



REGULAR MEETING AGENDA

Date: 10/10/2018

Time: 6:30 p.m.

**Arrillaga Family Recreation Center – Cypress Room
700 Alma St., Menlo Park, CA 94025**

A. Call To Order

B. Roll Call

C. Public Comment

Under “Public Comment,” the public may address the Commission on any subject not listed on the agenda. Each speaker may address the Commission once under Public Comment for a limit of three minutes. The Commission cannot act on items not listed on the agenda and, therefore, the Commission cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

D. Regular Business

- D1. Approve minutes for the Housing Commission meeting of September 12, 2018 and accept the meeting notes from the community meeting of September 13, 2018 ([Attachment](#))
- D2. Review and consider making a recommendation to the City Council to enact a tenant relocation assistance ordinance ([Staff Report #18-018-HC](#))
- D3. Discuss and recommend future agenda items

E. Reports and Announcements

- E1. Subcommittee reports (10 minutes):
 - Anti-Displacement Subcommittee (Grove/Horst/Merriman)
 - Below Market Rate Housing Guidelines Subcommittee (Dodick/Grove)
 - Housing Policy Subcommittee (McPherson/Merriman/Tate)
 - Marketing Subcommittee (McGraw-Scherer/Horst)
 - Notice of Funding Availability Subcommittee (McGraw-Scherer)
- E2. Commissioner reports
- E3. Staff updates and announcements

F. Adjournment

At every Regular Meeting of the Commission, in addition to the Public Comment period where the public shall have the right to address the Commission on any matters of public interest not listed on the agenda, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during the Commission’s consideration of the item.

At every Special Meeting of the Commission, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during consideration of the item.

Any writing that is distributed to a majority of the Commission by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the City Clerk's Office, 701 Laurel St., Menlo Park, CA 94025 during regular business hours.

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REGULAR MEETING MINUTES - DRAFT

Date: 9/12/2018
Time: 6:30 p.m.
Menlo Park Senior Center
110 Terminal Ave., Menlo Park, CA 94025

A. Chair McGraw-Scherer called the meeting to order at 6:40 p.m.

B. Roll Call

Present: Meg McGraw-Scherer, Julianna Dodick, Karen Grove, Nevada Merriman

Absent: Rachel Horst, Wendy McPherson, Michele Tate

Staff: Interim Housing and Economic Development Manager Clay Curtin,
Management Analyst II Mike Noce

C. Public Comment

No public comments were received.

D. Regular Business

D1. Approve minutes for the Housing Commission meeting of August 8, 2018 (Attachment)

ACTION: Motion and second (Grove/McGraw-Scherer) to approve the August 8, 2018, Housing Commission meeting minutes. The motion passed (4-0-3); Horst, McPherson and Tate absent.

D2. Update and quarterly report from Hello Housing (Attachment)

The Housing Commission reviewed the Hello Housing quarterly report with no further questions.

D3. Review and gather additional public comment on the draft ordinance establishing tenant relocation assistance (Staff Report #18-017-HC)

Interim Housing and Economic Development Manager Clay Curtin introduced the item and gave a presentation highlighting key provisions of the draft tenant relocation assistance ordinance.

- Dawson Coblin spoke about the financial impacts and legal burdens on landlords
- Luis Carrial, Redwood Landing Tenant Union, spoke about large rent increases and potential displacement in the future.
- Sandra Zamora, Redwood Landing Tenant Union, spoke about the hardships created by large rent increases and expresses support for the draft ordinance.
- Eisabel Coronel spoke about recent rent increases and her family's potential future displacement.
- Mark Nagales, Project Sentinel, shared information about services offered and reported 1,910

assistance requests from San Mateo County residents last year (51 from Menlo Park).

- Keith Ogden, Community Legal Services in East Palo Alto, spoke in support of the tenant relocation assistance ordinance. He reported that an average of 17% of families in the eviction process will become homeless as a result of their displacement.
- LaTrice Taylor, Samaritan House, spoke about tenant services offered, including emergency rent and security deposit assistance in addition to food services.
- Owen Lewis, California Apartments Association, expressed opposition to the draft ordinance.
- Courtney Pal, Friends of Caltrain, spoke in support of the draft ordinance and the urgency provision.
- Jeff Deng spoke in opposition to the ordinance.
- Shirley Gibson, Legal Aid Society of San Mateo County, made a presentation (Attachment) and shared data about the effects of the housing crisis on low income and minority populations. Gibson spoke in support of the draft ordinance and highlighted the importance of fair housing practices.
- Pastor Bains, Project We Hope and Saint Samuel Church, spoke in support of the draft ordinance.
- Dr. Nuriel Moghavam, neurologist at Stanford Hospital, spoke in support of the draft ordinance and described impacts of housing security on his patients, especially those with previously existing disabilities or illness.
- Lynn N. Huidekoper, Stop the Ban Coalition, spoke in support of the draft ordinance and additional rent stabilizing measures.
- Nina Woke, spoke in support of the draft ordinance.
- Meina Young expressed opposition to the draft ordinance and shared problems of rent control measures in San Francisco.
- Wendy Wong expressed opposition to the draft ordinance and shared problems of rent control measures in San Francisco, including related housing shortages.
- Penelope Huang expressed opposition to the draft ordinance.
- Pamela Jones spoke in support of the draft ordinance.
- Daniel Valverde, Housing Leadership Council of San Mateo County, spoke in support of the draft ordinance and reported that San Mateo County has added 19 jobs for every 1 unit of housing.
- Steven Jackson spoke in support of the draft ordinance.
- Cecilia Taylor spoke in support of the draft ordinance.

Chair Meg McGraw-Scherer invited members of the public to attend the next community meeting on Thursday, September 13, 2018 and the October 10, 2018, Housing Commission regular meeting.

D4. Update on the release of the 2018 Notice of Funding Availability (NOFA) (Attachment)

Interim Housing and Economic Development Manager Clay Curtin shared an updated timeline for the NOFA to receive City Council approval at one of the October City Council meetings.

ACTION: Motion and second (Grove/Merriman) to delegate Commission approval of the draft NOFA document to the NOFA subcommittee to review and approve for recommendation to the City Council. The motion passed (4-0-3); Horst, McPherson and Tate absent.

D6. Discuss and recommend future agenda items

Items suggest for future Housing Commission agendas included:

1. Additional anti-displacement measures

2. BMR fees

E. Reports and Announcements

E1. Subcommittee reports (10 minutes):

Anti-Displacement Subcommittee (Grove/Horst/Merriman) – The committee had one meeting over the last month to discuss possible measures the commission the Housing Commission may want to discuss and explore in the future months.

Below Market Rate Housing Guidelines Subcommittee (Dodick/Grove) – The committee has an upcoming meeting on Friday, September 13, 2018, with City staff and employees from 21 Elements.

Housing Policy Subcommittee (McPherson/Merriman/Tate) – No report

Marketing Subcommittee (McGraw-Scherer/Horst) – No report

Notice of Funding Availability Subcommittee (McGraw-Scherer) – Chair Meg McGraw-Scherer reported work on the NOFA is in progress with the goal of sending to City Council in October.

E2. Commissioner reports

Commissioner Grove shared there will be a Habitat for Humanity breakfast and presentation on Friday, November 2, 2018 from 7:30–9:30 a.m. at the Sharon Heights Golf and Country Club. Tickets available on the Habitat for Humanity, Greater San Francisco website.

Commissioner Merriman will be a speaker at the 2018 NPH Affordable Housing Conference on Friday, September 21, 2018, at the San Francisco Marriott Marquis.

E3. Staff updates and announcements

Interim Housing and Economic Development Manager Curtin provided the following updates:

- Recruitment will begin for the Deputy Community Development Director-Housing. This new position was part of City Council's approval of adding additional job titles to the City's salary schedule. The position will replace the Housing and Economic Development Manager position.
- Two management analyst positions in the Housing and Economic Development Division are currently in the recruitment progress.
- There have been multiple transitions in the Public Works Department. Assistant Public Works Director Nikki Nagaya and City Engineer Azalea Mitch have recently left the organization. Staff does expect some project timelines will require adjustments.

F. Adjournment

Chair McGraw-Scherer adjourned the meeting at 9:27 p.m.

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TENANT RELOCATION ASSISTANCE COMMUNITY MEETING NOTES - DRAFT

Date: 9/13/2018
Time: 6:30 p.m.
Menlo Park City Council Chambers
701 Laurel Ave., Menlo Park, CA 94025

Note: This was announced as a community meeting only (not a Housing Commission meeting) and there was not a quorum of Housing Commissioners present and no agenda was required or posted in accordance with the Brown Act.

A. Staff Clay Curtin welcomed attendees to the Tenant Relocation Assistance Community Meeting.

B. Staff Presentation

Staff Clay Curtin provided a PowerPoint presentation highlighting key provisions of the draft ordinance.

C. Public Comment

- Maya Sewald spoke in opposition to the draft ordinance.
- Leora Ross, Housing Leadership Council, spoke in support of the draft ordinance.
- Bill Nack spoke in support of the draft ordinance.
- Curt Conroy spoke in opposition to the draft ordinance and reported on economist Steven Barton's research on the impact of rent control ordinances decreasing housing stock.
- Julie Shanson, Belle Haven Action, spoke in support of the draft ordinance and reported 18% of evictions that reach the San Mateo County court system result in homelessness of the tenants.
- Matthew Burriesci, spoke in opposition to the draft ordinance.
- Sarah Chaffin spoke in support of the draft ordinance but called for exclusion or protections for small landlords.
- Patricia McBrayer spoke in support of the draft ordinance.
- Peter Hart spoke in opposition to the draft ordinance and called for an exclusion of single-family homes.
- Cheryl Beecher spoke in support of the draft ordinance.
- Dr. Valerie Kuletz shared her personal experience with a "no fault" eviction from her Menlo Park apartment.
- Victoria Robledo spoke in support of the draft ordinance.
- Sandra Zamora spoke in support of the draft ordinance.
- Pastor Bains spoke in support of the draft ordinance.
- Duane Goff spoke in support of the draft ordinance.
- Pamela Jones spoke in support of the draft ordinance.
- Maryam Young spoke in support of the draft ordinance.
- Nazanin Salehi spoke in support of the draft ordinance.
- Sarah Ordaz spoke in support of the draft ordinance.
- Jeff Deng spoke in opposition to the draft ordinance.
- Kelsey Banes spoke in support of the draft ordinance.
- Rhovy Lyn Antonio, California Apartment Association, spoke in opposition to the draft ordinance

as written.

- Ryan Carrigan, Silicon Valley Realtor Association, spoke in opposition to the draft ordinance and believes it violates the Costa-Hawkins Act and could result in legal liability for the City.

D. Adjournment

The meeting ended at 8:28 p.m.



STAFF REPORT

Housing Commission

Meeting Date:

10/10/2018

Staff Report Number:

18-018-HC

Regular Business:

Review and consider making a recommendation to the City Council to enact a tenant relocation assistance ordinance

Recommendation

Staff recommends the Housing Commission review and consider making a recommendation to the City Council that it enact a tenant relocation assistance ordinance.

Policy Issues

At its August 22, 2017, meeting, the City Council identified tenant relocation assistance as a priority one recommended policy, from among several enhanced housing policy considerations.

Background

On January 10, 2017, the City Council held a study session on addressing the concerns regarding residential displacement in Menlo Park. The study session included Housing Commissioners Tate and Dodick as well as a panel of four housing experts. Staff presented 10 policies that have been commonly used or considered in other cities, including rent control, just cause eviction, relocation assistance and mandatory non-binding arbitration, among others. At that time, the City Council did not support dedicating any staff resources to exploring rent control or just cause eviction. The City Council referred the remaining eight recommended policies, along with seven others introduced by the expert panel, to the Housing Commission for prioritization. The Housing Commission reviewed the policy table over the course of three consecutive monthly Housing Commission meetings, received input from stakeholders and experts and developed a recommended prioritization list.

Staff presented this recommended prioritization list at the August 22, 2017, City Council meeting where the City Council approved the Commission's recommendations without changes.

At its July 11, 2018, regular meeting, the Housing Commission reviewed a draft of the proposed tenant relocation assistance ordinance and recommended changes in regards to the urgency of the ordinance, the household eligibility criteria, the indexing of rent increases to the consumer price index plus 5 percent, the definition of applicable residential units, inclusion of special circumstance provisions and a rental subscription service.

At its August 8, 2018, regular meeting, the Housing Commission modified the eligible tenant definition to include any tenant residing in a rental unit for 12 months or more, subject to an annual household income limit equal to two-hundred percent (200%) of the area median household, and added an owner move-in exemption. The Commission also scheduled two public meetings for September 2018, to gather further public input.

Staff created a project page for the proposed tenant relocation assistance ordinance on the city website (menlopark.org/relocationassistance), which includes the full text of the ordinance.

The September 2018 meetings were noticed during the week of August 27, 2018, via mailed postcards to all Menlo Park properties and property owners (including out of town property owners). Additionally, interested organizations who had previously contacted the city about the draft ordinance were also invited to provide comments. These organizations included housing advocacy groups, landlord-tenant mediation services, the California Apartment Association and realtors.

During the September 12, 2018, Housing Commission meeting and the September 13, 2018, community meeting, the City received approximately five hours of public testimony. In addition, many emails and letters have been received and are provided for review in Attachment B.

Analysis

Tenant relocation assistance can provide a safety net to renters who are displaced from their current housing and find themselves facing sudden homelessness. The assistance is often provided in the form of cash payments that can be used by the displaced tenant to address the financial challenge of securing alternate housing (first and last month's rent, security deposit, etc.) and pay related expenses (moving costs, utility deposits, etc.). While this is a traumatic and daunting experience for any tenant, it is especially difficult for low-income households. By reducing the financial impacts of unexpected displacement, a relocation assistance ordinance can help keep more of these residents in Menlo Park, reduce household disruption and preserve community continuity.

After hearing from tenants and landlords, staff has modified the ordinance (Attachment A) as follows:

- Updated the findings to further bolster the emergency nature of the ordinance
- Updated the findings to clarify and justify the basis for the amount of the proposed relocation payment.
- Included a financial hardship waiver. Menlo Park has a similar hardship waiver in its BMR Guidelines and these types of provisions are common in this type of legislation. Financial hardship waivers would be decided by the City Council with the landlord having the burden of proof (Section 8.55.100)
- Clarified that the natural expiration of the one year lease term required by Chapter 8.53 does not trigger a relocation payment (Section 8.55.020 (d)(2))

The sections below highlight several key provisions of the updated draft ordinance.

Urgency ordinance provision

Under California Government Code §36937, urgency ordinances that take effect immediately for the preservation of the public peace, health, or safety, must contain a declaration of the facts constituting the urgency, and be passed by a four-fifths vote of the City Council. The updated draft ordinance has a section for urgency findings and currently includes case data provided by Legal Aid of San Mateo County. Through the public comment process, it is possible that additional supporting data could become available and be added to the urgency findings. When adopting urgency ordinances, the best practice is to consider concurrently a similar ordinance on a non-urgency basis following the usual procedure (two readings) in the event the urgency ordinance fails to get the four-fifths vote needed or in the event its urgency findings are challenged. If the urgency ordinance is challenged, the non-urgency version of the ordinance will already have taken effect, thereby limiting the "gap" in coverage to the brief window between the effective dates of the emergency and regular ordinances.

Eligible tenant

The definition of eligible tenant includes any tenant who resides in an eligible rental unit for 12 months or more (in alignment with the City's 12-month lease ordinance) and whose income does not exceed two-hundred percent (200%) of the area median household income adjusted for household size, as published by the State of California Department of Housing and Community Development.

For reference, the table below shows the 2018 income limits for single person, 2-person and 4-person households.

2018 California State Income Limits for San Mateo County Households						Commission-discussed income limits	
Household size	Extremely low-income	Very low-income (50% AMI)	Low-income (80% AMI)	Area median income	Moderate income (120% AMI)	150% AMI	200% AMI
1-Person	\$30,800	\$51,350	\$82,200	\$82,900	\$99,450	\$124,350	\$165,800
2-Persons	\$35,200	\$58,650	\$93,950	\$94,700	\$113,700	\$142,050	\$189,400
4-Persons	\$44,000	\$73,300	\$117,400	\$118,400	\$142,100	\$177,600	\$236,800

Market rents in Menlo Park are often significantly higher than those rents in several other San Mateo County communities, and have become increasingly out of reach for even moderate-income households (defined as 80 percent to 120 percent area median income). Using the federal government's definition of rent burden (e.g., a household should spend no more than 30 percent of household income for rent), a 4-person household should spend no more than \$2,960 per month for rent. Between September 2015 and September 2018, the average effective rent for a two-bedroom apartment in Menlo Park was \$3,685.

The table below shows the federally defined rent burden guideline for various income levels as compared to the average market rate rent for a two-bedroom Menlo Park apartment.

Federally defined rent burden versus average monthly rent for a 4-person household and a two-bedroom Menlo Park apartment over a 4-year period (September 2015 to September 2018)						Commission-discussed income limits	
	Extremely low-income	Very low-income (50% AMI)	Low-income (80% AMI)	Area median income	Moderate income (120% AMI)	150% AMI	200% AMI
Federal rent burden monthly rent limit	\$1,100	\$1,833	\$2,935	\$2,960	\$3,553	\$4,440	\$5,920
Average monthly rent for a two-bedroom apartment	\$3,685	\$3,685	\$3,685	\$3,685	\$3,685	\$3,685	\$3,685
Difference	(\$2,585)	(\$1,853)	(\$750)	(\$725)	(\$133)	\$755	\$2,235

Landlord-caused termination

Landlord-caused termination is defined to include situations where a landlord provides an eligible tenant with a significant rent increase and the tenant elects to move out (likely due to inability to pay the significant rent increase). It also includes situations where a landlord takes action to terminate the tenancy of an eligible tenant, with clearly outlined exceptions for the tenant's 1) failing to pay rent; 2) breach of the rental agreement; 3) continuing to commit or expressly permit a nuisance in the rental unit; 4) owner-

move-in; or 5) natural expiration of a lease term (expiration of a one-year rental agreement is provided for in Chapter 8.53 of the municipal code).

At the August 8, 2018, Housing Commission meeting, the Commission specifically asked staff to include an owner move-in exception to provide relief for landlords and their families who may need to move back into their rental unit due to their own financial hardship. This exemption includes a clause that use of the rental unit by the landlord under this provision must be for a period of at least 12 months; otherwise, relocation assistance would still have to be paid to the displaced tenant.

Rental unit

The definition of rental unit in the draft ordinance includes any housing unit in the city (including, but not limited to: multifamily housing, condos, duplexes and single-family homes), except for 1) affordable housing units already required to be rented at restricted rents to income-qualified tenants; 2) secondary dwelling units (commonly referred to as “granny units,” “in-law units,” or backyard cottages; and 3) owner-occupied single-family residences where a room is rented to a third party.

The second and third exclusions were included to provide additional leeway for property owners who are living in close proximity to their third-party tenant and would not want to be forced to keep a problematic tenant because of the burden to pay relocation assistance.

Significant rent increase

A significant rent increase is defined in the draft ordinance as any increase that raises the rent, or proposed multiple rent increases that cumulatively raise the rent during any 12-month period, to an amount more than the previous year’s consumer price index plus 5 percent above the base rent for that same period. This formula is based on California Penal Code §396, which governs price increases during a declared disaster or state of emergency and a report by the UC Berkeley Turner Center for Housing Innovation, which proposes an anti-gouging policy for rent increases.

Relocation assistance

The definition of relocation assistance to be provided to eligible tenants identifies three months of the most current applicable Menlo Park market rate rent, as published by the city, or three times the monthly rent that tenant was paying at the time of landlord-caused termination notice. It also includes a 60-day subscription to a rental agency service and provides for one additional month’s rent for special circumstance households (elderly, individual with a disability, or one or more minor children in the household).

Landlords would be required to pay one-half of the relocation assistance payment no later than five business days following receipt of written notice that the tenant plans to vacate the unit or following service of the notice of a landlord-caused termination. The landlord would also be required to provide the tenant with the 60-day subscription to a rental agency service within the same timeline.

The balance of the relocation assistance payment would be payable no later than five days after the tenant has vacated the unit.

Costa-Hawkins

The City received two comment letters (Attachment C) relating to the effect of the Costa-Hawkins Rental Housing Act (“Costa-Hawkins”). Costa-Hawkins establishes a specific right to “establish the initial and all subsequent rental rates” for rented single-family homes and apartment homes built after 1995. (Civ. Code § 1954.2(a) et seq.) The first commenter, Anton Menlo Apartments, argued the ordinance was preempted by Costa-Hawkins because the substantial rent increase provision essentially prevented landlords from

increasing rents. In response to this letter, Community Legal Services and Legal Aid Society argued the substantial rent increase trigger was not preempted by Costa-Hawkins because the landlord retains an unqualified right to establish rental rates. However, a landlord may be required to make a payment to mitigate moving costs that are a direct consequence of unaffordable rents, if the rent increase is more than five percent above inflation, and if the tenant elects to move.

Unfortunately, there are no reported California cases that have directly ruled on this particular issue. In addition, the status of Costa-Hawkins is currently in flux as State Proposition 10 seeks to repeal Costa-Hawkins. The City Attorney will be in a better position to assess the litigation risk after the November 6, 2018, election.

Assuming Proposition 10 does not pass, there are several ways to mitigate the legal risk raised by Anton Menlo. The most cautious option would be to exempt Costa-Hawkins protected rentals from the substantial rent increase provision by adding the following exception: "This excludes circumstances where the proposed rent increase is rescinded by the landlord and excludes residential properties where landlords may establish the initial and all subsequent rental rates for a residential property pursuant to California Civil Code Section 1954.52." (Section 8.55.020 (i).) (This language has been added to the proposed ordinance so the Commission can see it in context.) The effect of this exception is that single family homes and rental build after February 1, 1995 would not be subject to the substantial rent increase trigger, but would be subject to the other relocation payment triggers. Also, rental units built before February 1, 1995 and which are not subject to Costa-Hawkins would remain subject to the substantial rent increase trigger. This exception for post-1995 rentals is also contained in the San Leandro relocation assistance ordinance, one of the few local ordinances which extends to "substantial rent increases."

Another option would be to eliminate the exception for Costa-Hawkins protected units and instead rely on the hardship waiver exception that has been added. The Commission is asked to consider and weigh in on the policy impacts of both these options.

Tenant relocation assistance in other cities

To assist in the discussion and consideration of the draft ordinance and its provisions, staff has prepared a comparison chart of current or soon-to-be-effective ordinances in other cities (Attachment D).

Impact on City Resources

While any tenant relocation assistance payments would be made by the landlord to the tenant directly, management of the program could have significant impacts on staff time and resources. The extent of this is still unknown but would be evaluated based on the final ordinance language and presented as part of the staff recommendation when this ordinance is brought before the City Council for its consideration.

Environmental Review

This action is not a project under the California Environmental Quality Act ("CEQA") and therefore not subject to the provisions of the CEQA Guidelines under Sections 15378 and 15061(b)(3).

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72

hours prior to the meeting.

Attachments

- A. Draft tenant relocation assistance ordinance
- B. Comment letter from Anton Menlo Apartments and a joint letter from Community Legal Services in East Palo Alto and The Legal Aid Society of San Mateo County.
- C. Tenant relocation assistance ordinance comparison chart
- D. Correspondence (public comment received prior to October 7, 2018, via email and/or letter)

Report prepared by:

Clay J. Curtin, Interim Housing and Economic Development Manager

ORDINANCE NO. _____

**URGENCY ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF MENLO PARK AMENDING TITLE 8 [PEACE,
SAFETY AND MORALS] OF THE MENLO PARK
MUNICIPAL CODE TO ADD A NEW CHAPTER 8.55
[TENANT RELOCATION ASSISTANCE]**

The City Council of the City of Menlo Park does hereby ordain as follows:

SECTION 1. FINDINGS AND DETERMINATIONS.

- A. Government Code § 36934 (b) authorizes ordinances to take immediate effect when they are “[f]or the immediate preservation of the public peace, health or safety, containing a declaration of the facts constituting the urgency, and [are] passed by a four-fifths vote of the city council.”
- B. The City of Menlo Park currently does not regulate rent increases or reasons for evictions from residential property and certain aspects of public peace, health, and safety are not adequately protected due to the lack of regulation.
- C. The California Housing Partnership Corporation estimates there is a shortage of 25,882 affordable rental homes to accommodate low-income renters in San Mateo County, which has a population of 748,732 and 106,289 renting households, according to the U.S. Census.
- D. The report Displacement in San Mateo County: Consequences for Housing, Neighborhoods, Quality of Life, and Health found that after being displaced, only 21 percent of households reported staying in the same neighborhood (within 1 mile of their previous home). Thirty-three percent of households left San Mateo County, generally moving to the Central Valley or eastern communities in the East Bay.
- E. The rents in San Mateo County and Menlo Park in particular have been steadily increasing. Increasing rents combined with a housing shortage places substantial pressure on the existing city residents who rent housing. In particular, rising rents can lead to tenant displacement of longstanding residents.
- F. On August 22, 2017, the City Council directed City Staff to prioritize housing policies, with tenant relocation assistance being part of the priority one recommended policies.
- G. On July 11, 2018, the Housing Commission held a regular public meeting to discuss and consider for recommendation to City Council for adoption of a draft tenant relocation assistance ordinance.
- H. On August 8, 2018, the Housing Commission held an additional regular public meeting to discuss and consider for recommendation to City Council for adoption of a draft tenant relocation assistance ordinance.
- I. The Commission scheduled two additional community meetings, one at the Menlo Park Senior Center, September 12, 2018, and one at the City Council Chambers, September 13, 2018, in order to hear additional public comment on the matter.

- J. Members of the community expressed concern that in light of this proposed relocation assistance ordinance, they would receive eviction or rent increase notices from their landlords.
- K. The process of adopting a relocation assistance ordinance regulating substantial rent increases and no cause evictions by requiring landlords to pay relocation fees in certain instances creates uncertainty and concerns among some landlords that if they do not evict tenants or raise rents before the effective date of the ordinance, they will be required to pay relocation fees later by the new regulations and such actions would defeat the intent and purpose of the new ordinance and substantially impair its effective implementation.
- L. According to Legal Aid, at least 20 “no fault” eviction notices were issued within the past 32 months in Menlo Park and this sample of eviction activity, self-reported by the Menlo Park residents who were motivated to consult a lawyer, is a fraction of the total. Legal Aid further reports that their records reflect that at least an additional 10 Menlo Park households reported rent increases of more than ten percent (10%) during the past 32 months. Again, this fractional sampling does not capture the full-scale of significant rent increases in the city.
- M. This data is also supported by reports received by City from tenants and community organizations that indicate at least 20 instances of “no fault” evictions and at least 10 instances of tenants having received rent increase notices greater than 10 percent (10%) since December 2015.
- N. Legal Aid also reported that in other jurisdictions, which have adopted similar ordinances, landlords responded pre-emptively before the potential effective date of a tenant protection measure. Two examples from Legal Aid’s cases:
- In April 2017, in response to the Pacifica City Council agenda item to place a rent control and just cause eviction ordinance on the November 2017 ballot, the landlord of a 16-unit building increased rents on all units of the building by forty percent (40%). The landlord stated her intention in doing so was to avoid potential fiscal impact of the ordinance, and that the increase was more than she would have routinely sought but for the possibility of future increases being limited.
 - In August 2016, a landlord in Burlingame issued 60-day “no cause” notices of termination of tenancy to all four units in the building, in anticipation of a rent control ordinance on the November 2016 ballot, which if passed, would have rolled back recently implemented rent increases for existing tenants. The landlord publicly state that the only reason the termination notices had been issued was to ensure that the landlord would not be “stuck” with them if the ordinance passed, and that he had been advised to take this preemptive step by his attorney.
- O. Tenants evicted in Menlo Park are forced to incur substantial costs related to new housing including, but not limited to, move-in costs, moving costs, new utility hook-ups, payments for temporary housing, and lost work time seeking housing. Move-in costs commonly include first and last month’s rent plus a security deposit equal to one month’s rent, leading to total relocation expenses in excess of three months’ rent.

- P. The impacts of evictions are particularly significant on low-income, elderly, and disabled tenants and tenants with minor children, justifying an additional payment for households with these tenants.
- Q. In light of the numerous concerns noted herein, including but not limited to, the current and immediate threat to the public peace, health and safety by the fact that tenants are not adequately protected due to the lack of regulation and the adverse impacts that would result from displacement of City residents, this emergency measure is necessary to preserve the public peace, health, and safety of the community.
- R. In enacting this ordinance, the City is exercising its right to regulate and monitor the basis for eviction.
- S. For the reasons set forth above, and to mitigate displacement issues, the City Council of the City of Menlo Park finds and declares the addition of Chapter 8.55 [Tenant Relocation Assistance] is necessary for immediate preservation of the public peace, health, and safety, and the findings and determinations above taken together constitute the City Council's statement of reasons constituting the urgency.

SECTION 2. ADDITION OF CODE. Chapter 8.55 [Tenant Relocation Assistance] of Title 8 [Peace, Safety and Morals] is hereby added to the Menlo Park Municipal Code to read as follows:

Chapter 8.55
TENANT RELOCATION ASSISTANCE

Sections:

- 8.55.010 Purpose.
- 8.55.020 Definitions.
- 8.55.030 Requirement to provide relocation assistance.
- 8.55.040 Relocation assistance.
- 8.55.050 Procedures for relocation assistance payment.
- 8.55.060 Notice of termination and notice of entitlement to relocation assistance.
- 8.55.070 Text of notice.
- 8.55.080 Retaliation prohibited.
- 8.55.090 Failure to comply.
- 8.55.100 Hardship Waiver.

8.55.010 Purpose.

In enacting these regulations, the City Council recognizes the need to protect tenants and tenant households from the adverse health, safety and economic impacts of displacement. It is the purpose and intent of the City Council to mitigate such impacts on these residents with this Chapter.

8.55.020 Definitions.

For the purpose of this Chapter, unless otherwise apparent from the context, certain words and phrases used in this Chapter are defined as follows:

- (a) **BASE RENT** means the rent for a rental unit required to be paid by the tenant to the landlord in the month immediately preceding the effective date of the rent increase. Base

rent shall not include ancillary services including, but not limited, to pet deposits, storage, additional parking or utility pass-throughs.

- (b) **ELIGIBLE TENANT** means any tenant(s) residing in a rental unit in the City for twelve (12) months or more under a valid rental agreement whose annual household income, as adjusted for household size, does not exceed two-hundred percent (200%) of the area median household income for San Mateo County according to the United States Department of Housing and Urban Development, as may be adjusted from time to time.
- (c) **LANDLORD** means any person, partnership, corporation or other business entity offering for rent or lease any rental unit in the City. Landlord shall include the agent or representative of the landlord, provided that such agent or representative shall have full authority to answer for the landlord and enter into binding agreements on the landlord's behalf. For the purposes of the owner move-in exception provided in Section 8.55.020 (d)(4) below, "landlord" shall be defined as an owner of record of at least fifty percent (50%) interest in the property.
- (d) **LANDLORD-CAUSED TERMINATION** means the circumstances where a landlord provides an eligible tenant with a proposed significant rent increase and the tenant elects to not remain in the rental unit. It also includes a landlord taking action to terminate the tenancy of an eligible tenant occupying a rental unit for any reason except the following:
 - (1) Failure to Pay Rent. The tenant has failed, after three days' written notice as provided by law, to pay the amount stated in the notice, so long as the amount stated does not exceed the rent to which the landlord is legally entitled under the rental agreement, this Chapter, state law, or any other local law.
 - (2) Breach of Rental Agreement. After service of the required notice, the tenant has not cured a violation of a material term of the rental agreement.
 - (3) Nuisance. The tenant has continued, after the landlord served the tenant with a written notice to cease, to commit or expressly permit a nuisance in the rental unit.
 - (4) Owner Move-In. The landlord seeks to recover possession in good faith:
 - a. For the landlord's use or occupancy as his or her principal residence for a period of at least twelve (12) continuous months or
 - b. For the use or occupancy of the landlord's parents, children, brother or sister, as their principal place of residency for a period of at least twelve (12) continuous months.
 - (5) Expiration of lease term. Expiration of a one year rental agreement as provided in Chapter 8.53 of this Code.
- (e) **RENT** means the amount of fixed periodic compensation paid by a tenant to a landlord, as defined by the rental agreement between the tenant and landlord, for the possession and use of a rental unit. Rent shall not include ancillary services including, but not limited to, pet deposits, storage, additional parking or utility pass-throughs.
- (f) **RENTAL AGREEMENT** means the legal written or oral agreement, including all changes and addenda, governing occupancy of the rental unit between landlord and tenant.
- (g) **RENTAL UNIT** means any housing unit offered for rent or lease in the City of Menlo Park, except that for purposes of this Chapter Rental Unit shall exclude:
 - (1) Any housing unit that is subject to a recorded affordable housing regulatory agreement that requires that the housing unit be rented at restricted rents to income-qualified tenants as defined by the regulatory agreement;

- (2) Secondary Dwelling Units as defined by Chapter 16.79; and
- (3) Owner occupied Single Family Residences where a room is rented to a third party.

(h) **RENT INCREASE** means any upward adjustment of the rent from the base rent amount.

(i) **SIGNIFICANT RENT INCREASE** means a proposed rent increase that raises the rent, or proposed multiple rent increases that cumulatively raise the rent during any twelve (12) month period, to an amount more than the previous year's Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San Jose area, published by the U.S. Department of Labor, Bureau of Labor Statistics (CPI) plus five percent (5%) above the base rent that was in place at the beginning of such twelve (12) month period. This excludes circumstances where the proposed rent increase is rescinded by the landlord and excludes residential properties where landlords may establish the initial and all subsequent rental rates for a residential property pursuant to California Civil Code Section 1954.52.

(j) **SPECIAL-CIRCUMSTANCES HOUSEHOLD** means an eligible tenant with any of the following characteristics at the time of notice of landlord-caused termination:

- (1) At least one resident of the rental unit is sixty-two (62) years of age or older;
- (2) At least one resident of the rental unit qualifies as disabled as defined by Title 42, United States Code Section 423 or has a handicap as defined by California Health and Safety Code Section 50072; or
- (3) One or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes) reside in the rental unit.

(k) **TENANT** shall have the same meaning as defined in Chapter 8.53.

8.55.030 Requirement to provide relocation assistance.

If any eligible tenant receives notice(s) of a landlord-caused termination, that eligible tenant is entitled to relocation assistance in accordance with this Chapter.

8.55.040 Relocation assistance.

The landlord shall provide relocation assistance where required by Section 8.55.030 to an eligible tenant as set forth below:

- (a) Three times the most current applicable Menlo Park market rate monthly rent, published by the director of community development and updated January 1 of each year, or three times the monthly rent that the tenant(s) is paying at the time the notice of landlord-caused termination is delivered, whichever amount is greater.
- (b) A sixty-day (60-day) subscription to a rental agency service.
- (c) Special circumstances households will also receive one times the most current applicable Menlo Park market rate monthly rent, published by the director of community development and updated January 1 of each year, or one times the monthly rent that the tenant(s) is paying at the time the notice of landlord-caused termination is delivered, whichever amount is greater.

8.55.050 Procedures for relocation assistance payment.

The landlord shall pay relocation assistance as follows:

- (a) The landlord shall pay one-half of the relocation assistance to the eligible tenant(s) no later

than five business days following receipt of written notice that the tenant intends to vacate the rental unit, or following service of the notice of landlord-caused termination; and the balance of the relocation assistance no later than five days after the tenant has vacated the rental unit. If the tenant ultimately fails to vacate the rental unit where a landlord provides a proposed rent increase that raises the rent, or proposed multiple rent increases that cumulatively creates a significant rent increase at any time during a twelve (12) month period, the tenant shall reimburse relocation assistance to the landlord.

- (b) The landlord shall provide tenant with the sixty (60) day subscription to a rental agency service no later than five business days following receipt of written notice that the tenant intends to vacate the rental unit, or notice of a landlord-caused termination.
- (c) Nothing provided herein prohibits a landlord and a tenant from agreeing to relocation assistance different from that provided in this section. A landlord shall not attempt to influence a tenant to agree to relocation assistance different from that provided in this Chapter in bad faith by means of fraud, intimidation or coercion (including, but not limited to, threats based on immigration status).

