

CITY COUNCIL MEETING

Tuesday, March 19, 2024

Staff Presenters:

Michael Roush,
Special Counsel

Bill Chapin,
Rent Program Director



Implementing
SB 567 (State
Rent Control
Laws)



Current Situation

- **Local Law:** Provides better protection (limiting rent increases, relocation payments, reasons for eviction) to tenants than state law
- **State Law:**
 - Costa-Hawkins (1995) pre-empts City from enforcing local rent increase limits on multifamily properties built after 1995 and single-family residences
 - Statewide rent control limits increases (to 5.0% + cost of living or 10%, whichever is less) for multifamily properties built through 2009 and certain single-family residences
- **Enforcement:** City not authorized to enforce state law limiting rent increases; tenants typically have to file private legal actions

SB 567

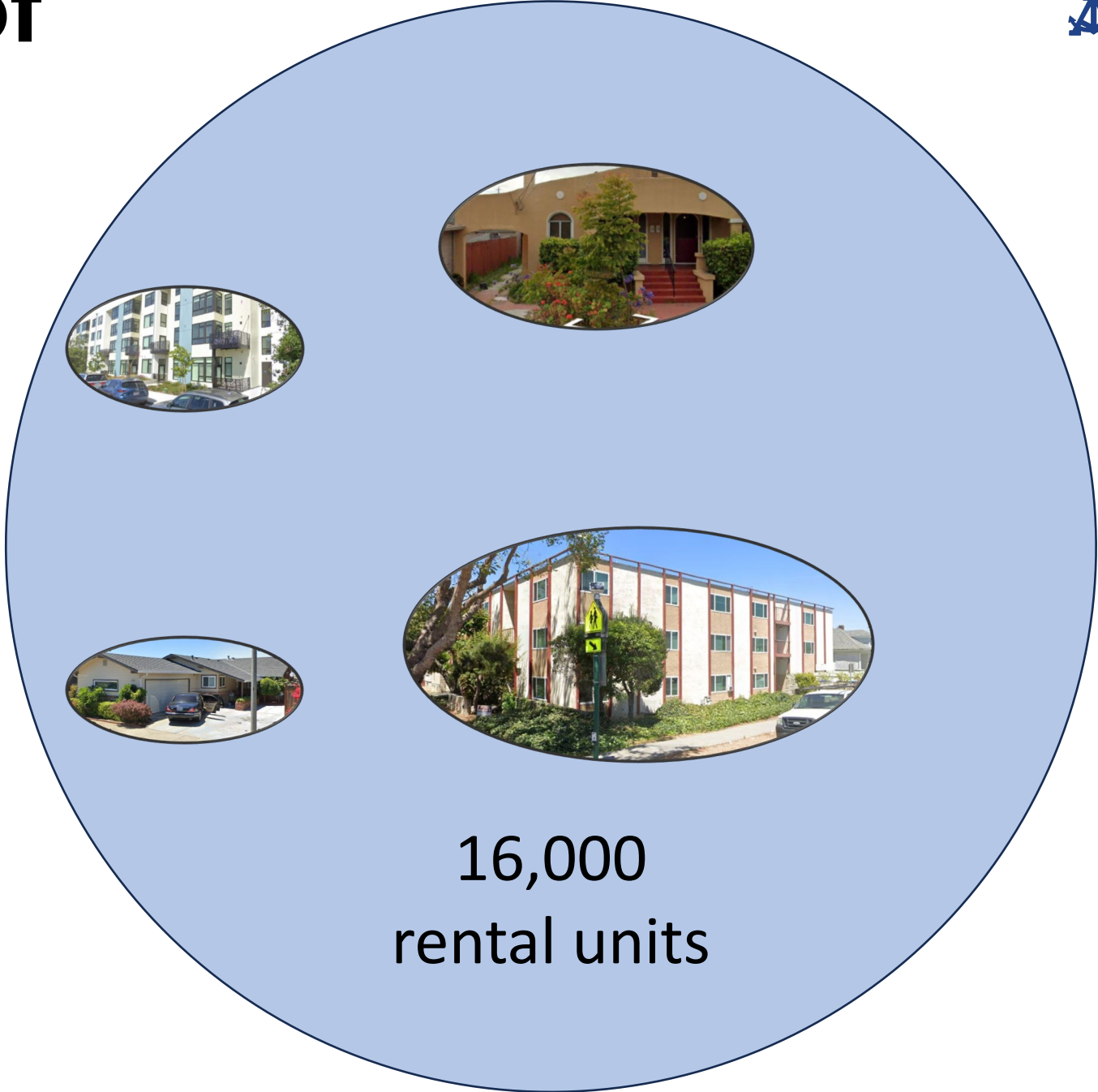
- Recent update to state law, effective April 1, 2024.
- Requires local law concerning rent control to have express finding that local law provides more protection than does state law
- Authorizes City Attorney to enforce state law limiting rent increases

Proposed Amendments

To Alameda's Rent Ordinance

- Include an express finding that Rent Ordinance provides more protection to tenants than does state law
- Authorize City Attorney to enforce state law limiting rent increases
- Rephrase definition of “dwelling unit” to create greater consistency with state law

Regulation of Rental Units



Regulation of Rental Units

Costa-Hawkins Exempt

Multifamily built after 1995



SFHs, condos, townhouses



“partially regulated”



All multifamily built before 1995 (including duplexes)



