

# San Mateo County Affordable Housing Preservation Initiatives

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# Overview

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- The Board of Supervisors has 31 Affordable Housing initiatives with just under \$42 million in associated funding
- Over \$5 million approved for affordable housing preservation
- Preservation initiatives include: legal research, loans, ordinances, inspection and information programs and land use regulations

# Continuum of Residential Tenant Protection Measures

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# Continuum of Residential Tenant Protection Measures

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**Local governments have access to potential range of tenant protection measures running along a continuum**

- Minimum lease terms/enhanced notice provisions/mediation
- Just cause eviction/relocation assistance
- Rent stabilization ordinances

# Tenant Protection Measures Under State Law

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## Notice of Rent Increases

- Rent may not be increased during lease term unless lease allows
- Rent increases of 10% or less, at least 30 days prior written notice
- Rent increases of more than 10%, at least 60 days prior written notice

## Notice of Lease Termination

- Tenancies of set term, lease ends on last day of term
- Periodic tenancy (e.g., month-to-month):
  - 30 days prior written notice of termination, unless
  - All tenants have resided in unit for at least one year, in which case,
    - 60 days prior written notice

# Minimum Lease Terms

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**Landlord must offer prospective tenants a written lease for a minimum term of at least one year**

- Must set a rent certain, but does not otherwise control rental rate
- At end of lease term, landlord must offer another one year term
- City of Palo Alto has adopted

# Enhanced Notice Provisions

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## **Ordinances that require notice of lease termination in excess of notice otherwise required under State law**

- San Jose ordinance requires 90 days prior written notice if tenants have resided in the unit for a year or more
- 120 days notice if the City's housing director finds "a severe housing shortage"

## **Notice requirements for rent increases beyond those under State law likely preempted**

# Mediation of Rent Increases

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**Some jurisdictions have ordinances that offer or sometimes require mediation of certain rent increases**

- May be limited to certain types of properties (e.g., larger buildings)
- Limits on types of disputes that are subject to mediation (e.g., rent increases beyond a certain threshold)



# Just Cause Eviction Ordinances

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Under such ordinances, landlords may evict tenants only for specifically enumerated reasons, such as failure to timely pay rent, violation of material term of the lease, committing allowing the existence of a nuisance, owner/family member occupancy, substantial renovation

Special notice requirements

# Relocation Assistance Ordinances

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**Some jurisdictions require landlords to make relocation assistance payments in the case of a “no fault eviction”**

- May be all tenants or only those with specific status (low income, elderly, children)
- Common in the case of owner-occupancy evictions or Ellis Act evictions

## **Mountain View Model**

- Four or more units in one year period for specific purposes (withdrawal from rental market, demolition of rental property, substantial renovations, conversion to condominiums, or change to non-residential use)
- Assistance paid only to tenants with income at or less than 80% of area median household income
- Payment equal to three months rent based on median monthly rent in Mountain View

# Rent Stabilization

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## **Costa Hawkins**

- Adopted by the State Legislature in 1995
- Limited local jurisdictions' ability to impose rent stabilization ordinances
- Housing constructed after February 1, 1995 is exempt from local rent control ordinances
- Single family homes and condominiums are exempt from such ordinances
- Local ordinances may not regulate the initial rate that a unit is offered at once the previous tenant has vacated the unit.
  - Upon a new tenancy, landlords may impose any rent they choose

# Rent Stabilization

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## **How are rent rates determined?**

- Automatic allowed rent increases
  - Rent control ordinances typically allow rent increases without agency approval equal to a percent of the Consumer Price Index
  - Pass through of certain operating costs (e.g., utilities, property taxes, rent stabilization registration fees)
  - Rent increases at beginning of a tenancy

## **Rent adjustments to ensure fair rate of return**

- Landlord files an application for individual consideration of rent increase, based on specific facts

## **Just Cause Eviction**

# Administration of Rent Stabilization Ordinance

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Rent Board or other means

Certification of rents vs. Complaint Based System

# San Mateo County Status

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Board of Supervisors received copies of the Continuum of Residential Tenant Protection Measures White Paper in late August of 2015.

On October 20, 2015, the Board discussed the paper and requested additional information. Staff is currently working on that request.

Staff expect to complete the data collection in spring 2016.

# Other Preservation Initiatives

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# Rehabilitation Programs

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## **Affordable Housing Fund**

- Pilot component in 2015 AHF funding
  - \$1 million to Mid-Pen Housing for 9 unit building in Pacifica, additional funding requested

## **Forgivable Loans**

- Pilot rehab program for landlords agreeing to long term affordability
  - To Board of Supervisors in summer 2016
  - \$300,000 in initial funding
- Second Unit rehab loan program
  - To Board in late summer 2016
  - \$230,000 in initial funding



# Zoning and Land Use Regulations

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## **Second Unit Amnesty Program**

- Bring illegal second units into compliance with health and safety codes
- Contractor selected, to Board of supervisors in late summer 2016

## **No Net Loss Policy**

- To prevent a decrease in affordable units when a property is developed
- Policy brief to be presented to the Board summer 2016

# Mobile Home Parks

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## **Rehabilitation Grant**

- \$200,000 to Rebuilding Together to correct code violations

## **Mobile Home Park Conversion Moratorium**

- Adopted by Board in November 2015
- Effective through November 2017
- Land use regulations regarding conversion or closure to be developed during moratorium for consideration by the Board

## **Mobile Home Park Rent Control Ordinance Amendments**

- Ordinance initially adopted in 2003
- Amended December 2015 with owner reporting and education and posting requirements

# Landlord/Tenant Assistance & Programs

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## **Project Sentinel Information and Referral Program**

- \$160,000 contract awarded January 2016
- Multi-lingual toll free information line, educational workshops on tenant and landlord rights, information and referral materials

## **PCRC mediation outreach**

- \$20,000 contract awarded in October 2015
- Targeted promotion of PCRC landlord/tenant mediation program for non-rent related disputes

## **Environmental Health Enhanced Apartment Inspection Program**

- \$450,000 for pilot program to annually inspect buildings with 4 or more units that have most tenant complaints

# Rental Property Purchase

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## **1110 Cypress, San Mateo**

- HIP Housing Development project with 16 units - 12 studios & 4 one bedroom
- City of San Mateo - \$1 million
- County of San Mateo - \$2.5 million
- County contribution per unit = \$156,250

## **County to develop loan program for purchase of buildings to be kept affordable**

- Input on criteria requested from Task Force
- To Board of Supervisors in June 2016