8.55.060 Notice of termination and notice of entitlement to relocation assistance.

Where a landlord provides a notice of a landlord-caused termination or a significant rent increase to an eligible tenant the landlord shall provide a written notice of tenant's entitlement to relocation assistance at the same time. Such notice of entitlement to relocation assistance shall be posted on the door to the rental unit and sent certified mail or first class mail, or personally served upon tenant, and shall be provided in both English and Spanish.

8.55.070 Text of notice.

The notice of entitlement to relocation assistance for a landlord-caused termination shall state:

NOTICE: Under Civil Code Section 827(b), a landlord must provide a tenant with thirty (30) days' notice before a rent increase of ten percent (10%) or less and sixty (60) days' notice of a rent increase of greater than ten percent (10%). Under Title 8, Chapter 8.55 of the Menlo Park Municipal Code, a landlord must at the same time as a notice under Civil Code Section 827(b), for any landlord-caused termination, provide this notice of the tenant's entitlement to relocation assistance. Eligible tenants are entitled to the following forms of relocation assistance: (a) A relocation fee which shall be the cash equivalent of three times the most current applicable Menlo Park market rate monthly rent, published by the director of community development and updated January 1 of each year, or three times the monthly rent that the tenant(s) is paying at the time the notice of the landlord-caused termination is delivered, whichever amount is greater; (b) a sixty (60) day subscription to a rental agency service; and (c) for special circumstances households one times the most current applicable Menlo Park market rate monthly rent, published by the director of community development and updated January 1 of each year, or one times the monthly rent that the tenant(s) is paying at the time the notice of landlord-caused termination is delivered, whichever amount is greater. Special-circumstances households include the following: (1) At least one resident of the rental unit is sixty-two (62) years of age or older; (2) At least one (1) resident of the rental unit qualifies as having a disability defined by Title 42, United States Code Section 423 or has a handicap as defined by California Health and Safety Code Section 50072; or (3) One or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes) reside in the rental unit. Under Civil Code Section 1942.5, it is illegal for a landlord to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights.

8.55.080 Retaliation prohibited.

Commencement of eviction proceedings against a tenant for exercising his or her rights under this Chapter shall be considered a retaliatory eviction. Under Civil Code Section 1942.5, it is illegal for a landlord to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights.

8.55.090 Failure to comply.

A landlord's failure to comply with any requirement of this Chapter may be asserted as an affirmative defense in an action brought by the landlord to recover possession of the rental unit. Additionally, any attempt to recover possession of a rental unit in violation of this Chapter shall render the landlord liable to the tenant for damages permitted by law in a civil action for wrongful eviction. The tenant may also seek injunctive relief and money damages for wrongful eviction and/or failure to pay relocation assistance. A landlord may seek money damages for a tenant's failure to reimburse relocation assistance if the tenant ultimately fails to vacate the rental unit where a landlord provides a legal notice to terminate without cause or where the landlord provides a legal notice of a significant rent increase, or proposed multiple rent increases that cumulatively create a significant rent increase at any time during a twelve (12) month period. The prevailing party in an action for wrongful eviction and/or failure to pay relocation assistance or reimburse relocation assistance shall recover costs and reasonable attorneys' fees.

8.55.100 Hardship Waiver.

A landlord may request a waiver or adjustment of the relocation assistance payment required by this section only upon a showing that strict application of its requirements would effectuate an unconstitutional taking of property or otherwise have an unconstitutional application to the property. Requests for waiver or adjustment must be submitted in writing to the director of community environment together with supporting documentation at least 90 days before the proposed termination of tenancy. Requests shall be acted on by the City Council.

SECTION 3. SEVERABILITY. If any section of this ordinance, or part hereof, is held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such section, or part hereof, shall be deemed severable from the remaining sections of this ordinance and shall in no way affect the validity of the remaining sections hereof.

SECTION 4. CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION. The City Council hereby finds that this ordinance is not subject to the provisions of the California Environmental Quality Act ("CEQA") under Sections 15378 and 15061(b)(3) of the of the CEQA Guidelines.

SECTION 5. EFFECTIVE DATE AND PUBLISHING. This Ordinance shall take effect 30 days following its adoption. The City Clerk shall cause publication of the ordinance within 15 days after passage in a newspaper of general circulation published and circulated in the city or, if none, the posted in at least three public places in the city. Within 15 days after the adoption of the ordinance amendment, a summary of the amendment shall be published with the names of the council members voting for and against the amendment.

INTRODUCED on the __ day of _____, 2018.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said City Council on the __ day of __, 2018, by the following vote:

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

APPROVED:

Mayor

ATTEST:

Judi A. Herren, City Clerk

Curtin, Clay J

From: Mical Atz Brenzel
Sent: Monday, July 30, 2018 6:19 PM
To: Curtin, Clay J
Cc: _CCIN; hello@caanet.org
Subject: Menlo Park Housing Commission to Review Rental Relocation Assistance Ordinance

Dear Mr. Curtin, Interim Housing and Economic Development Manager for the City of Menlo Park,

I received an e-mail message on July 27 that stated that “the Housing Commission will be reviewing and considering a draft ordinance that would require rental relocation assistance payments for eligible tenants within Menlo Park.” The staff report on, and draft of, this ordinance will be issued on August 2.

I am writing to you on July 30, in advance of even seeing the staff report and the draft ordinance, because I can tell you *a priori* that any such rental ordinance is a **TERRIBLE IDEA** for City of Menlo Park — indeed for any city on the planet.

If there is one precept that must be inviolate in the residential rental market, it is that no government interference in the workings of the marketplace, no matter how well intentioned, ever turns out well. There are always negative consequences to any attempts to regulate rent increases, eviction requirements, rental tenant screening practices, lease tenors, and now this, relocation assistance requirements.

Rental housing exists because investors build or buy residential properties to rent them at a profit. That is how capitalism works: it is underpinned by private property ownership. Property ownership has risks and it has rewards. The owner takes on both. The tenant is not an owner; he takes none of the risks of property ownership and gets none of the rewards. He has a contractual arrangement with his landlord to pay periodic rent in return for the opportunity to occupy the property. The government needs to steer absolutely clear of that relationship, just as it should in other contractual business relationships. If rents are regulated and a property owner’s return on investment is limited or eliminated, he will cease to rent, buy or develop residential rental property. Rent control **guarantees** a decline in a city’s habitable rental housing stock. This has been proven again and again, in rental markets from New York City (my home town) to San Francisco to Caracas, Venezuela. Imposing other rental regulations, like so-called just-eviction rules, the elimination of vacancy rent de-control, the requirement to consider tenants presenting Section 8 housing vouchers (this is NOT a requirement of the Federal Section 8 program, I will add) and now here, the requirement to provide relocation assistance to tenants whose leases are not being renewed after the lease term, inevitably reduces the return on rental housing and quickly diminishes the quality and quantity of rental housing stock in the city. Tenants have no right to

occupy a rental property outside the terms of their lease and the consent of their landlord. The landlord has **NO OBLIGATION WHATSOEVER** to house or relocate his tenants beyond the term of the lease. The very concept of a “rental relocation assistance payments” flies in the face of this rental contract limitation.

If I own an exercise studio and decide to change it from one catering to adults to one catering to teenagers, am I obligated to find my existing exercise clients — even if they have loyally come to my studio for decades — a new gym and pay for their new gym’s initial membership cost? I have a membership contract with my gym clients, and that is the full extent of my obligations to them. A residential rental contract is absolutely identical in nature.

Menlo Park has started down a very dangerous and destructive road in the housing sector. First, the City Council unwisely passed an ordinance requiring landlords to be indiscriminate in viewing the source of a prospective tenant’s income — directly implying that Section 8 housing vouchers must be considered on an equal footing with earned income, something every landlord in the country knows is not true. Section 8 tenants have a long, long history of being more difficult, destructive, and abusive tenants than individuals who earn their rent themselves. Forcing a landlord to take on Section 8 tenants simply will drive landlords who offer lower rent properties out of the marketplace. They will sell their buildings to investors who will develop them into luxury housing, which will not be subject to the Section 8 tenancy requirement. The next step down this destructive housing road is to make that redevelopment process more onerous, by requiring tenant rental relocation assistance payments from property owners who want to redevelop their property. I can guarantee you that this will be the final nail in the coffin for middle and lower middle income housing in Menlo Park. No one will wait to unload properties immediately for redevelopment, before the relocation requirements and costs are litigated even higher as a result of whatever ordinance you pass.

Scrap this idea before it even reaches the drawing board, or you will be very unhappy with its eventual consequences.

Sincerely,

Mrs. Mical Atz Brenzel
(30 year Menlo Park resident and homeowner)

From: Shirley Gibson

Date: Wednesday, August 8, 2018 at 11:02 AM

To: Karen Grove

Subject: urgency, tenant relocation ordinance

Dear Karen:

This is to follow up on our phone conversation regarding the tenant relocation ordinance under consideration, and why it is important to frame as an urgency ordinance. I understand that staff have drafted the current version without an urgency clause, based on lack of available data that shows how many tenants would face displacement without assistance during the 30-day lag time to implementation. I do think there is sufficient evidence of urgency to support findings for immediate implementation, given what we know of the frequency and severity of these issues.

The current scale of the problem can only be estimated, but that estimate should include both significant rent increases and instances of “no fault” eviction notices, since both scenarios are addressed in the ordinance. Legal Aid knows of 20 “no fault” eviction notices issued within the past 32-months, and that this sample of eviction activity, self-reported by the Menlo Park residents who were motivated to consult a lawyer, is but a fraction of the total. We do not consistently track contacts from Menlo Park tenants regarding rent increases, but our records reflect that at least an additional 10 Menlo Park households reported rent increases of more than 10% during the past 32 months. Again, this is a fractional sampling that in no way captures the full scale of significant rent increases in the city. However, we can extrapolate from this sample that during any recent 30-day period, at least a few households in Menlo Park received a “no fault” eviction notice or significant rent increase.

The rate and scale of significant rent increases will inevitably escalate if tenant protections of any degree are contemplated by the City Council. With prior similar initiatives in other jurisdictions, we know that landlords responded pre-emptively before the potential effective date of a tenant protection measure. Two examples from Legal Aid’s cases:

- In April 2017, in response to the Pacifica City Council agenda item to place a rent control and just cause for eviction ordinance on the November 2017 ballot, the landlord of 360 Talbot Street increased rents on all 16 units of the building by 40%. The landlord was very candid about her intention in doing so, that she wished to avoid potential fiscal impact of the ordinance, and that the increase was more than she would have routinely sought but for the possibility of future increases being limited.
- In August 2016, the landlord of 117 Anita Road, Burlingame, issued 60-day “no-cause” notices of termination of tenancy to all four units in the building, in anticipation of a rent control ordinance on the November 2016 ballot which, if passed, would roll back recently implemented rent increases for existing tenants. This landlord stated openly to the tenants that the only reason the termination notices had been issued was to ensure that the landlord would not be “stuck” with them if the ordinance passed, and that he had been advised to take this pre-emptive step by his attorney Todd Rothbard.

We can be certain that in anticipation of a new obligation to provide relocation assistance to displaced tenants, some landlords will hasten to serve rent increase notices before that obligation becomes effective. In addition, if the 36-month residency qualification for eligibility were to be included in the proposed ordinance, we can be certain that landlords will be motivated to pre-emptively terminate the tenancies of long-term tenants if they wish to avoid the obligations of the ordinance by restricting future rentals to less than 36-months in duration. In short, whatever the current scale of rent increases and displacement, it is reasonable to expect that to escalate in anticipation of the effective date of the ordinance.

Finally, there is recent and relevant research that shows the hardship and community impact when a tenant is displaced without benefit of financial assistance. Even if we cannot precisely quantify the number of households who would face this hardship during a 30-day interval, the severity of the hardship that would certainly result is sufficient to demonstrate urgency. The Urban Displacement study of San Mateo County households

(http://www.urbandisplacement.org/sites/default/files/images/impacts_of_displacement_in_san_mateo_county.pdf)

includes these findings:

- Approximately one in three displaced households reported some period of homelessness or marginal housing in the two years following their displacement. Several of these households remained homeless even months after they were displaced.
- After being displaced, only 20 percent of households reported staying in the same neighborhood (within one mile of their previous home). Thirty-three percent of households left San Mateo County, generally moving to the Central Valley or eastern communities in the East Bay.
- After being displaced, households moved to neighborhoods with fewer job opportunities on average, leading to longer, more costly commutes for households who left the county. These new neighborhoods also had more environmental and safety concerns as well as fewer healthcare resources.
- Displacement was a significant disruption and trauma for respondents and their children. Two out of three children in displaced households had to change schools.

These are precisely the types of hardships that the proposed tenant relocation assistance is designed to mitigate. If even a handful of tenant households can have these alleviated by immediate implementation of the ordinance, then an urgency is justified.

I hope this is helpful to your review. Please let me know if there is other information I can provide to support your deliberations.

Regards,
Shirley

Shirley E. Gibson
Directing Attorney
Legal Aid Society of San Mateo County
The Natalie Lanam Justice Center
Sobrato Center for Nonprofits – Redwood Shores
330 Twin Dolphin Drive, Suite 123
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www.legalaidsmc.org



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Curtin, Clay J

From: Rhovy Lyn Antonio
Sent: Wednesday, August 8, 2018 1:50 PM
To: Meg McGraw-Scherer; Julianna Dodick; Karen Grove; Rachel Horst; Wendy McPherson; Nevada Merriman; Michele Tate

Cc: Curtin, Clay J
Subject: Letter from CAA re: Tenant Relocation Assistance
Attachments: SKMBT_C554e18080813440.pdf

Good afternoon Chair McGraw0Shcerer and Housing Commission Members,

Please see the attached letter from the California Apartment Association, Tr-County Division re: Tenant Relocation Assistance that is on tonight's meeting agenda. Thank you for your consideration.

Best,

[Rhovy Lyn Antonio](#) - Vice President of Public Affairs
California Apartment Association
1530 The Alameda, Suite 100, San Jose, CA 95126
rantonio@caanet.org - (408) 342-3506

*CAA is your partner in the rental housing industry.
[Find out how we're working for you.](#)*



California Apartment Association

1530 The Alameda, Suite 100
San Jose, CA 95126
408.342.3500 • caanet.org

August 7, 2018

Menlo Park Housing Commission
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025

Re: August 8, 2017 Housing Commission Meeting Item D3 Tenant Relocation Assistance

Dear Chair McGraw-Scherer and Members,

The California Apartment Association, Tri-County Division (CAA Tri-County) which represents over 3,000 owners and managers of residential rental properties in San Mateo, Santa Clara, and Santa Cruz Counties offers our feedback on the Housing Commission's proposal to establish a tenant relocation assistance ordinance. Given the nature of the proposal before the Housing Commission, CAA Tri-County opposes the proposed Tenant Relocation Assistance Ordinance and urges the Housing Commission to re-consider its recommendation to the City Council to be consistent with the Council's direction of January 10, 2017.

As a key stakeholder in housing issues in Menlo Park and a participant of the joint City Council and Housing Commission Study Session held on January 10, 2017, CAA Tri-County and its members have worked tirelessly to engage with the city in developing meaningful housing solutions that are fair, equitable, collaborative, and most importantly, based on facts. We partnered with the city in developing its Right to a Lease Ordinance and offer guidance to Menlo Park housing providers to ensure compliance.

As we shared during the January 2017 joint study session, CAA Tri-County and its members do not oppose the city exploring a reasonable tenant relocation assistance program when a unit is permanently removed from the market or when a unit must be vacated for renovations. These were the parameters supported by the City Council at that meeting and CAA Tri-County agreed with this approach. CAA Tri-County also did not oppose the Housing Commission's recommendation to identify tenant relocation assistance as priority #1 at the August 2017 City Council meeting.

However, upon reviewing the current proposal by the Housing Commission, CAA Tri-County has serious concerns with the proposed ordinance as written. The ordinance, in its current form, has

tremendously expanded its scope beyond the City Council's original intention. **Due to the extreme deviation from the program's original intent and eligibility, CAA Tri-County opposes the proposal as written.**

Neither one of the January or August 2017 meetings included a discussion to expand the program scope beyond displacement caused by the sale of a property or redevelopment. Triggers related to rent increases or the ambiguous term "landlord-caused termination" were never addressed. In fact, the City Council made it clear that rent or eviction-related regulations were not included in any of the housing initiatives they discussed. The ordinance's trigger of "significant rent increase" of 5% plus CPI is a form of rent control, which the City Council has already spoken against.

CAA Tri-County is aware of the discussions made to use the City of Mountain View's tenant relocation assistance program as a model. However, the reference to the Mountain View program referred to the provisions of the original program which was related to units permanently removed from the market. There was no indication to replicate Mountain View's amended version tenant relocation assistance program which was just recently overhauled to comply with Measure V, Mountain View's rent control ballot initiative which went into effect in 2016-2017.

CAA Tri-County, in good faith, trusted that the Housing Commission exploration of the program would be aligned with the City Council's feedback. An increased public outreach especially to housing providers would have been helpful as soon as the Housing Commission made the decision to expand the program parameters. Changing course without full disclosure or outreach are not good basis for policy making.

Again, CAA Tri-County and its members continue to recognize the various policy concerns the City of Menlo Park is trying to balance and we are confident that, if all stakeholders continue to work together, we can find a reasonable and lawful solution that more fairly addresses the city's housing challenges. The proposed ordinance, however, is not that solution. We urge you to work with local housing providers and seek more input to explore the feasibility of a tenant relocation assistance program that is aligned with the City Council's original intention.

Thank you for your consideration.

Sincerely,



Rhovy Lyn Antonio
Vice President of Public Affairs
CAA Tri-County

Curtin, Clay J

From: Ryan Carrigan
Sent: Wednesday, August 8, 2018 2:22 PM
To: Curtin, Clay J
Cc: Julianna Dodick; Karen Grove; Rachel Horst; Wendy McPherson; Meg McGraw-Scherer; Nevada Merriman; Michele Tate
Subject: Item D3 Tenant Relocation Assistance - MP Housing Commission

Mr. Curtin,

I am reaching out regarding Item D3, to be discussed at tonight's Housing Commission meeting. On behalf of the real estate community and our members, including property managers and owners, the Silicon Valley Association of REALTORS (SILVAR) has serious concerns with many of the regulations outlined in the draft tenant relocation ordinance. We directly understand the impact the high cost of housing has on families in our community and are proactively working to be part of the solution with many partners throughout the region. However, we feel the draft ordinance, as proposed, will only contribute to the problem and create further obstacles to housing affordability in Menlo Park.

Our foremost concern is the Housing Commission going beyond City Council's original request and proposing regulations they weren't tasked with discussing. From reviewing council discussion in January and August of 2017, it seems clear that council gave direction to bring forward a tenant relocation assistance ordinance that would apply under Ellis Act removals or substantial renovation of a property. In fact SILVAR was part of those discussions, and worked with council to find viable solutions. The original direction given by council was something that we supported, but the subsequent Housing Commission proposal of including rent increases, and rental rates, as terms of relocation assistance are confusing to us and go beyond the policy proposals discussed last year.

The lack of follow up and outreach since then is something that we also have significant concern about. A change in direction of such magnitude, and of such impact, should receive multiple public hearings, and consider input from many stakeholders involved with providing multi-family housing. To submit a draft ordinance that goes beyond council direction and only engages the community and stakeholders after one public meeting seems like a waste of council time and city resources. We hope to see a robust discussion with the many mom and pop property owners, and others providing multi-family housing, as well as tenants, before a finalized draft ordinance is submitted to council.

I look forward to working with you as this issue moves forward.

Thank you,
Ryan

Ryan Carrigan
Government Affairs Director
Silicon Valley Association of REALTORS®
19400 Stevens Creek Blvd., #100
Cupertino, CA 95014
www.silvar.org
Phone: 408.200.0100
Direct: 408.200.0108
Mobile: 510.393.7622
rcarrigan@silvar.org

Curtin, Clay J

From: Adina Levin
Sent: Wednesday, August 8, 2018 5:04 PM

Subject: Tenant Relocation Assistance

Dear Housing Commissioners,

Thank you for considering the important issue of tenant relocation assistance. As housing prices skyrocket, many of our neighbors are facing eviction due to increased rents. Data shows that many families experience homelessness after eviction, especially among households that are low income and minority, who lack savings to weather the transition.

Please recommend to City Council a policy that provides tenants with financial assistance sufficient to pay for first and last month's rent plus moving expenses at market rate, so they can afford housing while they look for a new home. Such a policy would require the landlord to assist tenants with their move in situations where the tenant is not at fault.

Thank you very much for your consideration,

- Adina
Adina Levin
Menlo Park Resident
650-646-4344

Curtin, Clay J

From: Mical Atz Brenzel
Sent: Tuesday, August 14, 2018 12:58 AM
To: Curtin, Clay J
Cc: _CCIN
Subject: Fwd: Menlo Park Housing Commission to Review Rental Relocation Assistance Ordinance

Mr. Curtin, I appreciate your response to my e-mail and I do hope you shared my message with the Housing Commission.

I have just read the draft language for the ordinance that you provided and I am even more outraged. Please pass on these additional comments to the Housing Commission and to the City Council.

This is the preamble to the ordinance:

The City of Menlo Park currently does not regulate rent increases or reasons for evictions from residential property and certain aspects of public peace, health, and safety are not adequately protected due to the lack of regulation. The increasing rents combined with a housing shortage places substantial pressure on the existing city residents who rent housing. In particular, rising rents can lead to tenant displacement of residents.

The very premise of this ordinance is RUBBISH. The idea that the entire landlord/tenant relationship can only be a good one if there is governmental rental regulation is FALSE. If that were true, no contractual relationship between any two private parties over anything would be reliable. The idea that without rent regulation there will be no protection of public peace, health and safety is appalling. That is what a LEASE AGREEMENT does: protect landlord and tenant with the written terms of their agreement with each other. The government doesn't need to be a part of this contractual relationship and shouldn't be. This ordinance would give tenants privileges way in excess of what property owners get. What about a property owner who is forced to move because of rising mortgage rates on his adjustable rate mortgage or rising property taxes because of poor fiscal management by county and city governments? Why doesn't a bank pay relocation assistance to a displaced mortgagee or a city or county pay relocation assistance to a property owner unable to pay his property tax and forced to move from his home? If this ordinance passes in Menlo Park, I would advise every single landlord in the city to convert his property into condos and get out of the rental business entirely. I would certainly advise no one to *ever* rent to the "protected groups" that will get EXTRA rental relocation assistance under this ordinance: seniors over age 62; the disabled; households with children under 18.

The proposed rental relocation assistance is THREE times the current citywide average rent, plus a 60-day subscription to a rental relocation assistance service, plus another month's assistance for "protected class" tenants. Yes, if the average rent in Menlo Park is \$5000/month (I think this could be the number, averaging in the rents on all homes, big luxury apartments, etc. in the city), the landlord would have to pay \$15,000 to relocate ANY tenant who says, "Sorry, I can't pay the rent you are now asking" or if the landlord wants to substantially modify or remodel the rental property (or even move into it himself). Who on earth would rent anything with this potential penalty payment hanging over his head?

Menlo Park and its socialist sister cities in the People's Republic of California had better realize sooner rather than later that this type of market interference will ELIMINATE housing; it will surely not create more "affordable" housing. And here is a catch: a tenant is only eligible for this rental relocation windfall if he has resided in the rental unit for more than 36 months. Therefore, if this abomination passes, I would advise every landlord in the city to force out every tenant before his occupancy reaches the 36-month marker. Even a high earning tenant should be forced out: you never know — that tech guy could lose his \$200K/year job and then he'd be eligible for the rental assistance just as much as the part-time street sweeper. Yup, churning your tenants every 3 years will improve the housing stability in the community.

Regards,

Mrs. Mical Atz Brenzel

Begin forwarded message:

From: "Curtin, Clay J"

Subject: RE: Menlo Park Housing Commission to Review Rental Relocation Assistance Ordinance

Date: August 3, 2018 at 6:50:15 PM PDT

To: 'Mical Atz Brenzel'

Hello Mrs. Brenzel,

I wanted to acknowledge the receipt of your email and let you know that I will share your email with the Housing Commission when it considers this item on August 8, 2018.

The staff report (attached) has been released with the updated draft language requested by the Commission. I anticipate a robust public outreach effort before this comes before the City Council for its consideration.

Sincerely,

Clay J. Curtin

Curtin, Clay J

From: Elitzur, Ofer
Sent: Tuesday, August 28, 2018 4:18 PM
To: Curtin, Clay J
Cc: Ardie Zahedani; Trisha L. Malone - Anton Development Company, LLC
Subject: Letter regarding Menlo Park Housing Commission's proposed Tenant Relocation Assistance Ordinance
Attachments: Anton Menlo Apartments letter.pdf

Mr. Curtin:

Please see the attached letter.

Thank you,

Ofer Elitzur



Cox, Castle & Nicholson LLP
50 California Street | Ste 3200 | San Francisco, CA 94111
direct: 415.262.5165
main: 415.262.5100 | *fax:* 415.262.5199
oelitzur@coxcastle.com | [vcard](#) | [bio](#) | [website](#)

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Cox, Castle & Nicholson LLP
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San Francisco, California 94111
P: 415.262.5100 F: 415.262.5199
Ofar Elitzur
415.262.5165
oelitzur@coxcastle.com

File No. 066778

August 28, 2018

VIA E-MAIL & U.S. MAIL

Clay J. Curtin
Interim Housing and Economic Development Manager
Community Development Department
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
E-mail: cjcurtin@menlopark.org

**Re: City of Menlo Park Housing Commission's Consideration of a Proposed
"Tenant Relocation Assistance" Ordinance**

Dear Mr. Curtin:

This letter is written on behalf of the owners of the Anton Menlo Apartments located at 3639 Haven Avenue. As you know, the City Housing Commission is considering an ordinance requiring landlords to provide "tenant relocation assistance" where rent would be increased in excess of the previous year's Consumer Price Index plus five percent within a 12-month period and the tenant elects not to remain. As it relates to properties where the owner has the unqualified right to establish the initial *and all subsequent rental rates* under the Costa-Hawkins Rental Housing Act, however, the ordinance would be directly in conflict with state law. (Civ. Code, § 1954.50 et seq.) For the reasons stated below, it therefore must be revised to exclude such properties, such as the Anton Menlo Apartments. If the City refuses, the owners are prepared to pursue whatever legal action is necessary, including the filing of a petition for writ of mandate and the seeking of monetary damages.

Because Anton Menlo Apartments received a certificate of occupancy after February 1, 1995, it is statutorily exempt from rent control under the Costa-Hawkins Act. (Civ. Code, § 1954.52(a)(1).) As such, the owners have the right to both impose whatever rent they choose at the commencement of a tenancy as well as establish "all subsequent rental rates." (Civ. Code, § 1954.52(a).) This right to choose "subsequent rental rates" is unfettered under Costa-Hawkins. (See *Bisno v. Douglas Emmett Realty Fund* 1988 (2009) 174 Cal.App.4th 1534, 1553 ["[A]t heart Costa-Hawkins allows landlords to avoid local rent control ordinances and impose whatever rent they think the market will bear."].)

As drafted, the ordinance would require *any* landlord who makes certain rent increases within a 12-month period to provide relocation assistance where the tenant elects to leave. But

under the “plain meaning” rule of statutory construction, if the language is unambiguous then it is presumed that the Legislature meant what it said. (*Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396, 1410.) Here, the text plainly allows owners of certain residential property—such as Anton Menlo—the unqualified right to establish “all subsequent rental rates,” and the imposition of a substantial penalty on owners who chose to exercise such right is clearly hostile thereto. Because the proposed ordinance is contradictory to that plain language, it is therefore at least partially preempted by state law and unlawful. (See *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396, 1410 [explaining that local ordinance is preempted when it is “contradictory” to state law].)

The ordinance also is not otherwise authorized under the section of Costa-Hawkins that preserves local authority “to regulate or monitor the basis for eviction.” (Civ. Code, § 1954.52(c).) So-called “savings clauses” like this one, which preserve some preexisting legal authority from the effect of some newly enacted legal authority, are strictly construed. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1231.) Indeed, courts have refused to interpret such clauses in a manner that would authorize any activity that directly conflicts with the statutory scheme containing the clause, as would be the case here. (*Id.*)

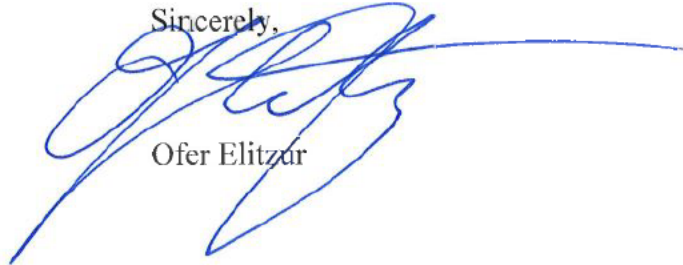
Nor is the ordinance even reasonably designed “to regulate or monitor the basis for eviction.” (Civ. Code, § 1954.52(c).) There is, in fact, no actual “eviction,” nor is the tenant otherwise forced to vacate. It is wholly unlike the scenarios contemplated in the savings clause, such as bad faith evictions by landowners. Instead, at least regarding those owners of property exempted under Costa-Hawkins, the ordinance seeks to penalize landlords who choose to exercise their right under state law to establish “all subsequent rental rates” and thereby impose indirectly what the City could not otherwise impose directly (i.e., rent control).

At a minimum, therefore, the proposed ordinance must be revised to exclude any residential properties where landlords may establish the initial and all subsequent rental rates for a residential property under California Civil Code section 1954.52. Indeed, other cities that have passed similar tenant relocation ordinances, such as the City of San Leandro, have included provisions that contain that precise exclusion. (See San Leandro Mun. Code, § 4-37-200(f).) In the event that the City refuses, the owners are prepared to take whatever legal action ultimately is necessary, including the filing of a petition for writ of mandate and the seeking of monetary damages as appropriate.

City of Menlo Park
August 28, 2018
Page 3

We will continue to monitor the City's consideration of this proposed ordinance and are willing to discuss this matter further with the City. If you have any questions, please do not hesitate to contact me at (415) 262-5165.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Ofer Elitzur', with a long horizontal flourish extending to the right.

Ofer Elitzur

OE

066778\10013901

Curtin, Clay J

From: Blake Campbell
Sent: Sunday, September 2, 2018 1:23 PM
To:

Subject: Opposition to Required Tenant Relocation Assistance

Ladies and Gentlemen:

I am writing to you to express my opposition to the proposal to force landlords to provide mandatory relocation assistance to departing tenants.

I'm not a landlord or apartment owner. Just a taxpaying citizen.

But I don't think it should be the role of a municipal government to regulate the economic relationships between two voluntarily contracting parties.

It will just further distort the market, and will cause landlords to pass the costs on to other existing and future renters.

The city shouldn't be in the business of favoring one class of residents over another.

Thank you for your consideration.

Blake Campbell

Curtin, Clay J

From: Roberta Ahlquist
Sent: Monday, September 3, 2018 1:00 PM
To: _CCIN; Council, City
Subject: Fwd: Fw: Los Angeles Tenants: The Rent's Getting Too Damn High!

Residents across the state are hampered if there is no rent controls

----- Forwarded Message -----

From: Capital & Main <info@capitalandmain.com>

Sent: Friday, August 31, 2018, 12:52:29 PM PDT

Subject: Los Angeles Tenants: The Rent's Getting Too Damn High!

[View this email in your browser](#)

[Subscribe](#)[Past Issues](#)[Translate ▼](#)[View this email in your browser](#)**August 31, 2018**

Los Angeles County has not had a rent control policy for its unincorporated areas since Ronald Reagan was president. That leaves low-income tenants like 62-year-old Jose Nuñez, of Florence-Firestone, with limited options. Nuñez, who gets by on a \$975 monthly disability payment, was recently [served with an eviction notice](#), along with other tenants in his apartment complex.

Nuñez hasn't been able to find another apartment he can afford. And so he and other tenants have banded together to fight the eviction in court. Theirs is an increasingly common battle in California, where skyrocketing rents have given rise [to a burgeoning tenants-rights movement](#). Renters are taking their grievances to local governments, to courtrooms and, in November, to the ballot box, where voters will decide a controversial measure that could give municipalities more latitude to regulate rents.

RECEIVED

SEPT 4, 2018

SEP 13 2018

City of Menlo Park
City Manager's Office

DEAR HOUSING COMMISSION

WHAT BUSINESS IS IT OF YOURS.
THE NANNY STATIST TO HELP
DISLOCATED PEOPLE??

ENOUGH IS ENOUGH
STAY OUT OF IT.

YOURS IN LIBERTY

IRVIN E. CHAMBERS
2160 MENALTO AVENUE
MENLO PARK, CA, 94025

Curtin, Clay J

From: phairmai
Sent: Tuesday, September 4, 2018 2:15 PM
To: Curtin, Clay J
Subject: public response to " Proposed tenant relocation assistance ordinance"
Attachments: Scan.pdf

Dear Mr. Clay J. Curtin,
Interim Housing and Economic Development Manager,

Please submit my attached response letter to this proposed Menlo Park Ordinance at the public special meetings of the Housing Commission on Sept 12th and 13th, 2018. If you would be so kind as to provide them and the Menlo Park council members with a written copy of it and have it read into the public record as my comments, since I cannot attend personally.

If you would like any further clarification of my comments or input from me on this ordinance, I am available by telephone and this email.

Thank you, Thomas Phair 831-728-1674

Sept. 3, 2018

Menlo Park City Council members,
Housing Commissioners and Staff

Ref : Response to : "Proposed tenant relocation assistance ordinance."

Dear Officials;

I am the owner of a duplex in Menlo Park since 1977 and have just received my first notice of your draft ordinance by mail, since I no longer reside nor can vote in Menlo Park. I therefore need to make the following public comments and the reasons for my objection to this ordinance in total and in the specific effects it will have.

1.0 Your declaration of urgency and immediate jeopardy of public peace appears to be based upon the referenced 30 contested and unhappy tenants over 32 months that were subject to leaving or facing 10+% increases up to market rents. This is a rate of only 1 case per month and guessing there are 12000 rentals in Menlo Park a small 1/10th of 1% problem on an annual basis. As you have referenced, some of this is due to the prospect of this ordinance itself, that might not have otherwise occurred. You can be sure that for every tenant utilizing this ordinance you will have harmed and alienated a property owner who is invested in your city and paying the city bills. Therefore I doubt this ordinance will preserve public peace and the welfare of the city or requires the urgency declaration on an issue that has been in study since Jan 2017 without specifically notifying property owners, as the city does on most other property matters.

2.0 In the 40+ years I have rented out this duplex, I have had rents rise and fall with the local job/housing economy, go flat for many years and surge in catch up mode, as it has done recently. No one complains when rents go down and we cannot charge for regular or cost increases when market rents do not increase. When rents are limited by the market or your proposed ordinance, it makes major improvements, additions and renovations to them uneconomic to do and investment in new or updated rental housing will be reduced or stop. Annual rent increase limits can make it impossible to catch up with market rents, recoup an added investment or make a new purchase or investment feasible in rentals.

The Menlo Park area obviously needs more lower cost housing and that is what will make rents more affordable, increase less, give renters more options and reduce unwanted displacement. Rent controls/ tenant stabilization measures will not solve the housing shortage, but will reduce investment in new and improved housing and actually raise the rents of what housing remains available for rent,

3.0 The transfer of some property rights from the owner to the renter, just adds to the cost of rental housing. Limiting rent increases transfers income from the owner to subsidize the renter's lower than market rate. A longer term tenant may well be paying substantially below market rates and is benefiting from this agreement with an owner

and that can help smooth out the rapid changes in market rents, both up and down. This is often acceptable until major changes occur like improvements, additions, property sale and tax reassessment or the owner is so generous over time that the rent can no longer support the property as an investment. In this lower rent case your ordinance is further penalizing the owner for his lower rent generosity by imposing a 3-4 month rent penalty for stopping that generosity and provides a windfall benefit to the renter that far exceeds their added costs of moving to another home. This penalty further adds to the cost of housing, new rental rates, reduces renter turnover and rental availability. How is this helping solve the housing shortage, more affordable housing and market rental rate increases?

