

CITY COUNCIL MEETING
TUESDAY, FEBRUARY 6, 2018

Presentations

ITEM 6—WS 18-005

**Review of Rental Housing
Affordability Strategies**


Rental Housing Affordability Strategies

City Council Work Session
February 6, 2018

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Christina Morales, Housing Manager
Maria Hurtado, Assistant City Manager



Presentation Outline

- 
- **Background**
 - **Demographic Data**
 - **Alameda County Cities: Policy Review**
 - **Hayward Stakeholder Engagement Strategy**
 - **Policy Options for Hayward**
 - **Next Steps**

January 2017 Council Work Session (Direction on 5 Strategies)

Action

Status

Update the City's Ordinance Regulating ADUs

Complete

Update and Revise the Affordable Housing Ordinance

Complete

Explore Options for New Housing Rehabilitation ADU program

Underway

**Review Rent Stabilization Ordinance/Housing
Affordability Strategies**

02/06/2018

Issue a NOFA/RFP for Affordable Rental Housing
Development Projects

04/30/2018

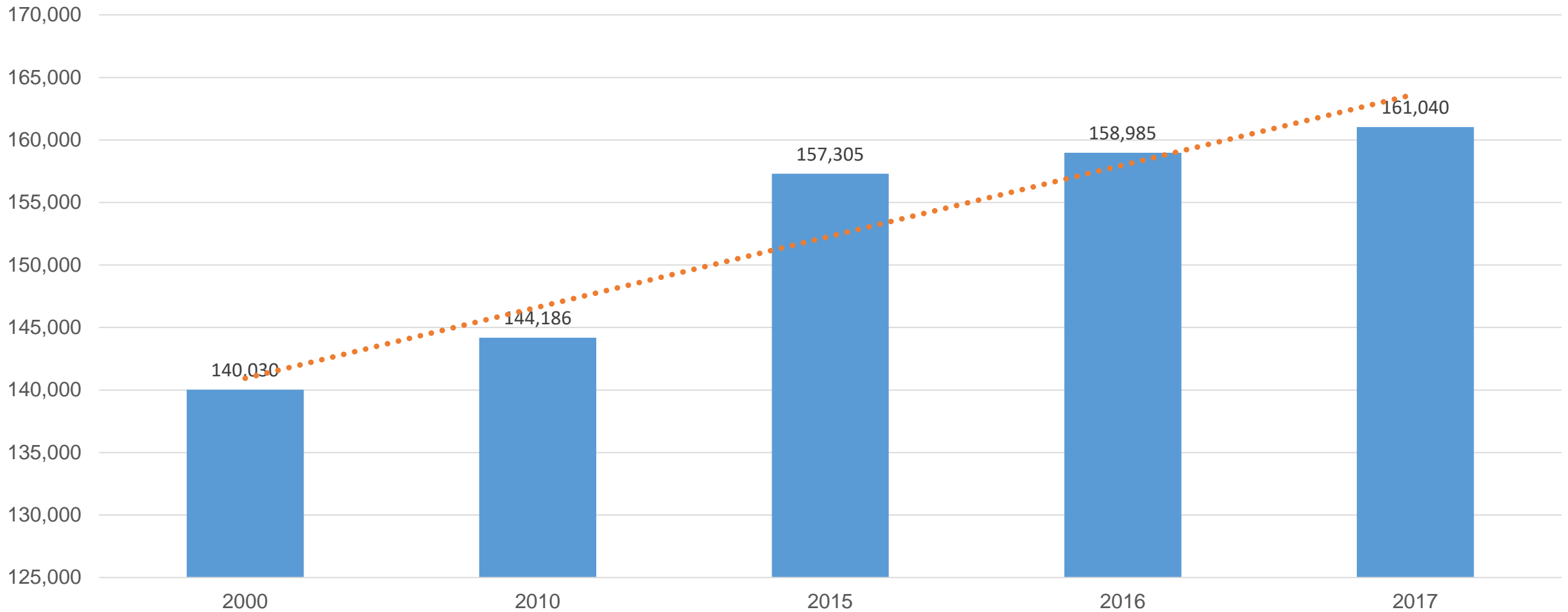
In the Past Year

- Alta Mira - 151 affordable units for families and seniors
- Strategic Initiatives – Complete Communities
- Created a Housing Division
- Measure A1 work session
 - 1,123 housing units in development pipeline and 392 units possibly eligible for Measure A1 funding

