Board of Supervisors

Preventing displacement:
Rental housing workshop
September 11, 2018
Recommendations

1. Receive staff presentation and approve changes to the County’s multi-unit housing inspection program;

2. Hold a workshop and receive public testimony on Just Cause for eviction ("Just Cause") policies; and

3. Direct staff to pursue one of the following options:
   - Prepare a draft Just Cause ordinance for your Board’s consideration at a future public hearing; or
   - Discontinue or suspend consideration of a Just Cause ordinance.
Multi-unit housing inspection program

RECOMMENDED ENHANCEMENTS

- Conduct biennial inspections (20%-30%)

- Expand inspections to all units
  - More than 1 major violation
  - Lack of timely compliance to correct
  - Increased fees for increased inspections

- Other improvements
  - Additional staff (Spanish speaking)
  - Expand agency web site information
Proposed housing inspection enhancement option

1. ROUTINE INSPECTION
2. COMPLIANCE TRIGGER(S)
3. INSPECT ALL UNITS (additional fees)
4. ISSUE CORRECTION LIST
5. REINSPECT ALL UNITS (additional fees)
6. RESOLVE CODE VIOLATION(S)
7. RETURN TO ROUTINE INSPECTION
Progress to date

October 2015: Board considered ways to preserve housing affordability and prevent displacement.

Actions that were implemented include:

- Designating $1 million dollars for funding of affordable rental housing for families;
- Acquiring multi-family rental properties for preservation as affordable housing;
- Encouraging accessory and junior accessory dwelling units.

In addition to:

- Landlord Partnership Program
- Real Community Rentals
- Source of Income Protection
- Mandatory Mediation
Background

JUST CAUSE FOR EVICTION POLICIES

• Just Cause policies discussed at six Board workshops:
  o October 2015
  o December 2015
  o February 2016
  o August 2017
  o December 2017
  o June 2018

• 2015 Rental Housing Survey solicited input from almost 900 renters and landlords regarding the rental housing market in Marin. 372 tenant-respondents (45%) were concerned with insecurity and instability of their rental home; 59% of respondents were worried about rent increases and/or eviction.

• June 12, 2018: Board received initial recommendations from a Community Advisory Group and Steering Committee for the County’s ongoing Assessment of Fair Housing which identified Just Cause policies as a priority recommendation to promote fair housing in Marin.
Renting in Marin

LOW VACANCY RATE

HOMEOWNER VACANCY RATE ACROSS BAY AREA COUNTIES (2016)

<table>
<thead>
<tr>
<th>County</th>
<th>Vacancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solano</td>
<td>1.1%</td>
</tr>
<tr>
<td>Sonoma</td>
<td>1.1%</td>
</tr>
<tr>
<td>Contra Costa</td>
<td>0.9%</td>
</tr>
<tr>
<td>Napa</td>
<td>0.8%</td>
</tr>
<tr>
<td>Alameda</td>
<td>0.8%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>0.8%</td>
</tr>
<tr>
<td>Marin</td>
<td>0.6%</td>
</tr>
<tr>
<td>San Mateo</td>
<td>0.6%</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

RENTAL VACANCY RATE ACROSS BAY AREA COUNTIES (2016)

<table>
<thead>
<tr>
<th>County</th>
<th>Vacancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Napa</td>
<td>5.8%</td>
</tr>
<tr>
<td>Solano</td>
<td>4.7%</td>
</tr>
<tr>
<td>Sonoma</td>
<td>3.3%</td>
</tr>
<tr>
<td>Contra Costa</td>
<td>3.0%</td>
</tr>
<tr>
<td>Alameda</td>
<td>2.8%</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>2.8%</td>
</tr>
<tr>
<td>Marin</td>
<td>2.6%</td>
</tr>
<tr>
<td>San Mateo</td>
<td>2.6%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>2.5%</td>
</tr>
</tbody>
</table>
Renting in Marin

HIGH HOUSING COSTS

• Marin County is part of the San Francisco Metropolitan Statistical Area (MSA), which continues to have the second highest median home sales price in the nation, following the San Jose MSA:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-family detached</td>
<td>$750,000</td>
<td>$1,334,000</td>
<td>+ 78% in equity</td>
</tr>
<tr>
<td>Condominium/townhome</td>
<td>$337,000</td>
<td>$700,000</td>
<td>+ 108% in equity</td>
</tr>
<tr>
<td>Rental average</td>
<td>$1,673/month</td>
<td>$2,448/month</td>
<td>+ 46% in cost of rent</td>
</tr>
</tbody>
</table>
Renting in Marin
COST TO AFFORD

To afford the average purchase price of single-family home:

$200,000 per year
($17,000/month)

Median income of owner-occupied homes in Marin County:

$129,385 per year
($10,782/month)

To afford the average rental in Marin:

$98,240 per year
($8,187/month)

Median income of renter-occupied homes in Marin County:

$60,624 per year
($5,052/month)
Renting in Marin
HIGH HOUSING COSTS

- Over **19,000** people in Marin County are rent-burdened.
- In a market where the Fair Market Rent for a two-bedroom apartment is $3,121, **security deposits can be as much as $5,000**.
- The Federal Reserve reports that, in 2017, **four in ten Americans would not be able to come up with $400 in savings** in an emergency (May 2018).
Learn more about Just Cause for eviction policies in Marin County

Just Cause policies are intended to provide stability for households who rent by preventing the termination of leases without reason.