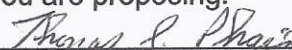
4.0 Please realize what this ordinance is beginning. It is making the city take on some of the responsibilities of the property owner and it is setting price controls that will be impossible to administer equitably on a case by case basis. Does the city want to be a landlord? If so please invest in city owned rentals accordingly and see if it can be worked out financially. Or do you think it's a good investment that you would do vs other investments of your time and money.?

What is the difference between price increase limitations on rental property income, and wage and price increase controls on your salary and business income, medical expenses, food prices and services? Why control just rental housing, that has been limited by local and state government regulations and planning, made expensive by codes and fees and generally not economically feasible to build affordably or profitably by an investor in your surrounding community? Do you want all of your income and expenses limited by comparable ordinances?

5.0 If you think that renters are "not adequately protected due to the lack of regulation", you apparently have never operated a rental property and are unaware of the extensive California, HUD regulations and legal procedures governing housing. These regulations continue to grow and mandate strict guidelines that makes the tenant's "possession 9/10th of the law." Legal Aid is very aware of all these laws and an active advocate for the tenant, as is the court system in its strict application of the law.

6.0 As a long time financial controller, investor and multi-area small landlord, I will not invest in cities that try imposing rent control type measures that take away my property rights and think a housing commission can operate rentals more responsibly and cost effectively than the owners, like Berkeley, Richmond, San Francisco, Santa Cruz and now Menlo Park. Do you see increased rental housing supply, lower market rents and more rental availability in those cities due to their rent controls/ stabilizations?

Thank you for listening to my points of contention and hopefully you will at least take more time and council to realize the impact of what you are proposing.



Thomas S. Phair, owner AP# 062-311-270

Curtin, Clay J

From: Mary Maxwell
Sent: Thursday, September 6, 2018 5:11 PM
To: Curtin, Clay J
Subject: Tenant relocation assistance draft ordinance

Dear Clay,

I am writing to express my vehement opposition to this proposed ordinance. In all fairness to whomever came up with this seemingly half baked proposal I wonder if there are some unknown extenuating circumstances that resulted in this idea ever even getting this far. If there are please let me know so I can revise my response. Otherwise, I think this is a terrible idea and should not be considered any further. It doesn't take a genius to figure out that this idea would never work the way it is intended to work-whatever that is. Any increase in the cost to landlords will of course be passed on to the tenants ultimately. Not everyone gets to live in Menlo Park just like not everyone gets to be the queen of England. People have to move out of houses all the time. It's an opportunity for a new beginning. My family moved all the time when I was a kid. The first year I went to the same school two years in a row was in high school. I turned out OK-college grad, medical school grad, practiced anesthesiology for 30 years. My advice to any tenants in Menlo Park is to work really hard, get a good education, save their money, delay some gratification, and they, too, will achieve financial security someday.

Thank you.

Mary Maxwell, MD

Curtin, Clay J

From: erna metzger
Sent: Saturday, September 8, 2018 2:50 PM
To: Curtin, Clay J
Subject: draft ordinance to require tenant relocation assistance

Dear Mr. Curtin,

I am a long time resident of Menlo Park, (1973) and attempted to review the relocation assistance draft ordinance. Is there some way to get this information to residents in a format that is more easily understood? It is all legalize and very difficult to understand. It makes one wonder what one might really be supporting should one agree to it.

In light of the above, and as a long time resident, I support whatever relocation assistance is possible, including rent control. It is unconscionable that a landlord would raise rents more than 10% a year, knowing fully well what the housing situation is in this area. Tenants should be given assistance to help find new housing if there is to just reason to evict them. Tenants should have at least a 90 day notice.

In addition, Menlo Park City should look very carefully at restrictions for allowing granny units to be built. Yes, (even) in my back yard....

My concerns may not fit neatly into the legalize ordinances described, but hopefully my concerns can be addressed at the meeting September 12.

Kindly direct this email to the appropriate person or persons.

Thank you,
Erna Metzger
Menlo Park

Curtin, Clay J

From: Timi Most
Sent: Monday, September 10, 2018 11:38 AM
To:

Subject: Tenant Relocation Assistance

Dear Menlo Park Housing Commission,

As a 40 year Menlo Park resident and Menlo Park Business owner, I have seen the housing crisis develop and negatively affect the residents of our community. The forcing out of working class and low income tenants is morally wrong. I also am on the board, and work directly with students and families, of Foundation for a College Education in East Palo Alto. Our students live in East Menlo Park and East Palo Alto. The stories of displacement due to tremendous rent increases is heartbreaking. One student says she and her family were given 2 weeks notice to leave their home of 13 years. They were forced to sleep in friends' garages and similar while they sought to find housing.

The recommendation of your commission for tenant relocation assistance is absolutely the right thing to do. I support your efforts and congratulate you on your proposal.

Regards,

Timi B. Most

Vice President

Mind Garden, Inc.

www.mindgarden.com

Curtin, Clay J

From: Betty Schink
Sent: Monday, September 10, 2018 4:46 PM
To: Curtin, Clay J
Subject: Tenant Relocation Assistance Draft Ordinance-FEEDBACK

Mr. Curtin

I am a long-time landlord of a small apartment building in Menlo Park and am opposed to rent control for more than financial reasons. In areas where there is rent control multi-family housing tends to deteriorate. Furthermore, whenever the subject comes up I feel as though I should raise my long-time tenants far more than I normally would since I've been extremely fair to them throughout the years and they are way below market.

That said, your CPI plus 5% is not onerous although it would be fairer to make it specifically local housing CPI plus 5%.

However, there are no provisions for unusual events and the associated costs that the landlord has to absorb. If there is fire, earthquake or water damage and the tenant wishes to return after the apartment has been brought up to code and replaced with new cabinets, appliances, etc., the new ordinance would mandate that I could either not raise the rent or raise it the legal maximum, i.e., far below the new market value. The proposed ordinance must address the numerous reasonable exceptions to the maximum rent raise and high relocation costs caused by a force majeure.

Betty Schink

From: Maya Sewald
Sent: Monday, September 10, 2018 5:37 PM
To: _CCIN
Subject: Comments on the Menlo Park Proposed Tenant Relocation Assistance Ordinance
Attachments: Yup, Rent Control Does More Harm Than Good.pdf; California Rent Controls, Good Intentions with Disastrous Consequences.pdf; The Effects of Rent Control Expansion on Tenants.pdf

Dear Council Members,

Although the Proposed Tenant Relocation Assistance Ordinance is well intended, I anticipate that it will create a situation of a scarcity of rental housing and ultimately a reduction in the amount of rental units and is UNFAIR! Here are some thoughts:

1. Where is the incentive for the Landlord to continue leasing?

Quite often owners are seniors who own properties to rent for retirement income. These owners do not want to lose their property's fair market rent and particularly under government control decided not by the electorate but by legislation. Government control is exactly what this proposed tenant relocation assistance ordinance is.

Imagine that you are a landlord leasing to a couple over 62 years old. You are made aware that the rent you are charging is below market rate. Let's say the rent is \$3,000 and fair market value is now \$4500. The tenant's lease is about to expire. The tenant elects not to pay the new rate.

Now the owner under this program will have to pay:

- A. 2 months rental subscription fee..... \$75
- B. 3 times the monthly rent..... \$9000
- C. 1 time the monthly rate..... \$3000 (Because one or more tenants is a Special-Circumstance Household, for example 62 years of age or older.)

In my scenario above and assuming base rent only, the "assistance/penalty" would amount to \$12,075 for a couple only wanting fair market value. Based on the proposed \$4500 fair market rent, the landlord would be penalized almost 9 months of fair market income to make up the difference. UNFAIR

Note: The alternative in the proposed legislation to the "base rent" is the "Menlo Park market rate monthly rent penalty". How do we know this will not even be higher than the base rent indicated above? I inquired of our Assistant to the City Manager, Clay Curtin, regarding if this was established and he replied that "We (Menlo Park) currently don't publish the market rate rent figure proposed in the ordinance. We would likely hire a consultant or company to figure that amount for us if the ordinance is ultimately approved, as I am aware there are several different methods and most numbers I find online are simply surveys of property listings, not necessarily the actual contracted price." More government and ultimately taxpayer expense. UNFAIR

2. How does a landlord oust a difficult tenant?

As a real estate Broker I have often seen/heard of tenants that pay their rent on time but may have other activities that make this tenant undesirable (drug use or dealing, intrusive noise, etc. ?). The Landlord has not served a written notice to cease and just wants to get that tenant out. So to evict this kind of tenant, he/she is rewarded? UNFAIR

3. Landlords, as in the example of paragraph 1, decide they do not want to deal with government interference and decide to sell, thereby reducing the amount of available and much needed rental supply units. Is this fair to tenants? UNFAIR
4. Is it fair to burden the City, our general fund, and taxpayers with enforcing this ordinance? The administrative costs can be substantial and would be better spent promoting our public safety. UNFAIR

I am including the following attachments for your review prior to the meeting:

“Yup, Rent Control Does More Harm than Good” dated January 18, 2018

“California Rent Controls: Good Intentions with Disastrous Consequences” dated May 16, 2018

“The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco” dated August 24, 2018

Thank you for your time and consideration.

Maya Sewald

Maya Sewald

Broker-Associate

Pacific Union Real Estate

1706 El Camino Real, Suite 220, Menlo Park, CA 94025

C: 650.346.1228

maya@mayasewald.com | pacificunion.com | sewaldrealestate.com

License #00993290



Economics

Yup, Rent Control Does More Harm Than Good

Economists put the profession's conventional wisdom to the test, only to discover that it's correct.

By [Noah Smith](#)

January 18, 2018 2:00 AM



Not helping. Photographer: Justin Sullivan/Getty Images

Noah Smith is a Bloomberg Opinion columnist. He was an assistant professor of finance at Stony Brook University, and he blogs at [Noahpinion](#).

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COMMENTS

▲ 45

LISTEN TO ARTICLE

▶ 4:44

Rent control is one of the first policies that students traditionally learn about in undergraduate economics classes. The idea is to get young people thinking about how policies intended to help the poor can backfire and hurt them instead. According to the basic theory of supply and demand, rent control causes housing shortages that reduce the number of low-income people who can live in a city. Even worse, rent control will tend to raise demand for housing — and therefore, rents — in other areas.

Rent control, the Econ 101 student learns, helps a few people, but overall does more harm than good.

Over the years, rent control has acquired a special bogeyman status among economists. Assar Lindbeck, a Swedish economist who chaired the Nobel prize committee for many years, once reportedly declared that rent control is “the best way to destroy a city, other than bombing.”

In the real world, of course, things rarely work exactly as they do in Econ 101. Labor markets don't seem to follow the

basic supply-and-demand model. Minimum wages don't seem to throw many people out of work. Building more highways often increases traffic. Given the existence of all these cases where simple models break down, might economists' negative view of rent control be unjustified?

As with so many questions, the answer can only come from looking at data. Economists Rebecca Diamond, Timothy McQuade and Franklin Qian have a new paper that looks at the effects of rent control in San Francisco, a city notorious for high housing costs. They find that the effects of rent control are pretty much what economics textbooks would predict.

Many studies rely on patchy or incomplete data, but not this one. Diamond and her colleagues used data from a private company that was able to combine public records to track the addresses of all San Francisco residents between 1980 and 2016, even if they moved out of California. This allowed them to study the effects of a change in San Francisco's rent control policy in 1995. Previously, all small multi-family buildings were exempt from rent control, but since 1995, only buildings built after 1980 are exempt.

How did this large increase in rent control affect renters? Predictably, people subject to the new policy became less likely to move – between 8 and 9 percent less likely, over the medium to long term.

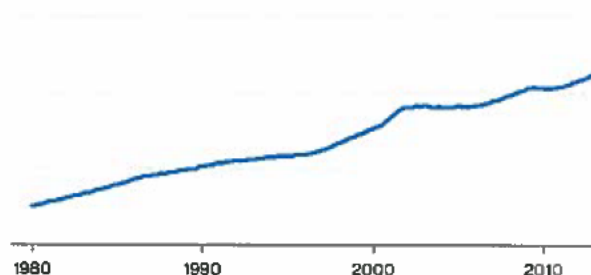
But not all renters benefitted equally. The new policy created a powerful incentive for landlords either to convert rental units into condominiums or to demolish old buildings and build new ones. Either course forced existing tenants – especially younger renters – to move. Landlords affected by the new 1995 policy tended to reduce rental-unit supply by 15 percent.

Being forced to move is traumatic. Not only is it expensive, it can take people out of their longtime communities. It also tends to hurt the most vulnerable members of society the most, since it often forces them to move to poorer neighborhoods with lower education levels and higher unemployment.

There are two other important but invisible groups of people who were hurt by San Francisco's rent policy. First, there are people who want to move to the city, but can't. Second, converting apartments into condos reduces the supply of rental housing and raises rents. The authors' model estimates that the 1995 policy raised rents in San Francisco by 5.1 percent. That is certainly an unwelcome development in a region plagued by high housing costs:

Up, Up and Away

Bay Area California monthly rent price index



Source: Federal Reserve Bank of St. Louis
1980=100

So rent control helped some people and hurt others. How can these effects be weighed? Diamond and the others constructed an economic model of the demand for housing that let them measure the utilitarian consequences of the policy, and found that the benefit to those who get to stay in their homes almost exactly balances out the various harms the policy causes. Ultimately, they say, rent control is a wash.

But few people are likely to believe strongly in the assumptions of this particular model – there's the risk that rent control could be more harmful than the authors realize. For example, if greater housing density increases citywide productivity, as is probably the case, the effects of rent control are even more pernicious. And policymakers who believe in an ethos of "first do no harm" have reason to be skeptical of a policy whose effects are so ambiguous.

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In the end, the strongest argument against rent control is that there are better ways to protect vulnerable renters.

Diamond and her coauthors suggest an idea that I've also endorsed in the past – a citywide system of government social insurance for renters. Households that see their rents go up could be eligible for tax credits or welfare payments to offset rent hikes, and vouchers to help pay the cost of moving. The money for the system would come from taxes on landlords, which would effectively spread the cost among all renters and landowners instead of laying the burden on the vulnerable few.

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California Rent Controls: Good Intentions with Disastrous Consequences

by Norm Miller, Hahn Chair of Real Estate Finance

WEDNESDAY, MAY 16, 2018

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Supporters of rent control suggest it is necessary in an era of unaffordable housing. Of course, if you are old enough and have followed the housing market, it seems that California has always been in an unaffordable housing crisis.[1] A recent report focused on Los Angeles suggested a "shortfall" of some 500,000 affordable housing units.[2] Many cities in California seem to be considering rent control at this time.[3] Long Beach, Inglewood, Glendale, Santa Ana, Pasadena and Los Angeles County are all considering joining a band of California cities that already have rent control and "just cause" eviction laws that prevent landlords from ousting tenants in good standing. There is even a statewide effort to put an initiative on California's November ballot that would repeal the Costa-Hawkins Act, a 1995 law that severely limits rent control in the 17 California cities that already have it.[4]

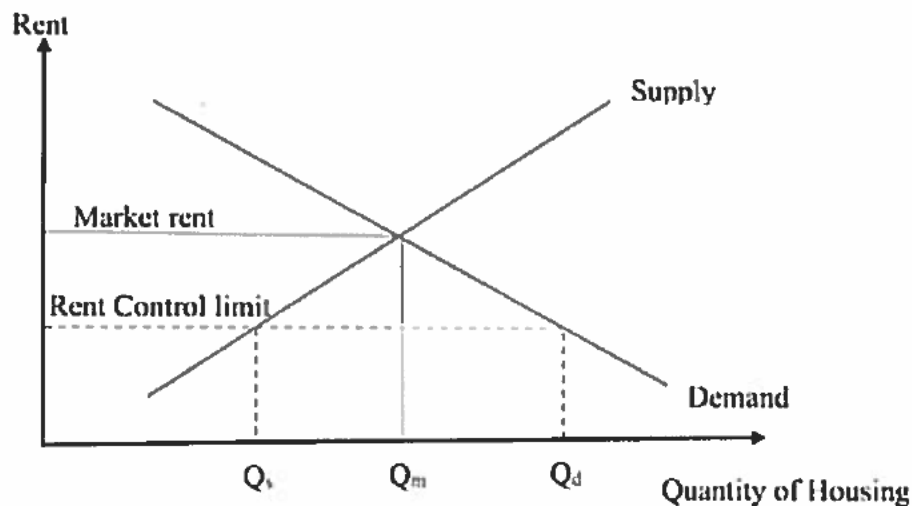
The challenges of providing affordable housing are most pronounced in large coastal cities, where healthy economies have pushed housing from the demand side. At the same time, political activism (NIMBY's for Not in My Back Yard), has spurred development challenges and hurdles, such as excessive parking requirements, maximum height limits and development fees that are not prorated by unit size, so that only larger unaffordable units are provided in the non-subsidized private portion of the market. Traffic and congestion are always cited as reasons not to permit any development dense enough to be mainstream market affordable. Some of these same activists will be found protesting all new developments, as they do not seem to realize that as long as they continue to have kids and expand the population base, the housing problem will only get worse unless more density is allowed. Rather than point fingers at ourselves as the primary cause of the problem, some naïve voters are now supporting more rent controls in California. Be careful what you wish for.

Proponent of rent controls argue that tenants can be exploited if building owners are allowed to raise rents to market levels and in some cases tenants will become homeless. Rent controls vary by market, but in most markets, rents can be increased only when a tenant moves out, so the landlord-tenant game becomes discovering when the real tenant moved out and the sub-let secret tenant moved in, often paying the original tenant a large windfall gain beyond the current rent. In some markets, only new or rehabilitated units can have rent increases, so the landlord-tenant game becomes one of waiting for the tenants to move out, then "rehabilitating" the unit to the minimum level necessary for a new market based rental charge. New York City is a classic case of such rent controls and a great laboratory to show what happens with long term rent controls.

While many of us understand the intention behind rent controls, few free market economists find any redeeming value in rent controls. Opponents to rent controls find such regulation is not only terribly inefficient, but also inequitable in serving a city's residents with different levels of windfall gains extracted like a tax from landlords. Abuses are sometimes difficult to detect with rent-controlled units. Various "lucky," long-time residents of rent controlled units receive more benefits than other newer residents or those residents living in areas without rent controls.

Rent controls hurt residents in the longer run in that such controls result in less housing investment (maintenance and repair) and less new stock than otherwise. With less housing stock, rent controls result in a rationing system where units subject to rent controls have huge pent up demand. The problem is illustrated in the graph, Exhibit 1 below. Over time as market rents exceed controlled rents, the demand at the controlled rent level is Q_d while the actual supply is Q_s , rather than the market solution at Q_m .

Exhibit 1: Rent Control Effects on Supply



The gap between Q_s and Q_m is a shortfall in supply that the market refuses to provide at lower rent levels. In fact, over time, the gap continues to grow and the housing affordability problem, for those not in rent-controlled units, becomes even worse. That is, new rental housing is simply not built, except for subsidized development, where the profit comes from fees and rents do not matter. Developers would build units to sell as condominiums or even convert apartments to condominiums rather than be subject to rent controls, when possible.

Here is what we know will happen in the housing market, if extensive rent controls are enacted:

- Fewer units will be built over time leading to an even greater housing shortfall.
- Units subject to rent control will not be well maintained and owners will not provide amenities or services that are otherwise designed to keep tenants.
- Landlords will discriminate more on tenant selection, seeking those more likely to move out versus those likely to stay long term.
- Housing unit quality will deteriorate and tenants will need to maintain their own units.
- Values will fall leading to possibly more defaults and foreclosures.

Value implications

How much will values fall? The greater the difference between the natural expected growth rate in rents and the rent-controlled rate, the larger will be the increase in cap rates. Currently, we can estimate cap rates based on the typical going-in net operating income over price. For multifamily in California, assume this is around five percent currently. The five percent cap rate is based upon an expectation of rental growth. If that rental growth rate is constrained so that two percent becomes more realistic rather than three and a half percent, the effect on the cap rate will be to drive it up by approximately one and a half percent to six and a half percent. When you divide any income level by six and a half percent instead of five percent, you lower the value by thirty percent. This means that an apartment building that was worth \$1 million is now worth \$700,000, assuming the rent controls

are long term. The mortgage on the building, if fairly new, may be more than the \$700,000 and some owners will simply hand over the keys to the bank. Others might milk the property and let them deteriorate. But few new multifamily property developers would enter such a rental market. They may provide more single family and condominium type housing to owners, who might rent them out if small owners are exempt from rent controls and this would result in a very fragmented, but still under-supplied market.[1]

Conclusions

Rent controls result in reducing future housing supply, providing a windfall gain to a few tenants while gutting the value of existing rental stock, and lowering the quality of rental housing over time. It would result in more residents needing to leave California rather than helping future renters stay here, thus hurting the businesses and economy that has so successfully supported a strong housing market to date. What will really solve the affordability problem for tenants are state enforced approvals of new housing developments with greater density, higher maximum heights, lower parking requirements, development fees prorated by unit size and some protection from politically motivated CEQA lawsuits that do nothing but delay projects and raise the costs of production.

References

1 For example, see Locked Out: California's Affordable Housing Crisis, Erin Riches and Jean Ross, May 2000 at <http://calbudgetcenter.org/wp-content/uploads/0005lockedout.pdf>

2 See <http://1p08d91kd0c03rlxhmhtydpr.wpengine.netdna-cdn.com/wp-content/uploads/2017/05/Los-Angeles-County-2017.pdf> SCANPH Southern California Association of Non Profit Housing, May 2017.

3 See for example "Rent control gains traction as housing costs 'crush' tenants" in the Orange County Register by Jeff Collins, March 24, 2018.

4 IBID quote from Jeff Collins.

5 For details on the value effects see Geltner Miller "Commercial Real Estate Analysis and Investment" On Course Pub, 3rd Ed. 2015.

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The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco*

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August 24, 2018

Abstract

We exploit quasi-experimental variation in assignment of rent control in San Francisco to study its impacts on tenants, landlords, and inequality. Leveraging new data tracking individuals' migration, we find rent control limits renters' mobility by 20% and lowers displacement from San Francisco, especially for minorities. Landlords treated by rent control reduce rental housing supplies by 15%, either by converting to condos/TICs, selling to owner occupants, or redeveloping buildings. In the long-run, we find rent control increased the gentrification of San Francisco, as the endogenous changes in the housing supply attracted higher income residents, undermining the goals of rent control.

*We are grateful for comments from Ed Glaeser, Christopher Palmer, Paul Scott, and seminar participants at The Conference on Urban and Regional Economics, the Fall HULM Conference, NTA Annual Meeting, NBER Real Estate Summer Institute, NBER Fall Public and Labor Studies Meetings, NYU Stern, the Stanford Finance Faculty Lunch, UC Berkeley, and the University of Illinois.

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1 Introduction

Steadily rising housing rents in many of the US's large, productive cities has brought the issue of affordable housing to the forefront of the policy debate and reignited the discussion over expanding or enacting rent control provisions. State lawmakers in Illinois, Oregon, and California are currently considering repealing laws that limit cities' abilities to pass or expand rent control. Rent control is already extremely popular around the San Francisco Bay Area. Nine Bay Area cities already impose rent control regulations, two of which recently passed rent control laws through majority votes on the November 2016 ballot. Rent control in the Bay Area consists of regulated caps on price increases within the duration of a tenancy, but no price restrictions between tenants. Rent control also places restrictions on evictions.

A substantial body of economic research has warned about potential negative efficiency consequences to limiting rent increases below market rates, including over-consumption of housing by tenants of rent controlled apartments (Olsen (1972), Gyourko and Linneman (1989)), mis-allocation of heterogeneous housing to heterogeneous tenants (Suen (1989), Glaeser and Luttmer (2003), Sims (2011), Bulow and Klemperer (2012)), negative spillovers onto neighboring housing (Sims (2007), Autor et al. (2014)) and neglect of required maintenance (Downs (1988)). Yet, due to incomplete markets in the absence of rent control, many tenants are unable to insure themselves against rent increases. A variety of affordable housing advocates have argued that tenants greatly value these insurance benefits. If long-term tenants have developed neighborhood specific capital, such as a network of friends and family, proximity to one's job, or proximity to the schools of one's children, then these tenants face large risks from rent appreciation. In contrast, individuals who have little connection to any specific area can easily insure themselves against local rental price appreciation by moving to a cheaper location. However, those invested in the local community are not able to use this type of "self-insurance" as easily, since they must give up some or all of their neighborhood specific capital. Rent control can provide these tenants with this type of insurance.

Due to a lack of detailed data and natural experiments, we have little well-identified empirical evidence evaluating how introducing local rent controls affects tenants, landlords, or the broader housing market.¹ In this paper, we bring to bear new micro data and exploit quasi-experimental variation in the assignment of rent control provided by a unique 1994 local San Francisco ballot initiative to fill this gap. We exploit an unexpected law change that suddenly rent controlled a subset of San Francisco buildings and their tenants, based on the year each building was built. However, the law left very similar buildings and tenants

¹A notable exception to this is Sims (2007) and Autor et al. (2014) which use the repeal of rent control in Cambridge, MA to study its spillover effects onto nearby property values and building maintenance.

without rent control. We find tenants covered by rent control do place a substantial value on the benefit, as revealed by their choice to remain in their apartments longer than those without rent control. We find especially large effects on minority renters who, absent rent control, would have been disproportionately displaced from San Francisco as a whole.

However, landlords of properties affected by the law change respond over the long term by substituting to other types of real estate, in particular by converting to condos and redeveloping buildings so as to exempt them from rent control. Landlords' substitution toward owner occupied and high-end new construction rental housing fueled the gentrification of San Francisco, as these types of properties cater to higher income individuals. Rent control's combined effects of increased gentrification and limiting displacement of minority tenants have arguably led to a higher level of income inequality in the city overall.

In 1979, San Francisco imposed rent control on all standing buildings with 5 or more apartments. New construction was exempt from rent control, since legislators did not want to discourage new development. In addition, smaller multi-family buildings were exempt from this 1979 law change since they were viewed as more "mom and pop" ventures, and did not have market power over rents. However, this exemption was lifted through a 1994 San Francisco ballot initiative. Proponents of this law change argued small multi-family housing was now primarily owned by large businesses and should face the same rent control of large multi-family housing. Since the initial 1979 rent control law only impacted properties built from 1979 and earlier, the removal of the small multi-family exemption also only affected properties built 1979 and earlier. This led to quasi-experimental rent control expansion in 1994 based on whether the small multi-family housing was built prior to or post 1980.

To examine rent control's effects on tenant migration and neighborhood choices, we make use of new panel data which provides address-level migration decisions and housing characteristics for the majority of adults living in San Francisco in the early 1990s. This allows us to define our treatment group as renters who lived in small multi-family apartment buildings built prior to 1980 and our control group as renters living in small multi-family housing built between 1980 and 1990. Using our data, we can follow each of these groups over time up until the present, regardless of where they migrate.

On average, we find that between five and ten years after the law change, the beneficiaries of rent control are 3.5 percentage points more likely to still remain at their 1994 address relative to the control group. Only 18% of the control group still remained at their 1994 address for this long. This implies that the 3.5 percentage point increase represents a 19.4 percent increase in not moving ($3.5/18$), relative to the control group's migration rate. Further, we find that the beneficiaries are also 4.5 percentage points more likely to remain in San Francisco relative to the control group, indicating a large share of the renters that rent

control caused to remain at their 1994 address would have left San Francisco had they not been covered by rent control. This would likely be viewed as a desirable outcome by rent control advocates.

We next analyze treatment effect heterogeneity along a number of dimensions. We first find that our estimated effects are significantly stronger among older households and among households that have already spent a number of years at their address prior to treatment. This is consistent with the fact that both of these populations are likely to be less mobile. Renters who don't need to move very often are more likely to find it worthwhile to remain in their rent controlled apartment for a long time, enabling them to accrue larger rent savings.

Turning to differential effects based on minority status, we find Hispanics and Blacks are more likely to remain in their rent controlled properties, as compared to Whites. Asians respond similarly to Whites. However, the effect of rent control on the likelihood of staying in San Francisco is stronger for all minority groups, likely indicating that minorities faced greater displacement pressures in San Francisco than Whites.²

We next examine how displacement effects vary between neighborhoods that experience high versus low appreciation in house prices.³ One might expect neighborhoods with the largest increases in market prices would be ones where tenants would remain in their rent controlled apartments the longest, since their outside options in the neighborhood would be especially expensive. However, for these same reasons, landlords in these high appreciation neighborhoods would have large incentives to remove tenants. They then could either reset rents to market rates with a new tenant or redevelop the building as condos or new construction, both of which are exempt from rent control. We find evidence for both of these effects. Among renters who had only lived at their address for less than four years, as of 1994, and who lived in neighborhoods where prices strongly appreciated from 1990 to 2000, we find rent control actually *decreased* the probability they remained at their 1994 address. These tenants who had not lived in the area very long likely had relatively less desire to remain in this neighborhood long-term and would be more willing to respond to landlord pressure for them to move away. In contrast, we find tenants who had lived in the area for four years or more at time of treatment and lived in high appreciation areas were substantially more likely to remain at their 1994 address. Indeed, this population would likely desire to stay in the neighborhood long-term and remaining in the rent controlled apartment would be by far the cheapest way to do this. Landlord pressure to move out would thus likely be less effective on this population.

²We impute race by combining imputed race based on first and last name (Ye et al. (2017)) and the racial mix of one's census block of residence in 1990. See the Data Section for more details.

³Since no data source exists for market rate rents at the neighborhood level, we rely on house price transaction data as a proxy.

In practice, landlords have a few possible ways of removing tenants. First, landlords could move into the property themselves, known as move-in eviction. Second, the Ellis Act allows landlords to evict tenants if they intend to remove the property from the rental market - for instance, in order to convert the units to condos. Finally, landlords are legally allowed to offer their tenants monetary compensation for leaving. In practice, these transfer payments from landlords are quite common and can be quite large. Moreover, consistent with the empirical evidence, it seems likely that landlords would be most successful at removing tenants with the least built-up neighborhood capital, i.e. those tenants who have not lived in the neighborhood for long.

Finally, we analyze whether rent control enables tenants to live in higher amenity neighborhoods. Our previous analysis highlights that rent control could either raise or lower the quality of tenants' neighborhoods, since landlords actively remove tenants in the most expensive, high amenity areas. Indeed, we find that the average tenant treated by rent control lives in a census tract with worse observable amenities, as measured by the census tract's median household income, share of the population with a college degree, median house value, and share unemployed. This further highlights that landlords actively remove tenants in the areas where they have the most to gain, completely removing any impact rent control could have on living in a higher quality neighborhood.

To further study the landlord response to the rent control expansion and to understand the impact of rent control on rental supply, we merge in historical parcel history data from the SF Assessor's Office, which allows us to observe parcel splits and condo conversions. We find that rent-controlled buildings were 8 percentage points more likely to convert to a condo or a Tenancy in Common (TIC) than buildings in the control group. Consistent with these findings, we find that rent control led to a 15 percentage point decline in the number of renters living in treated buildings and a 25 percentage point reduction in the number of renters living in rent-controlled units, relative to 1994 levels. This large reduction in rental housing supply was driven by both converting existing structures to owner-occupied condominium housing and by replacing existing structures with new construction.

This 15 percentage point reduction in the rental supply of small multi-family housing likely led to rent increases in the long-run, consistent with standard economic theory. In this sense, rent control operated as a transfer between the future renters of San Francisco (who would pay these higher rents due to lower supply) to the renters living in San Francisco in 1994 (who benefited directly from lower rents). Furthermore, since many of the existing rental properties were converted to higher-end, owner-occupied condominium housing and new construction rentals, the passage of rent control ultimately led to a housing stock which caters to higher income individuals. We directly test whether rent control led to in-migration

of higher income residents by imputing household income with the per-capita income of residents' census block groups of their residences five year prior. We find that this high-end housing, developed in response to rent control, attracted residents with at least 18% higher income, relative to control group buildings in the same zipcode. Taking all of these points together, it appears rent control has actually contributed to the gentrification of San Francisco, the exact opposite of the policy's intended goal. Indeed, by simultaneously bringing in higher income residents and preventing displacement of minorities, rent control has contributed to widening income inequality of the city. For a full quantitative analysis of the welfare gains and losses due to rent control, see our companion paper (Diamond et al. (2018)), which estimates a dynamic discrete choice model of tenant migration and performs general equilibrium counterfactual analysis of the impacts of rent control.

Our paper is most related to the literature on rent control. Recent work by Autor et al. (2014) and Sims (2007) leverages policy variation in rent control laws in Cambridge, Massachusetts to study the property and neighborhood effects of removing rent control regulations. Our paper studies the effects of enacting rent control laws, which could have very different effects than de-control. De-control studies the effects of removing rent control on buildings which remain covered. Indeed, we find a large share of landlords substitute away from supply of rent controlled housing, making those properties which remain subject to rent control a selected set.

There also exists an older literature on rent control combining applied theory with cross-sectional empirical methods. These papers test whether the data are consistent with the theory being studied, but usually cannot quantify causal effects of rent control (Early (2000), Glaeser and Luttmer (2003), Gyourko and Linneman (1989), Gyourko and Linneman (1990), Moon and Stotsky (1993), Olsen (1972)).

The remainder of the paper proceeds as follows. Section 2 discusses the history of rent control in San Francisco. Section 3 discusses the data used for the analysis. Section 4 presents our empirical results. Section 5 concludes.

2 A History of Rent Control in San Francisco

Regulations are widespread in housing markets, and rent controls are arguably among the most important historically (Stigler and Friedman (1946), Gyourko and Glaeser (2008)). The modern era of US rent controls began as a part of World War II-era price controls and as a reaction to housing shortages following demographic changes immediately after the war (Fetter (2016)). These "hard price controls" that directly regulate the exact price of housing have been replaced by newer policies that regulate rent increases (Arnott (1995)).

This “newer style” policy is what exists in San Francisco.

Rent Control in San Francisco began in 1979, when acting Mayor Dianne Feinstein signed San Francisco’s first rent-control law. Pressure to pass rent control measures was mounting due to high inflation rates nationwide, strong housing demand in San Francisco, and recently passed Proposition 13.⁴ This law capped annual nominal rent increases to 7% and covered all rental units built before June 13th, 1979 with one key exemption: owner occupied buildings containing 4 units or less.⁵ These “mom and pop” landlords were cast as less profit driven than the large scale, corporate landlords, and more similar to the tenants being protected. These small multi-family structures made up about 44% of the rental housing stock in 1990, making this a large exemption to the rent control law.

While this exemption was intended to target “mom and pop” landlords, in practice small multi-families were increasingly purchased by larger businesses who would then sell a small share of the building to a live-in owner so as to satisfy the rent control law exemption. This became fuel for a new ballot initiative in 1994 to remove the small multi-family rent control exemption. This ballot initiative barely passed in November 1994. Beginning in 1995, all multi-family structures with four units or less built in 1979 or earlier were now subject to rent control. These small multi-family structures built prior to 1980 remain rent controlled today, while all of those built from 1980 or later are still not subject to rent control. San Francisco rent control laws have remained stable since then, possibly due to the state-wide Costa-Hawkins Act. This law precludes any California city from rent controlling their housing stock built 1994 or later, as well as regulates the scope of rent control allowed. For example, it requires rent controlled apartment rents to be unregulated between tenants. This law is up for repeal by majority vote on the 2018 November ballot. Removing it would greatly expand the scope of rent control in California.

3 Data

We bring together data from multiple sources to enable us to observe property characteristics, determine treatment and control groups, track migration decisions of tenants, and observe the property decisions of landlords. Our first dataset is from Infutor, which provides the entire address history of individuals who resided in San Francisco at some point between the

⁴Proposition 13, passed in 1978, limited annual property tax increases for owners. Tenants felt they were entitled to similar benefits in the form of capped annual rent increases.

⁵The annual allowable rent increase was cut to 4% in 1984 and later to 60% of the CPI in 1992, where it remains today.

years of 1980 and 2016.⁶ The data include not only individuals' San Francisco addresses, but any other address within the United States at which that individual lived during the period of 1980 – 2016. The dataset provides the exact street address, the month and year at which the individual lived at that particular location, the name of the individual, and some demographic information including age and gender.

We link these data to property records provided by DataQuick. These data provide us with a variety of property characteristics, such as the use-code (single-family, multi-family, commercial, etc.), the year the building was built, and the number of units in the structure. For each property, the data also details its transaction history since 1988, including transaction prices, as well as the buyer and seller names. By comparing last names in Infutor to the listed owners of the property in DataQuick, we are able to distinguish owners from renters.