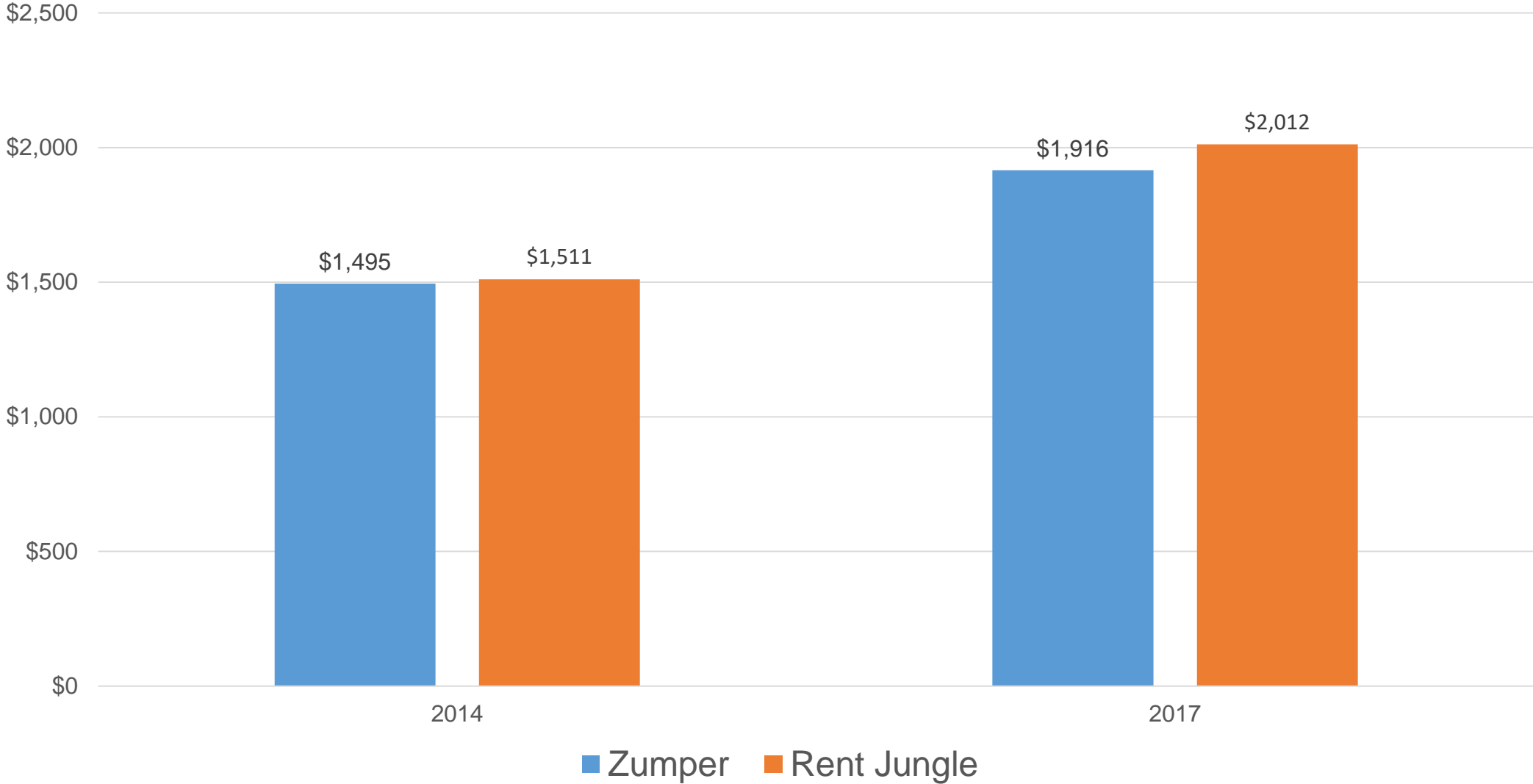
City Housing Services and Programs

- Rental Housing Inspection Program
- Rent Stabilization Ordinance
- Affordable housing requirements for new developments
- Apply for funding only available to cities or governments
- Provide funding to community organizations and service providers working on housing issues in our community, including fair housing and mediation

