Special Meeting of the
Concord City Council

Tuesday, January 30, 2024
6:30 p.m. - Open Session
Council Chamber
1950 Parkside Drive
Concord, CA

*IMPORTANT NOTICE ABOUT PUBLIC COMMENTS AND MEETING PARTICIPATION*

Members of the public are invited to attend and participate at: Council Chamber, 1950 Parkside Drive, Concord, CA.

Please note the following change to the City’s public comment procedures: Unless a Councilmember is participating in the meeting remotely pursuant to AB 2449, remote public comment will not be accepted. Public comment may be provided in-person or via email, as set forth below. Members of the public desiring to provide comments as a part of the meeting are encouraged to either submit written comments by 3:00 p.m. prior to the meeting or to attend the meeting in person.

Spanish interpretation is available in the Council Chamber during the meeting.

Under California law, public comments at special meetings are limited to subjects on the agenda only.
HOW TO PARTICIPATE

The public is invited to participate in the City Council meeting using any of the following methods:

1. IN PERSON:
   a. Members of the public can provide in-person comments in the Council Chamber. Members of the public are encouraged, but not required, to fill out a speaker card. The Council Chamber will have seating available for members of the public to attend in person up to full seating capacity.

2. REMOTE: Remote public comment will not be accepted, except when a Councilmember participates remotely pursuant to AB 2449. At the time of the posting of this agenda, none of the Councilmembers have notified the City Clerk’s Office that they intend to participate remotely pursuant to AB 2449, and therefore no remote public comment will be accepted at the meeting. If, after publication of this agenda and before the meeting begins, any councilmember determines that they will need to participate remotely due to just cause or emergency circumstances under AB 2449, their remote participation will be announced at the outset of the meeting in connection with the Roll Call item. If a Councilmember participates in the meeting remotely pursuant to AB 2449, the public may participate and provide public comment remotely, as follows:
   a. Zoom: https://cityofconcord.zoom.us/j/89370615690?pwd=PqW7JSaXZStHOPqSOX_GTR3LYTNqIA.UpjNcwdb6EJwfNSF or Zoom Webinar ID: 893 7061 5690 and Passcode: 190190
   b. Zoom Phone Numbers. Dial Toll Free: (669) 900-6833 or (346) 348-7799 or (253) 215-8782.
   c. During the meeting, each period for public comment will be announced, and participants may use the “Raise Hand” feature on Zoom to request to speak. If calling in via Zoom use *9 to raise and lower your hand. The meeting host will call on you, by name, and promote you to panelist in the webinar so you can be seen via your camera. Please enable your microphone when it is your turn to speak. In order to ensure the orderly administration of the meeting using this method, providing your name is encouraged, but is not required. (If you need instructions on how to use this feature, please contact the City Clerk by 3:00 p.m. of the meeting date at cityclerk@cityofconcord.org).

3. EMAIL:
   a. Public comments can also be submitted via email to cityclerk@cityofconcord.org. Please note that emailed comments will not be read aloud by staff. Any public comments received up until 3:00 p.m. of the meeting date will be:
      1. distributed to the Council before the meeting,
      2. posted online for public inspection at https://stream.ci.concord.ca.us/OnBaseAgendaOnline/Meetings/Search, and
      3. inserted into the meeting record.
   b. As emails containing public meeting comments are part of the official record, note that personal contact information may be published if it is included with your email.
4. TO WATCH OR LISTEN ONLY:
   a. Watch on TV on Comcast Channel 28, Astound/Wave Channel 1026, and AT&T U-verse Channel 99
   b. Watch the TV broadcast through the City’s website by following THIS LINK
   c. Watch Live Streaming of the meeting by following THIS LINK
   d. Join the Zoom webinar by following THIS LINK

OPEN SESSION

1. OPENING

Roll Call – Announcements/Consideration and Approval of Requests by Councilmembers to Participate Remotely Pursuant to AB 2449

Pledge of Allegiance – Vice Mayor Obringer

2. CITY COUNCIL PUBLIC HEARING

Persons who wish to speak on Public Hearings listed on the agenda will be heard when the public hearing is opened, except on public hearing items previously heard and closed to public comment. After the public has commented, the item is closed to further public comment and brought to the Council level for discussion and action. Further comment from the audience will not be received unless requested by the Council. No public hearing shall commence after 10 p.m. unless approved by majority vote of the City Council. Please see “How to Participate” above.

a. Considering – introduction of an updated Ordinance amending the Concord Municipal Code by amending Concord Municipal Code Chapter 19.40 “Residential Tenant Protection Program” to increase “just cause” eviction protections, expand the City’s rent registry, and establish a rent stabilization program by reading of the title only and waiving further reading. (Continued from January 9, 2024; this item was opened on Tuesday, December 12, 2023, continued to Tuesday, January 9, 2024, and further continued to January 30, 2024). Report by Sophia Huckabay, Housing Manager.

   CEQA: Not a project/exempt pursuant to Public Resources Code Section 21065, CEQA Guidelines Sections 15060(c), 15061(b)(3), and/or 15378.

3. ADJOURNMENT

Next Meeting: Regular Meeting
Date: 2/6/2024 6:30 PM
NOTICE TO THE PUBLIC

There is a 90-day limit for the filing of a challenge in the Superior Court to certain City administrative decisions and orders which require a hearing by law, the receipt of evidence, and the exercise of discretion. The 90-day limit begins on the date the decision is final (Code of Civil Procedure §1094.6). Further, if you challenge an action taken by the City Council in court, you may be limited by California law to raising only those issues you or someone else raised in the hearing or in a written correspondence delivered to the City Council prior to or at the hearing.

In accordance with the Americans with Disabilities Act and California Law, it is the policy of the City of Concord to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require a copy of a public hearing notice, or an agenda and/or agenda packet in an appropriate alternative format; or if you require other accommodation, please contact the ADA Coordinator Tianjun Cao at (925) 671-3243 or Tianjun.cao@cityofconcord.org, at least 24 hours in advance of the meeting. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility.
Staff Report

Date: January 30, 2024
To: City Council
From: Valerie Barone, City Manager
Reviewed by: Kevin Marstall, PE, Director of Community Development
Prepared by: Sophia Huckabay, Housing Manager
Sophia.huckabay@cityofconcord.org
(925) 671-3387

Subject: Considering introduction of an updated Ordinance amending the Concord Municipal Code by amending Concord Municipal Code Chapter 19.40 “Residential Tenant Protection Program” to increase “just cause” eviction protections, expand the City’s rent registry, and establish a rent stabilization program by reading of the title only and waiving further reading. (Continued from January 9, 2024; this item was opened on Tuesday, December 12, 2023, continued to Tuesday, January 9, 2024, and further continued to January 30, 2024).

CEQA: Not a project/exempt pursuant to Public Resources Code Section 21065, CEQA Guidelines Sections 15060(c), 15061(b)(3), and/or 15378.

Report in Brief
The City Council (Council) held a public hearing on rent stabilization and just cause for eviction policies on December 12, 2023 (Agenda Item 4a) which was continued to January 9, 2024 (Agenda Item 6a), and further continued to a special Council meeting being held on January 30, 2024, to enable additional public input and Council deliberation.

On November 21, 2023, the City released draft revisions to Concord Municipal Code Chapter 19.40 “Residential Tenant Protection Program” which reflected Council direction to increase just cause eviction protections, expand the City’s rent registry, and establish a rent stabilization program. Council received a public presentation on the draft Ordinance and heard over three (3) hours of public testimony December 12, 2023;
and continued the item until January 9, 2024, for Council deliberation and decision making. At the January 9, 2024, meeting, Council directed staff to make various modifications to the draft ordinance, requiring the production of a revised draft ordinance, and continued the public hearing to a special meeting on January 30, 2024. Staff has developed a revised draft ordinance for review and consideration (clean version at Attachment 1, Exhibit A; redline against the previous draft ordinance at Attachment 2). Council will be accepting public comment on the revised draft ordinance at the January 30 meeting.

Council deferred final decisions on two just cause for eviction policy options pertaining to “owner move-ins”: a) percentage of ownership required to constitute an owner move-in, and b) the length of time an owner is required to reside in the unit after moving in.

Staff requests final Council input on those policy matters so that they may be incorporated into the final ordinance. To the extent Council has identified additional policy matters to be addressed, staff respectfully requests direction on those as well.

Recommended Action
Considering:

1. Direction from Council on the following matters:
   a. Percentage of ownership required to constitute an owner move-in.
   b. The length of time an owner is required to reside in the unit after moving in.

2. Introduction of a revised Ordinance amending the Concord Municipal Code by amending Concord Municipal Code Chapter 19.40 “Residential Tenant Protection Program” to increase “just cause” eviction protections, expand the City’s rent registry, and establish a rent stabilization program, by reading of the title only and waiving further reading.

Background
City Council has held meetings on rent stabilization and just cause for eviction policy on September 5, September 12, October 10, December 12, 2023 and January 9, 2024. During the January 9 meeting, Council provided direction to staff and directed that a revised draft ordinance be produced to support further public input and Council deliberation at the January 30, 2024, continued public hearing. Staff has incorporated Council’s direction into a revised draft ordinance for Council’s review and consideration (Attachment 1 and 2).

Outreach Efforts
Since the first Council meeting held on September 5, 2023, pertaining to policy direction to staff on the topic of rent stabilization and just cause for eviction, staff has continued to
apprise the public and stakeholders on Council's direction and deliberations through the use of multiple mediums, including: emails to the Housing interested parties list, posting on the City’s main website and Housing and Community Services webpage, posting to the City’s social media platforms, publishing information in the City’s e-newsletter, and direct communication with key stakeholders. The most recent summation shared with the public and stakeholders can be found in Attachment 3. This document was shared via the City’s social media and the City’s e-newsletter, through a press release, on the website and NextDoor, and through the interested party e-mail list.

**Council Direction**

At its meeting held on January 9, 2024, Council provided the following feedback to staff on the previous draft ordinance:

- **Accessory Dwelling Unit (ADU) definition** to include language that demonstrates that only permitted ADUs are exempted from both rent stabilization and just cause for eviction provisions.

- **The Permanent Relocation Assistance Amount** is defined as three months of HUD Fair Market Rent plus a $3,000 moving stipend, with one month of increased assistance at Fair Market Rent for protected tenants that include tenants who are lower-income, disabled, senior, terminally ill and, households with school-age children.

- **Any violation of the ordinance** is a defense to an unlawful detainer.

- **If the tenant household** being displaced during an owner move-in contains a member that is disabled, senior, or terminally ill, the owner for owner’s family member must also be either disabled, senior, or terminally ill.

- **Provide greater specificity in the Ordinance regarding the regulations and procedures** that govern the Fair Return on Investment provisions by including language similar to that in the City’s current Mobile Home Rent Stabilization Ordinance (Concord Municipal Code Chapter 15.105).

- **Clarifying that the Ellis Act** is intended to be fully implemented.

- **Council directed staff to exempt those affordable properties** which have annual rent increase caps which are documented in agreements with, and enforceable by, the City or other governmental agencies. For implementation purposes, staff needed a method to differentiate the allowable rent increase from the standard-metric tied to Average Median Income (AMI) so has drafted the revised Ordinance with a maximum 5% annual cap for the affordable housing properties that are regulated by a regulatory agreement or deed restriction.

- **Remove the rent stabilization retroactivity clause and replace with a rent rollback clause that resets rents to January 12, 2023, levels with any allowable lawful rent increases.**
Staff has also made clean-up changes, including addition of defined terms based on the Council-directed revisions, refining the Hotel definition, expressly stating that owner-occupied duplexes are fully exempt (as provided in AB 1482 and the rent stabilization/just cause for eviction staff reports), relocating certain provisions for better context, incorporation of clarifying language based on public input, and as reflected in the attached redline (Attachment 2).

Analysis
Council Questions of Staff
At its meeting held on January 9, 2024, Council asked staff for more information on the below topics. Staff’s answers to these questions are provided below:

1) Provide a list of local, City and County funded, affordable housing that currently provides annual rent increase percentage caps as part of its existing agreements with the local jurisdictions.

In June of 2023, the City funded Eden Housing $6.64 Million in the City’s Affordable Housing Funds to deed-restrict Coral Court and Sunset Pines Apartments (116 units) at 30%, 60% and 80% of AMI. The City’s funding requirement included a 4% annual rent increase cap. These are the only two Concord affordable-housing complexes that would qualify for the exemption to the rent-stabilization regulations. Both complexes would be subject to the Just Cause for Provision regulations.

Contra Costa County has recently passed provisions capping annual rent increases for affordable projects (new construction and acquisition/rehabilitation) they invest in to a 5% rent increase cap per year. The only Concord property subject to this cap is Rick Judd Commons (formerly Galindo Terrace), which is currently under construction and, therefore, not subject to the City’s proposed rent stabilization ordinance, as it is post 1995.

Discussion of the Draft Ordinance
The revised draft of Concord Municipal Code Chapter 19.40 Residential Tenant Protection Program incorporates Council’s feedback received through the January 9, 2024, Council meeting as noted in the Background section of this report. However, Council deferred final decisions on two just cause for eviction policy options pertaining to “owner move-ins:”

a. Percentage of ownership required to constitute an owner move-in
b. The length of time an owner is required to reside in the unit after moving in
These policies are discussed below:

**19.40.070(d)(1) Just Cause for Eviction: No-Fault Termination of Tenancy: Owner Move Ins.**

Up until its meeting held on January 9, 2024, Council had directed staff to include language in the City’s just cause for eviction owner move-in provisions that were consistent with State Law. On January 9, 2024, after considering public input on this matter, Council expressed a desire to update the below provisions involving owner move-ins. As such, staff is seeking direction from Council on: a) percentage of ownership required to constitute an owner move-in, and b) the length of time an owner is required to reside in the unit after moving in.

**a) Percentage of ownership required**

Consistent with Council direction, the original proposed language in draft ordinance was mirrors the language in SB 567-Civil Code 1946.2(b)(2)(A)(viii), stating that a landlord, as defined in the draft ordinance, is:

“a natural person that has at least 25 percent recorded ownership interest in the Property.”

Council has expressed a desire to change the ownership interest percentage from 25 percent, but has not agreed on a percentage for inclusion in the revised draft Ordinance.

This language appears in two sections of the ordinance under 19.40.070.d.1-Just Cause for Evictions- Owner Move-Ins.

**b) The length of time an owner is required to reside in the unit after moving in**

Consistent with Council direction, the original proposed language in draft ordinance mirrors that in SB 567-Civil Code 1946.2(b)(2)(A), and states that if a tenant is evicted for an owner move-in, an owner or owner’s family, as defined in the draft ordinance, must occupy the rental unit as a primary residence for at least 12 consecutive months.

Council has expressed a desire to change the length of time required for a landlord to reside in the unit from 12 consecutive months, but staff is unclear as to what timeframe Council desires.

**Program Implementation**

At its meeting on October 10, 2023, Council directed staff to return with estimates on the likely fees for administering both programs: Rent Stabilization and Just Cause for Eviction. Staff provided this information as part of its report to Council for the December 12, 2023, Council meeting. The information below is a high-level summary of the
information shared with Council in December (for more detail please review the December 12 staff report).

Below are projected program costs. These costs and fee ranges are currently estimates; staff will return to Council in February with proposed fee amounts to be adopted through amendments to the City’s Fee Resolution.

**Year 1 & 2**
- Program Implementation Cost Estimates: $730,000 - $770,000
- Rent Registry Fee Range Estimates:
  - Partially covered unit (i.e., a unit subject to just cause for eviction regulations but not rent stabilization): $29 to $32 per unit
  - Fully covered unit (i.e., a unit subject to both just cause for eviction and rent stabilization protections): $49 to $52 per unit

Concord has approximately 18,100 residential rental units, 9,200 of which are fully covered units that are subject to both the rent stabilization and the just cause for eviction provisions, and 8,900 of which are partially covered units subject to just cause for eviction provisions only.

Total Year 1 and Year 2 costs are currently estimated to be $730,000 to $770,000 annually.

City staff time would be required to administer the rent registration program and the rent stabilization and just cause for eviction policy provisions. These activities include, but are not limited to, compliance monitoring, processing petitions, work with a program administrator, drafting communication and conduction outreach/training with the public, in-person housing counseling with the public, managing program contracts, and managing hearings and production of related reports.

To fulfill the new responsibilities required by the proposed Ordinance two new staff positions will be added: a Housing Program Analyst position and an Administrative Secretary position. Additionally, the two existing Housing staff (the Housing Manager and the Housing Program Analyst) are anticipated to spend 25% of their time on the rent registry and tenant protection regulations, including the new rent stabilization and the enhanced just cause protections.

In other words, 2.5 staff positions are necessary to run the new programs, and 2 of the 2.5 positions will be new staff additions. New staff would need to be hired shortly after program adoption. Consequently, under the City Manager’s authority the City will begin recruitment for the two new positions immediately after Ordinance introduction by
Council. Council will be asked to official set the rent registry fees and approve the two new positions when it reviews the mid-year budget at the end of February. Should Council not take these steps, the positions would not be filled.

Next Steps
- If the revised draft ordinance is introduced on January 30, 2024:
  - Staff will return to Council at its meeting on February 13 for Ordinance adoption, which would create an effective date for the ordinance to “go live” as of March 14, 2024—30 days after second reading.
- If Council provides additional direction on the revised Ordinance and continues the item to the February 13 meeting and if a revised draft ordinance is introduced on February 13:
  - Staff will return to Council at its meeting on March 5 for Ordinance adoption, which would create an effective date for the ordinance to “go live” as of April 4, 2024—30 days after second reading.
- February 27, 2024: Staff will return to Council with a modified Rent Registry fee schedule and budget adjustments for the new staff positions as part of the Mid-Year Budget review.
- December 2024: Publish the 4th Annual Rent Registry report which will be the first report under the new program (the 3rd annual report is anticipated to be published in February of 2024 the first two reports are on the City’s website).
- January 2025: Staff to make a six-month program update presentation at a Council meeting.

Financial Impact
The program is being designed to provide for full cost recovery; it is not anticipated to have a fiscal impact on the City. Staff anticipates that it may take a few years of experience to learn actual costs and that fees may be modified after the first or second year of experience.

Public Contact
The City Council Agenda was posted. Notice was sent by email to all individuals on the interested party list on January 26, 2024.

Attachments
   Exhibit A: Amendment to Chapter 19.40, Residential Tenant Protection Program
3. Public Outreach on Draft Policy
4. Comparison of Current Versus Proposed Policy
5. Units Covered and Exempt Chart
6. Correspondence Received
ORDINANCE NO. 24-XX

AN ORDINANCE AMENDING CONCORD MUNICIPAL CODE CHAPTER 19.40 "RESIDENTIAL TENANT PROTECTION PROGRAM" TO INCREASE "JUST CAUSE" EVICTION PROTECTIONS, EXPAND THE CITY’S RENT REGISTRY, AND ESTABLISH A RENT STABILIZATION PROGRAM

WHEREAS, on October 7, 2019, the Governor of the State of California signed AB 1482 into law. AB 1482 addresses a number of rental housing policies, including maximum rent increases, just cause eviction protections, and relocation assistance; and

WHEREAS, on July 7, 2020, the City Council adopted Ordinance No. 20-7 adding Concord Municipal Code Chapter 19.40 "Residential Tenant Protection Program" to establish a Residential Tenant Protection Program that became effective August 28, 2020, and requires, among other things, relocation assistance for no-fault just cause evictions, and that tenants be provided a written lease with minimum lease terms; and

WHEREAS, on January 12, 2021, the City Council adopted Ordinance No. 20-10 amending Concord Municipal Code Chapter 19.40 "Residential Tenant Protection Program" by adding Section 19.40.110 "Rent Registry" establishing a Rent Registry Program that became effective July 1, 2021, and requires property owners to provide information on tenancy and rents; and

WHEREAS, there presently exists a critical shortage of rental housing in the City. Due to this shortage, it is very difficult to find adequate, safe, and habitable rental housing at reasonable rents; and

WHEREAS, due to the shortage of rental units, rents in the City are increasing excessively. A substantial number of persons in the City who reside in rental units spend a high percentage of their income on rent, and many have been forced to move out because they could no longer afford to pay the increase in rent; and

WHEREAS, low- and moderate-income tenants have difficulty finding affordable housing after being displaced due to a rent increase; and

WHEREAS, the City Council desires to promote long-term stability and certainty for tenants
in the rental market while providing landlords an ability to receive a fair return on their property; and.

WHEREAS, at a duly noticed public meeting held on January 12, 2023 as part of the City’s 6th Cycle Housing Element Update efforts, the City Council directed staff to prioritize development of a just cause for eviction and rent stabilization ordinance; and

WHEREAS, based on such direction, City staff solicited and received input from property owner representatives on July 26, 2023 and from tenant representatives on July 27, 2023 (collectively, “Community Meetings”); and

WHEREAS, City staff also solicited responses from a broader group of tenants and property owners through the use of online surveys, from July 31 through August 20, 2023 (collectively, “Community Surveys”); and

WHEREAS, City staff further corresponded with affordable housing providers to better understand the potential impact of rent stabilization and just cause for eviction ordinances on these entities; and

WHEREAS, the City Council held duly noticed public meetings on September 5, September 12, and October 10, 2023 (collectively, “Study Sessions”), received input from the public, tenants and advocates, property owners and property owner representatives, City staff and consultants, and provided policy direction on development of a just cause for eviction and rent stabilization ordinance; and

WHEREAS, the City Council, after giving all public notices required by state law and the Concord Municipal Code, held a duly noticed public hearing on December 12, 2023, which public hearing was then continued to January 9, 2024, and further continued to January 30, 2024, on the proposed amendment of Concord Municipal Code Chapter 19.40 “Residential Tenant Protection Program” to increase “just cause” eviction protections, expand the City’s rent registry, and establish a rent stabilization program as set forth in Exhibit A attached hereto and incorporated by reference (“Ordinance”), and declared their intent to approve, introduce, and adopt the Ordinance; and

WHEREAS, the City Council, after giving all public notices required by state law and the Concord Municipal Code, will hold a duly noticed public hearing on February 13, 2024, to further
consider the Ordinance, and declare their intent to adopt the Ordinance; and

WHEREAS, at such public hearings, the City Council considered all oral and written information, testimony, and comments received during the public review process, including oral and written staff reports, materials, documents, exhibits, reports, studies, memoranda, testimony, and community input received at the Community Workshops, Community Surveys, Study Sessions, and the public hearings on this Ordinance, the City of Concord Municipal Code, applicable City laws and regulations, and all other information that constitutes the record of proceedings upon which the City Council has based its decision and which are maintained at the offices of the City Clerk, 1950 Parkside Drive, MS/3 Concord, CA 94519 (collectively, “Ordinance Information”).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES ORDAIN AS FOLLOWS:

Section 1. Recitals. The City Council finds that the above recitals (which are hereby incorporated by reference) are accurate and constitute findings in this matter and, together with the Ordinance Information, serve as an adequate and appropriate evidentiary basis for the findings and actions set forth in this Ordinance and further makes the following findings:

Section 2. Binding Findings. Pursuant to Civil Code Section 1946.2(g)(1)(B), the City Council hereby makes the following binding findings within this Ordinance that this Ordinance is more protective than the provisions of Civil Code Section 1946.2 because:

(a) The just cause for termination of a residential Tenancy under the Ordinance is consistent with and more protective than Civil Code Section 1946.2; and

(b) The Ordinance provides additional tenant protections that are not prohibited by any other provision of law, because it provides for earlier and higher relocation assistance amounts than those available to tenants covered by Civil Code Section 1946.2, requires certain minimum lease terms, limits the exemptions listed in Civil Code Section 1946.2 and in particular applies just cause for termination of a Tenancy to Dwelling Units regardless of when a certificate of occupancy is issued for the Dwelling Unit and protects Tenants upon commencement of the Tenancy; and
(c) As provided in Civil Code Section 1946.2(g)(2), a residential real property shall not be subject to both a local ordinance requiring just cause for termination of a residential Tenancy and Civil Code Section 1946.2. The Ordinance intends to cover those dwelling units defined as Covered Rental Units and to the extent such units are covered by the Ordinance, such units will not be subject to Civil Code Sections 1946.7 and 1947.12.

Section 3. CEQA. Adoption of this Ordinance is not subject to environmental review under the California Environmental Quality Act (CEQA) of 1970, as amended, because the adoption of the Ordinance does not constitute a “project,” and will not result in a direct or reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Sections 15060(c), 15378 and Public Resources Code Section 21065. In addition, the proposed Ordinance is categorically exempt pursuant to Section 15061(b)(3), the common sense exception of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the ordinance may have a significant effect on the environment. No unusual circumstances are present. This determination reflects the City’s independent judgment and analysis.

Section 4. Ordinance Information. The City Council has reviewed, considered, and evaluated all of the Ordinance Information prior to acting on the Ordinance. The Ordinance Information is located in and may be obtained from the City of Concord Clerk’s Office, 1950 Parkside Drive, Concord, CA 94519.


Section 6. Severability. If any section, subsection, clause, or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, or its application to any other person or circumstance. The City Council declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.
Section 7. Publication and Effective Date. This Ordinance shall take effect thirty (30) days following passage and adoption. In the event a summary of said Ordinance is published in lieu of the entire Ordinance, a certified copy of the full text of this Ordinance shall be posted in the office of the City Clerk at least five (5) days prior to its adoption and within fifteen (15) days after its adoption, including the vote of the Council members. Additionally, a summary prepared by the City Attorney’s Office shall be published once at least five (5) days prior to the date of adoption of this Ordinance and once within fifteen (15) days after its passage and adoption, including the vote of the Councilmembers, in the East Bay Times, a newspaper of general circulation in the City of Concord.

Edi E. Birsan
Mayor

ATTEST:

Joelle Fockler, MMC
City Clerk

(Seal)
Ordinance No. 24-XX was duly and regularly introduced at a special meeting of the City Council of the City of Concord held on January 30, 2024, and was thereafter duly and regularly passed and adopted at a regular meeting of the City Council held on February 13, 2024, by the following vote:

AYES: Councilmembers - 
NOES: Councilmembers - 
ABSTAIN: Councilmembers - 
ABSENT: Councilmembers - 

I HEREBY CERTIFY that the foregoing is a true and correct copy of an ordinance duly and regularly introduced, passed, and adopted by the City Council of the City of Concord, California.

Joelle Fockler, MMC 
City Clerk

Attachment: Exhibit A – Ordinance (Amendment to Chapter 19.40, Residential Tenant Protection Program)
Chapter 19.40
Residential Tenant Protection Program

Sections
19.40.010 Binding Findings; Definitions; Citation.
19.40.020 General Applicability of Chapter; Exemptions.
19.40.030 Rent Stabilization.
19.40.040 Permitted Rent Increases for Covered Rental Units.
19.40.050 Rent Adjustment Petitions.
19.40.060 Annual Rental Registration.
19.40.070 Just Cause for Eviction.
19.40.080 Relocation Assistance For No-Fault Termination Of Tenancy; Moving Stipend.
19.40.090 Requirement to Offer Written Lease, Minimum Lease Terms.
19.40.100 Notice of Tenant Rights.
19.40.110 Procedures and Guidelines.
19.40.120 Remedies.
19.40.130 Waiver Prohibited.
19.40.140 Severability.

19.40.010 Binding Findings; Definitions; Citation.

(a) Binding Findings. Pursuant to Civil Code Section 1946.2(g)(1)(B), the City Council hereby makes the following binding findings within this Chapter, that this Chapter is more protective than the provisions of Civil Code Section 1946.2 because:

(1) The just cause for termination of a residential Tenancy under this Chapter is consistent with and more protective than Civil Code Section 1946.2; and

(2) This Chapter provides additional tenant protections that are not prohibited by any other provision of law, because it provides for earlier and higher relocation assistance amounts than those available to Tenants covered by Civil Code Section 1946.2, requires certain minimum lease terms, limits the exemptions listed in Civil Code Section 1946.2 and in particular applies just cause for termination of a Tenancy to Dwelling Units regardless of when a certificate of occupancy is issued for the Dwelling Unit and protects Tenants upon commencement of the Tenancy; and

(3) As provided in Civil Code Section 1946.2(g)(2), a residential real property shall not be subject to both a local ordinance requiring just cause for termination of a residential Tenancy and Civil Code Section 1946.2. This Chapter intends to cover those Dwelling Units defined as Covered Rental Units and to the extent such Dwelling Units are covered by this Chapter, such Dwelling Units will not be subject to Civil Code Sections 1946.2 and 1947.12.

(b) The City Council finds that there presently exists a critical shortage of rental housing in the City. Due to this shortage, it is very difficult to find adequate, safe, and habitable rental housing at reasonable rents.

(1) Due to the shortage of rental units, rents in the City are increasing excessively. A substantial number of persons in the City who reside in rental units spend a high percentage of their income on rent, and many have been forced to move out because they could no longer afford to pay the increase in rent. Further, low- and moderate-income Tenants have difficulty finding affordable housing after being displaced due to a rent increase.

(2) The purposes of this Chapter are to promote long-term stability and certainty for Tenants in the rental market while providing Landlords an ability to receive a fair return on their investment.
Property. This Chapter regulates Rents and terminations of Tenancy, including requiring relocation assistance and affording a Tenant the right to return under certain circumstances. It requires Landlords to register Covered Rental Units, establishes an administrative hearing process, and provides for procedures and guidelines for the implementation of this Chapter.

(c) Definitions. The following terms shall have the meaning provided below when used in this Chapter, whether plural or singular.

(1) "Accessory Dwelling Unit" shall mean an accessory dwelling unit or a junior accessory dwelling unit as those terms are defined in Code Section 18.200.180, which has received a valid accessory dwelling unit or a junior accessory dwelling unit permit from the City or Contra Costa County.

(2) “Accommodations” shall be as defined in the Government Code Section 7060(b)(1), which, for convenience, reads as follows:

(1) “Accommodations” means either of the following:
(A) The residential rental units in any detached physical structure containing four or more residential rental units.
(B) With respect to a detached physical structure containing three or fewer residential rental units, the residential rental units in that structure and in any other structure located on the same parcel of land, including any detached physical structure specified in subparagraph (A).

(3) “Allowable Annual Rent Increase” shall mean the annual rent increase as set forth in Section 19.40.040.

(4) “Base Rent” shall mean as follows: For tenancies commenced on or before January 12, 2023, the Rent in effect on January 12, 2023 plus the Initial Allowable Annual Rent Increase. For tenancies commenced after January 12, 2023, but prior to the effective date of this Chapter, the Rent charged upon initial occupancy plus the Initial Allowable Annual Rent Increase. For tenancies commenced after the effective date of this Chapter, the Rent charged upon initial occupancy. The foregoing amounts are subject to the assumption that such amounts are not in violation of this Chapter or any provision of State law. Nothing in this definition is intended to alter the requirement that a Landlord provide a Tenant with valid, written notice of any change in the terms of the Rental Agreement (including any Rent decrease or Rent increase) as required by Civil Code Section 827.

(5) “Base Year” shall mean the 2022 calendar year.

(6) "City Council" shall mean the City Council of the City of Concord.

(7) "City" shall mean the City of Concord.

(8) "Code" shall mean the Concord Municipal Code.

(9) "Covered Rental Unit" shall mean a Dwelling Unit located within the City not specifically exempted under Section 19.40.020(a) or 19.40.020(b).

(10) "CPI" shall mean Consumer Price Index for all urban consumers for the San Francisco-Oakland-Hayward, California area, or any successor designation of that index that may later be adopted by the U.S. Department of Labor for April of each year. Calculation of the CPI percentage will be determined by the City and set forth in its procedures and guidelines.
(11) “Disabled” shall mean any mental or physical disability as defined in Government Code Section 12955.3. A “Disabled Tenant” is a Tenant who is disabled.

(12) "Dwelling Unit" shall mean a dwelling unit, as defined under California Civil Code Section 1940(c), including joint living and work quarters, that is used or occupied in consideration of payment of Rent, and applies to any dwelling space that is actually used for residential purposes, whether or not the residential use is legally permitted, including live-work spaces, mobilehomes rented to a Tenant, and any Accessory Dwelling Unit in the City.

(13) "Ellis Act" shall mean California Government Code Sections 7060 – 7060.7.

(14) “Fair Return Petition” shall mean a petition filed by a Landlord seeking a Fair Return Rent Increase pursuant to Section 19.40.050.

(15) “Fair Return Rent Increase” shall mean the amount by which Base Rent plus any Allowable Annual Rent Increase may be increased in accordance with an approved Fair Return petition submitted pursuant to Section 19.40.050.

(16) “Hearing Officer” shall mean an official appointed by the City Attorney to conduct an administrative hearing pursuant to this Chapter.

(17) "Housing Services" include, but are not limited to, repairs, maintenance, painting, providing light, heat, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, access to exterior doors, entry systems and gates, utilities (unless separately metered and billed to the Tenant by the utility company since the inception of the Tenancy, as provided in the Rental Agreement), refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants or tenants, the right to have pets, utility infrastructure, and any other benefit, privilege or facility connected with the use or occupancy of any Dwelling Unit.

(18) “HUD FMR Rent” shall mean the fair market rent published by the U.S. Department of Housing and Urban Development for the applicable year for Contra Costa County.

(19) “Initial Allowable Annual Rent Increase” shall mean sixty percent (60%) of the CPI increase for the twelve-month period from April 2022 to April 2023, which equals 2.52%.

(20) "Landlord" or “Owner” shall mean any person, acting as principal or through an agent, having the right to offer a Dwelling Unit for rent, and includes a sublessor, except that this term does not include the Owner or operator of a mobile home park or his or her agent, but does include the Owner of a mobile home if the mobile home is offered for rent.

(21) "Landlord's Family Member" shall mean a Landlord's parent, child, spouse or registered domestic partner, grandparent, grandchild.

(22) “Lawful Rent” shall mean the Base Rent for a Covered Rental Unit as such Base Rent may be increased by any Annual Allowable Rent Increase and any Fair Return Rent Increase permitted by this Chapter. Lawful Rent expressly excludes any Unlawful Rent.

(23) “Lawful Rent Increase” shall mean the Annual Allowable Rent Increase together with any Fair Return Rent Increase permitted for the Covered Rental Unit as specified in this Chapter. Lawful Rent Increase expressly excludes any Unlawful Rent increase.

(24) “Lower-Income Tenant” shall mean a person and family whose income does not exceed the qualifying limits for lower income families as established and amended from time to
time pursuant to Section 8 of the United States Housing Act of 1937, or as otherwise defined in California Health and Safety Code Section 50079.5.

(25) “Moving Stipend” is defined in Section 19.40.080(a)(2)d.

(26) “Property” shall mean the real property on which the Dwelling Unit or Units are located. For purposes of the Ellis Act evictions only, “Property” shall mean the parcel on which the Accommodations are located.

(27) “Protected Tenant” shall mean any Lower-Income Tenant, Disabled Tenant, Senior Tenant, Terminally Ill Tenant, and any Tenant whose household contains School-Aged Children.

(28) “Rent” shall mean all payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord under a Rental Agreement concerning the use or occupancy of a Dwelling Unit and premises and attendant Housing Services, including all payment and consideration demanded or paid for parking, utility charges, pets, furniture, and other benefits, privilege or facility connected with the use or occupancy of the Dwelling Unit.

(29) “Rental Agreement” shall mean an oral or written lease, sublease, or similar agreement between a Landlord and a Tenant for the lawful occupancy of a Dwelling Unit.

(30) “School-Aged Child” or “School-Aged Children” shall mean any dependent child under the age of eighteen (18) living in the Tenant’s Covered Rental Unit and who attends a Mount Diablo Unified School District public school.

(31) “School Year” shall mean the first day of instruction for the fall semester through the last day of instruction for the Spring semester, as posted on the Mount Diablo Unified School District website.

(32) “Senior Tenant” shall mean a Tenant who is at least sixty-two (62) years of age or older as defined in Government Code Section 7060.4.

(33) “State” shall mean the State of California.

(34) “Substantial Remodel” or “Substantially Remodel” shall mean either of the following that cannot be reasonably accomplished in a safe manner that allows the Tenant to remain living in the Covered Rental Unit and that requires the Tenant to vacate the Covered Rental Unit for at least thirty (30) consecutive days: (i) the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency; or (ii) the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, State, and local laws. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the Covered Rental Unit vacated, do not qualify as substantial remodel.

(35) “Tenancy” shall mean the lawful occupation of a Dwelling Unit and includes a lease or a sublease.

(36) “Tenant” shall mean a tenant, subtenant, lessee, sublessee, or any other person entitled under the terms of a Rental Agreement to the use or occupancy of any Dwelling Unit.

(37) “Terminally Ill Tenant” shall mean a Tenant who has a terminal disease as defined in California’s End of Life Option Act as any “incurable and irreversible disease that has be...
medically confirmed and will, within reasonable medical judgment, result in death within six months” pursuant to Health and Safety Code Section 443.1 and which is verified in writing by the Tenant’s medical care provider.

(38) “Unlawful Rent” shall mean any Rent charged by a Landlord to or paid by a Tenant for a Covered Rental Unit which exceeds the Tenant’s Base Rent together with any Lawful Rent Increase.

d) Citation. This Chapter may be referred to as the “Residential Tenant Protection Program” of the City. The words “this Chapter” and “this Ordinance” are used interchangeably herein.

19.40.020 General Applicability of Chapter; Exemptions.

This Chapter shall apply to all Landlords and Tenants in Dwelling Units within the jurisdictional limits of the City, unless otherwise exempted by State law or the provisions of this Chapter.

(a) Fully Exempt (Exempt from Both Rent Stabilization and Just Cause for Eviction). The following Dwelling Units are exempt from all provisions of this Chapter:

(1) Units in Hotels as defined in Code Section 18.20.010 which, for convenience, reads as follows:

“Hotel” or “motel” means a facility that provides guest rooms or suites, with or without kitchen facilities, rented to the public for transient lodging. These facilities typically include a variety of services in addition to lodging, such as restaurants, meeting facilities, spas or other personal services, and accessory guest facilities including swimming pools, sport courts, exercise facilities, and accessory retail sales. This classification does not include rooming houses, boardinghouses, or private residential clubs (see “Group housing” under “Residential Facility,” and “Bed and breakfast inn”)

For purposes of this Chapter only, “Hotel” or “motel” does not include short-term rentals arrangements in which a Dwelling Unit is hired or occupied by reason of concession, permit, right of access, license, or other agreement for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days.

(2) Institutional Facilities. Housing accommodations in a hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.

(3) Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12 inclusive, school.

(4) Government Owned. Housing accommodations which are owned by a public agency or authority, or which are specifically exempted under State or federal law or administrative regulation.

(5) Dwelling Units in which the Tenant shares bathroom or kitchen facilities with the Owner who maintains their principal residence at the Property.

(6) Emergency shelters, and homeless shelters as defined in Code Section 18.200.070.

(7) Residential facility/ies, as defined in Code Section 18.20.020.
(8) Accessory Dwelling Units.

(9) A property containing two separate dwelling units within a single structure in which the owner occupied one of the units as the owner’s principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.

(b) Partially Exempt (Exempt from Rent Stabilization but subject to Just Cause for Eviction). The following Dwelling Units are exempt from all Rent Stabilization provisions of this Chapter:

1. Dwelling Units that are expressly exempt under State or federal law. This includes any Dwelling Unit that has a certificate of occupancy or equivalent permit for residential occupancy issued after February 1, 1995. For this purpose, a certificate of occupancy is the certificate issued before the Property is used for any residential purposes.

2. Any Dwelling Unit that is alienable separate (i.e., separately transferrable) from the title to any other Dwelling Unit, or is a subdivided interest in a subdivision, as specified in California Business and Professions Code Section 11004.5(b), (d), or (f), including without limitation single family residences and condominiums, but excluding mobile homes offered for rent.

3. Dwelling Units that are either restricted by the City or other governmental agency as affordable housing for persons or families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code to the extent that such Dwelling Units are subject to rent increase restrictions equal to or less than five percent (5%) annually and enforceable by the City or other governmental agency pursuant to a deed, regulatory restriction contained in an agreement, or other recorded document.

19.40.030 Rent Stabilization.

(a) Subject to Section 19.40.020, no Landlord shall charge Rent in an amount that exceeds the Base Rent plus any Lawful Rent Increases permitted by this Chapter.

19.40.040 Permitted Rent Increases for Covered Rental Units.

(a) A Landlord may, but shall not be obligated to, impose the Initial Allowable Annual Rent Increase or any other an annual Rent increase for any Covered Rental Unit, as allowed in this Section 19.40.040 after providing prior written notice to the Tenant of the Rent increase pursuant to California Civil Code Section 827, as may be amended.

(b) Notwithstanding the foregoing, a Landlord shall be prohibited from imposing an Allowable Annual Rent Increase, unless the Covered Rental Unit is registered with the City pursuant to Section 19.40.060, and the Landlord is not delinquent in registry fees, accrued interest, fines, and penalties pursuant to former Section 19.40.110 (Rent Registry) and/or Section 19.40.060, as applicable.

(c) Allowable Annual Rent Increases. This Chapter shall limit annual Rent increases on Covered Rental Units to no more than sixty percent (60%) of the percentage increase in CPI published and reported for the twelve-month period ending as of April of the immediately-preceding year, provided however in no event shall the Allowable Annual Rent Increase exceed three percent (3%). In the event that the percentage change in the CPI is negative, the Allowable Annual Rent Increase shall be zero percent (0%) The Allowable Annual Rent Increase shall be
rounded to the nearest one-quarter of a percent (0.25%). Nothing in this subsection is intended to alter the requirement that a Landlord provide a Tenant with valid, written notice of any Rent increase as required by Civil Code Section 827.

(d) Only one Allowable Annual Rent Increase and one Fair Return Rent Increase (if and to the extent approved by the Hearing Officer) may be imposed on a Covered Dwelling Unit in any twelve (12) month period, unless otherwise permitted by this Chapter.

(e) Rent Increase Following Vacancy (Vacancy Decontrol). When a Tenant has voluntarily vacated, abandoned, or been legally evicted from a Covered Rental Unit, the Landlord may set the initial Rent for the next Tenant, without restriction, at the commencement of the new Tenancy.

(f) Allowable Annual Rent Increase Banking Prohibited. A Landlord who seeks to raise Lawful Rent by the Allowable Annual Rent Increase must do so within the twelve-month period between August 1 of the current year and July 31 of the following year. A Landlord who does not impose an Allowable Annual Rent Increase or any portion thereof in the applicable twelve month period automatically waives that Allowable Annual Rent Increase or the remaining portion of that Allowable Annual Rent Increase for the remainder of the Tenancy.

19.40.050 Rent Adjustment Petitions.

(a) Fair Return Petitions. Landlords who believe they are not receiving a fair return on their Property may submit a Fair Return Petition to the City to request an increase in Rent beyond that which is permitted under Section 19.40.040.

(1) Nothing in this Section 19.40.050 shall be interpreted to authorize any Lawful Rent Increase in any twelve month period for a Covered Rental Unit in excess of the amount authorized pursuant to California Civil Code Section 1947.12, as may be amended. If a Hearing Officer awards a Landlord a Fair Return Rent Increase in excess of the maximum allowable Rent increase pursuant to Civil Code Section 1947.12, the Landlord may carry forward any portion of the Fair Return Rent Increase that could not be taken to a subsequent year until the full Fair Return Rent Increase is imposed.

(2) No Fair Return Petition shall be deemed submitted or accepted until the Landlord has registered the Property and paid all current and past-due registration fees for the Property pursuant to former Section 19.40.110 (Rent Registry) and/or current Section 19.40.060, as applicable.

(3) No Fair Return Rent Increases shall become effective until all of the following have occurred:

a. The Landlord has provided written notice of the Fair Return Rent Increase for the Covered Rental Unit in accordance with California Civil Code Section 827, as may be amended;

b. After a hearing is held, the Hearing Officer, in a written decision, grants the Fair Return Rent Increase; and

c. All amounts due and payable to the City in connection with the Fair Return Petition and hearing have been paid in full.

(4) Standard for Approving a Fair Return Petition.
a. Fair Return. The Landlord has the right to obtain a net operating income equal to the Base Year net operating income adjusted by the percentage increase in the CPI since the Base Year. It shall be presumed that this standard provides a fair return. The current year CPI shall be the annual CPI for the calendar year preceding the calendar year the Fair Return Petition is filed. The Hearing Officer shall make a determination whether the Landlord will receive a fair return under this standard. In evaluating whether or not the Landlord is receiving a fair return on their investment, the Hearing Officer may consider other relevant factors without limitation.

b. Base Year Net Operating Income. The Base Year and current year net operating income shall be determined by subtracting the actual operating expenses for the Base Year from the gross income realized during the Base Year. The Landlord shall provide evidence of gross income, operating expenses, and the determination of net operating income for the Base Year and current year. All figures shall be certified by the Landlord under penalty of perjury as true and correct and with respect to expenses and income used to determine gross income, as permitted pursuant to Section 19.40.050(a).

c. Rebuttal Of Base Year Net Operating Income Presumption. Any party to the hearing may present evidence to rebut the presumption of fair return based upon the Base Year net operating income, and the Hearing Officer may adjust said net operating income accordingly if at least one of the following findings is made:

(i) The Landlord’s operating expenses in the Base Year were unusually high or low in comparison to other years. In such instances, adjustment may be made in calculating operating expenses so the Base Year operating expenses reflect average expenses for the Property over a reasonable period of time. The Hearing Officer shall consider the following factors in making this finding:

(a) Extraordinary amounts were expended for necessary maintenance and repairs;

(b) Maintenance and repair was below accepted standards so as to cause significant deterioration in the quality of services provided;

(c) Other expenses were unreasonably high or low in comparison to prudent business practices;

(d) Costs of debt service paid during the Base Year, where the proceeds of the debt were used for capital improvements or rehabilitation in the Property.

(ii) The gross income during the Base Year was disproportionate. In such instances, adjustments may be made in calculating gross income consistent with the purposes of this section. The Hearing Officer shall consider the following factors in making this finding:

(a) The gross income during the Base Year was lower than it might have been because some Tenants were charged reduced Rent;

(b) The gross income during the Base Year was significantly lower than normal because of the destruction of the premises and
temporary eviction or vacancies for a Substantial Remodel, construction, or repairs.

(iii) The Rent charged by the Landlord in the Base Year were significantly below the HUD FMR Rent for the most similar unit type.

d. Determination Of Current Net Operating Income. The net operating income as of the date of filing a Fair Return Petition shall be determined by:

(i) Annualizing the Rent in effect as of the date of filing to determine the annualized gross income;

(ii) Determining the operating expenses during the immediately preceding calendar year;

(iii) Subtracting the operating expenses determined pursuant to Subsection (ii) from the annualized gross income.

e. Calculation Of Gross Income.

(i) For the purposes of determining the net operating income, gross income shall be the sum of the following:

(a) Gross Rent calculated as gross rental income at one hundred percent (100%) occupancy, adjusted for uncollected Rent as provided in Section 19.40.050(a)(4)e.(ii);

(b) Income from any laundry facilities and parking fees;

(c) All other income or consideration received or receivable in connection with the use or occupancy of the Covered Rental Unit.

(ii) Gross Rent shall be adjusted for uncollected Rent due to vacancy and bad debts to the extent such are beyond the control of the Landlord. No such adjustment shall be greater than three percent (3%) of gross Rent unless justification for a higher rate is demonstrated by the Landlord.

f. Calculation Of Operating Expenses.

(i) For the purposes of determining net operating income, operating expenses shall include the following:

(a) Reasonable costs of operation and maintenance.

(b) Utility costs to the extent they are not paid by the Tenants.

(c) Landlord-performed labor compensated at reasonable hourly rates. No Landlord-performed labor shall be included as an operating expense unless the Landlord submits documentation showing the date, time and nature of the work performed. There shall be a maximum allowed under this provision of five percent.
(5%) of gross income unless the Landlord shows greater services were performed for the benefit of the Tenants.

(d) Real property taxes and assessments.

(ii) Operating expenses shall not include the following:

(a) Mortgage principal or interest payments or other debt service costs or lease payments;

(b) Any penalties, fees or interest assessed or awarded for violation of any provision of this Chapter or of any other provision of law;

(c) Legal fees except as specified in Section 19.40.050(a)(4)f.(iii);

(d) Political contributions;

(e) Any expenses for which the Landlord has been or will be reimbursed by any discount, security deposit, insurance payment or settlement, judgment for damages, settlement or any other method or device;

(f) Avoidable and unnecessary expense increases since the Base Year;

(g) Depreciation;

(h) Expenses which are excessive in relation to the customary and reasonable costs of such items;

(i) The costs of capital improvements associated with the purchase and/or installation of separate meters or service unless the Landlord can demonstrate that such improvements benefit the Tenants;

(iii) Legal expenses allowed in the calculation of operating expenses shall include: attorneys’ fees and costs incurred in connection with successful good-faith attempts to recover Rent owing, successful good-faith unlawful detainer actions not in derogation of applicable law, and legal expenses necessarily incurred in dealings with respect to the normal operation of the Property to the extent such expenses are not recovered from adverse or other parties. Attorneys’ fees incurred in relation to the administrative or judicial proceedings in connection with Section 19.40.050(a) are not allowable as operating expenses.

g. Determination of Fair Return Rent Increase.

(i) The Hearing Officer shall set the Fair Return Rent Increase in the amount required to provide the Landlord with a fair return.

(ii) In determining the Fair Return Rent Increase required to provide the Landlord with a fair return, the following shall be determined:
(a) The fair return in accordance with Section 19.40.050.a.(4)(a);

(b) The gross income required to produce the fair return;

(c) The rent increase needed to produce the required gross income.

(5) Notices Upon Submitting Petition.

a. Within five (5) calendar days after submission of a Landlord's Fair Return Petition to the City, the Landlord shall serve each affected Tenant with a notice of the Fair Return Petition via personal service or certified mail.

b. Within ten (10) calendar days after service on each affected Tenant, the Landlord shall file with the City a proof of service, signed under penalty of perjury, stating that a copy of the petition was served upon each affected Tenant.

(b) Tenant Petitions. If a Landlord demands or retains Unlawful Rent for a Covered Rental Unit, a Tenant may file a petition to adjust the Rent to its lawful level.

(1) Unlawful Rent. If a Tenant believes that the Landlord is demanding Unlawful Rent for a Covered Rental Unit, then the Tenant may submit a Tenant petition to the City.

(2) Decrease in Housing Services. A decrease in Housing Services of a Covered Rental Unit, without a corresponding reduction in Rent, is considered an increase in Rent. Before filing a petition with the City, a Tenant shall provide the Landlord all of the following (copies of which must be submitted with the Tenant petition):

a. Prior written notice identifying the decrease in Housing Services of a Covered Rental Unit; and

b. A reasonable opportunity to correct the issue(s).

(3) Notices Upon Submitting Petition.

a. Within five (5) calendar days after submission of a Tenant petition for rent adjustment to the City, the Tenant shall serve the Landlord with said petition via personal service or certified mail.

b. Within ten (10) calendar days after service on the Landlord, the Tenant shall file with the City a proof of service, signed under penalty of perjury, stating that a copy of the petition was served on the Landlord.

(c) Petition Forms. Fair Return and Tenant petitions must be filed on petition forms prescribed by the City and accompanied by such supporting material as the City may require. Each petition shall be made under penalty of perjury.

(d) Petition Fees.

(1) Fair Return Petitions.

a. Landlords filing a Fair Return Petition shall be responsible for all City costs associated with such petition, including, but not limited to the cost of?
Hearing Officers, any costs associated with experts, inspection fees, and any other costs. The City shall provide the Landlord with an estimate of the costs at least 45 calendar days prior to the first date set for the hearing. The Landlord shall deposit with the City the full estimated cost of the hearing at least 30 calendar days prior to the first date set for the hearing. If the deposit is not timely received by the City, the hearing will be postponed, and the hearing shall not be rescheduled until such time as the deposit is received. City shall have the right to deduct costs incurred from the deposit. Upon the completion of the hearing, the City shall prepare a final invoice of hearing costs.

b. To the extent that the final invoice amount exceeds the amount deposited by the Landlord, the Landlord shall pay the difference to the City within 10 days of receipt of the final invoice. To the extent the final invoice amount is less than the amount deposited by the Landlord, the City shall issue a refund to the Landlord for the difference.

c. The City will not issue the Hearing Officer’s final decision until the City has received full payment of the final invoice, and no Fair Return Rent Increase, if approved, may be imposed until full payment is received by the City.

(2) Tenant Petitions. There shall not be any fee charged for Tenants filing a petition for a downward adjustment of Rent.

(e) Hearing Process.

(1) Upon receipt of a Fair Return or Tenant petition and the proof(s) of service that the petition has been served as provided above, the City shall appoint a Hearing Officer to conduct a hearing on the petition and to render a final decision on the merits of the petition, subject to this Chapter and any procedures, regulations, and guidelines promulgated by the City Manager.

(2) Each party to a petition shall receive sufficient advance notice of the time, date, and place of any hearing regarding the petition.

(3) The Hearing Officer may require either party to a petition to provide any books, records, and papers deemed pertinent.

(4) If the Hearing Officer finds good cause to believe that a building or other inspection would assist in resolving the issues raised in the petition, the Hearing Officer may conduct an inspection and/or request that the City conduct an inspection. Any party submitting a petition shall be required to cooperate with the City to grant and/or secure permission to conduct such inspection, within the constraints of applicable law; failure to do so shall be considered an automatic and voluntary withdrawal of that party’s petition upon written notice by the City thereof. The parties to the petition may be present during the inspection.