Next, we match each address to its official parcel number from the San Francisco Assessor's office. Using the parcel ID number from the Secured Roll data, we merge in any building permits that have been associated with that property since 1980. These data come from the San Francisco Planning Office. This allows us to track large investments in renovations over time based on the quantity and type of permit issued to each building.

Finally, the parcel number also allows us to link to the parcel history file from the Assessor's office. This allows us to observe changes in the parcel structure over time. In particular, this allows us to determine whether parcels were split off over time, a common occurrence when a multi-family apartment building (one parcel) splits into separate parcels for each apartment during a condo conversion.

Summary statistics are provided in Table 1. We see the average renter in our sample in 1994 is about 37 years old and has lived at their current address for 6 years. We also see that these small multi-family properties are made up of 82% (0.74/0.9) renters and 18% owner occupants prior to 1994.

3.1 Data Representativeness

To examine the representativeness of the Infutor data, we link all individuals reported as living in San Francisco in 1990 to their census tract, to create census tract population counts as measured in Infutor. We make similar census tract population counts for the year 2000 and compare these San Francisco census tract population counts to those reported in the 1990 and 2000 census for adults 18 years old and above. Regressions of the Infutor populations

⁶Infutor is a data aggregator of address data using many sources including sources such as phone-books, voter files, property deeds, magazine subscriptions, credit header files, and others.

on census population are shown in Figures 1 and 2.⁷ Figure 1 shows that for each additional person recorded in the 1990 Census, Infutor contains an additional 0.44 people, suggesting we have a 44% sample of the population. While we do not observe the universe of San Francisco residents in 1990, the data appear quite representative, as the census tract population in the 1990 Census can explain 69% of the census tract variation in population measured from Infutor. Our data is even better in the year 2000. Figure 2 shows that we appear to have 1.1 people in Infutor for each person observed in the 2000 US census. We likely over count the number of people in each tract in Infutor since we are not conditioning on year of death in the Infutor data, leading to over counting of alive people. However, the Infutor data still tracks population well, as the census tract population in the 2000 Census can explain 90% of the census tract variation in population measured from Infutor.

Infutor also provides information on age. As additional checks, we compare the population counts within decadal age groups living in a particular census tract as reported by Infutor to that reported by the Census. We again report the results for both 1990 and 2000. Unlike the prior analysis, we must drop Infutor observations missing birth date information for this, making our sample smaller. As shown in Figure 3, the slopes of the regression lines for the 18-29, 30-39, 40-49, 50-59, and 60-69 age groups are 0.31, 0.44, 0.42, 0.24, and 0.16, respectively. This indicates the Infutor coverage is strongest for 30-49 year olds in 1990. The R-squareds are also the highest in this age range at 65% – 76%. The coverage of the data improves dramatically by 2000, as shown in Figure 4. The regression line slopes for the respective age groups are now 0.33, 0.74, 0.72, 0.70, 0.45. The R-squareds range from 0.61-0.85. It is clear the data disproportionately under samples the youngest group, but this is unsurprising as these data come from sources such as credit header files, voter files, and property deeds. Eighteen year olds are less likely to show up in these sources right away. Overall the data coverage looks quite good.

As described above, we merge the Infutor data with public records information provided by DataQuick about the particular property located at a given address, such as use-code and age of the property. We assess the quality of the matching procedure by comparing the distribution of the year buildings were built across census tracts among addresses listed as occupied in Infutor versus the 1990 and 2000 censuses. If a building is constructed after 1993 according to its current day use-code, but we observe a person living there in 1993, we include it in the treatment group for rent control. Figures 5 and 6 show the age distribution of the occupied stock by census tract. In both of the years 1990 and 2000, our R-squareds range from 67% to 91% and we often cannot reject a slope of one.⁸ This highlights the

⁷We only can do data validation relative to the US Censuses for census tracts in San Francisco because we only have address histories for people that lived in San Francisco at some point in their life.

⁸Since year built comes from the Census long form, these data are based only on a 20% sample of the

extremely high quality of the linked Infutor-DataQuick data, as the addresses are clean enough to merge in the outside data source DataQuick and still manage to recover the same distribution of building ages as reported in both the 1990 and 2000 Censuses.

To measure whether Infutor residents were owners or renters of their properties, we compare the last names of the property owners list in DataQuick to the last names of the residents listed in Infutor. Since property can be owned in trusts, under a business name, or by a partner or spouse with a different last name, we expect to under-classify residents as owners. Figures 7 and 8 plot the Infutor measure of ownership rates by census tract in 1990 and 2000, respectively, against measures constructed using the 1990 and 2000 censuses. In 1990 (2000), a one percentage point increase in the owner-occupied rate leads to a 0.43 (0.56) percentage point increase in the ownership rate measured in Infutor. Despite the under counting, our cross-sectional variation across census tract matches the 1990 and 2000 censuses extremely well, with R-squareds over 90% in both decades. This further highlights the quality of the Infutor data.

3.2 Imputing Tenant Race

We use a two-step procedure to impute the race/ethnicity of individuals in our main sample of analysis: all tenants between 20 and 65 years old living in San Francisco as of December 31st, 1993. In the first step, we use “NamePrism”, a non-commercial ethnicity/nationality classification tool intended to support academic research (Ye et al. (2017)), to compute baseline probabilities of race/ethnicity for each tenant based on her first name and last name. In the second step, we use Bayes’ Rule to update the name-based probabilities for race and ethnicity using the local racial distribution at each tenant’s place of residence in 1990, following a similar methodology used by the Consumer Financial Protection Bureau (CFPB (2014)). More details about each step is described below.

In step 1, for each tenant, we use both of her first and last name and query the website for “NamePrism” to obtain baseline probabilities for the 6 ethnic categories defined by the U.S. Census Bureau: Hispanic; non-Hispanic White, non-Hispanic Black or African American, non-Hispanic Asian/Pacific Islander, non-Hispanic American Indian and Alaska Native, and non-Hispanic Multi-racial.⁹ “NamePrism” employs a training data set of 57 million contact lists from a major Internet company, US census data on the distribution of last names by race, and trains its algorithm using the homophily principle exhibited in communication

true distribution of building ages in each tract, creating measurement error that is likely worse in the census than in the merged Infutor-DataQuick data.

⁹This classification considers Hispanic as mutually exclusive from the race categories, with individuals identified as Hispanic belonging only to that category, regardless of racial background.

as the basis for its ethnicity classifier.¹⁰ In this step, each tenant is assigned a probability, ranging from 0% to 100%, of belonging to each of the 6 ethnic groups, and the 6 probabilities sum to 1.

In step 2, we update each tenant’s baseline racial probabilities with the racial and ethnic characteristics of the census block associated with her place of residence in 1990 using Bayes’ Rule to obtain posterior probabilities for the 6 ethnic groups.¹¹ In particular, for a tenant with name s who resides in geographic area g , we calculate the probability of race or ethnicity r for each of the 6 categories for a given name s , denoted as $\Pr(r|s)$. From the Summary File 1 (SF1) from Census 1990, we obtain the proportion of the population belonging to race or ethnicity r that lives in geographic area g , denoted as $\Pr(g|r)$. Bayes’ Rule then gives the probability that a tenant with name s residing in geographic area g belongs to race or ethnicity r :

$$\Pr(r|g, s) = \frac{\Pr(r|s) \Pr(g|r)}{\sum_{r' \in R} \Pr(r'|s) \Pr(g|r')},$$

where R denotes the set of 6 ethnic categories. An assumption necessary for the validity of the Bayesian updating procedure is that the probability of living in a given geographic area, given one’s race, is independent of one’s name. For example, it requires that Blacks with the name John Smith are equally likely to live in a certain neighborhood as both Blacks in general and all people with the name John Smith.

For each tenant, we then assign a final racial probability if the maximum of the 6 posterior probabilities is equal to or above 0.8, and a final racial/ethnic category corresponding to the maximum posterior; otherwise a tenant’s race/ethnicity is unclassified. Table 2 shows the breakdown of our racial and ethnic classification for our main sample of analysis.

Our methodology is similar to what’s used by the CFPB to construct proxy consumer race in order to conduct fair lending analysis. CFPB (2014) and Elliott et al. (2009) demonstrate combining geography- and name-based information into a single proxy probability for race/ethnicity significantly outperforms traditional classification methods based on names or geography alone. The key difference between our method and CFPB’s method is that we use “NamePrism” to compute “prior” probabilities, whereas CFPB relies on the racial distribution for common last names in the U.S. published by the Census Bureau (Comenetz (2016)). Since “NamePrism” uses both first and last names from a much larger name database, it is able to classify race/ethnicity for a much wider range of names at higher accuracy. Moreover,

¹⁰People tend to communicate more frequently with others of similar age, language and location.

¹¹In practice, census block level information on the racial and ethnic composition is available for 94.7% of our sample. For the rest of sample, we use racial and ethnic composition at the census block group (4%), census tract (0.2%), and 5-digit zip code levels (1%), whichever one is first available in the order listed. We set the posterior probabilities equal to the baseline probabilities from “NamePrism” for the rest 0.1% of our sample.

we use census block level racial composition for Bayesian updating of racial probabilities whenever possible, whereas CFPB uses racial distribution at the census block group level, which is a larger geographic unit, and thus less refined.

3.2.1 Validation of Race Imputation

In this section, we report some summary statistics regarding our race imputation methodology and perform a few validation checks. Using our imputation procedure and the linked Infutor-DataQuick data, we first report in Table 2 the racial distribution of all tenants aged 20-65 living in multi-family residences with 2-4 units as of December 31, 1993. The table also reports the 1990 Census measure of this distribution. As in the census, we find that Asians are the most numerous minority, followed by Hispanics and then Blacks. This table also shows that our procedure somewhat over-represents Whites in San Francisco and under-represents the number of minorities. This is because we only assign a race to an individual if the probability of that race is above 80%. In practice, this means 8,009 tenants are not assigned a race, equal to 17.27% of our tenant sample. Many of these unassigned individuals are, in fact, likely minorities as a large fraction of the unassigned are those with minority-sounding names but who live in relatively racially integrated neighborhoods.¹²

To further validate our methodology, we examine the average racial makeup of the 2010 census block in which our assigned individuals live. Note that this is an out-of-sample check since we use an individual's 1990 address, not their 2010 address, in our imputation procedure. The results are reported in Table 3. Consistent with what one would expect from some degree of continued racial sorting, individuals we classify as White live in neighborhoods with the greatest fraction of Whites (as of 2010), those we classify as Black live in neighborhoods with the greatest fraction of Blacks (as of 2010), and similarly for Hispanics and Asians. The same sorting result appears when we regress racial shares of an individual's 2010 census block on the individual's assigned race. The results are reported in Table 4, with Black being the omitted category. For example, being White is the strongest positive predictor of the 2010 White share, being Hispanic is the strongest positive predictor of the 2010 Hispanic share, and similarly for Asians and Blacks. We feel this racial sorting in 2010 provides strong evidence that our imputation procedure is correctly identifying an individual's race.

¹²If we do not impose this cutoff and instead simply calculate raw means of each racial group's probabilities, our racial distribution looks much closer to the distribution reported by the Census. We feel that imposing the cutoff is appropriate, however, since it ameliorates concerns regarding measurement error in our regression analysis by restricting to those individuals whose racial classification is more precise.

4 Empirical Results

Studying the effects of rent control is challenged by the usual endogeneity issues. The tenants who choose to live in rent-controlled housing, for example, are likely a selected sample. To overcome these issues, we exploit the particular institutional history of the expansion of rent control in San Francisco. Specifically, we exploit the successful 1994 ballot initiative which removed the original 1979 exemption for small multi-family housing of four units or less, as discussed in Section 2.

In 1994, as a result of the ballot initiative, tenants who happened to live in small multi-family housing built prior to 1980 were, all of a sudden, protected by statute against rent increases. Tenants who lived in small multi-family housing built 1980 and later continued to not receive rent control protections. We therefore use as our treatment group those renters who, as of December 31, 1993, lived in multi-family buildings of less than or equal to 4 units, built between years 1900 and 1979. We use as our control group those renters who, as of December 31, 1993, lived in multi-family buildings of less than or equal to 4 units, built between the years of 1980 and 1990. We exclude those renters who lived in small multi-family buildings constructed post 1990 since individuals who choose to live in new construction may constitute a selected sample and exhibit differential trends. We also exclude tenants who moved into their property prior to 1980, as none of the control group buildings would have been constructed at the time.

When examining the impact of rent control on the parcels themselves, we use small multi-family buildings built between the years of 1900 and 1979 as our treatment group and buildings built between the years of 1980 and 1990 as our control group. We again exclude buildings constructed in the early 1990s to remove any differential effects of new construction. Figure 9 shows the geographic distribution of treated buildings and control buildings in San Francisco. Since our control group was built over a narrow time span, the sample size of the treatment group is much larger than the control group. However, the control group buildings cover many neighborhoods across San Francisco, giving the treatment and control samples good overlap.

We next estimate balance tests between our treatment and control samples to evaluate whether rent control status was as good as randomly assigned. Table 1 compares the characteristics of tenants in treatment and control buildings, from 1990-1993, prior to treatment. The comparisons in raw means do not control for the zipcode of the building, which we will always condition on in our analysis. Panel A1 shows that tenants in the treated buildings are 0.6 years older than tenants in control buildings. This is unsurprising as the older buildings have been around much longer, allowing for longer tenancies and thus older residents. In-

deed, we also see that the average tenant in the treatment building has lived there for 6 years prior to treatment, while control group tenants have lived there for 5.8 years. To account for this differences, we will always condition on the length of tenancy, measured at the time of treatment, when comparing treatment and control groups in the following analysis.

4.1 Tenant Effects

We begin our analysis by studying the impact of rent control provisions on its tenant beneficiaries. We use a differences-in-differences design described above, with the following exact specification:

$$Y_{iszt} = \delta_{zt} + \alpha_i + \beta_i T_i + \gamma_{st} + \epsilon_{it}. \quad (1)$$

Here, Y_{iszt} are outcome variables equal to one if, in year t , the tenant i is still living at either the same address as they were at the end of 1993, or, alternatively, if the tenant is still living in San Francisco. The variables α_i denote individual tenant fixed effects. The variable T_i denotes treatment, equal to one if, on December 31, 1993, the tenant is living in a multi-family building with less than or equal to four units built between the years 1900 and 1979.

We include fixed effects γ_{st} denoting the interaction of dummies for the year s the tenant moved into their 1993 apartment with calendar year t time dummies. These additional controls are needed since older buildings are mechanically more likely to have long-term, low turnover tenants; not all of the control group buildings were built when some tenants in older buildings moved in. Finally, note we have included a full set of zipcode by year fixed effects, δ_{zt} . In this way, we control for any differences in the geographic distribution of treated buildings vs. control buildings, ensuring that our identification is based off of individuals who live in the same neighborhood, as measured by zipcode. Our coefficient of interest, quantifying the effect of rent control on future residency, is denoted by β_i .

Our estimated effects are shown in Figure 10, along with 90% confidence intervals. As further evidence of random assignment, we see no pre-trends leading up to time of treatment. Exactly at time of treatment we see a large spike in the probability that the treatment group remains at their 1993 address, versus the control group. We can see that tenants who receive rent control protections are persistently more likely to remain at their 1993 address relative to the control group. This effect decays over time, which likely reflects that as more years go by, all tenants are increasingly likely to move away from where they lived in 1993. Further, we find that treated tenants are also more likely to be living in San Francisco. This result indicates that the assignment of rent control not only impacts the type of property a tenant chooses to live in, but also their choice of location and neighborhood type.

These figures also illustrate how the time pattern of our effects correlates with rental rates in San Francisco.¹³ We would expect that our results would be particularly strong in those years when the outside option is worse due to quickly rising rents. Along with our yearly estimated effect of rent control, we plot the yearly deviation from the log trend in rental rates against our estimated effect of rent control in that given year. We indeed see that our effects grew quite strongly in the mid to late 1990s in conjunction with quickly rising rents, relative to trend. Our effects then stabilize and slightly decline in the early 2000s in the wake of the Dot-com bubble crash, which led to falling rental rates relative to trend. Overall, we measure a correlation of 49.4% between our estimated same address effects and median rents, and a correlation of 78.4% between our estimated SF effects and median rents.

In Table 5, we collapse our estimated effects into a short-term 1994-1999 effect, a medium-term 2000-2004 effect, and a long-term post-2005 effect. We find that in the short-run, tenants in rent-controlled housing are 2.18 percentage points more likely to remain at the same address. This estimate reflects a 4.03% increase relative to the 1994-1999 control group mean of 54.10%. In the medium term, rent-controlled tenants are 3.54 percentage points more likely to remain at the same address, reflecting a 19.38% increase over the 2000-2004 control group mean of 18.27%. Finally, in the long-term, rent-controlled tenants are 1.47 percentage points more likely to remain at the same address. This is a 12.95% increase over the control group mean of 11.35%. Whether these effects should widen or narrow over time is ambiguous. On one hand, the wedge between market rate rents and rent control rents diverge, the longer one remains at their rent controlled address. On the other hand, the mismatch between one's 1993 address and the ideal location and type of housing is likely to grow over time, pushing tenants to give up their rent control. Since our long-term results are smaller than our medium term findings, it appears the mismatch effect begins to grow faster than the below market rent effect over the medium to long-term.

Tenants who benefit from rent control are 2.00 percentage points more likely to remain in San Francisco in the short-term, 4.51 percentage points more likely in the medium-term, and 3.66 percentage points more likely in the long-term. Relative to the control group means, these estimates reflect increases of 2.62%, 8.78%, and 8.42% respectively. Since these numbers are of the same magnitude as the treatment effects of stay at one's exact 1993 apartment, we find that absent rent control a large share of those incentivized to stay in their apartments would have otherwise moved out of San Francisco.

A key identifying assumption for our analysis is that once neighborhood characteristics

¹³Annual advertised rents from the San Francisco Chronicle and Craigslist have been collected by Eric Fischer (<https://github.com/ericfischer/housing-inventory/>). Since we do not have the microdata, this gives us an aggregate San Francisco-wide annual time series of rents. Given that this data is based on actual listings, this is likely the most accurate measure of true *market* rate rents, among all possible data sources.

have been controlled for, as well as the number of years lived in the apartment as of December 31, 1993, those living in older versus newer buildings would not exhibit differential trends in migration. As a robustness test, in Table 6, we have restricted our treatment group to individuals who lived in structures built between 1960 and 1979, thereby comparing tenants in buildings built slightly before 1979 to tenants in buildings built slightly after 1979. We find statistically indistinguishable results from our main analysis, with point estimates actually 5% to 63% larger across the six point estimates. As further robustness, we redefine the neighborhood more finely, using census tracts instead of zipcodes. Table 6 repeats the analysis using census tract by year fixed effects. The results are also statistically indistinguishable from our main results, although the point estimates are between 1% and 28% smaller across the six point estimates. Dropping the zip-year fixed effects also produces similar results.

4.1.1 Treatment Effect Heterogeneity

These estimated overall effects mask interesting heterogeneity. We first begin by repeating our analysis separately within each racial group. Since our sample sizes within any given racial group are smaller, we will focus on the overall “post” impact of rent control, not separating out the short, medium, and long run effects. Figure 11 shows the treatment effects of remaining in one’s 1993 address for Whites, and then the differential effects for each racial group. Whites are 2.1 percentage points more likely to remain at their treated address due to rent control. For both Blacks and Hispanics, we find larger treatment effects of 10.7 and 7.1 percentage point increases for these groups, respectively.¹⁴ This suggests these minority groups disproportionately valued rent control. In contrast, the effect for Asians is statistically indistinguishable from the Whites effect, with a point estimate of 0.9 percentage points.

We see further evidence that racial minorities disproportionately benefited from rent control when looking at the impact of the law on remaining in San Francisco. Rent control leads treated Whites to be 2.8 percentage points more likely to remain in San Francisco, while Blacks, Hispanics, and Asians are 10.7, 10.1, and 6.4 percentage points more likely to remain in San Francisco, respectively. This suggests that rent control had a substantial impact on limiting displacement of minorities from the city.

We next examine treatment effect heterogeneity across neighborhoods, duration of tenancy, and age.¹⁵ First, we cut the data by age, sorting individuals into two groups, a young

¹⁴Since our sample of Blacks is quite small, the differential effects for Blacks are not statistically indistinguishable from Whites.

¹⁵We do not cut on race here as well, as the samples would become too thin.

group who were aged 20-39 in 1993 and an old group who were aged 40-65 in 1993. We also sort the data based on the number of years the individual has been living at their 1993 address. We create a “high turnover” group of individuals who had been living at their address for less than four years and a “low turnover” group of individuals who had been living at their address for between four and fourteen years. Finally, we cut the sample of zipcodes based on whether their housing price appreciation from 1990 to 2000 was above or below the median, as measured by the housing transactions observed in DataQuick. Ideally, we would measure market rental price appreciation across neighborhoods, but no data source of this exists. While rents and house prices need not be perfectly correlated, house prices and market rents tend to move together. We form eight subsamples by taking the $2 \times 2 \times 2$ cross across each of these three dimensions and re-estimate our effects for each subsample.

The results are reported in Figures 12 and 13. We summarize the key implications. First, we find that the effects are weaker for younger individuals. We believe this is intuitive. Younger households are more likely to face larger idiosyncratic shocks to their neighborhood and housing preferences (such as changes in family structure and employment opportunities), which makes staying in their current location particularly costly, relative to the types of shocks older households receive. Thus, younger households may feel more inclined to give up the benefits afforded by rent control to secure housing more appropriate for their circumstances.

Moreover, among older individuals, there is a large gap between the estimated effects based on turnover. Older, low turnover households have a strong, positive response to rent control. That is, they are more likely to remain at their 1993 address relative to the control group. In contrast, older, high turnover individuals are estimated to have a weaker response to rent control. They are less likely to remain at their 1993 address relative to the control group.

To further explore the mechanism behind this result, we now investigate these effects based on the 1990-2000 price appreciation of their 1993 zipcodes. Among older, lower turnover individuals, we find that the effects are always positive and strongest in those areas which experienced the most price appreciation between 1990 and 2000, as one might expect. For older, high turnover households, however, the results are quite different. For this subgroup, the effects are actually *negative* in the areas which experienced the *highest* price appreciation. They are positive in the areas which experienced below median price appreciation.¹⁶

This result suggests that landlords are likely actively trying to remove tenants in those areas where rent control is affording the most benefits, i.e. high price appreciation areas.

¹⁶A similar pattern holds for younger individuals as well, although the results are weaker.

There are a few ways a landlord could accomplish this. First, landlords could try to legally evict their tenants by, for example, moving into the properties themselves, known as owner move-in eviction. Alternatively, landlords could evict tenants according to the provisions of the Ellis Act, which allows evictions when an owner wants to remove units from the rental market - for instance, in order to convert the units into condos or a tenancy in common. Finally, landlords are legally allowed to negotiate with tenants over a monetary transfer convincing them to leave. Such transfers are, in fact, quite prevalent in San Francisco. Moreover, it is likely that those individuals who have not lived in the neighborhood long, and thus not developed an attachment to the area, could be more readily convinced to accept such payments. Since we find that the tenants who are most likely to leave rent control are those who likely value it the least (those who have not lived in the neighborhood for a long time), it appears that landlords are paying people to move out instead of evicting them. If landlords were mostly using evictions, we would expect them to evict those whose evictions are most profitable to the landlord: those who likely will stay a long time. Indeed, since landlords can pay tenants to move out, rent control need not inefficiently distort renters' decisions to remain in their rent controlled apartments. Tenants may "bring their rent control with them" in the form of a lump sum tenant buyout. Of course, if landlords predominantly use evictions, tenants are not compensated for their loss of rent protection, weakening the insurance value of rent control.

4.1.2 Effects on Neighborhood Quality

The results from the previous subsection help to rationalize some additional, final findings. In Figure 14a, we examine the impact that rent control has on the types of neighborhoods tenants live in in a given year. We find that treated individuals, i.e. those who received rent control, ultimately live in census tracts with lower house prices, lower median incomes, lower college shares, and higher unemployment rates than the control group. As Figure 14b shows, this is not a function of the areas in which treated individuals lived in 1993. In this figure, we fix the location of those treated by rent control at their 1993 locations, but allow the control group to migrate as seen in the data. If rent-controlled renters were equally likely to remain in their 1993 apartments across all locations in San Francisco, we would see the sign of the treatment effects on each neighborhood characteristic to be the same as in the previous regression. Instead, we find strong evidence that the out-migration of rent-controlled tenants came from very selected neighborhoods. Had treated individuals remained in their 1993 addresses, they would have lived in census tracts which had significantly higher college shares, higher house prices, lower unemployment rates, and similar levels of household median income relative to the control group. This evidence is consistent with the idea that

landlords undertake efforts to remove their tenants or convince them to leave in improving, gentrifying areas.

4.2 Parcel and Landlord Effects

We continue our analysis by studying the impact of rent control on the structures themselves. In particular, we examine how rent control affects the nature of the residents who live in the buildings, as well as its impact on investments that landlords choose to make in the properties. Summary statistics for our key outcomes are in Panel B of Table 1. This table shows that treatment and control properties are balanced in the pre-period in terms of total residents and number of renter residents. We see 1.2 percentage points more owners in the control group and 1.6 percentage points more construction/renovation permits. These small differences reflect that fact that the control buildings are slightly newer.

We run a similar specification to that above:

$$Y_{kzt} = \delta_{zt} + \lambda_k + \beta_t T_k + \epsilon_{kt}, \quad (2)$$

where k now denotes the individual parcel and λ_k represent parcel fixed effects. The variable T_k denotes treatment, equal to one if, on December 31, 1993, the parcel is a multi-family building with less than or equal to four units built between the years 1900 and 1979. The δ_{zt} variables once again reflect zipcode by year fixed effects. Our outcome variables Y_{kt} now include the number of renters and owners living in the building, the number of renovation permits associated with the building, and whether the building is ever converted to a condo or TIC. The permits we look at specifically are addition/alteration permits, taken out when major work is done to a property.

We begin by plotting in Figure 15a the effects of rent control on the number of individuals living at a given parcel, calculated as percentage of the average number of individuals living at that parcel between the years 1990-1994. We estimate a decline of approximately 6.4% over the long-run, although this effect is not statistically significant.

We next decompose this effect into the impact on the number of renters and the number of owners living at the treated buildings. As shown in Figure 15b, we find that there is a significant decline in the number of renters living at a parcel, equal to 14.5% in the late 2000s, relative to the 1990-1994 level. Figure 15c shows that the decline in renters was counterbalanced by an increase of 8.1% in the number of owners in the late 2000s. This is our first evidence suggestive of the idea that landlords redeveloped or converted their properties so as to exempt them from the new rent control regulations.

We now look more closely at the decline in renters. In Figure 16a, we see that there is

an eventual decline of 24.6% in the number of renters living in rent-controlled apartments, relative to the 1990-1994 average.¹⁷ This decline is significantly larger than the overall decline in renters. This is because a number of buildings which were subject to rent control status in 1994 were redeveloped in such way so as to no longer be subject to it. These redevelopment activities include tearing down the existing structure and putting up new single family, condominium, or multi-family housing or simply converting the existing structure to condos. These redeveloped buildings replaced 7.2% of the initial rental housing stock treated by rent control, as shown in Figure 16b.

A natural question is whether this redevelopment activity was a response of landlords to the imposition of rent control or, instead, if such activity was also taking place within the control group and thus reflected other trends. Since we have the entire parcel history for a property, we can check directly whether a multi-family property which fell under the rent control regulations in 1994 is more likely to have converted to condominium housing or a tenancy in common, relative to a multi-family property which did become subject to rent control. In Figure 16c, we show that treated buildings are 8 percentage points likely to convert to condo or TIC in response to the rent control law. This represents a significant loss in the supply of rent controlled housing.

As a final test of whether landlords actively respond to the imposition of rent control, we examine whether the landlords of rent-controlled properties disproportionately take out addition/alteration (i.e. renovation) permits. We find this to strongly be the case, with treated buildings received 4.6% more addition/alteration permits per unit as shown in Figure 16d. Of course, conversions of multi-family housing to condos undoubtedly require significant alteration to the structural properties of the building and thus would require such a permit to be taken out. These results are thus consistent with our results regarding condo conversion.

4.2.1 Treatment Effect Heterogeneity

We now explore the heterogeneity in these effects between high and low house price appreciation zipcodes. Our tenant regressions suggested that landlords of rent controlled buildings actively removed tenants in high appreciation zipcodes. Table 7 reports the average treatment effects within high and low appreciation zips. We find a 21% decline in the renter population and a 12% increase in the owner population within the high appreciation zipcodes, versus a 11% renter decline and 6% owner increase in low appreciation areas. Further, we find condo conversions increase by 10% in high appreciation zipcodes versus 5.8% in low appreciation areas. The conversion to owner occupied housing may be especially lucrative

¹⁷Note here that we mean relative to the number of individuals who lived at parcels which received rent control status due to the 1994 law change.

in these high appreciation zipcodes as they likely have higher income residents. In contrast, we find a larger effect (9.3% vs 3.2%) of properties being knocked down and rebuilt in low appreciation areas than high priced areas. This effect is possibly driven by land use regulations making it very hard to build new construction in high-end areas of San Francisco.¹⁸ Overall, these effects reaffirm that the landlords remove rental housing stock in areas where their profits to do so are the highest.

4.2.2 Gentrification Effects

The previous section shows that rent control incentivized landlords to substitute away from an older rental housing stock towards new construction rentals and owner occupied condos. Combining our estimates of rent control's effect on the number of owner occupants (8.1%) and renters living in rent control exempt housing (7.2%) suggests that 15.3% of the treated properties engaged in renovations to evade rent control. Since these types of renovations create housing that likely caters to high income tastes, rent control may have fueled the gentrification of San Francisco. To assess this, we compare the 2015 residents living in properties treated by rent control to those living in the control buildings in 2015. While we do not have data directly on the income levels of the 2015 residents of these properties, we can use the historical neighborhood choices of these tenants as a proxy for their income. Intuitively, if residents of treated buildings used to live in high-end neighborhoods, while residents of control buildings used to live in low end neighborhoods, we can infer that the residents of treated buildings are likely to be higher income. Specifically, we take all residents in the treatment and control buildings as of 2015. We then look at their addresses as of 2010, five years prior. We geocode these 2010 addresses to census block groups and measure the block group per capita income of their 2010 address, from the ACS. Table 8 shows that properties treated by rent control have tenants who came from neighborhoods with \$1292 higher per capita incomes, representing a 2.8% increase, relative to residents of control group buildings located in the same zipcode. This 2.8% increase represents the average income increase across *all* properties treated by rent control. Since only 15.3% of these properties upgraded their housing stock, we would expect these high income residents to only be drawn into this 15.3%. Indeed, the other 85% of the treated housing stock that did not renovate likely have lower income residents due to the direct effect of rent control on tenant mobility. To construct a lower bound estimate of the effect of rent control on gentrification, we will assume that residents of the non-renovated housing stock have incomes similar to that of the control group. Under this assumption, our estimate of a 2.8% increase

¹⁸Most new construction in San Francisco has occurred in neighborhoods that historically were dominated by industry and warehouses.

in residents' incomes suggests that the renovated buildings attracted residents with *at least* 18% (2.8/0.153) higher incomes than residents of control group buildings in the same zipcode. In this way, rent control appears to have brought higher income residents into San Francisco, fueling gentrification.

Taken together, we see rent control increased property investment, spurred the demolition and reconstruction of new buildings, generated conversion of rental units to owner occupied housing, and caused a decline of the number of renters per building. This reduction in rental supply likely led to rent increases in San Francisco, which had to be borne by future renters. In this way, the law served as a transfer from future renters in the city to renters in 1994. Moreover, all of the landlord responses ultimately have led to a housing stock which caters to higher income individuals, fueling the gentrification of San Francisco, the exact opposite of the policy's intended goal. Further, rent control appears to have increased income inequality in the city by simultaneously limiting displacement of minorities and attracting higher income residents.

5 Conclusion

In this paper, we study the impact of rent control on its tenant beneficiaries as well as the landlord response. To answer this question, we exploit a unique rent control expansion in San Francisco in 1994 that suddenly provided rent control protections for small multi-family housing built prior to 1980. By combining new panel micro data on individual migration decisions with detailed assessor data on individual SF parcels, we get quasi-experimental variation in the assignment of rent control at both the individual tenant level and at the parcel level.

We find that, on average, in the medium to long term the beneficiaries of rent control are between 10 and 20% more likely to remain at their 1994 address relative to the control group and, moreover, are more likely to remain in San Francisco. Further, we find the effects of rent control on tenants are stronger for racial minorities, suggesting rent control helped prevent minority displacement from San Francisco. All our estimated effects are significantly stronger among older households and among households that have already spent a number of years at their current address. On the other hand, individuals in areas with quickly rising house prices and with few years at their 1994 address are less likely to remain at their current address, consistent with the idea that landlords try to remove tenants when the reward is high, through either eviction or negotiated payments.

We find that landlords actively respond to the imposition of rent control by converting their properties to condos and TICs or by redeveloping the building in such as a way as to

exempt it from the regulations. In sum, we find that impacted landlords reduced the supply of available rental housing by 15%. Further, we find that there was a 25% decline in the number of renters living in units protected by rent control, as many buildings were converted to new construction or condos that are exempt from rent control.

This reduction in rental supply likely increased rents in the long-run, leading to a transfer between future San Francisco renters and renters living in San Francisco in 1994. In addition, the conversion of existing rental properties to higher-end, owner-occupied condominium housing ultimately led to a housing stock increasingly directed towards higher income individuals. In this way, rent control contributed to the gentrification of San Francisco, contrary to the stated policy goal. Rent control appears to have increased income inequality in the city by simultaneously limiting displacement of minorities and attracting higher income residents.

These results highlight that forcing landlords to provide insurance against rent increases can ultimately be counterproductive. If society desires to provide social insurance against rent increases, it may be less distortionary to offer this subsidy in the form of a government subsidy or tax credit. This would remove landlords' incentives to decrease the housing supply and could provide households with the insurance they desire. A point of future research would be to design an optimal social insurance program to insure renters against large rent increases.

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Table 1: Sample Characteristics of Multi-Family Properties (2 – 4 Units) and their Tenants

A. Tenants Living in Multi-Family Residence (2 – 4 Units)						
	1990–1993			1994–2016		
	Treat	Control	Difference	Treat	Control	Difference
A1. Demographics						
Age in 1993	37.708 (10.438)	37.120 (10.639)	0.587 (0.247)	37.708 10.438	37.120 (10.639)	0.587 (0.247)
A2. Residency						
In SF	0.954 (0.210)	0.954 (0.210)	0.000 (0.002)	0.569 (0.495)	0.538 (0.499)	0.032 (0.002)
Same Address	0.870 (0.336)	0.867 (0.340)	0.003 (0.004)	0.261 (0.439)	0.240 (0.427)	0.021 (0.002)
Years at Address	6.015 (3.958)	5.825 (3.927)	0.190 (0.047)	6.590 (5.898)	6.267 (5.530)	0.324 (0.029)
No. Persons	44502	1861	46363	44502	1861	46363
B. Multi-Family Properties (2 – 4 Units)						
B1. Residency						
Conversion	0.000 (0.009)	0.000 (0.000)	0.000 (0.000)	0.096 (0.294)	0.044 (0.206)	0.051 (0.002)
B2. Population						
Population/Avg Pop 90-94	0.898 (0.436)	0.905 (0.426)	-0.008 (0.007)	2.282 (4.029)	2.252 (2.998)	0.030 (0.028)
Renters/Avg Pop 90-94	0.741 (0.484)	0.737 (0.482)	0.004 (0.008)	1.680 (3.555)	1.700 (2.517)	-0.020 (0.025)
Renters in Rent-Controlled Buildings/Avg Pop 90-94	0.741 (0.484)	0.737 (0.482)	0.004 (0.008)	1.404 (1.927)	1.570 (2.053)	-0.165 (0.014)
Renters in Redeveloped Buildings/Avg Pop 90-94	0 (0)	0 (0)	0 (0)	0.129 (0.740)	0.060 (0.541)	0.069 (0.005)
Owners/Avg Pop 90-94	0.157 (0.329)	0.168 (0.335)	-0.012 (0.006)	0.602 (1.581)	0.552 (1.348)	0.050 (0.011)
B3. Permits						
Cumulative Add/Alter/Repair per Unit	0.072 (0.231)	0.088 (0.287)	-0.016 (0.004)	0.290 (0.511)	0.254 (0.536)	0.035 (0.004)
No. Parcels	25925	892	26817	25925	892	26817

Notes: Panel A reports the summary statistics of the demographic characteristics and residency outcomes during 1990 – 2016 of our tenant sample. The sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. Panel B reports the summary statistics of the outcomes variables related to residency, population changes and permit issuance during 1990 – 2016 of our property sample. The sample consists of all parcels that are multi-family residence with 2 – 4 units in San Francisco that were built during 1900 – 1990. The “Treat” and “Control” columns report the mean and standard deviation (in parentheses) of each outcome variable at the tenant level in Panel A and at the property level in Panel B. The “Difference” column reports the coefficient and standard error (in parentheses) of a regression of each outcome variable on the treatment dummy at the tenant level in Panel A and at the property level in Panel B.