Hayward's Population



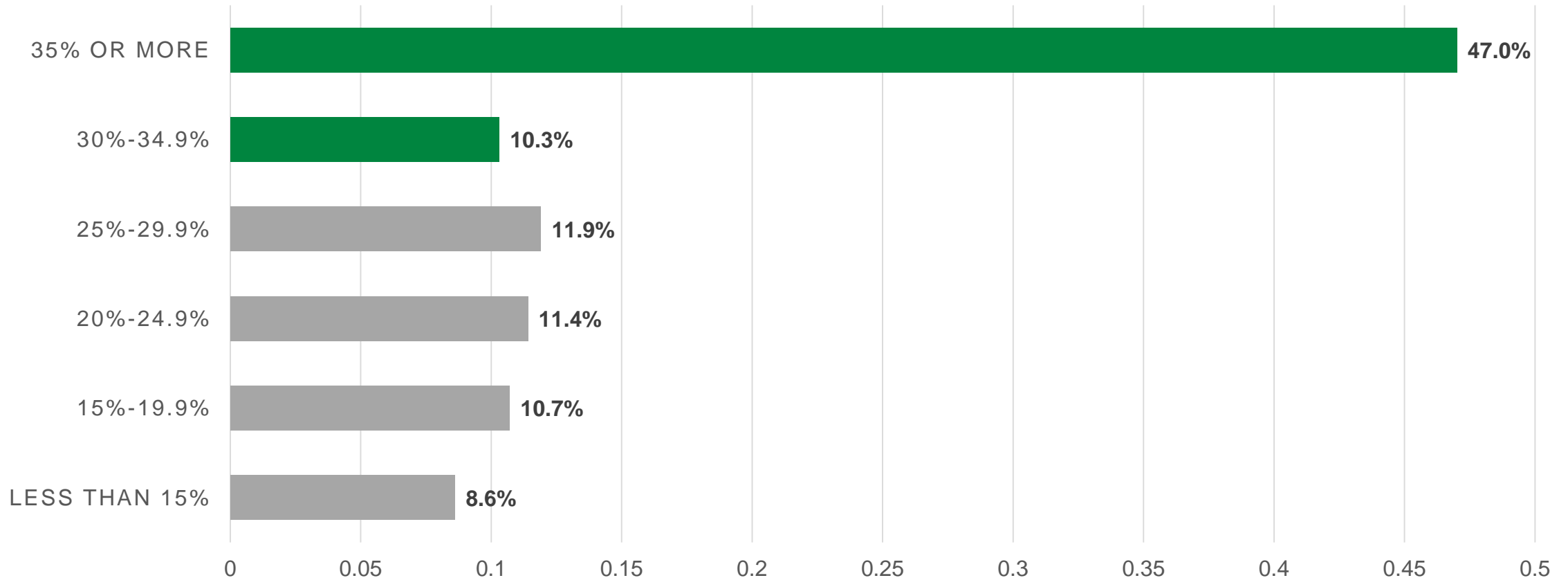
Average 1-Bedroom Rent in Hayward



Cost of Rental Housing

