

RENT CONTROL: TECHNICALLY SPEAKING

CALIFORNIA LEAGUE OF CITIES

Annual Conference-City Attorney Track

October 18, 2019

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PANEL OVERVIEW

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Everything old is new again...

- Issues and Policy Response:
What is rent control?
- Legal History
- California Examples
- State Law – AB 1482



WHAT IS RENT ~~CONTROL~~ STABILIZATION?

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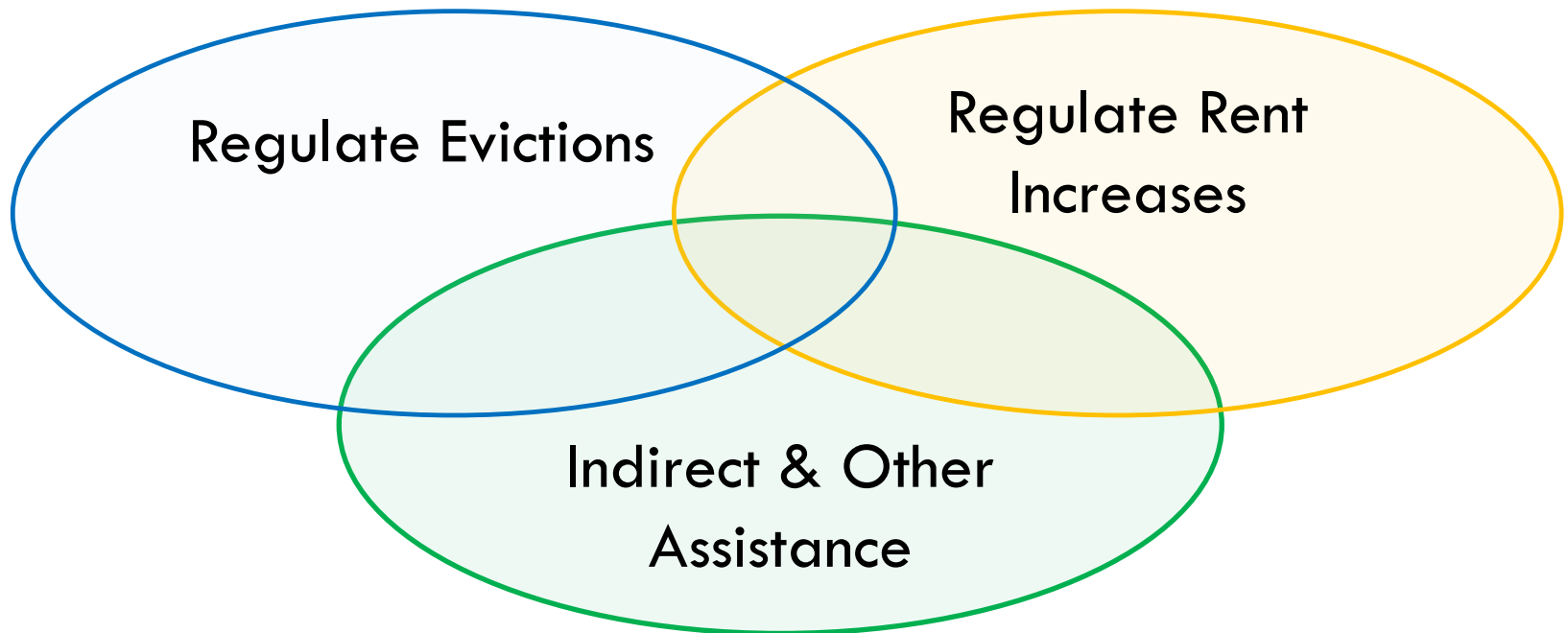
- A local program designed to limit the amount of rent increases a landlord may require above a base rent
- Can limit:
 - ▣ Which fees and charges are “rent”
 - ▣ Amount of increases
 - ▣ Frequency of increases
- Cannot Limit
 - ▣ Base rent for new tenancies (for now)