Table 2: Race of Tenants in Multi-Family Residence (2 – 4 Units)

	(1)	(2)	(3)	(4)
Predicted Race	Freq.	Percent	Avg. Racial Probability	Percent of SF Tenants Aged 20 – 65 in Small-Multi Family Residences – 1990 Census
White	28771	75.01%	0.95	57.36%
Black	537	1.40%	0.93	7.72%
Hispanic	3144	8.20%	0.95	14.18%
Asian	5902	15.39%	0.98	20.16%
Other	.	.	.	0.59%
Total	38354	100%	0.95	100%

Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. Table shows the racial distribution for the 38354 tenants with a classified race/ethnicity. In addition, 8009 tenants are not assigned a race, corresponding to 17.27% of our sample of tenants. They are not assigned a predicted race because their maximum racial probability from the set of predicted racial probabilities for all ethnic categories is below 0.8, following the procedure detailed in section 3.2. Columns 1 and 2 report the number of tenants and the share of the sample by predicted race. Column 3 reports the average final racial probability by predicted racial categories. Column 4 reports the share of tenants in San Francisco between 20 and 65 years old who were living in small multi-family residences by racial/ethnic categories. The data source is 1990 U.S. Census. The category “Other” refers to all other racial/ethnic categories from the Census which include non-Hispanic American Indian and Alaska Native, and non-Hispanic Multi-racial.

Table 3: 2010 Census Block Racial Distribution by Race of Tenants of the 1994 Rent Control Cohort

Predicted Race	Avg. Share in Census Block of 2010 Address			
	White	Black	Hispanic	Asian
White	63.4%	4.2%	12.1%	16.4%
Black	24.8%	24.0%	24.4%	22.8%
Hispanic	33.7%	6.3%	31.4%	24.9%
Asian	38.1%	4.1%	13.2%	40.8%

Notes: Sample consists of all tenants with a classified race/ethnicity between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. We geocode the 2010 addresses of tenants in our sample to the census block level. The columns report the average shares of White, Black, Hispanic and Asian population in the census blocks containing the 2010 addresses of tenants in each classified racial/ethnic category.

Table 4: Prediction of 2010 Census Block Racial Distribution using Racial Classification

	(1) Share White	(2) Share Black	(3) Share Hispanic	(4) Share Asian
White	0.385 (0.010)	-0.199 (0.004)	-0.123 (0.006)	-0.064 (0.008)
Hispanic	0.089 (0.011)	-0.178 (0.004)	0.071 (0.007)	0.021 (0.009)
Asian	0.133 (0.011)	-0.199 (0.004)	-0.111 (0.007)	0.180 (0.008)
R^2	0.212	0.062	0.129	0.189
Observations	36656	36656	36656	36656

Notes: Sample consists of all tenants with a classified race/ethnicity between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. We geocode the 2010 addresses of tenants in our sample to the census block level. The dependent variable is share of White, Black, Hispanic or Asian population in the census block that contains a tenant's 2010 address. The independent variable is a tenant's racial classification. Black is the omitted category.

Table 5: Treatment Effect for Tenants of Multi-Family Residence (2 – 4 Units)

	(1) In SF	(2) Same Address
<i>Treat × Period</i>		
1994-1999	0.0200 (0.0081)	0.0218 (0.0083)
2000-2004	0.0451 (0.0115)	0.0354 (0.0088)
Post 2005	0.0366 (0.0109)	0.0147 (0.0063)
Control Mean 1994 – 1999	0.7641	0.5410
Control Mean 2000 – 2004	0.5138	0.1827
Control Mean Post 2005	0.4346	0.1135
Adjusted R^2	0.586	0.608
Observations	1251801	1251801

Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. Table reports the mean of dependent variables for the control group during 1990 – 1994, 2000 – 2004 and post-2005. Standard errors are clustered at the person level.

Table 6: Robustness Check of Treatment Effect for Tenants of Multi-Family Residence (2 – 4 Units)

A. Treatment Group Lives in Buildings Built between 1960 & 1979		
	(1) In SF	(2) Same Address
Treat × Period		
1994 – 1999	0.0326 (0.0105)	0.0289 (0.011)
2000 – 2004	0.0642 (0.0151)	0.0370 (0.0118)
Post 2005	0.0531 (0.0145)	0.0164 (0.0084)
Control Mean 1994 – 1999	0.7641	0.541
Control Mean 2000 – 2004	0.5138	0.1827
Control Mean Post 2005	0.4346	0.1135
Adjusted R^2	0.584	0.609
Observations	135594	135594
B. Census Tract Fixed Effects		
	(1) In SF	(2) Same Address
Treat × Period		
1994 – 1999	0.0175 (0.0084)	0.0157 (0.0087)
2000 – 2004	0.0426 (0.012)	0.0284 (0.0092)
Post 2005	0.0364 (0.0114)	0.0113 (0.0066)
Control Mean 1994 – 1999	0.7641	0.541
Control Mean 2000 – 2004	0.5138	0.1827
Control Mean Post 2005	0.4346	0.1135
Adjusted R^2	0.588	0.609
Observations	1243242	1243242

Notes: In Panel A, we change our tenant sample to all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1960 – 1990. Hence we have restricted our treatment group to individuals who lived in buildings built between 1960 and 1979. In Panel B, the sample of tenants is the same as in our baseline regressions. Instead of using zipcode by year fixed effects in our baseline regressions, we use census tract by year fixed effects. Table reports the mean of dependent variables for the control group during 1990 – 1994, 2000 – 2004 and post-2005. Standard errors are clustered at the person level.

Table 7: Treatment Effect Heterogeneity for Multi-Family Parcels by House Price Appreciation

	(1) High Appreciation	(2) Low Appreciation
Population/Avg Pop 90-94	-0.092 (0.176)	-0.050 (0.108)
Renters/Avg Pop 90-94	-0.207 (0.144)	-0.112 (0.085)
Renters in Rent-Controlled Buildings/Avg Pop 90-94	-0.284 (0.148)	-0.225 (0.088)
Renters in Redeveloped Buildings/Avg Pop 90-94	0.032 (0.058)	0.093 (0.016)
Owners/Avg Pop 90-94	0.116 (0.066)	0.063 (0.052)
Conversion	0.100 (0.011)	0.058 (0.006)
Cumulative Add/Alter/Repair per Unit	0.016 (0.03)	0.061 (0.015)

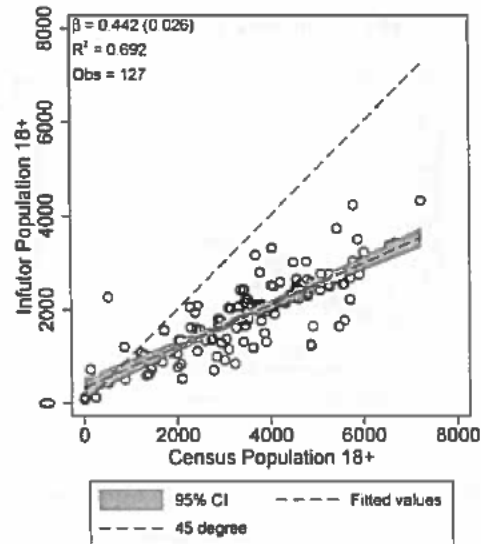
Notes: Sample consists of all multi-family residences with 2 – 4 units in San Francisco that were built during 1900 – 1990. We divide tenants into two groups by whether their 1993 zipcode experienced above or below median house price appreciation during 1990 – 2000. Columns 1 and 2 report the average treatment effects for various parcel level outcomes in the post-2006 period for residences in the high and low appreciation areas respectively. Standard errors in parentheses are clustered at the parcel level.

Table 8: Treatment Effect on Parcel Level Average Income for Multi-Family Residence (2-4 Units)

	(1) Per Capita Income
Treat	1292 (522)
Constant	53084 (514)
Control Mean	45703
Control S.D.	22071
R^2	0.398
Observations	24271

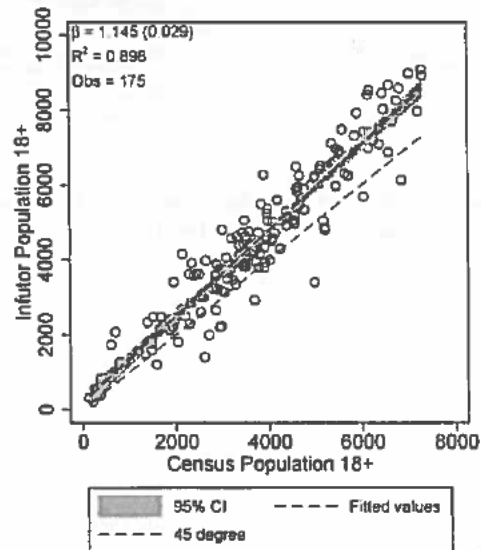
Notes: Table reports parcel level regression for the 2015 cross-section of parcels in San Francisco that we can match people living there. We further restricts to parcels that we can match someone living there before 1994. The dependent variable is the average per capita income across individuals living in each parcel. Per capita income is measured in 2010 dollars in the census block group of each individual's 2010 address. Regression includes zipcode fixed effects. Robust standard errors are reported.

Figure 1: Population Age 18 and above: 1990 Census



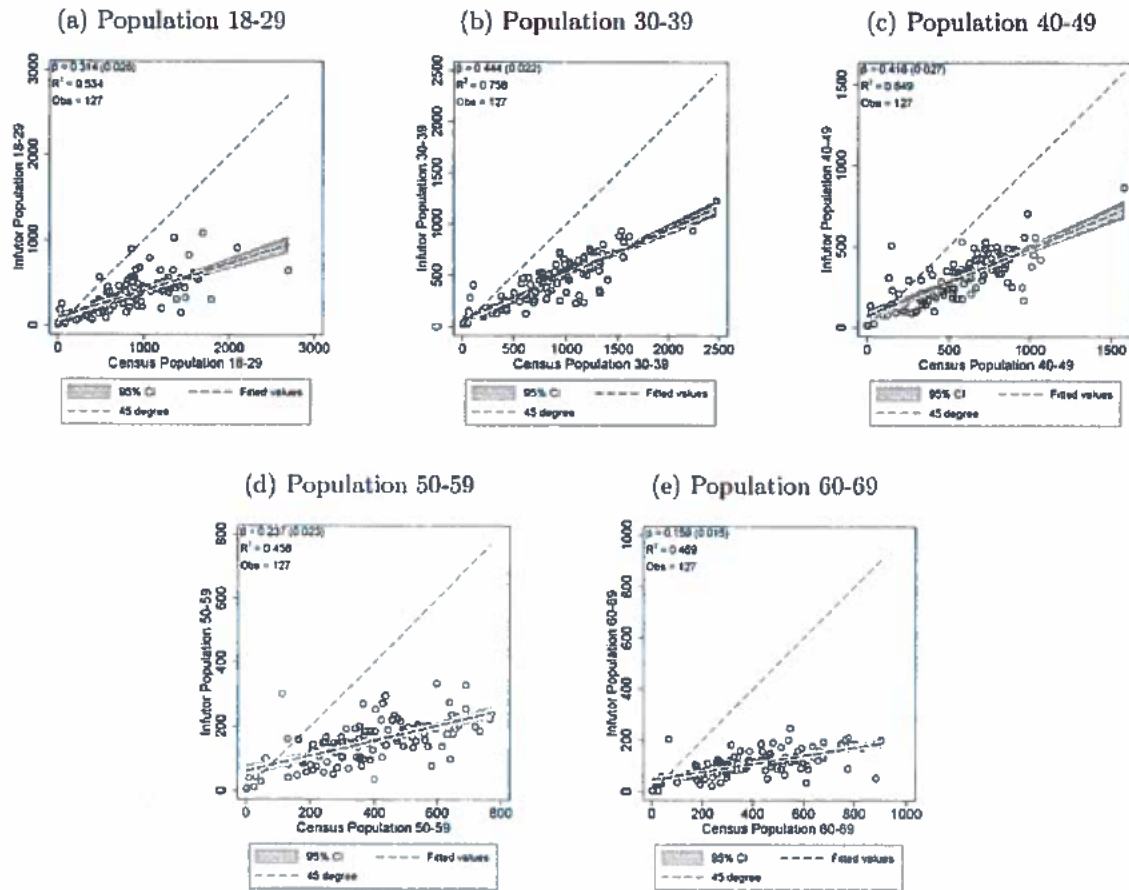
Notes: Plot shows the population of 18 and over in each census tract in 1990 from Infutor data against that from 1990 Census.

Figure 2: Population Age 18 and above: 2000 Census



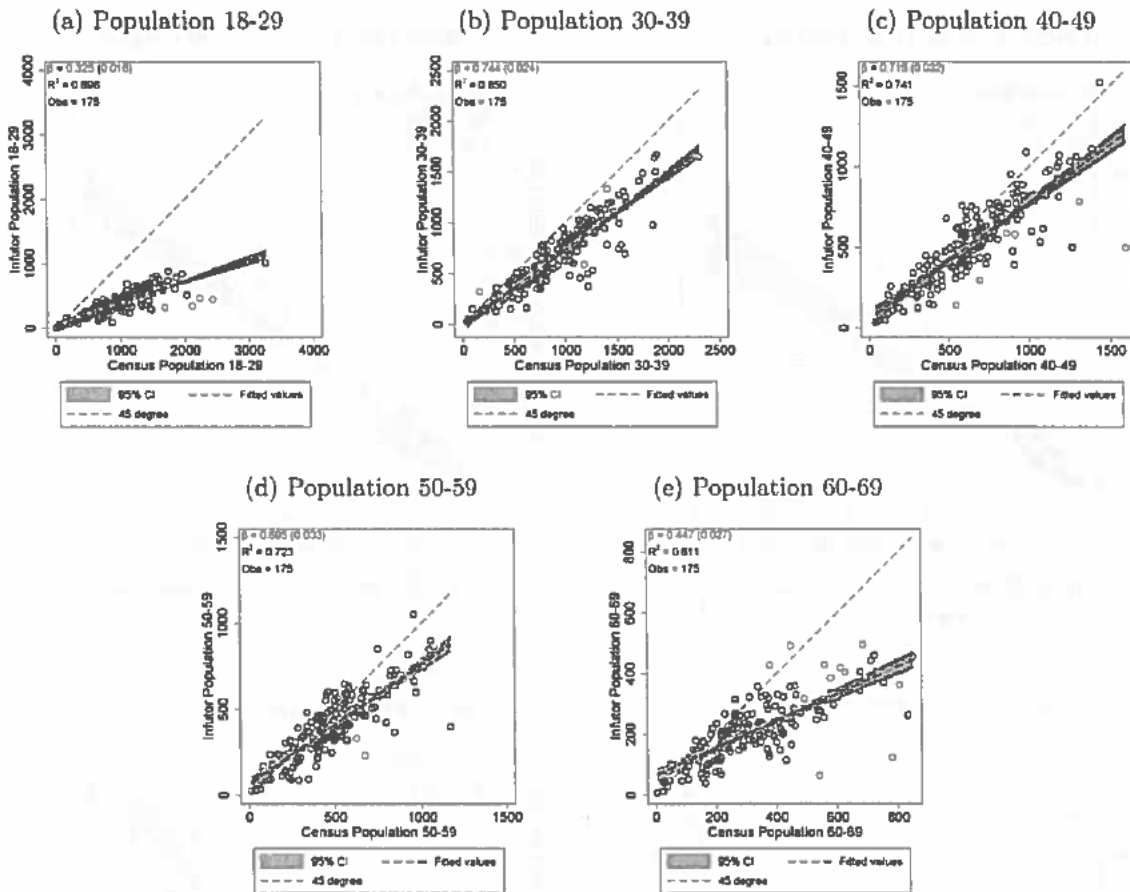
Notes: Plot shows the population of 18 and over in each census tract in 2000 from Infutor data against that from 2000 Census.

Figure 3: Population by Age Group: 1990 Census



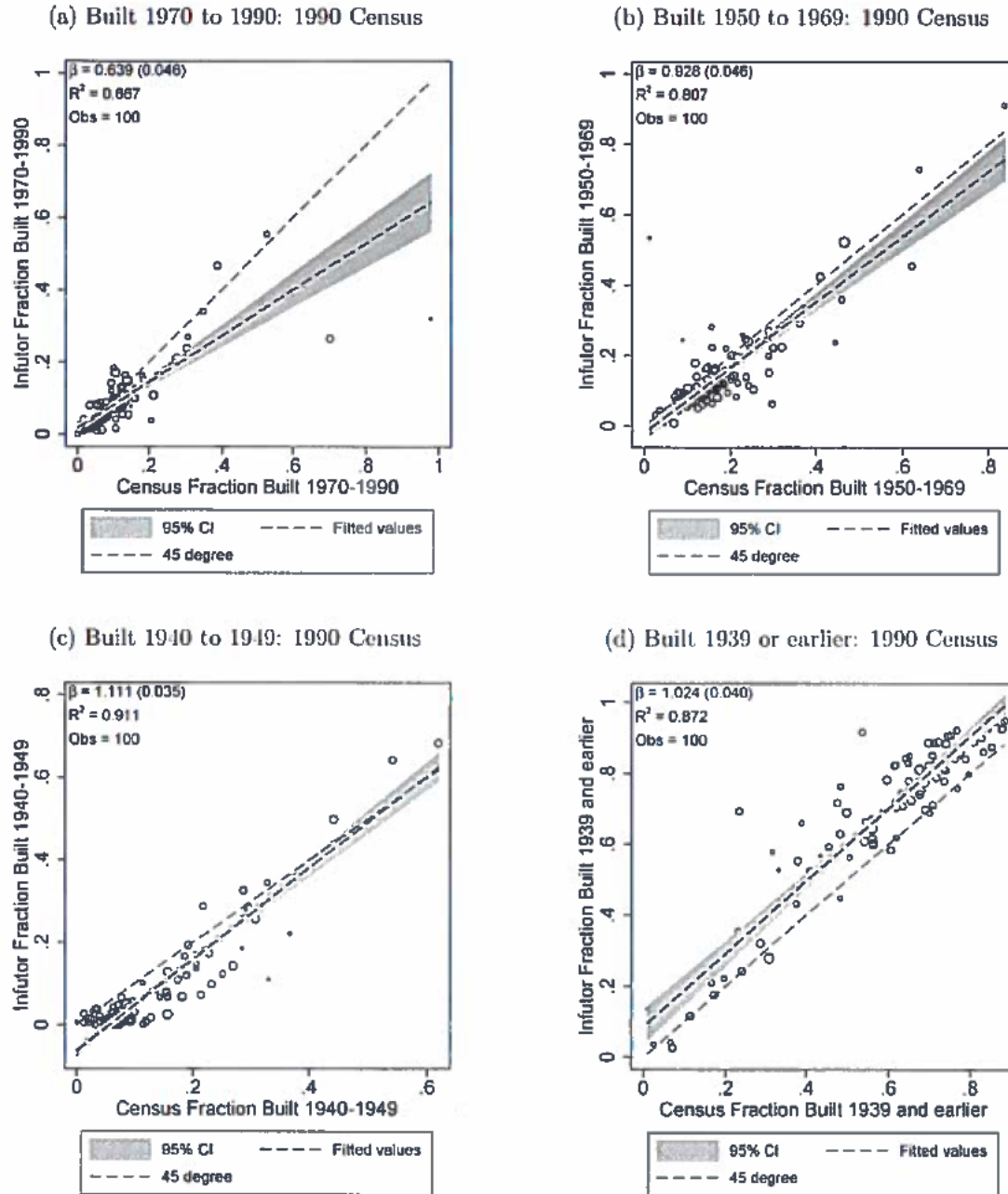
Notes: Plot shows the population counts within a given age group in each census tract in 1990 from Infutor data against that from 1990 Census. The fitted line is estimated by OLS.

Figure 4: Population by Age Group: 2000 Census



Notes: Plot shows the population counts within a given age group in each census tract in 1990 from Infutor data against that from 1990 Census. The fitted line is estimated by OLS.

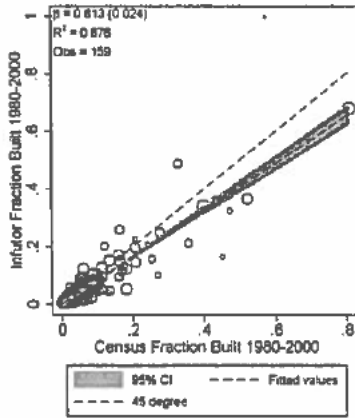
Figure 5: Age of Occupied Housing: 1990 Census



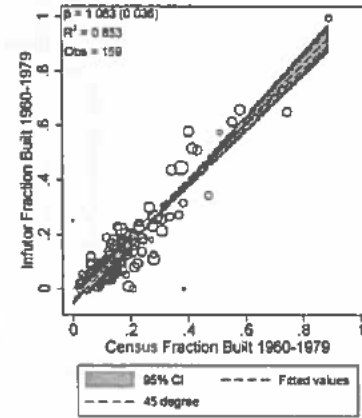
Notes: Plot shows the fraction of buildings built in each time period in each census tract in 1990 from Infutor data against that from 1990 Census. The size of marker is proportional to the number of occupied housing units in each census tract. The fitted line is by weighted least square using the number of occupied housing units as weights.

Figure 6: Age of Occupied Housing: 2000 Census

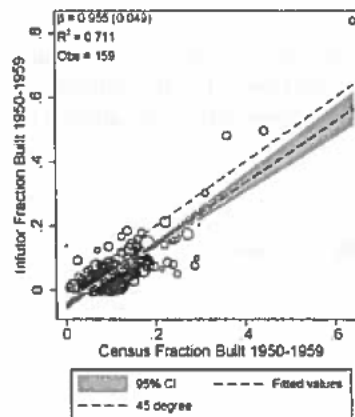
(a) Built 1980 to 2000: 2000 Census



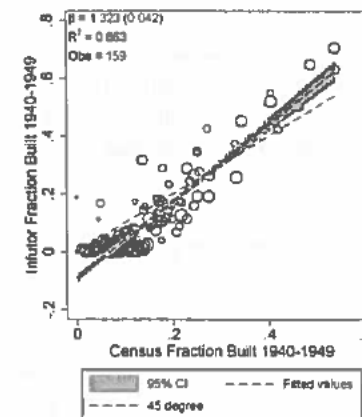
(b) Built 1960 to 1979: 2000 Census



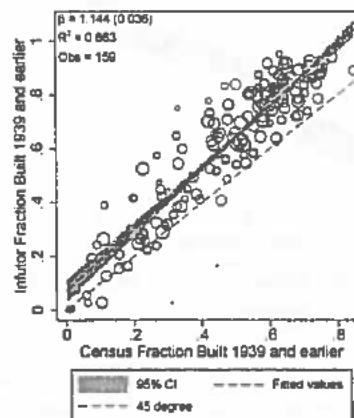
(c) Built 1950 to 1959: 2000 Census



(d) Built 1940 to 1949: 2000 Census

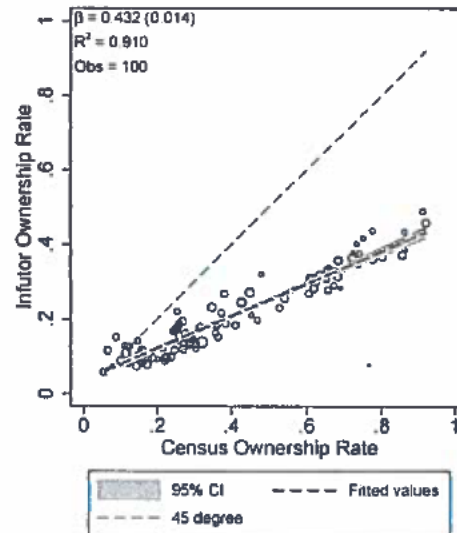


(e) Built 1930 or earlier: 2000 Census



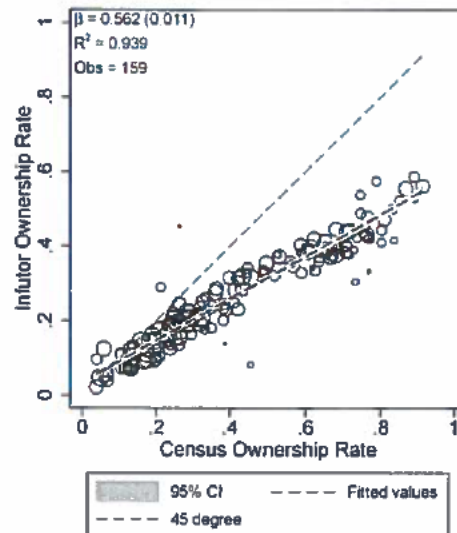
Notes: Plot shows the fraction of buildings built in each time period in each census tract in 2000 from Infutor data against that from 2000 Census. The size of marker is proportional to the number of occupied housing units in each census tract. The fitted line is by weighted least square using the number of occupied housing units as weights.

Figure 7: Ownership Rate at Individual Level: 1990 Census



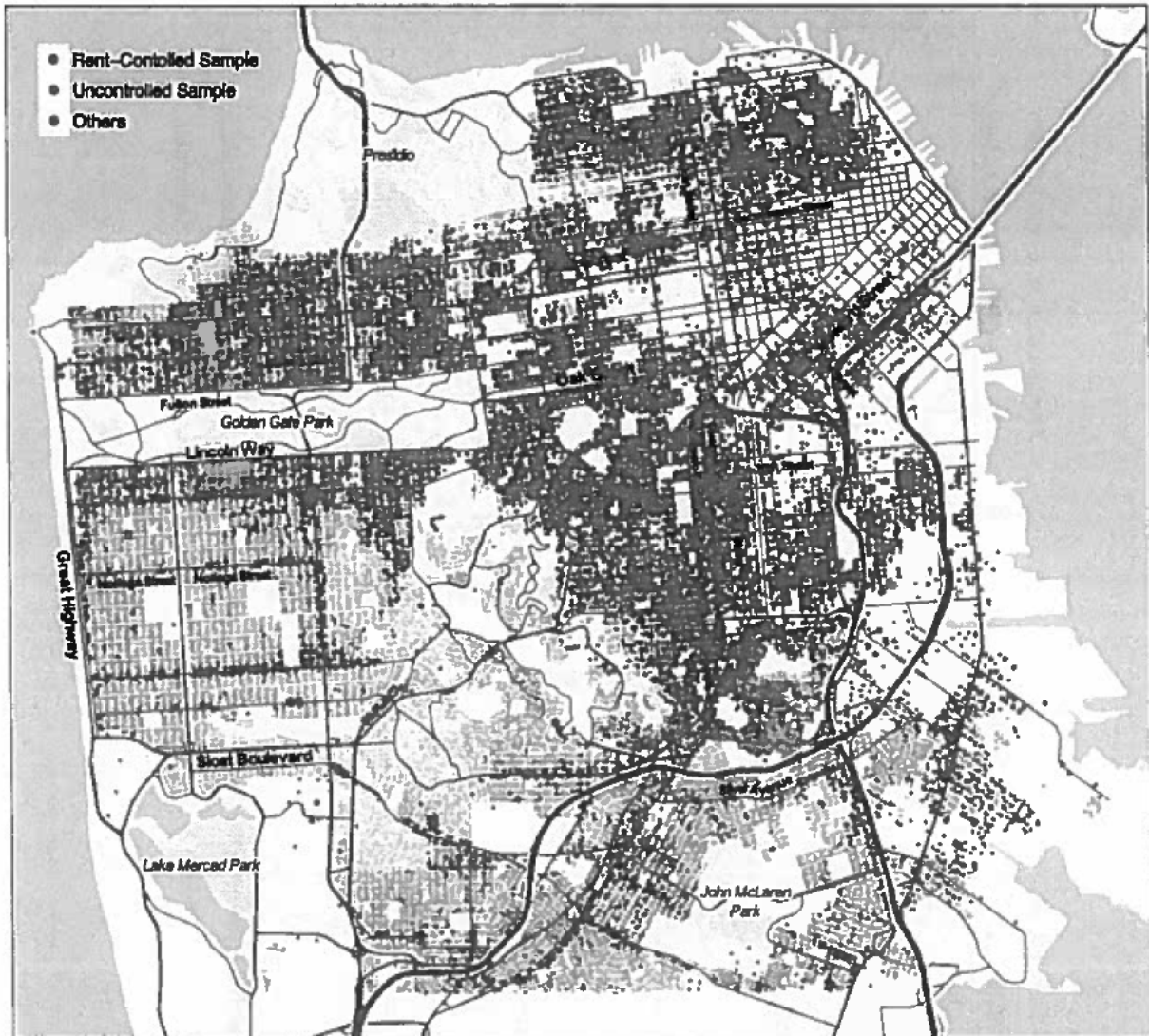
Notes: Plot shows the ownership rate at the individual level in 1990 from Infutor data against the ownership rate of occupied housing units from 1990 Census. The size of marker is proportional to the number of occupied housing units in each census tract. The fitted line is by weighted least square using the number of occupied housing units as weights.

Figure 8: Ownership Rate at Individual Level: 2000 Census



Notes: Plot shows the ownership rate at the individual level in 2000 from Infutor data against the ownership rate of occupied housing units from 2000 Census. The size of marker is proportional to the number of occupied housing units in each census tract. The fitted line is by weighted least square using the number of occupied housing units as weights.

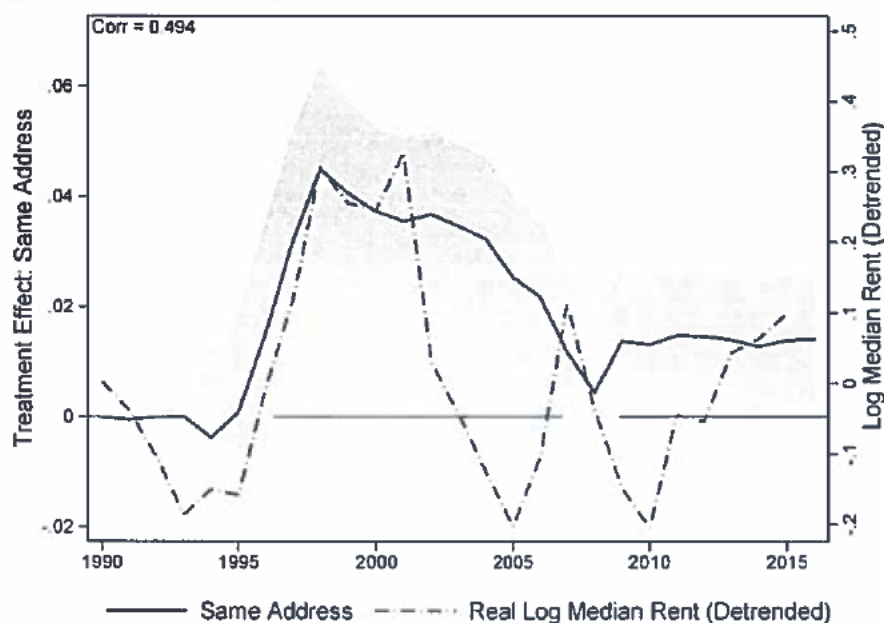
Figure 9: Geographic Distribution of Treated and Control Buildings in San Francisco



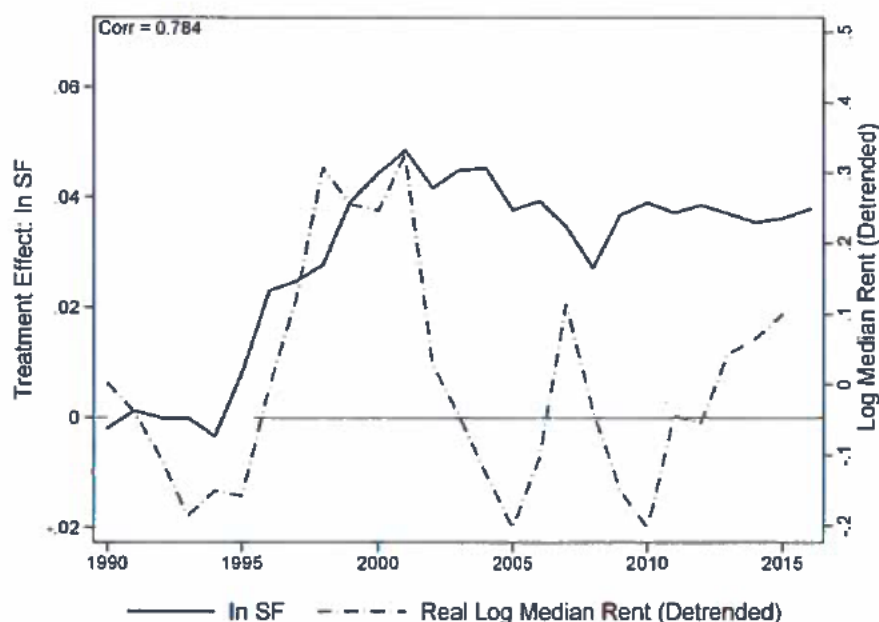
Notes: The purple dots represent parcels in the treatment group, which are parcels corresponding to multi-family residences with 2 – 4 units in San Francisco that were built between 1900-1979. The green dots represent parcels in the control group, which are parcels corresponding to multi-family residences with 2 – 4 units in San Francisco that were built between 1980-1990. The gray dots represent other types of housing stocks such as single-family residences and multi-family residences with 5 or more units.

Figure 10: Treatment Effect for Tenants in Multi-Family Residence (2 – 4 Units)

(a) Staying at Same Address



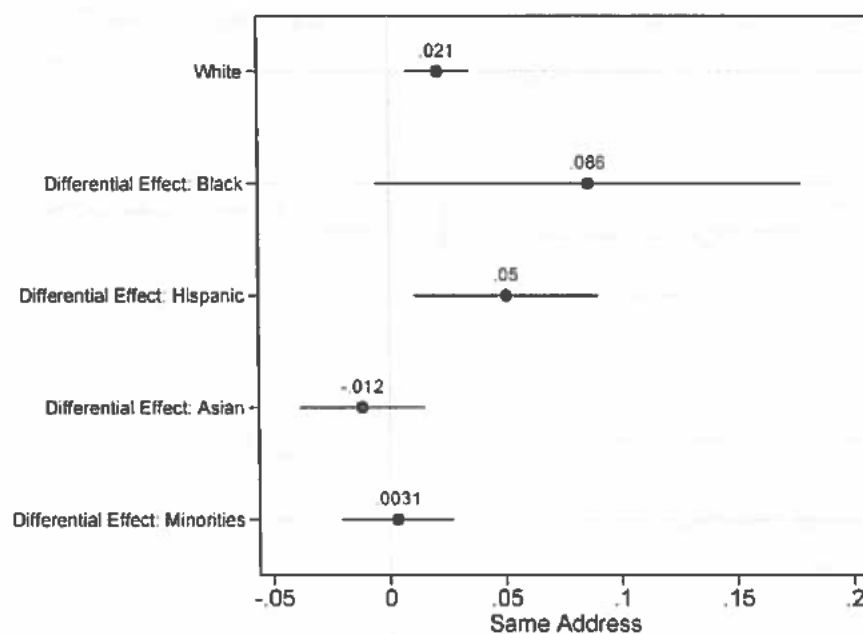
(b) Staying in San Francisco



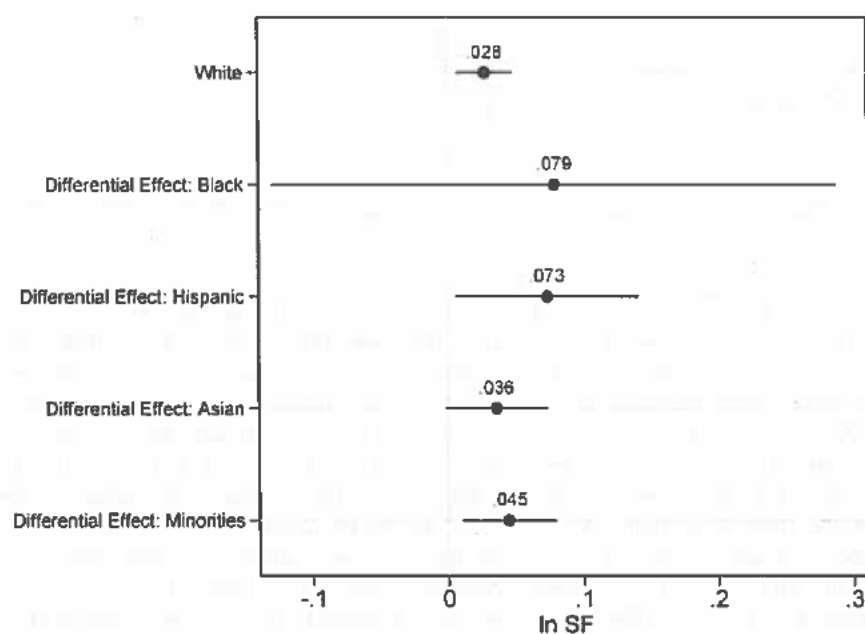
Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. The solid line plots the treatment effects for staying at the same address in Panel (a) and staying in San Francisco in Panel (b) along with 90% CI in shaded area. The dotted line plots the yearly deviation from the log trend in median rental rates. Standard errors are clustered at the person level.