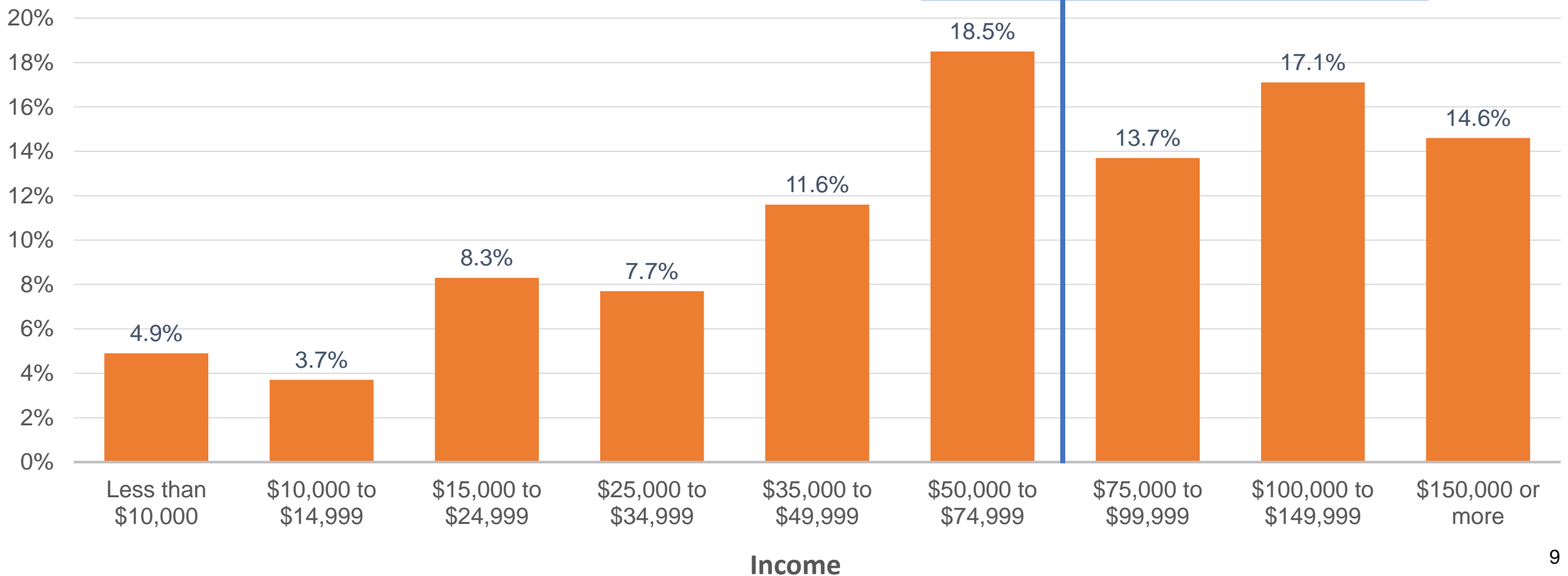
57.3% Hayward renters experience a housing cost burden, spending more than 30% of their income on housing.

