



California Apartment Association

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August 3, 2022

**Via Electronic Mail Only**

Hon. Dan Hillmer  
Mayor  
City of Larkspur  
400 Magnolia Avenue  
Larkspur, CA 94939

**RE: August 3, 2022 City Council Agenda Item 8.1-Request to Discuss Rent Control**

Dear Mayor Hillmer & Councilmembers:

The California Apartment Association (CAA) is the non-profit trade organization providing services to rental housing providers across the state and is proud to represent Marin County housing providers who provide thousands of homes for Marin County residents, especially “mom and pop” operators who rely on their rental investments to sustain their retirement. In fact, most of Larkspur’s multi-unit rental housing is owned by local Marin County residents who would be drastically impacted by any new regulations that affect their rental properties.

CAA opposes any efforts by the Larkspur City Council to develop new regulations on residential rental housing recognizing the robust tenant protections that already exist, the costs associated with implementing new regulations, and the demographics of Larkspur and its rental housing providers.

**Application of Local Price Controls will be Limited**

According to the United States Census Bureau, there are approximately 3,000 renter households in Larkspur. It is important to put that information in context with the demographics and characteristics of Larkspur’s rental housing:

- CoStar, a provider of data on real estate and multifamily housing ownership and market trends identified 1,292 housing units in Larkspur in 27 multi-unit buildings of two (2) units or more.
- 93% of the multi-unit buildings are locally owned by Marin and/or San Francisco County owners.
- The remaining approximately 1,700 rental housing units in Larkspur are more than likely single-family homes, condominiums, town homes or accessory dwelling units. California Civil Code Section 1954.52(a)(3)(A) prevents a local government from regulating rent prices on these types of rental properties.

**Rent Control is a Costly Bureaucracy**

The various cities across the state that have implemented rent control have done so at great cost to the city and local taxpayers. Most local rent control programs require numerous full-time staff to manage the program, develop and implement regulations, constantly update regulations, and enforce the law. At the last meeting, Mayor Hillmer

accurately identified that there could be significant cost to moving forward with a rent control program. In fact, the California cities that have rent control combined spend over \$55-million each year just to implement such programs.

The table below show the approximate budget for various rent control programs in cities across the state using publicly available data:

<b><u>City</u></b>	<b><u>Rent Regulated Units (Approximate)</u></b>	<b><u>Annual Budget (Approximate)</u></b>
<b>Alameda</b>	16,000	\$2,368,000
<b>Berkeley</b>	19,436	\$4,900,000
<b>Beverly Hills</b>	7,700	\$1,400,000
<b>East Palo Alto</b>	2,325	\$637,370
<b>Hayward</b>	22,000	\$880,000
<b>Los Angeles</b>	638,000	\$25,800,000
<b>Mountain View</b>	16,000	\$2,200,000
<b>Richmond</b>	8,368	\$2,800,000
<b>San Francisco</b>	180,000	\$8,200,000
<b>San Jose</b>	39,000	\$3,200,000
<b>Santa Monica</b>	27,542	\$5,800,000
<b>West Hollywood</b>	16,832	\$4,500,000

Many of these cities have full time staff, lawyers, and entire departments established to develop regulations, enforce the ordinance, address landlord-tenant disputes, track rent adjustments, monitor tenancy terminations, and hold quasi-judicial hearings to resolve petitions from landlords and tenants when they seek to increase or lower rental rates. Marin County, as discussed later in this communication, already has programs in place to address landlord-tenant issues that are cost effective and should be fully utilized.

### **Larkspur City Council Embraced State Rent Regulation**

The Tenant Protection Act of 2019 (also known as AB 1482, a reference to the bill number that enacted the law) created: (1) statewide rent control that limits rent increases to 5% plus inflation with a limit of 10% annually; and (2) eviction protections that apply to most rental properties in the state, protecting tenants from eviction without a just cause. Under this law, a tenant can only be evicted for such things as: failure to pay rent, committing a nuisance on the property, committing criminal activity on the property, or an owner seeking to move into their own unit after compensating the tenant. This comprehensive statewide renter protection law created consistent renter protections across the state for most rental units.

In December 2019, following several months of meetings and stakeholder engagement, the Larkspur City Council, by unanimous consent, embraced the California Tenant Protection Act and cited its adoption as a key reason for not pursuing local rental housing regulations. AB 1482 took effect on January 1, 2020; less than 75 days later the wave of state and local eviction moratoria and other regulations took effect, some which remain in effect today, thus not allowing AB 1482 to take full effect or allow policy makers to see the full effects of AB 1482.

### **State & Local Tenant Protections Already Exist**

In addition to the protections afforded to all renters by AB 1482, Marin County renters have access to a variety of resources to address disputes with their landlord. The Marin County District Attorney's office maintains a landlord-tenant dispute resolution program that is available at no cost to all Marin County residents. Mediation has shown to be an effective tool to aid in resolving landlord-tenant disputes and is already in effect as a formal process for rent increases for residents of unincorporated Marin County, the City of San Rafael, and the City of Fairfax.

It should also be noted that California Civil Code Sections 1940.35 and 1942.5 prohibits landlords from retaliating against tenants. It is illegal for a landlord to retaliate against a tenant in California who has exercised a legal right, including, but not limited to:

- complaining to the landlord about unsafe or illegal living conditions.
- notifying a government agency, such as a building or health inspector, about unsafe or illegal living conditions.

Rather than consider a drastic regulation like rent control—which is costly, requires significant staffing, and will likely not serve all Larkspur renters equally, the Larkspur City Council should recognize that this issue is coming before the you from what appears to be a lack of awareness of the current protections offered under existing laws. Rental housing providers are committed to working with their tenants, following the law, communicating with their residents, and are investing in the community to improve and preserve homes for Larkspur families.

In this instance, working to further enhance communication between both parties and ensure renters are aware of their rights while know they can safely bring forward issues related to their housing unit or proposed rent increase will address the many concerns Larkspur renters are bringing forward at this time.

Thank you for your service to the community.

Sincerely,

A handwritten signature in black ink, appearing to read "Joshua Howard". The signature is fluid and cursive, with a large initial "J" and "H".

Joshua Howard  
Executive Vice President, Local Government Affairs  
California Apartment Association