(5) All hearings conducted pursuant to this Chapter shall be open to the parties and their designated representatives, but shall not be open to the public.

(f) Assistance or Representation Authorized. All parties to a petition may seek assistance from attorneys, recognized tenant organization representatives, or any other person designated by said parties.
Consolidation. All Fair Return Petitions pertaining to Tenants in the same Property shall be consolidated for determination. Tenant petitions for Rent adjustment from Tenants residing in the same Property may be consolidated at the election of the City, in its sole discretion.

Quantum of Proof and Notice of Decision. No petition shall be granted unless supported by the preponderance of the evidence submitted prior to and at the hearing. All parties to the petition shall be sent notice of the decision.

Finality of Decision. The decision of the Hearing Officer shall be the final decision and shall not be appealable to the City Council. Any party disputing the final conclusions and findings of the Hearing Officer may seek review pursuant to Code of Civil Procedure Sections 1094.5 and 1094.6.

Time of Hearing and Decision. The City shall not be required to accept petitions until September 1, 2024. The City shall endeavor, but shall not be required, to schedule a hearing on a petition within ninety (90) days after submittal to the City of the petition and the proof(s) of service. A final decision on a petition shall be made within a reasonable time after the conclusion of the hearing.

19.40.060 Annual Rental Registration.

(a) Registration of Covered Rental Unit. On or before July 1 of each year, a Landlord shall register any Covered Rental Unit through the City’s designated rent registry portal, shall provide all required information, shall pay the required rent registry fees, and shall annually submit reports. To the extent that a Landlord has previously complied with the requirements of former Section 19.40.110 (Rent Registry), the Landlord shall on or before July 1, 2024, update the registration previously completed pursuant to former Section 19.40.110 to comply with the requirements of this Chapter.

(b) Rent Registry Fees. A Landlord shall pay the required rent registry fees as set forth in the City Council adopted Resolution Establishing Fees and Charges for Various Municipal Services. The fees will be used to finance the cost of the rent registry and implementation and enforcement of this Chapter including, but not limited to, administrative time and costs, legal fees and costs, and any other expense incurred to implement, administer, or enforce this Chapter.

(c) Late Fees, Penalty For Late Payment; Penalty For Incomplete Or False Information. Should a Landlord fail to pay all or a portion of the rent registry fees, or provide incomplete or false information, the City may recover the outstanding amounts, plus accrued interest, fines, and penalties, utilizing any remedies provided by law or in equity, including municipal tax lien procedures established by ordinance or State law. Such sums shall be calculated as set forth in the Resolution Establishing Fees and Charges for Various Municipal Services and applicable law, may be applied on a per-unit basis, and may be subject to adjustment by the City Attorney or Hearing Officer.

(d) Past Due Amounts. To the extent that a Landlord owes rental registry fees, accrued interest, fines, or penalties incurred prior to the effective date of this Ordinance, such amounts shall continue to be owed and continue to accrue. See also Sections 19.40.040(b) and 19.40.050(a)(2).
19.40.070  Just Cause for Eviction.

(a) This Section 19.40.070 shall apply to all Landlords and Tenants in Dwelling Units within the jurisdictional limits of the City, unless otherwise exempted by State law or the provisions of this Chapter.

(b) When terminating a Tenancy For Cause or No-Fault, a Landlord must comply with all of the following:

1. The Landlord must serve a written notice, to the Tenant that, in addition to any information required by federal or State law, the Landlord will terminate the Tenant's Tenancy because of at least one For Cause or No-Fault reason and state the ground(s) for such termination as described in Section 19.40.070(c) and/or (d);

2. The Landlord has not accepted and will not accept Rent or any other consideration in return for the continued use of the Covered Rental Unit beyond the term of the terminated Tenancy; and

3. The Landlord qualifies the termination as For Cause or No-Fault, as specified in this Section 19.40.070.

(c) For Cause Termination of Tenancy. If a Landlord can show any of the following circumstances with respect to a termination of Tenancy in a Covered Rental Unit, the termination qualifies as a For Cause Termination:

1. Default in the payment of Rent.

2. A breach in the material term of the Rental Agreement, as described in paragraph (3) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the Rental Agreement after being issued a written notice to correct the violation.

3. Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

4. Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

5. The Tenant had a written Rental Agreement, and after a written request or demand from the Landlord, the Tenant has refused to execute a written extension or renewal of the Rental Agreement for an additional term of similar duration with similar provisions, provided that those terms do not violate this Chapter or any other provision of law.

6. Criminal activity by the Tenant in the Covered Rental Unit or on the Property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the Penal Code, or criminal activity by the Tenant on or off the Property that is directed at other Tenants or the Landlord.

7. Assigning or subletting the Covered Rental Unit in violation of the Rental Agreement, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

8. The Tenant’s refusal to allow the Landlord to enter the Covered Rental Unit as authorized by Sections 1101.5 and 1954 of the Civil Code, and Sections 13113.7 and 17926.1 of the Health and Safety Code.
(9) Using the Covered Rental Unit or any portion of the Property for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(10) The employee, agent, or licensee’s failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.

(11) When the Tenant fails to deliver possession of the Covered Rental Unit after providing the Landlord written notice as provided in Section 1946 of the Civil Code of the Tenant’s intention to terminate the hiring of the Covered Rental Unit, or makes a written offer to surrender the Covered Rental Unit that is accepted in writing by the Landlord, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.

(d) No-Fault Termination of Tenancy. If a Landlord can show any of the following circumstances with respect to a termination of Tenancy in a Covered Rental Unit, the termination qualifies as a No-Fault termination. See Section 19.40.070(e) for Right of Return provisions. See Section 19.40.080 for Rental Assistance and Moving Stipend provisions.

(1) Owner Move Ins. Intent to occupy the Covered Rental Unit by the Landlord or the Landlord’s Family Member.

a. A Landlord may not terminate a Tenancy based on intent to occupy the Covered Rental Unit by the Landlord or the Landlord’s Family Member if the intended occupant already occupies a Dwelling Unit on the Property or if a vacancy of a similar Dwelling Unit already exists at the Property.

b. The written notice terminating a Tenancy pursuant to this subparagraph shall contain the name or names and relationship to the Landlord of the intended occupant. The written notice shall additionally include notification that the Tenant may request proof that the intended occupant is a Landlord or the Landlord’s Family Member. The proof shall be provided upon request and may include an operating agreement and other non-public documents.

c. This subparagraph (1) only applies if the intended occupant moves into the Covered Rental Unit within ninety (90) days after the Tenant vacates and occupies the Covered Rental Unit as a primary residence for at least __________(__) consecutive months.

d. A Landlord shall only be allowed to terminate a Tenancy pursuant to this Subsection 19.40.070(d)(1) if the Landlord meets one of the following:

(i) is a natural person that has at least __ percent recorded ownership interest in the Property;

(ii) is a natural person who has any recorded ownership interest in the Property if one hundred percent (100%) of the recorded ownership interest is divided among owners who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild; or

(iii) is a natural person whose recorded interest in the Property is owned through a limited liability company or partnership.

e. Owner Move-In Protections for Senior, Disabled, and Terminally Ill Tenants. A Landlord may not evict a Tenant in order to occupy the Covered Rental Unit.
f. As used in this Subsection 19.40.070(d)(1):

(i) “Natural person” includes any of the following:
   (a) a natural person who is a settlor or beneficiary of a family trust; or
   (b) if the Property is owned by a limited liability company or partnership, a natural person with a __-percent ownership interest in the Property.

(ii) “Family trust” shall mean a revocable living trust or irrevocable trust in which the settlors and beneficiaries of the trust are persons who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.

(2) Ellis Act Evictions. Withdrawal of all Accommodations at the Property from the rental market is subject to the following conditions and requirements pursuant to the Ellis Act:

a. Landlord complies with all provisions of the Ellis Act, unless otherwise indicated in Section 19.40.070(d)(2).

b. Not less than one hundred twenty (120) days from the date the Landlord intends to withdraw the Accommodations, and after completion of all required proceedings, if any, the Landlord shall provide written notice of termination of Tenancy to all affected Tenants.

c. Landlord's notice to all affected Tenants shall contain the following information:

   (i) That the Landlord is evicting the Tenant pursuant to this Section 19.40.070(d)(2);

   (ii) That within thirty (30) days of receipt of notice to terminate, the Tenant may notify the Landlord in writing that the Tenant would be interested in re-renting the Covered Rental Unit if any of the Covered Rental Units are re-offered for rent at a future time and advising the Tenant to notify the Landlord of future address changes;

   (iii) A general description of the Tenant's rights to relocation assistance and any other rights set forth in this Chapter and the Ellis Act (relocation assistance and any additional special assistance shall be paid in accordance with Section 19.40.080);

   (iv) Any other information required pursuant to Civil Code Sections 7060.4 and
(v) A self-addressed stamped postcard on which the Tenant may indicate, under penalty of perjury, whether they or another Tenant in the Covered Dwelling Unit are a Disabled Tenant or Senior Tenant.

d. A Senior Tenant or a Disabled Tenant who has resided in the Covered Rental Unit for at least one (1) year prior to the Landlord's notice of intent to withdraw the Covered Rental Unit in a Property from the residential rental market, and after receiving one hundred twenty (120) days written notice, may within sixty (60) days of receipt of the written notice of termination submit a written notice to the Landlord of Tenant’s status as a Senior or Disabled Tenant, in which event the notice of termination shall be extended to one year from the date of delivery of the notice pursuant to 19.40.070(d)(2)(c).

e. To the fullest extent permitted by law, the City adopts all tenant protections authorized by the state legislature in the following provisions of the Ellis Act: California Government Code Sections 7060.2, 7060.3, 7060.4, 7060.6, and this subdivision shall be interpreted to implement all available tenant protections in the aforementioned sections of the Government Code, as they exist as of the effective date of this Chapter. See also Section 19.40.070(e)(2) for Ellis Act right of return provisions. See Section 19.40.120(a)(3) for Ellis Act remedies, including exemplary damages.

f. Recordation of Notice:

(i) The City shall prepare a form notice consistent with Government Code Section 7060.3, and which shall specifically describe the Property where the Covered Rental Units are located, the dates applicable to the constraints and the name of the owner of record of the Property.

(ii) Any Landlord withdrawing a Property containing Covered Rental Units from the rental market shall complete such notice and shall serve such notice on the City concurrent with providing notice to the Tenants of the Landlord's intent to withdraw the Covered Rental Units from the residential rental market. The notice shall be executed by the fee owner(s) of the Property, and all such signatures shall be duly notarized.

(iii) City shall record the notice with the County Recorder. Such notice encumbers the Property for ten (10) years from the date the Accommodations are withdrawn from rent or lease.

(3) Government Orders. The Landlord is complying with any of the following:

a. An order issued by a government agency or court relating to habitability that necessitates vacating the Covered Rental Unit; or

b. An order issued by a government agency or court to vacate the Covered Rental Unit; or

c. A local ordinance that necessitates vacating the Covered Rental Unit.

(4) Intent to Demolish/Substantially Remodel. Intent to demolish or to Substantially Remodel the Covered Rental Unit.

a. For purposes of this subparagraph, a Tenant is not required to vacate the Covered Rental Unit on any days where a Tenant could continue living in the
b. In order to terminate a Tenancy based on intent to demolish or to Substantially Remodel the Covered Rental Unit pursuant to this subparagraph, a Landlord must provide the Tenant with written notice pursuant to Civil Code Section 1946.1 which notice shall be in no less than 12-point type, shall be in English and Spanish and include all of the following information:

(i) A statement informing the Tenant of the Landlord’s intent to demolish the Property or Substantially Remodel the Covered Rental Unit or Property.

(ii) The following statement: “If the substantial remodel of your unit or demolition of the property as described in this notice of termination is not commenced or completed, the Landlord must offer you the opportunity to re-rent your unit with a rental agreement containing the same terms as your most recent rental agreement with the Landlord at the rental rate that was in effect at the time you vacated. You must notify the Landlord within thirty (30) days of receipt of the offer to re-rent of your acceptance or rejection of the offer, and, if accepted, you must reoccupy the unit within thirty (30) days of notifying the Landlord of your acceptance of the offer.”

(iii) A description of the Substantial Remodel to be completed, the approximate expected duration of the Substantial Remodel, or if the Property is to be demolished, the expected date by which the Property will be demolished, together with one of the following:

(a) A copy of the permit or permits (or a written commitment from the applicable governmental agency that such permits are ready to be issued subject only to conditions requiring the Property or Covered Rental Unit to be vacant) required to undertake the Substantial Remodel or demolition; or

(b) If the notice is issued to abate hazardous materials and the remodel does not require any permit, a copy of the signed contract with the contractor hired by the Landlord to complete the Substantial Remodel, that reasonably details the work that will be undertaken to abate the hazardous materials.

(iv) A notification that the Tenant has the right to return to the Covered Rental Unit upon completion of the Substantial Remodel at the same Rent and the same lease terms subject to any Lawful Rent Increases.

(e) Tenant's Right of First Return to a Covered Rental Unit; Rent Upon Return.

(1) Owner Move In Right of Return. If the intended occupant fails to occupy the Covered Rental Unit within ninety (90) days after the Tenant vacates, or if the intended occupant fails to occupy the Covered Rental Unit as their primary residence for at least __________(____) consecutive months. If Tenant re-occupies such Covered Rental Unit, Landlord shall reimburse the Tenant for reasonable moving expenses incurred. Such payment shall be in addition to any relocation assistance that was paid to the Tenant in connection with the termination notice. To the extent permitted by State law, for a new Tenancy commenced during the time periods described in this Section 19.40.070(e)(1), the Covered Rental Unit shall be offered and rented or
leased at the Lawful Rent in effect at the time any notice of termination of Tenancy is served, subject to any Lawful Rent Increases.

(2) Ellis Act Right of Return.

a. If within two (2) years after withdrawing a Covered Rental Unit from the rental market pursuant to Section 19.40.070(d)(2) a Landlord offers for Rent such Covered Rental Unit, in addition to any right of return that the Tenant may have pursuant to this Chapter, the Landlord shall be liable to the Tenant who was displaced from the Covered Rental Unit actual and exemplary damages provided the Tenant brings an action against the Landlord within three (3) years of the withdrawal of the Covered Rental Unit from the rental market.

b. Return Within Five (5) Years. A Tenant of a Covered Rental Unit whose Tenancy was terminated in accordance with Section 19.40.070(d)(2) is entitled to receive notice of the first right to return to the same Covered Rental Unit at the Rent previously charged for the Covered Rental Unit, subject to any Lawful Rent Increases, and subject to the Rental Agreement terms in effect at the time the Tenant vacated. A Tenant may return to the Covered Rental Unit if:

   (i) The Tenant has provided the Landlord a current mailing address and/or email address and keeps those addresses updated, at which to receive notice from Landlord that Covered Rental Unit is available; and

   (ii) The Landlord returns the Covered Rental Unit to the residential rental market within five (5) years after the effective date of withdrawal of a Property containing the Covered Rental Unit from the residential rental market.

c. Return Within Ten (10) Years. A Landlord of a Property containing a Covered Rental Unit that was withdrawn from the residential rental market within the previous ten (10) years must provide one hundred twenty (120) days written notice to the previous Tenants of the Landlord's intent to return the Covered Rental Unit to the residential rental market.

d. Any Tenant displaced from a Covered Rental Unit in connection with the withdrawal of a Property containing a Covered Rental Unit from the residential rental market may request the first right of return from the Landlord within thirty (30) days of receipt of a Landlord's written notice of intent to return the Covered Rental Unit to the residential rental market.

(3) Government Order Right of Return. The Landlord must give advance notice to the Tenant of the Tenant’s right to reoccupy the Covered Rental Unit if the and when the Covered Rental Unit is found to be in compliance with the order. The Tenant shall notify the Landlord, in writing, within thirty (30) days after the receipt of such notice of the Tenant’s interest to reoccupy the Covered Rental Unit and shall provide the Landlord with their contact information.

(4) Substantial Remodel Right of Return. Tenant shall have the right to return to the Covered Rental Unit upon completion of the Substantial Remodel. The Tenant shall notify the Landlord, in writing, within thirty (30) days after the receipt of such notice of the Tenant’s interest to reoccupy the Covered Rental Unit and shall provide the Landlord with their contact information.
Rent Upon Return. In each such instance, the Landlord shall offer and Tenant shall have the right return to the same Covered Rental Unit at the Rent previously charged for the Covered Rental Unit, subject to any Lawful Rent Increases, and subject to the Rental Agreement terms in effect at the time the Tenant vacated.

(f) School Year Evictions.

(1) It shall be a defense to a no-fault eviction if a School-Aged Child resides in the Covered Rental Unit, if the effective date of the notice of termination of Tenancy falls during the School Year.

(2) Within thirty (30) days of service of the notice of termination of Tenancy, the Tenant must submit a statement with supporting evidence to the Landlord if the Tenant claims to have a School-Aged Child residing in the Covered Dwelling Unit; this information is required in addition to Tenant’s return of the postcard referenced in Section 19.40.080(a)(1). The notice of termination of Tenancy shall contain a warning that a Tenant’s failure to submit such statement within thirty (30) days of receipt of the notice shall be deemed an admission that the Tenant is not protected from eviction pursuant to this Section 19.40.070(f).

(3) A Landlord may challenge a Tenant’s claim of protected status pursuant to this Section 19.40.070(f) through commencement of the eviction proceeding.

19.40.080 Relocation Assistance For No-Fault Termination Of Tenancy; Moving Stipend.

(a) Relocation Assistance for No-Fault Terminations.

(1) For a Tenancy for which just cause is required to terminate the Tenancy under Section 19.40.070, if a Landlord issues a termination notice for a no-fault reason the Landlord shall, regardless of the Tenant’s income, assist the Tenant to relocate by providing a direct payment to the Tenant as described in Subsection (a)(3), below, and (except to the extent prohibited by applicable law) the Landlord shall notify the Tenant in writing of the Tenant’s right to relocation assistance at the time the Landlord issues the notice of termination. Each termination notice shall be accompanied by a self-addressed stamped postcard (in a format approved by the City) on which the Tenant may indicate, under penalty of perjury, whether they or another Tenant in the Covered Dwelling Unit are a Protected Tenant and under which category (i.e., Lower-Income Tenant, Disabled Tenant, Senior Tenant, Terminally Ill Tenant, School-Aged Child/ren) they claim Protected Tenant status.

(2) Permanent Relocations. When relocation assistance is required by this Section 19.40.080(a)(2) to Tenants who are evicted pursuant to Section 19.40.070(d), the Landlord must make relocation assistance payments as follows:

a. Non-Protected Tenant Relocation Assistance. If the Tenancy is terminated pursuant to Section 19.40.070(d)(1)-(3) (i.e. Owner Move-Ins, Ellis Act Evictions, Governmental Orders), or pursuant to Section 19.040.070(d)(4) (i.e. Intent to Demolish/Substantially Remodel) with the intent to demolish the Covered Rental Unit, the Landlord shall pay to the Tenant relocation assistance in the amount of three times the HUD FMR Rent for the most similar unit type based on the number of bedrooms plus the Moving Stipend. Such payment shall be calculated on a per-Covered Dwelling Unit basis, without reference to the number of Tenants in the Covered Dwelling Unit.
b. Protected Tenant Relocation Assistance. If one of the Tenants living in the Covered Rental Unit from which the Tenants are displaced is a Protected Tenant, then all Tenants living in the Covered Rental Unit are collectively entitled to receive supplemental relocation assistance in the amount of one additional month of the applicable HUD FMR Rent. Such payment shall be calculated on a per-Covered Dwelling Unit basis, without reference to the number of Tenants and Protected Tenants in the Covered Dwelling Unit.

c. Payment Process. For permanent relocation assistance, the Landlord shall provide one-half of the relocation assistance owed to the Tenant within 15 calendar days of service of the notice of termination. The remaining relocation assistance shall be paid to the Tenant in cash no later than the date the Tenant vacates the Covered Rental Unit.

d. Moving Stipend. The Landlord shall pay to Tenant the amount of $3,000 (“Moving Stipend”), which shall be paid to the Tenant in cash no later than the date the Tenant vacates the Covered Rental Unit. Such payment shall be calculated on a per-Covered Dwelling Unit basis, without reference to the number of Tenants in the Covered Dwelling Unit.

e. Refund of Security Deposit. A Landlord must refund to the Tenant any security deposit paid by the Tenant. A Landlord may withhold any properly itemized deductions from the security deposit in accordance with California Civil Code Section 1950.5.

(3) Temporary Relocations. A Landlord must pay temporary relocation assistance to Tenants of a Covered Rental Unit who are temporarily displaced due to Substantial Remodel of Covered Rental Unit:

a. Thirty (30) Days or Fewer. A Landlord must provide the Tenant a per diem payment if the Tenant will be temporarily displaced for thirty (30) days or fewer. The Landlord shall pay to the Tenant the full amount of the per diem payment when the Tenant temporarily vacates the Covered Rental Unit.

b. Thirty-One (31) Days or More. A Landlord must provide the Tenant either a per diem payment or, at the Landlord’s election, comparable or superior temporary housing, if available.

c. Duration Extended. In the event the duration of the temporary relocation is longer than anticipated, the Landlord shall continue to pay to the Tenant the per diem relocation assistance payments on a weekly basis or continue to provide the Tenant with the comparable or superior temporary housing until the Tenant is able to return to the Covered Rental Unit.

d. Per-Diem Amount. The per diem payment amount shall be based on the Federal General Services Administration per diem rate for lodging and meals (M&IE total) in Concord, Contra Costa County, which is updated on a yearly basis. Per diem payments for meal shall be on a per Tenant basis. Per diem payments for lodging shall be on a per-Covered Dwelling Unit basis assuming a household size of four.

e. Rent Due. For temporary relocation assistance where the Landlord is providing comparable or superior temporary housing or making a per diem payment, the Tenant shall continue to pay the Lawful Rent to the Landlord for the Covered Rental Unit.
f. Refund of Security Deposit. A Landlord shall not be required refund to the Tenant any security deposit paid by the Tenant in connection with a temporary relocation.

g. The phrase “comparable or superior” when used in connection with a Dwelling Unit or temporary housing shall mean a Dwelling Unit or temporary housing that is similar in size or larger, has the same number of bedrooms or additional bedrooms, is located in the City, has similar amenities as the Covered Rental Unit, such as parking, laundry facilities or exercise facilities, allows pets if the displaced Tenant has a pet, and as to a Disabled Tenant, is disability accessible and ADA compliant. The Tenant, in the Tenant’s reasonable discretion may waive any of these factors in deciding whether the Dwelling Unit or temporary housing offered is comparable or superior.

(b) No Waiver. In the event the Tenant accepts an offer to temporarily or permanently move to an available comparable or superior vacant Dwelling Unit owned by the Landlord at the same Rent, the Tenant shall not be entitled to relocation assistance pursuant to Section 19.40.080 herein, but shall be eligible for the Moving Stipend. Except as expressly provided in this Subsection 19.40.080(b), a Tenant cannot waive their right to receive relocation assistance required by this Chapter.

(c) Coordination With Other Relocation Benefits. If a Tenant receives, as part of the termination of Tenancy, relocation assistance pursuant to the California Relocation Assistance Act (Government Code Sections 7260-7277), then the amount of that relocation assistance shall operate as a credit against any relocation assistance to be paid to the Tenant under this Section 19.40.070.

19.40.090 Requirement to Offer Written Lease; Minimum Lease Terms. Tenants shall have the right to written leases and minimum lease terms, as provided herein.

(a) One-Year Lease Term. If a prospective Tenant wishes to rent a Dwelling Unit from a Landlord and if said Landlord wishes to rent said Dwelling Unit to said prospective Tenant, the Landlord must offer to the prospective Tenant a written lease which has a minimum term of one year. Such offer must be made in writing. If the prospective Tenant accepts the offer of a written lease which has a minimum term of one year, this acceptance must be in writing. Signing a lease which has a minimum term of one year will be considered an offer if signed by the Landlord, and an acceptance if countersigned by the prospective Tenant. If the prospective Tenant rejects the offer for a written lease which has a minimum term of one year, such rejection must be in writing.

(b) Six-Month Lease Term. If the prospective Tenant rejects the offer for a written lease which has a minimum term of one year as provided in Section 19.40.090(a), but the prospective Tenant continues to wish to rent said Dwelling Unit from said Landlord, said Landlord must offer to said prospective Tenant a written lease which has a minimum term of six months. Such offer must be made in writing. If said prospective Tenant accepts the offer of a written lease which has a minimum term of six months, this acceptance must be in writing. Signing a lease which has a minimum term of six months will be considered an offer if signed by said Landlord, and an acceptance if countersigned by said prospective Tenant. If said prospective Tenant rejects the offer for a written lease which has a minimum term of six months, such rejection must be in writing.

(c) Shorter Term. If said prospective Tenant rejects the offer for a written lease which has a minimum term of six months as provided in Section 19.40.090(b), said Landlord and said
prospective Tenant may then enter into a written lease that provides for a term of fewer than six months.

(d) Renewal of Lease. If both the Landlord and Tenant wish to continue the Tenancy, upon the expiration of a Rental Agreement which has a minimum term of one year or six months, a written Rental Agreement shall be offered again in accordance with the procedures set forth in Sections 19.40.090(a)-(c). The Landlord shall have no obligation to re-offer a Tenant a one-year or six-month lease term if the Tenant has previously rejected such offers in accordance with the procedures set forth in Sections 19.40.090(a)-(c), and has a Rental Agreement with a term of fewer than six months.

(e) Existing Tenancies. Any Tenant renting a Dwelling Unit may request a written lease with a minimum term of either one year or six months, provided such Tenant has not previously received a written notice of Rental Agreement violation pursuant to Code of Civil Procedure Section 1161 and such violation remains uncured. The Tenant shall do so via written notice to the Landlord. The Landlord shall, upon receipt of such notice, offer to said Tenant a written Rental Agreement on terms substantially similar to those of the existing rental arrangement (except as to length of term) in accordance with the procedures set forth in this Section 19.40.090, as applicable.

19.40.100 Notice of Tenant Rights.

(a) A Landlord subject to this Chapter shall provide notice to the Tenant as follows:

(1) For any Tenancy commenced or renewed on or after the effective date of this Ordinance, as an addendum to the Rental Agreement, or as a written notice signed by the Tenant, with a copy provided to the Tenant.

(2) For any Tenancy existing prior to the effective date of this Ordinance, by written notice to the Tenant no later than 180 days after the effective date of the Ordinance adopting this Chapter, or as an addendum to the Rental Agreement.

(b) The notification and Rental Agreement provision shall be in no less than 12-point type, shall be in English and Spanish, and shall include the following:

Concord law limits the amount your rent can be increased. See Chapter 19.40 of the Concord Municipal Code for more information. Concord law also provides that a Landlord must provide a statement of cause in any notice to terminate a Tenancy. See Section 19.40.070 of the Concord Municipal Code for more information. In addition, City of Concord Municipal Code Sections 19.40.070(e) and 19.40.080 provide tenants evicted on a no-fault basis with the right to return to the Tenant’s original Covered Rental Unit if such Covered Rental Unit is returned to the market, and the right to relocation assistance and a moving stipend; see City of Concord Municipal Code Sections 19.40.070(e) and 19.40.080 for more information.

City of Concord Municipal Code Section 19.40.090 provides tenants with the right to written leases and minimum lease terms. Landlords must offer tenants the option to enter into a one (1) year written lease. If a tenant declines a one (1) year written lease, the landlord must offer that tenant the option to enter into a six (6) month written lease. It is the tenant’s choice whether or not to enter into such a written lease with a landlord. If tenant rejects the initial offers of a written lease with a minimum lease term of 12 or 6 months, the tenant and landlord may enter into a written lease with a term of fewer than 6 months. See City of Concord Municipal Code Section 19.40.090 for more information.
Manner. Landlords must provide the notice to Tenants in writing if the application and Rental Agreement are processed in writing, electronically if the application and/or Rental Agreement are processed electronically, or both if both methods are utilized. The provision of the notice shall be subject to Civil Code Section 1632.

19.40.110 Procedures and Guidelines.

The City Manager is hereby delegated the authority to promulgate procedures, regulations, and guidelines to aid in the implementation of this Chapter.

19.40.120 Remedies.

(a) Remedies and penalties.

(1) If a Landlord violates the terms of this Chapter, an aggrieved Tenant may institute a civil action for injunctive relief, actual, statutory, or direct money damages, and any other relief that the court deems appropriate, which shall include a civil penalty of no less than $2,000, and no more than $5,000, per violation, at the discretion of the court. If the aggrieved Tenant is a Senior Tenant or a Disabled Tenant, the court may award an additional civil penalty of up to $5,000 per violation, at the discretion of the court.

(2) Any person who violates, aids, abets, or incites another person to violate this Chapter is liable in a court action for each and every such offense for money damages of not less than three times actual damages suffered by an aggrieved Tenant (including damages for mental or emotional distress), or for minimum damages in the sum of $1,000, whichever is greater, and whatever other relief the court deems appropriate. In the case of an award of damages for mental or emotional distress, said award shall only be tripled if the trier of fact finds that the defendant Landlord acted in knowing violation of or in reckless disregard of this Chapter.

(3) If within two (2) years after withdrawing a Covered Rental Unit from the rental market pursuant to Section 19.40.070(d)(2) a Landlord offers for Rent such Covered Rental Unit, in addition to any right of return that the Tenant may have pursuant to this Chapter, the Landlord shall be liable to the Tenant who was displaced from the Covered Rental Unit actual and exemplary damages provided the Tenant brings an action against the Landlord within three (3) years of the withdrawal of the Covered Rental Unit from the rental market.

(b) The court may award punitive damages in a proper case as set out in Civil Code Section 3294 and pursuant to the standards set forth in that code section or any successor thereto, but may not award both punitive damages and triple damages.

(c) The court shall award reasonable attorneys’ fees and costs to a Tenant who prevails in any such action. The court shall award reasonable attorneys’ fees and costs to a Landlord who prevails in any such action if the court determines that the Tenant’s action was frivolous.

(d) The remedies available under this Section 19.40.120 shall be in addition to any other existing remedies which may be available to the residential tenant under applicable federal, State, county, or local law.

(e) Except in connection with a Fair Return Petition or a Tenant Petition, no administrative remedy need be exhausted prior to filing suit pursuant to this Chapter.

(f) Authorization of City Attorney to enforce the Ordinance. The City Attorney shall have the right and authority, but not the obligation, to enforce this Chapter, including bringing actions.
for injunctive relief, equitable relief, restitution, and/or penalties to ensure compliance with this
Chapter.

(g) To the extent permitted by law, any violation of this Chapter shall be a defense to an
unlawful detainer action.

19.40.130 Waiver Prohibited.

Any waiver of rights under this Chapter shall be void as contrary to public policy.

19.40.140 Severability.

If any section, subsection, sentence, clause or phrase of this Chapter is for any reason held by a
court of competent jurisdiction to be invalid, such decision shall not affect the validity of the
remaining portions of this Chapter. The City Council declares that it would have adopted this
Chapter and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact
that any one or more section, subsection, sentence, clause, or phrase be declared invalid.
Chapter 19.40  
Residential Tenant Protection Program

Sections
19.40.010  Binding Findings; Definitions; Citation.
19.40.020  General Applicability of Chapter; Exemptions.
19.40.030  Rent Stabilization.
19.40.040  Permitted Rent Increases for Covered Rental Units.
19.40.050  Rent Adjustment Petitions.
19.40.060  Annual Rental Registration.
19.40.070  Termination of Tenancy Just Cause for Eviction.
19.40.080  Relocation Assistance For No-Fault Termination Of Tenancy; Notice Of Curable Lease Violations Moving Stipend.
19.40.090  Requirement to Offer Written Lease, Minimum Lease Terms.
19.40.100  Notice of Tenant Rights.
19.40.110  Procedures and Guidelines.
19.40.120  Remedies.
19.40.130  Waiver Prohibited.
19.40.140  Severability.

19.40.010  Binding Findings; Definitions; Citation.

(a) Binding Findings. Pursuant to Civil Code Section 1946.2(g)(1)(B), the City Council hereby makes the following binding findings within this Chapter, that this Chapter is more protective than the provisions of Civil Code Section 1946.2 because:

(1) The just cause for termination of a residential Tenancy under this Chapter is consistent with and more protective than Civil Code Section 1946.2; and

(2) This Chapter provides additional tenant protections that are not prohibited by any other provision of law, because it provides for earlier and higher relocation assistance amounts than those available to Tenants covered by Civil Code Section 1946.2, requires certain minimum lease terms, limits the exemptions listed in Civil Code Section 1946.2 and in particular applies just cause for termination of a Tenancy to Dwelling Units regardless of when a certificate of occupancy is issued for the Dwelling Unit and protects Tenants upon commencement of the Tenancy; and

(3) As provided in Civil Code Section 1946.2(g)(2), a residential real property shall not be subject to both a local ordinance requiring just cause for termination of a residential Tenancy and Civil Code Section 1946.2. This Chapter intends to cover those Dwelling Units defined as Covered Rental Units and to the extent such Dwelling Units are covered by this Chapter, such Dwelling Units will not be subject to Civil Code Sections 1946.72 and 1947.12.

(b) The City Council finds that there presently exists a critical shortage of rental housing in the City. Due to this shortage, it is very difficult to find adequate, safe, and habitable rental housing at reasonable rents.

(1) Due to the shortage of rental units, rents in the City are increasing excessively. A substantial number of persons in the City who reside in rental units spend a high percentage of their income on rent, and many have been forced to move out because they could no longer afford to pay the increase in rent. Further, low- and moderate-income Tenants have difficulty finding affordable housing after being displaced due to a rent increase.
The purposes of this Chapter are to promote long-term stability and certainty for Tenants in the rental market while providing Landlords an ability to receive a fair return on their Property. This Chapter regulates Rents and terminations of Tenancy, including requiring relocation assistance and affording a Tenant the right to return under certain circumstances. It requires Landlords to register Covered Rental Units, establishes an administrative hearing process, and provides for procedures and guidelines for the implementation of this Chapter.

(c) Definitions. The following terms shall have the meaning provided below when used in this Chapter, whether plural or singular.

(1) "Accessory Dwelling Units" shall mean an accessory dwelling unit or a junior accessory dwelling unit as those terms are defined in Code Section 18.200.180, which has received a valid accessory dwelling unit or a junior accessory dwelling unit permit from the City or Contra Costa County.

(2) “Accommodations” shall be as defined in the Government Code Section 7060(b)(1), which, for convenience, reads as follows:

(1) “Accommodations” means either of the following:
(A) The residential rental units in any detached physical structure containing four or more residential rental units.
(B) With respect to a detached physical structure containing three or fewer residential rental units, the residential rental units in that structure and in any other structure located on the same parcel of land, including any detached physical structure specified in subparagraph (A).

(3) “Allowable Annual Rent Increase” shall mean the annual rent increase as set forth in Section 19.40.040.

(4) “Base Rent” shall mean for Tenancies as follows: For tenancies commenced on or before January 12, 2023, the Rent in effect on January 12, 2023, and for Tenancies plus the Initial Allowable Annual Rent Increase. For tenancies commenced after January 12, 2023, the Rent charged upon initial occupancy, provided plus the Initial Allowable Annual Rent Increase. For tenancies commenced after the effective date of this Chapter, the Rent charged upon initial occupancy. The foregoing amounts are subject to the assumption that such amounts are not in violation of this Chapter or any provision of State law. Nothing in this definition is intended to alter the requirement that a Landlord provide a Tenant with valid, written notice of any change in the terms of the Rental Agreement (including any Rent decrease or Rent increase) as required by Civil Code Section 827.

(5) “Base Year” shall mean the 2022 calendar year.

(6) "City Council" shall mean the City Council of the City of Concord.

(7) "City" shall mean the City of Concord.

(8) "Code" shall mean the Concord Municipal Code.

(9) "Covered Rental Unit" shall mean a Dwelling Unit located within the City not specifically exempted under Section 19.40.020(a) or 19.40.020(b).

(10) "CPI" shall mean Consumer Price Index for all urban consumers for the San Francisco-Oakland-Hayward, California area, or any successor designation of that index.
later be adopted by the U.S. Department of Labor for April of each year. Calculation of the CPI percentage will be determined by the City and set forth in its procedures and guidelines.

(10)(11) “Disabled” shall mean any mental or physical disability as defined in Government Code Section 12955.3. A “Disabled Tenant” is a Tenant who is disabled.

(11)(12) “Dwelling Unit” shall mean a dwelling unit, as defined under California Civil Code Section 1940(c), including joint living and work quarters, that is used or occupied in consideration of payment of Rent, and applies to any dwelling space that is actually used for residential purposes, whether or not the residential use is legally permitted, including live-work spaces, mobilehomes rented to a Tenant, and any Accessory Dwelling Unit in the City.


(13)(14) “Fair Return Petition” shall mean a petition filed by a Landlord seeking a Fair Return Rent Increase pursuant to Section 19.40.050.

(14)(15) “Fair Return Rent Increase” shall mean the amount by which RentBase Rent plus any Allowable Annual Rent Increase may be increased in accordance with an approved Fair Return petition submitted pursuant to Section 19.40.050.

(15)(16) “Hearing Officer” shall mean an official appointed by the City Attorney to conduct an administrative hearing pursuant to this Chapter.

(16)(17) "Housing Services" include, but are not limited to, repairs, maintenance, painting, providing light, heat, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, access to exterior doors, entry systems and gates, utilities (unless separately metered and billed to the Tenant by the utility company since the inception of the Tenancy, as provided in the Rental Agreement), refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants or tenants, the right to have pets, utility infrastructure, and any other benefit, privilege or facility connected with the use or occupancy of any Dwelling Unit.

(17)(18) “HUD FMR Rent” shall mean the fair market rent published by the U.S. Department of Housing and Urban Development for the applicable year for Contra Costa County.

(19) “Initial Allowable Annual Rent Increase” shall mean sixty percent (60%) of the CPI increase for the twelve-month period from April 2022 to April 2023, which equals 2.52%.

(18)(20) "Landlord" or “Owner” shall mean any person, acting as principal or through an agent, having the right to offer a Dwelling Unit for rent, and includes a predecessor in interest to the Landlord/sublessor, except that this term does not include the Owner or operator of a mobile home park or his or her agent, but does include the Owner of a mobile home if the mobile home is offered for rent.

(19)(21) "Landlord's Family Member" shall mean a Landlord's parent, child, spouse or registered domestic partner, grandparent, grandchild.

(20)(22) “Lawful Rent” shall mean the Base Rent for a Covered Rental Unit as such Base Rent may be increased by any Annual Allowable Rent Increase and any Fair Return Rent Increase permitted by this Chapter. Lawful Rent expressly excludes any Unlawful Rent.
“Lawful Rent Increase” shall mean the Annual Allowable Rent Increase together with any Fair Return Rent Increase permitted for the Covered Rental Unit as specified in this Chapter. Lawful Rent Increase expressly excludes any Unlawful Rent increase.

“Lower-Income Tenant” shall mean a person and family whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937, or as otherwise defined in California Health and Safety Code Section 50079.5.

“Property” shall mean the real property in which the Dwelling Unit or Units are located. For purposes of the Ellis Act evictions only, “Property” shall mean the parcel on which the Accommodations are located.

“Protected Tenant” shall mean any Lower-Income Tenant, Disabled Tenant, Senior Tenant, Terminally Ill Tenant, and any Tenant whose household contains School-Aged Children.

"Rent" shall mean all periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord under a Rental Agreement concerning the use or occupancy of a Dwelling Unit and premises and attendant Housing Services, including all payment and consideration demanded or paid for parking, utility charges, pets, furniture, and other benefits, privilege or facility connected with the use or occupancy of the Dwelling Unit.

"Rental Agreement" shall mean an oral or written lease, sublease, or similar agreement between a Landlord and a Tenant for the lawful occupancy of a Dwelling Unit.

“School-Aged Child” or “School-Aged Children” shall mean any dependent child under the age of eighteen (18) living in the Tenant’s Covered Rental Unit and who attends a Mount Diablo Unified School District public school.

“School Year” shall mean the first day of instruction for the fall semester through the last day of instruction for the Spring semester, as posted on the Mount Diablo Unified School District website.

“Senior Tenant” shall mean a Tenant who is at least sixty-two (62) years of age or older as defined in Government Code Section 7060.4.

"State" shall mean the State of California.

“Substantial Remodel” or “Substantially Remodel” shall mean either of the following that cannot be reasonably accomplished in a safe manner that allows the Tenant to remain living in the Covered Rental Unit and that requires the Tenant to vacate the Covered Rental Unit for at least thirty (30) consecutive days: (i) the replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency; or (ii) the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, State, and local laws. Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the Covered Rental Unit vacated, do not qualify as substantial remodel.
"Tenancy" shall mean the lawful occupation of a Dwelling Unit and includes a lease or a sublease.

"Tenant" shall mean a tenant, subtenant, lessee, sublessee, or any other person entitled under the terms of a Rental Agreement to the use or occupancy of any Dwelling Unit.

“Terminally Ill Tenant” shall mean a Tenant who has a terminal disease as defined in California’s End of Life Option Act as any “incurable and irreversible disease that has been medically confirmed and will, within reasonable medical judgment, result in death within six months” pursuant to Health and Safety Code Section 443.1 and which is verified in writing by the Tenant’s medical care provider.

“Unlawful Rent” shall mean any Rent charged by a Landlord to a Tenant for a Covered Rental Unit which exceeds the Tenant’s Base Rent together with any Lawful Rent Increase.

(d) Citation. This Chapter may be referred to as the “Residential Tenant Protection Program” of the City of Concord. The words “this Chapter” and “this Ordinance” are used interchangeably herein.

19.40.020 General Applicability of Chapter; Exemptions.

This Chapter shall apply to all Landlords and Tenants in Dwelling Units within the jurisdictional limits of the City, unless otherwise exempted by State law or the provisions of this Chapter.

(a) Fully Exempt (Exempt from Both Rent Stabilization and Just Cause for Eviction). The following Dwelling Units are exempt from all provisions of this Chapter:

(1) Units in Hotels as defined in Code Section 3.15.220 which are rented primarily to Transients as defined in Code Section 3.15.220.18.20.010 which, for convenience, reads as follows:

“Hotel” or “motel” means a facility that provides guest rooms or suites, with or without kitchen facilities, rented to the public for transient lodging. These facilities typically include a variety of services in addition to lodging, such as restaurants, meeting facilities, spas or other personal services, and accessory guest facilities including swimming pools, sport courts, exercise facilities, and accessory retail sales. This classification does not include rooming houses, boardinghouses, or private residential clubs (see “Group housing” under “Residential Facility,” and “Bed and breakfast inn”).

For purposes of this Chapter only, “Hotel” or “motel” does not include short-term rentals arrangements in which a Dwelling Unit is hired or occupied by reason of concession, permit, right of access, license, or other agreement for a period of 30 consecutive calendar days or less, counting portions of calendar days as full days.

(2) Institutional Facilities. Housing accommodations in a hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.
Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12 inclusive, school.

Government Owned. Housing accommodations which are owned by a public agency or authority, or which are specifically exempted under State or federal law or administrative regulation.

Dwelling Units in which the Tenant shares bathroom or kitchen facilities with the Owner who maintains their principal residence at the Property.

Emergency shelters, and homeless shelters as defined in Code Section 18.200.070.

Residential facility/ies, as defined in Code Section 18.20.020.

Other than Dwelling Units that are restricted via a regulatory agreement from the California Tax Credit Allocation Committee (i.e. low income housing tax credit financed Dwelling Units), Dwelling Units restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code.

Accessory Dwelling Units.

A property containing two separate dwelling units within a single structure in which the owner occupied one of the units as the owner’s principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.

b) Partially Exempt (Exempt from Rent Stabilization but subject to Just Cause for Eviction). The following Dwelling Units are exempt from all Rent Stabilization provisions of this Chapter:

1) Dwelling Units that are expressly exempt under State or federal law. This includes any Dwelling Unit that has a certificate of occupancy or equivalent permit for residential occupancy issued after February 1, 1995. For this purpose, a certificate of occupancy is the certificate issued before the Property is used for any residential purposes.

2) Any Dwelling Unit that is alienable separate (i.e., separately transferrable) from the title to any other Dwelling Unit, or is a subdivided interest in a subdivision, as specified in California Business and Professions Code Section 11004.5-(b), (d), or (f), including without limitation single family residences and condominiums, but excluding mobile homes offered for rent.

3) Dwelling Units that are either restricted by the City or other governmental agency as affordable housing for persons or families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code to the extent that such Dwelling Units are subject to rent increase restrictions equal to or less than five percent (5%) annually and enforceable by the City or other governmental agency pursuant to a deed, regulatory restriction contained in an agreement, or other recorded document.
(a) Subject to Section 19.40.020, and effective as of January 12, 2023, no Landlord shall charge Rent in an amount that exceeds the Base Rent plus any Lawful Rent Increases implemented permitted by this Chapter.

(b) If a Landlord imposed a Rent increase on a Tenancy after January 12, 2023, the Landlord shall owe the Tenant a refund of such Rent increase paid by the Tenant, which refund shall be paid as follows:

(3) If the Landlord imposed a Rent increase on a Tenancy on or after September 1, 2023, the Landlord shall, no later than thirty (30) days after the effective date of this Ordinance, provide the Tenants entitled to a refund, written notice of the amount of the refund together with a full refund payment by cash or check.

(4) If the Landlord imposed a Rent increase on a Tenancy on or after January 12, 2023, but before September 1, 2023, the refund may, at Landlord’s election, be in the form of a rent credit or a cash payment. The Landlord shall, no later than thirty (30) days after the effective date of this Ordinance, provide the Tenants entitled to a refund written notice of the amount of the refund and the time period and method by which the refund shall be paid; provided, however, that in no event shall the time period over which the refund is paid exceed the total number of months during which the Rent increase was effective.

19.40.040 Permitted Rent Increases for Covered Rental Units.

(a) A Landlord may, but shall not be obligated to, impose the Initial Allowable Annual Rent Increase or any other an annual Rent increase for any Covered Rental Unit, as allowed in this Section 19.40.040 after providing prior written notice to the Tenant of the Rent increase pursuant to California Civil Code Section 827, as may be amended.

(b) Notwithstanding the foregoing, a Landlord shall be prohibited from imposing an Allowable Annual Rent Increase, unless the Covered Rental Unit is registered with the City pursuant to Section 19.40.060, and the Landlord is not delinquent in registry fees, accrued interest, fines, and penalties pursuant to former Section 19.40.110 (Rent Registry) and/or Section 19.40.060, as applicable, and has provided to the Tenant any refund owed pursuant to Section 19.40.030, if applicable.

(c) Allowable Annual Rent Increases. This Chapter shall limit annual Rent increases on Covered Rental Units to no more than sixty percent (60%) of the percentage increase in CPI published and reported in the twelve-month period ending as of April of the current immediately-preceding year, provided however in no event shall the Allowable Annual Rent Increase exceed three percent (3%). In the event that the percentage change in the CPI is negative, the Allowable Annual Rent Increase shall be zero percent (0%) The Allowable Annual Rent Increase shall be rounded to the nearest one-quarter of a percent (0.25%). Nothing in this subsection is intended to alter the requirement that a Landlord provide a Tenant with valid, written notice of any Rent increase as required by Civil Code Section 827.

(d) Only one Allowable Annual Rent Increase and one Fair Return Rent Increase (if and to the extent approved by the Hearing Officer) may be imposed on a Tenant household Covered Dwelling Unit in any twelve (12) month period, unless otherwise permitted by this Chapter.

(e) Rent Increase Following Vacancy (Vacancy Decontrol). When a Tenant has voluntarily moves out of vacated, abandoned, or been legally evicted from a Covered Rental Unit, the...
Landlord may set the initial Rent for the next Tenant, without restriction, at the commencement of the new Tenancy.

(f) **Rent Banking Prohibited. Allowable Annual Rent Increase Banking Prohibited.** A Landlord who seeks to raise Lawful Rent by the Allowable Annual Rent Increase must do so within the twelve-month period between August 1 of the current year and July 31 of the following year. A Landlord who does not impose an Allowable Annual Rent Increase or any portion thereof in the applicable twelve month period automatically waives that Allowable Annual Rent Increase or the remaining portion of that Allowable Annual Rent Increase for the remainder of the Tenancy.

19.40.050 Rent Adjustment Petitions.

(a) **Fair Return Petitions.** Landlords who believe they are not receiving a fair return on their Property may submit a Fair Return Petition to the City to request an increase in Rent beyond that which is permitted under Section 19.40.040.

(1) Nothing in this Section 19.40.050 shall be interpreted to authorize any Lawful Rent Increase in any twelve month period for a Covered Rental Unit in excess of the amount authorized pursuant to California Civil Code Section 1947.12, as may be amended. If a Hearing Officer awards a Landlord a Fair Return Rent Increase in excess of the maximum allowable Rent increase pursuant to this Civil Code Section 1940.0501947.12, the Landlord may carry forward any portion of the Fair Return Rent Increase that could not be taken to a subsequent year until the full Fair Return Rent Increase is imposed.

(2) No Fair Return Petition shall be deemed submitted or accepted until all of the following have occurred:

a. The Landlord has registered the Property and paid all current and past-due registration fees for the Property pursuant to former Section 19.40.110 (Rent Registry) and/or current Section 19.40.060, as applicable; and

b. The Landlord has paid refunds owed to Tenants, if any, pursuant to Section 19.40.030.

(3) No Fair Return Rent Increases shall become effective until all of the following have occurred:

a. The Landlord has provided written notice of the Fair Return Rent Increase for the Covered Rental Unit in accordance with California Civil Code Section 827, as may be amended;

b. After a hearing is held, the Hearing Officer, in a written decision, grants the Fair Return Rent Increase; and

c. All amounts due and payable to the City in connection with the Fair Return Petition and hearing have been paid in full.

(4) **Standard for Approving a Fair Return Petition.**

a. Fair Return. The Landlord has the right to obtain a net operating income equal to the Base Year net operating income adjusted by the percentage increase in the CPI since the Base Year. It shall be presumed that this standard provides a
fair return. The current year CPI shall be the annual CPI for the calendar year preceding the calendar year the Fair Return Petition is filed. The Hearing Officer shall make a determination whether the Landlord will receive a fair return under this standard. In evaluating whether or not the Landlord is receiving a fair return on their investment, the Hearing Officer may consider other relevant factors without limitation.

b. Base Year Net Operating Income Adjustment. The Base Year and current year net operating income shall be determined by subtracting the actual operating expenses for the Base Year from the gross income realized during the Base Year. The Landlord shall provide evidence of gross income, operating expenses, and the determination of net operating income for the Base Year and current year. All figures shall be certified by the Landlord under penalty of perjury as true and correct and with respect to expenses and income used to determine gross income, as permitted pursuant to Section 19.40.050(a).

c. Rebuttal Of Base Year Net Operating Income Presumption. Any party to the hearing may present evidence to rebut the presumption of a fair return based upon the Base Year net operating income based on either, and the Hearing Officer may adjust said net operating income accordingly if at least one of the following findings is made:

(i) Exceptional circumstances in the Base Year, including but not limited to gross income that is disproportionate. In such instances, adjustments may be made in calculating gross income consistent with the purposes of this section. The Hearing Officer shall consider the following factors in making this finding:

   (a) The Landlord’s operating expenses in the Base Year, including but not limited to extraordinary were unusually high or low in comparison to other years. In such instances, adjustment may be made in calculating operating expenses so the Base Year operating expenses reflect average expenses for the Property over a reasonable period of time. The Hearing Officer shall consider the following factors in making this finding:

      (a) Extraordinary amounts were expended for necessary maintenance and repairs, or;

      (b) Maintenance and repair was below accepted standards so as to cause significant deterioration in the quality of services provided;

      (c) Other expenses were unreasonably high or low expenses in comparison to prudent business practices;

   (ii) Exceptional circumstances in the Base Year, including but not limited to extraordinary were unusually high or low in comparison to other years. In such instances, adjustment may be made in calculating operating expenses so the Base Year operating expenses reflect average expenses for the Property over a reasonable period of time. The Hearing Officer shall consider the following factors in making this finding:

      (a) The gross income during the Base Year was lower than it might have been because some Tenants were charged reduced Rent;
(b) The gross income during the Base Year was significantly lower than normal because of the destruction of the premises and/or temporary eviction or vacancies for a Substantial Remodel, construction, or repairs.

(iii) The Rent charged by the Landlord in the Base Year were significantly below the HUD FMR Rent for the most similar unit type.

d. Determination Of Current Net Operating Income. The net operating income as of the date of filing a Fair Return Petition shall be determined by:

(i) Annualizing the Rent in effect as of the date of filing to determine the annualized gross income;

(ii) Determining the operating expenses during the immediately preceding calendar year;

(iii) Subtracting the operating expenses determined pursuant to Subsection (ii) from the annualized gross income.

e. Calculation Of Gross Income.

(i) For the purposes of determining the net operating income, gross income shall be the sum of the following:

(a) Gross Rent calculated as gross rental income at one hundred percent (100%) occupancy, adjusted for uncollected Rent as provided in Section 19.40.050(a)(4)e.(ii);

(b) Income from any laundry facilities and parking fees;

(c) All other income or consideration received or receivable in connection with the use or occupancy of the Covered Rental Unit.

(ii) Gross Rent shall be adjusted for uncollected Rent due to vacancy and bad debts to the extent such are beyond the control of the Landlord. No such adjustment shall be greater than three percent (3%) of gross Rent unless justification for a higher rate is demonstrated by the Landlord.

f. Calculation Of Operating Expenses.