% OF HOUSEHOLD INCOME SPENT ON HOUSING



Hayward Demographics

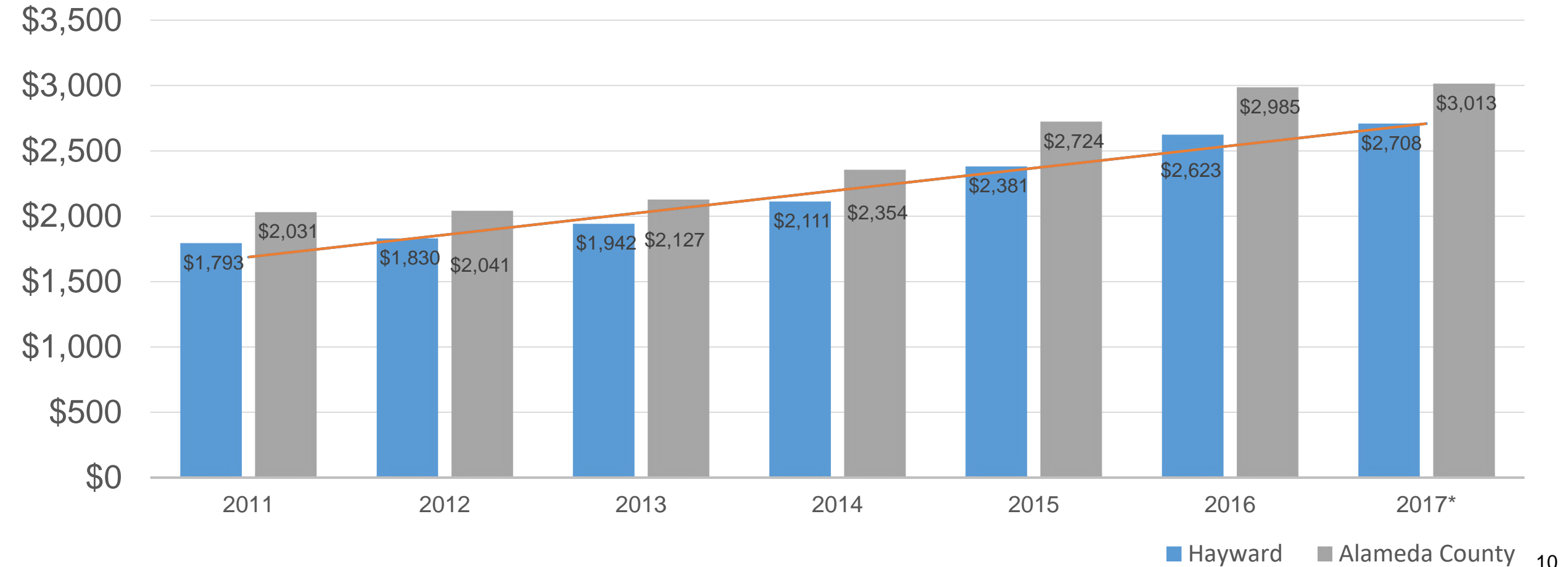
Median Household Income (2016)
Hayward- \$68,138
Alameda County - \$79,831



Housing Data

Asking Rent is Increasing in Hayward and Alameda County

Average Monthly Rent



Policy Options

1. Supply-Side Interventions
2. Regulatory Policies
3. Programs

Overview of Regulatory Policies in Alameda County

City	No Protections	Mobile Home Rent Stabilization/Control	Mediation/Rent Review	Rent Stabilization/Control	Landlord-Tenant Relations (only)
Hayward		X	X	X	
Alameda County		X			
Alameda				X	
Berkeley				X	
Dublin	X				
Emeryville					X
Fremont		X	X		
Livermore	X				
Newark	X				
Oakland				X	
Pleasanton		X			
San Leandro			X		
Union City		X	X		

Regulatory Components

City	Eviction Protection	Harassment Protection	Rent Registration	Adjustment Banking	Pass-Through	Relocation Assistance
Alameda	X		X			X
Berkeley	X	X	X	X	X	X
Hayward	X		X	X	X	
Oakland	X	X	X	X	X	
East Palo Alto	X		X	X		
Los Gatos				X	X	
San Francisco	X	X	X	X	X	
San Jose	X			X	X	