On September 11, 2018 at 5:30 PM the Board of Supervisors will conduct a workshop on Just Cause policies, receive public testimony, and decide if staff should pursue the development of a Just Cause ordinance.

In anticipation of that event, the Community Development Agency will host two opportunities for community learning where members of the public may ask questions about Just Cause policies.

- **Wednesday, September 5, 2018**
  San Geronimo Valley Community Center
  6350 Drake Ave, San Geronimo, CA 94963
  6:30 PM

- **Thursday, September 6, 2018**
  Bayville Martin Luther King Jr. Academy, Multipurpose Room
  200 Philips Drive, Marin City, CA 94963
  6:30 PM

Spanish interpretation services will be provided at all meetings. Speakers using these services will be granted additional time to testify at the Board of Supervisors workshop on September 11.

---

Open All Panels

- **Background**
- **Community Workshops**
- **Frequently Asked Questions**
- **Additional Resources**
### JUST CAUSE FOR EVICTIONS

#### POLICY FRAMEWORK

<table>
<thead>
<tr>
<th>Issues</th>
<th>Potential Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Some renters lack long-term stability</td>
<td>□ Promote stability by regulating grounds for involuntary rental agreement termination</td>
</tr>
<tr>
<td>□ Residential rental agreements can be terminated without a specific reason</td>
<td>□ Increase awareness of landlord and tenant rights and responsibilities</td>
</tr>
</tbody>
</table>
JUST CAUSE FOR EVICTIONS

POLICY RATIONALES

• In a high-cost market with low vacancy rates, eviction can result in displacement from the region, because substitute housing may be unobtainable and/or moving costs may be unaffordable
  • Marin County is part of region with the second-highest median home sales price
  • Between 2009 and 2017, average rents in Marin County increased 65%
  • 30% of Marin residents below California’s Self-Sufficiency Standard, and homelessness rates and households at risk of homelessness are on the rise
JUST CAUSE FOR EVICTIONS

POLICY CONCERNS

• Just Cause ordinances can make the eviction process more complicated or time consuming for landlords
  • Increased regulations could impact operating costs or reduce property owners’ return on investment
  • Increased costs can result in rent increases or reduced investment in property
• Some property owners oppose Just Cause policies out of concern that they may lead to rent stabilization policies
• State law already includes some protections that Just Cause policies are intended to address
1. Landlord lawfully terminates tenancy

2. If tenant has not vacated after tenancy has ended, then provide a notice to vacate ("Notice to Quit")

3. If tenant does not vacate after notice to quit, then landlord files unlawful detainer action in court
# Just Cause for Evictions

## Reasons to Terminate a Tenancy

<table>
<thead>
<tr>
<th>State Law</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Failure to Pay Rent</strong></td>
</tr>
<tr>
<td>CCP § 1161(2)</td>
</tr>
<tr>
<td><strong>Breach of Lease</strong></td>
</tr>
<tr>
<td>CCP § 1161(3)</td>
</tr>
<tr>
<td><strong>Nuisance or Criminal Activity</strong></td>
</tr>
<tr>
<td>CCP § 1161(4)</td>
</tr>
<tr>
<td><strong>Withdrawing Unit from Market (Ellis Act)</strong></td>
</tr>
<tr>
<td>Civ. §§ 7060 et seq.</td>
</tr>
</tbody>
</table>
### JUST CAUSE FOR EVICTIONS

#### REASONS TO TERMINATE A TENANCY

<table>
<thead>
<tr>
<th>State Law</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Failure to Pay Rent</strong></td>
</tr>
<tr>
<td>CCP § 1161(2)</td>
</tr>
<tr>
<td><strong>Breach of Lease</strong></td>
</tr>
<tr>
<td>CCP § 1161(3)</td>
</tr>
<tr>
<td><strong>Nuisance or Criminal Activity</strong></td>
</tr>
<tr>
<td>CCP § 1161(4)</td>
</tr>
<tr>
<td><strong>Withdrawing Unit from Market (Ellis Act)</strong></td>
</tr>
<tr>
<td>Civ. §§ 7060 et seq.</td>
</tr>
</tbody>
</table>

Marin County could further regulate terminations for its policy priorities by enumerating “just causes” for evictions.
JUST CAUSE FOR EVICTIONS
HOW “JUST CAUSE” WORKS