(i) For the purposes of determining net operating income, operating expenses shall include the following:

(a) Reasonable costs of operation and maintenance.

(b) Utility costs to the extent they are not paid by the Tenants.

(c) Landlord-performed labor compensated at reasonable hourly rates. No Landlord-performed labor shall be included as an
operating expense unless the Landlord submits documentation showing the date, time and nature of the work performed. There shall be a maximum allowed under this provision of five percent (5%) of gross income unless the Landlord shows greater services were performed for the benefit of the Tenants.

(d) ____ Real property taxes and assessments.

(ii) ____ Operating expenses shall not include the following:

(a) ____ Mortgage principal or interest payments or other debt service costs or lease payments;

(b) ____ Any penalties, fees or interest assessed or awarded for violation of any provision of this Chapter or of any other provision of law;

(c) ____ Legal fees except as specified in Section 19.40.050(a)(4)f.(iii);

(d) ____ Political contributions;

(e) ____ Any expenses for which the Landlord has been or will be reimbursed by any discount, security deposit, insurance payment or settlement, judgment for damages, settlement or any other method or device;

(f) ____ Avoidable and unnecessary expense increases since the Base Year;

(g) ____ Depreciation;

(h) ____ Expenses which are excessive in relation to the customary and reasonable costs of such items;

(i) ____ The costs of capital improvements associated with the purchase and/or installation of separate meters or service unless the Landlord can demonstrate that such improvements benefit the Tenants;

(iii) ____ Legal expenses allowed in the calculation of operating expenses shall include: attorneys’ fees and costs incurred in connection with successful good-faith attempts to recover Rent owing, successful good-faith unlawful detainer actions not in derogation of applicable law, and legal expenses necessarily incurred in dealings with respect to the normal operation of the Property to the extent such expenses are not recovered from adverse or other parties. Attorneys’ fees incurred in relation to the administrative or judicial proceedings in connection with Section 19.40.050(a) are not allowable as operating expenses.

(g) ____ Determination of Fair Return Rent Increase.

(i) ____ The Hearing Officer shall set the Fair Return Rent Increase in the amount required to provide the Landlord with a fair return.
In determining the Fair Return Rent Increase required to provide the Landlord with a fair return, the following shall be determined:

(a) The fair return in accordance with Section 19.40.050.a.(4)(a);
(b) The gross income required to produce the fair return;
(c) The rent increase needed to produce the required gross income.

(5) Notices Upon Submitting Petition.

e.a. Within five (5) calendar days after submission of a Landlord's Fair Return Petition to the City, the Landlord shall serve each affected Tenant with a notice of the Fair Return Petition via personal service or certified mail, return receipt requested.

d.b. Within ten (10) calendar days after service on each affected Tenant, the Landlord shall file with the City a proof of service, signed under penalty of perjury, stating that a copy of the petition was served upon each affected Tenant.

(6) No Pass Through. Fees and costs incurred by a Landlord for making a Fair Return Petition may not be passed on to a Tenant but may be included as operating expenses for the calendar year in which they were incurred for purposes of determining net operating income. Such fees and costs include, but are not limited to, attorney fees, accountant fees, and other similar professional services costs.

(b) Tenant Petitions. If a Landlord demands or retains Unlawful Rent for a Covered Rental Unit, a Tenant may file a petition to adjust the Rent to its lawful level.

(1) Unlawful Rent. If a Tenant believes that the Landlord is demanding Unlawful Rent for a Covered Rental Unit, then the Tenant may submit a Tenant petition to the City.

(2) Decrease in Housing Services. A decrease in Housing Services of a Covered Rental Unit, without a corresponding reduction in Rent, is considered an increase in Rent. Before filing a petition with the City, a Tenant shall provide the Landlord all of the following (copies of which must be submitted with the Tenant petition):

a. Prior written notice identifying the decrease in Housing Services of a Covered Rental Unit; and
b. A reasonable opportunity to correct the issue(s).

(3) Notices Upon Submitting Petition.

a. Within five (5) calendar days after submission of a Tenant petition for rent adjustment to the City, the Tenant shall serve the Landlord with said petition via personal service or certified mail, return receipt requested.

b. Within ten (10) calendar days after service on the Landlord, the Tenant shall file with the City a proof of service, signed under penalty of perjury, stating that a copy of the petition was served on the Landlord.
(c) Petition Forms. Fair Return and Tenant petitions must be filed on petition forms prescribed by the City and accompanied by such supporting material as the City may require. Each petition shall be made under penalty of perjury.

(d) Petition Fees.

(1) Fair Return Petitions.

a. Landlords filing a Fair Return Petition shall be responsible for all City costs associated with such petition, including, but not limited to the cost of the Hearing Officers, any costs associated with experts, inspection fees, and any other costs. The City shall provide the Landlord with an estimate of the costs at least 45 calendar days prior to the first date set for the hearing. The Landlord shall deposit with the City the full estimated cost of the hearing at least 30 calendar days prior to the first date set for the hearing. If the deposit is not timely received by the City, the hearing will be postponed, and the hearing shall not be rescheduled until such time as the deposit is received. City shall have the right to deduct costs incurred from the deposit. Upon the completion of the hearing, the City shall prepare a final invoice of hearing costs.

b. To the extent that the final invoice amount exceeds the amount deposited by the Landlord, the Landlord shall pay the difference to the City within 10 days of receipt of the final invoice. To the extent the final invoice amount is less than the amount deposited by the Landlord, the City shall issue a refund to the Landlord for the difference.

c. The City will not issue the Hearing Officer’s final decision until the City has received full payment of the final invoice, and no Fair Return Rent Increase, if approved, may be imposed until full payment is received by the City.

(2) Tenant Petitions. There shall not be any fee charged for Tenants filing a petition for a downward adjustment of Rent.

(e) Hearing Process.

(1) Upon receipt of a Fair Return or Tenant petition and the proof(s) of service that the petition has been served as provided above, the City shall appoint a Hearing Officer to conduct a hearing on the petition and to render a final decision on the merits of the petition, subject to this Chapter and any procedures, regulations, and guidelines promulgated by the City Manager.

(2) Each party to a petition shall receive sufficient advance notice of the time, date, and place of any hearing regarding the petition.

(3) The Hearing Officer may require either party to a petition to provide any books, records, and papers deemed pertinent.

(4) If the Hearing Officer finds good cause to believe that a building or other inspection would assist in resolving the issues raised in the petition, the Hearing Officer may conduct an inspection and/or request that the City conduct an inspection. Any party submitting a petition shall be required to cooperate with the City to grant and/or secure permission to conduct such inspection, within the constraints of applicable law; failure to do so shall be considered an automatic and voluntary withdrawal of that party’s petition upon written notice by the City thereof. The parties to the petition may be present during the inspection.
(5) All hearings conducted pursuant to this Chapter shall be open to the parties and their designated representatives, but shall not be open to the public.

(f) Assistance or Representation Authorized. All parties to a petition may seek assistance from attorneys, recognized tenant organization representatives, or any other person designated by said parties.

(g) Consolidation. All Fair Return Petitions pertaining to Tenants in the same Property shall be consolidated for determination. Tenant petitions for Rent adjustment from Tenants residing in the same Property may be consolidated at the election of the City, in its sole discretion.

(h) Quantum of Proof and Notice of Decision. No petition shall be granted unless supported by the preponderance of the evidence submitted prior to and at the hearing. All parties to the petition shall be sent notice of the decision.

(i) Finality of Decision. The decision of the Hearing Officer shall be the final decision and shall not be appealable to the City Council. Any party disputing the final conclusions and findings of the Hearing Officer may seek review pursuant to Code of Civil Procedure Sections 1094.5 and 1094.6.

(j) Time of Hearing and Decision. The City shall not be required to accept petitions until September 1, 2024. The City shall endeavor, but shall not be required, to schedule a hearing on a petition within ninety (90) days after submittal to the City of the petition and the proof(s) of service. A final decision on a petition shall be made within a reasonable time after the conclusion of the hearing.

19.40.060 Annual Rental Registration.

(a) Registration of Covered Rental Unit. On or before July 1 of each year, a Landlord shall register any Covered Rental Unit through the City’s designated rent registry portal, shall provide all required information, shall pay the required rent registry fees, and shall annually submit reports. To the extent that a Landlord has previously complied with the requirements of former Section 19.40.110 (Rent Registry), the Landlord shall on or before July 1, 2024, update the registration previously completed pursuant to former Section 19.40.110 to comply with the requirements of this Chapter.

(b) Rent Registry Fees. A Landlord shall pay the required rent registry fees as set forth in the City Council adopted Resolution Establishing Fees and Charges for Various Municipal Services. The fees will be used to finance the cost of the rent registry and implementation and enforcement of this Chapter including, but not limited to, administrative time and costs, legal fees and costs, and any other expense incurred to implement, administer, or enforce this Chapter.

(c) Late Fees, Penalty For Late Payment; Penalty For Incomplete Or False Information. Should a Landlord fail to pay all or a portion of the rent registry fees, or provide incomplete or false information, the City may recover the outstanding amounts, plus accrued interest, fines, and penalties, utilizing any remedies provided by law or in equity, including municipal tax lien procedures established by ordinance or State law. Such sums shall be calculated as set forth in the Resolution Establishing Fees and Charges for Various Municipal Services and applicable law, may be applied on a per-unit basis, and may be subject to adjustment by the City Attorney or Hearing Officer.
(d) Past Due Amounts. To the extent that a Landlord owes rental registry fees, accrued interest, fines, or penalties incurred prior to the effective date of this Ordinance, such amounts shall continue to be owed and continue to accrue. See also Sections 19.40.040(b) and 19.40.050(a)(2).

19.40.070 Just Cause for Eviction.

(a) This Section 19.40.070 shall apply to all Landlords and Tenants in Dwelling Units within the jurisdictional limits of the City, unless otherwise exempted by State law or the provisions of this Chapter. This Section 19.40.070 shall apply to all Landlords and Tenants in Dwelling Units within the jurisdictional limits of the City, unless otherwise exempted by State law or the provisions of this Chapter.

(b) When terminating a Tenancy For Cause or No-Fault, a Landlord must comply with all of the following:

   (1) The Landlord must serve a written notice, to the Tenant that, in addition to any information required by federal or State law, the Landlord will terminate the Tenant's Tenancy because of at least one For Cause or No-Fault reason; and state the ground(s) for such termination as described in Section 19.40.070(c) and/or (d);

   (2) The Landlord has not accepted and will not accept Rent or any other consideration in return for the continued use of the Covered Rental Unit beyond the term of the terminated Tenancy in compliance with California Civil Code Sections 1945, 1946, and 1946.1, as may be amended; and

   (3) The Landlord qualifies the termination as For Cause or No-Fault, as specified in this Section 19.40.070.

(c) For Cause Termination of Tenancy. If a Landlord can show any of the following circumstances with respect to a termination of Tenancy in a Covered Rental Unit, the termination qualifies as a For Cause Termination:

   (1) Default in the payment of Rent.

   (2) A breach in the material term of the Rental Agreement, as described in paragraph (23) of Section 1161 of the Code of Civil Procedure, including, but not limited to, violation of a provision of the Rental Agreement after being issued a written notice to correct the violation.

   (3) Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

   (4) Committing waste as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

   (5) The Tenant had a written Rental Agreement, and after a written request or demand from the Landlord, the Tenant has refused to execute a written extension or renewal of the Rental Agreement for an additional term of similar duration with similar provisions, provided that those terms do not violate this Chapter or any other provision of law.

   (6) Criminal activity by the Tenant in the Covered Rental Unit or on the Property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision
(a) of Section 422 of the Penal Code, or criminal activity by the Tenant on or off the Property that is directed at other Tenants or the Landlord.

(7) Assigning or subletting the Covered Rental Unit in violation of the Rental Agreement, as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(8) The Tenant’s refusal to allow the Landlord to enter the Covered Rental Unit as authorized by Sections 1101.5 and 1954 of the Civil Code, and Sections 13113.7 and 17926.1 of the Health and Safety Code.

(9) Using the Covered Rental Unit or any portion of the Property for an unlawful purpose as described in paragraph (4) of Section 1161 of the Code of Civil Procedure.

(10) The employee, agent, or licensee’s failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the Code of Civil Procedure.

(11) When the Tenant fails to deliver possession of the Covered Rental Unit after providing the Landlord written notice as provided in Section 1946 of the Civil Code of the Tenant’s intention to terminate the hiring of the Covered Rental Unit, or makes a written offer to surrender the Covered Rental Unit that is accepted in writing by the Landlord, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the Code of Civil Procedure.

(d) No-Fault Termination of Tenancy. If a Landlord can show any of the following circumstances with respect to a termination of Tenancy in a Covered Rental Unit, the termination qualifies as a No-Fault termination. See Section 19.40.070(e) for Right of Return provisions. See Section 19.40.080 for Rental Assistance and Moving Stipend provisions.

(1) Owner Move Ins. Intent to occupy the Covered Rental Unit by the Landlord or the Landlord’s Family Member.

a. A Landlord may not terminate a Tenancy based on intent to occupy the Covered Rental Unit by the Landlord or the Landlord’s Family Member if the intended occupant already occupies a Dwelling Unit on the Property or if a vacancy of a similar Dwelling Unit already exists at the Property.

b. The written notice terminating a Tenancy pursuant to this subparagraph shall contain the name or names and relationship to the Landlord of the intended occupant. The written notice shall additionally include notification that the Tenant may request proof that the intended occupant is a Landlord or the Landlord’s Family Member. The proof shall be provided upon request and may include an operating agreement and other non-public documents.

c. This subparagraph (1) only applies if the intended occupant moves into the Covered Rental Unit within ninety (90) days after the Tenant vacates and occupies the Covered Rental Unit as a primary residence for at least twelve (12) consecutive months.

d. If the intended occupant fails to occupy the Covered Rental Unit within ninety (90) days after the Tenant vacates, or if the intended occupant fails to occupy the Covered Rental Unit as their primary residence for at least twelve (12) consecutive months, the Landlord shall offer the Covered Rental Unit to the Tenant who vacated it at the same Rent, subject to any Lawful Rent Increases.
rental terms in effect at the time the Tenant vacated. If Tenant re-occupies such Covered Rental Unit, Landlord shall reimburse the Tenant for reasonable moving expenses incurred. Such payment shall be in addition to any relocation assistance that was paid to the Tenant in connection with the termination notice.

e. For a new Tenancy commenced during the time periods described in clause d, the Covered Rental Unit shall be offered and rented or leased at the Lawful Rent in effect at the time any notice of termination of Tenancy is served, subject to any Lawful Rent Increases.

f.d. A Landlord shall only be allowed to terminate a Tenancy pursuant to this subsection (Subsection 19.40.070(d)(1) if the Landlord meets one of the following:

(i) is a natural person that has at least 25 percent recorded ownership interest in the Property;

(ii) is a natural person who has any recorded ownership interest in the Property if one hundred percent (100%) of the recorded ownership interest is divided among owners who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild; or

(iii) is a natural person whose recorded interest in the Property is owned through a limited liability company or partnership.

e. Owner Move-In Protections for Senior, Disabled, and Terminally Ill Tenants. A Landlord may not evict a Tenant in order to occupy the Covered Rental Unit by the Landlord or the Landlord’s Family Member, if the Tenant has resided in the Dwelling Unit for at least three years and is either a Senior Tenant, a Disabled Tenant, or a Terminally Ill Tenant, unless the Landlord or Landlord’s Family Member who will occupy the Covered Rental Unit is either a Senior Tenant, a Disabled Tenant, or a Terminally Ill Tenant, and no other Covered Rental Units are available at the Property.

g.f. As used in this subsection:

(i) “Natural person” includes any of the following:

(A)(a) a natural person who is a settlor or beneficiary of a family trust; or

(B)(b) if the Property is owned by a limited liability company or partnership, a natural person with a 25 percent ownership interest in the Property.

(ii) “Family trust” shall mean a revocable living trust or irrevocable trust in which the settlors and beneficiaries of the trust are persons who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild.
Ellis Act Evictions. Withdrawal of all Accommodations at the Covered Rental Unit from the rental market is subject to the following conditions and requirements pursuant to the Ellis Act:

a. Landlord complies with all provisions of the Ellis Act, unless otherwise indicated in this Section 19.40.070(d)(2).

b. Not less than one hundred twenty (120) days from the date the Landlord intends to withdraw the Covered Rental Units in a Property or structure from the rental market Accommodations, and after completion of all required proceedings, if any, the Landlord shall provide written notice of termination of Tenancy to all affected Tenants.

c. Landlord's notice to all affected Tenants shall contain the following information:

   (i) That the Landlord is evicting the Tenant pursuant to this Subsection; Section 19.40.070(d)(2);

   (ii) That within thirty (30) days of receipt of notice to terminate, the Tenant may notify the Landlord in writing that the Tenant would be interested in re-renting the Covered Rental Unit if any of the Covered Rental Units are re-offered for rent at a future time and advising the Tenant to notify the Landlord of future address changes;

   (iii) A description of the Tenant's rights;

   (iv) The notice shall be accompanied by relocation assistance and any additional special assistance in accordance with Section 19.40.080;

   (v) A general description of the Tenant's rights to relocation assistance and any other rights set forth in this Chapter; and the Ellis Act (relocation assistance and any additional special assistance shall be paid in accordance with Section 19.40.080);

   (vi) A self-addressed stamped postcard on which the Tenant may indicate, under penalty of perjury, whether they or a member of their household are a Protected Tenant and, under which category (i.e., Lower-Income Tenant, in the Covered Dwelling Unit are a Disabled Tenant, or Senior Tenant, Terminally Ill Tenant, School-Aged Child/ren) they claim Protected Tenant status.

d. A Senior Tenant or a Disabled Tenant who has resided in the Covered Rental Unit for at least one (1) year prior to the Landlord's notice of intent to withdraw the Covered Rental Unit in a Property from the residential rental market, and after receiving one hundred twenty (120) days written notice, may within sixty (60) days of receipt of the written notice of termination submit a written notice to the Landlord of Tenant's status as a Senior or Disabled Tenant, in which event the notice of termination shall be extended to one year from the Tenant's date of delivery of the notice pursuant to 19.40.070(d)(2)(c).
e. To the fullest extent permitted by law, the City adopts all tenant protections authorized by the state legislature in the following provisions of the Ellis Act: California Government Code Sections 7060.2, 7060.3, 7060.4, 7060.6, and this subdivision shall be interpreted to implement all available tenant protections in the aforementioned sections of the Government Code, as they exist as of the effective date of this Chapter. See also Section 19.40.070(e)(2) for Ellis Act right of return provisions. See Section 19.40.120(a)(3) for Ellis Act remedies, including exemplary damages.

f. Recordation of Notice:

(i) The City shall prepare a form notice consistent with Government Code Section 7060.3, and which shall specifically describe the Property where the Covered Rental Units are located, the dates applicable to the constraints and the name of the owner of record of the Property.

(ii) Any Landlord withdrawing a Property containing Covered Rental Units from the rental market shall complete such notice and shall serve such notice on the City concurrent with providing notice to the Tenants of the Landlord's intent to withdraw the Covered Rental Units from the residential rental market. The notice shall be executed by the fee owner(s) of the Property, and all such signatures shall be duly notarized.

(iii) City shall record the notice with the County Recorder. Such notice encumbers the Property for ten (10) years from the date the Accommodations are withdrawn from rent or lease.

(3) Government Orders. The Landlord is complying with any of the following:

   a. An order issued by a government agency or court relating to habitability that necessitates vacating the Covered Rental Unit; or

   b. An order issued by a government agency or court to vacate the Covered Rental Unit; or

   c. A local ordinance that necessitates vacating the Covered Rental Unit.

(4) Intent to Demolish/Substantially Remodel. Intent to demolish or to Substantially Remodel the Covered Rental Unit.

   a. For purposes of this subparagraph, a Tenant is not required to vacate the Covered Rental Unit on any days where a Tenant could continue living in the Covered Rental Unit without violating health, safety, and habitability codes and laws.

   b. In order to terminate a Tenancy based on intent to demolish or to Substantially Remodel the Covered Rental Unit pursuant to this subparagraph, a Landlord must provide the Tenant with written notice pursuant to Civil Code Section 1946.1 which notice shall be in no less than 12-point type, shall be in English and Spanish and include all of the following information:

      (i) A statement informing the Tenant of the Landlord’s intent to demolish the Property or Substantially Remodel the Covered Rental Unit or Property.
The following statement: “If the substantial remodel of your unit or demolition of the property as described in this notice of termination is not commenced or completed, the Landlord must offer you the opportunity to re-rent your unit with a rental agreement containing the same terms as your most recent rental agreement with the Landlord at the rental rate that was in effect at the time you vacated. You must notify the Landlord within thirty (30) days of receipt of the offer to re-rent of your acceptance or rejection of the offer, and, if accepted, you must reoccupy the unit within thirty (30) days of notifying the Landlord of your acceptance of the offer.”

A description of the Substantial Remodel to be completed, the approximate expected duration of the Substantial Remodel, or if the Property is to be demolished, the expected date by which the Property will be demolished, together with one of the following:

A. (a) A copy of the permit or permits (or a written commitment from the applicable governmental agency that such permits are ready to be issued subject only to conditions requiring the Property or Covered Rental Unit to be vacant) required to undertake the Substantial Remodel or demolition; or

B. (b) If the notice is issued to abate hazardous materials and the remodel does not require any permit, a copy of the signed contract with the contractor hired by the Landlord to complete the Substantial Remodel, that reasonably details the work that will be undertaken to abate the hazardous materials.

A notification that the Tenant has the right to elect one or both of the following: return to the Covered Rental Unit upon completion of the Substantial Remodel at the same Rent and the same lease terms subject to any Lawful Rent Increases.

Tenants Right of First Return to a Covered Rental Unit; Rent Upon Return.

Owner Move In Right of Return. If the intended occupant fails to occupy the Covered Rental Unit within ninety (90) days after the Tenant vacates, or if the intended occupant fails to occupy the Covered Rental Unit as their primary residence for at least ________ ( ) consecutive months. If Tenant re-occupies such Covered Rental Unit, Landlord shall reimburse the Tenant for reasonable moving expenses incurred. Such payment shall be in addition to any relocation assistance that was paid to the Tenant in connection with the termination notice. A. The right of first refusal to any vacant comparable or superior Dwelling Unit owned To the extent permitted by the Landlord at the same Rent, if such comparable or superior vacant Dwelling Unit exists; and/or

B. The first right to return to occupy State law, for a new Tenancy commenced during the time periods described in this Section 19.40.070(e)(1), the Covered Rental Unit upon completion of the repairs shall be offered and rented or leased at the Lawful Rent in effect at the same Rent time any notice of termination of Tenancy is served, subject to any Lawful Rent Increases, charged to the Tenant before the Tenant temporarily vacated the Covered Rental Unit.
In the event the Tenant elects to accept an offer to move to a comparable or superior vacant Dwelling Unit owned by the Landlord at the same Rent, the Tenant is not eligible for any relocation assistance Ellis Act Right of Return.

d. ______ The phrase comparable or superior when used in connection with a Dwelling Unit or temporary housing shall mean a Dwelling Unit or temporary housing that is similar in size or larger, has the same number of bedrooms or additional bedrooms, is located in the City, has similar amenities as the Covered Rental Unit, such as parking, laundry facilities or exercise facilities, allows pets if the displaced Tenant has a pet, and as to a Disabled Tenant, is disability accessible and ADA compliant. The Tenant, in the Tenant’s reasonable discretion may waive any of these factors in deciding whether the Dwelling Unit or temporary housing offered is comparable or superior.

(e) ______ Tenant's Right of First Return to a Covered Rental Unit:

(5)a. ______ Right of First Return. All Tenants whose Tenancy is terminated based upon a basis enumerated in Section 19.40.070(d)(1)-(4) shall have the first right to return to the Tenant’s original Covered Rental Unit if the Covered Rental Unit is returned to the market by the Landlord or the Landlord’s successor. Rent for suchbrings an action against the Landlord within three (3) years of the withdrawal of the Covered Rental Unit shall be the Rent lawfully paid by the Tenant at the time the Landlord gave notice of termination, subject to any Lawful Rent Increases, unless otherwise specified hereinfrom the rental market.

(6)a. ______ Return Within Five (5) Years. A Tenant of a Covered Rental Unit whose Tenancy was terminated in accordance with Section 19.40.070(d)(2) is entitled to receive notice of the first right to return to rent the same Covered Rental Unit at the Rent previously charged for the Covered Rental Unit, subject to any Lawful Rent Increases, and subject to the Rental Agreement terms in effect at the time the Tenant vacated. A Tenant may return to the Covered Rental Unit if:

   e.(i) ______ The Tenant has provided the Landlord a current mailing address and/or email address and keeps those addresses updated, at which to receive notice from Landlord that Covered Rental Unit is available; and

   f.(ii) ______ The Landlord returns the Covered Rental Unit to the residential rental market within five (5) years after the effective date of withdrawal of a Property containing the Covered Rental Unit from the residential rental market.

(7)a. ______ Return Within Ten (10) Years. A Landlord of a Property containing a Covered Rental Unit that was withdrawn from the residential rental market within the previous ten (10) years must provide one hundred twenty (120) days written notice to the Tenant of the planned withdrawal of the Covered Rental Unit in accordance with Section 19.40.070(d)(1). The Landlord shall provide the Tenant with information regarding the Covered Rental Unit and the Landlord’s intentions to withdraw the Covered Rental Unit from the residential rental market. The Tenant may request a hearing to be held by the City of San Francisco, Department of Building Inspection, Division of Housing Preservation and Safety, to determine whether the Landlord has complied with the requirements of this Chapter and the Tenant’s right to notice of the withdrawal of the Covered Rental Unit. The Tenant shall have the right to contest the withdrawal of the Covered Rental Unit and to seek relief, subject to the laws and regulations governing such contests. The Tenant shall have the right to contest the withdrawal of the Covered Rental Unit and to seek relief, subject to the laws and regulations governing such contests. The Tenant shall have the right to contest the withdrawal of the Covered Rental Unit and to seek relief, subject to the laws and regulations governing such contests.

The Tenant may request a hearing to be held by the City of San Francisco, Department of Building Inspection, Division of Housing Preservation and Safety, to determine whether the Landlord has complied with the requirements of this Chapter and the Tenant’s right to notice of the withdrawal of the Covered Rental Unit. The Tenant shall have the right to contest the withdrawal of the Covered Rental Unit and to seek relief, subject to the laws and regulations governing such contests. The Tenant shall have the right to contest the withdrawal of the Covered Rental Unit and to seek relief, subject to the laws and regulations governing such contests. The Tenant shall have the right to contest the withdrawal of the Covered Rental Unit and to seek relief, subject to the laws and regulations governing such contests.
notice to the previous Tenants of the Landlord's intent to return the Covered Rental Unit to the residential rental market.

(8)a. Any Tenant displaced from a Covered Rental Unit in connection with the withdrawal of a Property containing a Covered Rental Unit from the residential rental market may request the first right of return from the Landlord within thirty (30) days of receipt of a Landlord's written notice of intent to return the Covered Rental Unit to the residential rental market.

(9) Recordation Government Order Right of Memorandum. Any Return. The Landlord withdrawing a Property containing must give advance notice to the Tenant of the Tenant’s right to reoccupy the Covered Rental Units from the rental market shall record a memorandum on a City approved form in the Official Records of Contra Costa County encumbering the property where the Dwelling and when the Covered Rental Unit is located found to be in compliance with the order. The Tenant shall notify the Landlord, in writing, within ten (10) thirty (30) days after the receipt of providing notice to the Tenants of the Landlord's intent to withdraw the Dwelling Units from the residential rental market. The memorandum must be executed by the fee owner(s) of Tenant’s interest to reoccupy the Property.

a. (1) The memorandum Covered Rental Unit and shall summarize provide the obligations of the fee owner and Landlord, and any successor in interest to the fee owner and Landlord related to the Property including the Tenant's right to be notified upon Covered Rental Units being returned to the residential rental market with their contact information.

b. The summary memorandum must encumber Substantial Remodel Right of Return. Tenant shall have the Property for ten (10) years from right to return to the date of Covered Rental Units are withdrawn.

c. (1) The Unit upon completion of the Substantial Remodel. The Tenant shall notify the Landlord shall deliver to the City a conformed copy of the recorded memorandum, in writing, within sixty (60) thirty (30) days after filing the receipt of such notice to withdraw of the Tenant’s interest to reoccupy the Covered Rental Unit and shall provide the Landlord with the City their contact information.

(1) Rent Upon Return. In each such instance, the Landlord shall offer and Tenant shall have the right return to the same Covered Rental Unit at the Rent previously charged for the Covered Rental Unit, subject to any Lawful Rent Increases, and subject to the Rental Agreement terms in effect at the time the Tenant vacated.

(f) School Year Evictions.

a. (1) It shall be a defense to a no-fault eviction if a School-Aged Child resides in the Covered Rental Unit, if the effective date of the notice of termination of Tenancy falls during the School Year.

b. (2) Within thirty (30) days of service of the notice of termination of Tenancy, the Tenant must submit a statement with supporting evidence to the Landlord if the Tenant claims to have a School-Aged Child residing in the Covered Dwelling Unit; this information is required in addition to Tenant’s return of the postcard referenced in Section 19.40.070(e)(2)c.(vi). The notice of termination of Tenancy shall contain a warning that a Tenant’s failure to submit such statement within thirty (30) days of receipt of the notice shall be deemed an admission that the Tenant is not protected from eviction pursuant to this Subsection Section 19.40.070(f).
19.40.080 Relocation Assistance For No-Fault Termination Of Tenancy; Notice Of Curable Lease Violations; Moving Stipend.

(a) Relocation Assistance for No-Fault Terminations.

(1) For a Tenancy for which just cause is required to terminate the Tenancy under Section 19.40.070, if a Landlord issues a termination notice for a no-fault reason the Landlord shall, regardless of the Tenant’s income, assist the Tenant to relocate by providing a direct payment to the Tenant as described in Subsection (a)(3), below, and (except to the extent prohibited by applicable law) the Landlord shall notify the Tenant in writing of the Tenant’s right to relocation assistance and the amount of the relocation assistance at the time the Landlord issues the notice of termination. Each termination notice shall be accompanied by a self-addressed stamped postcard (in a format approved by the City) on which the Tenant may indicate, under penalty of perjury, whether they or another Tenant in the Covered Dwelling Unit are a Protected Tenant and under which category (i.e., Lower-Income Tenant, Disabled Tenant, Senior Tenant, Terminally Ill Tenant, School-Aged Child/ren) they claim Protected Tenant status.

(2) Permanent Relocations. When relocation assistance is required by this Section 19.40.080(a)(2) to Tenants who are evicted pursuant to Section 19.40.070(d), the Landlord must make relocation assistance payments as follows:

a. Non-Protected Tenant Relocation Assistance. If the Tenancy is terminated pursuant to Section 19.40.070(d)(1)-(3) (i.e., Owner Move-Ins, Ellis Act Evictions, Governmental Orders), or pursuant to Section 19.040.070(d)(4) (i.e., Intent to Demolish/Substantially Remodel) with the intent to demolish the Covered Rental Unit, the Landlord shall pay to the Tenant relocation assistance in the amount of the greater of three times the HUD FMR Rent for the most similar unit type based on the number of bedrooms or $8,500 plus the Moving Stipend. Such payment shall be calculated on a per-Covered Dwelling Unit basis, without reference to the number of Tenants in the Covered Dwelling Unit.

b. Protected Tenant Relocation Assistance. If one of the Tenants living in the Covered Rental Unit from which the Tenants are displaced is a Protected Tenant, then all Tenants living in the Covered Rental Unit are collectively entitled to receive additional supplemental relocation assistance in the amount of one additional month of the applicable HUD FMR Rent. Such payment shall be calculated on a per-Covered Dwelling Unit basis, without reference to the number of Tenants and Protected Tenants in the Covered Dwelling Unit.

c. Payment Process. For permanent relocation assistance, the Landlord shall provide one-half of the relocation assistance owed to the Tenant within 15 calendar days of service of the notice of termination. The remaining relocation assistance shall be paid to the Tenant in cash no later than the date the Tenant vacates the Covered Rental Unit.

d. Moving Stipend. The Landlord shall pay to Tenant the amount of $3,000 (“Moving Stipend”), which shall be paid to the Tenant in cash no later than the...
date the Tenant vacates the Covered Rental Unit. Such payment shall be calculated on a per-Covered Dwelling Unit basis, without reference to the number of Tenants in the Covered Dwelling Unit.

de. Refund of Security Deposit. A Landlord must refund to the Tenant any security deposit paid by the Tenant. A Landlord may withhold any properly itemized deductions from the security deposit in accordance with California Civil Code Section 1950.5.

(3) Temporary Relocations. A Landlord must pay temporary relocation assistance to Tenants of a Covered Rental Unit who are temporarily displaced due to Substantial Remodel of Covered Rental Unit:

a. Thirty (30) Days or Fewer. A Landlord must provide the Tenant a per diem payment if the Tenant will be temporarily displaced for thirty (30) days or fewer. The Landlord shall pay to the Tenant the full amount of the per diem payment when the Tenant temporarily vacates the Covered Rental Unit.

b. Thirty-One (31) Days or More. If Tenant does not make an election pursuant to 19.40.070(d)(4)e, a Landlord must provide the Tenant either a per diem payment or, at the Landlord’s election, comparable or superior temporary housing, if available.

c. Duration Extended. In the event the duration of the temporary relocation is longer than anticipated, the Landlord shall continue to pay to the Tenant the per diem relocation assistance payments on a weekly basis or continue to provide the Tenant with the comparable or superior temporary housing until the Tenant is able to return to the Covered Rental Unit.

d. Per-Diem Amount. The per diem payment amount shall be based on the Federal General Services Administration per diem rate for lodging and meals (M&IE total) in Concord, Contra Costa County, which is updated on a yearly basis. Per diem payments for meal shall be on a per Tenant basis. Per diem payments for lodging shall be on a per-Covered Dwelling Unit basis assuming a household size of four.

e. Rent Due. For temporary relocation assistance where the Landlord is providing comparable or superior temporary housing or making a per diem payment, the Tenant shall continue to pay the Lawful Rent to the Landlord for the Covered Rental Unit.

f. Refund of Security Deposit. A Landlord shall not be required refund to the Tenant any security deposit paid by the Tenant in connection with a temporary relocation.

g. The phrase “comparable or superior” No Waiver. Subject to Tenant’s elections under 19.40.070(d)(4)e, when used in connection with a Dwelling Unit or temporary housing shall mean a Dwelling Unit or temporary housing that is similar in size or larger, has the same number of bedrooms or additional bedrooms, is located in the City, has similar amenities as the Covered Rental Unit, such as parking, laundry facilities or exercise facilities, allows pets if the displaced Tenant has a pet, and as to a Disabled Tenant, is disability accessible and ADA compliant. The Tenant, in the Tenant’s reasonable discretion may waive any of
these factors in deciding whether the Dwelling Unit or temporary housing offered is comparable or superior.

(b) **No Waiver.** In the event the Tenant accepts an offer to temporarily or permanently move to an available comparable or superior vacant Dwelling Unit owned by the Landlord at the same Rent, the Tenant shall not be entitled to relocation assistance pursuant to Section 19.40.080 herein, but shall be eligible for the Moving Stipend. Except as expressly provided in this Subsection 19.40.080(b), a Tenant cannot waive their right to receive relocation assistance required by this Chapter.

(c) **Coordination With Other Relocation Benefits.** If a Tenant receives, as part of the termination of Tenancy, relocation assistance from a governmental agency, pursuant to the California Relocation Assistance Act (Government Code Sections 7260-7277), then the amount of that relocation assistance shall operate as a credit against any relocation assistance to be paid to the Tenant under this Section 19.40.070.

19.40.090 **Requirement to Offer Written Lease; Minimum Lease Terms.** Tenants shall have the right to written leases and minimum lease terms, as provided herein.

(a) **One-Year Lease Term.** If a prospective Tenant wishes to rent a Dwelling Unit from a Landlord and if said Landlord wishes to rent said Dwelling Unit to said prospective Tenant, the Landlord must offer to the prospective Tenant a written lease which has a minimum term of one year. Such offer must be made in writing. If the prospective Tenant accepts the offer of a written lease which has a minimum term of one year, this acceptance must be in writing. Signing a lease which has a minimum term of one year will be considered an offer if signed by the Landlord, and an acceptance if countersigned by the prospective Tenant. If the prospective Tenant rejects the offer for a written lease which has a minimum term of one year, such rejection must be in writing.

(b) **Six-Month Lease Term.** If the prospective Tenant rejects the offer for a written lease which has a minimum term of one year as provided in Section 19.40.090(a), but the prospective Tenant continues to wish to rent said Dwelling Unit from said Landlord, said Landlord must offer to said prospective Tenant a written lease which has a minimum term of six months. Such offer must be made in writing. If said prospective Tenant accepts the offer of a written lease which has a minimum term of six months, this acceptance must be in writing. Signing a lease which has a minimum term of six months will be considered an offer if signed by said Landlord, and an acceptance if countersigned by said prospective Tenant. If said prospective Tenant rejects the offer for a written lease which has a minimum term of six months, such rejection must be in writing.

(c) **Shorter Term.** If said prospective Tenant rejects the offer for a written lease which has a minimum term of six months as provided in Section 19.40.090(b), said Landlord and said prospective Tenant may then enter into a written lease that provides for a term of fewer than six months.

(d) **Renewal of Lease.** If both the Landlord and Tenant wish to continue the Tenancy, upon the expiration of a Rental Agreement which has a minimum term of one year or six months, a written Rental Agreement shall be offered again in accordance with the procedures set forth in Sections 19.40.090(a)-(c). The Landlord shall have no obligation to re-offer a Tenant a one-year or six-month lease term if the Tenant has previously rejected such offers in accordance with the procedures set forth in Sections 19.40.090(a)-(c), and has a Rental Agreement with a term of fewer than six months.
Existing Tenancies. Any Tenant renting a Dwelling Unit may request a written lease with a minimum term of either one year or six months, provided such Tenant has not previously received a written notice of Rental Agreement violation pursuant to Code of Civil Procedure Section 1161 and such violation remains uncured. The Tenant shall do so via written notice to the Landlord. The Landlord shall, upon receipt of such notice, offer to said Tenant a written Rental Agreement on terms substantially similar to those of the existing rental arrangement (except as to length of term) in accordance with the procedures set forth in this section, as applicable.

Exemptions. This section shall not apply to Dwelling Units that are exempt from the just cause eviction protections set forth in Section 19.40.070.

19.40.100 Notice of Tenant Rights.

(a) A Landlord subject to this Chapter shall provide notice to the Tenant as follows:

(1) For any Tenancy commenced or renewed on or after the effective date of this Ordinance, as an addendum to the Rental Agreement, or as a written notice signed by the Tenant, with a copy provided to the Tenant.

(2) For any Tenancy existing prior to the effective date of this Ordinance, by written notice to the Tenant no later than 180 days after the effective date of the Ordinance adopting this Chapter, or as an addendum to the Rental Agreement.

(b) The notification and Rental Agreement provision shall be in no less than 12-point type, shall be in English and Spanish, and shall include the following:

Concord law limits the amount your rent can be increased. See Chapter 19.40 of the Concord Municipal Code for more information. Concord law also provides that, a Landlord must provide a statement of cause in any notice to terminate a Tenancy. See Section 19.40.070 of the Concord Municipal Code for more information. In addition, City of Concord Municipal Code Sections 19.40.070(e) and 19.40.080 provide tenants evicted on a no-fault basis with the right to return to the Tenant’s original Covered Rental Unit if such Covered Rental Unit is returned to the market, and the right to relocation payments assistance and a moving stipend; see City of Concord Municipal Code Sections 19.40.070(e) and 19.40.080 for more information.

City of Concord Municipal Code Section 19.40.090 provides tenants with the right to written leases and minimum lease terms. Landlords must offer tenants the option to enter into a one (1) year written lease. If a tenant declines a one (1) year written lease, the landlord must offer that tenant the option to enter into a six (6) month written lease. It is the tenant’s choice whether or not to enter into such a written lease with a landlord. If tenant rejects the initial offers of a written lease with a minimum lease term of 12 or 6 months, the tenant and landlord may enter into a written lease with a term of fewer than 6 months. See City of Concord Municipal Code Section 19.40.090 for more information.

(c) Manner. Landlords must provide the notice to Tenants in writing if the application and Rental Agreement are processed in writing, electronically if the application and/or Rental Agreement are processed electronically, or both if both methods are utilized. The provision of the notice shall be subject to Civil Code Section 1632.
19.40.110 Procedures and Guidelines.

The City Manager is hereby delegated the authority to promulgate procedures, regulations, and guidelines to aid in the implementation of this Chapter.

19.40.120 Remedies.

(a) Remedies and penalties.

(1) If a Landlord violates the terms of this Chapter, an aggrieved Tenant may institute a civil action for injunctive relief, actual, statutory, or direct money damages, and any other relief that the court deems appropriate, which shall include a civil penalty of no less than $2,000, and no more than $5,000, per violation, at the discretion of the court. If the aggrieved Tenant is a Senior Tenant or a Disabled Tenant, the court may award an additional civil penalty of up to $5,000 per violation, at the discretion of the court.

(2) Any person who violates, aids, abets, or incites another person to violate this Chapter is liable in a court action for each and every such offense for money damages of not less than three times actual damages suffered by an aggrieved Tenant (including damages for mental or emotional distress), or for minimum damages in the sum of $1,000, whichever is greater, and whatever other relief the court deems appropriate. In the case of an award of damages for mental or emotional distress, said award shall only be tripled if the trier of fact finds that the defendant Landlord acted in knowing violation of or in reckless disregard of this Chapter.

(3) If within two (2) years after withdrawing a Covered Rental Unit from the rental market pursuant to Section 19.40 070(d)(2) a Landlord offers for Rent such Covered Rental Unit, in addition to any right of return that the Tenant may have pursuant to this Chapter, the Landlord shall be liable to the Tenant who was displaced from the Covered Rental Unit actual and exemplary damages provided the Tenant brings an action against the Landlord within three (3) years of the withdrawal of the Covered Rental Unit from the rental market.

(b) The court may award punitive damages in a proper case as set out in Civil Code Section 3294 and pursuant to the standards set forth in that code section or any successor thereto, but may not award both punitive damages and triple damages.

(c) The court shall award reasonable attorneys’ fees and costs to a Tenant who prevails in any such action. The court shall award reasonable attorneys’ fees and costs to a Landlord who prevails in any such action if the court determines that the Tenant’s action was frivolous.

(d) The remedies available under this section shall be in addition to any other existing remedies which may be available to the residential tenant under applicable federal, State, county, or local law.

(e) No administrative remedy need be exhausted prior to filing suit pursuant to this Chapter.

(f) Authorization of City Attorney to enforce the Ordinance. The City Attorney shall have the right and authority, but not the obligation, to enforce this Chapter, including bringing actions for injunctive relief, equitable relief, restitution, and/or penalties to ensure compliance with this Chapter.

(g) To the extent permitted by law, any violation of this Chapter shall be a defense to an unlawful detainer action.
19.40.130 Waiver Prohibited.

Any waiver of rights under this Chapter shall be void as contrary to public policy.

19.40.140 Severability.

If any section, subsection, sentence, clause or phrase of this Chapter is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this Chapter. The City Council declares that it would have adopted this Chapter and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.
RENT STABILIZATION, JUST CAUSE FOR EVICTION TO BE CONSIDERED JAN. 30

As part of the City’s recent Housing Element update, which was approved by the State, the City Council committed to adopting rent stabilization and just cause for eviction policies to address tenant displacement.

On Tuesday, January 30, 2024, at 6:30 p.m. in the Council Chamber, the Concord City Council will consider a revised version of a draft Ordinance establishing Rent Stabilization (also referred to as Rent Control) in Concord and update Concord regulations on Just Cause for Eviction. The revised draft ordinance would amend Concord’s existing Residential Tenant Protection Program to include the proposed rent stabilization and just cause for eviction provisions.

- Public Comment will be taken by the Council at this meeting. You must be present in person to participate in oral public comment. Please see the City’s agenda website on how to submit written public comment in advance of the meeting.
- The staff report will be available on the City’s agenda website no later than Friday, January 26 at 5 p.m. The new draft Ordinance is currently being written by staff based on past Council direction.
- Information on past Council discussions on this topic can be found by reviewing the Council meetings of January 9, 2024 and December 12, 2023.

RENT STABILIZATION
Here is a brief description of major features to be included in the proposed new Ordinance:

- Limit annual rent increases to 3% or 60% of the Consumer Price Index (CPI), whichever is lower.
- Controls the allowable rent increases upon the first date of occupancy but does not control the dollar amount for starting-of-occupancy rent (i.e., it preserves vacancy decontrol).
- Includes a “rent rollback” provision that sets rents to the dollar amounts that were charged for rent as of January 12, 2023, plus allows for up to the Ordinance-allowed rent increase of 2.52% for the 2023 calendar year (2.52% is 60% of the CPI for April 2023).
Rent stabilization would apply to multi-family rental complexes of 2 or more units built before Feb. 1, 1995. It would **not** apply to rented single-family homes, rented condominium units, or rented accessory dwelling units.

The Ordinance would establish a process utilizing a Hearing Officer whereby tenants could appeal their rent increases, if they believed them to be inconsistent with the City Ordinance, and whereby property owners could request higher rent increases, above what the Ordinance would otherwise allow, to obtain a fair return on their investment property.

**JUST CAUSE FOR EVICTION**

Here is a brief description of major features to be included in the proposed new Ordinance:

- Just cause regulations **do not** apply when a tenant is evicted for “at-fault” reasons, such as non-payment of rent, breach of a material term of the lease, or occupying the space in such a manner as to create a nuisance or criminal activity.

- Just cause protections for tenants would be triggered when a tenant is evicted for “no-fault on the tenant’s part” reasons, such as when an owner wants to move into the unit, wants to remove the entire complex from the rental market (Ellis Act eviction), or needs the unit vacant to perform substantial rehabilitations.

- A “right of return” would be available in some instances, such as when substantial rehabilitation is completed, or if an owner returns the unit to the rental market within a specified time after an Ellis Act eviction.

- Just cause for eviction would apply to most rented units in Concord, including rented single-family homes and rented condominium units. It would not apply to rented accessory dwelling units.

- In the case of no-fault evictions, just cause provisions in the revised draft Ordinance would require the property owner to pay three times the Federal Housing and Urban Development (HUD) Fair Market Rent (FMR) and an extra $3,000 to cover moving expenses. If applied in 2024, the total payment required would range from $8,475 for a studio unit to $14,862 for a four-bedroom home, apartment, or condominium. Prices are set by HUD for each calendar year. Certain tenants, such as those over 62 years of age, or who are terminally ill or disabled, would be eligible for an additional month of FMR.

Everyone who owns property subject to either rent stabilization or just cause protections would be required to register their unit(s) with the City of Concord annually and pay a yet-to-be-determined annual registration and administration fee.

These are complicated new regulations being proposed and the Council has been discussing them for many months. If you are interested in this important policy topic, please take the following steps: (1) review the information provided in the links above, (2) register on the interested party e-mail list by emailing Sophia.Huckabay@cityofconcord.org, and (3) attend the Council meeting on Tuesday, January 30. Only people attending in person will be allowed to speak at the meeting. You may also send comments on this topic directly to CityClerk@cityofconcord.org.
# City of Concord
Rent Stabilization and Just Cause for Eviction: Comparison Chart of Current Versus Proposed Policy  
(Revised: 1/24/24)

<table>
<thead>
<tr>
<th>Rent Stabilization</th>
<th>Current State Law</th>
<th>Current City Policy</th>
<th>Draft Ordinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units Covered</td>
<td>AB 1482:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Multi-family rental buildings with 2 or more units constructed more than 15 years ago</td>
<td>N/A</td>
<td>• Multi-family rental buildings constructed prior to February 1, 1995:</td>
</tr>
<tr>
<td></td>
<td>• Rented single-family homes and condominiums, if owned by real estate trust or corporation and constructed more than 15 years ago.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Note: Per State law, cities do not have the ability to impose rent stabilization on post-1995 units, or single-family homes/condominiums regardless of ownership.</td>
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</table>

- Mobile home units (versus spaces)
City of Concord
Rent Stabilization and Just Cause for Eviction: Comparison Chart of Current Versus Proposed Policy
(Revised: 1/24/24)

## Rent Stabilization

<table>
<thead>
<tr>
<th>Exempt Units</th>
<th>Current State Law</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AB 1482 exclusions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Single-family homes/condominiums, not owned by a real estate trust or corporation</td>
<td></td>
<td>• Units constructed after February 1, 1995</td>
</tr>
<tr>
<td></td>
<td>• Units constructed within past 15 years</td>
<td></td>
<td>• All single-family homes/condominiums</td>
</tr>
<tr>
<td></td>
<td>• Housing restricted by deed, regulatory agreement with a government agency, or other recorded document as affordable housing</td>
<td></td>
<td>• Low Income Housing Tax Credit (LIHTC) and other affordable housing units that DO specify in their affordability agreements an allowable rent increase percentage that is equal to or less than 5% per year.</td>
</tr>
<tr>
<td></td>
<td>• Dormitories</td>
<td></td>
<td>• Dormitories</td>
</tr>
<tr>
<td></td>
<td>• Owner-occupied duplexes</td>
<td></td>
<td>• Owner-occupied duplexes</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> Per State law, cities do not have the ability to impose rent stabilization on post-1995 units, or single-family homes/condominiums regardless of ownership.</td>
<td></td>
<td>• Accessory Dwelling Units</td>
</tr>
<tr>
<td></td>
<td><strong>Note:</strong> Per State law, cities do not have the ability to impose rent stabilization on post-1995 units, or single-family homes/condominiums regardless of ownership.</td>
<td></td>
<td>• Unit where tenant shares kitchen or bathroom with the owner</td>
</tr>
</tbody>
</table>

N/A
# Rent Stabilization

<table>
<thead>
<tr>
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<th>Current State Law</th>
<th>Current City Policy</th>
<th>Draft Ordinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent Increase Limit</td>
<td>AB 1482: Lesser of 5% + CPI or 10%</td>
<td>N/A</td>
<td>Lesser of 60% of CPI or 3%</td>
</tr>
</tbody>
</table>
| Petitions          | Courts require that rent stabilizations ordinance provide opportunity for landlord to obtain a fair return on their investment. Courts have found that the maintenance of net operating income is an acceptable method for achieving a fair return. | N/A | • Tenant Petitions  
• Owner petition for Fair Return on Investment |
| Petition Costs     | N/A               | N/A                 | • No cost for tenant petition  
• Owner covers cost of Fair Return Petition |
| Rent Roll Back     | AB 1482: March 15, 2019 with Statute effective on January 1, 2020 | N/A | • For tenancies commenced on or before January 12, 2023, the Rent in effect on January 12, 2023 plus the Initial Allowable Annual Rent Increase. |
# Rent Stabilization and Just Cause for Eviction: Comparison Chart of Current Versus Proposed Policy
(Revised: 1/24/24)

## Rent Stabilization

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<tbody>
<tr>
<td>Rent Roll Back</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continued</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

- **Rent Roll Back Continued**
  - For tenancies commenced after January 12, 2023, but before the ordinance effective date, the Rent charged upon initial occupancy plus the Initial Allowable Annual Rent Increase
  - For tenancies commenced after the ordinance effective date, the Rent charged upon initial occupancy.