Community Outreach



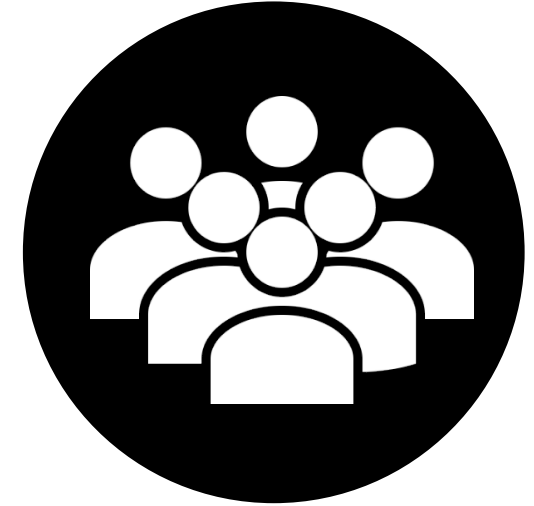
Online Survey In English and Spanish

- Launched January 23, 2018
- As of January 30, 2018, 400 Responses Received



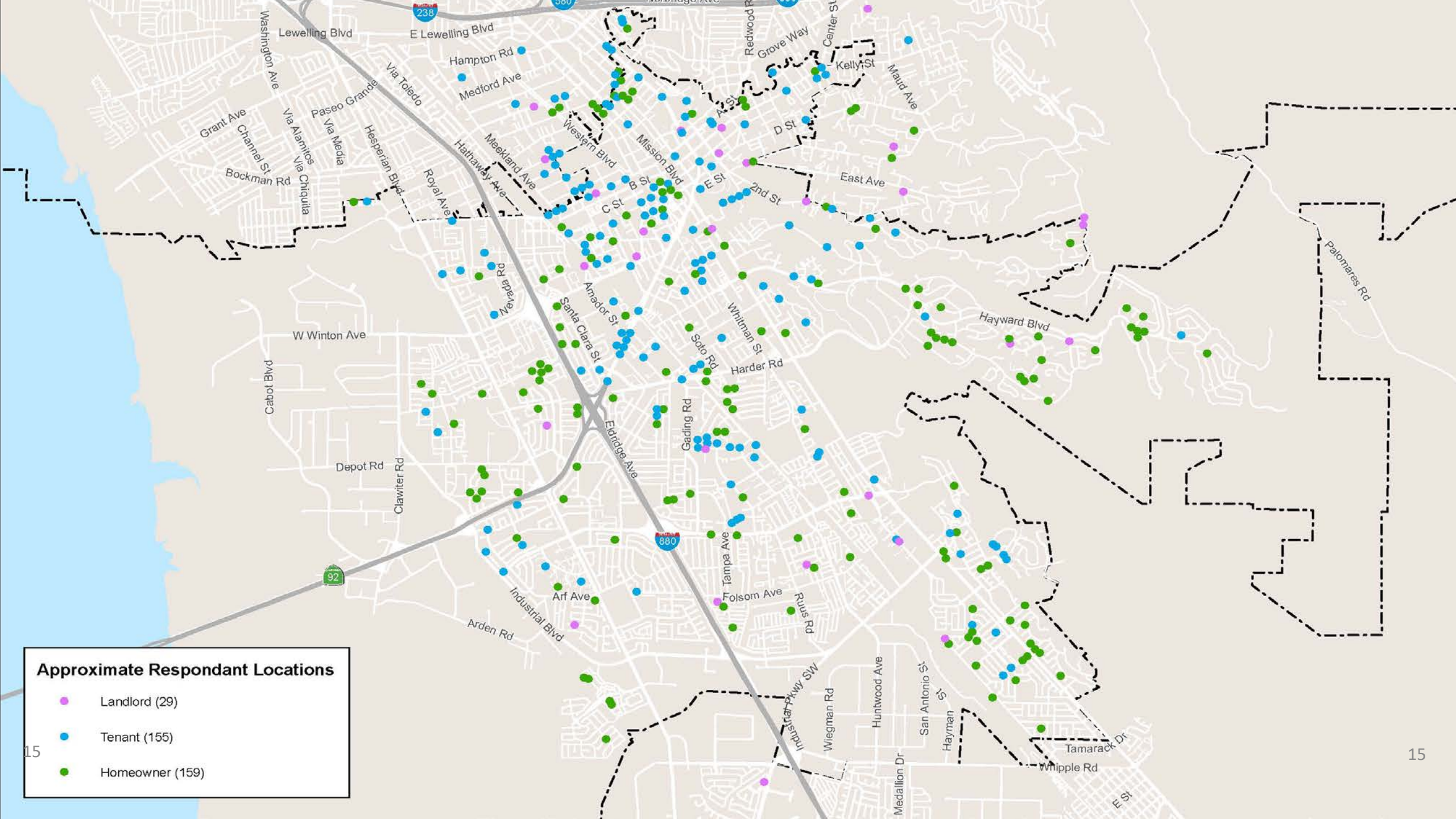
One-on-One CBOs and Advocates

- One-on-one conversations
- Abode Services, Community Resources for Independent Living (CRIL), EveryOne Home, East Bay Housing Orgs, and PolicyLink



Meetings Tenants and Landlords

- Tenant and landlord meetings
- 30 community members attended the tenant meeting.
- 25 community members attended the landlord and property owner meeting.



Tenant Respondents

- January 10, 2018 Tenant community meeting @ La Familia Neighborhood Resource Center
 - 30 community members attended
- 42% of the 400 online survey respondents identified themselves as tenants.

- 1 Most pressing issues facing Hayward renters:
 - high rents,
 - rising rent costs, and
 - availability of affordable rental units
- 2 Concerns:
 - short notice periods
 - a need for predictability and stability of housing, particularly for vulnerable populations
- 3 Tenants suggested that City consider:
 - rent control / limiting rent increases and
 - developing affordable housing

Landlord Respondents

- January 17, 2018 Landlord & property owners meeting @ City Hall
 - 25 attendees
- 15% of the online survey respondents identified themselves as landlords.

- 1 Some attendees shared that the only solution to concerns about housing affordability was to increase the supply of housing until demand was met.
- 2 Landlords acknowledged it is expensive to live in the Bay Area and noted that Hayward is a comparatively affordable place to live.
- 3 Landlords stated the most pressing issue facing Hayward renters:
 - availability of rent units
 - high rents

Housing Service Providers & Groups

1-on-1 conversations with representatives from housing service provider groups:

- Abode Services
- Community Resources for Independent Living (CRIL)