Figure 11: Heterogeneity by Tenant's Race in Treatment Effect for Tenants

(a) Staying at Same Address

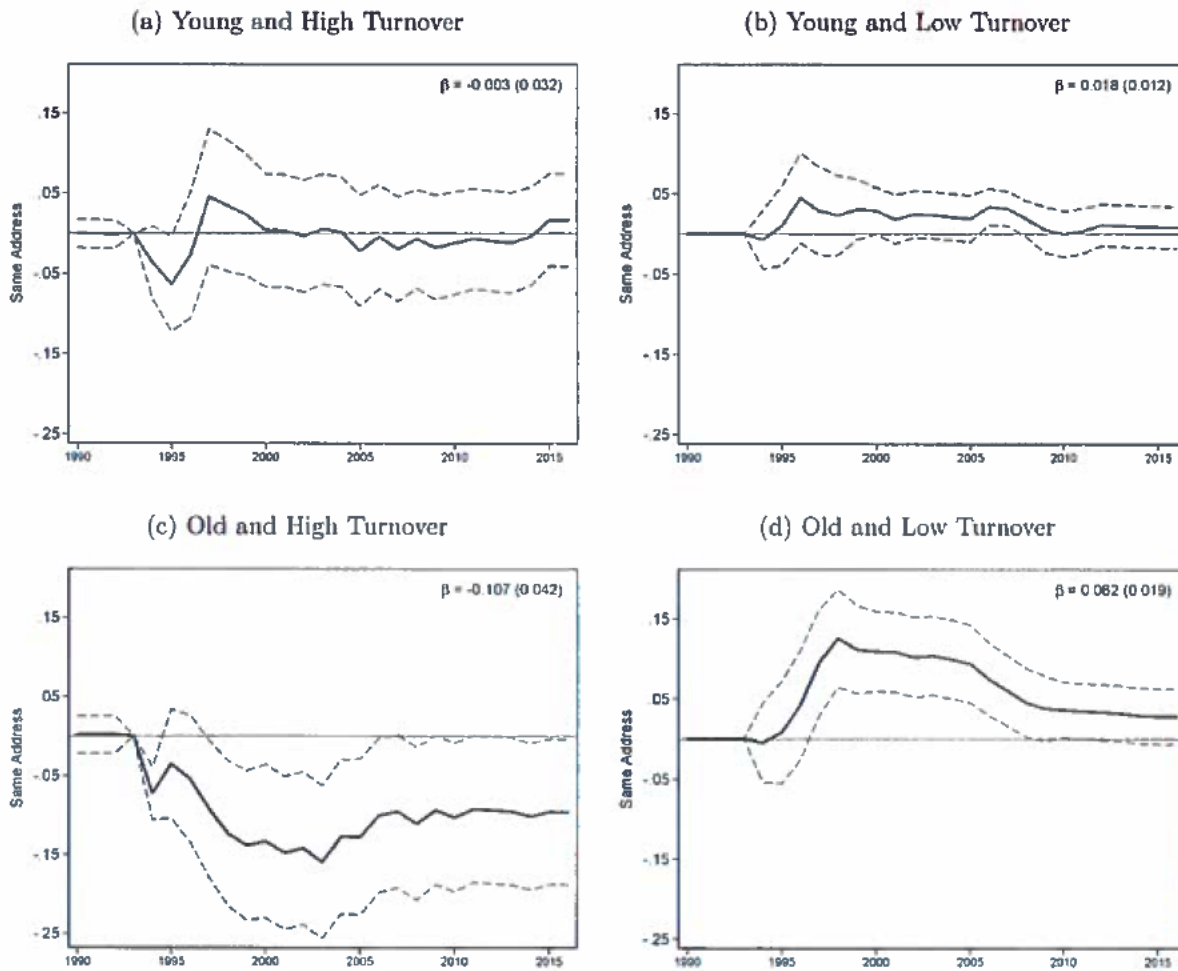


(b) Staying in San Francisco



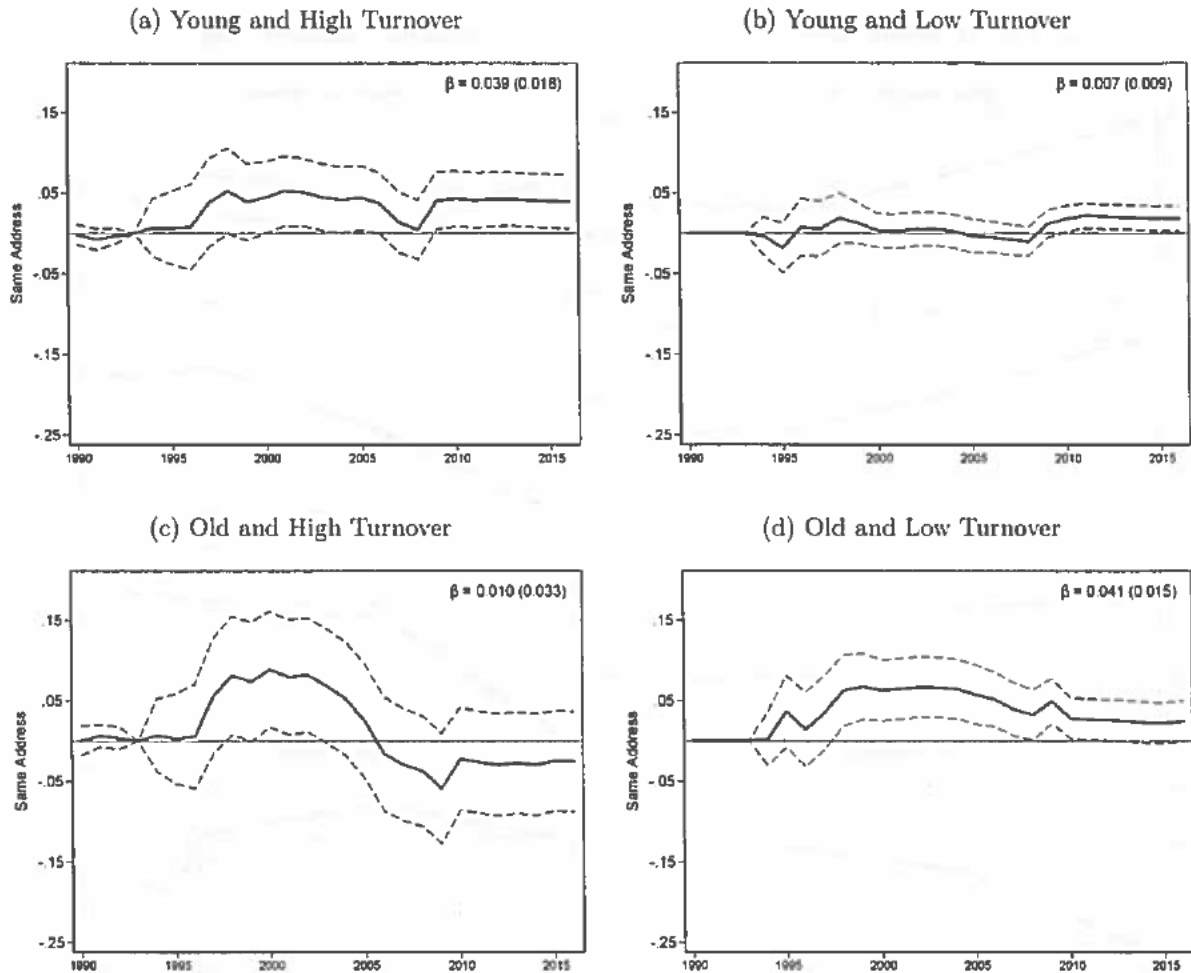
Notes: Sample consists of all tenants with a classified race/ethnicity between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. For White tenants, we report the average treatment effect in the post-1994 period along with 90% CI. For the other ethnic categories, we report the differential treatment effect in the post-1994 period between White and each ethnic category along with 90% CI. Minorities consist of all ethnic groups other than White. Standard errors are clustered at the person level.

Figure 12: Heterogeneity by Age and Tenure in Treatment Effect for Tenants of Multi-Family Residence (2 – 4 Units) with High House Price Appreciation



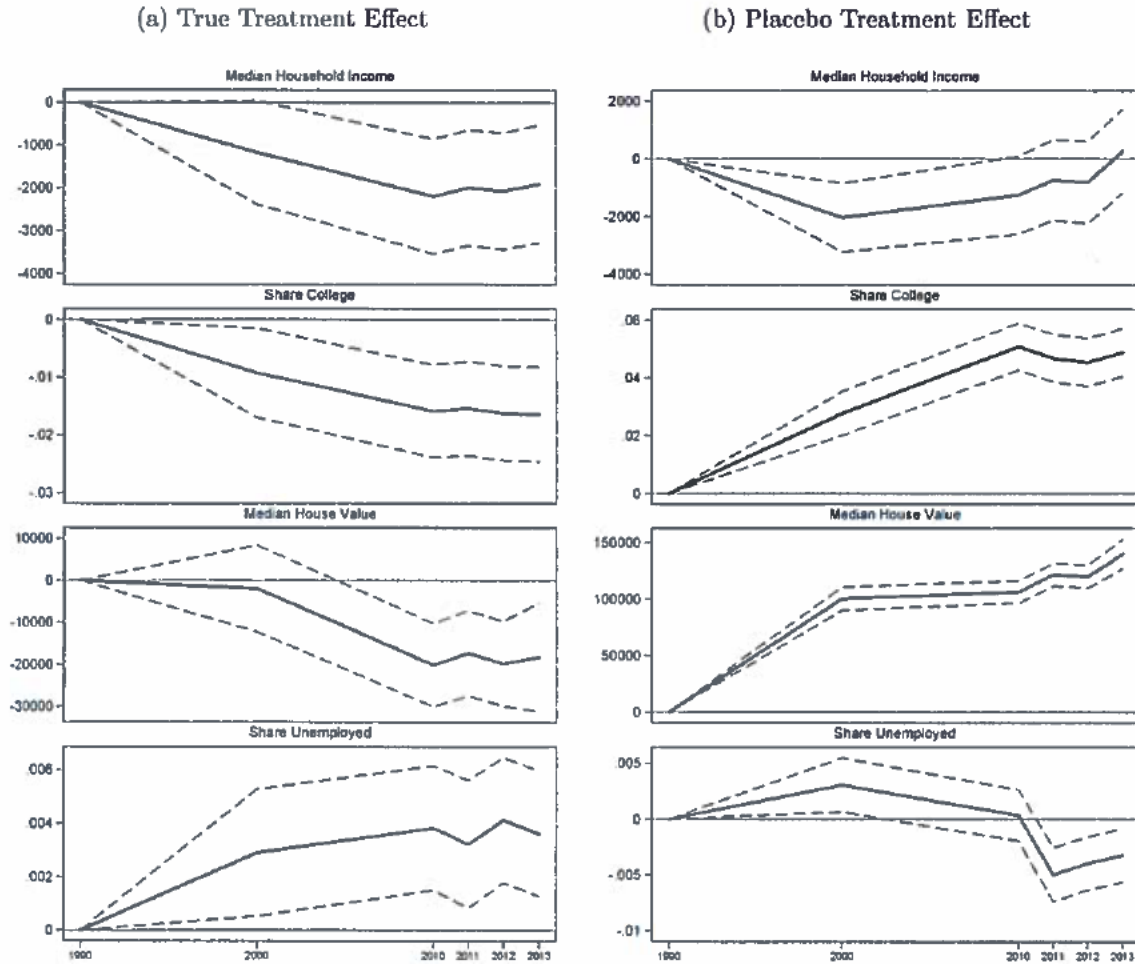
Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. We first divide individuals into two groups by whether their 1993 zipcode experienced above or below median house price appreciation during 1990 – 2000, and restrict our sample to individuals living in zipcodes that experienced high appreciation. We further sort the sample by age group. The young group refers to residents who were aged 20 – 39 in 1993 and the old group are residents who were aged 40 – 65 in 1993. Finally, we cut the data by number of years the individual has been living at their 1993 address. We define a “low turnover” group of individuals who had been living at their 1993 address for greater than or equal to four years and a “high turnover” group of individuals who had been living at their address for less than four years. The treatment effects along with 90% CI are plotted. Standard errors are clustered at the person level. The average treatment effects in the post-1994 period and their standard errors are reported in the upper-right corner.

Figure 13: Heterogeneity by Age and Tenure in Treatment Effect for Tenants of Multi-Family Residence (2 – 4 Units) with Low House Price Appreciation



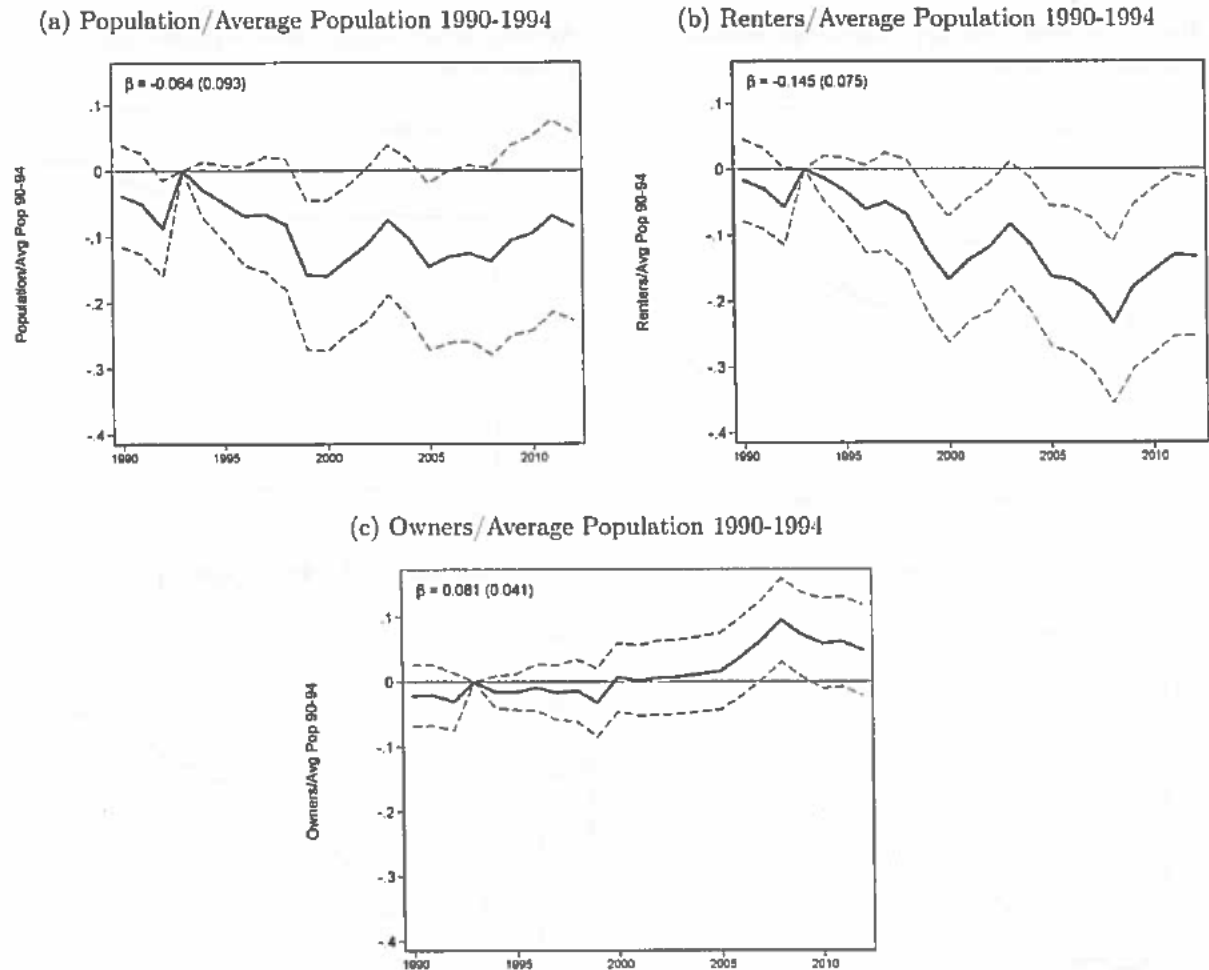
Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. We first divide individuals into two groups by whether their 1993 zipcode experienced above or below median house price appreciation during 1990 – 2000, and restrict our sample to individuals living in zipcodes that experienced low appreciation. We further sort the sample by age group. The young group refers to residents who were aged 20 – 39 in 1993 and the old group are residents who were aged 40 – 65 in 1993. Finally, we cut the data by number of years the individual has been living at their 1993 address. We define a “low turnover” group of individuals who had been living at their 1993 address for greater than or equal to four years and a “high turnover” group of individuals who had been living at their address for less than four years. The treatment effects along with 90% CI are plotted. Standard errors are clustered at the person level. The average treatment effects in the post-1994 period and their standard errors are reported in the upper-right corner.

Figure 14: Treatment Effect on Neighborhood Quality for Tenants of Multi-Family Residence (2 – 4 Units)



Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. Median household income, share of residents with college education and above, median house value, and share of unemployed are measured in the census tract that an individual is living in a given year. The data sources are decennial censuses in 1990 and 2000, as well as 5-year pooled ACS for 2010 to 2013. Panel (a) plots the true treatment effects for various proxies of neighborhood quality. Panel (b) plots the placebo treatment effects where we assume those treated by rent control remain at their 1993 addresses, but allow the control group to migrate as seen in the data. The treatment effects along with 90% CI are plotted. Standard errors are clustered at the person level.

Figure 15: Treatment Effect for Multi-Family Residence (2 – 4 Units)

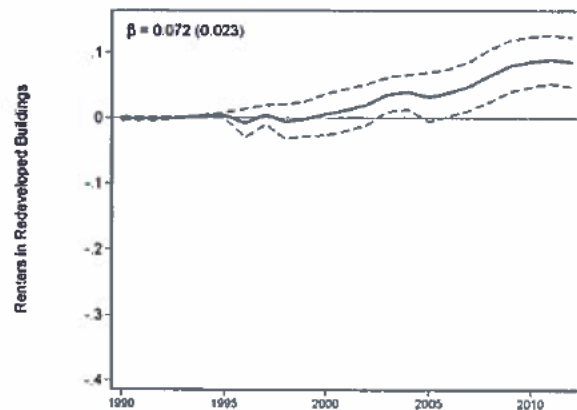
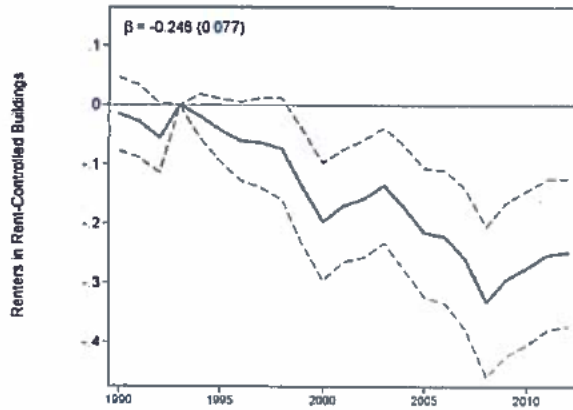


Notes: Sample consists of all multi-family residences with 2 – 4 units in San Francisco that were built during 1900 – 1990. The treatment effects along with 90% CI are plotted. Standard errors are clustered at the parcel level. The average treatment effects in the post-2006 period and their standard errors are reported in the upper-left corner.

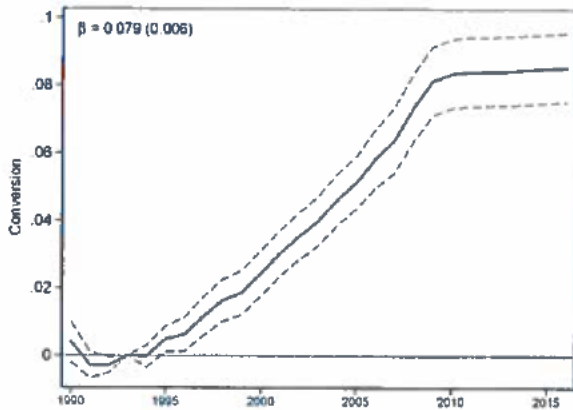
Figure 16: Treatment Effect for Multi-Family Residence (2 – 4 Units)

(a) Renters in Rent-Controlled Buildings/Average Population 1990-1994

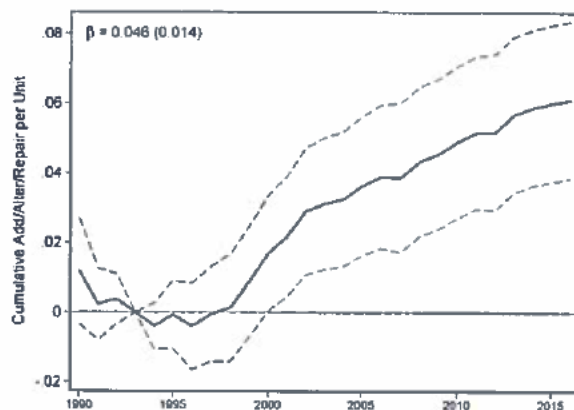
(b) Renters in Redeveloped Buildings/Average Population 1990-1994



(c) Conversion



(d) Cumulative Add/Alter/Repair per Unit



Notes: Sample consists of all multi-family residences with 2 – 4 units in San Francisco that were built during 1900 – 1990. The treatment effects along with 90% CI are plotted. Standard errors are clustered at the parcel level. The average treatment effects in the post-2006 period and their standard errors are reported in the upper-left corner.

From: Ruby Das
Sent: Tuesday, September 11, 2018 2:03 AM
To: _CCIN
Subject: Do not impose Tenant Relocation Assistance Ordinance

Dear Council-person:

We read (<https://www.menlopark.org/1399/Proposed-tenant-relocation-assistance-or>) with dismay the efforts from City of Menlo Park Council to impose the Tenant Relocation Assistance Ordinance. We believe this will discriminate against new tenants moving into the area, and in favor of existing tenants, while giving the landlords no incentive to invest in the property refurbishment and upgrades, while driving down rental real estate values, driving out landlords/ investors from this already high rent area with already very poor yields on the existing properties.

We believe that any type of 'well-intentioned' interventions from bureaucratic agencies invariably make a bad situation worse because the bureaucrats do not understand the dynamics of rental process and how many risk and cost factors make owning and renting apartments a barely worthwhile activity. We believe the City of Menlo Park to be utterly oblivious of the deleterious effects the City rental ordinance is going to have on the very demographic of tenants that it is intended to help. I can understand the temptation of favoring the majority class (i.e., the tenant base) at the expense of the landlords because of sheer number disparity. However, consider the following likely consequences as free market forces act to 'balance the scales':.

1. **Overall living conditions will deteriorate** - tenants will know that without substantial proof of their neglect, landlords will have to spend significant amount of money to remove them from the property, and any eviction action may require investment of personal time and resources from landlord (both my wife and I work full time so we earn enough to pay the bills - the rent barely covers the cost and mortgages for the properties), which will be another deterrent to legal action from landlords, making tenants violate as many of the lease terms they can with impunity. With limited opportunity to recover the investments made in keeping the property in the best possible shape, the landlords are likely to choose to let the condition of the rental properties gradually deteriorate, causing a death spiral (sub-standard but un-evictable tenants + low rents = poor quality of apartments + poor living conditions). Keep in mind that there is a very big grey area between Class A property and Class C property, which may be perfectly habitable and check all boxes to meet minimum habitability requirements, but the quality of life is obviously much worse in poorly kept properties.
2. **Quality of neighborhoods will deteriorate** - Good neighborhoods will ultimately be crowded with badly behaving but 'unevictable' tenants resulting in a general deterioration of the quality of life of these neighborhoods due to the nuisance such tenants can cause with impunity.
3. **Market failure resulting in reduced supply of rental apartments:** Existing landlords will simply choose to move back into their own properties, or sell and move out, and the desirability for owning the regulated duplexes will also go down for potential investors resulting in property value reductions. This will impact city / county revenue resulting in loss of critical services to the very people who are the neediest (the indigent and poor). In fact, we expect the duplex market to collapse as a result of this ordinance because we believe that to be only a stepping stone to full-blown rent control (which was unsuccessfully attempted before.)

4. **Landlords will become extra selective in terms of finding tenants:** Today, as conscientious landlords, we try to give the benefit of the doubt to prospective tenants to enable them to avail of the best possible option they can afford by looking at not just their credit score, employment history but income, savings, their past rental record etc, to find *all the reasons WHY* the tenant *SHOULD* qualify to rent our apartment. An attitude change from the City of Menlo Park will definitely make us pause to consider the downsides of renting to a borderline qualified tenant (marginal credit, low liquidity and marginal income with difficult prior credit history) more conservatively, leading to some of these tenants missing out on the opportunity to rent our property and build their credit. When you add up cumulative actions of all of the landlords in Menlo Park, this will invariably result in all the marginal tenants (exactly the kind that the ordinance is intended to help) missing out on renting the property. There is a wide range of factors that can be uniformly applied to prospective tenants, and ultimately it's up to the landlord's discretion as to which of the qualified tenants to offer the apartment to. Landlords are therefore likely to use the conservative approach to offer only the most qualified tenants the apartments, and if they cannot find such tenants, either keep the property vacant until they do find them, or sell and quit the San Jose market altogether.

So, as you can see, the policy of putting restrictions on landlords over conditions under which the tenants can be evicted is going to result in

1. falling property values (resulting in falling property taxes and reduced city services for the needy),
2. poor conditions of the properties,
3. poorer quality of life of the neighborhoods and
4. overall reduction of stock of available duplexes to marginally qualified tenants as landlords apply stricter selection criteria (credit scores, incomes, stability, rental record etc) for tenants,
5. this will be further exacerbated by some landlords converting their rentals (duplexes etc) to their primary residences and some just quitting the market altogether by taking their business to areas without landlord restrictions.

I also have the following concerns and suggestions:

- 1) All residential owner-occupied properties should be out of relocation assistance mandate, which is 1-4 [units as](#) City of Hayward has done. So, restrict this ordinance for 5 units or more. Four units properties can be owner occupied and then 3 tenants can gang against owner and abuse owner.
- 2) If the owner returns to occupy one unit of the property, it should be exempt from this type of tenant relocation assistance mandate
- 3) Nicest landlords who did not increase rent for many years or who accepted very low rents compared to market rent should be allowed to increase rent at least counties section 8 level payment equivalent. and is exempt from payment if tenants decide to move out and taking the money to put down payment to buy a house where as landlord will go bankrupt or will be in serious financial hardship if they continue to subsidize the rent substantially. Just try to get an honest answer to this question: How many of the rental properties considered to be the focus of this ordinance currently have rents at market and how many have subsidized rent? Why should a landlord continue to subsidize the rents and why should they be penalized to bring the rents to market?
- 4) Menlo park has high percentage of retirees and all their life they worked hard and bought the only place they have (May be fourplex+) as owner occupied rental. They should be exempted from this. So 1-4 units owner-occupied properties are out of scope.
- 5) How will city protect elderly kind landlords from vicious 3 tenants in a 4 plex where tenants know that elderly landlord cannot afford to pay relocation assistance so landlord can not evict them. Where is the accountability for tenants? City only seems to want to punish the landlords.

6) All rental properties that are under Tenant Relocation Assistance should be considered for Property tax equivalent to Historical property tax and property tax should be frozen at these levels. We see this issue with 4 stakeholders: (1) Large employer (e.g., Facebook) causing the widespread displacement of subsidized tenants from rental properties in its vicinity (2) Tenants being displaced (3) Large and small / individual Landlords who own and maintain the rental properties to tenants, follow the rules, pay property taxes and (4) City of Menlo Park which collects the property taxes and funds the pension plans. It seems that of the four stakeholders, landlords are being imposed with barriers to allow moving the below-par tenants out with restrictions, so that tenants who cannot otherwise afford to pay the rents get to stay at subsidized rents, and no imposition on Facebook, the root cause of this issue and no sacrifice from the City of Menlo Park in terms of taking a haircut on pension contributions (make them 401k, for example). So, where is the justice in only punishing the hardest working segment of this stakeholder group who puts their money at risk, their lives on hold to serve the tenants and are left holding the bag when tenants leave to have to pay the relocation assistance.

If the City of Menlo Park makes the goals and objectives of this exercise of restricting landlords explicitly known, then perhaps a solution set that does not help one stakeholder class at the expense of the other can be found. Clearly the path that the City is on to restrict landlord options and force certain decisions on them such as the ones being proposed appear more designed to hurt the landlords than help the tenants (even if they aren't, that's exactly the effect they will accomplish).

Please understand that I empathize with City Council's position and intentions and do acknowledge that certain landlords engage in unreasonable price gouging and unjustifiable rent increases, and such tendencies ought to be curbed because a vibrant city indeed has an obligation to provide equal access to the diversity of tenant base. However, perhaps market-based approaches encouraging landlords to provide affordable housing, increasing the supply of affordable housing, **putting some of the burden of affordable housing on the area employers (e.g., Facebook)** who cause continual quality of life issues such as congestion and traffic, could be workable. I believe the City of Menlo Park has a huge opportunity to show to the world sustainable affordable housing solutions that are built upon public/private partnerships rather than ordinances and regulations. I believe that with your experience and leadership to the City of Menlo Park, you are uniquely positioned to bring the broad stakeholder coalition and stimulate positive action, that could ultimately become a benchmark and a shining example of how to do this right. I sincerely believe this.

Thanks for your attention,
Ruby

Curtin, Clay J

From: Suzanne Karl
Sent: Tuesday, September 11, 2018 10:42 AM
To: _CCIN
Subject: Comments on the Menlo Park Proposed Tenant Relocation Assistance Ordinance

Dear Council Members

May I voice my objection to a proposed ordinance that requires Landlords to provide extremely costly relocation assistance.

We have owned our home in Menlo and raised our family there. We have maintained this property at a high standard, but have provided very fair rent (currently thousands under market) to our excellent and primarily long term tenants. While I applaud your concern over affordable housing, well documented research concludes that these measures basically requiring the Landlord to supplement the tenants housing, backfires and has unwanted consequences. We are retirees and at some point plan to return to our home to enjoy our grandchildren. The ominous cost of the plans currently under consideration would cause us to consider removing our property from the market. What you're proposing amounts to deciding that Landlords should supplement a tenants housing costs at their own expense. Other investments would make retaining the property under rent, unviable for retirees. I love our home and our tenants. We treat each other with respect and care for this home.

Please look into the research on unintended consequences of Rent Control and actions such as Forced Relocation Assistance. It backfires.

I am aware of an owner of several apartment buildings in SF, she removed her apartments from the market a few years ago, rather than deal with the legal hassles of rent control. I am horrified that they have been sitting empty now for a few years! Your actions are victimizing the Landlords. Most of us are NOT the problem and these proposed actions only exacerbate the problem, making it worse instead of better. Please understand that such actions will force most retiree owners to remove their properties from the rental market. We are dependent upon the rent to pay our mortgage, your actions tip this model out of balance putting the Landlords at financial risk.

I understand that the answer to the housing dilemma is to build more housing and to increase BART transportation. This would relieve pressure on the ever increasing density. In the meantime, perhaps providing government and corporate supplements to tenants to offset the housing market might be an interim option until more housing can be built and BART expanded.

Thank you for your consideration. As a long term homeowner and taxpayer, I hope that you will understand that taking the above actions sounds well intended, but the consequences are profoundly negative and have the opposite results.

Warm Regards,

Suzanne and Herman Karl

Curtin, Clay J

From: Yvonne Murray
Sent: Tuesday, September 11, 2018 4:49 PM
To: _CCIN
Subject: Tenant relocation assistance ordinance

As a long time resident of Menlo Park I continue to be very concerned about the lack of affordable housing in our community. If we are going to insure the vibrancy and long term health of our community, we need to be a place where people from diverse walks of life can afford to live. The ability of landlords to create turnover via large rent increases (over 9%) or no-fault evictions exacerbates an already serious crisis due to the lack of affordable housing. I urge you to support the Tenant Relocation Assistance Ordinance. This is an important step for our community to appropriately care for tenants who are at risk of homelessness due to the tight rental and housing market in the bay area.

Thank-you,
Yvonne Murray
4 Elder Ct
Menlo Park

Curtin, Clay J

From: Lois McCormick
Sent: Wednesday, September 12, 2018 8:02 AM
To: _CCIN
Subject: Meeting Rent Control

Sent from my iPad Sent.as a favor to Jean Clansky who is in North Carolina and a computer is not available.

To Menlo Park Council members

I am a longtime resident of Menlo Park and moved from my first home in Menlo Park to another house in Menlo Park. I chose to rent that first house rather than sell it. That was 37 years ago.

It is not always easy to be a landlord but I have been blessed with some wonderful tenants. We call my rental home "Happy House" because so many children have been born there.

I maintain my property - inside and out - and tenants tend to stay until their situation changes. I raise the rent to cover rising costs and make improvements to keep my tenants, rather than have short-term turnovers.

I am not in favor of rent control for Menlo Park.

One of my family members owns a rental building in San Francisco and rent control has created the worst problems for them. Renters know the law is on their side!

Restrictions, legal demands and actions favoring tenants over landlords would influence my decisions on whether to sell or continue to rent my property. A sale of course lowers the number of rentals available in Menlo Park. And buyers are eager to buy in Menlo Park!

Yours most sincerely,
Mrs. Jean Clansky

Curtin, Clay J

From: Pearlie Young-Rainer
Sent: Wednesday, September 12, 2018 12:59 PM
To: Curtin, Clay J
Subject: TENANT RELOCATION ASSISTANCE

Sorry i can't attend the meeting, however, i don't agree with the DRAFT ORDINANCE as being proposed.

Thank you so much,

Pearlie Young Rainer
2878 Illinois St. East Palo Alto, Ca.

[Sent from Yahoo Mail on Android](#)

Curtin, Clay J

From: nbatliwa
Sent: Wednesday, September 12, 2018 2:15 PM
To: _CCIN
Subject: Relocation payments

Importance: High

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,
Regards
Neville Batliwalla
650-345-5626

Curtin, Clay J

From: Zarine Batliwalla
Sent: Wednesday, September 12, 2018 2:22 PM
To: _CCIN
Subject: Housing

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Zarine Batliwalla

Curtin, Clay J

From: Roberta Ahlquist
Sent: Wednesday, September 12, 2018 3:11 PM
To: _CCIN
Subject: Relocation assistance

Dear Menlo Park Council People,

We have a severe housing crisis. It's not just Palo Alto or Menlo Park. Cities in the Bay Area without rent control means that tenants have no recourse if rents are raised. Please provide some relocation assistance protection for such tenants so that they can have time to search for the small % of low income/affordable housing that exists. Longterm, we need caps on rents, and one year lease requirements, and just-cause evictions. As a university professor of teachers, I know first hand that my beginning teachers are not able to find adequate, low-cost housing, with no eviction protection, no relocation assistance, and thus are doubling up, families even. This is shameful. Please provide fair tenant relocation assistance and just cause evictions.