## Just Cause for Eviction

<table>
<thead>
<tr>
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<th>Current State Law</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Units Covered</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Units Covered**
  - AB 1482:
    - Multi-family rentals with 2 or more units constructed more than 15 years ago.
    - Rented single-family homes and condominiums, if owned by real estate trust or corporation
  - Same as Current State Policy
  - Multi-family rentals with 2 or more units
  - Rented single-family homes and condominiums
  - Low Income Housing Tax Credit (LIHTC) units and other government regulated affordable housing units.
# City of Concord
Rent Stabilization and Just Cause for Eviction: Comparison Chart of Current Versus Proposed Policy  
(Revised: 1/24/24)

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<td>Units Covered</td>
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<td></td>
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<tr>
<td>Continued</td>
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<table>
<thead>
<tr>
<th>Exempt Units</th>
<th>AB 1482 exclusions:</th>
<th>Same as Current State Policy</th>
<th>Draft Ordinance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Mobile home units (versus spaces)</td>
<td>Same as Current State Policy</td>
<td>• Consistent with AB 1482, AND</td>
</tr>
<tr>
<td></td>
<td>• The above units are covered regardless of date constructed</td>
<td>Same as Current State Policy</td>
<td>• Exclude rented ADUs and rented rooms in a single-family homes/condominiums regardless of owner-occupant status and the number of rooms being rented</td>
</tr>
</tbody>
</table>
## Just Cause for Eviction

<table>
<thead>
<tr>
<th></th>
<th><strong>Current State Law</strong></th>
<th><strong>Current City Policy</strong></th>
<th><strong>Draft Ordinance</strong></th>
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</thead>
</table>
| **Exempt Units Continued** | • Units constructed within past 15 years  
• Single-family homes/condominiums unless real estate trust or corporately-owned. Requires noticing to tenant of exempt status  
• Housing restricted by deed, regulatory agreement with a government agency, or other recorded document as affordable housing |                                                |                    |

### At-Fault Reasons for Evictions

<table>
<thead>
<tr>
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<th><strong>Current State Law</strong></th>
<th><strong>Current City Policy</strong></th>
<th><strong>Draft Ordinance</strong></th>
</tr>
</thead>
</table>
| **AB 1482:**            | • Default in the payment of rent  
• Breach of a material term of the lease  
• Nuisance  
• Committing waste  
• Tenant refusal of written lease  
• Criminal activity  
• Subletting in violation of lease  
• Tenant’s refusal to allow owner to enter unit | Same as Current State Policy                  | Same as Current State Policy                   |
### Just Cause for Eviction

<table>
<thead>
<tr>
<th>At-Fault Reasons for Evictions Continued</th>
<th>Current State Law</th>
<th>Current City Policy</th>
<th>Draft Ordinance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Unit use for unlawful purposes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Employee failure to vacate after termination of employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Tenant Failure to deliver possession of unit after giving notice of termination</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No-Fault Reasons for Eviction</th>
<th>AB 1482:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Owner intent to occupy unit</td>
<td></td>
</tr>
<tr>
<td>• Withdrawal from rental market</td>
<td></td>
</tr>
<tr>
<td>• The owner complying with any of the following:</td>
<td></td>
</tr>
<tr>
<td>(a) An order issued by a government agency or court relating to habitability that necessitates vacating the residential real property.</td>
<td></td>
</tr>
<tr>
<td>(b) An order issued by a government agency or court to vacate the residential real property.</td>
<td></td>
</tr>
<tr>
<td>(c) A local ordinance that necessitates vacating the residential real property.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Same as Current State Policy</th>
<th>Same as Current State Policy</th>
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<tr>
<td>Just Cause for Eviction</td>
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<td>Current City Policy</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>No-Fault Reasons for Eviction Continued</strong></td>
<td>(d) If it is determined by any government agency or court that the tenant is at fault for the condition or conditions triggering the order or need to vacate, the tenant shall not be entitled to relocation assistance</td>
<td>Same as Current State Law</td>
</tr>
<tr>
<td></td>
<td>• Intent to demolish or substantially remodel the residential property</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Substantial Renovation Definition</strong></td>
<td>AB 1482 and SB 567 (listed as a no-fault just cause): The replacement or substantial modification of any structural, electrical, plumbing, or mechanical system that requires a permit from a governmental agency, or the abatement of hazardous materials, including lead-based paint, mold, or asbestos, in accordance with applicable federal, state, and local laws, that cannot be reasonably accomplished in a safe manner with the tenant in place and that requires the tenant to vacate the residential real property for at least 30 days.</td>
<td>Same as Current State Law</td>
</tr>
<tr>
<td>Just Cause for Eviction</td>
<td>Current State Law</td>
<td>Current City Policy</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------</td>
</tr>
</tbody>
</table>
| Substantial Renovation Definition Continued                 | Cosmetic improvements alone, including painting, decorating, and minor repairs, or other work that can be performed safely without having the residential real property vacated, do not qualify as substantial rehabilitation. |                                      | For a relocation of 30 days or fewer<br>Property owner pays tenant per diem rate for lodging and meals. | For a relocation of 31 days or greater<br>Property owner pays tenant per diem rate for lodging and meals or at owners election can offer tenant comparable or superior dwelling<br>For both, tenant retain right to return at same base rent with any authorized annual increases<br>  
  • Tenant must continue to pay their lease rate rent with any allowed adjustments |
| Temporary Relocation Options During Substantial Renovation and Right of Return | AB 1482 defines substantial renovation as a renovation that requires the tenant to relocate for 30 consecutive days or more.                                                                                 | N/A                                  |                                                                                                       |
# Just Cause for Eviction

<table>
<thead>
<tr>
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<th>Current State Law</th>
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</thead>
</table>
| **Temporary Relocation Options During Substantial Renovation and Right of Return Continued** | AB 1482: greater of one month of the tenant’s rent or $1,000 | Greater of two months of the tenant’s rent or $5,000 | Property owner options:  
  • Relocate tenant to a comparable or superior Dwelling Unit for temporary housing accommodations.  
  
**Relocation Assistance = 3 months of HUD FMR Rent + $3,000 (Moving Stipend)**  
In addition to the above, 1 month of increased assistance at HUD Fair Market Rent for protected (vulnerable) populations including low-income tenants, seniors, individuals with disabilities, terminally ill tenants, and households with school-age children. |
| **Permanent Relocation Assistance Amount for No-Fault Evictions** | | | |
City of Concord
Rent Stabilization and Just Cause for Eviction: Comparison Chart of Current Versus Proposed Policy
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</thead>
<tbody>
<tr>
<td>Effective Period</td>
<td>AB 1482: Eviction Protections are effective after the following period of tenancy: (1) After 12 months (2) After 24 months, if additional tenants are added to the lease</td>
<td>Same as Current State Policy</td>
<td>Effective upon move-in</td>
</tr>
<tr>
<td>Ellis Act</td>
<td>Allows owners to remove rental properties from the market if remove all rental units located on parcel.</td>
<td>N/A</td>
<td>• Property owner records a memorandum encumbering the property for the ten years that it is off-market • Property owner pays tenants permanent relocation assistance • Tenant has right to return to property if property is re-rented during ten years after withdrawal</td>
</tr>
<tr>
<td>Both Policies</td>
<td>Current State Law</td>
<td>Current City Policy</td>
<td>Draft Ordinance</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>--------------------</td>
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<td>-----------------------------------------------------</td>
</tr>
</tbody>
</table>
| Enforcement                        | Civil Remedies     | N/A                 | • Hearing Officer  
|                                    |                    |                     | • Civil Remedies  
|                                    |                    |                     | • Violation is a defense to eviction |
| Rent Registry Fee Pass Through to Tenant | None               | $5.25/unit          | Anticipated Rent Registry Fees:  
|                                    |                    |                     | • Fully-Covered Units: $49-$52 per unit  
<p>|                                    |                    |                     | • Partially-Covered Units: $29-$32 per unit |
| Rent Registry Fee Pass Through to Tenant | N/A                | None                | No pass through to tenant |
| Sunset Date                        | AB 1482: January 1, 2030 | January 1, 2030 | N/A |</p>
<table>
<thead>
<tr>
<th>Tenant Protections</th>
<th>Current State Law</th>
<th>Current City Policy</th>
<th>Draft Ordinance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AB 1482:</strong></td>
<td>• Rent increases are capped at the lesser of 5% + CPI or 10% for all eligible units</td>
<td>Residential Tenant Protection Policy includes the protections provided by AB 1482, AND:</td>
<td><strong>Includes protections provided in current State and City policy, AND:</strong></td>
</tr>
<tr>
<td></td>
<td>• Property owners must provide tenants with notices describing the no-fault or at-fault evictions, as defined in AB 1482</td>
<td>• Minimum lease terms of 12 months, 6 months, or mutually agreed upon term and a lease in writing</td>
<td>• Rent increases are capped at the lesser of 60% of CPI or 3%, with a rent rollback to January 12, 2023 rent.</td>
</tr>
<tr>
<td></td>
<td>• Property owners must provide tenants the opportunity to cure a curable just-cause lease violation prior to issuing an eviction notice</td>
<td>• For no-fault evictions: Permanent Relocation assistance of two times of the tenant’s rent or $5,000, whichever is greater</td>
<td>• Rent stabilization and just cause for eviction protections expanded to cover a greater number/type of units than those provided by current policies and State law.</td>
</tr>
<tr>
<td></td>
<td>• For no-fault evictions, property owner must provide permanent relocation assistance equivalent to one month of the tenant’s rent or $1,000, whichever is greater</td>
<td>• Substantial rehabilitations are defined as those requiring the tenant to relocate for 30 days or more, and that require building permits to be pulled</td>
<td>• At no cost to tenants, the City provides for upward/downward rent adjustments through a petition process involving a hearing officer.</td>
</tr>
<tr>
<td></td>
<td>• Substantial rehabilitations are defined as those requiring the tenant to relocate for 30 days or more, and that require building permits to be pulled</td>
<td></td>
<td>• After adoption of the Ordinance, just cause for eviction protections to begin immediately upon move-in.</td>
</tr>
</tbody>
</table>
### Tenant Protections Continued

<table>
<thead>
<tr>
<th></th>
<th>Current State Law</th>
<th>Current City Policy</th>
<th>Draft Ordinance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ellis Act: Property owner must provide 120 days’ notice to tenants; one year</td>
<td>• Rent Registry – multifamily rental complexes of four or more units must register</td>
<td>• Residential Rent Registry expanded to cover all rental units covered by the</td>
</tr>
<tr>
<td></td>
<td>notice for seniors and tenants who are disabled.</td>
<td>their units and provide information on tenancy, rents, and evictions.</td>
<td>rent stabilization and just cause for eviction policy provisions.</td>
</tr>
<tr>
<td></td>
<td>California’s Fair Employment and Housing Act prohibits those engaged in the</td>
<td>• Violate or threaten tenant’s quiet enjoyment</td>
<td>• Increased permanent relocation assistance.</td>
</tr>
<tr>
<td></td>
<td>housing business – landlords, real estate agents, home sellers, builders,</td>
<td>• Fail to perform timely repairs</td>
<td>o Relocation Assistance = 3 months of HUD FMR Rent + $3,000 (Moving Stipend)</td>
</tr>
<tr>
<td></td>
<td>mortgage lenders, among others – from discriminating against tenants or</td>
<td></td>
<td>o In addition to the above, 1 month of increased assistance at HUD Fair</td>
</tr>
<tr>
<td></td>
<td>homeowners.</td>
<td></td>
<td>Market Rent for protected (vulnerable) populations including low-income tenants,</td>
</tr>
<tr>
<td></td>
<td>Further, California Civil Code Section 1940.27 also prohibits harassment of</td>
<td></td>
<td>seniors, individuals with disabilities, terminally ill tenants, and households</td>
</tr>
<tr>
<td></td>
<td>tenants by landlords.</td>
<td></td>
<td>with school-age children.</td>
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</tr>
<tr>
<td>Tenant Protections Continued</td>
<td>Current State Law</td>
<td>Current City Policy</td>
<td>Draft Ordinance</td>
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<tr>
<td></td>
<td></td>
<td>• Abuse right of entry laws</td>
<td>• Introduction of tenant’s right of return and temporary relocation benefits based on number of days tenant is expected to be displaced from unit.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Misrepresentation, intimidation, intimidation, or coercion to encourage tenant to vacate</td>
<td>• Substantial renovations require building permits to be issued prior to renovations taking place.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Discriminate against tenant in violation of Fair Employment and Housing Act</td>
<td>• Ellis Act fully implemented</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Refuse to accept rent</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Violate tenant’s privacy</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Retaliate against tenant</td>
<td></td>
</tr>
</tbody>
</table>
# Summary of Tenant Protections

<table>
<thead>
<tr>
<th>Current State Law</th>
<th>Current City Policy</th>
<th>Draft Ordinance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mobile Home Rent Stabilization:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Limits annual space rent increases to 80% of CPI</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Allows for a petition process utilizing a hearing officer</td>
<td></td>
</tr>
</tbody>
</table>
## Applicability of the Proposed Ordinance by Housing Type

**Revised: 1/24/24**

<table>
<thead>
<tr>
<th>Type of Unit</th>
<th>Rent Stabilization</th>
<th>Just Cause for Eviction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Homes/Condominiums</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Multi Family Complex 2 or more units (built before Feb 1, 1995)</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Multi Family Complex 2 or more units (built after Feb 1, 1995)</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Accessory Dwelling Units</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Mobile Home Units</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Low Income Housing Tax Credit (LIHTC) Units (built before Feb 1, 1995)</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Low Income Tax Credit (LIHTC) Housing Units (built after Feb 1, 1995)</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>Affordable housing with annual rent increases capped at a 5%</td>
<td>✗</td>
<td>✓</td>
</tr>
<tr>
<td>capp ed through regulatory or deed-restriction agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transient and tourist hotel occupancy</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Institutional Facilities ¹</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Dormitories</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Owner-occupied duplexes</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Units where owner and tenant share kitchen and bathroom</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Emergency Shelters</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Residential Facilities ²</td>
<td>✗</td>
<td>✗</td>
</tr>
</tbody>
</table>

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¹ Institutional Facilities include housing accommodations in a hospital, religious facility, extended care facility, licensed residential care facility for the elderly, or an adult residential facility as defined in City Municipal Code Chapter 19.40 Residential Tenant Protection Program.

² Residential Facilities include group housing, residential care facilities, assisted living facilities, supportive housing, and transitional housing.
Dear Concord City Council Members,

I hope this email finds you well. I am writing to express my concerns about the proposed rent control policy. While I understand the intention behind ensuring affordable housing, I believe that rent control may have unintended consequences.

Implementing rent control could discourage property owners from investing in rental properties, leading to a decrease in housing supply. This may result in a lack of maintenance and upgrades, ultimately affecting the quality of available housing.

Additionally, Most economists—left or right—think rent control is bad

The below paragraphs are quoted from this article-
https://calmatters.org/housing/2018/01/5-things-californian-know-now-rent-control/

Economists have a hard time agreeing on most things. But regardless of partisan leaning, most economists would say rent control is not great policy. Even prominent progressives like Paul Krugman have expressed opposition to it.

Rent control is quite literally the textbook example of a “price ceiling”– undergrad economics textbooks will often feature problem sets with questions about what’s wrong with rent control. The classic microeconomic downsides include killing the incentive to build more housing, causing landlords to neglect maintenance and repair, and inflated prices for non rent-controlled units. A poll of ideologically diverse economists found that only 2 percent agreed with the statement that rent control had had a positive impact on housing affordability in cities like New York and San Francisco.
Furthermore, rent control might not effectively address the root causes of rising housing costs. Exploring alternative solutions, such as increasing housing supply through streamlined regulations, could be a more sustainable approach to tackle the affordability issue. Abolishing parking minimums is another way to address this as it decreases the costs of new housing.

As a longtime Concord resident, I appreciate your time and consideration of these concerns as you deliberate on this important matter.

Sincerely,

Ryan McMahon
Mayor, Council Members, and the Public:

Late 1930's in Germany, Hitler started on a campaign against Jews, Unionists and Communists declaring these groups as greedy and unfairly bleeding the people and the country for their own benefit. His policies were met with enthusiasm from the public overall because most of the people weren't Jews, Unionists or Communists. It was only later the public realized the consequences of their actions when it was too late. Sorry for the history lesson, but the current City Council is embarking on a policy against landlords that mirrors what Hitler did. Too much?! The point here is Rent Control sounds good to the public overall today, but it is detrimental to the public and the city in the long run and it will be too late when the public realizes the consequences of these actions.

There are a number of studies that point out that Rent Control is detrimental to the city and its residents. A quick look at Oakland, San Francisco and a few other cities that have imposed rent control should be proof that, the studies declaring rent control a "failed policy", are grounded in reality. It is my sincerest hope that the Council will act in the best interests of Concord and its residents by easing Rent Control; not making it more restrictive.

If the Council is truly interested in providing more housing at a cheaper price, court perspective and current landlords. EXAMPLE: If you consider the current tax on landlords per unit as 100%, think about cutting that tax by 25%. If you get twice as many units as before, the city now will get 150% of the taxes it was getting before. This is the same model Costco uses; they sell each unit for less, but sell twice (or more) as many. Don't believe me; visit Costco in midday almost any day of the week and try to find a parking space (and their parking lot is huge). And how will this help the renters; Supply and Demand. With more Supply, Demand goes down, when Demand goes down, costs (rents) have to follow suit and go down; renters benefit. The city wins, renters win and landlords win; the only things to really consider are how much in benefits to give to landlords, how to hold landlords responsible for providing quality housing and how to handle landlord/tenant disputes.

Respectfully,

Dennis Gremer
I am writing about the rent control ordinance proposal being discussed at the next council meeting.
I own a home that I rent out in the city of Concord. I bought the home with my life savings in 2014. I own one home. My tenants have lived in my home since 2017. They have children that attend the local elementary school. I retired 2017 after a 32 year career in office management. I haven't raised the rent for 2 years. I increase the rent to keep up with ever increasing taxes, and insurance. A rent control ordinance would restrict or limit my ability to maintain my home. A rent control ordinance would injure both landlords and tenants in the long run. My home is part of my retirement plan, a small supplemental income. A rent control ordinance for home owners like me would do more harm than good.

Please consider imposing such an ordinance on "Invtational Homes," a real estate company that owns hundreds of homes nationwide.

Sincerely,

Donna Remak
Homeowner
Registered voter
Hello Edi and fellow council members:
Recently I read a post discussing rent control proposals under discussion by city council members. I’m am messaging you to voice my disapproval of most of the rent control measures you are proposing for Concord. I am in favor of a cap on allowed rent increases. I believe most of the other measures as proposed are overly penalizing to the landlord. A required Relocation payment of three months rent plus moving expenses is too much. The Restrictions proposed for an owner who wants to move into his/her own rental house are ridiculous.

FYI, I am not a landlord or a renter in Concord.

Elizabeth Schmidt
St. Francis neighborhood

Sent from my iPad
Dear Councilmembers, City Attorney and City Staff,

Please see the attached letter concerning the proposed rent stabilization ordinance the Council is considering.

Thank you,

Kristy Powell
President
Walnut Creek Holdings, Inc.
P.O. Box 905
Concord, CA 94522
925.685.4246
palmterraceconcord.com
January 19, 2024

To: Edi Birsan, Mayor
Carlyn Obringer, Vice Mayor
Laura Hoffmeister, Councilmember
Dominic Allano, Councilmember
Laura Nakamura, Councilmember

Cc: Valerie Barone, City Manager
Susanne Brown, City Attorney
Sophia Huckabay, Housing Manager
Merle Hall, Owner, Walnut Creek Holdings, Inc.

Dear Members of the Concord City Council and City Staff,

I trust this letter finds you well. My name is Kristy Powell, and I am writing to bring your attention to a matter of significant concern regarding the proposed rent stabilization regulations affecting the property I manage at Palm Terrace.

I understand and appreciate the goals of rent control in maintaining affordable housing within our community. However, I am facing unique circumstances with my property that I believe warrant an exemption from the proposed rent control measures.

Palm Terrace was approved for a Condominium Conversion by the Concord City Council on November 27, 2007. After its approval, the housing market collapsed in 2008 and Palm Terrace continued to operate successfully as a multi-family residential rental property. We sit on 8 acres of land and have 190 condominiums: a combination of 1-, 2-, 3-, and 4-bedroom units. We consistently maintain an average 97% occupancy rate. Our rents are at or below Fair Market Value (FMV). While these are interesting facts, what makes us extraordinary is our ability to sell our condos, and that is the legal right we do not want to give up or sacrifice by sections in your proposed ordinance.

While watching the last Regular City Council meeting on January 9, 2024, I made note of several questions and comments made by council members regarding Palm Terrace. Vice Mayor Obringer and Councilmember Hoffmeister made a motion to exempt Palm Terrace from the rent control ordinance and the mayor and remaining councilmembers expressed concerns and ultimately rejected the motion. While listening to the panel discussion, I truly believe lack of clarity and lack of understanding about what Palm Terrace is and what we offer is at the root of the confusion. I do hope the information forthcoming will help to answer these questions and address those concerns. After all, the purpose of rent stabilization is to control rent prices: our Condo Conversion approval provides exactly that.

As the Vice Mayor, Councilmember Hoffmeister, City Manager and City Attorney all referenced during the discussion on January 9th, every individual and family who signs a lease agreement with Palm Terrace also...
signs a "Condo Addendum Agreement”. This agreement is present in all 190 lease files in our office. Our tenants are thrilled and excited by the thought of and opportunity to perhaps purchase their townhome in the future. It is not a deterrent to leasing at Palm Terrace, it is in fact, the opposite. Home ownership is a part of life that everyone wants the opportunity to have. Your proposed rent control ordinance, in its current form, will absolutely take that opportunity away from every current and future tenant at Palm Terrace. We simply won’t be able to afford to pay relocation fees, keep our property pristine, employ our staff, and pay ever-increasing city fees on what appears to be a less than annual 1% rental annual increase for the coming year.

The following outlines our leasing program:

**Palm Terrace Condominium Rentals – Unique Lease Features:** Our lease contract is not the typical apartment rental agreement that runs for six or twelve months and then rolls over into a month-to-month rental agreement. Instead, it has a condo addendum that is intended for longer term occupants, and to prepare them for conversion into home ownership. The addendum does this in the following ways:

1. It notifies the customer they are renting a condo, not an apartment.
2. It lets them know they will have the Right of First Refusal to Purchase their unit when it is placed on the market for sale.
3. If they purchase their unit; they receive a 3% discount below market.
4. If they don’t wish to buy when the unit is available for purchase, the lease protects them with a guaranteed minimum one-year notice to move.
5. While they are renting, the customer gets an initial two-year guarantee against rent increases. Thereafter, they have access to market rent information, and they are further protected with discounts of up to 5% below market rents.
6. All these benefits are available only if the lease agreement remains continuously in full force and effect and is not allowed to expire and roll over to a month-to-month rental.

I think its sometimes easy or more convenient to “put everyone in a box”, by that I mean you have two sides to this debate; the tenant advocates and the property owners, but not all of us necessarily deserve to be put in a box because many of us are already offering the very thing you are asking for – fair and equitable opportunity at housing. Your duty as council members is to represent all of us.

In closing, I kindly request the city council’s consideration for an exemption from the rent control regulations for my property at [redacted]. In this case, I request a Motion to Reconsider. I am open to engaging in further discussions and providing any additional information required to support my case.

Thank you for your attention to this matter, and I look forward to a positive resolution that ensures the continued viability of my property while upholding the principles of fair housing in our community.

Sincerely,

Kristy Powell
President
Walnut Creek Holdings, Inc., agent of the owners of Palm Terrace Condominium Rentals
From: Leslie Baxter <cardamom925@gmail.com>
Sent: Monday, January 22, 2024 10:18 AM
To: Concord City Council Email <citycouncil@cityofconcord.org>
Subject: Rent Regulation

Dear City Council,

As a Concord resident and homeowner, I write in strong support of the proposed rent stabilization and just cause for eviction ordinances proposed for adoption at your January 30 2024 meeting.

Best regards,

Leslie Baxter
Mayor Birsan and Councilmembers,

You know, that even to a greater extent than ownership housing, the price of rent is a function of supply and demand. And you know there is a rental housing shortage in California. Yet, in the majority of other states in the country, the recent availability of cheap construction money has produced a glut of new apartments. In those states, the supply of rentals is exceeding demand, and it is actually bringing down the price of rent. (See WSJ, 1-2-2024).

What’s wrong with CA? It’s simple. The regulatory burden is too high. One example is City imposed impact fees on new apartment construction. Check this out; Oakland is $39,264/unit, Berkeley is $66,594, and SF is $74,597. What is Concord’s fee? Whatever it is, you should get rid of it. You should also allow the 300 units of Coast Guard Housing to be occupied, and you should stop mandating inclusionary zoning, and PLA contracts in all new apartment projects. Those policies all add to the cost, and Concord can’t afford it. That’s why you get the fewest new apartments per capita each year of any central CC city. Your costly policies contribute to the shortage of apartments that makes the price of rent go higher. Change you policies and rents will go down. Regulate more, and rents will go up.

Now you are doubling down on that with your “Stabilization” program. You know that will be a disincentive to anyone wanting to invest in Concord. And you know that the lack of more investment in apartments in your city will exacerbate the shortages. And the shortages that you cause will make rents go even higher. Yes, that’s right. Government regulation always gets the opposite result. Regulate prices, and they go higher. How foolish is that?

But that is not my issue. I am writing you on a simple technicality. Our project, Palm Terrace Condominium Rentals, (PT) is different. Because of that we are asking for an exemption to the ordinance.

Here’s some background: A few years ago your city sued me and my partners to force us to make serious investments at PT to catch up with deferred maintenance. But the City Council did not understand we were not just dealing with deferred maintenance. We were dealing with substantial design and construction defects that caused the deferred maintenance, and the defects had to be corrected for the project to even survive, let alone to be reasonably maintained. In addition, the entire project needed major renovation way beyond what the city had requested. Nevertheless, the city filed suit on the maintenance issue alone, and it cost us half a million dollars in legal fees that should have gone into repairs. The saving grace was that the finished product so completely changed the character of the project that the Planning Commission approved conversion to condos on a unanimous 5-0 vote.

How could that happen? How could a City Council be suing an owner over maintenance issues, while the owner was doing much more than just the maintenance. In fact, so much more that the Planning Commission unanimously granted a condo conversion use permit. Among other staff
indiscretions, the city manager had lied to the council. Although the owners had never taken a cent out of it, he said they had “been bleeding this project for years, while making no serious re-investment …” But the council also was at fault. They refused to meet with the owners, or inspect the project, to personally gain an understanding of the truth. As a result, the city wasted over a million dollars of taxpayer money on its legal fees.

It is ironic that a prior council was concerned about owners “making no serious re-investment”, while today’s council is proposing regulations that assure that owners will no longer make serious re-investments. But I digress.

At PT, the city got much more than it bargained for. Unfortunately, the housing bubble burst and the market crashed. In the meantime, we invested millions of additional dollars in reliance on the city’s promise to allow the condos. If adopted, your stabilization program will wreck that. It will cause the loss of millions invested by retired partners to preserve, and improve Concord housing.

As agent of those investors and their families, we cannot allow that to happen. We’ve hired competent legal counsel who has written you, explaining our situation, and requesting we be exempted from this ordinance. You rejected that request on a 3-2 vote. Your only input was from staff. What dismays me more is that the old scenario appears to be repeating. That is a lack of communication, a refusal by councilmembers to meet with the owners, and inspect the project and learn first hand what is going on.

In the hope that you may be motivated to avoid more litigation, I’m copying you with the attached details of the wrap up of the former dispute. I’m confident none of you wish to again waste taxpayer money in a meaningless way that does the city no good whatsoever. I’m also conscious that one or more of you feel constrained with personal obligations to certain constituencies that may make it difficult to vote for the exemption. Nevertheless, the facts do not lie. The exemption is not only justified, it is legally sound. Therefore, it is my suggestion that as a whole, and to avoid leaving any one councilmember uncomfortable, you vote unanimously to grant the exemption. Give every councilmember cover for doing the right thing. In return, you will have avoided future bleeding of our project, and you will have assured continued re-investment in at least a portion of your affordable housing stock.

Respectfully yours,

Walnut Creek Holdings, Inc., agent of the owners of Palm Terrace Condominium Rentals at 2925 Monument Blvd., Concord

Merle D. Hall, Owner
August 25, 2010

City Council
City of Concord
1950 Parkside Dr.
Concord, CA 94519

Re: City of Concord v. V. G. Partners Limited Partnership
Request for: Waiver of Settlement Payment

Honorable Mayor Bjerke and Councilmembers,

On behalf of V. G. Partners, the owners of Palm Terrace Townhome Condominiums (formerly Village Green Apartments) located at 2925 Monument Blvd., Concord; this is to request a full waiver of the $300,000 (plus the interest) consideration negotiated in settlement of the above titled legal action.

**Background:** The action was brought by the City, in 2004, to enforce provisions contained in a “Stipulation” entered into between the City and the Owners, which required certain repair work to be completed in 2003, and which was not completed on schedule. The parties settled the action in April, 2006, after it became clear that the work was substantially complete. Subsequently, the property was approved for conversion into Condominiums.

The settlement agreement provided, among other things, that the Owner pay the City $3,000 upon the close of escrow of each condo sale until the total of $300,000 (plus interest at 2.5% per annum) be paid to the City as partial reimbursement of legal costs incurred by the City. Any remaining unpaid balance was to have been paid within 5 years of the settlement date (April, 2011).

At the time of the settlement, the condo market was strong and the project was expected to be sold out quickly. Unhappily, that did not happen, and the condos have not been sold. Accordingly, no payments have been made, and the entire lump sum is coming due.

**Reasons to Grant the Waiver:**

1. **Hardship** – It was anticipated that the settlement would be paid by installments upon the sale of each condo. It was not anticipated that the entire balance, plus interest, would need to be paid in one lump sum at a time in which the entire real estate market is suffering a loss of equity and lack of liquidity.
2. **The City Received Windfall Benefits** – The City’s objective with the Stipulation was to catch up with deferred maintenance in a low-income rental project. Due to the Owners extra work, the City got a complete renovation and upgrade of the project into ownership quality units that qualify as condominiums. The project is now repositioned in the market as one of the three premier residential addresses in Downtown Concord with a greatly upgraded occupancy.

3. **The Legal Action Should Never Have Occurred** – Evidence of managerial misfeasance by the City surfaced after the settlement. Due to the nature of the situation, it is reasonable to believe that certain counterproductive actions taken by the City prior to the action would have been avoided and that the action itself would never have been filed.

**Commentary:**

The first reason for the waiver request is self-explanatory. Had market activity continued at the same level it was in mid 2006; we would have been sold out, you would have your money, and we would not be having this discussion. Under the circumstances, however, our situation is as desperate as the next guy and we are literally at the point of having to lay off workers (see Exhibit A, note G) if this waiver is not granted.

The second reason for waiver is the result of two different visions for the property. The City vision was of an ownership that did little to maintain its property. It was looking at an accumulation of deferred maintenance that had turned a rental community into a low-income barrio. The City perspective was that of slum-lords bleeding the property to death. It wanted to force the owners to spend money to correct the unsightly appearance and catch up with the deferred work.

In fact, the ownership had been reorganized and the new leadership was determined to correct the business aspects of the situation that had put the project into Bankruptcy and were the root cause of the deferred maintenance. The Owners vision was to completely correct all operating problems and reposition the project in the market place with a whole new clientele. It anticipated a total renovation of the project … not just a cosmetic job.

During a recent visit to Palm Terrace, Dan Keene observed that the renovation work was above and beyond the requirements of the “Stipulation”. Recognizing that as a voluntary action, he wondered why we did more than the City requested. There are several answers;

- It was absolutely necessary,
- It was always our plan, and
- We thought we had support from the City.

**It Was Absolutely Necessary** – The general perception was that the project was rundown due to a lack of maintenance. But, for every effect, there is a cause; and in this case the cause of the lack of maintenance was excessive operating costs for other items, most notably utilities, and especially the water system (see Notes, A) Old Water System).

Utility payments come ahead of everything else. If they aren’t paid, you’re simply shut
down and maintenance becomes a non issue. Survival, as either rentals or condos, first required correction of utility related defects.

None of the work required to correct the cause of the maintenance situation was included in the Stipulation. Correcting the cause of the problems required the installation of an entirely new water system, as an absolute pre-requisite to any effective renovation of the property … and the water system needed to be replaced before Stipulation work was done (note B).

It Was Always Our Plan – Our effort began when I took control of the project in 1997 by injecting my own money into a Bankruptcy Reorganization. In making my move; I saw the BART location, coupled with the garden townhome design, and no one above or below, as a winning combination for ownership grade urban housing. My vision included the new water system with separately metered utilities, and elimination of smelly and unsightly communal garbage dumpsters. In addition to all new grading, walkways, fencing, landscaping, and painting, my vision included a complete rebuild of the roof structures, and the addition of more parking, more carports, storage units, and vehicle gates.

We thought we had support from the City – The vision required a huge leap of faith, but the City wanted to see change, and I had previously obtained support from Bill Reeds and Bud Stewart for a conversion to condominiums in order to create the value required to attract the capital needed to do the work.

In a meeting with me later, Ed James expressed a desire to see immediate results. I countered that a lot of money would be required, and a change of use, from low income rental units, to high quality owner occupied units was essential to make it work. It was more than just a facelift job; financial feasibility required conversion to condos. After our meeting; Ed wrote the following to me on January 22, 1999:

“We discussed the conversion of Village Green from a rental project to a condominium project. Attached for your information and reference is a copy of the portion of the Concord Municipal Code related to condominiums. The code contains requirements for converting apartment units into condominiums…. As we indicated at the meeting, conversion of the project to condominiums may be a feasible approach to solving the problems. … It is certainly something that we are willing to explore with you and assist you in any way we can.”

This was extremely good news. We now had support from the City, we understood the problems, we had developed a feasible plan, and we were qualified. At Diablo Valley College, I instructed Real Estate Investments and was Chairman of the DVC Real Estate Advisory Committee. We even had prior experience renovating a dilapidated group of “garment district” buildings into an attractive new Retail Center, and earned a first place award from the Walnut Creek Action for Beauty Council. Prior to that, we converted a greasy old auto dealership into an attractive new Bank Building. I was an expert in real
estate operations; and renovation work was partly how I made my living. We were ready to go to work on this project.

But, before we started work, the City adopted a new “Apartment Inspection” ordinance. Ours was one of the first projects targeted for inspection, and a City delegation met on site for an orientation meeting. I reviewed some of our major defects with Hamid Pouya, the head of the delegation, and explained our renovation plans. I expressed concern that money needed for our much larger, more important, and more comprehensive, renovation could be diverted by a cosmetic maintenance program. He assured me, “…not to worry, they understood our situation, they knew it was different, and they would work with us.”

That did not prove to be true. While the City of Concord lavishly bestowed grants of taxpayer money (note C) on other projects; virtually every move made by City officials throughout our renovation campaign either diverted, or attempted to divert, money (note D) from our core business plan and nearly destroyed our effort. The main distraction was the Stipulation. At the same time that we were preoccupied with distracting diversionary actions, staff applied pressure and wrote letters (note E) attempting to coerce us into giving up on our original plan. Worse yet, our efforts to initiate communications were rejected. Except for building inspectors, we were repeatedly denied access to key city officials and even council members (note E).

We had no choice but to stay the course. Our new water system was essential. It included removal of the old laundry rooms and the expansion of our parking lots, all of which enhanced the project. But this work postponed completion of landscaping … a big item in the Stipulation. To every professional involved in the work, it was self-evident that the water system and related items were absolutely necessary to correct the causes of the problems outlined in the Stipulation.

The Action Should Never Have Occurred – In December of 2003 a meeting was finally called. Attending, in addition to me, were council members Peterson, and Bonilla. Staff was represented by James, Labadie, Forsberg, and Pouya. The was primarily a series of staff admonitions to me, reciting their reasons to forget our new water system, and forget our condo upgrade plan, and citing why they would never approve condos anyway, why we would fail unless we did as instructed, and that they would sue me if we didn’t comply.

I asked James why he had changed his mind after previously meeting with me and previously recognizing that condominium conversion may be a feasible approach to renovation of the project, and after pledging to explore the concept … and to assist in any way he can. In the presence of Peterson and Bonilla, he denied ever having met and discussing condominiums with me. As of that time, I had lost possession of my copy of Ed James’s letter of January 22, 1999, so I could not refute his statement.

We had no choice but to go back to work:

- Over the next 30 months we spent 10.0 million dollars completing the upgrades and additions needed to qualify for condominium conversion … including an
entirely new, and separately metered water system with indoor washers and dryers in every unit, and with 35 additional parking spaces where old boilers were removed.

- The new water system conserved 2.1 million gallons per month and the new water heaters burned 30% less gas than comparable conventional units.
- 8 months into the work the City filed the legal action to stop the work
- Our cost to defend the suit was over half a million dollars … that money was diverted from the work … by an agency that should have cheered the work.
- 26 months after the City filed suit, the Planning Commission approved our application for a Use Permit to Convert to Condominiums on a 5-0 vote. At the end of the meeting, the commission applauded us for the job we did, and asked if we wouldn’t consider cleaning up other Concord projects.

Managerial Misfeasance:

During the lawsuit the judge set aside a time for discovery; each side was required to hand over copies of all documents that had anything to do with the dispute to the other side. It turned out the City did not comply with the Court’s order.

Shortly after the lawsuit ended, Hamid Pouya resigned from City staff. When the files in his office were cleaned out a large quantity of documents relating to the dispute were discovered. They were copied and handed to our attorney … after the settlement.

The documents included:

1. Ed James’ letter of January, 1999: Ed James denied the existence of this meeting and of his commitment of support in the December 2003 meeting. Our original copy of this letter had been lost, but had it been available to us, we could have refuted his denials that misled the council members present for the meeting. Had the council members known the truth, they may not have sued. The action should not have occurred.

2. Ed James’ memo to the Council dated November, 1998. This memo was written following a meeting in which I had reported the exact causes of the financial difficulties of the project to Ed, including, the fact that I was now in control, and was putting in my own money, and that none of the owners had gotten any money out for years. Yet, with specific reference to me personally, it stated: “… My feeling is that he has been bleeding this project for years while making no serious reinvestment ….”

No greater distortion could have been stated … and in writing, no less. The truth was exactly the opposite, and the Council was misinformed. We now knew why we were fighting an institutional bias. Not only did we have a conflict of visions, but we had a conflict of perspectives; we are investing to create a grand vision, the City believes we are nothing more than slum-lords bleeding the property. We were indicted, judged, and jailed, upon totally false statements from top management.
This action should never have occurred; if the Council had been given the truth the action may not have occurred. Even with the action … had those documents, the letter and the memo, been handed over during discovery … we would never have settled. We would instead have counter sued the City for damages for fraud and for libel.

That is the furthest thing from our mind now. In fact, we are not interested in re-opening the action. We just want the settlement payment set aside. It was a shame that tax payer money was wasted to stop us from giving the taxpayers something much greater than they bargained for. Public agency misfeasance is bad enough, it would be even worse to add injury to insult. That can be avoided if the Council waives the payment.

It is now time to move on. For our part, we are satisfied with the effort. Aside from the constant frustration, we experienced a new level of learning and take pride in the results of our last best effort. Who knows, someday the condo market may even return and we will also have the satisfaction of knowing that we introduced a whole new ownership opportunity into the community.

In the meantime, we are proud of our new population. It is better educated, and in higher earning occupational categories; they bring more money to downtown Concord, and they pay higher rent; and because the pay their own utilities, they conserve them better … and they take better care of their homes. In fact, we have assumed a new position in the market place; and Palm Terrace Condominiums are now sought after, and stand among the premier residential addresses in downtown Concord.

Lastly, the urban decay previously creeping from the Monument corridor, toward downtown Concord, has been stopped dead by our renovation. The Planning Commission previously recognized our good work. The Council how has an opportunity to endorse that by waiving this onerous payment that should never have occurred, and that’s now threatening the jobs of our workers (note G). The best part is; it costs you nothing to waive something you do not have, and you get the satisfaction of knowing you did the right thing.

We very much appreciate your attention to this request … and the Palm Terrace Condominiums are open for tours at your convenience.

Sincerely yours,
Walnut Creek Holdings, Inc., agent of the owners of Palm Terrace

Merle D. Hall
President

Cc: Dan Keene, City Manager

Enclosure: Exhibit “A”, Reference Notes
A) Old Water System: Utility costs, including the water payments, the electric payments, the gas payments, and the garbage payments … and the costs of maintaining each of those systems … rose at double the rate of rent for two decades. Worse yet, much of the expenses were wasted. The water system was a good example:

1. Water was paid for by the owners and distributed with un-metered underground pipes beneath the buildings
2. The water came up into each unit under the concrete slab floors. The pipes were damaged and decaying and suffered serious leaks. Much of the water never made it to the faucet. The owners paid for more water than they needed.
3. Hot water was heated with gas in 5 boilers that each served 35-40 townhomes. The gas was also paid for by the owners.
4. Each boiler had an electric motor that ran a recirculating pump needed to keep the water warm at the end of the line. The pumps used a large amount of electricity … also paid for by the owners.
5. Hot water pipes were in the ground, with no insulation, so gas was wasted; and the hot water pipes leaked worse than the cold water pipes. Thus, the owners paid for more gas than they needed.
6. Collateral Damage: In addition to excessive water, gas and electric costs, the owners experienced higher than normal costs to repair building and structural damage. The nature of the water system also caused marketing obstacles. For example;
   - Boiler Repairs – 30 years old machines needed constant, costly repair
   - Slab Repairs – Hot water leaks required jack hammering to open the slabs and to do pipe repairs and then patch concrete floors in occupied units.
   - Rot, Mold, and Resource Depletion - Free hot water encouraged long showers, wasting more water, and producing steamy air condensing on windows and causing mold, and overflowing onto floors and causing dry rot.
   - Marketing Objections – Boilers and laundry rooms were located in sprawling buildings on land needed for additional covered parking. The laundry rooms were crime magnets that discouraged good tenants.

Special Note – Boilers: The Stipulation required that we replace the boilers; so we did that at the beginning of work … even though we knew at the time that we would be replacing them later with a new system that involved individual hot water heaters in each unit. At the end of the project; we made a gift of the new boilers to St Mary’s College in Moraga.

B) New Water System: Over a four year period, project managers, architects, engineers, construction managers, plumbing contractors, and equipment suppliers were involved in the redesign of the water system; and then it took another three years to build it. Construction involved an exterior, underground, plumbing contractor that dug up and
installed new pipes throughout the community. Then a re-pipe contractor, supported by an abatement contractor, tore open the interior guts of all 190 homes throughout the 21 building complex and installed all new hot and cold water pipes.

All this work was done while the homes were occupied. Fortunately, our homes have both front and rear doors, so while the back side of the buildings were dug up, people could get in and out the front, and vice versa. To compensate the residents for the inconvenience of having workers cut open the walls in their bathrooms and kitchens, we installed new laundry hook-ups in each unit … and then we gave each family a free washer and dryer … and free water and gas for the next six months.

Our water heaters were manufactured by Rinnai, the largest manufacturer of gas fired appliances in the world. We chose tank less units that reduce average household energy consumption by 30%, by using gas only when hot water is needed. We also metered the water to cut resource consumption. The entire system is minimal impact state of the art. Absolutely none of these upgrades were included in the Stipulation.

C) Taxpayer Contributions to Multi-Family Projects in Concord: Concord is generally a lower income market. But PG&E rates, Water rates, Garbage rates, and other operating costs are generally the same in Concord as they are in Walnut Creek or Lamorinda, which are higher income markets that attract higher rents. Because the margins are lower, the risk of development is higher in Concord. Consequently, the City of Concord and its Redevelopment Agency, has stimulated new construction and the renovation of older projects, with subsidies of public money. For example:

1. Camara Circle – This neighborhood park was re-landscaped twice with direct cash injections.
2. Clayton Crossings – This mostly “Section 8” project was certified for Federal Housing Assistance and low interest rate loans.
3. Renaissance – This project was enabled with a 4.0 million mark-down on land exchanged for the site.
4. Lakeside – This older project (across the street from Palm Terrace) received a direct 4.3 million cash injection for acquisition and renovation.
5. Park Central – This new project received a 20 year exemption of property taxes worth up to 8.0 million dollars. Today it is a direct competitor to Palm Terrace.

D) Governmental Actions Diverting Financial Resources from Renovation: By now, it is well known that Ed James and Merle Hall did not get along. The reasons will likely never be known and are irrelevant. What is known is that a war existed. At the same time Ed issued his January 22 letter, supporting our interest in converting to condominiums, he was concurrently preparing Concord’s Multi-family Inspection Ordinance to go after Village Green. The ordinance was adopted the next year. The same year, while we were preparing renovation plans, he targeted our project with his first inspections and first Notices and Orders. They precipitated the following cascade of un-necessary distractions, that all diverted money from the renovation:
1. **September 2000 – Notice and Order:** The City issued an order to repair a sewer that had backed up. The obstructed sewer line was not unusual, the order was; and in this case, the Roto-Rooter Company was unable to clear the sewer. The repair job required complete excavation of an 8 foot deep trench to dig out and open the sewer line. They discovered that sabotage had occurred. Rounded river rocks had been placed in the sewer and jammed in the pipe. Continued incidents of deliberate sewer line sabotage occurred over the coming months … until we learned how to secure manhole lids in a manner that prevented them from being removed.

2. **September 2000 – Class Action Lawsuit:** Of course, we were never able to connect the sabotage and the lawsuit, but within one week after the order was issued, we were hit with a class action lawsuit. The attorney had obviously been copied with the order because the lawsuit precisely restated the wording in the order. In the end, the court did not certify the class, and threw out the suit. But, in the meantime, it wasted two years of our time, and it cost over a quarter of a million dollars to defend the lawsuit.

3. **November 2000 – The first Multi-Family Inspection Report:** This was the first major report completed for the new inspection program. It listed numerous items for “repair”. But it was impossible to comply with the 45 day turnaround time required by the inspection program. This report, therefore, was the basis for the “Stipulation” between the City and the owners. Negotiating the Stipulation took several months and cost the owners roughly $50,000 in legal and consulting fees before we even finished our renovation plan.

4. **Redundant Repairs –** The Stipulation required many repairs of items that were either discarded later, or could have been ignored until they were replaced after the primary renovation work was completed. The boilers were one example, others follow;

5. **Patio Fences –** Inspector’s were constantly requiring us to replace missing boards from patio fences … sometimes just weeks before we completely removed the fences to dig trenches for new pipes. We knew we would ultimately build all new patios and all new fences after the trenches were filled. So, we finally stopped this waste of labor and materials by simply removing all fences.

6. **Meter Enclosures –** This was a repeat of the fence problem.

7. **Vector Control –** Staff engaged County Inspectors to come in and divert our men to temporarily plug holes in siding that was scheduled for complete refinishing, and to trim trees that were scheduled for later removal. These actions were not only disruptive and wasteful; they were later admitted to be vindictive.

8. **Painting Laundry Buildings –** We repainted our residential buildings, but did not paint the laundry buildings because we knew we would be removing them when
the new water system was finished. Of course, we were required to go back and paint laundry buildings that were scheduled for ultimate removal.

9. Barricade Bollards – Midway through our work, an order was issued to install steel bollards to protect each of the one million BTU gas meters that served each of our five boilers, from possible vehicle damage. Now these are meters that had sat out in the open for 35 years with no protection; and these were boilers, and meters, that were slated to be removed in the end anyway. We were finally forced to retain legal counsel, at additional cost, to push back on this order.

10. The “Window Screen Incident” (2004 – The second Multi-Family Inspection Report): By this time we were in the middle of the water system and other upgrade work and we had several contractors, and our own men, maybe 30-40 men in total, at cost of several hundred thousand dollars each month. Trenches were open, and dirt piles were everywhere, and along came the apartment inspector. We asked her if she couldn’t wait until we finished. She refused. The result was another costly diversion of 3-4 men, for four months, to fix items that were open for construction, or scheduled to be replaced after construction. One of the items I recall from that experience was the window screens. In order to protect sliding door screens from damage during water line excavation, we removed them and placed plywood in front of the glass. The inspector required all the windows to have screens, so we stopped work to remove the dirt and plywood from the windows, and replaced the screens. At additional expense, and after she signed off on her report, we went back and removed the screens and replaced the plywood so we could start back up and continue to excavate and finish our work.

11. The Last Lawsuit: The funny thing is that all the time these things were happening, staff was complaining about why it took so long to finish our work. Thinking it would speed things up; they sued us. Depositions kept me from work, and they went on for days. I had a single attorney. The City’s counsel would bring along three lawyers, all on taxpayer money. They had a good thing going. This lawsuit cost us another $550,000 of our own money that could have been used on the renovation.

We estimated, the total direct and indirect (delays, and duplication of labor and materials) costs of governmental intervention at over 2.0 million dollars. Looking at the whole situation from a distance, in retrospect; this was one of those examples of counter-productive governmental intervention in market driven productivity.

During this period, I bumped into Ed James at a political meeting, and complained that he was frustrating our efforts to improve affordable housing. I said, “this conduct can’t be what your Council wants”. He leered back at me and said he “… was doing exactly what his Council wanted”. At that time I had no idea he had written the council that I was “… personally bleeding this project for years ….”
Personality disputes aside, they do not justify misguided conduct by a public agency against an owner attempting to renovate its property in a proper and businesslike manner that is both absolutely essential for its survival; and a credit to the community.

E) Coercion – Attempts to Upset our Business Plan:

**October of 2003** – The following letter from staff commented on our work priorities:

“…repairs and improvements have been completed or proposed … that were not identified in the Stipulation. These items include *gates/security fencing … HVAC replacements … new water mains, and new gas lines.* While we recognize your desire to make additional improvements to the complex, doing so *diverts the limited* funds from the stipulated items and delays completion of these items. The City believes that if any of these additional items break down or fail, they can be *repaired on an as needed* basis. Therefore, *it is imperative that you redirect the focus back to the items agreed to in the Stipulation ….*”

The irony of this is that while the gates/security fencing were not included in the Stipulation, Labadie later decided they were a good idea, so he demanded that we build them when he sued us … even though they were already 90% complete. Aside from the fact it was absolutely necessary to replace the water system, another irony is that while the HVAC and gas and water lines were not included in the Stipulation, it is a requirement of California law that a landlord provide heat and hot and cold water to its tenants, so under State Law, we had no choice but to maintain basic habitability levels for the 1000 people living in our community. If it wasn’t so serious at the time, it would be laughable to think that a local agency would attempt to direct a business to violate State Law in favor of its neighborhood beauty ordinance.

What was frightening was that this letter accurately portrayed the collective mentality of staff at that time. We were like doctors working to save a patient that needed a new heart, a new liver, and new lungs. Yet the City tried to coerce us to first do a new facelift, without regard to the fact that the patient was dying.

**November of 2003** – It is often a breach of professional ethics to hold oneself out as an expert in a specialized area in which one is not trained or certified to practice. That should also apply to governmental intrusion in private business. Yet, the next letter was even worse than the last; it commented on our business plan as follows:

“There appears to be no realistic likelihood that the much higher quality standards prescribed in the Condominium Conversion Ordinance are achievable….”

“We are unconvinced by your argument that converting … into a condominium complex will lead to improved property maintenance over the long term….”

“We are naturally skeptical that commercial lenders would be eager to advance funds for improvements ….”
The writer was not a developer, an architect, an engineer, or even a contractor. He had no knowledge of the capabilities of me or my team, yet he held himself out as competent to guide the City Council on policy issues on which he was uniquely unqualified. These statements were totally misleading; and made with no information on how the utility costs, and the water system in particular, or the metering, or lack of metering, were in fact the actual underlying causes of the lack of maintenance. This was a specialist in governmental regulations. He wasn’t qualified to comment on commercial real estate finance, or even private equity, let alone to judge the financial plans of an acknowledged expert with a 40 year career in the field, and with no knowledge of the business plan, the credit arrangements or personal financial capacity of the expert or his partners. The letter demonstrated a complete lack of understanding of the situation.

F) Failure to Communicate: A favorite quote is “What we have here is a failure to communicate.” (Cool Hand Luke). Try as we might, no one would listen to us. After finally realizing staff was simply carrying out orders, I attempted to reach out to the Council and staff managers.

1. Council – We were repeatedly rejected by Council members who refused to speak, or to meet, or to return phone calls or to answer mail; or to otherwise respond in any way to requests for tours or dialogue
2. Forsberg – After the December 2003 meeting, I called Jim Forsberg in the hope that he would be willing to at least lend an open ear to our situation. He returned my call with a voice mail message rejecting my request to meet.
3. Planning Manager – During mid 2003 I had scheduled a meeting with the then Planning Manager to discuss our condo requirements. Just before the meeting, and before the receipt of the letters in 2003, I was notified that the meeting was canceled and that I was not to approach the City with that request.
4. City Manager – During the lawsuit the Judge remanded the litigants to Mediation. Now then keep in mind that by that time, the litigation was essentially between you, the City Council, and Merle. So imagine my surprise when I arrive and no Council members are present. Instead the City is represented by a handful of cops and Lydia Du Borg. When the meeting began, the cops were sitting at the table, opposite me. Lydia was sitting in the back corner of the room. I turned to her and requested that she come to the table, instead of the cops, as she was the more direct agent of the Council. She refused, indicating she had other things to do, and had nothing to say to me. That day turned out to be another major waste of legal expenses.
5. Third Parties – While struggling to keep finding sources of money and to complete my project while under constant attack, and after years of frustration with City officials who refused to communicate; I finally had to spend even more money to hire outside consultants, with more influence with council members than Ed James, in order to finally make contact and begin to communicate. Ironically, there are still members of the council who have never seen the actual details of the new units and the new water system and who have no idea of the financial and operating renovation that has been accomplished with this renovation.
G) **Ongoing Improvements**: We do not know if the condo market will ever return, but we have continued to work and to be prepared in case it does. Work completed pursuant to the Condominium Conditions of Approval, and since the crash of the condo market in 2007, totals over 1.5 million dollars, and includes the following:

- **Underground Utilities** – PG&E, AT&T, Comcast, and Astound cables have all been placed underground along the frontage of the project on Monument Blvd.
- **Street Lights** – New street lights have been installed along the sidewalk in front of the project on Monument Blvd.
- **Laundry Buildings** – All buildings formerly housing laundries, boilers, and shops have either been removed or converted to HOA facilities.
- **Parking Lot Expansion** – Another 35 parking spaces have been added.
- **Covered Parking Expansion** – Another 80 carports have been added, and other auxiliary structures are under construction.
- **Roof Replacements** – New roofs have been installed on all 21 buildings. This job was a complete rebuild including structural strengthening, a new deck, additional insulation up to current energy codes, and modification of mechanical equipment to comply with condominium acoustical requirements.
- **Interior Townhome Upgrades** – The first 5 condominium conversion remodels with ownership standard finishes are completed. In addition to oversize patios, storage rooms, and covered parking, these units now include; natural maple wood cabinets and granite counters, microwave oven with exhaust hood, extra bath in 3 BR units, cultured marble shower surround with brushed nickel enclosures, open stairs and Oak handrails with added under-stair storage, arched two-panel doors with new base, trim and window stools, bi-fold doors enclosing laundry closets, new electrical service, with added circuits, outlets and lighting, new rear slider, and a new front window to replace the old front sliders with the disputed screens. (This item of work will be terminated, resulting in layoffs of 6 full time workers, if the stipulation payment is not waived)
AMENDMENT TO SETTLEMENT AGREEMENT

THIS AMENDMENT ("Amendment") is entered into effective on November 9, 2010 between the City of Concord, a California municipal corporation ("City") and Merle D. Hall, an individual, V.G. Partners, a Limited Partnership, MDH VG, LLC, a Limited Liability Company, and Walnut Creek Holdings, LLC (collectively referred to as "Defendants")

RECITALS

THE PARTIES ENTER INTO THIS AMENDMENT based upon the following facts, understandings and intentions:

WHEREAS, on May 23, 2006, the City and Defendants (collectively referred to as "Parties") entered into a Settlement Agreement pertaining to the litigation entitled City of Concord v. Merle D. Hall et al., Contra Costa County Superior Court, Case No. C04-01408 ("Action"). The City had filed the Action seeking injunctive relief, penalties, and attorneys’ fees related to Concord Municipal Code violations at the property located at 2925 Monument Boulevard, Concord, California ("Property"). The Property was formerly known as the Village Green Apartments and more recently as the Palm Terrace Condominium Conversion Project.

