

# Renter Protections Study Session

City Council  
July 22, 2019





# Background

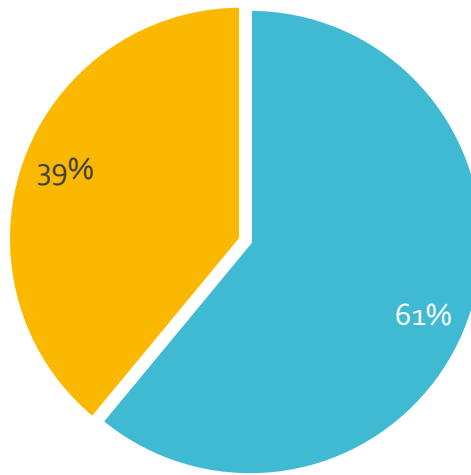
- At January 9 study session on renter protections, Council requested additional information on:
  - **Enhanced notification**
  - **Minimum lease terms**
  - **Relocation assistance**
- Additional information since requested on:
  - **Mediation**
  - **Anti-rent gouging**



## South San Francisco Profile

South San Francisco Population: **67,120** individuals  
**20,712** households

Own v. Rent

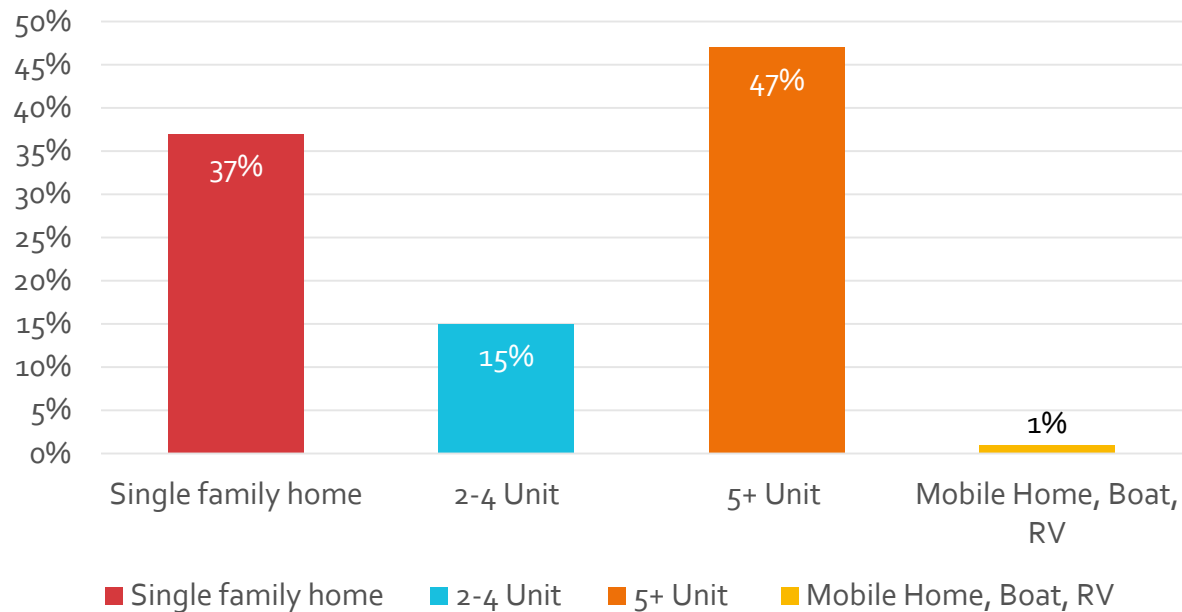


- Homeowners
- Renters



# South San Francisco Profile

## Building Type





## South San Francisco Profile

Insert Map here. Justin Anderson is creating GIS Map by housing type.



## South San Francisco Profile

Average rent: **\$2,883** (+5% from 2018)

For a household to afford this, they must earn at least **\$115,320** annually

Median Income: **\$92,074**

**49%** of renter households are rent burdened



# Renter Protections



## Enhanced Notification Requirements

### **Current requirements under State law:**

- 30 days notice for rent increases of 10% or less
- 60 days notice for rent increases of 10% or more





## Enhanced Notification Requirements

- State law preempts the City from increasing existing notification requirements
- AB 1110, if passed as currently drafted, would:
  - Take effect January 2020
  - Extend notification from 60 to 90 days for rent increases of 10% or more



## Enhanced Notification Requirements

- **Staff recommends Council to consider requiring landlords notify the City if they increase rent more than 5%**
  - Provide City with valuable data
  - 5% allows for profit assumed by developers and accounts for usual rate of increase
  - Other cities with similar models: San Jose, Mountain View, and Los Angeles. El Cerrito is exploring the concept.



## Minimum lease terms

- Currently, when a lease term expires, the lease reverts to a month-to-month lease
- Minimum lease terms:
  - Guarantee tenants the opportunity to sign a longer lease, as opposed to a month-to-month
  - Tenants can negotiate a shorter lease if wanted
  - Cities of Mountain View, Palo Alto, Redwood City, and Menlo Park have adopted minimum lease terms
- **Staff does not recommend adopting minimum lease terms at this time**



## Relocation assistance

- Projects assisted with public funds are required to provide relocation assistance, private projects are not
- 2 programs to consider:
  - Tenants displaced due to code violations (July 24)
  - Tenants facing no-fault evictions (tonight)



## Relocation assistance

- No-fault evictions include:
  - Ellis Act evictions
  - Demolition of the property
  - Change of use
  - Substantial renovations
  - Conversion to condominiums



## Relocation assistance

- **Staff recommends Council consider a relocation benefit for no-fault evictions:**
  - In properties with two or more units
  - For households earning up to 120% of the area median income
  - In an amount equal to 3 months of fair market rent (as determined by HUD)
  - Including a hardship exemption for landlords



# Mediation

- Mediators or rent review boards provide non-binding mediation between tenants and landlords
- Goal is to limit unreasonable rent increases and prevent displacement
- Cities of Palo Alto and San Leandro have mediators or rent review boards
- **Staff does not recommend at this time**



## Anti-rent gouging

- AB 1482 currently being considered by the State legislature
  - Caps annual rent increases at 7% + CPI, or 10%
  - Does not apply to owners of 10 or fewer single family homes
  - Expires after 3 years
- **Staff recommends Council consider a local ordinance if the State legislation does not pass**





## Staff seeking Council direction on...

1. Enhanced notification
2. Minimum lease terms
3. Relocation assistance
4. Mediation
5. Anti-rent gouging