• Local ordinance may define reasons to terminate a residential tenancy, which then must occur before a landlord may evict a tenant

• State law governs certain aspects:
  • Notice always required to terminate a tenancy (Civil Code §§ 1946-1946.1)
  • Certain tenant actions are always grounds for eviction

• A “Just Case” policy does not limit landlord’s ability to increase rent
## JUST CAUSE FOR EVICTIONS
### REASONS TO TERMINATE A TENANCY

<table>
<thead>
<tr>
<th>For Cause</th>
<th>No Fault</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Tenant’s actions lead to termination (e.g. failure to pay rent)</td>
<td>• Tenant’s actions unrelated to termination (e.g. landlord chooses to remove unit from rental market)</td>
</tr>
<tr>
<td></td>
<td>• Local Ordinance may require:</td>
</tr>
<tr>
<td></td>
<td>• Relocation Assistance</td>
</tr>
<tr>
<td></td>
<td>• First Right of Return</td>
</tr>
</tbody>
</table>
JUST CAUSE FOR EVICTIONS

EXAMPLES

Common “For Cause” Reasons

- Failure to Pay Rent
- Tenant precludes Landlord reasonable access to Unit
- Tenant-Caused Damage or Disturbance

Common “No Fault” Reasons

- Owner/Family Member Move-In
- Owner Return to Unit
- Substantial Rehabilitation
- Demolition
- Condo Conversion
Examples include . . .

- Alameda County
- Berkeley
- East Palo Alto
- Emeryville
- Hayward
- Mountain View
- Oakland
- Richmond
- San Francisco
- San Jose
- Union City
JUST CAUSE FOR EVICTIONS
INTERPLAY WITH OTHER PROTECTIONS

☐ State law:
  - Includes some anti-harassment protections
  - Prohibits discrimination against protected classes (Gov. Code § 12955)
  - Authorizes additional local regulations against harassment (Civ. Code § 1940.2(d))

☐ Local ordinances can:
  - Consolidate prohibited actions as one resource
  - Provide clear definitions of prohibited activities
  - Define damages/penalties for specific prohibited activities
  - Expand upon prohibited actions
<table>
<thead>
<tr>
<th>Prohibited Activity</th>
<th>Citation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interrupt, or threaten to interrupt, utilities</td>
<td>Civ. §§ 1940.2, 1941 – 1941.2</td>
</tr>
<tr>
<td>Fail to diligently perform repairs</td>
<td>Civ. §§ 1941, 1941.2(b)</td>
</tr>
<tr>
<td>Abuse right to access property</td>
<td>Civ. §§ 1940.2, 1954, Pen. § 518</td>
</tr>
<tr>
<td>Remove personal property from dwelling</td>
<td>Civ. § 1940.2, Pen. § 484</td>
</tr>
<tr>
<td>Fraud, intimidation, or coercion to encourage vacancy</td>
<td>Civ. §§ 51.7, 1940.2, 1940.3, Pen. § 518</td>
</tr>
<tr>
<td>Threats or action based on immigration status</td>
<td>Civ. Civ. §§ 1940.3</td>
</tr>
<tr>
<td>Interference with tenant’s right to privacy and quiet enjoyment of dwelling</td>
<td>Civ. §§ 1927, 1940.2, 1940.3, 1954</td>
</tr>
<tr>
<td>Retaliation for exercise of rights under local, state, or federal law</td>
<td>Civ. §§ 1942.5, 1953</td>
</tr>
</tbody>
</table>
JUST CAUSE FOR EVICTIONS
OPTIONS FOR FURTHER CONSIDERATION

- What type of units would be regulated?
  - e.g., All units, exemptions for owner-occupied units, etc.

- What types of tenants would benefit?
  - e.g., offer special protection for seniors or people with disabilities, limit no fault evictions during the academic school year for households with children, etc.

- Require relocation assistance or right of first return for “no fault” evictions?

- Regulate notice of termination content?

- Collect data based on termination notices?
Recommendations

1. Receive staff presentation and approve changes to the County’s multi-unit housing inspection program;

2. Hold a workshop and receive public testimony on Just Cause for eviction (“Just Cause”) policies; and

3. Direct staff to pursue one of the following options:
   - Prepare a draft Just Cause ordinance for your Board’s consideration at a future public hearing; or
   - Discontinue or suspend consideration of a Just Cause ordinance.
Questions/Comments? Contact:

Leelee Thomas  lthomas@marincounty.org

Debbi La Rue  dlarue@marincounty.org
County could regulate Notice of Termination content

- Invoke one of the “Just Causes” identified in local ordinance
- Inform terminated tenant of rights under local ordinance
- Provide copy of notice to county

Notice could include details about tenancy:

- Amount of Rent
- History of Tenancy
- Ownership Details

goldfarb lipman attorneys