WHEREAS, Paragraph 3(A)(iii) of the Settlement Agreement obligated Defendants to pay the City a portion of its past attorneys’ fees incurred in the litigation in the amount of $300,000 plus interest in the amount of $37,500, subject to various terms and conditions regarding the timing of payment. Defendants’ payment obligation was secured by a Promissory Note dated August 28, 2006.

WHEREAS, the Parties mutually desire to amend the Settlement Agreement to provide that Defendant’s payment obligation shall be waived on the condition that Defendants make an additional capital investment in the Property of at least the amount due under the Settlement Agreement and Promissory Note.

TERMS AND CONDITIONS

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and promises contained herein the Parties agree as follows:

1. **Waiver of Monetary Payment.** The City agrees to waive Defendants’ monetary payment obligations under Paragraph 3(A)(iii) of the Settlement Agreement and the Promissory Note in their entirety, conditioned upon Defendants’ timely compliance with Paragraph 2 of this
2. **Future Capital Investment.** Defendants agree to make future expenditures for capital improvements at the Property in an amount not less than $337,500 within five (5) years following the date of this Amendment. Defendants shall demonstrate compliance with this Paragraph by providing annual financial documentation satisfactory to the City Manager establishing the amounts expended, the date of the expenditures, and the capital improvements funded.

3. **Other Terms and Conditions.** Except as expressly modified pursuant to this Amendment, all other terms and conditions of the Settlement Agreement shall remain in full force and effect.

**CITY**

Date: **11-16-10**

By: ________________

Guy Bjerke, Mayor

**CITY OF CONCORD**

**CITY OF CONCORD**

Approved as to Form:

Craig Labadie, City Attorney

Date: **November 15, 2010**

**DEFENDANTS**

Date **11-15-10**

By: ________________

Marle D. Hall

Date **11-15-10**

By: ________________

V.G. Partners, LLP

Date **11-15-10**

By: ________________

MDH VG, LLC
Date: 11-15-10

By: Walnut Creek Holdings, LLC

Approved as to Form:

Christie Callahan
Attorney for Defendants

Date: 11-15-10
On Jan 21, 2024 9:42 PM, Anne Kendall <annek70is@gmail.com> wrote:

Dear City Council,

I am writing to you today to request that you exempt residential properties (1-4 units) from the Rent Stabilization Ordinance that the City of Concord is considering. My reasons for this are below.

1. Residential properties are defined as 1-4 units. These landlords were not notified of this ordinance. Many owners found out through other sources shortly before the meeting on December 12, 2023.

2. Most residential units in the City of Concord are owned by individuals, and not corporations. These landlords do not look at their rentals as a business, but rather a long-term investment. This ordinance would force these owners to raise rents yearly, so as not to lose their opportunity in the future, which would go against what you are trying to accomplish with this ordinance.

3. Owners of 1-4 units typically work with their tenants when there are issues of non-payment, or other crisis that come up for their tenants. This ordinance would cause them to think twice about working with a tenant and could possibly give them the reason they need to have someone evicted so they could move someone else in at a higher rent, as this ordinance is so restrictive to these landlords that haven’t kept pace with market rents.

4. After speaking to some of these owners, I heard the following stories that will be a thing of the past if this ordinance is pushed onto residential (1-4 units) properties, and those who do not run their properties as a business:
   - A tenant that did not get a rental increase for 19 years!! (paid $995 a month, far below market).
   - A landlord that worked with a woman whose husband walked out on her and did not give her a rent increase for the remaining time she was there because her income had been severely affected (rent was at $1095...again far below market).
   - A man who came down with covid a couple of months ago and couldn’t work. He wasn’t given an eviction notice, was allowed to catch up over the course of a few weeks, and because he was a good tenant, forgave the late fee as well.
   - An elderly woman who lost her husband, and the landlord worked with her and reduced her rent to make it affordable for her while her family found other options for her.
   - These stories and many, many more will sadly no longer happen for the residents of the City of Concord who rent from these individuals.

You see, residential property owners typically buy property as a long-term investment, where over time they see the value of their property increase, it’s not all about the monthly rent. Most of these properties run at a loss for the first several years due to mortgage, property taxes and maintenance exceeding what they get for rent. These properties are small and do not have several units like apartment buildings to help increase their income to cover these expenses.

I understand when you have corporations that are running apartment buildings as a business, and are concerned about their profit and loss, and their return on investment, and they raise rents on a regular basis, that these tenants are greatly affected. I understand that there should be protections in place for
our most vulnerable tenants, and from large corporations that just look at them as a number. What I hope you understand is that those of us with properties that are 1-4 units get it. We get that folks don’t want to be forced out of their home; we honestly don’t want the turnover! We work with our tenants, in most cases to a fault! We work with them to find solutions that work for both tenant and landlord. This ordinance will take that ability away from us. We will be concerned about falling too far behind market rents and we will be forced to raise rents every year. We will be forced to treat our tenants and properties as a business, instead of just an investment where we get to also help people along the way. We understand peoples’ lives are at stake, where someone lives becomes their home, and we respect that.
So please allow us to continue to treat our tenants with the respect they deserve.

Thank you for your consideration.

Sincerely
Anne Kendall
Mr Birsan

Thank you for your response. Yes, there is an appeal process, however it is cost prohibitive for many and with restrictions so low, all owners who are able to, will be appealing, taking unnecessary time and wasting city resources. Additionally, it opens up the city to legal challenges from housing providers. At 60% of CPI (1% or less), it’s easy to argue this is not a fair rate of return.

Also, yes, rent can be raised to market if a resident vacates, however studies have shown that once rents fall so far behind market, residents don’t move.

With no means testing (even wealthy renters get the benefit of low rent), housing will be dominated by long standing, high income renters, leaving no housing for new renters in Concord. This has been happening in city’s like New York and San Francisco for decades.

I urge you to raise the cap to 5% and remove the roll back. Otherwise, I hope the appeal process is in place at the time this is voted on.

I also assure you that future low income housing will be very limited as banks and developers will not do business in Concord. A more balanced and reasonable approach will benefit all involved. The plan as written, will ultimately hurt low income renters in Concord and will degrade housing stock.

Thank you
Doug
Rent control will make housing shortages worse

The latest trend in housing policy will compound decades of failure

Doug Smith
President
Fuller Enterprises
Broker License#1223373

925-866-8429
Fullerpm@Pacbell.net
https://Apartments.Fullerpm.com/
3170 Crow Canyon Place #165
San Ramon CA 94583

On Monday, January 15, 2024, 8:46 PM, Birsan, Edi <Edi.Birsan@cityofconcord.org> wrote:

Interesting ideas. This is why we have an appeal process. Further remember that when there is a vacancy you can charge what you can get thus the number of units will decrease.
Dear Mayor and City Council,

I am a third-generation housing provider in Concord and operate 163 affordable units on Monument Blvd (Mountain View Apartments). We have had a great relationship with the City’s housing department for many years and have even been featured by the City as an example of how well an owner can maintain their property despite the aging buildings.

It is important that you all hear my concerns so I will be brief as I know your time is valuable. Over the years, we have offered some of the most affordable housing in the Bay Area. We have also reinvested millions of dollars into our building so that we can continue to offer this affordable housing to hundreds of needy families.

Over the last 20 years, our rents have increased on average only 5% per year. This was accomplished despite rents falling 30% in 2001 and not returning to that level until 2011. Yes, 10 years with no increases at all and some years with increases as high as 13%, however overall, only 5% per year. Your proposal will not prevent rents from falling again, likely 20% to 30% but they will prevent us from ever getting back to today’s rents once they do fall due to your unrealistic restrictions. Additionally, as you know, expenses never fall.
Since COVID, we have experienced massive losses ($2,843,952.00) due to over 30% of the tenants not paying rent for over 3 years. We were unable to raise rent on those actually paying rent due to State and Local restrictions.

In 2023, we finally started to recover and began raising rents while still complying with 1482 State restrictions (9.5%). While these increases helped, they only amounted to about 3% per year (2020-2023). It also only effected about 70% of the residents as our occupancy was and still is in the mid 70% range. While any increase was welcome, it did little to offset the massive increases we faced due to supply chain and ramped inflation. All costs increased but major expenses like payroll, healthcare, insurance, construction, asphalt, etc increased over 15% annually from 2020 to 2024.

My major concern is that if you roll back rents to January 2023, it will amount to about an annual increase of less than 1 percent over the last 3 years at a time when expenses have increased on average 15% per year. Additionally, because we are sitting at 74% occupancy today, we have dropped rents 18% and are offering 1 month free. We are still losing over $80,000 per month due to the high vacancy. A roll back would be catastrophic to us.

I urge you to reconsider the roll back as we were unable to raise rents during COVID and when we could, we were still restricted to 1482 limits.

If you pass this roll back and continue to limit increases to an unrealistic amount of 60% of CPI, I am requesting my appeal be heard day 1. I also promise to appeal annually as no property built in 1959 can adequately maintain an acceptable standard at 1.2% annual increases (60% of Fed target CPI of 2% is 1.2%). The City manager is proposing a 3.95% increase for the City in 2024, why can't we get the same? I would suggest that we tie the annual rent increase to the City's annual budget increase.
Thank you for your time.

Doug Smith

Concord City Manager Proposes 3.95% Budget Increase For Fiscal Year 2024

Councilors eye $78 million for operating, $20.1M for capital; employees get $1.3M more; social worker proposed f...
From: Anne Kendall <annek70is@gmail.com>  
Date: January 22, 2024 at 10:23:40 AM PST  
To: "Birsan, Edi" <Edi.Birsan@cityofconcord.org>  
Cc: "Aliano, Dominic" <Dominic.Aliano@cityofconcord.org>, "Barone, Valerie" <Valerie.Barone@cityofconcord.org>  
Subject: Re: Request to exempt all residential properties (1-4 units) from Rent Stabilization

Yes, I think you understand what I’m trying to say. The corporations that are after the bottom line dollar are the ones that are affecting these folks the most.  
I just want to be able to continue to treat people the way I would want to be treated, and this ordinance will force me to look at it the way the corporations do...and I hate that feeling....and I believe this goes against what you are trying to accomplish with this ordinance...and these would be the folks that would definitely be adversely affected.

Thank you for your response.

Anne

Sent from my iPhone

On Jan 21, 2024, at 10:45 PM, Birsan, Edi <Edi.Birsan@cityofconcord.org> wrote:

I understand your position and on the final ordinance issues will be reviewed.

One thing to reconsider is that the majority of rental units in Concord are not 1 to 4 complexes and remember the rent stabilization applies to buildings built before 1995, excluding single family homes and condo units.

However, I do think that that is the bed rock of your position.

Edi

On Jan 21, 2024 9:42 PM, Anne Kendall <annek70is@gmail.com> wrote:

Dear City Council,

I am writing to you today to request that you exempt residential properties (1-4 units) from the Rent Stabilization Ordinance that the City of Concord is considering. My reasons for this are below.
1. Residential properties are defined as 1-4 units. These landlords were not notified of this ordinance. Many owners found out through other sources shortly before the meeting on December 12, 2023.

2. Most residential units in the City of Concord are owned by individuals, and not corporations. These landlords do not look at their rentals as a business, but rather a long-term investment. This ordinance would force these owners to raise rents yearly, so as not to lose their opportunity in the future, which would go against what you are trying to accomplish with this ordinance.

3. Owners of 1-4 units typically work with their tenants when there are issues of non-payment, or other crisis that come up for their tenants. This ordinance would cause them to think twice about working with a tenant and could possibly give them the reason they need to have someone evicted so they could move someone else in at a higher rent, as this ordinance is so restrictive to these landlords that haven’t kept pace with market rents.

4. After speaking to some of these owners, I heard the following stories that will be a thing of the past if this ordinance is pushed onto residential (1-4 units) properties, and those who do not run their properties as a business:
   - A tenant that did not get a rental increase for 19 years!! (paid $995 a month, far below market).
   - A landlord that worked with a woman whose husband walked out on her and did not give her a rent increase for the remaining time she was there because her income had been severely affected (rent was at $1095...again far below market).
   - A man who came down with covid a couple of months ago and couldn’t work. He wasn’t given an eviction notice, was allowed to catch up over the course of a few weeks, and because he was a good tenant, forgave the late fee as well.
   - An elderly woman who lost her husband, and the landlord worked with her and reduced her rent to make it affordable for her while her family found other options for her.
   - These stories and many, many more will sadly no longer happen for the residents of the City of Concord who rent from these individuals.

You see, residential property owners typically buy property as a long-term investment, where over time they see the value of their property increase, it’s not all about the monthly rent. Most of these properties run at a loss for the first several years due to mortgage, property taxes and maintenance exceeding what they get for rent. These properties are small and do not have several units like apartment buildings to help increase their income to cover these expenses.

I understand when you have corporations that are running apartment buildings as a business, and are concerned about their profit and loss, and their return on investment, and they raise rents on a regular basis, that these tenants are greatly affected. I understand that there should be protections in place for our most vulnerable tenants, and from large corporations that just look at them as a number. What I hope you understand is that those of us with properties that are 1-4 units get it. We get that folks don’t want to be forced out of their home; we honestly don’t want the turnover! We work with our tenants, in most cases to a fault! We work with them to find solutions that work for both tenant and landlord. This ordinance will take that ability away from us. We will be concerned about falling too far behind market rents and we will be forced to raise rents every year. We will be forced to treat our tenants and properties as a business, instead of just an investment where we get to also help people along the way. We understand peoples’ lives are at stake, where someone lives becomes their home, and we respect that.

Please allow us to continue to treat our tenants with the respect they deserve.
Thank you for your consideration.

Sincerely
Anne Kendall
Hi Kelly and Sophia:

Complete overreach by the Concord City Council. Absolutely unconstitutional. Taking property rights from owners and giving them to non owners. I have no idea how anyone could believe this was ok. I believe in helping people, yes. This is not the way.

You are going to eliminate rental homes in Concord. Antioch has already experienced this, and it’s only been a year. Quality investors who maintain their properties avoid Richmond like the plague.

I have owned my Concord property for almost 40 years. I have sacrificed a LOT, financially and physically, to maintain and improve my property over those many years. It is FINALLY providing limited income for my retirement. I have FINALLY been able to afford badly needed improvements and repairs. You propose to take that away, and make it impossible to maintain and improve my property further. You want me to lose money every year.

How does 60% of CPI provide a fair return? That means you want me to lose 40% annually to inflation. CPI + 3% would be more reasonable. But ANY rent control is unconstitutional. Read it lately? Our constitution? I have.

AND you have damaged my property value, eliminating investor buyers, by simply having this discussion for the past year. Will the Concord City Council and its employees compensate me for lost property value?

Make it a great day!
Jenny Terry
RENT STABILIZATION, JUST CAUSE FOR EVICTION TO BE CONSIDERED JAN. 30

As part of the City’s recent Housing Element update, which was approved by the State, the City Council committed to adopting rent stabilization and just cause for eviction policies to address tenant displacement.

On Tuesday, January 30, 2024, at 6:30 p.m. in the Council Chamber, the Concord City Council will consider a revised version of a draft Ordinance establishing Rent Stabilization (also referred to as Rent Control) in Concord and update Concord regulations on Just Cause for Eviction. The revised draft ordinance would amend Concord’s existing Residential Tenant Protection Program to include the proposed rent stabilization and just cause for eviction provisions.

- Public Comment will be taken by the Council at this meeting. You must be present in person to participate in oral public comment. Please see the City’s agenda website on how to submit written public comment in advance of the meeting.

- The staff report will be available on the City’s agenda website no later than Friday, January 26 at 5 p.m. The new draft Ordinance is currently being written by staff based on past Council direction.

- Information on past Council discussions on this topic can be found by reviewing the Council meetings of January 9, 2024 and December 12, 2023.

RENT STABILIZATION

Here is a brief description of major features to be included in the proposed new Ordinance:

- Limit annual rent increases to 3% or 60% of the Consumer Price Index (CPI), whichever is lower.

- Controls the allowable rent increases upon the first date of occupancy but does not control the dollar amount for starting-of-occupancy rent (i.e., it preserves vacancy decontrol).

- Includes a “rent rollback” provision that sets rents to the dollar amounts that were charged for rent as of January 12, 2023, plus allows for up to the Ordinance-allowed rent increase of 2.52% for the 2023 calendar year (2.52% is 60% of the CPI for April 2023).

- Rent stabilization would apply to multi-family rental complexes of 2 or more units built before Feb. 1, 1995. It would not apply to rented single-family homes, rented condominium units, or rented accessory dwelling units.

- The Ordinance would establish a process utilizing a Hearing Officer whereby tenants could appeal their rent increases, if they believed them to be inconsistent with the City Ordinance, and whereby property owners could request higher rent increases, above what the Ordinance would otherwise allow, to obtain a fair return on their investment property.
JUST CAUSE FOR EVICTION

Here is a brief description of major features to be included in the proposed new Ordinance:

- Just cause regulations do not apply when a tenant is evicted for “at-fault” reasons, such as non-payment of rent, breach of a material term of the lease, or occupying the space in such a manner as to create a nuisance or criminal activity.

- Just cause protections for tenants would be triggered when a tenant is evicted for “no-fault on the tenant’s part” reasons, such as when an owner wants to move into the unit, wants to remove the entire complex from the rental market (Ellis Act eviction), or needs the unit vacant to perform substantial rehabilitations.

- A “right of return” would be available in some instances, such as when substantial rehabilitation is completed, or if an owner returns the unit to the rental market within a specified time after an Ellis Act eviction.

- Just cause for eviction would apply to most rented units in Concord, including rented single-family homes and rented condominium units. It would not apply to rented accessory dwelling units.

- In the case of no-fault evictions, just cause provisions in the revised draft Ordinance would require the property owner to pay three times the Federal Housing and Urban Development (HUD) Fair Market Rent (FMR) and an extra $3,000 to cover moving expenses. If applied in 2024, the total payment required would range from $8,475 for a studio unit to $14,862 for a four-bedroom home, apartment, or condominium. Prices are set by HUD for each calendar year. Certain tenants, such as those over 62 years of age, or who are terminally ill or disabled, would be eligible for an additional month of FMR.

- Everyone who owns property subject to either rent stabilization or just cause protections would be required to register their unit(s) with the City of Concord annually and pay a yet-to-be-determined annual registration and administration fee.

These are complicated new regulations being proposed and the Council has been discussing them for many months. If you are interested in this important policy topic, please take the following steps: (1) review the information provided in the links above, (2) register on the interested party e-mail list by emailing Sophia.Huckabay@cityofconcord.org, and (3) attend the Council meeting on Tuesday, January 30. Only people attending in person will be allowed to speak at the meeting. You may also send comments on this topic directly to CityClerk@cityofconcord.org.

Kelly Rush (She/Her/Hers)
Housing Program Analyst

City of Concord | Website: http://www.cityofconcord.org
☎️ (925) 671-3032 | ✉️ Kelly.Rush@cityofconcord.org
1950 Parkside Drive, MS/10A, Concord, CA 94519
Please take a moment to fill out our customer service survey, click here.
January 20, 2024

To Whom It May Concern,

My name is John Stanley. I'm the owner of two residential fourplexes on [redacted] in Concord. They are two-bedroom one bath 800 square feet units. They are rented for $1,900 per month. Most of the other fourplexes on [redacted] are running for between $2,000 and $2,500 per month. I purposefully keep the rents lower to make the financial burden on my tenants as minimal as possible.

The reason for this letter is I am concerned with the Concord City Council's proposed rent control ordinance which will force me to roll back my rents by $100 per month and only allowing me to increase the rents by 3% per year. This will not cover the expenses I incur annually. On average I must raise the rents 5% per year due to the rising cost of utilities, insurance and inflation.

In 2024, PG&E is raising their rates 20%, Mt. Diablo Resource Recovery are also raising their rates 6%, insurance rates have gone up 25% and taxes approximately 2%. As well as the rising cost of the East Bay Municipal Utility District.

I spend between $7,000 and $15,000 in repairs each year. I have had move outs in the past year and the repairs have run as high as $28,000.

Thank You for Your Consideration,

[Signature]

John Stanley
January 25, 2024

Subject: “Just Cause” regulations for Single Family Homes and Condos

Mayor Birsan, City Council Members, City Manager and Staff:

I watched the last two council meetings when the proposed rent control and just cause regulations were discussed. I was dismayed that some of our council members did not seem to understand the harm which will be caused to new Concord renters and Concord property owners if “just cause” regulations are extended to individually owned single family homes and condominium units.

State law includes single family homes owned by large corporate landlords like Blackrock in their “just cause” regulations, but the law specifically exclude single family homes owned by individuals like you and me. Why? Because they understand most individual homeowners do not rent their homes out permanently. Collectively they represent an important part of the rental inventory, but individual units are put on the market for a few months of a few years based on individual circumstances. They are not part of the permanent rental housing stock.

Let me repeat: most of these individually owned rentals are not permanent. Their owners are not corporations with deep pockets. They are your neighbors who have to move out of town for a temporary job assignment, or grandma who needs to go into assisted living and doesn’t want to sell her home. Their life situation changes. They return home from the military. Their kids come home from college or get married and need a place to live. They die and the home needs to be sold.

Most homeowners are not professional landlords. Making the rental process much more complicated and expensive makes it less likely that a homeowner will choose to rent their home out. They will just leave it vacant. This will harm new renters as inventory declines, rents go up, and single family homes become harder to find. At today’s prices, only relatively affluent, well qualified renters can afford single family homes. If they can’t find these units, they will have to settle for a smaller apartment, which will put them in competition with lower income people. Not good.

Please also understand that many renters are looking for temporary rental homes while they are working temporary assignments or are new to the area and want to rent before they decide to buy a
home. A six month lease or a one year lease may be exactly what they need. Requiring the owner to pay large move out expenses makes no sense when the two parties agree to the term of the lease.

Does the council really want to include thousands of homeowners in this new set of controls and regulations? Is city staff ready to maintain a rent registry with thousands of people instead of just a hundred or so large corporate landlords? How will fees be collected? How will this be enforced?

The state regulations and almost every city with some form of rental control focuses on corporate landlords who own permanent rental housing. Our city council should not apply these “just cause” regulations to the individual Concord homeowner!

In conclusion, I would recommend your regulations follow the same exemption list found in the state law. Keep it simple. Do not apply these rules to individually owned single family homes and condos. Focus on corporate landlords who have the resources to manage and implement Concord-specific rent and eviction regulations.

Sincerely,

Mike McDermott

Concord, California
From: Alex Werth <awerth4@gmail.com>
Sent: Thursday, January 25, 2024 11:43 AM
To: Birsan, Edi <Edi.Birsan@cityofconcord.org>; Obringer, Carlyn <Carlyn.Obringer@cityofconcord.org>; Hoffmeister, Laura <Laura.Hoffmeister@cityofconcord.org>; Nakamura, Laura <Laura.Nakamura@cityofconcord.org>; Aliano, Dominic <Dominic.Aliano@cityofconcord.org>
Cc: Barone, Valerie <Valerie.Barone@cityofconcord.org>; Brown, Susanne <Susanne.Brown@cityofconcord.org>; Huckabay, Sophia <Sophia.Huckabay@cityofconcord.org>; City Clerk <cityclerk@cityofconcord.org>
Subject: Eviction Data Is Key to Ensuring Accuracy and Equity of Concord's Rental Housing Policies

Dear Members of the City Council and City Staff,

On behalf of the Raise the Roof Coalition, I am submitting the attached letter, which explains in detail the importance of eviction notice data to the implementation of Concord's forthcoming tenant protection ordinance. The letter lays out five key points:

1. **Not collecting eviction notices undermines enforcement and makes Concord an outlier.** A record of notices is needed to ensure that both fault and no-fault evictions are carried out in a lawful manner, and thus that the protections in this ordinance are actually implemented. For that reason, 13 out of 15 Bay Area cities with local just cause measures collect notices from landlords.

2. **Collecting notices can correct the inaccuracies of Concord's rent registry.** While the rent registry requires landlords to self-report eviction activities, property owners have not provided accurate information, thus undermining the City Council's ability to collect information and legislate with integrity. Eviction notices provide the irrefutable record that members of this City Council have long requested.

3. **Collecting notices can ensure that Concord can make informed policy decisions.** The data captured in eviction notices offer an irreplaceable source of information on many pressing policy issues, including: neighborhood “hotspots” and racial disparities, corporate evictions, informal evictions, and more. It is also needed to assess the impact of the City's policies and, if necessary, make adjustments.

4. **Collecting notices will not significantly increase program costs or registration fees.** The managers of other Bay Area rent programs state that collecting eviction notices requires minimal staff time, especially when landlords upload pdfs directly through the rent registry portal.

5. **Concord's financial constraints for implementation are self-imposed.** Collecting eviction notices only seems like it will stretch staff capacity because the City has proposed registration fees and staffing levels that are a fraction of comparable cities. There is ample room to increase fees, and thus the rent program's budget, while remaining one of—if not the—lowest-cost cities for landlords anywhere in the Bay Area.

At the last meeting, four out of five members of the City Council expressed opposition to this crucial, cost-neutral measure. However, we know that each of you values using accurate data to inform important decisions about the city's rental housing landscape. As tenants and advocates, we hope that you will reconsider this matter at your meeting on January 30th.

Thank you for your consideration,
Alex Werth
January 25, 2024

To: Edi Birsan, Mayor
   Carlyn Obringer, Vice Mayor
   Laura Hoffmeister, Councilmember
   Laura Nakamura, Councilmember
   Dominic Aliano, Councilmember

Cc: Valerie Barone, City Manager
    Susanne Brown, City Attorney
    Sophia Huckabay, Housing Manager
    Kelly Rush, Housing Program Analyst

Collecting Eviction Data Is Key to Ensuring the Accuracy and Equity of Concord’s Rental Housing Policies

Dear Members of the Concord City Council and City Staff,

At its meeting on January 9, 2024, four out of five members of the Concord City Council opposed requiring landlords to submit copies of eviction notices to the rent program. This decision to reject real-time data that reveals the conditions experienced by renters and the impact of the City’s own regulations came as a surprise. While the members of this City Council have diverged in terms of your policy preferences, you have been united in your insistence—for some of you, going back to 2016—that the City needs accurate information on rental housing conditions, including eviction, to properly legislate on the matter. In the interest of promoting good and responsive government, we feel that this decision needs to be revisited for five principal reasons:

1. Not collecting eviction notices undermines enforcement and makes Concord an outlier. A record of notices is needed to ensure that both fault and no-fault evictions are carried out in a lawful manner, and thus that the protections in this ordinance are actually implemented. For that reason, 13 out of 15 Bay Area cities with local just cause measures collect notices from landlords.
2. **Collecting notices can correct the inaccuracies of Concord’s rent registry.** While the rent registry requires landlords to self-report eviction activities, they have not provided accurate information, thus undermining the City Council’s ability to collect information and legislate with integrity. Eviction notices provide the irrefutable record that members of this City Council have long requested.

3. **Collecting notices can ensure that Concord can make informed policy decisions.** The data captured in eviction notices offer an irreplaceable source of information on many pressing policy issues, including: neighborhood “hotspots” and racial disparities, corporate evictions, informal evictions, and more. It is also needed to assess the impact of the City’s policies and, if necessary, make adjustments.

4. **Collecting notices will not significantly increase program costs or registration fees.** The managers of other Bay Area rent programs state that collecting eviction notices requires minimal staff time, especially when landlords upload pdfs directly through the rent registry portal.

5. **Concord’s financial constraints for implementation are self-imposed.** Collecting eviction notices only seems like it will stretch staff capacity because the City has proposed registration fees and staffing levels that are a fraction of comparable cities. There is ample room to increase fees, and thus the rent program’s budget, while remaining one of–if not the–lowest-cost cities for landlords anywhere in the Bay Area.

In short, collecting eviction notices is a cost-neutral way to ensure the accuracy and equity of Concord’s rental housing policies for years to come.

Not collecting eviction notices undermines enforcement and makes Concord an outlier.

In the Bay Area, 13 out of 15 cities with local just cause measures—including comparatively small cities, such as East Palo Alto, Emeryville, Fairfax, and Larkspur—require landlords to provide copies of eviction notices.\(^1\) It is effectively standard practice because cities understand that they need to be informed about eviction notices to make their policies work as intended. This is true for both no-fault and fault evictions.

In terms of no-fault evictions, landlords must follow specific procedures to remove a tenant for no fault of their own in a lawful manner. For instance, Concord’s draft ordinance requires landlords to receive construction permits in order to conduct a substantial renovation eviction, meet the terms of ownership in order to conduct an owner move-in eviction, provide relocation assistance for all no-fault evictions, and more. Without collecting no-fault eviction notices, the City will be unable to

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\(^1\) Berkeley, East Palo Alto, Emeryville, Fairfax, Hayward, Larkspur, Mountain View, Oakland, Richmond, San Francisco, and San Jose collect fault and no-fault eviction notices from landlords, while Alameda and Petaluma collect no-fault notices. San Rafael and Union City are the only cities with just cause that do not require landlords to submit copies of eviction notices.
monitor these processes and thus ensure that tenants receive the much-needed safeguards that they are promised under this ordinance.

Collecting eviction notices is needed to implement the laws governing non-payment evictions—by far the most common type of eviction—as well. Local and State law provide clear guidelines that a landlord must follow in order to evict a tenant for non-payment of rent, including providing notice of termination of tenancy. At the meeting on January 9, 2024, Concord’s City Attorney stated that she intended to include language that makes it clear that failure to follow these steps, as codified in the City’s ordinance, constitutes a defense against an eviction lawsuit. So, while there may be fewer procedures involved in non-payment evictions, thus requiring less oversight from the City, Concord must still encourage landlords to comply with the required noticing procedures or else allow tenants to contest their evictions, as guaranteed by this ordinance. The easiest way to do this is to require landlords to upload a digital copy of such notices to the rent registry.

In sum, requiring landlords to submit copies of eviction notices to the rent program in a timely way is critical to the lawful implementation of both fault and no-fault evictions in Concord, and thus the letter and spirit of its just cause policy in its entirety. If it excludes this simple, streamlined method for ensuring compliance—which is required in 87% of Bay Area cities with just cause—then the City Council will undermine this ordinance from the outset.

Collecting notices can correct the inaccuracies of Concord’s rent registry.

As we wrote in our letter dated September 5, 2023, and as the City Council noted at the meeting on January 9, 2024, there is clear evidence that the City’s current data on evictions is inaccurate. Under the current approach, landlords are supposed to self-report their eviction activity, including both notices and unlawful detainers (UDs), to the rent registry. Between July 2021 and June 2022, however, landlords only reported filing two UDs against tenants in Concord. By contrast, records from the County reveal that the Sheriff’s Office carried out 33 physical evictions at apartments in 4+ unit properties in Concord over the same time period. This proves that the self-reported data on evictions captured by the rent registry is structurally flawed. Moreover, it is well known that only a small percentage of UDs lead to Sheriff evictions. Instead, most UD cases are resolved through default judgment, settlement, or when a tenant moves out without the presence of the Sheriff. As such, the degree of underreporting in Concord is likely even more dramatic.

Good data is a prerequisite for good policymaking. Given your consistent call for collecting data on rental housing conditions, why rely upon the word of landlords—especially when there is evidence they are withholding information—when there is a paper trail that can provide a more accurate and nuanced picture of eviction activity? Requiring landlords to submit copies of eviction

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3 Data provided by the Contra Costa Sheriff’s Office in response to a public records request. 31 of these evictions were in properties for which the landlord had completed the rent registry in 2022, meaning that they should have been captured by the registry data. The other two were in properties that had not been registered.
notices under this ordinance is needed to actualize the City Council’s stated desire to collect information and legislate with integrity.

Collecting notices can ensure that Concord makes informed policy decisions.

Again, we appreciate that using accurate data to inform policy decisions is a shared value across all members of this City Council. When it comes to rental housing policies, there are many critical policy issues that can be addressed by eviction notices, including, but not limited to, the following:

**Neighborhood “Hotspots”:** Eviction notices list the address of the property, which can be used to identify geographic concentrations of eviction. As we wrote in our letter dated August 18, 2023, evictions disproportionately harm women, children, and people of color. Between January 2019 and April 2023, 52% of all physical evictions in Concord occurred in the 94520 zip code—the most racially diverse in the city, where almost 70% of residents are people of color and 49% of them are Latino/e—even though it only contains 48% of renter households.\(^4\) Moreover, our survey of the eviction courts in Contra Costa County found that 41% of tenants were Black, even though only 16% of the renter households in Contra Costa are headed by Black people.\(^5\) Collecting and mapping eviction notices is thus critical to monitoring for disparate impacts by race, income, and immigration status; affirmatively furthering fair housing, as required by State law; and targeting housing preservation strategies to the communities where they are most needed.

**Corporate Evictions:** Eviction notices can be used to determine whether certain types of owners—e.g., corporate owners or outside investors—use eviction more often than others. Given the dominance of outside, corporate investors in Concord’s rental market, this data is vital to encouraging responsible stewardship of the city’s rental housing resources.\(^6\)

**No-Fault Evictions:** Cities with rent stabilization and just cause often see an increase in no-fault evictions as landlords look for avenues to circumvent protections and decontrol apartments. Tracking no-fault eviction notices will allow the City to identify any such trends and, if needed, revise the regulations to ensure that all no-fault evictions are conducted in good faith, not to evade City policy.

**Arrearages:** If the cause of eviction is non-payment of rent, then eviction notices typically list the amount of back rent owed by the tenant. This data can be crucial to understanding the relationship between economic hardship and eviction and designing rental assistance programs that work, with precision, to prevent displacement and homelessness.

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\(^4\) Data provided by the Contra Costa Sheriff’s Office in response to a public records request. Data on race and household tenure are from the 2021 American Communities Survey.


**Informal Evictions:** It is well-known that a large number of evictions—likely most—occur without any legal process. Often, tenants who receive an eviction notice will “self-evict” because they do not know that they have the right to cure or contend the alleged violation and/or they are afraid of going to court and, potentially, ending up with an eviction filing or judgment on their record. Moreover, the tendency to self-evict is most pronounced among low-income people, immigrant communities, and people who do not speak English as their primary language, making informal eviction a major source of housing inequity. As such, it is not enough to examine UD filings—which are, in any case, difficult to access—or Sheriff’s data. **Eviction notices provide an irreplaceable window into the stage of the process at which many tenants, especially the most vulnerable, experience displacement.**

**Impact of Solutions:** Finally, it is important to measure interventions against their results. In the absence of eviction notice data, it will be impossible to tell whether various policies are having their intended impacts and, if not, revise them in an informed manner.

Collecting notices will not significantly increase program costs or registration fees.

At the meeting on January 9, 2024, it appeared as though the primary reason for resistance to implementing the standard practice of collecting eviction notices was concern about the cost of administration. This concern prevailed even though the City Manager admitted that staff had not investigated the cost of such activities. Our research among other cities, however, indicates that collecting eviction notices requires minimal staff time and resources:

**Mountain View:** The manager of Mountain View’s rent program reported that collecting eviction notices, in itself, does not require much staff time. This is especially true because Mountain View’s rent registry is designed so that landlords can upload notices directly into its database. She added that while follow-up actions can require more staff time—Mountain Views sends information about resources to all of the parties named in each termination notice—“the tracking…isn’t intensive.” “We would fundamentally not be able to run as strong of a program or have any idea what was going on otherwise,” she stated.

**San Jose:** The manager of San Jose’s rent program also reported that collecting eviction notices is straightforward. In San Jose, the work of receiving and cataloging these notices is performed by the rent program’s office administrators. She explained that the only hard part of this process is when landlords submit notices in both electronic and paper formats, which requires cross-referencing to avoid duplication. However, the City is in the process of changing its submission procedures to more closely mirror Mountain View’s, which will

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8 Email communication with Anky van Deursen, Manager, Rent Stabilization Division, City of Mountain View, January 18, 2024.
eliminate this issue. “The problem we have,” she explained, “is self-imposed because of the system we have.”

In sum, collecting eviction notices is unlikely to increase the costs of administering Concord’s rent program.

**Concord can do better—its financial constraints for implementation are self-imposed.**

Even if collecting eviction notices does lead to a marginal increase in program costs, the City has substantial room to grow its program, while still remaining small and low-cost to landlords relative to comparable cities. As of now, the City anticipates running the rent program with just 2.5 FTEs.\(^9\) This is completely out-of-step with neighboring cities. According to the City’s own research, the average number of FTEs among comparable Bay Area cities with operational rent programs is 15.\(^11\) The minimal scale of Concord’s approach seems to stem from an unwillingness to establish registration fees that are on par with the rest of the region. In particular, Concord intends to set fees between $49-52 for a fully covered unit and $29-32 for a partially covered unit.\(^12\) Again, this pales in comparison to the comparable cities, which average $224 and $137, respectively.\(^13\)

At the last meeting, Vice Mayor Obringer opposed the proposal to collect eviction notices on the grounds that increasing the rent program staff would require the City to dip into its General Fund. This is incorrect. **Rent programs are self-financing and cost neutral.** It is the responsibility of the City to determine how many staff people are needed to effectuate its rental housing policies and set its registration fees accordingly. As shown above, the City must collect eviction notices in order to both implement this ordinance in its current form and improve it in the future—even if this means increasing fees from the initial proposal. Thankfully, there is room to raise these fees and still remain one of, if not the, lowest-cost municipality anywhere in the Bay Area. **The notion that it is too costly to collect eviction notices arises from an artificial sense of scarcity created by the City in the first place.** We hope that you will correct this approach and add a provision to collect eviction notices for all covered units. The accuracy and equity of Concord's rental housing policies depend upon it.

Sincerely,

The members of the Raise the Roof Coalition

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\(^9\) Meeting with Emily Hislop, Manager, Rent Stabilization Division, City of San Jose, January 10, 2024.
\(^11\) City of Concord. October 10, 2023. *Attachment 4: Examples of Program Administration Costs and Activities*, Table 1. These cities are Alameda, Berkeley, and Richmond. While Antioch only has 2 FTEs, it does not have a just cause ordinance, rental registry, or operational rent program, so it is excluded from this analysis.
\(^12\) City of Concord, December 12, 2023, p. 6.
\(^13\) City of Concord, October 10, 2023, Table 2.
Good afternoon Wendy,

Please kindly include the attached letter and supporting document in the 1/30/24 council packet under communications.

Thank you,

Kristy Powell
President
Walnut Creek Holdings, Inc.
P.O. Box 905
Concord, CA 94522
925.685.4246
Palmterraceconcord.com
Re: Tenants, Rentals, Landlords

Mayor Birsan, and Councilmembers,

You know the story, “people squander their inheritance.” They argue over the house, and then decide to sell it and split the money. One buys a new Corvette, the other takes a trip to Vegas. They don’t preserve and protect it. They don’t see the value in making it grow. That’s because they didn’t work for it. They don’t respect the sacrifice it took to earn it.

The same goes for tenants that get below market rent. Not only don’t they care for the place or see the value in preserving it. They get feelings of “entitlement” and become offended if someone else isn’t caring for the place. Some are even worse. They will steal you blind if they have a chance.

Look at the attached sheet titled Covid Losses. It outlines nearly $300,000 in lost rent from only eight (8) units, due to the Covid eviction moratorium. These people all had the same attitude, “Don’t worry, the government will pay for it”. Well, the government didn’t, and the stolen money went for new clothes, furniture, cars, vacations, and even houses. Yes, just imagine, people held back their rent and used the money to make a down payment on a house.

But let’s be clear, most tenants are not in this category. Notwithstanding the problems with some tenants, landlords cherish tenants. They do all they can to please them, and to keep them around, because landlords are in business, and tenants are customers.

The housing business is very competitive. The landlord down the street is doing everything they can to steal your tenants away. To keep them, you must compete. Landlords are in a constant war with each other, not with their tenants. Not only do they always have to offer competitive prices, they also must offer competitive benefits. Market competition is what drives the housing market, not a thick book of government regulations. And it’s market competition that keeps rents low, and quality high.

So, what then is a “fair rent”? The market works both ways. Not only do landlords compete for tenants, but tenants compete to secure housing. Fair rent is determined by the family on the street that does not have housing. They have good credit, and are qualified to make the payments. The amount they are willing to pay to get into an available apartment is what the apartment is worth.

If an existing tenant already occupies that unit, and its lease is up for renewal, the extension rent should be equal to what the family on the street will pay to get into that unit. If the existing tenant cannot afford the increase, it’s not the landlord’s fault. It’s the reality of the marketplace.
In practice, the competition between tenants usually favors the tenant in place. That’s because landlords hate turnovers. Turnovers are costly. They require repairs, and they often burn up a lot of lost rent. As a result, existing occupants usually get a break in the form of a discount below what the market rate is. That leaves the family on the street to keep looking.

Rent Control, however, is the raw force of government adopting a policy to keep existing tenants in place by forcing a higher discount. When that happens, the government itself is aggravating the problem of housing the family on the street that is looking for a rental. If the government wants to do that it should provide alternative housing. It should also reimburse the landlord for the money it is stealing by blocking market competition.

Because of this sort of government intervention in the market place, housing providers are discouraged from adding new production, and discouraged from maintaining existing inventory. The bottom line of rent control is always lower supply, lower quality, and higher prices.

Rentals – Old and New:

Your proposed regulation only applies to buildings built before 1995. How will this regulation impact those buildings. The best example I can provide you with is my own experience with the renovation of Palm Terrace (formerly Village Green, formerly Greenwood Court). It was built in 1970 and the ownership was reorganized in a Chapter 11 Bankruptcy in 1997. The court put me in charge. By then, it was nearly 30 years old, and there was almost nothing that didn’t need to be replaced.

At first, we didn’t know that. Our original budget was 2.5 million. It ended up costing 15.0 million. The thing that kept us going was the housing bubble. Each year, we’d run another couple million over budget, and condo prices rose another couple million, so we kept going on. In the process, we borrowed against, or sold, everything we had. We were confident we could get our money back by selling condos. The City approved our condo application in 2007, and then the bubble burst.

This prevented us from recovering the return of our investment. Our hope is that the market will eventually settle down and allow us to continue. That is why we have asked for an exemption. Not yet receiving any encouragement on that request, we must pivot to discrediting the whole regulation. So to continue ....

What is the point here? There are several:

1. Apartments built before 1995 are old.
2. By that measure, most Concord apartment buildings are old.
3. Old apartments can get really run down if they are not well maintained*
4. It costs lots of money to maintain and renovate older apartments.
5. Under the right circumstances, renovations can be successful.
6. Sometimes external encouragement (a rising condo market) helps to raise the needed money. Otherwise ... good luck!

*Many Concord apartments are not well maintained because their income isn’t high enough to support the cost of upgrading.

Why aren’t Concord rents high enough to maintain Concord properties? There is an inverse relationship in price, between where people work and where they live. The closer the higher, the further the lower.

**Location, Location, Location:**
My first office was in Lafayette. In 1961 there were 56 real estate offices on Mt. Diablo in Lafayette. Most people came over the hill from the city and wanted to buy in Lafayette, but they couldn’t afford it. We used to say, we cut them off at the pass here, and then sell them in Walnut Creek or Concord.

My recollection is fuzzy, but prices ranged from an average of 40k in Orinda, to 30 in Lafayette, 25 in WC, 20 in PH and 15 in Concord. Rents ranged about the same, from 400 in Orinda to 120 in Concord. Prices were like selling seats in the theater. The closer to the stage, the higher. The further away, the lower. The lowest is in the second balcony. Concord is the second balcony.

The builder of the Lani Kai (now Lakeside) at the corner of Galindo and Oakmead had a For Sale sign out. I asked him what he was asking. He said nothing. Here’s a deed. I’ll sign it now if you pay off the delinquent taxes. That’s not an unusual story for Concord. In the 1993 recession nearly half the units in Concord went through foreclosure. The rent can’t cover all the expenses.

Why is location so important? Revenue drives every business. There’s less revenue in Concord, and the value of property is a function of the income it makes, not the cost of operations. In fact, operating costs including utilities, insurance, maintenance supplies, workers’ wages or salaries, and insurance are pretty much the same anywhere. PG&E is the same in Lafayette as in Concord. So is the hourly rate for a maintenance technician or a resident manager. Dishwashers, and disposers largely come from the same manufacturers, and they wear out at the same rate. The difference is rent. For example:

<table>
<thead>
<tr>
<th>Location</th>
<th>Lafayette</th>
<th>Concord</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Rent/unit</td>
<td>$6,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Annual Rent/unit, GOL</td>
<td>78,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Annual Operating Expenses</td>
<td>18,000</td>
<td>15,000</td>
</tr>
<tr>
<td>NOI</td>
<td>60,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Less: Loan Payments</td>
<td>21,500</td>
<td>21,500  (see note)</td>
</tr>
<tr>
<td>Cash Flow</td>
<td>$38,500</td>
<td>(6,500)</td>
</tr>
</tbody>
</table>

Note: These numbers are hypothetical. The loan payments reflect the assumption of a 1,000 SF unit costing $300/SF, and fully financed at 6% amortized over 30 years. The problem with Concord is that its rents are not high enough to cover the cost of most construction at typical
interest rates. This shows the difficulty in running a rental housing business at the edge of the market; in economics, Concord is at the margin of diminishing returns.

Manageritis:
I remember working for the partners that owned Marclair Dr. Because of a lack of income, they were in default. The previous manager had been cannibalizing empty units to get replacements for broken appliances in occupied units. What a mess. 40% of the units were uninhabitable.

A fourplex on Hillsborough was in court over a dispute between seller and buyer. The seller had carried back paper, knowing the rentals didn’t produce enough income to make the payments. The problem was turnover costs. Some move-outs cost thousands to repair damage from bad tenants, plus lost rent during the time it took to do repairs.

On Camara, an owner of three buildings had a problem with his neighboring 4-plex owners. They didn’t notify the neighbors of their evictions. The evicted tenant would move out of one building, and move into the one next door and continue to not pay rent. It took him six months to evict a “cat lady”. The urine damage in her unit cost $25,000.00 to clean up. It required almost a total rebuild. The owner was going crazy trying to collect rent and make his mortgage payments. His wife said he couldn’t sleep and was dying from manageritis.

One day I heard a man yelling at the receptionist in the office. She tried to steer him to an agent. But he kept yelling “I want to talk to the owner”. He owned a 5-plex on Lacy Ct. He kept yelling, and demanded to know if I could sell his apartments in one month. In those days, some of my signs said, “sold in 30 days.” His problem was he lived in the building with his tenants. They were noisy, disrespectful, dirty, causing damage, and late with the rent. Worst of all, he had a job and didn’t have the time to do the clean-up and repainting. And he didn’t have the money to replace carpets when a bad tenant trashed them and then moved out. His was a very bad case of “manageritis”.

The bottom line is, it’s extremely difficult for Mom-and-Pop owners to manage rental property in Concord. There’s not enough income to afford professional management. It’s emotional and draining. It’s risky, and costly, and very easy to lose money. Older investors purge their portfolio of rental property to avoid management liability in their estate.

To maintain a vibrant market, private owners need to be encouraged to continue. They need an operating environment that makes their life easier, not more difficult. Instead, the City of Concord is now proposing draconian regulations that do almost everything possible to make life worse for private owners.

Landlord shall, Landlord will, Landlord must … 134 times!!!
I probably miscounted, but that’s around the number of times this regulation addresses your often emotionally and financially stressed mom-and-pop landlords who try to provide housing in Concord. On top of what they deal with every day, you are now asking them to:
1. Increase registry fees by 10 times to reimburse government for its added costs that go with its regulations.

2. Lose ownership control. Occupants, even short term, get interests in property rights, by gaining control of over possession, (99% of ownership), including other property owned by landlord.

3. Inflation protection is transferred to occupant with controlled rent at below inflation rate.

4. Increased record keeping and administration, including some requirements to use only special forms approved by the City. More headaches.

5. Copy tenant with operating plans, including copies of permits, and contracts. Literally transfers some ownership prerogatives to tenant.

6. Tenancy, by nature a short-term contract, gets lien hold interest in the owner’s title for 10 years. A memorandum of tenant’s rights must be recorded to encumber the title.

7. Rents are controlled by government fiat regardless of market or financial conditions.

8. Forever leases. Tenant allowed to continue to extend at same rent and terms, that get increasingly more attractive, and result in exponentially more losses to owners as the years go by.

9. Increases upgrade costs. In addition to all renovation costs, and lost rent, the owner must pay to get tenant to relocate regardless of rental amount, length of occupancy, or special benefits.

10. Submit to biased administrative court, and pay all costs and fees, including attorney fees and experts, with no assurance of success to argue for a “fair return.”

Concord’s small rental property owners have limited choices; sell, stop doing routine maintenance, patch instead of replacing worn out components, cut back on service, refinance to get money tax-free, and walk away. For sure, you will not see re-investment capital coming in to maintain the older housing stock because who wants to put up with the aggravation in addition to taking a risk in such a marginal market. ‘Concord’s older properties that might someday contribute to historical pride, will instead decline into a ghetto. The bottom line, they will quit.

A Fair Return:
“IT shall be presumed that this standard (CPI) shall provide a fair return.” If that is the standard, it can safely be said that older properties needing replacements will no longer be renovated. An investment is “an earning on money” (Websters). Earnings are a function of the investment amount. They may be so much in one year, as the S&P 500 increased 10%, or ROI as 8% per year, or Internal Rate of Return (IRR), a function of the in amount, the out amount, all interim cash flows, the affect of debt coverage levels, interest rates, loan to value relations, depreciation schedules and the owners personal income tax situation.

What about Inflation:
My first house in Contra Costa County was a 2BR bungalow north of Geary Rd. between Walnut Creek and Pleasant Hill. It cost me $10,000.00 in 1960. Its most recent re-sale was in 2018. It sold for $615,000.00. That works out to a 7.36% compounded annual rate of increase for 58
years. According to the CPI, 10,000 in 1960 grew to $84,000 in 2018. That’s an annual increase of 3.7%.

Is something wrong here? No. The value of the house has not changed. It required the same hours of labor in 1960 as it required in 2018 to buy the house. In terms of human work and sacrifice the cost has remained the same. So why does the government tell us that money is losing value at the rate of 3.7% while the real loss of value is 7.3%. Who knows. I suspect that politicians like to spend money, and when they run out, they print money. They know they can repudiate their debt because their obligations end up in the hands of widows who hold bonds and won’t care if they are worthless after they are gone.

Now the Fed says their inflation target is 2%, and maybe they will make it. But property owners know that the number of fiat dollars required to pay for property is increasing at a rate higher than 2%. So rents capped at 3% are actually going backwards if price increases are at 7%. Like the illustration above, a property that might sell for 615,000 will only be worth 84,000. Rent control is stealing money, and over a period of decades it can amount to hundreds of thousands of dollars.

In Summary, Using the CPI as a standard for anything nowadays, especially rents or property values, is ludicrous. Using it a standard for a “Fair Return” or for a “Stabilized” rate of rental adjustments is one of two things. It is either pure theft of property, a criminal action, or it is a legitimate public purpose that involves the taking of private property. If it is the later, you are bound by the 5th amendment to the US Constitution to provide “just compensation”.

Even as misguided as this “standard” is, there is nothing in the regulation providing for how it shall be implemented. Suppose you have major increases in costs, as we do now, a 20% jump in the costs of insurance and utilities. What about emergency repairs for blown out 50 year old water lines. Are you going to allow a 10% rent increase when the max is 3%. You won’t but you may have a big fight on your hands.

And what if your inspection program turns up major replacements that need to be done. Are you going to allow a doubling of the rent to cover the cost, even if the current rent is only half the market value. No. Of course not. You have written a rigid, one size fits all, mandate that will not only make housing providers lives even more miserable, but you have also increased the motivation for corruption. Why is it that the government which draws its very life from a free market is so afraid of the market?

Conflict of interest:
A thoughtful study of the regulation exposes a notable conflict. The regulation applies to private property, mostly owned by small investors who struggle to survive. But the list of exempted businesses or properties is full of government benefiting, government funded or government uses. For example.

1. Hotels – Pay the highest sales taxes to the City of Concord
2. Hospitals, Extended care, Licensed care – All benefit from government direct
government subsidies, or government related health care programs
3. Dormitories owned by Institutions of Higher Education – Clearly government funded and
mostly operated by public employee union workers.
5. Tax credit, Restricted by Deed, Regulatory Restricted, Affordable Housing – All
subsidized by government or government related grant programs.
6. Built after 1995 – Two of the largest rental projects in Concord that were built after 1995
are exempt. Yet they are also the two highest priced rentals … and they were partially
funded by government favors. One got a 20-year free ride on its property taxes. The other
got a multi-million dollar discount on it’s land … both courtesy of the City of Concord.