- EveryOne Home
- East Bay Housing Organizations (EBHO)
- PolicyLink

- 1 Hayward uniquely situated because many landlords come from a working class background and share similar experiences and experiences as renters – this engenders a willingness to work together
- 2 Observation that long-term Hayward residents are being displaced by influx of new residents, leading to a cultural shift in the community
- 3 Recommendations to increase housing production, increase resources for mediation between tenants and landlords

Potential Policy Options – Short-Term

- Improving City’s Role in Providing Information May 2018
 - Explore opportunities for the City to provide better information to landlords and tenants and to connect them to appropriate resources and services
- Mandatory Mediation and Rent Review June 2018
 - Explore more robust or mandatory mediation between tenants and landlords in the event of rent increases or other conflicts

Policy Options – Short-Term

- Longer Noticing Periods June 2018
 - Explore the efficacy of requiring longer noticing periods for rent increases
- First Time Homebuyer Program June 2018
 - Explore a down payment assistance program for moderate-income households

Policy Options – Long-Term

- Strengthen Rental Housing Inspection Program Sept. 2018
 - Explore the value of strengthening the rental housing inspection program
- Reduce Barriers to New Development Sept. 2018
 - Explore a menu of long-term policy options that range from expediting approval processes, evaluating fees, policies, and standards, and incentivizing certain types of developments

Policy Options – Long-Term

- Rent Gap Assistance Program

Dec. 2018

- Explore the creation of a pool of funds available to a tenant for rent when they experience a life emergency that would otherwise leave them vulnerable to becoming homeless

DISCUSSION

Which policy option(s) should staff bring back to Council?