Sincerely,

Professor Roberta Ahlquist, Emerita
SJSU

Curtin, Clay J

From: runchey555
Sent: Wednesday, September 12, 2018 2:22 PM
To: _CCIN
Cc: Steve Runchey
Subject: Relocation Payment Proposal

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Steven Runchey

Sent from my iPhone

Curtin, Clay J

From: Ken Meislin
Sent: Wednesday, September 12, 2018 2:43 PM
To: _CCIN
Subject: Relocation Payments, Just Eviction, and Rent Control

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise. I own many rental properties, small and large, and I own in many other cities, including rent control locations such as San Francisco, and Oakland. I have never raised my rent more than 10% in one year Ever! If we have seniors or other people that are struggling, we often try to go easier on the increases. I consider myself an excellent landlord, and I always do my part to be reasonable and responsible as an owner. I also have maintained all my buildings to the absolute highest standards.

Ultimately, rent control only hurts the housing stock, decreases housing affordability, and causes many owners to neglect their properties. Even though I do not neglect any of my properties, I can share with you the following. Most buildings in San Francisco and Oakland have below market rents, and therefore many of my neighbors have buildings that have fallen into disrepair. This is because regulated rents creates a disincentive for owners to spend money. The classic example would be..... Patch the roof..... and continue to patch it, again and again, even if it is past it's useful life. Don't replace it. Why ??? - Because the rent can't be raised to compensate the owner. This is an issue, but it's not even the worst problem. More significantly, when rent control is implemented, tenants get further and further behind, and this creates a "split market". As time goes forward, old tenants pay less and less, relative to the real value, and then new tenants have substantially less and less units to choose from. This drives prices up. Later in the cycle – it drives rents WAY up. Look at the price of a unit in San Francisco..... Studios are now \$2,500 to \$3,000. Two bedrooms are more than \$4,000. With rent control, over time, a lucky few get a hall pass for subsidies, regardless of need, and everybody else is less able to afford housing.

As an example - Check this out:

San Francisco's median rent hits a ridiculous \$4,225

<http://flip.it/Wqm8y>

This is not something we would want to see in Menlo Park.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you in advance.

Most respectfully,

Kenneth Meislin
Mill Valley, CA

WE HAVE MOVED! PLEASE NOTE OUR NEW INFORMATION BELOW

ken@meislin.net

Kenneth Meislin - Principal
Meislin Investments
P.O. Box 489
Mill Valley, CA 94942

Direct Line 415 273 2170
415 652-0178 (cell)
Fax – 415 449 3655



Curtin, Clay J

From: Roberta Ahlquist
Sent: Wednesday, September 12, 2018 3:11 PM
To: _CCIN
Subject: Relocation assistance

Dear Menlo Park Council People,

We have a severe housing crisis. It's not just Palo Alto or Menlo Park. Cities in the Bay Area without rent control means that tenants have no recourse if rents are raised. Please provide some relocation assistance protection for such tenants so that they can have time to search for the small % of low income/affordable housing that exists. Longterm, we need caps on rents, and one year lease requirements, and just-cause evictions. As a university professor of teachers, I know first hand that my beginning teachers are not able to find adequate, low-cost housing, with no eviction protection, no relocation assistance, and thus are doubling up, families even. This is shameful. Please provide fair tenant relocation assistance and just cause evictions.

Sincerely,

Professor Roberta Ahlquist, Emerita
SJSU

Curtin, Clay J

From: Dave Laurance
Sent: Wednesday, September 12, 2018 3:17 PM
To: _CCIN
Subject: Tenant relocation

Thank you for your leadership and for the opportunity to comment.

I am writing to express my support for tenant relocation assistance in the event of no-fault evictions and price gouging. This policy is about making sure that tenants who get a large rent increase don't end up sleeping in their cars, on the streets, or on the waitlist for one of our shelters. This is about fairness. No one should become homeless through no fault of their own.

Respectfully submitted,

David Laurance
Principal, Beechwood School

Curtin, Clay J

From: Meina Young
Sent: Wednesday, September 12, 2018 3:17 PM
To: _CCIN
Subject: No to Housing Commission's proposal

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Meina Young

Curtin, Clay J

From: Manuel Grech
Sent: Wednesday, September 12, 2018 3:19 PM
To: _CCIN
Subject: rent control

Dear council member

We are writing this letter to let you know how we feel about the tenant protection measure being considered for renters

We are retired and on a fixed income , our monthly social security does not even come close to able us to stay in our home if it were not for our long term planning and hard work to purchase our rental property over twenty years ago we would have to move out of our home.

We understand and empathize with renters in our city but we also feel that having mom and pop landlords pay for rent and relocation services is not fair and puts undue hardship on people like us who depend on our rental property for a decent living.

The rental problems are a county and statewide problem that can't be solved by singling out a group of people who did not create the problem in the first place, if the city wants to help renters by rent control or relocation expenses then it should be done by a tax on everyone including commercial properties since they are severely under charged because of prop 13 which allows them to keep the low tax rates even when properties are turned over to new owners.

Please consider the hardship you will cause small rental property owners before you act.

Thank You
Manuel & Leslie Grech .

Curtin, Clay J

From: Sally Cadigan
Sent: Wednesday, September 12, 2018 4:33 PM
To: _CCIN
Subject: Tenant relocation assistance — support

Dear Mayor Ohtaki and Menlo Park Councilmembers,

Thank you for your concern and leadership in attempting to address the severe and growing housing crisis in our City.

I write now to express my strong support for tenant relocation assistance in the event of no-fault evictions and excessive rent increases. Adopting this policy will ensure that tenants who face certain no-fault evictions or large rent increases will not end up sleeping in their cars, on the street, homeless or on a long waiting list for shelter accommodations. Adopting this policy is one small but very important step we can take in making Menlo Park a more fair and more caring community.

I urge you all to adopt this policy.

Thank you,

Sally Cadigan
Retired non-profit ED and Manager
Former Menlo Park Housing Commissioner
212 Santa Margarita Avenue, Menlo Park

Sent from my iPad

Curtin, Clay J

From: Saira Bates
Sent: Wednesday, September 12, 2018 4:53 PM
To: _CCIN
Subject: Tenant relocation assistance - SUPPORT

Dear Mayor Ohtaki and Menlo Park Councilmembers,

My name is Saira Bates. I'm a resident of Redwood City and work in Menlo Park. I am writing to express my support for tenant relocation assistance in the event of no-fault evictions and price gouging. This policy is about making sure that tenants who get a large rent increase don't end up sleeping in their cars, on the streets, or on the waitlist for one of our shelters. This is about fairness. No one should become homeless through no fault of their own.

I own a home now, but as a young person I have experienced first-hand what it's like not having a place to live. As a mature adult now, I'm still being affected by the housing issues in the community. All of my grown children have moved away after college because they could not afford to live here. The housing crisis that we have in the Bay Area is bad enough; let's do everything we can to institute a fair housing policy to make our community stronger.

Respectfully submitted,

Saira Bates

Curtin, Clay J

From: Liza Vernazza
Sent: Wednesday, September 12, 2018 4:56 PM
To: _CCIN
Subject: Urgent Email...

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Liza Vernazza

Liza Vernazza
Keller Williams San Carlos
650-218-8040
628 El Camino Real
San Carlos, CA 94070
CalBre#00993753
Liza@Lizavernazza.com
www.Lizavernazza.com

Curtin, Clay J

From: Helen Young
Sent: Wednesday, September 12, 2018 5:06 PM
To: _CCIN
Subject: rent control

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

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Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Helen Young

Curtin, Clay J

From: Brian Ponty
Sent: Wednesday, September 12, 2018 5:44 PM
To: _CCIN
Subject: Rent Control

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize property owners ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Brian Ponty

Curtin, Clay J

From: William Nguyen
Sent: Wednesday, September 12, 2018 6:25 PM
To: _CCIN
Subject: Rent Control Measure

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

William Nguyen

Curtin, Clay J

From: Zarine Batliwalla
Sent: Wednesday, September 12, 2018 7:02 PM
To: _CCIN

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

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The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

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Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Zarine Batliwalla

Curtin, Clay J

From: Jian Zhao
Sent: Wednesday, September 12, 2018 7:27 PM
To: _CCIN
Subject: My Opinion

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

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Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Jim Zhao

Curtin, Clay J

From: Alex Beltramo
Sent: Wednesday, September 12, 2018 7:33 PM
To: _CCIN
Subject: Please, no rent control in Menlo Park

Dear Mayor Ohtaki and Members of the City Council,

We own and manage apartment buildings in Menlo Park.

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,
Alex

*Alex Beltramo
Glenwood Ventures, Inc.
415-238-8949 (mobile)
650-338-1721 (office)*

Curtin, Clay J

From: Lalwani, Ashok
Sent: Wednesday, September 12, 2018 7:45 PM
To: _CCIN
Subject: Rent Control and Eviction Provision

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

I would also note that this proposal will have the unintended effect of tenants being subject to annual rent increases when they may not have otherwise. With good tenants, we usually let them renew with no rent increase. If this ordinance is enacted, we will need to protect ourselves with charging higher rent to begin with and then ask for annual increases up to the max allowed.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Ashok K. Lalwani
1120 Saxon Way
Menlo Park, CA 94025

===== Disclaimer =====

This message may contain confidential and privileged information. If it has been sent to you in error, please reply to advise the sender of the error and then immediately delete this message. Please visit www.bakermckenzie.com/disclaimer_singapore for other important information concerning this message.

All Singapore law work will be discharged under Wong & Leow LLC, a constituent Singapore law practice of Baker & McKenzie.Wong & Leow a Joint Law Venture.
=====

Curtin, Clay J

From: kevin guibara
Sent: Wednesday, September 12, 2018 9:52 PM
To: _CCIN
Subject: Renter Protections

Hi,

I appreciate your efforts to explore renter protections. I understand and agree with the value of looking out for all of our citizens.

Government needs to be forward looking and not look for band aid solutions that will help the problem today. We need government to look 10, 20 and 50 years into the future and create the foundation now, in order to solve the housing crisis in the future. There are many strategies to increase supply. Every year the price of rent increases, government has failed the tenants and failed to create enough supply to keep up with demand.

Sincerely,

Kevin Guibara

Curtin, Clay J

From: TOM GARCIA
Sent: Thursday, September 13, 2018 6:04 AM
To: _CCIN
Subject: No rent control in any form please

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

TOM R. GARCIA
H 650-589-7067
C 650-455-3052

Curtin, Clay J

From: JUDITH G FIELD
Sent: Thursday, September 13, 2018 10:09 AM
To: _CCIN
Subject: Landlord Relocation Payments

Dear Sir/Madam:

I rent my family home in Niles, California, across the Bay from Menlo Park, and it supplements my retirement income from many of teaching in a poverty area. My career was meaningful and rewarding, but the salary substandard. The tenant relocation payments proposed by your housing agency present an unfair financial burden to landlords and set an unfortunate precedent. As a senior, my income funds savings for the possibility of huge medical bills and care later in life. Relocation payments would further erode my attempts to maintain this security.

Thank you for your consideration of the ideas in this letter.

Best regards,

Judy Field

Fremont Landlord

Curtin, Clay J

From: Pam Salvatierra
Sent: Thursday, September 13, 2018 12:27 PM
To: _CCIN
Subject: Tenant Relocation Assistance

Hi Council Members.

Thank you for all you do for Menlo Park.

I am writing to express my support for tenant assistance in the event of no-fault evictions and price gouging. This policy is making sure that tenants who get a large rent increase (over 10%) don't end up sleeping in their cars, on the street, or on the waitlist for one of our shelters. This is about fairness. No one should become homeless through no fault of their own.

Respectfully submitted,

Pam Salvatierra
1794 Stanford Ave

Curtin, Clay J

From: Lynne Bramlett
Sent: Thursday, September 13, 2018 4:51 PM
To: _CCIN; Julianna Dodick; Karen Grove; Meg McGraw-Scherer; Michele Tate; Mike Nore; Nevada Merriman; Wendy McPherson; Daniel Valverde; Curtin, Clay J
Subject: Support Tenant Relocation Assistance Ordinance

Hello Housing Commission, Staff and Council,

I fully support the proposed Tenant relocation assistance ordinance as detailed at the [project page](#). A lot of time and diligent effort went into developing the ordinance and I commend all those who played a direct role in this effort.

Skyrocketing rent is a serious problem. The recent Mercury News (Sep 5, 2018) article on ["Anxious Tenants facing more Bay Area rent Increases"](#) explains the urgency as well as landlord's efforts to defeat rent control efforts. At a certain point, one also has to ask how much profit is enough. So I don't have sympathy for the landlords who are making excessive rental profits from buildings bought years ago. Landlords benefit from owning rental property in Menlo Park, a city where they can rapidly raise rents due to the overall jobs/housing imbalance. I consider the tenant relocation assistance a minor fee for the landlords. The amount is small, overall, compared with the disruption on the tenants' lives.

I would also talk with our local small business owners about staffing shortages because of the high costs of living in MP. I recently heard about one place that had to close due to the lack of help. That kind of data might be helpful in convincing the landlord community that it's important to consider the needs of MP overall. They need to do their part for the overall good of MP.

I applaud the good work in this ordinance.

Lynne Bramlett

Curtin, Clay J

From: Judy Adams
Sent: Thursday, September 13, 2018 6:09 PM
To: _CCIN
Subject: Tenant Relocation Assistance Draft Ordinance

To Council Members and Planning Department,

I support Menlo Park finally establishing a strong Tenant Relocation Assistance Ordinance. In reviewing Almanac articles going back to 2016 (and probably earlier) it has been discussed and debated - it is time to pass. I would support a stronger ordinance in terms of the # of months' rent given and a larger moving allowance; what we have in the draft ordinance is too small for the cost of relocation given the tight housing market for low-income and even middle-income residents. I also strongly support a rent increase cap of a maximum of 10-15%; any other rental increase is surious.

I am also concerned that in anticipation of, and in advance of the implementation of any such ordinance becoming law, that landlords, property managers and developers will raise rents and shut renters out before the ordinance is enacted and becomes the law.

In addition, I am in favor of the passage of Prop 10, the Affordable Housing Act to further protect renters, who are at the mercy of unconscionable rent increases. Finally, we must work to build low-income (not just "affordable") housing Immediately before our city loses more of its already shrinking diversity, and when possible, on city land, such as the proposed parking structures on current downtown surface parking lots with housing at the top story, not businesses. While I'm in favor of **one** structure accommodating a movie theater, now that we are losing our only remaining full-time movie theater, the remaining lots should be converted ASAP to accommodate parking structures and low-income housing.

Have you seen the number of Menlo Park businesses looking for workers? Where can they find housing they can afford? What small businesses will be forced to close and what will happen to the agreeable "small town" atmosphere of a thriving Menlo Park, a walkable, "tree city," with mom and pop, locally owned businesses?

Respectfully,

Judy Adams
Downtown District resident

Curtin, Clay J

From: Mina Malek
Sent: Friday, September 21, 2018 1:42 PM
To: _CCIN
Subject: No on rent control in disguise!

DEAR MAYOR OHTAKI AND MEMBERS OF THE CITY COUNCIL,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Mina Malek

--

MINA MALEK

Vice President / Asset Manager

MPM Corporation

Ph: (650) 961-1234 Fax: (650) 961-0255

mina@mpmcorporation.com

Curtin, Clay J

From: Mitra Malek
Sent: Friday, September 21, 2018 1:56 PM
To: _CCIN
Subject: Letter of Opposition to Housing Commission's Proposal

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Mitra Malek

Curtin, Clay J

From: Rick Dodson
Sent: Friday, September 21, 2018 2:34 PM
To: _CCIN
Subject: Housing Commission Proposal
Attachments: Relocation Program.pdf

Dear Mayor Ohtaki and Members of the City Council. I have attached a letter relating to the Housing Commission's proposal requiring relocation payments. Please read and act to reconsider passing this proposal.
Thank you for your service....Rick Dodson

Rick Dodson

BRE - 00933204

Property Manager

rick@daltonmngt.com

Dalton Realty | www.daltonmngt.com

510 Waverley Street Palo Alto, CA 94301

650.321.1711  | 650.327.2383 

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Email: info@daltonrealty.com



September 21, 2018

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rick Dodson'. The signature is fluid and stylized, with a long horizontal line extending to the right.

Rick Dodson
Property Manager

Curtin, Clay J

From: Sherman Tran
Sent: Friday, September 21, 2018 3:10 PM
To: _CCIN
Subject: Oppose relocation payment

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Sherman
Owner of apartments in Menlo Park.

*** please note my email has changed to mdonline01@gmail.com *****

Sherman Tran
429 Llewellyn Ave
Campbell, CA 95008

Curtin, Clay J

From: fernanda.manente
Sent: Friday, September 21, 2018 3:11 PM
To: _CCIN
Subject: Oppose

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Fernanda Tran

Curtin, Clay J

From: leasing
Sent: Friday, September 21, 2018 3:12 PM
To: _CCIN
Subject: Oppose

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Ana Salinas

Curtin, Clay J

From: tranenteonellc
Sent: Friday, September 21, 2018 3:13 PM
To: _CCIN
Subject: Oppose

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Esther Fils

Curtin, Clay J

From: marinamtg
Sent: Friday, September 21, 2018 6:34 PM
To: _CCIN
Subject: Menlo Park Rentals

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Janet Rocha

895 Middle Ave.

Menlo Park, CA 94025

Your name

Curtin, Clay J

From: Bin Hu
Sent: Friday, September 21, 2018 10:31 PM
To: _CCIN
Subject: Please reject the proposal of the Housing Commission to require relocation payments

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,
Bin Hu

Sent from my iPhone 6S

Curtin, Clay J

From: jane
Sent: Friday, September 21, 2018 10:45 PM
To: _CCIN
Subject: Strongly oppose

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

We are hard working people too. House we bought were not coming from the air.

Sincerely,

Jane

Curtin, Clay J

From: Cecelia Ng
Sent: Saturday, September 22, 2018 8:59 AM
To: _CCIN
Subject: Fw: Unfair Relocate payment

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,
Your name

[Sent from Yahoo Mail for iPhone](#)

Curtin, Clay J

From: Lin Jiang
Sent: Saturday, September 22, 2018 6:28 PM
To: _CCIN
Subject: Housing Commission proposal

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,
Lin Jiang

Curtin, Clay J

From: Lawrence Lee
Sent: Sunday, September 23, 2018 1:44 PM
To: _CCIN
Subject: Proposed tenant relocation assistance ordinance

Dear Mayor Ohtaki and Members of the City Council,

My name is Lawrence Lee. Me and my family are long-time resident of Menlo Park. We built and own a couple of houses in Menlo Park currently renting them to supplement our income.

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Respectfully,

Lawrence Lee

Curtin, Clay J

From: Scott Rosenblum
Sent: Sunday, September 23, 2018 2:46 PM
To: Curtin, Clay J
Subject: Tenant relocation assistance ordinance

Dear Mr. Curtin,

I recently sent this email to all of the housing commission members and one suggested that I send it to you so it can be added to the public record.

I am writing you today to express my support for the tenant relocation assistance ordinance under review by the housing commission.

This ordinance would provide some basic level of stability for renters in Menlo Park, a group that includes a diverse group of hard working members of our community. Just on our block, our neighbors include a member of the Menlo Park fire department, a high school teacher, an emergency room physician, as well as my wife and I (a clinical psychologist and a public health professional respectively).

Many of us have children and we are trying to make long-term home in Menlo Park. However, every year, we worry that we will be priced out of our homes due to skyrocketing rents. While this measure does not preclude landlords from raising rents too dramatically, it does at least provide some disincentive to doing so.

My wife attended the meeting the other day and you heard from a number of landlords explaining that this would an undue hardship on their incomes. I believe this is an erroneous, if not greedy, request. The ordinance as written would allow annual rent increase of 5% plus CPI, which means that rents could still double every 10 years! Should we put that "right" ahead of the ability to feel comfortable and secure in one's home?

Sincerely,

Scott

Curtin, Clay J

From: lily hong
Sent: Sunday, September 23, 2018 10:26 PM
To: _CCIN
Subject: Tenant Relocation Assistance

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Lily Hong (I am not a landlord or tenant in city of Menlo Park)

Sent from my iPhone

Curtin, Clay J

From: Paul Hopkins
Sent: Sunday, September 23, 2018 10:55 PM
To: _CCIN
Subject: support the tenant relocation assistance ordinance

Dear Mayor Ohtaki and Members of the City Council,

I urge you to pass the proposal of the Housing Commision to require relocation payments unless rent increases are capped.

I support such an ordinance because that is the only way to put a stop to the unreasonable and uncontrolled rent increase that we have seen more and more in Menlo Park. The city of Menlo Park has seen many incidents of "no fault" evictions due to the dramatic rent increase. This has created lots of uncertainties and confusions and over the long run would hurt the city's potential and reputation to grow.

Thank you for your consideration!

Curtin, Clay J

From: ForestLight
Sent: Monday, September 24, 2018 4:21 PM
To: _CCIN
Subject: Menlo Park Rental Relocation Issue

Dear Mayor Ohtaki and Members of the City Council,

I am a very small scale rental owner in Menlo Park. And I strongly urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals will eliminate my ability to continue to provide safe, stable, reliable and reasonably-priced rental housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Michael Maurier

Curtin, Clay J

From: Karen Berman
Sent: Wednesday, September 26, 2018 10:01 AM
To: _CCIN
Subject: Tenant relocation assistance

Hello. Just read about the above proposal in the "Post." This proposal sounds like an excellent idea from what I learned from the short article. I believe Menlo Park must take steps to ameliorate the housing situation, and this one seems a very reasonable one.

I don't see why any landlord would need to raise rents more than 9.3%, except to chase the market or finance an overleveraged, speculative position. Landlords are investors, often speculators and corporations, and they need to be prepared for an occasional loss just like others of us who invest our money in other ways.

As for the letters opposing the proposal, I found some of the comments ridiculous, even laughable, such as "will discriminate against new tenants," "will drive out landlord/investors . . . with already very poor yields on existing properties." Discriminate against tenants because they don't get to pay higher rent? Sounds okay to me.

Karen Berman
150 Alma Street #201
Menlo Park 94025

Sent from my iPhone

Curtin, Clay J

From: Evan Collins
Sent: Thursday, September 27, 2018 10:44 AM
To: _CCIN
Cc: Carol
Subject: Relocation Assistance

Dear Mayor Ohtaki and Members of the City Council,

Carol and I are mom and pop landlords with units on Roble Ave. near University Ave. We believe the Housing Commission's proposal is a watered-down version of rent control and just cause eviction. We met with Ms. Grove and had a good discussion. We are sympathetic with her concerns regarding potential homelessness when tenants are evicted. We may have unintentionally left her with the impression that we do not oppose this proposal. We do oppose it. What we tried to communicate in our discussion with Ms. Grove is that this proposal would not materially impact our rental business as we are presently running it. We have only evicted one tenant without cause over many years and we have not lost any tenants over a rent increase. Although we presently choose to charge most tenants below market rents and earn less than we could, it does not mean that we wish to surrender the right to earn the market rent and raise rents accordingly should our circumstances change. Furthermore, we do not wish to have the rights of other landlord's restricted just because the proposal may not impact us much. This proposal also puts landlords with older units at a disadvantage because the additional large relocation expense dramatically increases the cost of keeping older units functional. We treat our tenants fairly and believe it is unnecessary to have our practices and property rights further regulated. We urge the City Council to reject this proposal. Finally, we are not opposed to a relocation program that is triggered when units are permanently removed from the market or vacated for redevelopment.

Regards, Carol and Evan Collins

Curtin, Clay J

From: Michael Palma
Sent: Sunday, September 30, 2018 5:14 PM
To: _CCIN
Subject: Regarding draft ordinance establishing tenant relocation assistance

To the Menlo Park City Council,

I wish to add my voice to those that oppose this potential ordinance. I believe the basic concept intrudes on the private property rights of property owners and will only drive up rents for for the working poor.

The first things landlords would do would be to increase rents to account for these transfer payments. Then it will lead to fewer investments in new rental property because who would want to run the risk of having to pay this and potentially other transfer payments once precedence it set. When gas costs go up, we don't make oil companies pay a rebate. When the state increases taxes, we don't require them to provide equal tax discounts. When milk, bread, or fruit costs increase, there is no mandated transfer payment from growers and producers to consumers.

The city's opportunity to affect rents and housing availability is tied to zoning and building permits and development policy - done hand in hand with business development and transportation and infrastructure management. But to actually weigh in and dictate terms on how private property owners may manage and sell their assets or in this case rent apartments or homes, should be beyond the reach of government.

Let's remember that many people have invested in real estate, either directly or through the stock market, for their income or retirements. It is improper for the city to endanger these investments to favor another group of citizens. This bias and intrusion is not in keeping with the best interests of our community.

Sincerely,
Michael

Curtin, Clay J

From: Qiming Huang
Sent: Tuesday, October 2, 2018 8:25 PM
To: _CCIN
Subject: Strongly Oppose Relocation Payment

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents, and to pay property tax to support county and city public initiatives.

Thank you for your efforts to represent and protect interests of all the parties from Menlo Park.

Sincerely,

Qiming Huang

Menlo Park Property Owner

From: Sunil Chhaya
Sent: Wednesday, October 3, 2018 12:44 AM
To: _CCIN
Subject: Fwd: Do not impose Tenant Relocation Assistance Ordinance

Dear Council-person:

We read (<https://www.menlopark.org/1399/Proposed-tenant-relocation-assistance-or>) with dismay the efforts from City of Menlo Park Council to impose the Tenant Relocation Assistance Ordinance. We believe this will discriminate against new tenants moving into the area, and in favor of existing tenants, while giving the landlords no incentive to invest in the property refurbishment and upgrades, while driving down rental real estate values, driving out landlords/ investors from this already high rent area with already very poor yields on the existing properties.

We believe that any type of 'well-intentioned' interventions from bureaucratic agencies invariably make a bad situation worse because the bureaucrats do not understand the dynamics of rental process and how many risk and cost factors make owning and renting apartments a barely worthwhile activity. We believe the City of Menlo Park to be utterly oblivious of the deleterious effects the City rental ordinance is going to have on the very demographic of tenants that it is intended to help. I can understand the temptation of favoring the majority class (i.e., the tenant base) at the expense of the landlords because of sheer number disparity. However, consider the following likely consequences as free market forces act to 'balance the scales':.

1. **Overall living conditions will deteriorate** - tenants will know that without substantial proof of their neglect, landlords will have to spend significant amount of money to remove them from the property, and any eviction action may require investment of personal time and resources from landlord (both my wife and I work full time so we earn enough to pay the bills - the rent barely covers the cost and mortgages for the properties), which will be another deterrent to legal action from landlords, making tenants violate as many of the lease terms they can with impunity. With limited opportunity to recover the investments made in keeping the property in the best possible shape, the landlords are likely to choose to let the condition of the rental properties gradually deteriorate, causing a death spiral (sub-standard but un-evictable tenants + low rents = poor quality of apartments + poor living conditions). Keep in mind that there is a very big grey area between Class A property and Class C property, which may be perfectly habitable and check all boxes to meet minimum habitability requirements, but the quality of life is obviously much worse in poorly kept properties.
2. **Quality of neighborhoods will deteriorate** - Good neighborhoods will ultimately be crowded with badly behaving but 'unevictable' tenants resulting in a general deterioration of the quality of life of these neighborhoods due to the nuisance such tenants can cause with impunity.
3. **Market failure resulting in reduced supply of rental apartments:** Existing landlords will simply choose to move back into their own properties, or sell and move out, and the desirability for owning the regulated duplexes will also go down for potential investors resulting in property value reductions. This will impact city / county revenue resulting in loss of critical services to the very people who are the neediest (the indigent and poor). In fact, we expect the duplex market to collapse as a result of this ordinance because we believe that to be only a stepping stone to full-blown rent control (which was unsuccessfully attempted before.)
4. **Landlords will become extra selective in terms of finding tenants:** Today, as conscientious landlords, we try to give the benefit of the doubt to prospective tenants to enable them to avail of the best possible option they can afford by looking at not just their credit score, employment history but income, savings,

their past rental record etc, to find *all the reasons WHY* the tenant *SHOULD* qualify to rent our apartment. An attitude change from the City of Menlo Park will definitely make us pause to consider the downsides of renting to a borderline qualified tenant (marginal credit, low liquidity and marginal income with difficult prior credit history) more conservatively, leading to some of these tenants missing out on the opportunity to rent our property and build their credit. When you add up cumulative actions of all of the landlords in Menlo Park, this will invariably result in all the marginal tenants (exactly the kind that the ordinance is intended to help) missing out on renting the property. There is a wide range of factors that can be uniformly applied to prospective tenants, and ultimately it's up to the landlord's discretion as to which of the qualified tenants to offer the apartment to. Landlords are therefore likely to use the conservative approach to offer only the most qualified tenants the apartments, and if they cannot find such tenants, either keep the property vacant until they do find them, or sell and quit the San Jose market altogether.

So, as you can see, the policy of putting restrictions on landlords over conditions under which the tenants can be evicted is going to result in

1. falling property values (resulting in falling property taxes and reduced city services for the needy),
2. poor conditions of the properties,
3. poorer quality of life of the neighborhoods and
4. overall reduction of stock of available duplexes to marginally qualified tenants as landlords apply stricter selection criteria (credit scores, incomes, stability, rental record etc) for tenants,
5. this will be further exacerbated by some landlords converting their rentals (duplexes etc) to their primary residences and some just quitting the market altogether by taking their business to areas without landlord restrictions.

I also have the following concerns and suggestions:

- 1) All residential owner-occupied properties should be out of relocation assistance mandate, which is 1-4 [units as](#) City of Hayward has done. So, restrict this ordinance for 5 units or more. Four units properties can be owner occupied and then 3 tenants can gang against owner and abuse owner.
- 2) If the owner returns to occupy one unit of the property, it should be exempt from this type of tenant relocation assistance mandate
- 3) Nicest landlords who did not increase rent for many years or who accepted very low rents compared to market rent should be allowed to increase rent at least counties section 8 level payment equivalent. and is exempt from payment if tenants decide to move out and taking the money to put down payment to buy a house where as landlord will go bankrupt or will be in serious financial hardship if they continue to subsidize the rent substantially. Just try to get an honest answer to this question: How many of the rental properties considered to be the focus of this ordinance currently have rents at market and how many have subsidized rent? Why should a landlord continue to subsidize the rents and why should they be penalized to bring the rents to market?
- 4) Menlo Park has high percentage of retirees and all their life they worked hard and bought the only place they have (May be fourplex+) as owner occupied rental. They should be exempted from this. So 1-4 units owner-occupied properties are out of scope.
- 5) How will city protect elderly kind landlords from vicious 3 tenants in a 4 plex where tenants know that elderly landlord cannot afford to pay relocation assistance so landlord can not evict them. Where is the accountability for tenants? City only seems to want to punish the landlords.
- 6) All rental properties that are under Tenant Relocation Assistance should be considered for Property tax equivalent to Historical property tax and property tax should be frozen at these levels. We see this issue with 4 stakeholders: (1) Large employer (e.g., Facebook) causing the widespread displacement of subsidized tenants from rental properties in its vicinity (2) Tenants being displaced (3) Large and small / individual Landlords who own and maintain the rental properties to tenants, follow the rules, pay property taxes and (4) City of Menlo Park which collects the property taxes and funds the

pension plans. It seems that of the four stakeholders, landlords are being imposed with barriers to allow moving the below-par tenants out with restrictions, so that tenants who cannot otherwise afford to pay the rents get to stay at subsidized rents, and no imposition on Facebook, the root cause of this issue and no sacrifice from the City of Menlo Park in terms of taking a haircut on pension contributions (make them 401k, for example). So, where is the justice in only punishing the hardest working segment of this stakeholder group who puts their money at risk, their lives on hold to serve the tenants and are left holding the bag when tenants leave to have to pay the relocation assistance. Also, the minimum household income standards required / recommended for this ordinance make most of the homeowners themselves qualify for such an assistance. How many people in Menlo Park - the legacy landlords - make \$300,000 household income? Can they really be considered 'low income' by any stretch of the imagination? Do they need any help finding another place to stay? The whole scheme seems to be to fleece the landlords or homeowners.

If the City of Menlo Park makes the real goals and objectives of this exercise of restricting landlords explicitly known, then perhaps a solution set that does not help one stakeholder class at the expense of the other can be found. Clearly the path that the City is on to restrict landlord options and force certain decisions on them such as the ones being proposed appear more designed to hurt the landlords than help the tenants (even if they aren't, that's exactly the effect they will accomplish).

Please understand that I empathize with City Council's position and intentions and do acknowledge that certain landlords engage in unreasonable price gouging and arbitrary rent increases, which is exacerbated in the East Menlo Park neighborhoods abutting Facebook campus, and such tendencies ought to be curbed because a vibrant city indeed has an obligation to provide equal access to the diversity of tenant base. However, perhaps market-based approaches encouraging landlords to provide affordable housing, increasing the supply of affordable housing, **putting some of the burden of affordable housing on the area employers (e.g., Facebook)** who cause continual quality of life deterioration issues such as congestion and traffic, could be workable. I believe the City of Menlo Park has a huge opportunity to show to the world sustainable affordable housing solutions that are built upon public/private partnerships rather than ordinances and regulations. I believe that with your experience and leadership to the City of Menlo Park, you are uniquely positioned to bring the broad stakeholder coalition and stimulate positive action, that could ultimately become a benchmark and a shining example of how to do this right. I sincerely believe this.

Thanks for your attention,

Sunil Chhaya

Curtin, Clay J

From: Louise DeDera
Sent: Wednesday, October 3, 2018 2:18 PM
To: _CCIN
Subject: Rent Control

The proposed tenant relocation changes will result in an increase in rent in Menlo Park and this will negatively impact the population of workers that have a hard enough time living in this area.

If you apply tenant relocation changes to single family homes, owners of those properties will raise rents in order to make up the possible cost of helping tenants relocate in the future.

Louise DeDera
1003 Louise Street
Menlo Park

Sent from my iPhone

From: Keri Nicholas
Sent: Wednesday, October 3, 2018 3:13 PM
To: _CCIN
Subject: Please do not vote in Rent control

1. **The current proposal would apply to single-family homes.** This is a violation of Costa Hawkins, which restricts rent control on single-family properties. Imposing this on single-family homes will only drive up the cost of such rentals, or incentivize landlords of these homes to redevelop or sell their properties, removing them from the rental market.

2. **Requires relocation payment when tenants receive "significant rent increases."** This is defined as CPI plus 5% of the previous rental rate. This is rent control. Any attempt to limit rent increases or place financial penalties on a rent increase functions for the same purpose. Furthermore, it was stated several times by housing commissioners and by the public that rent increases need to be limited; revealing the true aim.

3. **Relocation payments are intended to be substantial and imposed at the highest possible rate.** Payments are to be assessed at up to four times the "most current applicable Menlo Park market rate monthly rent" or four times the current rent the tenant is paying if it is greater. The City of Menlo Park does not currently publish a monthly market rate rent, and it is not defined how this should be calculated. Is it the monthly rate of all single-family rentals, multi-family rentals, or an average of all rental units?

4. **Imposes Just Cause rental restrictions.** A "landlord-caused termination" also includes a landlord taking action to terminate the tenancy of an eligible tenant occupying a rental unit, except when at least one of the following conditions exist: 1) failure to pay rent; 2) breach of rental agreement; 3) nuisance; 4) owner move-in. This limits private property rights as it would allow government to dictate who lives in your home.

5. **Doesn't address the real housing crisis.** Even if all these conditions are approved and a displaced tenant receives a \$30,000 relocation payment, where will they go? What does this program do to create more housing in our community? The real solution is building more housing, and affordable housing for those who need it in our community. Protecting those who can already afford to rent a single-family home in Menlo Park is an insult to those who are really struggling in our community.