How can the City give up millions of dollars to subsidize the costliest housing in town, and then
turn around and impose abusive rent controls on privately owned properties, non-subsidized
properties, while leaving the highest rents free to go even higher? What kind of madness is that?

Government is heavily into the housing market, presumably to encourage supply. At the same
time, it is in direct competition with the “privately owned free market”, and with draconian
regulations that discourage supply. This is total contra-diction. What kind of leadership is this?

The bottom-line effect of regulations like these being proposed is the socialization of housing,
the ultimate elimination of private ownership. That is not what America stands for, and it is not
what built our existing vibrant housing market. Instead, this is pure and simple a political scheme
put forth by radicals intent on reordering the very foundation of our economy. This proposal
should be tabled.

An alternative you might consider is a Long-Range Planning Committee. Appoint a body
comprised of those interests that actually invest, build, operate, and grow the city. Do not make it
a landlord/tenant committee. Consider all those entities with payrolls and services that depend on
a vibrant, growing and prosperous population and see if you can put together a group to provide
priorities for overall city policy.

The less contentious choice is to simply reject this proposal.

Sincerely yours,
Walnut Creek Holdings, Inc., Agent for the owners of Palm Terrace Condominium Rentals

Merle D. Hall

Attachment – Covid Losses
<table>
<thead>
<tr>
<th>Unit #</th>
<th>#6</th>
<th>#92</th>
<th>#42</th>
<th>#56</th>
<th>#8</th>
<th>#20</th>
<th>#137</th>
<th>#38</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days In Breach</td>
<td>365</td>
<td>425</td>
<td>1057</td>
<td>859</td>
<td>653</td>
<td>239</td>
<td>954</td>
<td>154</td>
</tr>
<tr>
<td>Rent Loss</td>
<td>$ 23,918.00</td>
<td>$ 23,604.00</td>
<td>$ 50,163.95</td>
<td>$ 44,969.49</td>
<td>$ 74,727.65</td>
<td>$ 15,742.60</td>
<td>$ 40,084.23</td>
<td>$ 9,177.12</td>
</tr>
<tr>
<td>Turnover Cost</td>
<td>$ 10,000.00</td>
<td>$ 10,000.00</td>
<td>$ 15,000.00</td>
<td>$ 10,000.00</td>
<td>$ 15,000.00</td>
<td>$ 10,000.00</td>
<td>$ 15,000.00</td>
<td>$ 10,000.00</td>
</tr>
<tr>
<td>Vacancy Loss</td>
<td>$ 4,311.00</td>
<td>$ 4,170.00</td>
<td>$ 6,465.00</td>
<td>$ 5,845.00</td>
<td>$ 7,240.00</td>
<td>$ 4,650.00</td>
<td>$ 8,000.00</td>
<td>$ 6,405.00</td>
</tr>
<tr>
<td>Buyout Cost</td>
<td>$ 3,000.00</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$ 40,329.00</td>
<td>$ 27,675.00</td>
<td>$ 71,628.95</td>
<td>$ 60,814.49</td>
<td>$ 96,967.65</td>
<td>$ 30,392.60</td>
<td>$ 63,084.23</td>
<td>$ 25,582.12</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>-$</td>
<td>-$</td>
<td>$ 28,340.36</td>
<td>$ 39,934.95</td>
<td>$ 41,221.77</td>
<td>-$</td>
<td>$ 26,653.60</td>
<td>-$</td>
</tr>
<tr>
<td>Net Loss</td>
<td>$ 40,329.00</td>
<td>$ 37,675.00</td>
<td>$ 43,288.59</td>
<td>$ 20,879.54</td>
<td>$ 55,745.88</td>
<td>$ 30,392.60</td>
<td>$ 36,430.63</td>
<td>$ 25,582.12</td>
</tr>
</tbody>
</table>

**Total Net Loss** $ 290,323.36

**Stolen $ Used For**
- New House
- Clothes
- Furniture
- Vacations
- New Car
- New House
- Designer Item:
  - Furniture
  - New Cars
  - Vacation
Public comments to January 30, 204 Rent Stabilization Program

I own an 8-unit apartment house on Galindo. I try to keep my rents low and have had very little turnover. My rents average $1,650/month, we have a pool and covered parking. Every time a tenant moves out, I spend significant dollars getting the apartment ready for the next tenant. I had to replace a commercial washer which cost $2,100, and running the laundry room is not a profit center but a convenience for the tenants. When there is a toilet hack up or leak or other tenant issue, we have to drop everything and take care of it, even if it is on a weekend or in the middle of a family event. Last year in 2023 my PG&E bills for the common area went up 20%, and the insurance for this property went up 25%. My mortgage rate will be doubling within the next few years. Being limited to a 1-2% annual rent increase (based on current and projected CPI) is criminal. How many City of Concord employees would like their wage increases limited to 1-2%, and how many Concord residents would accept this extremely low wage increase for whatever jobs they have? My family doesn’t expect to get rich running this business but we should at least be allowed to not lose money! Have a 5-7% rent increase limit. If the City of Concord wants to subsidize rents, then use City money to do so, not small businesses. Also, if Tenants can appeal without paying a fee Landlords should have the same privilege. Thank you!
To whom it may concern,

I have been a landlord since 2008 and am concerned about the Rent Stabilization and Just Cause for Eviction ordinance's negative impacts on both tenants, landlords, and the City of Concord.

As a landlord, I only raise rent when absolutely necessary. Tenants often rent from me for 4-5 years before I raise the rent. In most cases, this happens when the tenant decides to move out and the rent is adjusted to the market rate for the new tenant. With these new ordinances, I will be forced to implement a yearly increase at the highest percentage possible. This will have a negative impact on tenants.

I encourage you to reconsider this ordinance.

Thank you.

~Kevin
Please see attached letter to Mayor Birsan and Councilmembers,

Greg Brumley
Dear Mayor Birsan, and Councilmembers Hoffmeister, Nakamura, Obringer, & Aliano,

I am writing again to express my concern and opposition to your seriously misguided efforts related to rent control and just cause eviction in Concord. My family has owned and operated apartment buildings in Concord since 1963. I was born, raised, and still call Concord my home. As a child, I grew up in one of our apartments, where my parents managed the business after working their full-time jobs. We provide rental housing to our friends, neighbors, and peers. We are not “fat cat” real estate tycoons from out of town. We are not exploiting our tenants and fellow citizens.

Your actions are threatening my family’s livelihood. Based on a rental cap equal to 60% of CPI, in my two buildings, the maximum increase in 2024 will generate an additional $17,000 annually. While at the same time, our increased cost for utilities, property insurance, and property taxes alone will exceed $24,000 in 2024. How is that sustainable? How can we keep our properties well maintained and appealing to our tenants?

I urge you to reconsider your plans. The current legal limits outlined under AB1482 are reasonable and fair to both tenants and housing providers.

Regards,

Greg Brumley
From: Pacific Bay Group <pacbay@comcast.net>
Sent: Saturday, January 27, 2024 3:51 PM
To: Concord City Council Email <citycouncil@cityofconcord.org>
Cc: City Clerk <cityclerk@cityofconcord.org>
Subject: upcoming rent control hearing

Though this is from letter below, it clearly reflects my thoughts on the subject and more. Many of my investor clients have rental properties - (and yes some abuse of a limited number of other landlords has occurred) but it important to understand tenant abuse and illegal activity can be far worse from my conversations and first hand experience.

Most of my clients are single unit investors or have a small portfolio of rentals and is hedge on investments and family inheritance.

One client gave a 90 day notice to a ADU renter during Covid which ended one month from the notice and this clever renter went to the rental board and the owner was forced to pay her 5000.00! for what. The move out time was not during Covid period but she tweaked the system. She had violated her lease terms and was asked to leave formally (constant late payments of rent).

This is but one of many abuses and use cases tenants have used and will use in the future with compensation rewards when a landlord give just notification of nonpayment of rent, damage, noise nuisance, Illegal pet acquisition, etc.

This will force the demise of the rental market in Concord; Sell offs of properties, etc. or condo-ization and taking rental properties off the market.

The moving expense and compensation recommendations are unrealistic and puts undue burden on landlords. Why should a landlord have to take responsibility of a tenant’s move out to the tune of 3000.00 plus another approximate 4500.00 -6600.00 in rent compensation (three months at 1500 -2300 for 3 month compensation). This is unheard of and rare if ever in rental codes.

In general, I recommend to landlords first month and security deposit as not to place an undue burden on renters initial move in expense. But most renters ignore the law and contract terms (security deposit cannot be used for rent) and they use the deposit for the last month’s rent and then leave thousands in damage that the owner must then repair without security deposit. I have witnessed this often. Full repainting, total carpet replacement, damage floor for plumbing leaks not reported, etc.

My suggestions:
- 3-5% rent cap is reasonable.
- No move out expense but sufficient notice to move out at 60 days. (maybe suspension of last month’s rent only)
- And no owner move in restrictions based on tenants health or condition. This is highly unusual and unfair.

Dear Mayor Birsan and Members of the City Council,

I am extremely concerned about your strict rent control proposal and urge you to vote no.

I maintain my position that the development of this disastrous ordinance has been predicated on false allegations that Concord housing providers gouge renters and terminate tenancies in mass numbers. Don’t ignore the fact that your own rent registry data shows that in 2022 rent increases were at or below the state-mandated rent cap outlined in the Tenant Protection Act of 2019, passed as AB 1482, and that 93.8% of tenancy terminations were due to renters voluntarily moving out and not due to an owner-initiated termination.

Your revised rent control ordinance has gone too far by capping rents so low that a housing provider will struggle to maintain the property. The relocation fees are excessive and will deter housing providers from keeping their units in the rental market. The new attempt to require a percentage of ownership to constitute an owner move-in -- plus residency requirements and a 1:1 provision -- is more government overreach.

Please look at the data and reject this ordinance. Do not subject Concord to a damaging housing environment.

Jeff Auen
Auen Group
RE/MAX ACCORD
DRE: 01244711
JAOFFICE@COMCAST.NET
From: Thomas Portue <tportue@yahoo.com>
Sent: Saturday, January 27, 2024 6:33 PM
To: City Clerk <cityclerk@cityofconcord.org>; Birsan, Edi <Edi.Birsan@cityofconcord.org>; Obringer, Carlyn <Carlyn.Obringer@cityofconcord.org>; Aliano, Dominic <Dominic.Aliano@cityofconcord.org>; Hoffmeister, Laura <Laura.Hoffmeister@cityofconcord.org>; Nakamura, Laura <Laura.Nakamura@cityofconcord.org>
Subject: Concord Proposed Rent Control Initiative, January 30, 2024

Dear Council Members:

I am unable to attend the meeting on rent control scheduled for January 30, 2024. However, I would like to go on record voicing an opinion on the matter. I do not own property in Concord. However, the rent control proposals currently under consideration are draconian and beyond severe. These insane proposals will have a far-reaching impact on the local housing industry and beyond.

I have been a landlord in the rental property business for more than 43 years. Before and even during that time I was a long-term tenant in San Francisco. I spent the first 11 years of my life living in a housing project with a single parent and three siblings. We were in our next rented apartment for thirty four (34) years. We were there before rent control was instituted in 1977 and we were there for several years after. The mom n pop owners lived right next door. The rent was never paid late. I made my own repairs and “improvements” when I was able to. This is how we kept our rent affordable.

Our rent did not remain low because of rent control. We had our own rent control. It was based on reciprocity. It was based on what the landlord needed to charge based on their needs. It was also based on what they needed to charge in order to keep us as good tenants. It was based on mutual respect.

Our experience as former tenants has formulated our approach to property ownership. Most of our current tenants have been with us for several years. And they’re all under current market rate. One tenant received his first increase after 8 years of tenancy. When he got the increase he expressed his gratitude and amazement that we had taken so long to do so. He has now been with us for 18 years.

Our preference is to keep good tenants for as long as possible. Our goal is to keep the rent as reasonable as possible. If this council and other rent control protagonists continue on this insane path you will force landlords to AUTOMATICALLY raise rents each and every year. You will create unwarranted acrimony between tenants and property owners. Rents will climb consistently in spite of what would otherwise be a natural economic progression. It’s the freedoms associated with a free market economy that have built this great nation. Government intervention and overreach such as this puts those freedoms in grave danger.

Thanks to “Bidenflation, and other progressive policies, the allowed California rent increase this year is almost ten percent. Because of a state mandate to now
unnecessarily and prematurely retrofit decks, our costs will be going up substantially. Because of Sacramento’s incompetent dealings with the insurance industry, our insurance premiums have quadrupled across the board. This doesn’t even take into consideration the rising costs of all other goods and services. And yet you want to limit a property owners “right” to raise rents by a paltry 2.5%?!!

I am not in favor of rent control of any kind. But the statewide rent control ordinance is much more fair than these outrageous proposals. For the moment, I’m still able to keep increases to my long term, responsible tenants under the current statewide allowances in place. These proposals being considered by the Concord city council are an outrageous overreach that has now reached our front door.

I do not think I’m alone when faced with the prospect that all property owners will be forced to raise rents to every tenant by the maximum allowable amount each and every single year. When tenants complain, I will remind them of an old adage. Voting has consequences.

Rent control is nothing short of outright “theft” in the guise of altruism. It stifles accountability and a natural, balanced economic order. It promotes bad behavior and unwarranted leverage. There are a myriad of other paths the city council could pursue to attain a more stable and affordable housing market. You should think about all the progressive ideologies that have contributed to rising demands and competition for affordable housing. There are so many other ways to address these problems. But for the sake of political correctness, you chose to ignore them. If you continue to promote acrimony between property owners and tenants, it will have disastrous effects. As legislators, you might find out that the “low hanging fruit” of rent control will not be as sweet as you might expect.

I pray for the day that the U.S. Supreme Court will eventually grant a writ of certiorari and put this unconstitutional insanity to rest once and for all.

Thomas Portue’

Pleasant Hill, CA
To City of Concord Council Members -

Can this proposal be worked on further towards a fair compromise? At least for the time being, do more research and postpone the decision until there can be a fair and equitable solution. Current proposal will be detrimental to Concord if it passes. The measures are too way too aggressive and penalizes the landlord. The landlord is the side that is providing housing that you are inadvertently harming/eliminating with these proposals.

Rent is a function of supply and demand. I don't like the fact the the price of homes are so expensive but there are more buyers than there are homes. Same is true for rent. Let the market decide. If folks are priced out, then maybe the Council should consider allowing developers to build more homes.

The State of California already have rent laws in place that seem to work for landlords and tenants. Imposing the proposed regulations on Concord landlords are counter productive to the goal of providing affordable housing.

Affordable housing comes from creating more supply. Look at toilet paper during the Covid pandemic for an example. Once there is supply, the price will come down. Look at gas as another example. When there is limited supply, prices go up.

The measures the Council is proposing is too aggressive. It is penalizing people who rent their home/investment and assuming landlords are preying on tenants, makes a lot of money on rent, costs don't increase. In reality, all costs (repair techs, lumbar, costs of goods, etc.) have been rising! That is why the Feds have been raising interest rates - to tackle the increasing costs ! Insurance in California is a big concern for all homeowners. Insurance costs have doubled for some. PGE bills are another rising cost. (Yet I don't see a cap on their fees) These rising costs are not being considered by the City Council Members.

I am not saying that the tenants should bear all the costs but rather rent be a function of the market supply and demand.

I would not consider buying a home in Concord for investment if these measures were passed. Based on how the Council meetings went last year , I am considering the future of my investment to avoid these restrictions. I can almost guarantee you that my home
now will not be another rental in Concord if sold. The rent I have charged has always been below market. I did not raise rents for 7 years until just 2 years ago and still it is below market rent by 15%. My goodwill, fair and reasonable practice seems like it has worked against me.

Investors will not invest in Concord further decreasing supply and driving up prices (Econ101) if measure passes. Even if another investor bought the home, rent is reset. New investor will price rent based on the new mortgage payment (likely higher than mine) taxes (likely higher than mine) and etc. This new rent will be higher than what I am charging. How does this help rent stabilization?

In addition, all reports show that rent stabilization measures don't work. Why do you think it will be any different in Concord? It leads to fewer rentals, less maintained rental properties and poorer living conditions. I am presuming you have read these reports. I just don't understand how it improves the situation in Concord. We don't want Concord to become Oakland. We want it to stay family friendly, safe and affordable. We have a common goal but these measures are NOT serving the residents in Concord.

I am completely AGAINST the proposed measures.

Bernice Chau

On Monday, October 9, 2023 at 05:08:09 PM PDT, City Clerk <cityclerk@cityofconcord.org> wrote:

Thank you for your comments – they will be inserted into the record, posted to the website, and sent to the City Council for review prior to tomorrow night’s City Council meeting.

Kindly,

Stefanie Ananthan| Deputy City Clerk

☎️ (925) 671-3085 | ✉️ stefanie.ananthan@cityofconcord.org
1950 Parkside Drive, MS/03, Concord, CA 94519

www.cityofconcord.org | www.concordfirst.com
To City of Concord Council Members,

I oppose the rent control measures the City of Concord wants to impose. I am a single family home landlord. I have owned this home for 20+ years. The proposed 3%/60% of CPI is unacceptable and counter-productive to the future of Concord.

I oppose the suggested changes to the rental laws for the primary reason that it is economically unreasonable for a private landlord (typically owning single family homes/condos vs corporations.) I only have 1 rental home.

Expenses, cost of maintenance, cost of building materials and labor are going up by more than 3% per year. Just insurance alone has doubled - that is 100% increase. If there can be a cap to expenses, then a cap to rent would make sense.

In addition, there is the thought to roll back this proposal to Jan 2023. Because I own less than 4 units, I was not on the notification list for the proposal. If rolled back, my 2023 expenses which were planned based on income becomes an unanticipated debt burden.

Keeping up with a home is expensive. There is regular maintenance which includes repairs, upkeep, landscaping, taxes, and insurance for example. The proposal doesn’t not take into account rising costs, which is out of my control. PGE will be increasing costs so that they can bury their lines. Those are fixed costs that I have to pay. I guess I don’t need to have landscaping if push comes to shove - which is a disservice to the neighbors, the City of Concord and its residents.

Rent control encourages me to sell my rental here in Concord and invest elsewhere. (If other homeowners think like me, there will actually be less rentals in Concord and/or only large housing corporations managing the available rental units). I don’t have the legal background to maneuver and keep up with the strict housing requirement for fear of a lawsuit.

I understand the tenants' plight. The problem is complex. As with home prices, the need for housing is greater than the availability. **Reducing the rent cap to 3% or 60% of CPI will not solve the problem.**
Article in 2018 research shows that rent control in fact “decreases affordability, fuels gentrification, and creates negative spillovers on the surrounding neighborhood”. 

Excerpt from article in Forbes March 2023

“NAA’s latest research aligns with decades of data and real-life case studies that all lead to the same conclusion: rent control is a failed policy that brings more harm than relief to local communities,” said Bob Pinnegar, NAA president and CEO. “It’s not surprising that policies that make it harder

Signed,

Bernice Chau
Prohibits an owner of an affordable housing project that received low-income housing tax credits (LIHTC) from increasing the rent for a unit more than certain specified amounts in any 12-month period.

Major Provisions
1) Prohibits an owner of an affordable housing project that received LIHTC and is subject to a regulatory agreement from increasing the rent for a unit more than the lesser of the following in any 12-month period:
   a) The amount permitted by existing law as a result of an increase in the area median gross income;
   b) Five percent plus the percentage change in cost of living; or
   c) Ten percent of the lowest rental rate charged for that unit at any time during the 12 months prior to the effective date of the increase;
2) Defines "percentage change in the cost of living" to mean the same as in the rental rate provisions of the Tenant Protection Act (TPA) of 2019;
3) Notwithstanding 1), allows an owner of a project to increase the rent up to 30% of the monthly income of the household occupying the unit;
4) Exempts projects from the cap in 1) when the California Tax Credit Allocation Committee (TCAC) or the Department of Housing and Community Development (HCD) allows for a rent increase due to the termination or exhaustion of project-based rental assistance or operating subsidy or to ensure financial stability, as determined by TCAC, or fiscal integrity, as determined by HCD; and
5) Provides that this bill does not authorize a local government to establish limitations on any rental rate increases not otherwise permissible under the Costa-Hawkins Rental Housing Act, nor affect the existing authority of a local government to adopt or maintain rent controls or price controls consistent with existing law.

COMMENTS

Background on the LIHTC Program: The LIHTC is an indirect federal subsidy developed in 1986 to incentivize the private development of affordable rental housing for low-income households. The federal LIHTC program enables affordable housing sponsors and developers to raise financing through the allocation of tax benefits to investors. TCAC administers the program and awards credits to qualified developers who can then sell those credits to private investors who use the credits to reduce their federal tax liability. The developer in turn invests the capital into the affordable housing project.
In 1987, the Legislature authorized a state LIHTC program to augment the federal tax credit program. The amount of state LIHTC that is statutorily authorized and allocated by TCAC is limited to $70 million, adjusted for inflation. In 2020, the total credit amount available for allocation was about $100 million plus any unused or returned credit allocations from previous years. In 2019, AB 101 (Committee on Budget), Chapter 159, Statutes of 2019 was signed into law, providing an additional $500 million in "enhanced" state LIHTCs in 2020 and future years, subject to appropriation. The Governor's January 2024 budget proposal would eliminate the enhanced state LIHTC allocation and reduce the credit back to pre-2019 levels.

Rent Restrictions in LIHTC Properties: To qualify for occupancy in a LIHTC unit, a household's income must be at or below the income level for that unit's income category at the time of occupancy – but the tenant's actual income does not determine the rent. Instead, federal law establishes a maximum rent for LIHTC units that is 30% of the area median income (AMI) for the income category the unit is deed-restricted to serve, adjusted for household size. As AMI fluctuates over time, federal and state rules allow for adjustments to the rent dependent on how much AMI has increased (or decreased, or stayed the same) year over year. However, these rules only apply to units that are already charging the maximum allowable rental rate under TCAC’s rent limits.

For units in properties that do not already charge the maximum allowable TCAC rent, there are no current restrictions on how much rents may be increased per year, only the hard upper cap at the TCAC maximum rent. For example, an affordable housing development may not have raised rents in several years, and under current law, the owner is permitted to "catch up" to a higher rent, up to the maximum allowable TCAC rents, in one or multiple increases in a year. The sponsors and author contend that this policy allows for unpredictable and potentially significant jumps in rent that can jeopardize the ability of low-income tenants to remain in their units.

AB 1482 (Chiu), Chapter 597, Statutes of 2019 enacted the TPA of 2019, which caps rent increases in certain types of housing in a 12-month period to the lower of 5% plus the change in the consumer price index, up to a maximum hard cap of 10%. The TPA specifically exempted deed-restricted affordable housing from these caps because, as detailed above, an existing policy controls maximum rents on these units. However, a number of other states have enacted rules limiting the allowable annual rent increases in LIHTC properties or creating a process for evaluating increases that exceed certain thresholds, including New Jersey, Wisconsin, Montana, Idaho, Oregon, Michigan, Minnesota, and Georgia. Most of those states also limit increases to once per year.

Policy Considerations: LIHTC properties are heavily regulated by federal and state rules, as well as by the regulatory agreements associated with local and state funding programs, which already makes the operation and compliance of affordable housing very complex. A rent cap creates another regulatory layer. Establishing a rent cap will likely have a disproportionate impact on properties that do not already charge the maximum allowable TCAC rents. Many nonprofit affordable housing managers view the management of their residents' rent burden as a key area of their mission in affordable housing. However, they also must balance this with the long-term stewardship of the properties. Circumstances arise where larger rent increases may be necessary to cover for years of little to no rent increases, especially when operating costs increase at disproportionately high rates. Many affordable housing properties have faced significant operating cost increases in
recent years – Novogradac, a consulting firm that specializes in affordable housing finance, observed in its 2022 "Multifamily Rental Housing Operating Expenses and Income Report" that operating expenses for properties in California increased by 26.2% from 2018 to 2021. During that same period, rental income increased by 10.9%. Thus, properties sometimes need rental rate flexibility in order to keep up on staffing expense increases and maintenance obligations and ultimately to prevent the risk of foreclosure, at which point all affordability restrictions are lost.

This bill, as amended, proposes a rental rate increase cap in a 12-month period for all LIHTC units in the state. The increase cap would be the lesser of: the amount permitted by existing law as a result of an increase in the AMI; 5% plus CPI, as defined in the TPA; or 10% of the lowest rental rate charged for that unit at any time during the 12 months prior to the effective date of the increase. The bill proposes two exemptions to address the need for flexibility to account for specific circumstances in which higher rent increases may be warranted or necessary for fiscal stability:

1) In some situations, an operator may not have raised rents on a tenant for several years and in that time, the tenant's income may have grown. Other tenants might be receiving rental assistance – like a voucher – that helps subsidize the portion of monthly rent they are responsible for paying out-of-pocket. This bill allows an owner of a development to increase the rent up to 30% of the monthly income of the household occupying the unit, notwithstanding the cap; and

2) In the event that TCAC or HCD allow a rent increase for a property due to the loss of project-based rental assistance or operating subsidy, risk to financial stability, or fiscal integrity, the cap will not apply. These "float up" provisions are part of the TCAC and HCD rules and are critical to inducing private lending and investment in developments.

According to the Author
According to the author, "Lower-income tenants often wait years to secure a coveted spot in affordable housing, only to be surprised, frustrated, and disappointed to learn there is little to stop their rent from rising well above what they can actually afford. LIHTC rents are set based on AMI, this structure essentially punishes low-wage earners because high-wage earners change the balance scale. In an era of ever-rising income inequality, this makes little sense and frustrates the entire purpose of the LIHTC program to provide affordable housing for lower-income families. AB 846 is a common-sense approach already employed in a number of states to address the problematic rent-setting formula established in federal law. The bill will impose a cap on rent increases in LIHTC properties to provide greater housing stability for low-income tenants while still ensuring that affordable housing properties can remain financially viable over time."

Arguments in Support
According to the California Rural Legal Assistance Foundation and the Western Center on Law and Poverty, the bill's cosponsors, "...[B]ecause LIHTC rents are tied to AMI, whenever AMIs rise, property owners are free to raise rents up to the new maximum. Just because the median income in an area has risen does not mean that the incomes of households living in LIHTC units have also gone up. In addition, an increase in AMI does not bear any relationship to whether the owner's costs to operate and maintain the property have increased. Nonetheless, the current rules mean that owners of LIHTC properties can—and often do, particularly the for-profit owners—raise the rent to the new allowable maximum whenever AMIs go up. Over time, a tenant whose income has changed very little may find themselves in an 'affordable' unit while also paying 60%
or more of their income in rent. While this is a long-standing issue, it has been particularly devastating in the last year for LIHTC tenants already struggling to recover from the economic impacts of the COVID pandemic."

**Arguments in Opposition**
None on file.

**FISCAL COMMENTS**
Unknown.

**VOTES**

**ASM HOUSING AND COMMUNITY DEVELOPMENT: 6-2-0**
**YES:** Wicks, Wendy Carrillo, Gabriel, Kalra, Quirk-Silva, Ward  
**NO:** Joe Patterson, Sanchez

**UPDATED**

VERSION: January 25, 2024

CONSULTANT: Nicole Restmeyer / H. & C.D. / (916) 319-2085  
FN: 0002628
An act to add Section 50199.19 50199.24 to the Health and Safety Code, relating to low-income housing.

LEGISLATIVE COUNSEL’S DIGEST

AB 846, as amended, Bonta. Low-income housing credit: rent increases.

Existing law establishes a low-income housing tax credit program, through which the California Tax Credit Allocation Committee, chaired by the Treasurer, Committee allocates low-income housing tax credits aimed at providing affordable low-income housing within and throughout the state. Existing law authorizes the committee to undertake specified responsibilities in allocating the tax credit, including entering into regulatory agreements relating to projects that are allocated the tax credit. Existing law requires the committee, when allocating the tax credit, to prefer specified projects, including projects that serve lowest income tenants at rents affordable to those tenants. Existing law, the Costa-Hawkins Rental Housing Act, authorizes an owner of residential real property to establish rental rates for a dwelling or unit that meets specified conditions.

This bill would prohibit a project assisted by the an owner of a project that received an allocation of the low-income housing tax credit and is subject to a regulatory agreement from increasing rent, over the
course of any 12-month period, for a unit in excess of more than the lesser of the amount permitted by the program as a result of an increase in the area median gross income, or a unspecified amount, whichever is less: 5% plus the percentage change in the cost of living, as defined, or 10% of the lowest rental rate charged for that unit at any time during the 12 months prior to the effective date of the increase. Notwithstanding these provisions, the bill would authorize an owner of a project to increase the rent up to 30% of the monthly income of the household occupying the unit. The bill would not apply when the committee or the Department of Housing and Community Development allows for a rent increase, as specified. The bill would specify that it does not authorize a local government to establish limitations on any rental rate increase not otherwise permissible under the Costa-Hawkins Rental Housing Act or affect the authority of a local government to adopt or maintain rent controls consistent with that act.


The people of the State of California do enact as follows:

SECTION 1. Section 50199.24 is added to the Health and Safety Code, immediately following Section 50199.23, to read:

50199.24. (a) For the purposes of this section, “percentage change in the cost of living” means the same as in paragraph (3) of subdivision (g) of Section 1947.12 of the Civil Code.

(b) An owner of a project that received an allocation of housing credit pursuant to this chapter or Section 12206, 17058, or 23610.5 of the Revenue and Taxation Code and that is subject to a regulatory agreement shall not, over the course of any 12-month period, increase rent for a unit more than the lesser of the following:

(1) The amount permitted by this chapter as a result of an increase in the area median gross income.

(2) Five percent plus the percentage change in the cost of living.

(3) Ten percent of the lowest rental rate charged for that unit at any time during the 12 months prior to the effective date of the increase.

(c) Notwithstanding subdivision (b), an owner of a project may increase the rent up to 30 percent of the monthly income of the household occupying the unit.
(d) This section shall not apply when the committee or the department allows for a rent increase due to the termination or exhaustion of project-based rental assistance or operating subsidy or to ensure financial stability, as determined by the committee, or fiscal integrity, as determined by the department.

(e) Nothing in this section authorizes a local government to establish limitations on any rental rate increases not otherwise permissible under Chapter 2.7 (commencing with Section 1954.50) of Title 5 of Part 4 of Division 3 of the Civil Code, or affects the existing authority of a local government to adopt or maintain rent controls or price controls consistent with that chapter.

SECTION 1. Section 50199.19 is added to the Health and Safety Code, to read:

50199.19—An owner of a project assisted by a credit pursuant to this chapter shall not, in a calendar year, increase rent for a unit in excess of the amount permitted by this chapter as a result of an increase in the area median gross income or _____ percent, whichever is less.
yes thank you

On Monday, January 29, 2024 at 10:02:06 AM PST, Huckabay, Sophia <sophia.huckabay@cityofconcord.org> wrote:

Hi Julie,

Thank you for providing your comments. Would you like your comments to be included as a benched item for tomorrow night’s council meeting?

Thanks,

Sophia Huckabay (She/Her)

Housing Manager

City of Concord | Website: http://www.cityofconcord.org

☎ (925) 671-3387 | ☉ Sophia.Huckabay@cityofconcord.org

1950 Parkside Drive, MS/10A, Concord, CA 94519

www.cityofconcord.org | www.concordfirst.com

Please take a moment to fill out our customer service survey, click here.
I am against the changes proposed. They would decrease the available single family homes for rent and people will not invest in the town.

when I purchased my home I felt that if I needed to rent out my home it for personal or financial reasons, It was a good investment.

Now I would like to rent my home for a few years until I decide weather to sell or continue to rent. This ordinance will harm me if I choose to only lease it out and not renew the lease. I would to renting my home at a grave loss.

When new investor considers investing in concord they will be reluctant. This is not good for people who are looking to rent. the availability of rental will decrease. It has been proven in various california citys that this type of rent control decreases new investment in rental properties.

It seems what concord needs is more low rent Public Housing. That is funded by the government to provide housing for people who want to sign a 1 year lease that is not a lease but a garantee and the tenant will never have to move without landlord paying them 3 months rent. Making an investment in concord would require that they rents be higher to cover the cost of 3 months payment required when the landlord decides to not lease the property and does not renew the lease financial loss for landlord the ability to not Which would make leasing out property in concord a bad investment.

Please stop these rent control proposals

Regards

Julie Andrews
From: Heypaula10 <heypaula10@gmail.com>
Sent: Monday, January 29, 2024 11:06 AM
To: City Clerk <cityclerk@cityofconcord.org>
Subject: Exclude single family homes from rent control.

I oppose the rent control of homes in Concord. I will leave my home vacant if rent control passes if I need for any reason to move out. It hurts seniors who may need to rent out home and then want to move back. You will lose rental stock and increase vacant houses. Please don’t control SFR owners rights .
Thank you. Paula Johnstone.
Sent from my iPhone
Dear Mayor and Members of the City Council,
My husband and I own a home in Concord. We purchased the home in 1985 and now rent the home at lower than market rent, according to your HUD figures. We also have over forty years of experience in the multi-family housing market. We have done a great deal of the work involved by ourselves, while my husband maintained a full-time job for many of those years.

When I was young, after college, I lived in a small room in my landlord's home. Rent control was on the ballot. As a renter, I did not vote for it. Why not? I did not, and still do not believe that I had the right to take the results of another person's hard work, investment and sacrifice. Ownership should be responsible (honestly, most of our rents are below market and I have never kicked someone out to get a higher rent), but it should be ownership.

Going into business is at its heart about RISK. Please consider risk in your decision which involves having a rent well below a formulated CPI (which often does not correlate with our reality). What is the goal here? Do you actually want to provide more available housing? This new proposal may "protect" tenants for now, but what will it mean for the future. What investor or owner in his/her right mind would invest in rental housing. Already an investor cannot buy and home in Concord and rent it out at anything near an "affordable" rent, while paying expenses. With proposed move-out expenses, certainly no owner thinking living elsewhere for a relatively short period and planning to return would have a home available for rent.

Please research was happened to the New York market in the 70's, when places were abandoned and not repaired. What is San Francisco now? Middle-income people cannot not afford the city. Rich and poor (subsidized or on the streets) live there. Personally, I have a hard time understanding the constitutionality of making people operate a business at a loss. During COVID, we did not apply for a business subsidy. We received payment for only one tenant (after expensive legal bills and about one year with no rent) How many other groups of people were asked to continue working, but not receive pay?
Also, with the continual addition of risk to our business, how can we continue to take any risk with new tenants? Remember, we not only went through financial losses during COVID, but the state recently put additional risk onto landlords but making it illegal to accept a "last month's rent" upon move-in. So, a tenant may move in for a deposit (no more than a month's rent) and one month of rent, than never pay again. Also, the cost of eviction is quite high and takes quite a bit of time, at further loss.

And the idea of a 3% increase in rent?? Why not just put your money into a T-bill and save yourselves a ton of bother? Then, you don't have to repair a water heater on Christmas eve, or arbitrate another dispute over noise or parking? Oh, and by the way, that water heater, now costs about $1000, lasts for 3-5 years instead of 30, and can't be repaired with a new thermocouple, due to environmental regulations. And if you put it in yourself, the Home Depot guarantee is negated. I could go on and on about increased fees, costs, rules and paperwork requirements over the years. I'm sure that you are also aware that insurance companies are leaving the state and that insurance companies have been allowed hefty increases amounting to multiple times that 3%.

So, in considering this further restriction on the ownership of property, please consider the equal and opposite reactions. Remember when Berkeley put in rent control? I believe that homes that had been available for students was taken off the market. This will probably happen in Concord. I could imagine that there may be more homes available for sale as it does not pay to rent them, nor to keep them empty. This could good and bad for Concord, as more people are forced to sell homes that are unprofitable as rentals, but it may not be good for tenants, as from where will new homes be found? Who will take a risk, when the moveout expenses are so enormous? And why should an owner have to take on the responsibility of tenant's health or children when renting? Funny, when I went through breast cancer treatments, the county still wanted property tax to be paid on time and the mortgage was still due...

One last reaction before I close, due to the state of CA's fairly recent rent control law allowing for increases of 5% + the local CPI increase, I have been giving increases largely in the full amount possible in the last few years, because I don't know what is coming. Any landlords who were "nice" and didn't raise rates, were caught by rent control and forced to rent out the same quality of housing for less than other landlords-hardly fair. Also, I understand that the law would like to prevent big increases due to the threat to owners of even more control, but when you roll back rents to Jan. 23 levels, are you allowing no increases for all of 2023?

Why would anyone rent out their homes? Unless that's the goal?? This is all crazy to me.
Thank you for your time in reading this. There so much more information about this business. I've seen more than I could ever write. Susan Talbert.
Hello Dear city representatives

Please don’t forget Concord citizens interest

Istvan T. Sonkoly  Concord resident

Phone: [Redacted]
Dear Colleague and Council Members,

As a local government practitioner and expert in implementation of tenant protection policies and programs, I offer the following comments as a peer public servant.

I have been tracking Concord’s journey in crafting a rent stabilization and just cause ordinance.

One key component that is based on best practice in our region and that is glaringly missing from Concord’s draft ordinance is requiring landlords to submit copies of eviction notices to the rent program.

Without this vital information, Concord is precluding its elected leaders and policymaking/program implementation staff from being data-informed on tenant-landlord matters beyond just the rent program. In my experience as someone who works in this public policy/program implementation space, this data is essential to informing tenant protections and other tenant-landlord issues more broadly.

Operationally, collecting this vital information would not significantly increase costs for the rent program despite Concord’s registration fees that are significantly lower than most all other rent programs in the region. (I encourage you to explore right sizing your fees to ensure full implementation of the rent program.)

I am happy to provide additional peer support, if helpful.

Thank you,
Hugo

Hugo H. Ramírez (he/him/his)
胡高拉米雷斯
Manager, Eviction Prevention and Housing Stabilization Programs

Mayor’s Office of Housing and Community Development
1 S. Van Ness Ave., 5th Fl.
San Francisco, CA 94103
hugo.ramirez@sfgov.org | 628-652-5939
A guest on traditional, unceded Ramaytush Ohlone land.

**Give your input on MOHCD’s strategic plan!**

[https://engagesanfrancisco.com/](https://engagesanfrancisco.com/)
As a landlord, with our 4Plex renting for $7,000 /month ($1,500 to $2,150), and CPI of say 5%, I can expect to raise rent by 3% or $210 per month (max possible under proposal). That is $2,520 a year. Council members expect landlords to keep up with inflation in painting, flooring change, HVAC, roofing, landscape, sewer fee, with that kind of rent increase cap? If I decide to sell my building when I am old, I will regret having kept the rent low because that will bring the property price down. Now, I cannot change my tenants. I disagree with the adoption of 60% of CPI when CPI truly does not reflect inflation all us experience in our budget. Cities with old buildings with rent control fall into disrepair and thus a bad quality of life for residents of the town. Picture Berkeley, Oakland and San Francisco. Our rentals are among the best kept units and rent cap is sending a dissuasive signal for improvement. The adoption of $3000 + three months rent will dissuade me from ever thinking of giving a place to my now teenage children when they grow up. I can live with that :-) We have never asked any of our tenants to move and have even given rent reduction to accommodate financial hardships in life. NO MORE.

I do not agree with city putting a rent cap percentage.

I can accept the other two as increasing tenant rights but do not want city councilmen trampling on free market with misuse of position and unfair adoption.

I did not attend any of the public meetings as the measures to be adopted were always evolving and the meetings get to be sessions of raised tempers.

Hope to persuade you to NOT adopt rent control.

Thanks for your service to the city and us, residents of Concord

Regards,

Avneet Kahlon
Concord, CA 94521
Hello Joelle, Valerie please post these for tomorrow’s meeting.

Concord is now asking for increased payouts to elderly and disabled people under the basis "It costs them more to move out". This a very noble thought, but would raise costs to renting to that group of people. It would also be a violation of someone’s civil rights to raise rents to cover those increased costs . Thus the city is layering even more reasons to run vulnerable people out of town on top of already giving people no reason to rent to long term tenants(See the Maria Ramos example from before). On top of price controls giving landlords little reason to maintain the existing housing stock, and disincentivize creating new rental units the city is flirting with the same report card Bluto Blutarsky received, that is of course 0.0 all housing classes failed.

Reed Robertson
Concord

On Tue, Jan 9, 2024 at 9:12 AM Fockler, Joelle <Joelle.Fockler@cityofconcord.org> wrote:

Your comments will be inserted into the record, posted to the website, and sent to the City Council for review prior to tonight’s meeting.
Dear Ms. Brown,

As part of our ongoing conversation, regarding the upcoming discussion and potential vote on additional rent stabilization ordinance for the City of Concord, I would like these comments included in the public record.

As I have already mentioned, it is my belief that under the California Fair Political Practices, Commission guidelines any such government official, who may benefit from a policy they themselves vote for, may be inherently biased, should not be allowed to participate in discussion or vote of any such policy.

Therefore, it should be asked of each Council member at tomorrow night's meeting if they either own or rent their primary residence for which they represent a seat on the council. Any council member that is themselves a “renter” would benefit from a rent limitation policy, and therefore could be potentially biased in their decision, which, according to the FPPC should be recused from any such discussion or vote.

Additionally, the historical evidence for economic models on rent control are well-established. While they may serve some benefit to renters in the short term, in the long run, they have negative consequences that include a shortage of available inventory, reduction in the quality of rental units leading to the erosion of surrounding real estate property values, which ultimately to a reduction in city property tax revenue, the emergence of shadow markets, and the risk of expediting, gentrification.

These are the facts that have been well documented in hundreds of rent control studies over the past 50 years in major metropolitan cities, such a Chicago, a Boston, and New York.

That is why the majority of cities in the continental US do not enact such policies that have long-term detrimental effects on the population, especially those of minorities status.
The data on rent control hasn’t changed as demonstrated as recent as the 2019 Stanford study on rent control titled: **Effects of rent control expansion on Tenant, Landlord’s Inequality: Evidence from San Francisco.**

The study showed that in the two decades following rent control policies passed in San Francisco a reduction in affordable inventory occurred resulting from a combination of tenants remaining in oversized properties, as well as landlords, pulling inventory off the market. The study further discusses decrease in local property values.

If the data on rent control policies hasn’t changed, what has?

What’s changed it is the individuals that comprise the Concord city Council have changed and bring with them a liberal philosophy and ideology without regards to actual data or historical facts.

Concord City Council’s members in the years 2011-2016 rejected tenant advocacy groups call for rent control. During these years council members such as Dan Helix, Ron Leone, Tim Grayson, and Laura Hoffmeister recognized the trap of rent control policies as represented by the historical data and flatly rejected calls for such policies that would ultimately hurt those calling for its enactment.

This is what true governance is about doing what’s right, not just what’s politically expedient, or to garner votes for future political aspirations.

The problem of rent control has always been the same one of simple economics. Anyone who took a high school economic course knows that price is dictated by two independent variables, supply, and demand which are inversely related.

Artificial price controls, such as rent control, artificially cap price increasing demand without adjusting supply. The result is a steady increase in price as demand increases, but the supply of inventory does not. This has been the same result shown in 50 years of rent control studies.

Just today the San Francisco chronicle online published an article titled: **S.F. housing crisis: Will 2024 be another slow year for building homes?**
The article discusses the restrictive policies on building enacted within the state and city of San Francisco, which will be hard-pressed to meet its mandate of building 82,000 new homes from 2023 to 2031.

Two years ago the Concord housing manager presented data, showing Concord lagged far behind other municipalities at only 7% for new housing, permit approvals.

I travel the East Bay for business and see massive new housing projects along the 880 corridor in Hayward, Union city, and Fremont.

Where are the housing projects in Concord?

Two years ago, Avalon builders was in negotiations to build 300 housing units off Cowell Road, some of which would have been allocated for low income housing.

Unfortunately, the city Council members insisted on a higher percentage of union labor be used by the builder, which would drive the cost making the project unfeasible for the builder. Avalon withdrew from the project discussion and built a 300-home track in Lodi instead.

As one can see the shortages of an adequate supply of housing is not the fault of small business landlords. Rather, it is the result of restrictive policies, enacted by city council members, such as these now serving who are either shortsighted and uninformed in their policy making decisions, or acting out of political expediency to further their political careers.

Moreover, is should be asked are these punitive and restrictive ordinances necessary at this time?

A December 6, 2023 article in the San Francisco chronicle titled: S.F. Rent prices sinking faster than most US cities: How far will they go?

The article discusses how rent prices in the city of San Francisco have fallen 4.5% to their lowest point since mid 2021, while Marin county has fallen as much as 6.1%.

Another news article ran October 9, 2023 on NBC local news discussed the largest bay area reduction in rents occurring in Oakland by 7.3%.
This trend is seen throughout the entire bay area. Not only have rents stabilized, they are declining steadily and quickly as a result of more people working remotely or opting to move further from metropolitan areas to more attractive, lower rent markets in the central valley or Sacramento.

In summary, the need for additional rent stabilization policies in the City of Concord go beyond fair and equitable for both parties, and are punitive and restrictive for small business landlords.

The historical evidence shows rent stabilization policies are detrimental to the long-term viability of the rental market they mean to serve has been well established.

The majority of cities across the continental US, reject these policies based on the historical evidence.

Only in communities with left-leaning liberal ideology governance who willfully ignore the historical evidence, and enact such policies is it demonstrated their failure, resulting in the highest cost of living as seen in cities such as San Francisco, Portland, Chicago, and New York.

This has always been the case, and it always will be.

The future for residence of Concord will be no different if the current members of the Concord City Council take it upon themselves to assume they know better than all the academic professors and economic advisors who all agree unanimously “rent stabilization” policies fail to produce the desired results and ultimately hurt those in community which they intend to protect.

Thank you for your consideration in this matter.

Blaine Carter
This e-mail is being shared with all Councilmembers

Laura H.,

I conferred with our Business License team and they shared that when four or more multi-family residential units are located at the same address and/or share the same APN they are required to obtain a business license.

Valerie

Valerie Barone, City Manager (she/her/hers)
City of Concord | Website: www.cityofconcord.org
☎ (925) 671-3150 | ✉️ valerie.barone@cityofconcord.org
1950 Parkside Drive, MS/01, Concord, CA  94519

Subscribe to our City News e-newsletter to stay informed about what's happening in your community!
Hello City council members and city Clerk
Thank you for your effort to the ordinance about Concord rental control and JC.

I am a real estate agent and Concord home owner. I have the following comments to bring up. Thank you!

1. Please see below the HUD standard, Most of Concord multiple familie’s rent is far below this standard. Suggest the rent cap only applies to the house whose rent is above the standards. The 3% rent cap will make the homeowner can't survive.

<table>
<thead>
<tr>
<th>Year</th>
<th>Efficiency</th>
<th>1-Bedroom</th>
<th>2-Bedroom</th>
<th>3-Bedroom</th>
<th>4-Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2023</td>
<td>$1,658</td>
<td>$1,969</td>
<td>$2,405</td>
<td>$3,144</td>
<td>$3,706</td>
</tr>
<tr>
<td>FY 2024</td>
<td>$1,825</td>
<td>$2,131</td>
<td>$2,590</td>
<td>$3,342</td>
<td>$3,954</td>
</tr>
</tbody>
</table>

2 Current rental control will push investors out of Concord, this will make Concord rental houses become less and less. Investors can build more apartment complexes or build more ADUs. I have few investors, they clearly indicate they will not buy an investment house or add ADU at Concord if this rental control passed.

3. Suggest no roll back policy as it is not practical and also not reasonable, It will waste taxpayers money.

Thanks again!

Regards,
Holly Chen
From: Hannah Holloway <hannah@techequitycollaborative.org>
Sent: Monday, January 29, 2024 3:25 PM
To: Birsan, Edi <Edi.Birsan@cityofconcord.org>; Obringer, Carlyn <Carlyn.Obringer@cityofconcord.org>; Hoffmeister, Laura <Laura.Hoffmeister@cityofconcord.org>; Nakamura, Laura <Laura.Nakamura@cityofconcord.org>; Aliano, Dominic <Dominic.Aliano@cityofconcord.org>; City Clerk <cityclerk@cityofconcord.org>
Subject: Comment on 1/30 Council Agenda Item 2a: Verifiable Eviction Data Is Critical to an Accurate and Effective Residential Tenant Protection Program

Dear Mayor Birsan, Vice Mayor Obringer, Councilmember Hoffmeister, Councilmember Nakamura, and Councilmember Aliano:

I write to you regarding your upcoming consideration of amendments to the Residential Tenant Protection Program to urge you to champion data-informed policymaking by requiring that landlords submit eviction notices to the rental registry.

I have copied the text of my letter below, as well as attached it to this email as a PDF.

TechEquity Collaborative raises public consciousness about economic equity issues that result from the tech industry’s products and practices, and advocates for change that ensures tech’s evolution benefits everyone. We work at the nexus of tech and the economy to advance policies that address structural inequities, with a focus on housing and labor. As we’ve advocated for state and local policies to meet Californians’ housing needs, we’ve found that the conversation lacks comprehensive data about the extent of the problem.

Without comprehensive, publicly-held, and publicly-maintained data, renters must often rely on advocates and community organizations using our own information, combined with a fragmented and insufficient data infrastructure, to provide services, enforce clients’ and constituencies’ rights, and understand how complex policies interact statewide.

At its January 9, 2024 meeting, the majority of Concord City Council members opposed requiring landlords to submit copies of eviction notices. This is troubling, as there are already proven discrepancies between Concord landlords’ self-reported data and what’s in other official databases. In the absence of using verifiable documents such as notices to track evictions, landlords have undercounted evictions in the city by 94%, with just 2 evictions self-reported in Concord compared to the 33 evictions found in the County Sheriff’s Office records over the same time period. Adding an eviction notice requirement to Concord’s rental registry will ensure that City Council is receiving the high-quality data necessary to make responsive and informed public decisions.

Collecting eviction notices is more than just a matter of data accuracy. It will also help protect renters—for whom the Tenant Protection Program was created and named—by ensuring that evictions are conducted with the proper notice and procedural requirements. 13 of the 15 Bay Area cities with just cause protections require eviction notices to ensure that their programs are working as designed.

Fragmented and inadequate information allows for large swings in the cited number of people impacted by the eviction crisis. The truth is nobody knows the scale and extent to which households are at risk. Everyone understands that the scale of the crisis is huge, but specifics such as who is disproportionately impacted, geographic concentrations, repeat bad actors, and more are difficult to determine without...
cities such as Concord stepping up to demand more from those who already have the data.

Timely and comprehensive data is critical to meeting the needs of renters and addressing our housing crisis. Verifiable eviction data is an essential component of better understanding the problem so that we can meaningfully fix it. I urge you to take a complete view of the Concord rental landscape—which by necessity must include how people lose and are displaced from their homes—by including eviction notices in your upcoming amendments to the Residential Tenant Protection Program.

Sincerely,
Hannah Holloway [she/her]
Director of Policy & Research | TechEquity Collaborative
Work in tech? Become a member today.

Please note, TechEquity offices close at 1pm on Fridays.
January 29, 2024

To: Edi Birsan, Mayor  
Carlyn Obringer, Vice Mayor  
Laura Hoffmeister, Councilmember  
Laura Nakamura, Councilmember  
Dominic Aliano, Councilmember  

Cc: Valerie Barone, City Manager  
Susanne Brown, City Attorney  
Sophia Huckabay, Housing Manager  
Kelly Rush, Housing Program Analyst  

Verifiable Eviction Data Is Critical to an Accurate and Effective Residential Tenant Protection Program

Dear Members of Concord City Council:

I write to you regarding your upcoming consideration of amendments to the Residential Tenant Protection Program. I urge you to champion data-informed policymaking by requiring that landlords submit eviction notices to the rental registry, in addition to strengthening the eviction standards and the overall scope of the rental registry.

TechEquity Collaborative raises public consciousness about economic equity issues that result from the tech industry’s products and practices, and advocates for change that ensures tech’s evolution benefits everyone. We work at the nexus of tech and the economy to advance policies that address structural inequities, with a focus on housing and labor. As we’ve advocated for state and local policies to meet Californians’ housing needs, we’ve found that the conversation lacks comprehensive data about the extent of the problem.

Without comprehensive, publicly-held, and publicly-maintained data, renters must often rely on advocates and community organizations using our own information, combined with a fragmented and insufficient data infrastructure, to provide services, enforce clients’ and constituencies’ rights, and understand how complex policies interact statewide.
At its January 9, 2024 meeting, the majority of Concord City Council members opposed requiring landlords to submit copies of eviction notices. This is troubling, as there are already proven discrepancies between Concord landlords’ self-reported data and what’s in other official databases. In the absence of using verifiable documents such as notices to track evictions, landlords have undercounted evictions in the city by 94%, with just 2 evictions self-reported in Concord\(^1\) compared to the 33 evictions found in the County Sheriff’s Office records\(^2\) over the same time period. Adding an eviction notice requirement to Concord’s rental registry will ensure that City Council is receiving the high-quality data necessary to make responsive and informed public decisions.

Collecting eviction notices is more than just a matter of data accuracy. It will also help protect renters—for whom the Tenant Protection Program was created and named—by ensuring that evictions are conducted with the proper notice and procedural requirements. 13 of the 15 Bay Area cities with just cause protections require eviction notices to ensure that their programs are working as designed.

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Sincerely,

Hannah Holloway | TechEquity Collaborative
Director of Policy & Research

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\(^1\) Dataprovided by the Contra Costa Sheriff’s Office in response to a public records request.