- Improve City's Role in Providing Information
- Explore Mandatory Mediation and Rent Review
- Explore Longer Noticing Periods
- Develop First Time Homebuyer Program
- Explore Strengthening Rental Housing Inspection Program
- Explore Reducing Barriers to New Development
- Develop Rent Gap Assistance Program
- Other?

Questions



Rent Stabilization in Alameda County

City	Eligible Units	# of Rent Controlled Units	Allowed Rent Increases
City of Alameda	Pre-1995 MF properties	11,870	5% or more, required to initiate binding mediation
Berkeley	MF built before 6/30/1980	27,000	65% of the percent change in CPI
Hayward	Pre-1995 5+ unit properties	1,000	5% of existing rent
Oakland	MF built before 1/1/1983	79,000	1 increase in 12m based on annual increase in CPI

Rent Stabilization in Other Bay Area Cities

City	Eligible Units	# of Rent Controlled Units	Allowed Rent Increases
East Palo Alto	MF built before 1/1/1988	2,325	80% of the percent change in CPI
Los Gatos	Pre-1995 3+ unit properties	3,000	70% of the percent change in CPI or 5% (whichever is greater)
Mountain View	MF built before 2/1/1995	12,870	Max rent increase = % increase in CPI, 2-5%
San Francisco	MF built before 6/13/1979	170,000	60% of the percent change in CPI
San Jose	MF built before 9/7/1979	43,000	5% of existing rent

Mediation / Rent Review

Jurisdiction	Eligible Units	Rent Increase Threshold	Reviewing Body
Alameda County	3+ unit properties	More than 10%; <u>or</u> Increase greater than \$75; <u>or</u> More than one increase in a year	Rent Review Officer
Fremont	All rentals	5% or more w/in 12 mos	Rent Review Board
San Leandro	2+ unit properties	7% or more; <u>or</u> More than one increase w/in 12 mos	Rent Review Board

Just Cause Evictions

Berkeley, Emeryville, and Oakland

All rental units

Examples of Legal Reasons to Evict

- Failure to pay rent
- Violation of terms of rental agreement
- Fixed term expires and tenant refuses to sign new lease
- Disturbance of peace
- Repeated denial of entry
- Landlord required to correct code violations
- Owner with 50% or more ownership moves in
- Failure to sign identical lease

Tenant Relocation Assistance

City	Policy Features
Alameda	Tenancy is terminated for no cause, owner move-in, demolition, capital improvement plan, withdrawal from the rental market
Berkeley	Owner move in requires relocation assistance to tenant, with additional payment for a tenant who is elderly, disabled, low-income, a minor child, or resided in the unit since before 1/1/99
Emeryville	Distinction between small and large landlords (large landlords can request exemption)
Oakland	Financial assistance for renters displaced by certain types of no-fault evictions (e.g. Landlord move in or condo conversion)
San Leandro	In event landlord caused termination and for elderly and/or individuals with disabilities.

Comparable Neighboring Jurisdictions

City	Applicability	Tenant Protection Policies
Emeryville	Applies to All Rental Units (3,973)	<ul style="list-style-type: none"> • Relocation Assistance • Anti-Harassment Policies • Limited opportunities for tenant buy-out
Fremont	Applies to All Rental Units (28,000)	<ul style="list-style-type: none"> • Rent Review Board if rent increase in excess of 5% in 12m • Rent Review Board Offers Non-Binding Recommendations • Landlord retaliation prohibited
San Leandro	Applies to Rental Properties with 2+ Units (10,275)	<ul style="list-style-type: none"> • Rent Review Board if rent increase of 7% OR >1 increase in 12m • Rent Review Board Offers Non-Binding Recommendations • Tenant Relocation Assistance • Rent Increase Notices in 3 Languages Requirement • Landlord retaliation prohibited