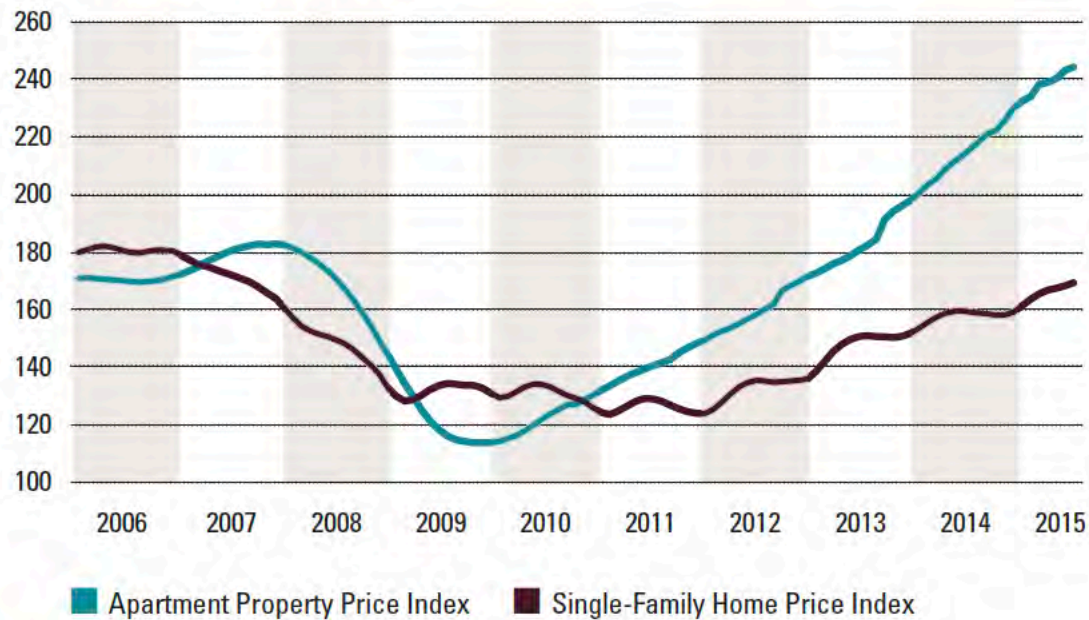
Note: Estimates are four-quarter rolling averages. Data for 2015 are as of the third quarter.

Source: JCHS tabulations of US Census Bureau, Housing Vacancy Surveys via Moody's economy.com and MPF Research data.



## Prices for Apartment Properties Have Rebounded Well Beyond Their Previous Peak

Price Index (December 2000=100)

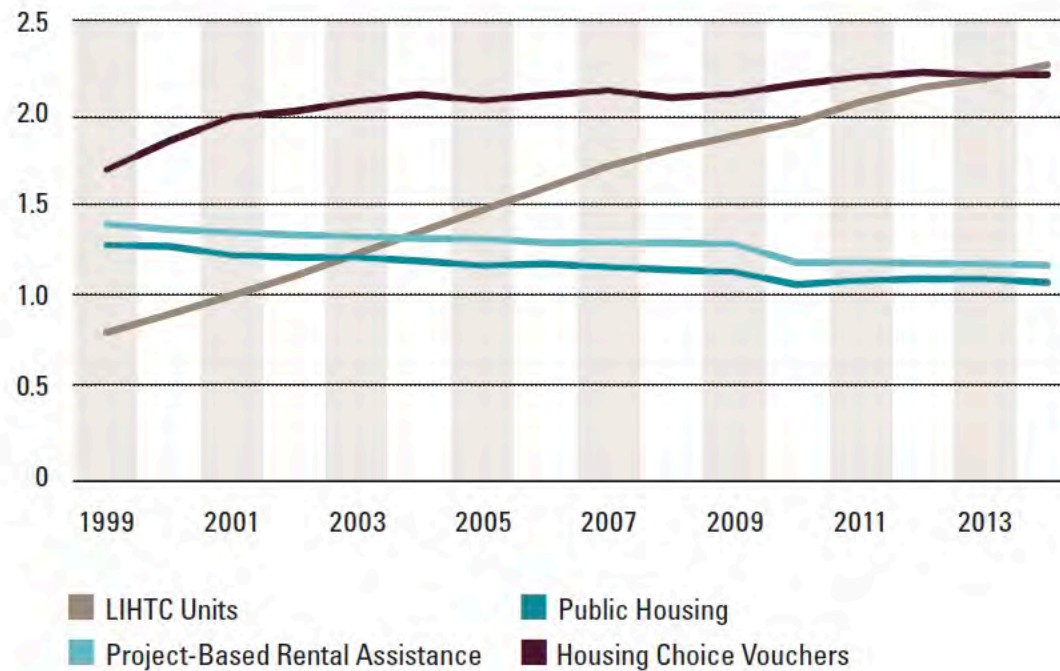


Note: Estimates for 2015 are through September.

Sources: CoreLogic, US National Home Price Index; Moody's Investors Service and Real Capital Analytics, Commercial Property Price Index for Apartments.

## Over Time, Tax Credits Have Joined Vouchers as the Largest Forms of Rental Assistance

Assisted Rental Units (Millions)



Notes: Units can be assisted through more than one program. The count of LIHTC units is cumulative and the 2014 estimate is the annual average number of units placed in service in 2009–13. Project-based rental assistance refers to units subsidized through project-based Section 8, Rent Supplement Program, Rental Assistance Payments, and Project Rental Assistance Contracts for Section 202 and Section 811 programs.

Sources: US Department of Housing and Urban Development, FY1999–2014 Annual Performance Reports and LIHTC Database.