I would like to express my concerns regarding what I understand is being proposed by the Concord City Council. As an owner of one single family home that we rent out I do not understand why we would be subject to just cause regulations. If we accept a person in our home for a one year lease would this apply if after that period is up we do not think the person is a good fit for our home. Or if we rent our home on a month to month basis it should be understood this is a short term agreement. For example we may know of something coming up in our future where we can not commit to other than month to month. The wording that I've seen does not address these type of issues. Please document my concerns in going forward. Maybe there should be like regulations for tenants that break their agreements.

Cheryl Harbaugh
Dear Council:

Please find the attached letter from the Raise the Roof Coalition and the California Center for Movement Legal Services regarding the Tenant Protection Program.

Thank you
January 29, 2024

Sent via email to: laura.hoffmeister@cityofconcord.org, edi.birsan@cityofconcord.org, dominic.aliano@cityofconcord.org, laura.nakamura@cityofconcord.org, carlyn.obringer@cityofconcord.org, susanne.brown@cityofconcord.org, Valerie.Barone@cityofconcord.org, kevin.marstall@cityofconcord.org, Sophia.Huckabay@cityofconcord.org

Dear Concord City Council:

We thank you for the significant improvements to the City’s Tenant Protection Program. We recognize the substantial effort that went into improving this ordinance. While the City did not implement many of our suggestions, we recognize this ordinance as a step in the right direction for Concord tenants. However, we urge the Council to make four critical changes to have our full support of the Tenant Protection Program. The full text of the proposed revisions is provided in the attachment to this letter.

I. Low-Income Tenants Should Not Be Less Protected. Affordable Housing Must Be Regulated.

We do not believe that low-income tenants should be subject to more significant rent increases than other Concord residents. The proposed policy creates a two-tiered system, where certain low-income tenants can receive five percent rent increases and cannot file rent petitions. Concord residents who live in market-rate housing will generally have rent increases limited to a maximum of 3% while having access to the tenant petition process. We ask that the Council honor its commitment to protecting tenants in low-income housing projects. This requires protecting all affordable housing tenants from excessive rent increases.

If there must be a carve-out for certain affordable housing properties, the carve-out should be limited to properties with a current local regulatory agreement that limits rent increase to 4% annually. The current ordinance would exempt future affordable housing properties without current contracts with the City or County.

II. Tenants Should be Protected from Fraudulent Owner Move-In Evictions

Council has not decided how long an owner or relative must intend to live at a property to justify an owner or relative move-in eviction. Tenants urge the City to follow in the footsteps of cities with effective tenant laws, such as Oakland, San Francisco, Berkeley, and Richmond, which require three years of intended occupancy. This is imperative to ensure owners do not move themselves or their relatives into a rental unit for the sole purpose of evicting rent-controlled tenants.
Further, Council should clarify who is an “Owner” and who is not. We do not object to owners moving into their properties or moving in their family members, assuming they pay relocation expenses and otherwise follow the law. We also do not oppose owners moving in close family members, even if that family member does not have any interest in the property.

However, Concord’s current language allows family members with 1% interest to file eviction lawsuits against tenants in the family member’s own names. Such a system risks tenants being caught up in inter-family disputes, divorces, etc. While we have no objection to family members moving in, it must be clear who can bring an eviction action against a tenant. That authority should rest with an individual who has a significant interest in the property.

Further, Concord’s current draft allows LLCs to move in people who claim to be associated with the LLC. While we understand that LLC ownership is not exclusively used by large corporate actors, if a small owner holds their property through an LLC, they can quickly transfer the house to personal ownership before evicting. This is something that a business acting in bad faith is unlikely to do. LLC operating agreements are not public records and can easily be manipulated to evade Concord’s important law. As such, individuals who claim to be associated with LLCs should not be able to use the owner or relative move-in justification.

We suggest giving any 51% owner the right to file an eviction action against a tenant to move themselves in or move in any of their family members, even family members without any ownership interest. However, the “owners” in question must be real people instead of fictitious business entities.

**III. Remove The Two New Loopholes**

Between drafts, two new loopholes appeared in the ordinance.

**First**, a new exemption to rent control and just cause was added for certain duplexes where the owner lives on-site. Tenant advocates reject exemptions based on who the tenant’s neighbor is. In many cases, these tenants need protection the most. These policies have a demonstrated history of failure. More importantly, this exemption was not discussed publicly. The addition of this exemption is described as a “cleanup” in the staff report – this is inaccurate. This exemption is a substantive policy decision. There is no legal reason this exemption must exist.

**Second**, a new requirement was added to the ordinance that gives landlords a complete defense to civil claims under the rent-control laws if the tenant didn’t first petition Concord’s Program. This “administrative exhaustion” requirement would be the first we know of in the state, as far as current rent ordinances. The “administrative exhaustion” requirement ensures that large corporations can systematically violate rent control laws. For example, if a landlord issued illegal rent increases to all tenants in a 75-unit building and refused to rescind them, the tenants could not band together and sue, arguably, until each and every tenant had an individual hearing with one of Concord’s hearing officers. This addition enables corporate landlord abuses, takes away tenants’ right to access the courts, and does so on the dime of the City of Concord, which will be forced to hear unnecessary petitions. While we support city hearings as an option for tenants, it must not be a requirement. This new loophole should be closed.
IV. Evictions Should be Documented

Across the state, landlord trade associations vigorously fight against data collection concerning eviction notices (while simultaneously claiming there is “no data” supporting tenant protections). Currently, no state agency collects eviction notices. Many, if not most, notices are never filed in court. When they are, the lawsuits are often shielded from public view.

The City must take it upon itself to monitor trends in displacement. Doing so requires minimal resources. The City must merely require landlords to file their notices, either through email or in person. To ensure compliance, a defense to eviction must be added when the notice is not filed within seven days of service.

In addition to allowing the City of Concord to monitor trends in displacement and monitor the effectiveness of its legislation, the collection of notices is necessary to ensure landlords comply with the law. Without any record of eviction notices, how can a tenant know if the same owner has claimed to do numerous owner move-in evictions? Basic transparency is necessary to ensure the law is followed.

V. Conclusion

While this ordinance does not address all the concerns that tenants and their advocates and non-profit attorneys have raised, with the four changes above, it can be an ordinance we can celebrate. We hope these changes can be made and the policy can be passed, providing tenants the basic protections they deserve.

Raise the Roof Coalition
California Center for Movement Legal Services
PROPOSED CHANGES

I. Low-Income Tenants Should Not Be Less Protected. Affordable Housing Must Be Regulated.

Option 1 – Include all LIHTC properties.

The Council can do so by making a motion to,

Delete subdivision (b)(3) of Section 19.40.020

New text:

(3) Dwelling Units that are either restricted by the City or other governmental agency as affordable housing for persons or families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code to the extent that such Dwelling Units are subject to rent increase restrictions equal to or less than five percent (5%) annually and enforceable by the City or other governmental agency pursuant to a deed, regulatory restriction contained in an agreement, or other recorded document.

Option 2 - exclude LIHTC properties that have 1) a current local regulatory agreement, that 2) Limits rent increases to 4%.

The Council can do so by making a motion to,

Add the phrase “a regulatory agreement in effect on January 30, 2024 that imposes” following the words “to the extent that such Dwelling Units are subject to” and replace five percent rent “equal to or less than five percent (5%) annually” with “equal to or less than four percent (4%) annually” in subdivision (b)(3) of Section 19.40.020

New text:

(3) Dwelling Units that are either restricted by the City or other governmental agency as affordable housing for persons or families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code to the extent that such Dwelling Units are subject to a regulatory agreement in effect on January 30, 2024 that imposes rent increase restrictions equal to or less than four five percent (4.5%) annually and enforceable by the City or other governmental agency pursuant to a deed, regulatory restriction contained in an agreement, or other recorded document
II. Tenants Should be Protected from Fraudulent Owner Move-In Evictions

The Council can protect tenant from fraudulent owner move-in evictions by making a motion to,

Insert “thirty-six (36)” in the blank left on subdivision (d)(1)c. of section 19.40.070;

Insert “51” in subdivision (d)(1)d.(i) of section 19.40.070;

Delete subdivisions (d)(1)d.(ii) and (d)(1)d.(iii) of section 19.40.070;

Delete subdivision (d)(1)f.(i)(b).

New text:

(c) This subparagraph (1) only applies if the intended occupant moves into the Covered Rental Unit within ninety (90) days after the Tenant vacates and occupies the Covered Rental Unit as a primary residence for at least thirty-six (36) consecutive months.

(i) is a natural person that has at least 51 percent recorded ownership interest in the Property;
(ii) is a natural person who has any recorded ownership interest in the Property if one hundred percent (100%) of the recorded ownership interest is divided among owners who are related to each other as sibling, spouse, domestic partner, child, parent, grandparent, or grandchild; or
(iii) is a natural person whose recorded interest in the Property is owned through a limited liability company or partnership

(i) “Natural person” includes any of the following:
(a) a natural person who is a settlor or beneficiary of a family trust; or
(b) if the Property is owned by a limited liability company or partnership, a natural person with a ___ percent ownership interest in the Property

III. Remove The Two New Loopholes

The Council can remove the new loopholes by making a motion to,

Delete subdivision (a)(9) of section 19.40.020; and

Delete the words “or a Tenant Petition” from subdivision (c) of section 19.40.120.

New text:

(9) A property containing two separate dwelling units within a single structure in which the owner occupied one of the units as the owner’s principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy, and neither unit is an accessory dwelling unit or a junior accessory dwelling unit.
(e) Except in connection with a Fair Return Petition or a Tenant Petition, no administrative remedy need be exhausted prior to filing suit pursuant to this Chapter.

IV. Evictions Should be Documented

The Council can ensure evictions are documented by making a motion to

Add Subdivision (e) to 19.40.060, reading “(e) any notice of termination must be filed with the rent registry within seven days of that notice being served on the Tenant. Failing to file a notice of termination within seven days shall be a defense to unlawful detainer.”
Dear City of Concord Council Members,

I am extremely concerned about your proposed rental control and tenant protection ordinance that goes above and beyond the state mandated 2019 Tenant Protection Act (AB 1482). I strongly urge you to vote “NO.”

The proposed ordinance is predicated on false allegations that Concord housing providers gouge renters and terminate tenancies in mass numbers. This just is NOT the case. The facts themselves prove this. Look at the City of Concord’s own rent registry data which shows in 2022 rent increases were at or below the state-mandated rent cap outlined in the Tenant Protection Act of 2019 and that 93.8% of tenancy terminations were due to renters voluntarily moving out rather than any owner-initiated termination.

Your revised rent control ordinance has gone too far. Rents capped at 60% of the CPI or 3% whichever is lower will financially destroy mom-and-pop property owners such as myself and the approximately 60% plus other ones like myself. Besides the rental income restrictions, the following provisions such as restrictions on owner move-ins, relocation fees, roll back of rent to 1/2023 levels, residency requirements of move-in owners, 1:1 move-in provisions, just cause eviction restrictions, and so on to name just a few in the proposed ordinance will destroy the once robust city’s rental market. These provisions are far reaching and border on a property owner’s legal rights.

Please look at the data and reject this ordinance. Do not subject Concord to a damaging housing environment and spiraling down commercial housing real estate market.

Sincerely,

Marianne Simoni
January 29, 2024

Dear Mayor Birsan and Members of the City Council,

I am extremely concerned about your strict rent control proposal and urge you to vote no. Rent control is not working in San Francisco, Berkeley and other cities that have adopted it. It discourages building new rental homes and apartments.

I maintain my position that the development of this disastrous ordinance has been predicated on false allegations that Concord housing providers gouge renters and terminate tenancies in mass numbers. Don’t ignore the fact that your own rent registry data shows that in 2022 rent increases were at or below the state-mandated rent cap outlined in the Tenant Protection Act of 2019, passed as AB 1482, and that 93.8% of tenancy terminations were due to renters voluntarily moving out and not due to an owner-initiated termination.

Your revised rent control ordinance has gone too far by capping rents so low that a housing provider will struggle to maintain the property. The relocation fees are excessive and will deter housing providers from keeping their units in the rental market. The new attempt to require a percentage of ownership to constitute an owner move-in -- plus residency requirements and a 1:1 provision -- is more government overreach.
Please look at the data and reject this ordinance. Do not subject Concord to a damaging housing environment.

Respectfully,

Mike Handlin
Concord, CA 94518

Mike

Mike Handlin
Renee White Team
Keller Williams Realty
Past President, Contra Costa Realtors In Motion
Past Director, California Association of Realtors
Past Director, Contra Costa Association of Realtors
All,

Thank you in advance for reading my email regarding the severe rent control measures by the City of Concord. My name is John Tashjian and I own one rental unit on [redacted]. We purchased this property in 2004 with the goal of having supplemental income during our retirement. I was extremely disappointed to hear that the city is considering placing severe rental restrictions on all rental units with a cap of 3% annual rent increase despite inflation. As you are aware during the past 3-4 years the rate of inflation has exceeded 6-8% each of these years which puts landlords in a very bad position of not charging a fair rent for tenants to the detriment of mom and pop landlords who are trying to make a fair return on their investment. In addition the proposal of charging $14K in the event of evicting a tenant is outrageous. The city council doesn't seem to understand economics 101 here. Anytime there are strict regulations like this it will not only hurt landlords it will equally hurt tenants as well.

This bill does not affect large corporate landlords which have the power to charge whatever they want and evict whoever they want. Why would you want to give preferential treatment to large corporations at the expense of mom and pop landlords as well as tenants- many of which are already stretched out-trying to make ends meet.

If this passes I will likely be forced to sell which means the tenant will have one less place to live and believe me I am not the only person who will do this in Concord as it will not make economic sense to keep the property as an investment in Concord. If you believe in free markets please leave things alone and default to California laws which are already liberal as it is. This type of local overreach is unacceptable and should be illegal. At worst put this proposal on the next November ballot and allow Concord citizens to vote for this. This should be decided by the will of the people and not by a handful of council members who don't seem to understand what they are doing. Placing these restrictions will decrease supply which will significantly increase rents for tenants. I hope you all understand the consequences of this reckless far left extremist bill.

I hope you will not allow this insane bill to pass.

Thank you!

John Tashjian
Dear Concord City Council,

I’m writing today to express my concerns over the new Rent Control Ordinance that is being contemplated for the City of Concord. I believe the current Rent Control under the State of California is sufficient and provides more than enough protection to the tenants while still providing financially beneficial investments to landlords.

I urge you to vote, “NO” when the time comes to vote on this proposed Ordinance.

As a homeowner in Concord for almost 40 years, I’ve enjoyed Concord for being a family-oriented city that is clean, has great parks, and is safe in most parts. However, I’m very concerned as to what the landlords will be forced to do if these provisions are passed. The terms of this proposed Ordinance make it onerous to have a rental property that will be able to perform financially. The City should be encouraging investment in housing to solve the housing availability issues instead of hindering investments.

Upon reading the proposed Ordinance it seems clear that there are punitive measures included. Are you trying to punish all landlords for the deeds of the bad ones? What about the good tenants and good landlords? They are being affected just like the bad ones that this proposed Ordinance seems to punish.

Landlords need tenants to survive, and tenants need landlords to survive. This relationship is symbiotic and does not need government interference in private transactions with private property. As we have seen time and time again, government action creates unintended consequences. Please think of the City, its residents, and the long-term consequences before casting your vote. Do you really want Concord to be another Richmond or Antioch? I don’t! If did, I’d be living there now.

Sincerely,

Gregg Syrovatka
gsyrovatka@yahoo.com

Below is my rebuttal to some of the major points of the proposed Ordinance:

RENT STABILIZATION:

- Limit annual rent increases to 3% or 60% of the Consumer Price Index (CPI), whichever is lower.

How does this make anyone want to invest in income property in Concord? If you are today, it might be a
good reason to get out. Where will the tenants go if the properties are sold or converted to condos? How will the landlords keep up with inflation and be able to maintain their property?

- Controls the allowable rent increases upon the first date of occupancy but does not control the dollar amount for starting-of-occupancy rent (i.e., it preserves vacancy decontrol). This is already a part of the State wide Rent Control that is in effect today.

- Includes a "rent rollback" provision that sets rents to the dollar amounts that were charged for rent as of January 12, 2023, plus allows for up to the Ordinance-allowed rent increase of 2.52% for the 2023 calendar year (2.52% is 60% of the CPI for April 2023). This is just a punitive measure and is not fair. It doesn’t consider reasonable rent changes to recover losses incurred via COVID restrictions or to normalize the rates to the current market conditions.

- Rent stabilization would apply to multi-family rental complexes of 2 or more units built before Feb. 1, 1995. It would not apply to rented single-family homes, rented condominium units, or rented accessory dwelling units. This provision is trying to appease the small mom & pop landlord when these same mom & pop landlords will likely be under the same provisions of this Ordinance in the future. This sounds like typical marketing spin with no guarantees that this Ordinance will not be expanded to cover these properties in the future.

- The Ordinance would establish a process utilizing a Hearing Officer whereby tenants could appeal their rent increases, if they believed them to be inconsistent with the City Ordinance, and whereby property owners could request higher rent increases, above what the Ordinance would otherwise allow, to obtain a fair return on their investment property. This sounds like the creation of another bureaucratic organization that will need to be funded. Another waste of taxpayers’ money.

JUST CAUSE FOR EVICTION:

I won’t summarize this portion of the proposed Ordinance, but this is EXTREMELY ONEROUS and very punitive. How do you expect a landlord to come up with this type of money? With all of the earlier limits of the proposed Ordinance, how do you expect a landlord to come up with these payments? Did the tenant earn it? Does the tenant own the private property? Did the tenant take the risks of homeownership and all the responsibilities that go along with that ownership?

These monetary payments are totally unreasonable. As I’ve had in all lease agreements, if the landlord wants to break a lease, they owe the tenant one month’s rent to ‘buy out’ the lease. Same exact stipulations for the tenant; if they want to break the lease, the tenant owes the landlord one months’ rent to ‘buy out’ the lease. Again, a symbiotic relationship.
January 29, 2024

City of Concord
Mayor and City Council Members

Re: City Council Meeting Tuesday January 30, 2024
Rent Control Public Hearing

Dear Mayor Birsan and Members of the City Council,

I am extremely concerned and angered about the proposed strict rent control ordinance being considered and respectfully request a NO vote.

This ordinance is based on totally false allegations that Concord housing providers gouge renters and terminate leases on mass numbers. You can’t ignore your own rent registry data that in 2022, rent increases were at or below the state mandated rent cap outlined in the Tenant Protection Act of 2019 and that 93.8% of tenancy terminations were due to renters voluntarily moving out and not due to an owner initiated termination.

The revised rent control ordinance is ill conceived. The ordinance goes too far in capping rents and doesn’t give the owner any way to cover their own cost increases. The relocation fees are so excessive it will deter housing providers from keeping their units in the rental market.

This ordinance is government overreach, totally one sided and unfair to owners. This ordinance is based on the false premise that all owners/landlords are bad and all tenants are good. That premise is totally false and far from reality.

I have my own personal experience and can say with all sincerity that all tenants are not angels and they take advantage of owners. I had to evict a tenant because the rent and utilities were not not being paid. It took months to perfect the eviction. Once I took possession of the property I found it totally trashed. It took me months and a great deal of expense to clean and repair the property. It cost me thousands and at the same time I had no income. The tenant walked away. I had to take the tenant to court in order to get partial reimbursement. That meant more time and expense. This is one example.

A second example. I had a tenant who broke the lease and vacated early. Per the terms of the lease there were costs and expenses that were the responsibility of the tenant. The tenant walked away and now I have to find this person and take them to court. More time and expense.

Where in the ordinance is the owner protected from dead beat tenants? Where are there protections for the owners? Where is there any fairness and equity?

The ordinance limitation on rent increases is ridiculous. An owner’s costs can go up more than the ordinance allowed rent increases. One example of increase in expense is the owners insurance. How is it fair to owners if they can’t even cover their cost increases?

The proposed definition of owner is absurd.
There is no rational reason for an owner to be required to pay any relocation costs. An owner has the right to do whatever they want with their property. Why are owners of rental properties expected to provide support to tenants? Owners are not responsible for tenants and should not be put in that position.

Rent control and similar ordinances are government entities passing the buck and burden to provide affordable housing onto owners of rental properties. Over the years city, county and state governments have not done what is needed to provide affordable housing and have caused the conditions we deal with today.

I hope you seriously consider what I have stated and addressed in this letter. This ordinance is totally wrong and unfair is all aspects.

Dennis Cedros
Owner of rental home in Concord.
Dear Mayor Birsan and members of the City Council,

We are greatly concerned about your harsh rent control proposal and try to persuade you to vote no.

We firmly believe that the dynamic of this harmful ordinance has been established by false allegations that Concord housing providers gouge renters and terminate tenancies in mass numbers. Don’t ignore the fact that your own rent registry data shows that in 2022 rent increases were at or below the state-mandated rent cap outlined in the Tenant Protection Act of 2019, passed as AB 1482, and that 93.8% of tenancy terminations were due to renters voluntarily moving out and not due to an owner-initiated termination. Your revised rent control ordinance has gone too far by capping rents so low that a housing provider will struggle to maintain the property.

As our tenants are longtime tenants. We seldom raise their rent. For sure, it is way under the fair market value. Small housing providers like us should be allowed to raise the rent to the current market value before rent control becomes effective. Otherwise, we will be the victims of this rent control ordinance. The rent we charge will never catch up with the current rental market value or HUD fair market rent.

The relocation fees are excessive and will deter housing providers from keeping their units in the rental market. The new attempt to require a percentage of ownership to constitute an owner move-in -- plus residency requirements and a 1:1 provision -- is more government overreach.

Please look at the data and reject this ordinance. Do not subject Concord to a damaging housing environment.

Regards,
Emmanuel & Julie Pun
Dear Concord City Council Members:

Thank you very much for your consideration of the content in the attached letter from JFCS East Bay.

Sincerely,

Deena Levine-Lipsett
January 29, 2024

Dear Mayor Birsen, Vice Mayor Obringer, Council Member Hoffmeister, Councilmember Nakamura, and Councilmember Aliano:

We write to you in our capacity as leaders of Jewish Family & Community Services East Bay (JFCS East Bay), and as a follow up to our letter submitted December 11, 2023, urging you to scrutinize and amend the legal details of Concord’s new Residential Tenant Protection Ordinance. We are a Concord-based non-profit concerned with mental health and social services; many of our clients reside in Concord and include locally born as well as immigrants and refugees from around the globe. Our clients are the renters who would suffer from inadequate protections.

We are aware that a new draft of the Ordinance came out just three days ago, and from what we understand from posts in Next Door, landlords will be asking you to reject the revisions.

Without thorough protections, an increasing number of Concord families would face the frightening prospect of being forced from their homes. Our immigrant and refugee clients are particularly vulnerable because of language and cultural barriers.

Our vision is “A community where everyone can flourish with dignity.” In this spirit, we ask that you do everything possible to truly protect Concord residents from displacement.

Sincerely,

Robin Mencher - CEO, JFCS East Bay
Deena Levine-Lipsett & Stewart Florsheim - Co-Chairs of JFCS East Bay Public Policy & Advocacy Committee
Dear Honorable Mayor and City Councilmembers,

On behalf of the members and supporters of East Bay for Everyone, please see a letter in support of Concord’s proposed rent stabilization and just cause tenant protections ordinance. A copy of the letter is also attached.

Best regards,
Sam

---

January 30, 2024

RE: Support for Rent Stabilization and Just Cause Protections

Dear Honorable Mayor and City Councilmembers,

East Bay for Everyone, an all-volunteer, grassroots housing advocacy organization working to make East Bay cities and communities more affordable and resilient, stands in strong support of the proposed updated Ordinance to increase Just Cause eviction protections, expand the City’s rent registry, and establish a rent stabilization program. These basic tenant protections will prevent the displacement of longtime Concord residents and keep Concord’s community together. In the midst of this historic housing crisis, it is incumbent upon local leaders to protect all residents from displacement.

Rent stabilization has been implemented to make communities more resilient all across California, to massive success. Residents across the Bay Area, in Antioch, Richmond, Oakland, Berkeley, Fairfax, San Francisco and San Jose, are given the assurance with rent stabilization that they won’t be displaced out of the region or even the state due to rent gouging and huge year-over-year rent increases.

The strengthened relocation assistance this measure will provide is vital to the community’s resilience, as it provides financial security for those displaced from their homes. Fundamentally, no one should live under a constant threat of homelessness, and it is the city’s responsibility to ensure that its residents do not do so. People of color, immigrants, and low-income people are disproportionately affected by the housing crisis, and are most vulnerable to displacement, and this Ordinance would ameliorate this risk.

East Bay for Everyone strongly believes that the housing crisis must be solved using an all-of-the-above strategy, which includes protecting vulnerable tenants and minimizing displacement. This was a key
issue in the city's Housing Element community outreach process; community members and organizations consistently brought up expanded rent stabilization and tenant protection policies as a way to alleviate their housing burden.

We would ask for one amendment, which is for the February 1, 1995 cutoff date to change to a rolling cutoff date including all buildings more than 30 years old. This should still allow new construction to pencil while helping many more tenants live in rent stabilized housing.

Solving the housing crisis will take a generation, but protecting longtime residents from being forced out of the community they've built and called home will materially transform people's lives right now. Therefore, we strongly encourage you to support this item as proposed with no amendments.

Sincerely,
The members and supporters of East Bay for Everyone
Marjorie Kane, Concord, phoned and stated opposition to rent control.

Joelle Fockler, MMC
City Clerk
Hello Concord City Council and City Staff,

My name is Victoria Snyder. I am a supervising attorney with Contra Costa Senior Legal Services. I have provided free legal services to seniors in Contra Costa County for almost a decade with my organization and am excited for this new era of promoting housing stability in Concord after the passing of Rent Stabilization and Just Cause. Thank you all for bringing back a revised draft tonight, after overwhelming input from tenants and non-profit tenant attorneys and community advocates asked for significant changes to close loopholes. There are many positive improvements! Thank you for all your hard work in this time consuming process. We are not done yet.

There are a few critical issues that remain, which serve to undermine enforcement of this ordinance and keep it from protecting the lowest income residents in Concord such as:

1. Low-income tenants should not be less protected. Affordable housing properties should not be exempted. I have seen tenants in LIHTC (low income housing tax credit) properties struggle and experience displacement or homelessness when faced with large rent increases.

2. Tenants Should be Protected from Fraudulent Owner Move-In Evictions. Who is an “owner” eligible for an owner move should be clearly defined and finite, and should be limited to people, not businesses.

3. Show a commitment to meaningful enforcement of this ordinance and good government by having the city collect all types of eviction notices. Documentation can help us know and understand the impact this ordinance will have.

4. Do not make arbitrary exemptions to the rent stabilization ordinance. Allowing exemptions to be larger than the protections would undermine the purpose of this amazing new ordinance.

5. Tenants should be able to choose how they defend their rights and not be obligated to go through the petition process. We should reduce barriers to tenants enforcing their rights, not create new ones.

The quality of this ordinance matters as it is about helping working families, seniors, young people, immigrants and BIPOC residents to stay in their homes and not get pushed out of their communities through skyrocketing rents and unjust evictions. It is time for the City to take action to make Concord a more affordable city where all can thrive.

Thank you for responding to the community and tenants most impacted by housing insecurity.

Victoria Snyder (pronouns she/her)
Supervising Attorney
Dear Mayor Birsan and Members of the City Council,

I am very, very -in fact, extremely concerned about your strict rent control proposal and urge you to vote **no**. WE ARE A NATION OF opportunity. My husband and I bought a little duplex that is rented. He is deceased so I no longer have the benefit of his social security check for my livelihood and needs. I am entirely dependent on the rent from this property. It is well maintained, I pay for the gardener and repairs. My property is sufficiently nice that my current tenants would like me to sell to them and remove the property from the rental market entirely and I may be willing to consider their offer. So many of the rentals in Concord are owned by seniors who depend on this income for our medicines, food, and special needs. It is very difficult maintaining and providing for my needs without going into debt. I have property taxes, insurance which is high, repairs which are expensive, and other costs that are funded by the rents and I live on what is left. I need to replace the fences but the price of materials and labor. Continues to rise that I have now to save another year before I can afford this needed maintenance. And the client base in Concord is determined by the quality of Concord schools. They are among the worse resulting in high income families to prefer WC or PH or Martinez to Concord. As a result, Concord is segregated by economic class. You want accentuate this stratification with these ordinances?

There is the claim that we gouge our tenants. There is the claim that we force our tenants to move. Both are lies. We cannot afford to have a vacancy and we adjust our rent increase per the ability of our renters. A cost of living adjustment is the floor below which we will be falling behind in meeting our escalating costs of living and toward poverty NOT the ceiling as you wish to define it. Are your incomes determined by these standards? Are they? While some food prices have come down SOMEWHAT, they are still very high. The price of meat is so high it is now a luxury item. Go to Safeway and compare prices!

I maintain my position that the development of this disastrous ordinance has been predicated on false allegations that Concord housing providers gouge renters and terminate tenancies in mass numbers. Don’t ignore the fact that your own rent registry data shows that in 2022 rent increases were at or below the state-mandated rent cap outlined in the Tenant Protection Act of 2019, passed as AB 1482, and that 93.8% of tenancy terminations were due to renters voluntarily moving out and not due to an owner-initiated termination.

Your revised rent control ordinance has gone too far by capping rents so low that a housing provider will struggle to maintain the property. The relocation fees are excessive and will deter housing providers from keeping their units in the rental market. The new attempt to require a percentage of ownership to constitute an owner move-in -- plus residency requirements and a 1:1 provision -- is more government overreach. It may even be unconstitutional.

Please look at the data and reject this ordinance. Do not subject Concord to a damaging housing environment.

Sincerely,

A Shafizadeh
Dear City Council,

The proposed regulations are too restrictive to landlords. Running a business comes with so many costs already and now the City regulations will come in and swoop the small profits there are when securing investment properties. It takes YEARS to see profits after taxes, insurance, repairs, mortgages....

Yes, we are for protecting tenants, but not at the cost of landlords trying to make it work too. Not reasonable.

Ask yourself if YOU owned a rental if you would be fine with these regulations. I don’t see how you could be unless you were independently wealthy or already inherited said rental.

Sincerely,
Kathleen Kern

Sent from my iPad
Dear Joelle,

Please find attached my letter for tonight’s Council meeting.

Regards,
Debra

--
Debra Ballinger McManus
Interim Executive Director
United Latino Voices
Need to meet? https://calendly.com/debrabmcmanus
January 30, 2024

Dear Mayor Birsan, Vice Mayor Obringer, Councilmembers Aliano, Nakamura and Hoffmeister, and staff,

I extend the thanks of United Latino Voices of Contra Costa County to the City for bringing back a revised draft ordinance tonight, after overwhelming input from tenants, nonprofit tenant attorneys, community advocates and residents who asked for significant changes to close loopholes. We appreciate that there are a number of positive improvements to the ordinance.

While I’m grateful that we are getting closer to a truly protective rent stabilization ordinance, there are still measures to strengthen to make this work for tenants, especially those with low incomes who have borne the brunt of Concord’s every increasing rents. As tenants are forced to move due to unsustainable rent increases, threats of eviction or an unlawful detainer landlords increase the rents. This means that every month more units that were formerly affordable, are no longer affordable to families and seniors who earn lower wages or live on fixed incomes, which has increased the housing crisis. We have heard from landlords in Council meetings over the years about why Concord needs poor people. In reality, Concord benefits from a diversity of people from all racial, ethnic and socio-economic backgrounds.

Therefore, low-income tenants should not be less protected. This would be the outcome if affordable housing properties are exempted from the ordinance. If there must be a carve-out for certain affordable housing properties, the carve-out should be limited to properties with a current local regulatory agreement that limits rent increase to 4% annually. The current ordinance would exempt future affordable housing properties without current contracts with the City or County.

Undoubtedly, you have heard from landlords who do not see why this ordinance is even needed. I’ve seen the posts on NextDoor by a local landlord who is among those organizing other landlords to fight this ordinance. One of the many bones of contention he mentions in his post is restrictions on Owner Move-In Evictions. We suggest giving only owners with 51% interest in the property the right to file an eviction action against a tenant to move themselves in or move in any of their family members, even family members without any ownership interest. However, the owners in question must be real people instead of fictitious business entities. The whole concept of an "owner move-in" eviction is that the owner actually has to move in. Owners are already required to move in for at least 12 months under state law (SB 567).
Please, do not make arbitrary exemptions to the rent stabilization ordinance, such as duplexes with owners living next door. This seems to be a new provision that was never discussed or requested by Council members from the dais. Why do tenants in those situations deserve less protections? Tenants should be protected from this ordinance regardless of who their landlord is.

Another incomprehensible part of this ordinance in its current draft is that tenants defending their rights would be obligated to go through the petition process. Why shouldn’t they be able to choose how they defend their rights? This “administrative exhaustion” requirement would be the first we know of in the state. This addition enables corporate landlord abuses of rent control laws, takes away tenants’ right to access the courts, and does so at the expense of the City of Concord, which will be forced to hear unnecessary petitions.

Finally—and this is important—we need a commitment to meaningful enforcement of this ordinance and good government by having the city collect all types of eviction notices. This Council has been asking for data on displacement and evictions year after year. This is a key piece of data that will give the City real information to enforce this ordinance and to monitor trends in displacement. Doing so requires minimal resources. The City must merely require landlords to file their notices, either through email or in person. To ensure compliance, a defense to eviction must be added when the notice is not filed within seven days of service.

To counter the above-mentioned landlord’s post on NextDoor—arguments you surely have heard—I want to reiterate that the housing affordability crisis is not just a Landlord/Tenant issue. Both sides have a stake in creating a more affordable city and stable housing for families, seniors, and children and in preventing homelessness. To quote UC Berkeley’s Haas Institute:

“Government’s responsibility is to protect the public interest, and it has a rightful role in rebalancing the dysfunctional housing market to restore fairness between renters and property owners.”

It is the role of the city Council to think about the good of the health and well-being of the whole community, not just the profit margins of landlords.

Thank you for your hard work on this ordinance.

In community,

Debra Ballinger
Interim Executive Director
United Latino Voices of Contra Costa County
1/30/2024

City of Concord
And Council

Re: Rent control

I would like to say that rising cost of living is affecting everyone whether you are homeowner, landlord or tenant. We do need to stabilize rising cost of living but not burden landlord with all the expenses especially small landlords where they cannot keep up. Our leaders do need to look deeply into the matter before they finalize the rent cap.

Mom & pops keeps their rent below market - This needs to be justified to bring to market rate. Mom & pops don’t pass on expenses to tenants – this needs to be justified. According to the rent registry last year – rents were raised ONLY around 5% in the city of Concord. Landlords keep up with their property, so they don’t occur severe damages. Landlords don’t want tenant turnover they want long term tenants. Just cause – This should be clarified its big question mark should be spelled out. Landlord should be able to move into the property they own.

Being landlord expenses don’t go away and our rents are already below market. I had my roof replaced a couple of years ago, I had to install security gates around my property because homeless are out of control, last year alone the parking lot was repaired & fence replaced. When will I recover this cost of repairs. Pg & E just raised prices over 20%, not to mention property insurance, everything is going up.

A rent cap should be in place but for the future, and plus CPI where property owners can keep up with their rentals.

Thank you so much for reading my agendas.

Davinder Athwal
Fremont St, Concord.
Dear Members of the City Council,

I am extremely concerned about the draconian measures in your latest rent control measures. These new stipulations are clearly based on stereotypes and assumptions and not actual realistic data.

The major assumption is that all landlords are wealthy, greedy gougers. Though some exist, this is far from the realistic norm.

I am particularly concerned about the extreme relocation fees included single family homes rentals and new no-fault owner move in restrictions. Data show the majority of landlords are "mom and pop" owners, often renting out their former home for a variety of reasons other than greed. This includes limited time rentals for reasons such as temporary job assignments or moving in with a family member who needs caretaking. Your measures would make it far more advantageous to leave the house empty during that time, rather than offer additional housing for rental. As we all know, housing withdrawn from the rental market will drive up rents, ultimately hurting tenants.

In my case, as my elderly mother became unable to care for herself, I moved in to help her in her final years. My contractor asked to rent my house during that period. Despite having a higher household income than mine, I have charged far below market rate since it was a temporary rental, and I have been very flexible with minor lease violations.

Being a single senior myself with a very modest income, I could never afford to save up enough for the extreme relocation costs you are proposing. Although I've had an excellent relationship with my tenants, I will now have to take every opportunity to push for a voluntary move out as my only hope of being able to move home. I would likely do this through the highest legal yearly rent increases and enforcement of the smallest violations in the lease. This makes me very sad as we had a great, mutually advantageous arrangement.

Relocation costs of $3000 plus the value of 4 months rent (there is nearly always a child, senior, or disabled person in a house rental, which requires the 4th month) is simply unmanageable for mom and pop landlords, and far exceeds other cities' progressive rental measures.

Please stop erroneously assuming all renters are poor and all landlords are rich, and pass reasonable rental stipulations. These proposed measures will result in an eventual reduction of housing availability which is the last thing Concord needs. Homeowners are also your constituents and deserve consideration!

Thank you for modifying your draconian rental restrictions and voting no.

Carrie Johnson
To the Concord City Council,

I have always believed in members of society helping one another, but not at the expense of one part having to give up rights in order to do so.

The rules being proposed are so restrictive that they take away the freedom of the property owner and leaves the decision to government as to what can be done with a property.

How can you feel it is right to tell me I cannot move into my home if I have a need to do so without paying someone to move. It seems to me that my right are being ignored and it is okay for me to be without a home. There is no consideration being given to the owner’s situation and all of the rights are being given to tenants. It seems that you are under the impression that all landlords are wealthy and do not care about the people that rent from them and that every tenant is unable to afford a move and is treated unfairly. That is not the case and you are ignoring that.

I urge you to not pass such draconian and unjust laws.

Sincerely,

Baltazar
Dear City Council,

I am an owner of a 4-unit small apartment building in Concord. I inherited it in 1993. As a small property owner, I have maintained this property to all the standards, codes and regulations that the City of Concord, the County of Contra Costa, and the State of California have imposed upon me for 31 years. We make a modest income, that has augmented our retirement. In the 31 years, I can count on 1 hand the number of evictions. Our rents have been in line with the average for Concord.

Now, you want to tie our hands. You are trying to limit us, with controls on rents. I have to ask, do any of you OWN income property? What are you going to do to offset costs at your property? I am not part of a large corporation that wants to build low-income housing everywhere. We are already limited on how we can choose a responsible tenant.

The city has now decided to charge us a registration fee, based on number of units. Asking rents, sizes of units, numbers of bed/bathrooms, length of leases. WHY? What agenda is this funding? Another cost that we need to pay, yet you want to cap our rents.

Also, when it comes to Just for Cause Evictions, you have a litany of reasons, actions, and hoops that the landlord needs to perform to get rid of a lousy tenant.

So, if you or someone has actually read this letter, and it gets someone's attention, my vote is no to all of the above issues. Rent Control needs to allow the Landlord to make a reasonable income to offset the costs in Concord and in general, 3% is a joke. I am not sure that you negotiated your last raise, but I am sure you accepted it with a smile. Was it only 3 %. I President of a Board, and we don't get paid, we volunteer!

I have been online for all of the Zoom meetings. You put a 3 min. time on the public's comments. Maybe you should place a time on the council? Last meet went on for 5 hrs. That is certainly one way of getting this to pass, the long the meeting the less interest there is. Many people do work.

I am looking forward to the meet on Tuesday night. I do hope you see the way of the people living in Concord and not just the huge corporations or non-profit developers. There are still people like me living there, paying taxes and contributing to Concord.

I VOTE NO!

Thank you, Christine Black
Hello and good day,

I am a first-time homeowner in Concord, and a property manager for the last 10 years in the east Bay Area. I have seen firsthand how additional rent control restrictions have ruined cities like Richmond, Oakland, Berkeley, SF, etc..

I wanted to share with you why these additional restrictions will harm the residents, and owners of properties that have worked very hard to save and invest for the "American dream" of homeownership:

1. small owners/operators will sell the property and invest elsewhere. (I'm currently discussing with owners who have invested in the community and their properties, letting me know they will have no choice but to sell with the additional rent cap and just cause restrictions). These are small investors who have worked hard and taken great care of their tenants and properties. This is causing reduced vacancy by pulling units from the market, and deferred property maintenance because material and construction costs rise with inflation.

2. This is harming our community. Don't let a few bad apples effect all residents and owners/investors in Concord. AB 1482 is already in place throughout CA. This is the answer. Go after the landlords who are taking advantage of tenants. Do not make further City-wide ordinances. Look at surrounding Cities such as Pleasant Hill, Martinez, Walnut Creek, Clayton, etc and look at how well kept and clean these cities are. Further restrictions on Concord rent control are unacceptable.

I'd like to avoid confusion by keeping my points above short and simple. I'm in the business and we have a great relationship with our residents and owners.

AB 1482 - Statewide Rent Cap Archives

AB 1482 took effect on January 1, 2020. AB 1482 imposes rent caps on some residential rental properties in California. It also imposes "just cause" eviction requirements that apply after residents have occupied the unit for a certain period of time. In cities that already have a rent control ordinance in place (under the Costa-Hawkins Rental Housing Act), AB 1482 extends rent caps to some additional housing that is otherwise not covered under the existing local ordinance. The law exempts certain properties from the rent caps and just-cause requirements, including (1) most single-family homes and condominiums, and (2) housing built within the last 15 years. In cities that already have a rent control ordinance in place (under the Costa-Hawkins Rental Housing Act), AB 1482 extends rent caps to some additional housing that is otherwise not covered under the existing local ordinance. 

AB 1482 Tools Calculate How AB 1482 Affects Your Property
Are you unsure whether AB 1482's rent cap or just-cause eviction pro
caanet.org

Thank you for your time, please do the right thing and DO NOT pass further restrictions. I speak from my wife and I's residence/ownership in Concord and our whole staff at Stokley Properties.
I am more than happy to meet with any/all members of the board to discuss further.

Blake Demale
VP Of Operations
Cal BRE #01975614
Stokley Properties, Inc.
Address:
2300 Contra Costa Blvd Suite #110
Pleasant Hill, CA 94523
blake@stokleyproperties.net
(925) 658-1415 Ext. 4
www.stokleyproperties.net
Dear Ms. Joelle Fockler,

Please see the attached letter from Enterprise regarding the Rent Stabilization Ordinance on the Council Agenda for this evening. We would very much appreciate it if you could distribute this to the Mayor and Councilmembers for their review in advance of the meeting.

Thank you very much,
Andrea

Andrea Papanastassiou
Director
Real Estate Equity

415.400.0980 (o) | 415.429.9776 (m)
enterprisecommunity.com

Real Estate Equity operates under Enterprise Community Investment, an Enterprise Community Partners affiliate
January 30, 2024

The Honorable Edi Birsan, Mayor
The Honorable Carlyn Obringer, Vice Mayor
The Honorable Dominic Aliano, Councilmember
The Honorable Laura Hoffmeister, Councilmember
The Honorable Laura Nakamura, Councilmember

CC: Valerie Barone, City Manager, Sophia Huckabay, Housing Program Analyst, Joelle Fockler, City Clerk

Re: Coral Court and Sunset Pines

Dear Mayor Birsan, Vice Mayor Obringer, Councilmember Aliano, Councilmember Hoffmeister and Councilmember Nakamura,

Enterprise is a national nonprofit that develops technical and capacity building programs, advocates for policies, and delivers the capital to create and preserve affordable housing for low-income families. We serve as a lender in the two properties Eden Housing recently acquired in Concord, Coral Court and Sunset Pines, with the intent of preserving them as affordable housing communities with support from the City of Concord. We also provided technical assistance to support RCD, BART and the City of Concord in the successful award of $21 million from the state’s Affordable Housing and Sustainable Communities Program to advance Galindo Terrace, a 62-unit affordable housing project, and contribute to the Downtown Corridors Bicycle and Pedestrian Improvement Project. We appreciate the City of Concord’s commitment to affordable housing. We have been proud to partner with Eden Housing as a lender on these properties and position the City to reach its affordable housing goals with technical assistance.

Enterprise is committed to the production and preservation of affordable housing nationwide, and we recognize that maintaining financial security and physical condition of affordable housing developments is critical to the long-term stability and affordability of the residents and the property. We count on our borrowers, the affordable housing providers, to adhere to high standards for property and asset management, to navigate complex and multi-layered regulatory requirements, and to ensure the overall successful performance of the properties.

We are concerned that the City of Concord’s proposed Rent Stabilization Ordinance may have the unintended consequence of causing financial and physical distress for mission-aligned owners of these properties who are already struggling with inflationary and other pressures. We urge the Council to exempt affordable housing communities that are subject to a regulatory
agreement from this proposed ordinance at this time, in order to allow more time to develop a balanced approach that mitigates potential unintended consequences. We are also aware that there are active discussions at the state level regarding annual rent increases for deed-restricted housing, which may be a more appropriate venue for these issues, given the regulatory agreements and requirements that are also set at the state level.

We appreciate the Council's consideration of these amendments to the proposed Ordinance, and we believe that they are essential to ensuring the ongoing financial feasibility and physical maintenance of this critical supply of affordable housing that we, our partners, and the City of Concord have worked so hard to create.

Sincerely,

Tim Martin
Vice President, Chief Credit Officer, ECLF

Andrea Papanastassiou
Director, Real Estate Equity
From: Lywen Chew <lywen_c@yahoo.com>
Sent: Tuesday, January 30, 2024 12:51 PM
To: City Clerk <cityclerk@cityofconcord.org>
Subject: Comments for Special Meeting of January 30, 2024

To the City of Concord Council members and City Clerk:

As a concerned citizen, I feel that tenants need protection from unscrupulous landlords. Both parties in a tenant - landlord relationship have obligations to the other and any rent controls and protections must provide an equitable balance.

I became a Concord, CA landlord in February 2021, after the death of my parents.

The inherited property had been a rental for over 12 years. When I took possession, an inspection found a great deal of deferred maintenance, including dire need of exterior painting, a deteriorating roof and an old HVAC system.

There was also considerable damage caused by the tenants, including a broken dishwasher (door used as a step stool), numerous holes in the wall (the largest almost a foot in diameter), unauthorized replacement of exterior door locks without notification to the property manager, a great deal of interior and exterior dry rot caused by an unreported broken tile shower wall in one bathroom and in another bathroom, careless use of a shower curtain, a large broken mirror (42h x 84w) which was professionally removed due to safety concerns, and broken and missing closet doors.

Since February 2021, I have incurred expenses of close to $150,000.00, to maintain and repair the property and pay property taxes, insurance and HOA fees. I have collected $93,600.00 in rent, which is a LOSS of $56,400.00 since taking ownership.

The rent was raised once, in November 2023, by 5%. Hearing that the rent cap is the lesser of 3% or 0.6% of CPI and that rents may be rolled back to January 2023, is very discouraging. The insurance and property tax rose 2.9% in the last 12 months and the HOA increased by 9.4%. The figure of 9.4% is indicative of the high cost of labor and materials.

I do not know when, if ever, I will ever recoup the expenses I have incurred as I am now 67 years old.

To the members of the council who support the new proposals, I ask you to consider what actions you would have taken, if this was your property.

Additionally, regarding the "unjust eviction" I feel that an owner has a right to occupy their own property whether they are a senior, disabled or terminally ill. I do not feel an owner has a right to evict a tenant under the guise of occupying the property but their true motive is to move someone in at a higher rent. Those are matters that need to be dealt with on a case by case basis.
In summary, tenants and landlords have rights and obligations. It is important to draft rules that are clear and have robust enforcement and appeal policies in place, that can be processed on a timely basis. I hope that the City of Concord works purposefully and wisely, to ensure that Concord continues to be a place where tenants can live peacefully and landlords can provide needed housing on a fair and equitable basis.

Thank you for your time.

Appreciatively,
L Chew
Hello Mayor Birsan and Members of the City Council-

As an owner of a single rental I am extremely concerned about the rent control proposal. This is not at all what I expected from the Concord Officials when I voted in the local election.

The new proposed rules especially around the just cause eviction, relocation payments, restrictions around the owner move in, temporary relocation payments you proposed keep me in a severe anxiety state.

I urge you to exclude small landlords that only have one rental in Concord from these requirements.

I worked extremely hard and took a financial risk and denied myself many things to be able to have a rental property. And now it seems I am punished. I feel the proposal strips me and my family off our fundamental right of freedom to live in my home if need be, and will impose a huge financial burden.

The Ordinance attachment is a very lengthy document and is not easy to understand. I have a lot of questions that are not answered, and I would like to get answers before it goes into the effect. Who can answer my questions in detail? I previously emailed every Council Member asking for a reply and only received a reply from Mr Birsan and Ms Barone.

I ask you again to please not move forward with it. I feel like I have no option now but let go of my rental. Please advise who can answer questions in detail? Thank you

Sincerely,

Evgenia
Dear Concord City Council Members,

The Anti-Eviction Mapping Project formally submits a letter (attached) calling upon the Members of the Concord City Council to require landlords to submit copies of eviction notices as part of the proposed rent program.

The collection of eviction notices by the City is:

- An obligation to the renters within the city,
- Supplies a critical metric to evaluate the wellbeing of your constituents,
- In step with Concord’s neighboring cities in the Bay Area.

Sincerely,

Members of the Anti-Eviction Mapping Project Bay Area Chapter
January 30, 2024

To:
Edi Birsan, Mayor  
Carlyn Obringer, Vice Mayor  
Laura Hoffmeister, Councilmember  
Laura Nakamura, Councilmember  
Dominic Aliano, Councilmember

Dear Members of the Concord City Council,

We, the members of the Anti-Eviction Mapping Project (AEMP) Bay Area Chapter, call upon you to require landlords to submit copies of eviction notices as part of the proposed rent program. **Failure to include this requirement would significantly undermine the purpose of this program, and we urge the City Council to reconsider its decision.**

The AEMP Bay Area Chapter is a data-visualization, critical cartography, and multimedia storytelling collective that documents dispossession and resistance upon gentrifying landscapes. We have years of experience analyzing and mapping eviction trends across the Bay Area, using eviction notice data collected by rent programs.

**This requirement is effectively standard practice already in the Bay Area – 13 out of 15 cities with local just cause measures require landlords to provide such data.** We urge the City of Concord to collect data regarding eviction notices as a minimal-effort step toward tracking rates of displacement of your very neighbors and bolstering the accuracy, efficacy and purpose of the City’s existing rent registry. Just as residents are required to register a change of address, so must there be a requirement for landlords to register an eviction notice. It should be a basic requirement of governance because it allows the City to implement effective housing policies and programs.

Such data tracking would demonstrate a gesture of due-diligence owed to Concord residents and your constituents. Neglecting to collect eviction notices demonstrates a blatant disregard for the disruptive effects of eviction. Whether such disruptions occur on a personal, community, neighborhood, or city-wide level, the effects of eviction are harmful. Collection of eviction notices would better inform the City of these harms and allow it to mitigate them. For example, we know that landlords often create fake notices to push residents to self-evict in cases where they do not have justification for an eviction. Requiring filing would be a simple step to discourage such moves, which, we know, disproportionately target low-income people, immigrants, and people who do not speak English as their primary language. How can the City Council make effective policy decisions that advance the wellbeing of Concord without such a basic metric as eviction notices? We firmly believe that collecting eviction notices is a baseline necessity to ensure that the City’s rent program, and tenant protection policies in general, are working as intended.
Again and with urgency, the Anti-Eviction Mapping Project Bay Area Chapter underscores the importance of collecting and tracking eviction notices as an obligation to the renters within the city, as a critical metric to evaluate the wellbeing of your constituents, and in step with Concord's neighboring cities in the Bay Area.

Sincerely,

Members of the Anti-Eviction Mapping Project Bay Area Chapter
www.antievictionmap.com
Dear Mayor Birsan and Members of the City Council,

I am extremely concerned about your strict rent control proposal and urge you to vote no.

I maintain my position that the development of this disastrous ordinance has been predicated on false allegations that Concord housing providers gouge renters and terminate tenancies in mass numbers. Don’t ignore the fact that your own rent registry data shows that in 2022 rent increases were at or below the state-mandated rent cap outlined in the Tenant Protection Act of 2019, passed as AB 1482, and that 93.8% of tenancy terminations were due to renters voluntarily moving out and not due to an owner-initiated termination. Flawed housing policy (rent control) is the reason why rents are too high, not because housing providers are greedy.

Your revised rent control ordinance has gone too far by capping rents so low that a housing provider will struggle to maintain the property, costs of maintenance and materials have gone up over 50%! If you must cap the rent increases, consider doing so in a fair manner. Corporations and mom and pop landlords are not the same. For those of us who are very small businesses, please consider less stringent rent caps, at the very least to 5%!

The relocation fees are excessive and will deter housing providers from keeping their units in the rental market. The new attempt to require a percentage of ownership to constitute an owner move-in – plus residency requirements and a 1:1 provision – is more government overreach.

Please look at the data and reject this ordinance. Do not subject Concord to a damaging housing environment that will ultimately shrink available housing and make rents higher.

Stephanie Bergin
Dear Mayor Birsan and Councilmembers Aliano, Hoffmeister, Nakamura, and Obringer,

I'm writing today not only at the Director, Housing Justice at UWBA but also as a Bay Area resident who firsthand sees the daily experiences of the thousands of families who rent their homes in the region. Thank you for your diligent work to craft rent stabilization and just cause for eviction policies that will protect Concord families from the displacement, stress, and instability associated with high rent increases and eviction.