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Keri Nicholas



KERI NICHOLAS

#18 Individual Agent Nationwide - Wall Street Journal

BRE #01198898

650.533.7373

Alain Pinel Realtors

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Curtin, Clay J

From: mike because
Sent: Thursday, October 4, 2018 10:26 AM
To: _CCIN
Subject: OPPOSE Rent Control, Eviction Penalties and Relocation Penalties

October 2, 2018

Re: OPPOSE Rent Control, Eviction Penalties and Relocation Penalties

Mayor Ohtaki and Menlo Park City Council Members -

I am a proud mom and pop small housing provider. I do not presume to know about the intricacies of city government. However, I do know the difficult work of providing housing. Those who do not work in this field every day cannot possibly understand the nature of our day-to-day business challenges.

We mom and pop rental property owners supply the affordable medium priced housing. We realize minimal return on our investments. In the first 5 years of owning any rental property, the return is negative. That is correct – owners lose money for years on a new rental investment. That is due to the high purchase, renovation and maintenance costs. Even for a mature property, housing providers struggle to reach a 3 - 4 % capital return on investment.

Five year CDs are now paying a guaranteed return of 3 %. To earn that, there are no management challenges or governmental headaches. The Menlo Park city council would be wise to consider the future. **How will you encourage investors to provide any housing at all – including affordable housing – if you seek to punish providers who are making scarce returns for their risk and work ?**

It is worth noting that the data presented doesn't justify the need for punitive regulations. The fact is that, according to both the 2015 and 2016 San Mateo County Eviction Reports, as prepared by CLSEPA And Legal Aid, only 0.01 % of all renters over a 3 year period in all of San Mateo County were faced with eviction.

If you must make public policy, be sure that policy is based on verified facts, not emotional hearsay.

Renters are our customers and friends. We treat them fairly. No housing provider makes money by losing customers through over pricing. We work hard to keep our renters in their homes. **Responsible renters suffer under eviction policies which make it very difficult for owners to remove the few problem residents.** Why make good renters suffer under inflexible eviction policies in which nuisance neighbors destroy the quality of life for all ?

Onerous, hackneyed ideas such as outlandish **relocation penalties or eviction penalties are certain to remove housing from the market.** Why should investors take a huge risk on housing ? Why would they want to supply housing under a constant threat of unfair policies such as relocation penalties and eviction penalties ?

We know that our renters deal with the rising cost of all goods and services – including housing. **Realize that we housing providers are struggling, too !**

As proposed, such ill-conceived regulations do not hold down the cost of housing and rents. Nor do they preserve and maintain units or facilitate the creation of more housing. **We do not need knee jerk responses that would cause renter displacements and increase costs for everyone.**

M. K. Haddock
Proud Housing Provider

Curtin, Clay J

From: Jonathan Erwin-Frank
Sent: Thursday, October 4, 2018 5:49 PM
To:

Cc: Keith Ogden; Shirley Gibson
Subject: CLSEPA and LASSMC Comment Letter re Proposed Tenant Relocation Assistance Ordinance
Attachments: CLSEPA LASSMC - Re Proposed Tenant Relocation Assistance Ordinance 10.4.18.pdf

Dear Mr. Curtin and Menlo Park Housing Commissioners,

Attached please find a comment letter regarding the proposed tenant relocation assistance ordinance.

Thank you for your consideration,

--

JONATHAN ERWIN-FRANK, ESQ. | HOUSING ATTORNEY
Community Legal Services in East Palo Alto
www.clsepa.org
Phone: [\(650\) 391-0360](tel:6503910360) | Fax: [\(866\) 688-5204](tel:8666885204)
1861 Bay Road | East Palo Alto, CA 94303



COMMUNITY
LEGAL SERVICES
IN EAST PALO ALTO

LEGAL AID SOCIETY
OF SAN MATEO COUNTY

October 4, 2018

VIA US MAIL AND ELECTRONIC MAIL

Clay J. Curtin
Interim Housing and Economic Development Manager
Community Development Department
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
E-mail: cjcurtin@menlopark.org

**Re: City of Menlo Park Housing Commission's Consideration of the Proposed
Tenant Relocation Assistance Ordinance**

Dear Mr. Curtin:

Thank you for the opportunity to comment on the draft ordinance establishing tenant relocation assistance. We write specifically to respond to legal arguments raised by the Anton Menlo Apartments in their letter dated August 28, 2018, and to share the basis for our belief in the legal soundness of the proposed ordinance.

The Costa-Hawkins Rental Housing Act ("Costa-Hawkins") establishes a specific right to "establish the initial and all subsequent rental rates" for rented single family homes and apartment homes built after 1995. (Civ. Code § 1954.2(a) et seq.) The proposed tenant relocation assistance ordinance has no bearing on the ability of a landlord to choose what rental rate to charge, and is therefore not preempted by Costa-Hawkins.

A local ordinance conflicts with state law if it "duplicates, contradicts, or enters an area fully occupied by general law, either expressly or by legislative implication." (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1231.) The proposed ordinance at issue here requires modest relocation payments, tailored to costs associated with moving and finding a new rental unit, if a tenant receives a substantial rent increase and decides to move out of their home. It is designed to prevent homelessness and displacement where tenants cannot afford the high cost of moving. It in no way affects the ability to establish rental rates, but rather provides for an ancillary obligation triggered by a small subset of extremely high rent increases. The proposed ordinance places no substantive burden on the specific right established by Costa-Hawkins—the right to determine the amount of rent that must be paid every month.¹ As such, a

¹ The requirement to supplement the notice already required for rent increases with an additional notice informing tenants of their right to relocation assistance is a minor procedural obligation that does not materially affect the right to set rental rates.

challenge could not overcome the strong presumption against preemption. *See Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1225.)²

Anton Menlo argues that the proposed ordinance is “hostile to” or conflicts with Costa-Hawkins, citing *Coyne v. City and County of San Francisco* (2017). This argument fails because *Coyne* is inapposite. First, rather than discussing Costa-Hawkins preemption, the holding of *Coyne* is limited to preemption analysis under the Ellis Act, a distinct statute that guarantees the right of landlords to convert apartment homes into condos or otherwise exit the rental business. (9 Cal.App.5th 1215). Anton Menlo cites to no authority in which the Ellis preemption jurisprudence is applied to Costa-Hawkins. Second, the reasoning in *Coyne* belies its inapplicability to the proposed ordinance. The San Francisco ordinance at issue in *Coyne* required unprecedentedly high payments to tenants evicted by landlords invoking the Ellis Act. Because the payments were a condition precedent to invoking the Ellis Act to remove tenants, it placed a direct burden on the right provided for in the Act. Here, by contrast, a landlord retains an unqualified right pursuant to Costa-Hawkins to establish rental rates. After setting the rate at any level, a landlord may be required to make a payment to mitigate moving costs that are a direct consequence of unaffordable rents, if the rent increase is more than five percent above inflation, and if the tenant elects to move. As noted in Anton Menlo’s letter, under the “plain meaning of statutory construction, if the language is unambiguous then it is presumed that the Legislature meant what it said.” Costa-Hawkins did not create a right to remove tenants without cost; it created a right to establish rental rates. The proposed ordinance does not affect this right.

Even if the preemption standard of *Coyne* applied, this ordinance would survive scrutiny. Under *Coyne*, a local ordinance must not “impose a prohibitive price” on the landlord’s ability to exercise the Ellis Act right to exit the rental market. (*See Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1226.) Ordinances struck down under this standard are those that “in effect, barred” landowners from exercising the protected right—those that imposed a price so great that no reasonable decision maker would elect to exercise the right. (*See San Francisco Apartment Assn. v. City and County of San Francisco* (2016) 3 Cal.App.5th 463, 482 (striking down a *mandatory ten-year delay* on certain kinds of Ellis Act conversions); *see also Bullock v. City and County of San Francisco* (1990) 221 Cal.App.3d 1072 (striking down an ordinance requiring one-for-one replacement of converted units by construction or payment of 40 percent of the construction costs of the number of units converted)). The ordinance in *Coyne* required payment of the *two-year differential* between the tenant’s current rent and the prevailing rent for a comparable apartment, with a cap of \$50,000. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1219.) By contrast, the same appellate court upheld the ordinance at issue in *Pieri v. City of San Francisco*, which required relocation payments of \$4,500 per tenant with a maximum of \$13,500 per unit. (*Pieri v. City and County of San Francisco* (2006) 137 Cal.App.4th 886, 889.)

² As stated in *Coyne*, “When local government regulates in an area over which it traditionally has exercised control[,] California courts will presume, absent a clear indication of preemptive intent from the Legislature, that such regulation is not preempted by state statute. The presumption against preemption accords with our more general understanding that ‘it is not to be presumed that the legislature in the enactment of statutes intends to overthrow long-established principles of law unless such intention is made clearly to appear either by express declaration or by necessary implication.’” (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1225) (internal citations and quotation marks omitted.)

Notably, the Court in *Coyne* considered whether or not payments were “directed at the adverse impacts caused by the landlords decision” to be highly relevant to determining the ordinance’s validity. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1227.) Unlike the *two-year differential* rent payments at issue in *Coyne*, this proposed ordinance requires payments closely tailored to the cost of moving. Three months’ rent, or “first, last, and deposit” is the most common payment requirement for moving into a new apartment.

The payments in the current proposal are neither prohibitive nor likely to dissuade a landlord from establishing any rental rate he or she would otherwise choose to establish. By definition, the payments are limited to an amount equal to the amount of revenue a landlord can bring in by charging market rate to new tenants for three months. (Menlo Park Municipal Code Proposed Chapter 8.55.040.) The addition of a basic hardship waiver, ensuring that no landlord is impoverished or risks foreclosure as a result of relocation payments, would eliminate any risk that payments could be “prohibitive.”

Recently, an Oregon court upheld a similar relocation ordinance enacted by the city of Portland against a challenge claiming preemption by state law. In spite of the broader language in the state statute, prohibiting local laws that “control[] the rent that may be charged,” the court found that legislature could have but did not proscribe local laws that may have an “indirect effect” of influencing rents. In light of the presumption against preemption, a law limiting rent control should not be read to bar contingent relocation assistance payments. (*Owen, et al. v. City of Portland* (2017) No. 17CV05043.)

Because it has no bearing on and does not substantially burden the ability of landlords to establish rental rates, the proposed ordinance need not fall within Civil Code Section 1954.52(c), which clarifies that Costa-Hawkins does not affect the ability of localities to regulate the basis for eviction. Nonetheless, that proposed ordinance is properly construed as regulating the basis for eviction, and therefore falls within the savings clause. The relocation payments are required only where a tenant (1) receives a substantial rent increase; and (2) elects to leave; in other words, where a tenant is evicted because they cannot afford the increased rent. The ordinance regulates the manner in which tenants may be evicted because of rent increases, but has no effect on the ability of landlords to establish rental rates for current or future tenants.

Menlo Park and the Bay Area are experiencing an unprecedented housing and homelessness crisis that threatens our communities. Teachers, health care workers, and other people who serve our communities cannot afford to live in them. This proposal would help people find homes so they can continue to contribute to the community. It asks only that landlords offset the cost of displacement by contributing a modest amount, and in no way affects a landlord’s right to set rental rates.

We appreciate you taking the time to review this letter and strongly encourage adoption of the proposed ordinance. Please reach out with any questions regarding this letter.

Clay J. Curtin and Menlo Park Housing Commissioners
October 4, 2018

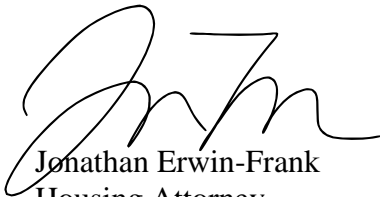
Sincerely,



Keith Ogden
Senior Housing Attorney
Community Legal Services in East Palo Alto
1861 Bay Road
East Palo Alto, CA 94303
Keith@clsepa.org
(650) 391-0346



Shirley Gibson
Directing Attorney
The Legal Aid Society of San Mateo County
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(650) 391-0360

cc: Menlo Park Housing Commissioners
cc: William L. ("Bill") McClure, City Attorney, wlm@jsmf.com

B. Robinson
1126 Berkeley Ave.
Menlo Park, CA 94025
September 26, 2018

RECEIVED

OCT 01 2018

City of Menlo Park
City Manager's Office

City of Menlo Park Community Development
Attn: Housing Commission
701 Laurel St.
Menlo park, CA 94025

Dear Commissioners:

RE: Proposed Relocation Assistance Ordinance

As a resident of Menlo Park Belle Haven Community for 59 years and a landlord of a single- family residence, I do not support the proposed relocation assistance ordinance.

It is commendable that the ordinance addresses the problem of sudden homelessness due to exorbitant rent increase by linking the rental increase to the consumer price index plus 5%. This is a reasonable regulation of rent. However, the sanctions in this ordinance are unreasonable and oppressive. These sanctions do not consider the financial issues confronting landlord.

- As a landlord of a single-family residence the burden to pay 3-4 months of relocation assistance and 60-day subscription to a rental agency service has me displaced. Under this ordinance the government is controlling the rent, determining relocation assistance, and specifying who can live in property to recover it from the rental market. It certainly feels like the city has shifted the total responsibility for displacement to owner/landlord. If I were to terminate tenancy for an eligible tenant, it would be problematic for me because my tenant's rent is significantly less than average monthly rent, but the ordinance requires relocation payment at the greater amount. Frankly, to provide thousands of dollars of relocation assistance I would need to sell my home.
- What we are dealing with is a need to implement regulations which show compassion for tenants without placing disproportionate expenses on landlord. If we must have rent control, rent increase should be linked to CPI plus 5%. Now to further minimize sudden displacement of tenants, landlords should be required to give tenants ample amount of time to relocate due to rent increase or a sell of property. Instead of a 60- day notice, landlords must give 120- day notice (4months). I believe these requirements show consideration and compassion to the tenants without penalizing the landlord for taking possession and use of their property. The landlord is not responsible for the support of the tenant so no relocation assistant payments and rental agency subscriptions are paid by the landlord.

Thank you for the opportunity to submit my comment.

Sincerely,


Birtha Robinson



Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, California 94111
P: 415.262.5100 F: 415.262.5199
Offer Elitzur
415.262.5165
oelitzur@coxcastle.com

File No. 066778

August 28, 2018

VIA E-MAIL & U.S. MAIL

Clay J. Curtin
Interim Housing and Economic Development Manager
Community Development Department
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
E-mail: cjcurtin@menlopark.org

**Re: City of Menlo Park Housing Commission's Consideration of a Proposed
"Tenant Relocation Assistance" Ordinance**

Dear Mr. Curtin:

This letter is written on behalf of the owners of the Anton Menlo Apartments located at 3639 Haven Avenue. As you know, the City Housing Commission is considering an ordinance requiring landlords to provide "tenant relocation assistance" where rent would be increased in excess of the previous year's Consumer Price Index plus five percent within a 12-month period and the tenant elects not to remain. As it relates to properties where the owner has the unqualified right to establish the initial *and all subsequent rental rates* under the Costa-Hawkins Rental Housing Act, however, the ordinance would be directly in conflict with state law. (Civ. Code, § 1954.50 et seq.) For the reasons stated below, it therefore must be revised to exclude such properties, such as the Anton Menlo Apartments. If the City refuses, the owners are prepared to pursue whatever legal action is necessary, including the filing of a petition for writ of mandate and the seeking of monetary damages.

Because Anton Menlo Apartments received a certificate of occupancy after February 1, 1995, it is statutorily exempt from rent control under the Costa-Hawkins Act. (Civ. Code, § 1954.52(a)(1).) As such, the owners have the right to both impose whatever rent they choose at the commencement of a tenancy as well as establish "all subsequent rental rates." (Civ. Code, § 1954.52(a).) This right to choose "subsequent rental rates" is unfettered under Costa-Hawkins. (See *Bisno v. Douglas Emmett Realty Fund* 1988 (2009) 174 Cal.App.4th 1534, 1553 ["[A]t heart Costa-Hawkins allows landlords to avoid local rent control ordinances and impose whatever rent they think the market will bear."].)

As drafted, the ordinance would require *any* landlord who makes certain rent increases within a 12-month period to provide relocation assistance where the tenant elects to leave. But

under the “plain meaning” rule of statutory construction, if the language is unambiguous then it is presumed that the Legislature meant what it said. (*Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396, 1410.) Here, the text plainly allows owners of certain residential property—such as Anton Menlo—the unqualified right to establish “all subsequent rental rates,” and the imposition of a substantial penalty on owners who chose to exercise such right is clearly hostile thereto. Because the proposed ordinance is contradictory to that plain language, it is therefore at least partially preempted by state law and unlawful. (See *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396, 1410 [explaining that local ordinance is preempted when it is “contradictory” to state law].)

The ordinance also is not otherwise authorized under the section of Costa-Hawkins that preserves local authority “to regulate or monitor the basis for eviction.” (Civ. Code, § 1954.52(c).) So-called “savings clauses” like this one, which preserve some preexisting legal authority from the effect of some newly enacted legal authority, are strictly construed. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1231.) Indeed, courts have refused to interpret such clauses in a manner that would authorize any activity that directly conflicts with the statutory scheme containing the clause, as would be the case here. (*Id.*)


Nor is the ordinance even reasonably designed “to regulate or monitor the basis for eviction.” (Civ. Code, § 1954.52(c).) There is, in fact, no actual “eviction,” nor is the tenant otherwise forced to vacate. It is wholly unlike the scenarios contemplated in the savings clause, such as bad faith evictions by landowners. Instead, at least regarding those owners of property exempted under Costa-Hawkins, the ordinance seeks to penalize landlords who choose to exercise their right under state law to establish “all subsequent rental rates” and thereby impose indirectly what the City could not otherwise impose directly (i.e., rent control).

At a minimum, therefore, the proposed ordinance must be revised to exclude any residential properties where landlords may establish the initial and all subsequent rental rates for a residential property under California Civil Code section 1954.52. Indeed, other cities that have passed similar tenant relocation ordinances, such as the City of San Leandro, have included provisions that contain that precise exclusion. (See San Leandro Mun. Code, § 4-37-200(f).) In the event that the City refuses, the owners are prepared to take whatever legal action ultimately is necessary, including the filing of a petition for writ of mandate and the seeking of monetary damages as appropriate.

City of Menlo Park
August 28, 2018
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We will continue to monitor the City's consideration of this proposed ordinance and are willing to discuss this matter further with the City. If you have any questions, please do not hesitate to contact me at (415) 262-5165.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Ofer Elitzur', with a long horizontal flourish extending to the right.

Ofer Elitzur

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COMMUNITY
LEGAL SERVICES
IN EAST PALO ALTO

LEGAL AID SOCIETY
OF SAN MATEO COUNTY

October 4, 2018

VIA US MAIL AND ELECTRONIC MAIL

Clay J. Curtin
Interim Housing and Economic Development Manager
Community Development Department
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
E-mail: cjcurtin@menlopark.org

**Re: City of Menlo Park Housing Commission's Consideration of the Proposed
Tenant Relocation Assistance Ordinance**

Dear Mr. Curtin:

Thank you for the opportunity to comment on the draft ordinance establishing tenant relocation assistance. We write specifically to respond to legal arguments raised by the Anton Menlo Apartments in their letter dated August 28, 2018, and to share the basis for our belief in the legal soundness of the proposed ordinance.

The Costa-Hawkins Rental Housing Act ("Costa-Hawkins") establishes a specific right to "establish the initial and all subsequent rental rates" for rented single family homes and apartment homes built after 1995. (Civ. Code § 1954.2(a) et seq.) The proposed tenant relocation assistance ordinance has no bearing on the ability of a landlord to choose what rental rate to charge, and is therefore not preempted by Costa-Hawkins.

A local ordinance conflicts with state law if it "duplicates, contradicts, or enters an area fully occupied by general law, either expressly or by legislative implication." (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1231.) The proposed ordinance at issue here requires modest relocation payments, tailored to costs associated with moving and finding a new rental unit, if a tenant receives a substantial rent increase and decides to move out of their home. It is designed to prevent homelessness and displacement where tenants cannot afford the high cost of moving. It in no way affects the ability to establish rental rates, but rather provides for an ancillary obligation triggered by a small subset of extremely high rent increases. The proposed ordinance places no substantive burden on the specific right established by Costa-Hawkins—the right to determine the amount of rent that must be paid every month.¹ As such, a

¹ The requirement to supplement the notice already required for rent increases with an additional notice informing tenants of their right to relocation assistance is a minor procedural obligation that does not materially affect the right to set rental rates.

challenge could not overcome the strong presumption against preemption. *See Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1225.)²

Anton Menlo argues that the proposed ordinance is “hostile to” or conflicts with Costa-Hawkins, citing *Coyne v. City and County of San Francisco* (2017). This argument fails because *Coyne* is inapposite. First, rather than discussing Costa-Hawkins preemption, the holding of *Coyne* is limited to preemption analysis under the Ellis Act, a distinct statute that guarantees the right of landlords to convert apartment homes into condos or otherwise exit the rental business. (9 Cal.App.5th 1215). Anton Menlo cites to no authority in which the Ellis preemption jurisprudence is applied to Costa-Hawkins. Second, the reasoning in *Coyne* belies its inapplicability to the proposed ordinance. The San Francisco ordinance at issue in *Coyne* required unprecedentedly high payments to tenants evicted by landlords invoking the Ellis Act. Because the payments were a condition precedent to invoking the Ellis Act to remove tenants, it placed a direct burden on the right provided for in the Act. Here, by contrast, a landlord retains an unqualified right pursuant to Costa-Hawkins to establish rental rates. After setting the rate at any level, a landlord may be required to make a payment to mitigate moving costs that are a direct consequence of unaffordable rents, if the rent increase is more than five percent above inflation, and if the tenant elects to move. As noted in Anton Menlo’s letter, under the “plain meaning of statutory construction, if the language is unambiguous then it is presumed that the Legislature meant what it said.” Costa-Hawkins did not create a right to remove tenants without cost; it created a right to establish rental rates. The proposed ordinance does not affect this right.

Even if the preemption standard of *Coyne* applied, this ordinance would survive scrutiny. Under *Coyne*, a local ordinance must not “impose a prohibitive price” on the landlord’s ability to exercise the Ellis Act right to exit the rental market. (*See Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1226.) Ordinances struck down under this standard are those that “in effect, barred” landowners from exercising the protected right—those that imposed a price so great that no reasonable decision maker would elect to exercise the right. (*See San Francisco Apartment Assn. v. City and County of San Francisco* (2016) 3 Cal.App.5th 463, 482 (striking down a *mandatory ten-year delay* on certain kinds of Ellis Act conversions); *see also Bullock v. City and County of San Francisco* (1990) 221 Cal.App.3d 1072 (striking down an ordinance requiring one-for-one replacement of converted units by construction or payment of 40 percent of the construction costs of the number of units converted)). The ordinance in *Coyne* required payment of the *two-year differential* between the tenant’s current rent and the prevailing rent for a comparable apartment, with a cap of \$50,000. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1219.) By contrast, the same appellate court upheld the ordinance at issue in *Pieri v. City of San Francisco*, which required relocation payments of \$4,500 per tenant with a maximum of \$13,500 per unit. (*Pieri v. City and County of San Francisco* (2006) 137 Cal.App.4th 886, 889.)

² As stated in *Coyne*, “When local government regulates in an area over which it traditionally has exercised control[,] California courts will presume, absent a clear indication of preemptive intent from the Legislature, that such regulation is not preempted by state statute. The presumption against preemption accords with our more general understanding that ‘it is not to be presumed that the legislature in the enactment of statutes intends to overthrow long-established principles of law unless such intention is made clearly to appear either by express declaration or by necessary implication.’” (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1225) (internal citations and quotation marks omitted.)

Notably, the Court in *Coyne* considered whether or not payments were “directed at the adverse impacts caused by the landlords decision” to be highly relevant to determining the ordinance’s validity. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1227.) Unlike the *two-year differential* rent payments at issue in *Coyne*, this proposed ordinance requires payments closely tailored to the cost of moving. Three months’ rent, or “first, last, and deposit” is the most common payment requirement for moving into a new apartment.

The payments in the current proposal are neither prohibitive nor likely to dissuade a landlord from establishing any rental rate he or she would otherwise choose to establish. By definition, the payments are limited to an amount equal to the amount of revenue a landlord can bring in by charging market rate to new tenants for three months. (Menlo Park Municipal Code Proposed Chapter 8.55.040.) The addition of a basic hardship waiver, ensuring that no landlord is impoverished or risks foreclosure as a result of relocation payments, would eliminate any risk that payments could be “prohibitive.”

Recently, an Oregon court upheld a similar relocation ordinance enacted by the city of Portland against a challenge claiming preemption by state law. In spite of the broader language in the state statute, prohibiting local laws that “control[] the rent that may be charged,” the court found that legislature could have but did not proscribe local laws that may have an “indirect effect” of influencing rents. In light of the presumption against preemption, a law limiting rent control should not be read to bar contingent relocation assistance payments. (*Owen, et al. v. City of Portland* (2017) No. 17CV05043.)

Because it has no bearing on and does not substantially burden the ability of landlords to establish rental rates, the proposed ordinance need not fall within Civil Code Section 1954.52(c), which clarifies that Costa-Hawkins does not affect the ability of localities to regulate the basis for eviction. Nonetheless, that proposed ordinance is properly construed as regulating the basis for eviction, and therefore falls within the savings clause. The relocation payments are required only where a tenant (1) receives a substantial rent increase; and (2) elects to leave; in other words, where a tenant is evicted because they cannot afford the increased rent. The ordinance regulates the manner in which tenants may be evicted because of rent increases, but has no effect on the ability of landlords to establish rental rates for current or future tenants.

Menlo Park and the Bay Area are experiencing an unprecedented housing and homelessness crisis that threatens our communities. Teachers, health care workers, and other people who serve our communities cannot afford to live in them. This proposal would help people find homes so they can continue to contribute to the community. It asks only that landlords offset the cost of displacement by contributing a modest amount, and in no way affects a landlord’s right to set rental rates.

We appreciate you taking the time to review this letter and strongly encourage adoption of the proposed ordinance. Please reach out with any questions regarding this letter.

Clay J. Curtin and Menlo Park Housing Commissioners
October 4, 2018

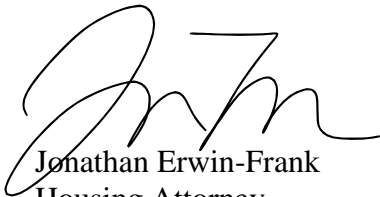
Sincerely,



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TENANT RELOCATION ASSISTANCE ORDINANCE COMPARISONS CHART

ATTACHMENT D

City	Rent Control	Just Cause Evictions	Tenant Relocation Assistance	Trigger(s)	Tenant Relocation Assistance “Eligible Tenant”	Tenant Relocation Assistance Payments and other assistance due to the tenant
Menlo Park (Current draft proposal)	No	No	Proposed	<ol style="list-style-type: none"> 1. Landlord-caused termination where “significant rent increase” (greater than CPI + 5%) causes tenant to elect not to remain in unit 2. Landlord taking action to terminate a tenancy not meeting the exceptions as defined in § 8.55.020 	Tenants residing in a rental unit in Menlo Park for 12 months or more with a household income not to exceed 200% AMI. Eligible tenants living in all rental housing units except: those with affordable housing restrictions; secondary dwelling units; and owner-occupied single-family residences where a room is rented to a third party.	<ol style="list-style-type: none"> 1. Three times the most current applicable Menlo Park market rate monthly rent, published by the director of community development and updated January 1 of each year, or three times the monthly rent that the tenant(s) is paying at the time the notice of landlord-caused termination is delivered, whichever amount is greater. 2. Sixty-day rental service subscription. 3. Special circumstance households receive one additional month’s payment.
Redwood City (current code)	No	No	Yes.	<ol style="list-style-type: none"> 1. Nonresidential development 2. Displacement resulting from code enforcement 	<ol style="list-style-type: none"> 1. Each person or family defined as "lower income household" or "very low income household," in Health & Safety Code §§ 50079.5 and 50105. 2. Every person or family displaced from his/her rental dwelling unit by reason of code enforcement. 	<ol style="list-style-type: none"> 1. \$500 moving costs; plus a replacement housing payment not to exceed \$1,500, for a 12-month period equal to the difference between the rent paid for the dwelling unit and the rental (if higher) for the displaced person’s replacement dwelling unit. 2. Payment of actual moving and related expenses, plus payments specified in Gov’t. Code §§ 7262 and 7264 that pertain to displacement caused by code enforcement. If not otherwise provided, the amount of assistance shall be determined by the Director.
Redwood City (Approved in June 2018; effective January 1, 2019)	No	No	Yes	<ol style="list-style-type: none"> 1. Withdrawal from rental market 2. Demolish/otherwise remove from rental housing use. 3. To renovate/ remodel. 4. Condo conversion. 5. Change use to nonresidential 	Displaced residential household whose annual household income does not exceed 80% AMI and where the residential projects include more than 4 units	<ol style="list-style-type: none"> 1. Sixty-day rental service subscription. 2. Cash equivalent of 3 months’ rent calculated at time the relocation application is approved by City based on the most recent HUD Fair Market Rent calculation for San Mateo Co.. 3. Special circumstance households receive additional 1 month payment. 4. Admin fee set forth in the Code.

TENANT RELOCATION ASSISTANCE ORDINANCE COMPARISONS CHART

East Palo Alto	Yes	Yes	Yes	Demolition or removal of a rental unit	Any tenant residing in a rental unit of any type that is not specifically exempt	<ol style="list-style-type: none"> 1. Provide tenants with reasonably complete and current list of vacant and available rental units comparable in size and amenities 2. Make reasonable and good faith effort to assure tenants without cars are driven, at no cost and tenants with cars are assisted to inspect replacement units 3. Take reasonable steps to assist any disabled or handicapped tenant with relocation activities; 4. Each tenant of a residential unit that is required to move (only adults and emancipated minors) residing on property for less than 2 years \$7,500 and residing on property for 2 years or longer \$10,000. (After April 1, 2012, payment to increase annually at rate of increase in consumer price index. 5. Plus, additional \$2,500 for special circumstances (low-income, disabled, elderly, dependent, or terminally ill). 6. Plus, actual moving costs up to \$2,500 if subject to rental control, or flat rate of \$1,500 if agreed by Tenant before move.
San Mateo	No	No	Yes ¹	<ol style="list-style-type: none"> 1. Demo of units; 2. Rehab of units when the rehab exceeds 25% of the market value of the unit 3. Conversion into nonresidential units 4. Conversion into owner occupied units 5. Displaced by rent increase rendering unit not affordable. 	Low to moderate-income households within the downtown redevelopment project area who are displaced after having received a notice to vacate or a rent increase rendering their unit not affordable.	<ol style="list-style-type: none"> 1. 3 months' rent being paid immediately prior to displacement.
Mountain View	Yes	Yes (\$1705)	Yes	<ol style="list-style-type: none"> 1. Terminating tenancy of a rental unit covered by the CSFRA² 2. Terminating tenancy of three or more rental units on one parcel within one year. 	A displaced residential household provided the annual household income does not exceed 120% of the median household income for the county as adjusted for household size according	<ol style="list-style-type: none"> 1. Sixty-day rental service subscription. 2. Cash equivalent of 3 months' rent based on the median monthly rent for a similar-sized unit with the same number of bedrooms and bathrooms as determined by a survey taken at least once a year of apartment rents in Mountain View; and

¹ Only applies to Downtown Redevelopment Project Area.

² A CSFRA (Community Stabilization and Fair Rent Act) covered rental unit means all rental units, except those specifically listed as exempt under the CSFRA. Exempt units include: hotels, motels, inns, tourist homes, etc.; hospital, dorm, convent, etc.; not-for-profit rental units; units owned/operated/managed by a government agency; units with a certificate of occupancy after Nov. 2016; single family homes; companion units; and duplexes. Partially exempt units (just cause eviction applies) rental units with initial certificate of occupancy between February 1, 1995, and November 2016 and rental units governed by the "Affordable Housing Program."

TENANT RELOCATION ASSISTANCE ORDINANCE COMPARISONS CHART

					to the state department of housing and community development.	3. \$3,000 per unit for special-circumstances households adjusted annually for inflation based on the consumer price index.
Palo Alto	No	No	Yes	<ol style="list-style-type: none"> 1. No-fault evictions on properties with 50 or more units. 2. Demo of units 3. Rehab of uninhabitable unit(s) 4. Occupancy by the landlord or landlord's family 	<p>Applicable only to structures or lots containing 50 or more rental units.</p> <p>(Note: previous draft proposal included a means test of 100% AMI)</p>	<ol style="list-style-type: none"> 1. Eligible household experiencing displacement over 31 days receives flat rate payments as follows: Studio \$7,000 1 bedroom \$9,000 2 bedroom \$13,000 3 or more bedrooms \$17,000. 2. Special circumstance households receive additional, one-time \$3,000 payment. 3. Rates increase annually based on regional CPI
San Leandro	No	No	Yes	Landlord caused terminating tenancy, when landlord provides tenant w/ a proposed rent increase that raises the rent to an amount more than 12% greater than the base rent in place at any time during a 12-month period.	Any tenant of a housing unit that contains 2 or more tenant-occupied housing units, and excludes tenant owned mobile homes and affordable housing.	<ol style="list-style-type: none"> 1. Cash equivalent of 3 months' rent based on the most recent HUD Fair Market Rent calculation for Oakland-Fremont, CA, or 3 times the monthly rent the tenant is paying at the time the notice of the landlord-caused termination is delivered. Total amount not to exceed \$7,000. 2. Special circumstance households receive additional \$1,000 payment.
Alameda ³	No	No ⁴	Yes	<ol style="list-style-type: none"> 1. No cause eviction 2. Owner Move-In 3. Demolition 4. Capital Improvement Plan 5. Withdrawal from Rental Market 6. Compliance with Gov't order 	Rental Unit means a Housing unit (except single family homes) offered for rent <i>except</i> , where rents are regulated by federal, law or agreements with another governmental agency, housing units rented or leased for 30 days or less, hotels, motels and inns; commercial units; housing in hospital, convent, monastery, etc.; and mobile home lots.	<ol style="list-style-type: none"> 1. Payments based on a sliding scale based on tenancy length: 1 month rent, as averaged over the 12 months preceding terminating tenancy notice, for each year or portion thereof, to a maximum of 4 months' rent; If the tenant lived in the unit for 4 years or more, an additional payment of \$1,500 (adjusted each year based on the consumer price index change). 2. Tenant permitted to stay in rental unit longer for no cause, demolition and withdrawal from rental market terminating tenancy, for an additional month for every year, up to a max of 4 months. The portion of the relocation fee will be reduced by 1 month's rent for every month the tenant remains in the rental unit beyond the date required to vacate.
Union City	No	Yes ⁵	No			

³ Alameda ordinance is set to be repealed if City Council does not make affirmative vote to retain the Ordinance by December 31, 2019. This ordinance also contains a rent increase limitation.

⁴ In June 2017, Alameda City Council adopted an ordinance that would have eliminated "no cause" as a ground for eviction and requiring that if a tenant has a fixed term lease and that lease is not renewed the tenant is entitled to relocation payments if the tenant vacates at the end of the subsequent term. In June and July 2017, a referendum was certified by the Registrar of Voters and in September 2017 City Council voted to rescind the ordinance.

⁵ Effective May 10, 2017, landlords may only terminate a tenancy for a specific reason as listed in the Code. This requirement applies to all rental units including single-family homes and condominiums.

TENANT RELOCATION ASSISTANCE ORDINANCE COMPARISONS CHART

Fremont	No	No	Yes	When the City determines that, the condition of a building or portion thereof is such that the tenant cannot safely occupy a residential unit while the building is being brought into compliance.	Any tenant of a dwelling, apartment, room etc., including mobile homes.	The building official has the sole discretion to determine the amount, type and duration of the relocation benefits.
Portland, OR	No	No	Yes	1. Terminating tenancy w/out cause 2. Rent increase of more than 10% in 12-month period and tenant elects to terminate.	Tenants, <i>except</i> week to week tenancy, landlord rents out only 1 dwelling unit in City, or landlord temporarily rents principal residence in landlord's absence for less than 3 years	1. 90-day notice 2. Payment as follows: \$2,900 for studio or single room occupancy; \$3,300 for one-bedroom \$4,200 for two bedroom \$4,500 for three bedroom or larger