



California Apartment Association

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March 15, 2023

Hon. Gabe Paulson
Mayor
City of Larkspur
400 Magnolia Avenue
Larkspur, CA 94939

RE: Agenda #8 Rent Regulations, Rental Assistance, and Eviction Protections

Dear Mayor Paulson and Councilmembers,

The California Apartment Association (CAA) is the largest statewide trade organization representing rental housing providers and operators in the country. We proudly represent hundreds of rental housing providers in Marin County who collectively provide homes for more than 30,000 local families.

CAA unequivocally opposes efforts by the Larkspur City Council to adopt any regulations on rental housing that go beyond what is already established in the California Tenant Protection Act of 2019 (TPA). Although numerous public meetings have been held, there is little, if any, quantifiable evidence that supports Larkspur adopting legislation to address a specific problem.

This lack of data is only exacerbated by significant deficiencies, flawed assumptions, and misleading information contained in your staff report on this issue as outlined below:

Report Does Not Identify the Displacement “Threat”

The staff report states the Rent Stabilization Ad Hoc Committee identified the “threat” of displacement in Larkspur and the possible repercussions for the Larkspur community. It is unclear, however, how this outcome was determined or the significance of the threat.

CAA is compelled to ask if there was a data driven concern for arriving at the conclusion that displacement was so widespread in Larkspur that it warrants a sweeping policy response. The city has failed to provide the public with concrete evidence that residents are moving from their homes for a “no fault” reason outlined in the TPA that warrants a doubling of the relocation assistance payments outlined in State law.

No Analysis on Rent Control

The staff report's attempt to rebrand rent control as a "4% rent cap" is nothing more than semantics. First, your staff report fails to clear cite any of the numerous economic studies that demonstrate rent control is a failed policy that leads to housing shortages, a loss of naturally occurring affordable housing, or how it fails to directly and significantly benefit lower-income families.

The community of Larkspur is owed a comprehensive analysis, not speculative overgeneralized statements to justify any form of housing regulations. It is evident from the staff report that the notion of moving forward with rent control is a proposition to provide a solution to an issue when no clear, concrete problem has been identified to solve.

Local rent control comes at great cost to the city and local taxpayers. To enforce a local rent control law with adequate full-time staff and resources costs hundreds of thousands of dollars each year. The notion that enforcement can be outsourced to a nonprofit law firm or a city in Alameda County not only shirks the city's own duty to enforce its laws but empowers a biased, self-interested party to seek an outcome that favors the enforcer's business interest over the community's best interests.

Some claim that charging a housing provider an additional \$200 per unit per year is a nominal fee. That shortsighted and ill-informed perspective fails to recognize that this additional expense is in addition to the housing provider seeing immediate limits on their business income coupled with needing to hire their own additional staff, consultants, and lawyers just to comply with the new local rent control regulation.

The city staff's suggestion to limit rent increases to a range of 1%-4% does not acknowledge that housing providers must keep up with increasing operating costs. Larkspur's rental housing is primarily owned by local families who have worked hard to invest in their community and provide safe, clean, and stable homes for their residents. By adopting any form of rent control, Larkspur would be punishing local residents who have owned these homes for decades with little, if any, clear mechanism to ensure they can continue to invest in the sustainability of those rental homes.

No Analysis on TPA Education or Alternatives

Larkspur renters have robust protections and resources under the TPA as noted above. State law currently protects tenants from their leases being terminated without reason, relocation assistance if the eviction is at no fault of the renter, and a rent increase cap of inflation plus 5% not to exceed 10%. However, rather than work in

partnership to educate renters about those rights and landlords about their responsibilities, the city seems determined to regulate for the sake of regulating.

Conclusion: Don't Regulate for the Sake of Regulating

Suggesting policy solutions without an identified problem is legislative negligence. Larkspur implementing misleading policy without proper analysis will have dire consequences to the housing stock, taxpayers, and city finances.

To say that these protections do not exist is nothing more than misleading fearmongering by the same organizations that fought so hard for and celebrated the passage of the TPA in 2019.

The city council would be well served to focus its energy and efforts on education of existing law and ensuring sufficient homes are built that are affordable and available to meet the needs of Larkspur families. CAA has been recognized for its robust outreach and compliance with education materials on this law and is prepared to work with the City of Larkspur to ensure both housing providers and their residents are aware of their rights and responsibilities.

Sincerely,

Angelina Soldatos

Angelina Soldatos
Director of Local Public Affairs
California Apartment Association