These policies, including rent stabilization and eviction prevention, will protect many families in Concord. This includes applying the same 3% rent cap to all LIHTC buildings and clarifying the definition of “owner” to prevent excessive evictions.

Throughout the Bay Area region, it has become considerably more difficult for families to make ends meet. According to our Real Cost Measure, over 125,000 families in Contra Costa County are paying 30% or more of their annual income on housing. When we speak with low-income parents in Concord, we consistently hear that the cost of rent is the factor putting them over the edge and the looming threat of an unjust eviction leads to chronic stress, putting parents and children at a higher risk for mental and physical health problems.

Strong rent stabilization and just cause policies will come as a huge relief to Concord families, allow children to thrive in their community, and ultimately reduce homelessness.

Thank you for delivering the policies Concord families need. These policies support Concord’s commitment to be a city where families come first. We look forward to partnering with you to educate the community about these new policies moving forward.

Sincerely,

Karen Nemsick

Karen Nemsick (She/Her)
Director, Housing Justice Initiative
United Way Bay Area | uwba.org
415.808.4313
550 Kearny Street | Suite 510 | San Francisco, CA 94108
1400 Parkmoor Avenue | Suite 250 | San Jose, CA 95126
Follow Us On Social Media | HERE
Hello Concord City Council and City Staff,

My name is Brian, a renter in Concord’s district 2 and am excited for what is to come for Concord after the passing of Rent Stabilization and Just Cause. We thank the City for bringing back a revised draft tonight, after overwhelming input from tenants and non-profit tenant attorneys and community advocates asked for significant changes to close loopholes. We see some positive improvements!

Yet, there are a few critical issues that remain, which serve to undermine enforcement of this ordinance and keep it from protecting the lowest income residents in Concord such as:

- Low-income tenants should not be less protected. Affordable housing properties should not be exempted.
- Tenants should be Protected from Fraudulent Owner Move-In Evictions
- Show a commitment to meaningful enforcement of this ordinance and good government by having the city collect all types of eviction notices.
- Do not make arbitrary exemptions to the rent stabilization ordinance.
- Tenants should be able to choose how they defend their rights and not be obligated to go through the petition process.

The quality of this ordinance matters as it is about helping working families, seniors, young people, immigrants and BIPOC residents to stay in their homes and not get pushed out of their communities through skyrocketing rents and unjust evictions. It is time for the City to take action to make Concord a more affordable city where all can thrive.

Thank you for responding to the community and tenants most impacted by housing insecurity.

Sincerely,

Brian I.
From: Maria De Sousa <paz02@sbcglobal.net>
Sent: Tuesday, January 30, 2024 2:33 PM
Subject: Please include the attached comments in the public record for today's meeting.

Please include the two attached comments (one from me, the other from my husband) in the public record for today's City Council meeting.

Thank you very much, and have a great day.

Maria & John De Sousa
Good evening:

We urge the City Council to take this proposed “Rent Control idea” to the residents of Concord and put it on the ballot. Let the people decide, and respect their will, rather than have the Council Members push their radical ideas, and forever destroy Concord.

We all want Concord to be safe and well-maintained for people to live and thrive. We don’t want to follow Richmond or Oakland’s mentality. Landlords already have a very challenging business, as it is.

As we all know, we had a rent moratorium for almost 3 years (from 2020 to 23). After the 3 years, the moratorium was lifted, and we were allowed to adjust rents keeping in mind the implemented AB 1482 laws. It is inconceivable that you want us to go back and return that money. That would mean four-PLUS years without adjusting rents, when we’re going through major inflation times. This is reckless mentality and further proves the City’s intentions to destroy the landlords business.

A lot of the rentals in Concord were built in the 50's, and major renovations are required. Whether it’s electrical updating, sewers embedded in cement slabs, roof replacements, remodelings, etc, these are major expenses that we are faced with, and cannot be ignored. With rent caps like you are proposing, there is no money left for such repairs.

We refuse to be put in a position where we cannot maintain our properties or provide basic services to our tenants.

Landlord’s voices are being ignored. Our concerns are not being addressed or taken seriously. You must hear us, and apply common sense and responsibility to your decisions.

These vicious ideas you are trying to dictate, will force us to be “Slamlords”. It reflects the immaturity of YOUR leadership, and is a perfect example of governing abuse of power.
Good evening,

This rent control ordinance is too serious and impactful to allow the City Council to decide alone.

We must put it on the ballot and allow ALL the residents of Concord to vote on this matter. Residents need to be part of this critical decision since this will affect every homeowner in the City of Concord, and the community.

You start your meetings pledging “liberty and justice for all”, but what you are doing is the exact opposite!

Your role as council members, is to be fair and just to both sides. Not to ELIMINATE one side. If you pass this ordinance that’s exactly what will happen, as you will force a lot of small landlords out of business. You are siding with outside group pressures and influences to achieve your personal goals. This is abuse of power!

60% of CPI translates to only 2.5% increase. That is NOW! However this is not a realistic inflation rate, and as CPI goes lower, the annual rent increases going forward, will be A LOT less than that. No business can survive with these demands when inflation is at an all-time high.

2% doesn’t even cover the annual increase in property taxes, let alone all the other increases that have been hitting the landlords, like Insurance, LABOR and MATERIALS, utilities, City fees, etc, which some went up by as much as 100%.

Also, CPI does NOT include Construction Materials and Labor costs in the index basket, therefore the CPI index is not an accurate measure to use for our type of business.

Housing providers cannot provide basic services to their tenants, when expenses keep “sky rocketing”, and the City’s DICTATORSHIP says we can barely adjust rents. AB 1482 is already in place to limit the amount of rent increases, and it provides a lot of protections for tenants.

You stand in front of us and want to pass such extreme rent laws, when you know very well that what you are proposing is not ethical. There’s no “freedom” of choice, and it’s definitely not “Justice” for all. We are going on self-destruction mode here!!!
Kelly

Please share the following with the City Council.

Dear City Council:

I am writing once again to voice my concerns about a proposed city based rent control ordinance in Concord. These comments are my comments as a private person and the owner of a small (10-unit) apartment complex. They are not necessarily the views of any organization of which I am a member.

I am very concerned that the rent control ordinance as drafted will be a disaster. It will model Concord after Oakland, Richmond and San Francisco. This will be a failure to all concerned. It will not happen over night, but it will happen. Look at Oakland - crime is up, sports teams are leaving and now even well-intended In and Out Burger is leaving. Look at San Francisco - businesses are leaving, vacancies are up, crime is up, quality of life is down. Richmond - a whole other set of circumstances, but unable to attract new businesses. Rent control is but one issue, but certainly a leading indicator.

I am so upset that you do not see the disaster that 60 percent of CPI is. Please try to understand what it takes to provide housing and how much it costs to do so and stop punishing small private landlords for the misdeeds of large corporate landlords.

Our rents are far below market across the board as a result of COVID. Now we are being locked into those low rates with no relief. We need reasonable gross income to address the expenses, all of which are increasing much more that even 100 percent of CPI. Our property taxes alone are close to two months of rental income. Our insurance company has left the state. City required fees are increasing. Utility costs including water and sewer are increasing faster than your intended rents, and maintenance costs are through the roof. We have had a period due to COVID where inflation was as high as 9.2 percent year-over-year and at the same time could not increase rents. We have increased rents once during this period and are now very much below market. We have two bedroom units with rents as low as $1,660 and other two bedroom units at $2,065. With two covered parking spaces, backyards and laundry in the units, market rents are easily $2,300. Please do the math. How many years will it take to bring exiting tenants up to today’s market rents, much less tomorrow’s market rent? At 60 percent of CPI, more than 10 years! And by then market rents will be perhaps 40 or 50 percent higher than they are today as market rents historically exceed CPI. Today we are 25 percent below market with our units at $1,660 per month. In 10 years if we increase rents at 60 percent of COI, we will be 40 to 50 percent below market, all the time suffering costs that are increasing faster that rents.

I have been reading about bad employers being accused of wage theft. I am feeling like what you are doing is RENT THEFT. Our tenants are fine and can afford the rent. They have disposable income that they are not reporting and you have come to the conclusion that they are suffering. They are not
suffering and do not need rent control. A number of our tenants are sending money to their families in their home countries. Others are building houses in their home countries and will return there when they retire to live in housing which is debt free. At the same time you are asking me to subsidize them as a private property owner.

Please take a step back and see what is really happening here. I feel you are listening to the proponents of rent control, and not addressing the real concern of housing providers. It being a housing provider was such an easy task, I am sure the City would build housing if its own and benefit from the massive income after expenses that you believe private housing providers receive.

Please understand what you are doing and make the annual rent increase 100 percent of CPI with a 5.00 percent cap.

James Dye

On Jan 30, 2024, at 9:20 AM, Rush, Kelly <kelly.rush@cityofconcord.org> wrote:

Good Morning,

Please note that there is a typo in the message that was sent this morning.

You can send in comments prior to the meeting, if received before 3:00 on JANUARY 30th they will be distributed to Council and posted on the agenda website prior to the meeting. You may also make public comment during the meeting, if you are present in person at the meeting.

Thank you.

Kelly Rush (She/Her/Hers)
Housing Program Analyst

City of Concord | Website: http://www.cityofconcord.org
📞 (925) 671-3032 | ✉️ Kelly.Rush@cityofconcord.org
1950 Parkside Drive, MS/10A, Concord, CA 94519

Please take a moment to fill out our customer service survey, click here.

From: Rush, Kelly
Sent: Tuesday, January 30, 2024 8:23 AM
To: Huckabay, Sophia <Sophia.Huckabay@cityofconcord.org>
Subject: RESENDING - January 30 Concord City Council Meeting - Rent Stabilization and Just Cause for Eviction

Good Morning,

Concord City Council will continue its deliberations of the rent stabilization and just cause for eviction provisions during its meeting on Tuesday, January 30, 2024 (today).

The City Council (Council) held a public hearing on rent stabilization and just cause for eviction policies on December 12, 2023 (Agenda Item 4a) which was continued to January 9, 2024 (Agenda Item 6a), and further continued to a special Council meeting being held on January 30, 2024. The public is invited to provide public comment on the revised draft Ordinance at this meeting, prior to Council deliberation.

At the January 9, 2024 meeting, Council directed staff to make various modifications to the draft ordinance, requiring the production of a revised draft ordinance, and continued the public hearing to a special meeting on January 30, 2024.

The staff report documents, revised draft ordinance and agenda for the meeting are available on the City’s agenda page.

The meeting on January 30 will begin at 6:30 PM and will be held in Council Chambers at Concord City Hall, 1950 Parkside Drive, Concord. You can send in comments prior to the meeting, if received before 3:00 on December 30th they will be distributed to Council and posted on the agenda website prior to the meeting. You may also make public comment during the meeting, if you are present in person at the meeting.

Thank you.

Kelly Rush (She/Her/Hers)  
Housing Program Analyst

City of Concord | Website: www.cityofconcord.org  
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From: Tram Hoang <Tram@policylink.org>
Sent: Tuesday, January 30, 2024 2:51 PM
To: Birsan, Edi <Edi.Birsan@cityofconcord.org>; Obringer, Carlyn <Carlyn.Obringer@cityofconcord.org>; Hoffmeister, Laura <Laura.Hoffmeister@cityofconcord.org>; Nakamura, Laura <Laura.Nakamura@cityofconcord.org>; Aliano, Dominic <Dominic.Aliano@cityofconcord.org>
Cc: City Clerk <cityclerk@cityofconcord.org>
Subject: PolicyLink Recommends Eviction Notice Collection

Dear Mayor Birsan, Vice Mayor Obringer and Councilmembers,

On behalf of PolicyLink, I am writing to urge you to collect eviction notices as a part of your forthcoming rent program. Across the country, regardless of geography or size of jurisdiction, we have heard tenants and fair housing advocates discuss the lack of transparency surrounding the eviction process. Through our many collaborations, especially in our work supporting local jurisdictions with the implementation of tenant protections, we know how difficult and time-intensive it is for even the most skilled staff members to locate accurate eviction data. Fortunately, collecting eviction notice information represents guaranteed access to the most up to date, complete and accurate sense of resident mobility.

Furthermore, eviction notice collection equips legal aid organizations and fair housing advocates with the information they need to protect tenants when landlords conduct unlawful evictions or take advantage of loopholes. We see this in the implementation of AB 1482, where landlords evict tenants and claim it is for owner move-in or substantial rehabilitation purposes. Without eviction notice collection, advocates are unable to react promptly to support tenants in understanding their rights, or ensure that the landlord is following through on their claims. Given that the City of Concord is anticipating minimal program staffing, it is clear that a significant portion of enforcement work will fall to these organizations. As such, the City should be equipping them with information to implement this ordinance and protect the rights of tenants.

Requiring the collection of eviction notices is a straightforward and common-sense decision. The potential benefits to local government, community-based organizations, and tenants heavily outweigh the cost and staff capacity – which is minimal, as reported by staff from similar departments in comparable cities.

Please see attached for our full letter of support for eviction notice collection.

Thank you,
Tram Hoang

Tram Hoang (pronounced “Trom”)
Pronouns: she/her/hers
Senior Associate, Housing | PolicyLink
Phone: (510) 663-4391
Email: tram@policylink.org
Website | Twitter | LinkedIn
January 30, 2024

Tram Hoang
Senior Associate, Housing
1438 Webster Street, Suite 303
Oakland, CA 94612

Dear Mayor Birsan, Vice Mayor Obringer and Councilmembers,

On behalf of PolicyLink, I am writing to urge you to collect eviction notices as a part of your forthcoming rent program. We already know that just cause eviction protections work to uphold rent stabilization and prevent avoidable evictions – especially for Black and Brown communities that have long faced displacement, disinvestment, and exclusion. However, the key to creating these outcomes is strong implementation of the ordinance and the program elements that are required for its success. For that reason, I urge you to require landlords to submit copies of eviction notices to the city as a part of the rent stabilization ordinance.

PolicyLink is a national research and action institute dedicated to advancing racial and economic equity for 100 million Americans living in poverty — particularly those who face the burdens of structural racism — so that all Americans can participate in a just society, live in thriving communities, and prosper in an equitable economy. PolicyLink is guided by the belief that the solutions to the nation’s challenges lie with those closest to these challenges: when the wisdom, voice, and experience of those traditionally absent from policymaking drive the process, profound policy transformations emerge. Our team has worked with dozens of groups across the country working to advance rent stabilization and tenant protection policies at local, state and federal level.

Across the country, regardless of geography or size of jurisdiction, we have heard tenants and fair housing advocates discuss the lack of transparency surrounding the eviction process. Through our many collaborations, especially in our work supporting local jurisdictions with the implementation of tenant protections, we know how difficult and time-intensive it is for even the most skilled staff members to locate accurate eviction data. Fortunately, collecting eviction notice information represents guaranteed access to the most up to date, complete and accurate sense of resident mobility.

Concord City Council should follow the best practice of eviction notice collection set by other Bay Area municipalities, and by doing so, continue to uphold its standard of consistent data collection and evidence-based policymaking. Eviction data, paired with the information collected from the Residential Rent Registry Program, will equip the City with data points it needs to better understand local housing market conditions and renter experiences. Knowing where rental units are located is not enough - the City must dig deeper to understand when, where and why evictions are happening so that it can continue to address disparities in housing access and community stability.
Furthermore, eviction notice collection equips legal aid organizations and fair housing advocates with the information they need to protect tenants when landlords conduct unlawful evictions or take advantage of loopholes. We see this in the implementation of AB 1482, where landlords evict tenants and claim it is for owner move-in or substantial rehabilitation purposes. Without eviction notice collection, advocates are unable to react promptly to support tenants in understanding their rights, or ensure that the landlord is following through on their claims. Given that the City of Concord is anticipating minimal program staffing – just 2.5 FTEs to start – it is clear that a significant chunk of enforcement work will fall to these organizations. As such, the City should be equipping them with information to implement this ordinance and protect the rights of tenants.

Good governance and policymaking are made possible by an understanding of resident experiences. If it fails to collect eviction notices, the City will squander an opportunity to deepen its awareness of local housing trends and patterns, especially those relating to housing discrimination and displacement. Requiring the collection of eviction notices is a straightforward and common-sense decision. The potential benefits to local government, community-based organizations, and tenants heavily outweigh the cost and staff capacity – which is minimal, as reported by staff from similar departments in comparable cities.

On behalf of PolicyLink, I urge you to join us in prioritizing the needs of those most impacted by the current housing crisis by requiring the collection of eviction notices as a component of the upcoming rent program.

Sincerely,

[Signature]

Tram Hoang
Senior Associate
Hello,
Please find the attached in advance of this evening’s meeting. Please let me know if you have any questions or concerns.
Thank you.
Adam

Adam Poe | Pronouns: he/him | Managing Attorney | Bay Area Legal Aid | Contra Costa County Office | 1025 MacDonald Ave. | Richmond, CA | (510) 903.2616

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January 30, 2024

Dear Concord City Council:

Thank you for your hard work on the Tenant Protection Program and for your engagement of the community and impacted individuals and families. I write today in hopes this body will continue its careful consideration of community need and best practices in slowing evictions and displacement and will implement additional changes to the current version of the ordinance, as described below.

Bay Area Legal Aid (“BayLegal”) provides free legal services for very low-income residents of Concord and all of Contra Costa. Our attorneys regularly see families facing eviction after receiving unreasonable rent increases, and for dubious claims of owner move-in and substantial renovation. We are concerned that absent the below amendments, among others, this ordinance will fail to slow the displacement of BIPOC families, seniors and disabled community members caused by evictions and sudden and unreasonable rent increases.

1. Tenants Should be Protected from Fraudulent Owner Move-In Evictions through the establishment of minimum occupancy standards (3 years) and by specifying who is an “owner” for the purpose of evicting current tenants.
2. Show a commitment to meaningful enforcement of this ordinance and good government by having the city collect all types of eviction notices and requiring landlords to file them with the city prior to commencing an eviction action.
3. Tenants should be able to choose how they defend their rights and not be obligated to go through the petition process. This unnecessary procedural requirement will hinder tenants’ seeking recourse from the courts to address illegal landlord practice. This “administrative exhaustion” requirement should be removed.

Our colleagues at Movement Legal and “Raise the Roof” more fully address the above in their January 29 correspondence and we additionally share their concerns regarding coverage for all low-income properties and the unnecessary carve-out of certain duplex properties from rent control protections. Thank you for your consideration of the above. Please let me know if any questions or concerns, I can be reached at 510.903.2616 and at apoe@baylegal.org

Sincerely,

Adam Poe
Managing Attorney
Bay Area Legal Aid
Dear Council Members,
I am writing in SUPPORT of the Municipal Code Amendment for the Residential Tenant Protection Program to increase "just cause" eviction protections, expand Concord's rent registry and establish a rent stabilization program.

Stable housing is by far the biggest challenge for low-income families in Contra Costa County. The measures you are considering tonight will go a long way to addressing the problem within your jurisdiction.

I urge you to adopt the residential tenant protections under consideration. Thank you.

Sincerely,
Renee Zeimer, Chair
Contra Costa County Economic Opportunity Council
Public Sector Representative, District 2
Email: rkzeimer@gmail.com
Dear Mayor Birsan and City Council,

I am a concerned housing provider in Concord and while I oppose the rent control ordinance in its entirety, I am gravely concerned with the rent rollback, rent cap and complete loss of banking.

Rent Rollback

I believe the rent roll back is inherently unfair. We have already spent the money we have received from any rent increase on ongoing operating expense increases and budgeted future expenses based on current rents.

Rent Cap

I have reviewed the historical CPI and I believe everyone is aware the target inflation rate for the Fed is 2%. By way of example, here’s a table of the current ren increase limits for the City of Antioch, which has an almost identical rent cap formula:
Rent Increase Limit

<table>
<thead>
<tr>
<th>If a Rent increase was or will be effective on...</th>
<th>The Rent increase limit is...</th>
<th>Change in CPI (12 months)</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/23/22 to 9/13/22</td>
<td>3%</td>
<td>6.8%</td>
<td>When the 12-month change in CPI is above 5%, the 3% cap in § 11-1.04 of the RSO applies.</td>
</tr>
<tr>
<td>9/14/22 to 11/10/22</td>
<td>3%</td>
<td>5.7%</td>
<td></td>
</tr>
<tr>
<td>11/11/22 to 1/12/23</td>
<td>3%</td>
<td>6.0%</td>
<td></td>
</tr>
<tr>
<td>1/13/23 to 3/14/23</td>
<td>2.94%</td>
<td>4.9%</td>
<td>60% of 4.9% is 2.34%.</td>
</tr>
<tr>
<td>3/15/23 to 5/10/23</td>
<td>3%</td>
<td>5.3%</td>
<td>The 3% cap applies because CPI is above 5%.</td>
</tr>
<tr>
<td>7/13/23 to 9/13/23</td>
<td>1.74%</td>
<td>2.9%</td>
<td>60% of 2.9 is 1.74%.</td>
</tr>
<tr>
<td>9/13/23 to 11/13/23</td>
<td>2.04%</td>
<td>3.4%</td>
<td>60% of 3.4 is 2.04%.</td>
</tr>
<tr>
<td>11/14/23 to 1/14/24</td>
<td>1.68%</td>
<td>2.8%</td>
<td>60% of 2.8 is 1.68%.</td>
</tr>
<tr>
<td>1/11/24 to 3/11/24</td>
<td>1.56%</td>
<td>2.6%</td>
<td>60% of 2.6 is 1.56%.</td>
</tr>
</tbody>
</table>

Over the last 10 years, 60% of CPI has NEVER gone over 3% and has been as low as .67% with a median of 2.10% and an average of 1.98%. As of today, we are trending to a cap of less than 1.56% and based on the Feds target inflation rate of 2%, the expected “average” rent cap would be 1.20%.

I am not aware of any business or investment where an average 1.98% revenue growth would be acceptable or reasonable. Money market accounts with no operating expenses and no risk are currently paying between 4.35% and 5.15%. I believe 3% would be the bare minimum acceptable and reasonable revenue growth, and I believe that 4%-5% would be appropriate and reasonable to hedge ongoing operating expense increases.

Councilmembers have received ongoing information and data from property owners regarding double digit expense increases. I just received a notice from PGE that rates “would increase by 24% compared to current rates.”

Concord’s current proposed rent cap is clearly too low to allow housing providers to make any return, let alone a reasonable return, and a “Fair Return Petition” is not a practical or realistic solution to this since housing providers would be required to pay “all City costs associated with such petitions...”
housing provider is compelled to file a Fair Return Petition, they are obligated to advance an unknown sum estimated to be in the thousands (likely $5,000) without any guarantee of reimbursement, and even if the housing provider prevails, they are effectively reimbursed each month over the following year. How can a mom and pop housing provider afford this. Moreover, a Fair Return Petition is a “lagging” benefit since it would only be filed after a housing provider has not made a reasonable return for the prior year without adjustment for operating expense increases in the current year, so a housing provider is never able to have sufficient revenue to cover the current operating expenses.

Rent Banking

When Concord conducted the town hall meetings and received feedback from Landlords, Landlords were unanimously against any rent control and did not even address specific rent control/rent stabilization components. This was then used as a justification to abandon rent banking in its entirety. If a housing provider is not able to “bank” rent increases, then this will guarantee annual rent increases since it’s created a “use it or lose it” situation.

Accordingly, I request that the Councilmembers adopt the following:

1. Rent Cap: fixed percentage increase between 3%-5% without any reference to CPI
2. Rent Banking: allow rent banking

JJ Mallein

Housing Provider

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Good afternoon Madam Clerk,

Please see the attached letter of support for rent stabilization and just cause policies in advance of this evening’s meetings.

Thank you,

Ali Uscilka
Program Director | Healthy & Active Before 5
1035 Detroit Ave, Suite 500 | Concord, CA 94518
office: 925.265.6507 | cell: 801.391.1027
email: ali.uscilka@hab45.org | www.hab45.org

Healthy & Active Before 5 is a Contra Costa collaborative that advances health equity for children ages 0-5 and their families.
January 30, 2024

To: Concord Mayor and City Council

From: Healthy & Active Before 5, CocoKids, FIERCE Advocates, CoCo Doulas, United Way Bay Area, The Black Parents Resource Center

Dear Mayor Birsan and Councilmembers Aliano, Hoffmeister, Nakamura, and Obringer,

We are writing to you as service providers and organizations who see firsthand the daily experiences of the thousands of families who rent their homes in Concord. Thank you for your diligent work to craft rent stabilization and just cause for eviction policies that will protect Concord families from the displacement, stress, and instability associated with high rent increases and eviction. You have done the hard work of balancing the needs of multiple constituencies, and recognized that keeping working families housed in Concord is essential for the city’s economic and cultural well-being.

We wholeheartedly support these policies in their strongest form, to protect as many families as possible. This includes applying the same 3% rent cap to all LIHTC buildings, and clarifying the definition of “owner” to prevent excessive evictions.

As service providers, we know that it has gotten considerably harder for Concord families to make ends meet. When we speak with low-income parents in Concord, whether they are concerned about the costs of food or struggling to find childcare, we consistently hear that the cost of rent is the factor putting them over the edge. Unpredictable and high rent increases make it nearly impossible for families to cover their basic needs without worrying about staying in their homes. The looming threat of an unjust eviction leads to chronic stress, putting parents and children at a higher risk for mental and physical health problems.

Strong rent stabilization and just cause policies will come as a huge relief to Concord families, allow children to thrive in their community, and ultimately reduce homelessness.

Again, thank you for your leadership and for delivering the policies Concord families need. These policies support Concord’s commitment to be a city where families come
first. We look forward to partnering with you to educate the community about these new policies moving forward.

Sincerely,

Michelle Mankewich, concerned community member
Oniana Jahmora, concerned community member
Paula James, concerned community member
Monica Joseph, concerned community member
Dear Members of the Concord City Council,

I am writing to you as the Managing Attorney for Centro Legal de la Raza, with extensive experience representing tenants in Contra Costa County. I have witnessed firsthand the challenges faced by tenants due to the absence of just cause eviction protections and rent control in the City of Concord. I strongly support the proposed ordinance for rent stabilization and just cause evictions, but I also urge the Council to make crucial improvements to ensure the effectiveness and inclusivity of the ordinance.

Improvements Needed on Draft Ordinance

1. **Equal Protection for Low-Income Tenants and Affordable Housing Properties:**
   - The ordinance should not provide less protection to low-income tenants.
   - Affordable housing properties should not be exempted. If any exemptions are necessary, limit them to properties with current local regulatory agreements that limit annual rent increases to 4%.

2. **Protection Against Fraudulent Owner Move-In Evictions:**
   - Allow only owners with a 51% interest in the property to file eviction actions for owner move-ins.
   - Ensure that the owners in question are real individuals, not fictitious business entities.

3. **Meaningful Enforcement and Data Collection:**
   - Demonstrate a commitment to meaningful enforcement by having the city collect all types of eviction notices.
   - Monitor trends in displacement by requiring landlords to file notices, allowing the city to ensure compliance and provide a defense to eviction when notices are not filed promptly.

4. **Tenant’s Right to Choose Defense Mechanism:**
   - Allow tenants to choose how they defend their rights, without being obligated to go through a burdensome petition process.

5. **Avoid Arbitrary Exemptions:**
Eliminate arbitrary exemptions, such as those for duplexes with owners next door, which may undermine the effectiveness of the ordinance.

**Countering Landlord/Real Estate Voice & Influence**

- Rent stabilization and just cause eviction policies are not solely tenant concerns; they address broader community issues. The City Council must consider the well-being of the entire community, preventing homelessness and ensuring stable housing for families, seniors, and children.
- The current status quo is not working, and it is imperative to recognize that rent stabilization is a positive step toward addressing the housing affordability crisis. Twelve other Bay Area cities have already taken action.

**Consumer Protections in Today's Rental Market**

- The rental market has evolved, necessitating consumer protections. The rapid increase in rents, outpacing wage growth, underscores the need for safeguards similar to those present in other sectors.
- Most homeowners enjoy their form of rent control through fixed-rate mortgages, highlighting the necessity for comparable protections for renters.

**Rent Stabilization Benefits Concord's Social and Economic Health**

- Reasonable rents contribute to residents' disposable income, benefiting the local economy.
- Families with more affordable rents can enjoy more time together, positively impacting both parents and children.
- Rent stabilization policies ensure a fair return on investment for landlords and allow for petitions in cases of extenuating circumstances or major renovations.

In conclusion, I urge the City Council to adopt a robust rent stabilization and just cause eviction ordinance while considering the suggested improvements. This ordinance will not only protect the rights of tenants but will contribute to the overall social and economic health of Concord. Your commitment to this cause will undoubtedly create a more affordable and stable community for all.

Thank you for your attention to this matter.

Sincerely,
Mihaela Gough | pronouns: She/Her
Managing Attorney, Tenants' Rights
p: 510-244-4314 | c: 925-335-6477 | mgough@centrolegal.org

*As of July 10, Centro Legal started a 4-day workweek. Our staff will work Monday through Thursday. Our offices will be closed Fridays. | A partir del 10 de julio, Centro Legal inició una semana laboral de 4 días. Nuestro personal trabajará de lunes a jueves. Nuestras oficinas estarán cerradas los viernes.

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Sophia: Please see attached for a letter from Eden, RCD, and CHW regarding the rent stabilization ordinance under consideration tonight. It has been sent individually to members of Council, and we would also like to see it included in the public communication packet.

Best,
Courtney

Courtney Pal | she/her/hers | Policy Manager
Resources for Community Development
2220 Oxford Street | Berkeley, CA 94704
RCDHOUSING.ORG | 510 841 4410 x334#
January 26, 2024

The Honorable Edi Birsan, Mayor
The Honorable Carlyn Obringer, Vice Mayor
The Honorable Dominic Aliano, Councilmember
The Honorable Laura Hoffmeister, Councilmember
The Honorable Laura Nakamura, Councilmember

CC: Valerie Barone, City Manager, Sophia Huckabay, Housing Program Analyst, Joelle Fockler, City Clerk

Re: Rent Control and Just Cause Ordinance

Dear Mayor Birsan, Vice Mayor Obringer, Councilmember Aliano, Councilmember Hoffmeister and Councilmember Nakamura,

We write again to request that the affordable housing projects in Concord are not subjected to the Rent Stabilization Ordinance but instead amend the ordinance to create a specific provision for affordable housing developments that are regulated by other City or other Government entities (as defined below.)

We appreciate that in its deliberations, the Council understood that among the problems we face is the challenge of conflicting regulatory agreements from other affordable housing programs that have different expectations and requirements that pose potential challenges with the City’s proposed new ordinance. We also strongly urge the Council to consider an alternative rent increase limit and oversight process that recognizes that the rents being charged by the affordable housing developments are also below Fair Market Value and subject to underwriting requirements that the ordinance would override, potentially jeopardizing the financial structures of the properties in the City’s affordable housing program. This is a serious concern for us as owners and for our lenders and investors, all of whom relied on a myriad of program underwriting requirements and, in several cases, the City’s approval of its own loans and the financial structure of the deal. Lastly, we all want the affordable units in the City to serve the households most in need of the benefit. To that end, several of our funders have requirements that provide for the increase of rent to Fair Market Value or rents tied to Tax Credit rents when tenants’ incomes exceed the income requirements of the programs intended to benefit low-income households. We believe the ordinance should allow us to implement the regulatory remedies for this problem. We propose the following specifics changes to the ordinance:

A. Expand the Definition of Affordable Units:

“Affordable Units” shall mean Dwelling Units restricted by deed, regulatory agreements or other agreement with a governmental agency or joint powers authority, as affordable housing for persons and families of very low, low, or moderate income, as defined under the regulatory agreement associated with the specific governmental program.

B. Provide a Different Rent Increase Cap for Affordable Units:

Annual rent increases for Affordable Units shall be limited to five percent (5%) unless otherwise approved by the City Manager or their affordable housing program designee.

C. Create a different review process for rent increases for affordable housing.
Affordable Units/Projects shall submit annual rent increase requests and budgets to the City Housing Staff or other staff designated by the City Manager for review and approval. This submittal may include a request to increase rent over the amount otherwise allowed per this ordinance. Request to increase rent above the rent increase cap shall be reviewed and approved by the City Manager or their designee within 10 business days of receipt. The owner/sponsor shall submit a justification and documentation for any rent increase exceeding the cap, and the City Manager or designee shall approve such a request if the rent increase meets any of the following criteria:

1. The rent increase is given to a household certified as over-income and the unit is regulated by any government body that has a regulatory requirement related to rent adjustments for over-income tenants. The City Manager shall defer to the prevailing regulatory agreement with respect to required adjustments for over-income tenants.
2. The household receiving the increase currently pays less than 30% of monthly income in rent, and the household would continue to pay 30% or less of monthly income in rent after the rent increase.
3. The rent increase is due to the termination or exhaustion of project-based rental assistance or operating subsidy.
4. The rent increase is required to ensure the stability and continuity of the development as affordable housing for low-income persons, as determined by the City Manager or designee.

Nothing in this section shall prohibit a rent increase in an Affordable Housing Unit that is less than 5%, as allowed pursuant to [Section] of this ordinance.

D. No rent rollback: Affordable Housing Units/Projects as defined above shall be exempt from any provisions that require a reset or rollback of current rents.

We would like the Council to consider these amendments as we believe they will ensure the ongoing feasibility of the projects we have worked to create as affordable housing and provide protection to the tenants that is consistent with the Cities’ goals and the regulations of other government entities that provide financing to the City’s affordable housing projects.

Thank you for consideration of this request.

Sincerely,

Linda Mandolini
President & CEO, Eden

Dan Sawislak
Executive Director, RCD

Sean Spear
President & CEO, CHW
Dear Mayor Birsan and Councilmembers,

Attached, please find a letter from the Contra Costa Labor Council in support of strong rent control policies in the City of Concord.

In solidarity,
Joe Summers

--
Joe Summers (He/Him)
Campaign & Political Director
Contra Costa Labor Council, AFL-CIO
joe@cclabor.net | (707)398-1772
P.O. Box 389
Martinez, CA 94553
January 30, 2024

Mayor Birsan & Council
Concord City Council
1950 Parkside Drive
Concord, CA 94519

Mayor Birsan, Vice-Mayor Obringer, Councilmember Aliano, Councilmember Hoffmeister, and Councilmember Nakamura:

Thank you for the council's work towards a policy of rent stabilization and just cause for eviction. Concord's working families have been asking for relief from skyrocketing rents and unfair evictions and we are grateful the council will be finally addressing their needs.

Twelve other Bay Area cities have passed rent stabilization ordinances to confront the affordability crisis and it is long overdue that Concord take action. The price of rents in Concord rose 62% between 2011 - 2021, double that of inflation and greatly outpacing wages. Exorbitant and unjustified rent hikes are making the working class collectively poorer.

More can be done to protect Concord's working families and that is why the Contra Costa Labor Council supports strong renter protections and stands with Raise the Roof in these endeavors. We are hopeful to see commitments in this current proposal to cap rents and make sure that single family homes are covered under the Just Cause ordinance.

Now is the time to ensure Concord seniors, children and families can stay housed. Concord working families are struggling from the impacts of inflation, unjust evictions and high rent increases. We have been deeply disturbed to learn that the number of unhoused students in Concord's public schools increased by 15% between the 2016-17 and 2019-20 school years. We can do better.

We need a strong ordinance to protect Concord families, seniors, and children from homelessness. It is the role of the city council to think about the good of the health and well-being of the whole community, this rent stabilization and just cause for eviction policy begins to do that.

In Solidarity,

Josh Anijar
Executive Director

Contra Costa Labor Council, AFL-CIO ✶ PO Box 389, Martinez, CA 94553 ✶ (925) 357-8084
Dear Mayor Birsan and Members of the City Council,

I am extremely concerned about your strict rent control proposal and urge you to vote NO. You might not realize it but your action is going to be instrumental in the destruction of a thriving community in Concord.

I maintain my position that the development of this disastrous ordinance has been predicated on false allegations that Concord housing providers gouge renters and terminate tenancies in mass numbers. Don’t ignore the fact that your own rent registry data shows that in 2022 rent increases were at or below the state-mandated rent cap outlined in the Tenant Protection Act of 2019, passed as AB 1482, and that 93.8% of tenancy terminations were due to renters voluntarily moving out and not due to an owner-initiated termination.

Your revised rent control ordinance has gone too far by capping rents so low that a housing provider will struggle to maintain the property. The relocation fees are gouging and will deter housing providers from keeping their units in the rental market. The new attempt to require a percentage of ownership to constitute an owner move-in -- plus residency requirements and a 1:1 provision -- is a direct violation of property rights of owners and government gone very wrong.

Please look at the data and reject this ordinance. Do not subject Concord to a damaging housing environment. You will be judged as orchestrators of destruction of Concord, California by generations to come.

The following people submitted the above email:

1. Ramen Suri
2. Radhika Oberoi
Dear Mayor Birsan and City Council,

I am a local housing provider and I oppose the direction you are taking to adopt rent control and just cause in Concord. This proposal contradicts the city’s commitment to removing obstacles to housing in Concord. These policies affect both new housing and existing housing.

Worse, the city still does not have evidence to justify adopting policies stricter than those in the statewide Tenant Protection Act, AB 1482. Your own rent registry reports show that rent increases, on the average, fall below the statewide cap and that tenancy terminations initiated by housing providers decreased. This means the statewide law is working effectively.

Out of the 50 owner-initiated tenancy terminations in 2022, 44 were due to non-payment of rent. This suggests that Concord renters need rental assistance, not new laws like rent control and just cause eviction. Our average insurance, trash, city fees, utilities cost raise is on average about between 5% - 8%, how can I be expected to operate with the city of Concord proposed fee of 3%? Our PG&E costs have quadrupled with no justification whatsoever, from the state, PUC or any agency in charge of controlling these increases with no end at site. Why are you bullying housing providers who pick up all the costs for the fees you were supposed to use to determine rental registry which has yet to be used for any discussion or an educated proposal thus far? **Please use your own research as opposed to being bullied by the so-called rental advocates and their bad actors with no proof whatsoever. If the bad actors who claim they are concord residents how can they appear at the City of Antioch city council meeting making the same claims? God has given you the gift of common sense, please use it as opposed to punishing the housing providers as if we are the enemy?**

We have worked long and hard our entire lives in order to have a decent and comfortable living, have made sacrifices and served this country in two recent wars, Iraq and Afghanistan and now upon returning home find ourselves at another war being waged at us by rental advocates and their thugs who have no stakes in the matter, they do not pay taxes, provide anything of value but to take whatever they want because they think they are entitled to it. The unfortunate part is that the state of California, some counties, and now the city of Concord keeps on giving them whatever they want at our expense. How is that right, legal, ethical, or even fair?

Please let me explain how we make a decent and hard working living at Concord. We wake up at 6 am every morning six days a week in order to clean our apartment complex, attend to our maintenance requests, attend to our tenants, help our disabled tenants get their mail, help them carry their groceries, etc. And at the end of decades of hard work having nothing to show but to have our property devalued, being harrassed, and bullied by the so-called rental advocates, the state, and now this city council why? Please let AB 1482 work even though it was not voted for but imposed upon us by the state of California. In fact it has worked far better than expected at the city of Concord according to your own staff research. Do not be misled or bullied by the rental advocates and their actors since they have yet to provide any shred of evidence of what they claim. **Please have the courage and integrity to do the right thing by opposing the proposal before this city council and do not destroy this city that you proclaim to protect and preserve.** Let the city of Concord prosper and become a vibrant city like Walnut Creek, Pleasant Hill, Lafayette, Orinda as opposed to destroying it like Oakland, Richmond, and Antioch.
dominated by crime and violence. I hope you will look favorably on me as well as many hard working housing providers throughout Concord.

Thank You,

The following people submitted the above email:

1. Wallace Freddie
2. Anthony Freddie
Dear Mayor Birsan and Members of the City Council,

I am extremely concerned about your strict rent control proposal and urge you to vote NO.

I maintain my position that the development of this disastrous ordinance has been predicated on false allegations that Concord housing providers gouge renters and terminate tenancies in mass numbers. Don’t ignore the fact that your own rent registry data shows that in 2022 rent increases were at or below the state-mandated rent cap outlined in the Tenant Protection Act of 2019, passed as AB 1482, and that 93.8% of tenancy terminations were due to renters voluntarily moving out and not due to an owner-initiated termination.

Your revised rent control ordinance has gone too far by capping rents so low that a housing provider will struggle to maintain the property. The relocation fees are excessive and will deter housing providers from keeping their units in the rental market. The new attempt to require a percentage of ownership to constitute an owner move-in -- plus residency requirements and a 1:1 provision -- is more government overreach.

I understand that rent control is intended to protect low-income tenants from being priced out of their homes. However, it is important to note that small landlords, such as those who own duplexes and fourplexes, rely on rental income to fund their daily activities. If rent control caps rents too low, it could cause financial difficulties for these landlords.

Let’s work together and come out a solution that can be fair to both tenants and the small landlords.

Please look at the data and reject this ordinance. Do not subject Concord to a damaging housing environment.

The following people submitted the above email:

  1. Edward Zhao
  2. Emily Tang
Dear Mayor Birsan and Members of the City Council,

I am extremely concerned about your strict rent control proposal and urge you to vote no.

I maintain my position that the development of this disastrous ordinance has been predicated on false allegations that Concord housing providers gouge renters and terminate tenancies in mass numbers. Don’t ignore the fact that your own rent registry data shows that in 2022 rent increases were at or below the state-mandated rent cap outlined in the Tenant Protection Act of 2019, passed as AB 1482, and that 93.8% of tenancy terminations were due to renters voluntarily moving out and not due to an owner-initiated termination.

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Please look at the data and reject this ordinance. Do not subject Concord to a damaging housing environment.

The following people submitted the above email:

1. Anton Zavrin
2. Stephanie Orloff
3. Marvin Remmich
4. Benjamin Lenz
5. Joyce Kelly
6. Piteh and Ellen Shen
7. Shawn F. Willis, Walnut Creek, CA
8. Heidi Hornberger
9. Rose loke@yahoo.com
10. Marisa Ashworth
11. Jason Ryer
12. Rita Akol
13. Warren Wen
14. Josefina P Yanga
15. Tlbob99@aol.com
16. Ron Navarra
17. Wing and Yun Wu
18. Melanie Charron
19. Wali Fedaie
20. Annie Chia
21. Bob Baptiste
Hello Concord City Council and City Staff,

My name is Alyssa Kang and I am a Community Organizer for California Nurses Association. I am excited for what is to come for Concord after the passing of Rent Stabilization and Just Cause. We thank the City for bringing back a revised draft tonight, after overwhelming input from tenants and non-profit tenant attorneys and community advocates asked for significant changes to close loopholes. We see some positive improvements!

Yet, there are a few critical issues that remain, which serve to undermine enforcement of this ordinance and keep it from protecting the lowest income residents in Concord such as:

1. Low-income tenants should not be less protected. Affordable housing properties should not be exempted.
2. Tenants Should be Protected from Fraudulent Owner Move-In Evictions
3. Show a commitment to meaningful enforcement of this ordinance and good government by having the city collect all types of eviction notices.
4. Do not make arbitrary exemptions to the rent stabilization ordinance.
5. Tenants should be able to choose how they defend their rights and not be obligated to go through the petition process.

The quality of this ordinance matters as it is about helping working families, seniors, young people, immigrants and BIPOC residents to stay in their homes and not get pushed out of their communities through skyrocketing rents and unjust evictions. It is time for the City to take action to make Concord a more affordable city where all can thrive.

Thank you for responding to the community and tenants most impacted by housing insecurity.

In Solidarity,

Alyssa Kang (she/her/hers)
Community Organizer
National Nurses United
AKang@nationalnursesunited.org

NOTE: This email message and any attachments are for the sole use of the intended recipient(s) and may contain confidential and/or privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by replying to this email, and destroy all copies of the original message.
Hello,

My name is Maritza Llanos and My husband Isidro Llanos. We have been living in Concord for over 38 years and have worked very hard to try to live a life without having to be a debt to society. We NEVER ask for assistance in anyway, even with a lot of our Health issues etc. My husband and I have worked all of our lives very hard, two jobs sometimes three to support our Children and so that we can have, a little something at this point in our lives to supplement a little for our retirement, since we would not be getting much from anywhere else besides our social security.

My husband came here as an immigrant over 50 years ago, became a citizen and worked very hard, his whole life to be able to retire at this point in time, without having to have anyone else, give him a hand out.

We’ve always instilled in our three adult children, we have to be a contributor to society, not a debt to society. Contributor meaning, work hard so that you can live by the fruits of your labor when you retire. You don’t have to be rich, but at least you can get by, taking care of yourself without having to ask for assistance from anyone.

No one owes anyone anything no one is entitled to a hand out, you need to work hard and earn it.

We pay our taxes on our rental just like everyone else does but feel those of us who own one condo or one residential property should not be punished and having to take care of someone else’s personal needs or circumstances.

I understand Concord is being pressured to make rules and regulation on rental control because of political agendas and reasons being the city getting sued for not having rental control however, we need to just make sure we try to be as fair as possible on both sides, especially for the moms and pops that own just one property and have been Working very hard to at least try to maintain a property for supplemental retirement.

We should not be punished because of the corporate companies or companies in general wanted to make this a business.

Why should we have to pay a tenant if we give them more than sufficient enough notice to move, due to the fact, my husband or I having health issues and needing to move back into our own property, why would we be punished and have to assist them in their cost of moving?? no one would be assisting us with my move. honestly, this is all absolutely ludicrous and I’m hoping we are able to resolve this where it would be as fair as possible for all.

Sent from my iPhone
Please do not approve rent control in Concord. It is a failure for the mom and pop homeowners and historically been a disaster for the community.
Thank you
Fred Orantes
VOTE NO!

This is not a class issue, this is not a race issue, this is an economic issue. The separation that tenants rights orgs have inserted into this debate makes no sense. Emotion does not and cannot replace facts.

RENT STABILIZATION
- is a fancy name for rent control also known as price fixing
- When called by it’s name, we can all see it for what it is... trouble
- City councils such as this one often make four mistakes:
  - Mistake # (1) they assume that they have one “client” (that is the poor hapless tenant), instead of recognizing the reality that as elected officials they are helping shape policy for ALL residents and this includes landlords.
  - Mistake # (2) they assume a “open” economic system (that is a decision to take from one area does not have an impact in another), instead of recognizing the reality that it is a closed economic system - if you make a change in one place (ie hold rental prices fixed) you impact another place (ie landlords cannot pay their bills and contractors are DISincentivized to build - making housing shortages worse).
  - Mistake # (3) they learn nothing from facts (which don’t care about your feelings). That is they ignore how rent control has failed EVERY time and EVERY where (see 15th century Florence, 17th Century France, and in modern time 1920s NY, and 1970s CA. And
  - Mistake # (4) they never have to feel the impact of the consequences that flow from their bad policy decisions.
  
  - Looking at Mistake #3 - the fact that rent control has and will always fail to “secure housing against potential homelessness”, we see clearly on this chart why rent control fails - it creates housing shortages by keeping rental prices artificially low
  - there’s a great article explaining this at https://www.biggerpockets.com/blog/rent-control-does-not-work-but-the-government-keeps-doing-it#

JUST CAUSE FOR EVICTION
- this has the same problem that rental price fixing has. Government interference in the free market. As we just discussed, the market self-corrects. Interference leads to “unintended consequences”, including landlords pulling property from the market to avoid these interferences in their contracts. And protect their property rights (eg to have a college child move home).
- Tenants are not hapless piglets that need to be coddled in rental contracting and landlords are not big bad wolves.
- Tenant demands, not governmental terms, should set housing terms in contracts.
Dear Mayor Birsan and Members of the City Council,

I am extremely concerned about your strict rent control proposal and urge you to vote no.

I maintain my position that the development of this disastrous ordinance has been predicated on false allegations that Concord housing providers gouge renters and terminate tenancies in mass numbers. Don’t ignore the fact that your own rent registry data shows that in 2022 rent increases were at or below the state-mandated rent cap outlined in the Tenant Protection Act of 2019, passed as AB 1482, and that 93.8% of tenancy terminations were due to renters voluntarily moving out and not due to an owner-initiated termination.

Your revised rent control ordinance has gone too far by capping rents so low that a housing provider will struggle to maintain the property. The relocation fees are excessive and will deter housing providers from keeping their units in the rental market. The new attempt to require a percentage of ownership to constitute an owner move-in -- plus residency requirements and a 1:1 provision -- is more government overreach.

Please look at the data and reject this ordinance. Do not subject Concord to a damaging housing environment.

Regards,
Patty Garaventa, Member
Z Family Investments, LLC

Sent from my iPhone
Dear City Council members of Concord:

I have been following with great distress the hearings about imposing new rent controls in the City of Concord. I am a small landlord in the city of Concord. I started investing in real estate at a very early age and worked extremely hard to build a small real estate portfolio. I am now retired and depend solely on my rentals in Concord for my retirement income. I have watched as landlords have been subjected to new fees and inspections every few years, new supplemental taxes, and various other takeaways in an apparent effort to eat away at our hard earned income. As a rule, I have refrained from rent increases for existing tenants and would only raise rents at move-out time, after upgrades and repairs for new tenants. If you impose further rules and restrictions, I will be forced to raise rents to the maximum allowed to avoid falling behind which is just one of the effects of rent control. I exchanged my properties in San Francisco to Concord to avoid the onerous rent control laws enacted there many years ago. Large developers and landlords eventually took over a large percentage of rentals in San Francisco, evicted tenants and raised rents or sold them as condominiums at great profits. I implore you to moderate your decisions regarding rent control in Concord, bearing in mind the damage you will do to the small landlord, and the inevitable net negative effects on tenants. We do not want to become another San Francisco, the city I grew up in, in many respects a now failed city.

Thank you for your thoughtful consideration.

JM
Rent Stabilization and Just Cause for Eviction

CONCORD CITY COUNCIL

JANUARY 30, 2024
January 30, 2024

The City Council held a public hearing on rent stabilization and just cause for eviction policies on December 12, 2023, which was continued to January 9, 2024, and further continued to a special Council meeting being held tonight, January 30, 2024, to enable additional public input and Council deliberation.
Recommended Action

1. Direction from Council on the following matters pertaining to just cause, no-fault evictions for owner move-ins:
   a) Percentage of ownership required to constitute an owner move-in.
   b) The length of time an owner is required to reside in the unit after moving in.
Recommended Action

2. Introduction of a revised Ordinance amending the Concord Municipal Code by amending Concord Municipal Code Chapter 19.40 “Residential Tenant Protection Program” to increase “just cause” eviction protections, expand the City’s rent registry, and establish a rent stabilization program, by reading of the title only and waiving further reading.
January 9 City Council Meeting

At its meeting held on January 9, 2024, Council provided feedback to staff on the previous draft ordinance:

• Accessory Dwelling Units: only permitted ADUs are exempted

• Permanent Relocation Assistance Amount = 3X HUD Fair Market Rent + $3,000 (moving stipend), with 1 month of increased assistance for protected tenants

• Any violation of the ordinance is defense to an unlawful detainer
At its meeting held on January 9, 2024, Council provided feedback to staff on the previous draft ordinance:

• Owner Move-In: if tenant household being displaced contains a member that is disabled, senior, or terminally ill, the owner moving in must also be either disabled, senior, or terminally ill

• Fair Return on Investment provisions include language similar to that of the City’s current Mobile Home Rent Stabilization Ordinance

• Ellis Act is intended to be fully implemented
At its meeting held on January 9, 2024, Council provided feedback to staff on the previous draft ordinance:

- Exempt affordable properties from rent stabilization provisions which have annual rent increase caps which are documented in agreements with, and enforceable by, the City or other governmental agencies

- Remove rent stabilization retroactivity clause and replace with a rent rollback clause that resets rents to January 12, 2023 levels with any allowable lawful rent increases
Affordable Housing with Existing Rent Increase Percentage Cap

- Coral Court and Sunset Pines - 4% per year rent increase cap
- County Agreements - 5% per year rent increase cap
- Rick Judd Commons (under construction and not subject to rent stabilization provisions)
19.40.020 General Applicability of Chapter; Exemptions (b)(3)

Dwelling Units that are either restricted by the City or other governmental agency as affordable housing for persons or families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code to the extent that such Dwelling Units are subject to rent increase restrictions equal to or less than five percent (5%) annually and enforceable by the City or other governmental agency pursuant to a deed, regulatory restriction contained in an agreement, or other recorded document.
# Next Steps

## Tonight’s Decision

<table>
<thead>
<tr>
<th>If the revised draft ordinance is introduced on January 30, 2024:</th>
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<tbody>
<tr>
<td>Important Dates</td>
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<tr>
<td>• Staff will return to Council on February 13 for ordinance adoption</td>
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<tr>
<td>• Ordinance to “go live” as of March 14, 2024</td>
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<th>If Council provides additional direction and continues the item to the February 13, 2024:</th>
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<tr>
<td>Important Dates</td>
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<tr>
<td>• Council introduces item on February 13, 2024</td>
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<tr>
<td>• Council adopts ordinance on March 5, 2024</td>
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<tr>
<td>• Ordinance to “go live” as of April 4, 2024</td>
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Next Steps Continued

- **February 27, 2024**: Staff will return to Council with a modified Rent Registry fee schedule and budget adjustments for the new staff positions as part of the Mid-Year Budget review.

- **December 2024**: Publish the 4th Annual Rent Registry report which will be the first report under the new program (the 3rd annual report is anticipated to be published in February of 2024).

- **January 2025**: Staff to make a six-month program update presentation at a Council meeting.
Questions?