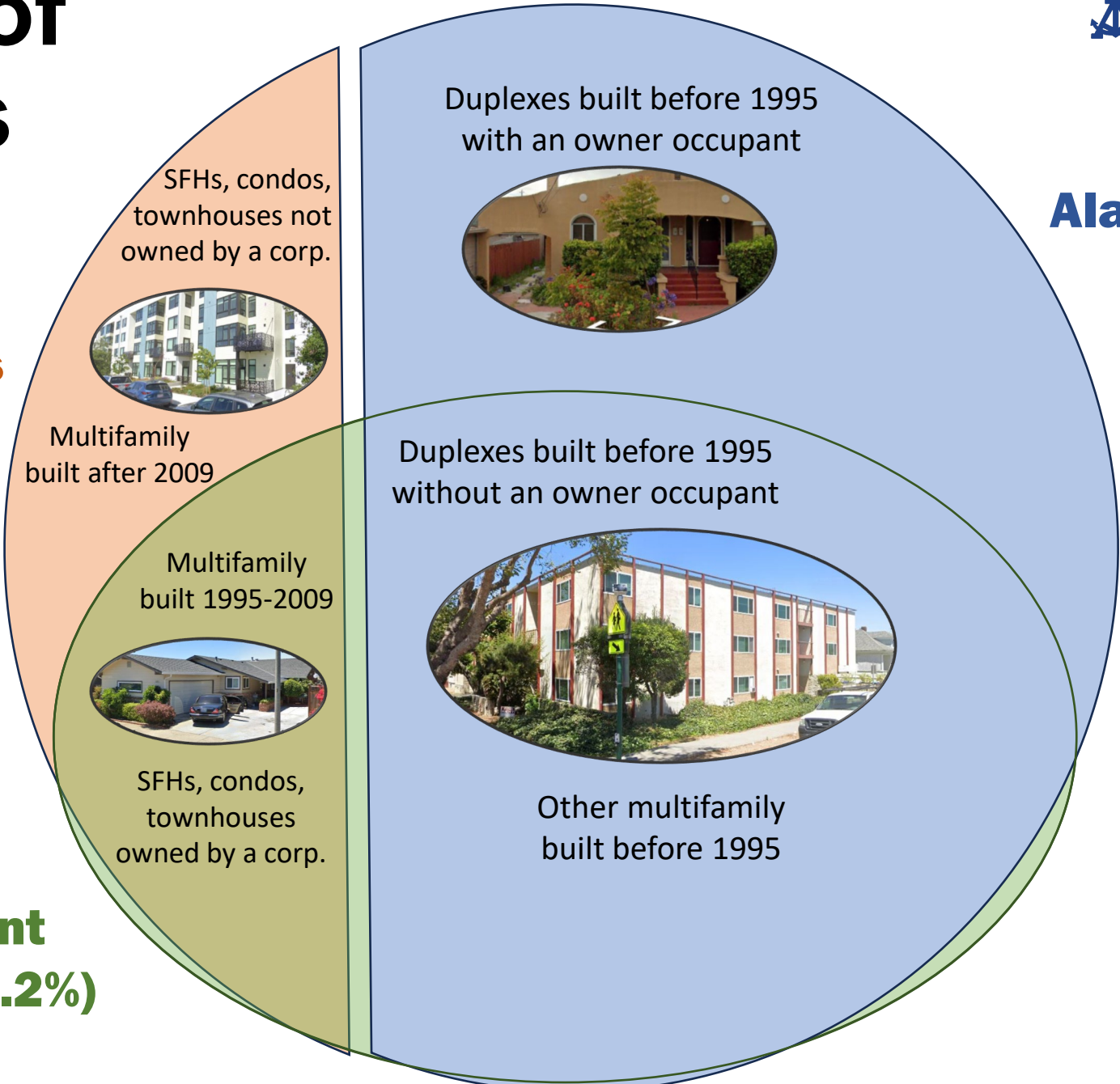
“fully regulated”

Alameda AGA (2.9%)

Regulation of Rental Units

Costa-Hawkins Exempt

Statewide Rent Increase Cap (9.2%)



SFHs, condos, townhouses not owned by a corp.



Multifamily built after 2009



SFHs, condos, townhouses owned by a corp.

Duplexes built before 1995 with an owner occupant



Duplexes built before 1995 without an owner occupant



Other multifamily built before 1995

Alameda AGA (2.9%)

New Class of State-Law-Regulated Rental Units

Exempt from local law's rent control limits but subject to local enforcement based on statewide rent control limits

- For now, new exemption applies to a limited number of rental units:
 - 150-300 single-family homes, condos, and townhouses built prior to 2009 and corporate owned
 - 10 rental units at multifamily properties built 1995-2009
 - Number of units in this new regulated class will increase annually, because state exemption applies on a rolling basis (to units built in the last 15 years)

Implementation Plans

Rent Program staff weighing options

- **First Step:** Update Rent Registry with information on year of construction for each property using County Assessor data.
- **Education:** Rent Program will update materials, send mailings and conduct workshops to inform landlords and tenants of this new class of regulation.
- **Complaint-Based Enforcement:** Initially, for the new class of rental units where rent increases are regulated by state law with local enforcement options, enforcement will predominately be driven by complaints.
- **Possible fee adjustment:** Staff may return to Council in future with recommendation for a revised annual program fee structure to cover this new class of units.

Staff Recommendation:

Introduce the Proposed Ordinance to Implement Senate Bill 567 (State Rent Control Laws) by:

1. Adopting a Written Finding That the Just Cause Provisions of the Rent Ordinance Are More Protective Than Civil Code Section 1946.2.
2. Clarifying the City's Authority to Enforce State Rent Control Laws.
3. Rephrasing the Definition of Rental Units Creating Consistency with State Law.