LOCAL POLICY RESPONSES

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Programs that:



- Provide Stability
- Increase Rental Market Predictability

LEGAL HISTORY: WARTIME ERA RENT CONTROL

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First adopted as price control measure during World War I

- ❑ *Block v. Hirsh* (1921)
SCOTUS upheld against substantive due process claim as emergency measure
- ❑ *Chastleton Corp v. Sinclair* (1924)
SCOTUS rejects same law; emergency had passed



LEGAL HISTORY:

MODERN TENANT PROTECTIONS

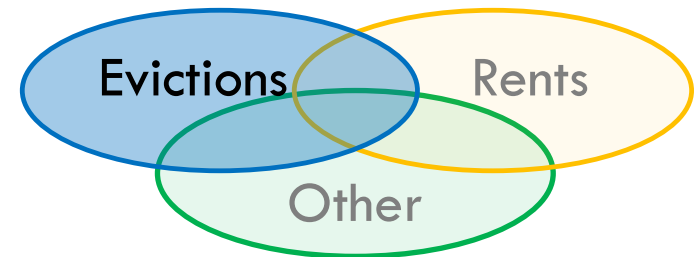
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- ❑ 1970s revival in California
- ❑ Berkeley rent control initiatives challenged, California and U.S. Supreme Courts ultimately approve:
 - ❑ No finding of emergency required
 - ❑ Procedures must provide **Due Process**
 - ❑ Program cannot **Take** property without just compensation
 - ❑ Regulations cannot arbitrarily **discriminate** among landlords
 - ❑ State and federal law may **preempt or conflict** with, and so supersede, local program

CALIFORNIA EXAMPLES: POLICY VARIANTS

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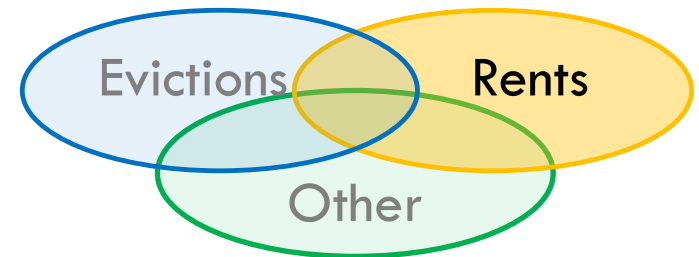
Policy	Variants
Regulate Evictions	Define Just Causes
	Exclude Certain Causes
	Minimum Lease Term
	Relocation Assistance
	Notify City
Regulate Rent Increases	Non-Binding Mediation
	Binding Arbitration
	Regulate Frequency
	Regulate Amount (%)
	Publish Max. Allowable Rent



CALIFORNIA EXAMPLES: POLICY VARIANTS

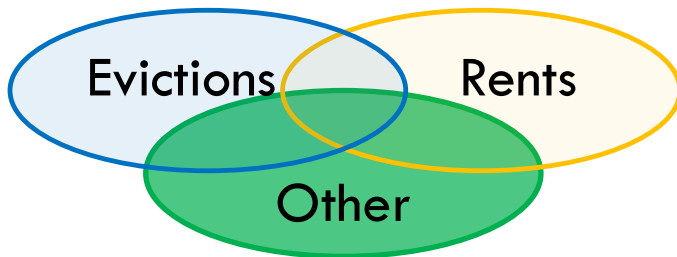
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CALIFORNIA EXAMPLES: POLICY VARIANTS

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Policy	Variants
Enforcement Options	Tenant Complaints/Petitions
	Rent Board (Appoint or Elect)
	Defense Against Eviction
	Fines or Penalties
	Anti-Retaliation/Harassment
Data Collection	Right to Counsel
	Registration of Units
Education & Outreach	Fees & Cost Recovery
	Landlords & Tenants
	Language Access

CALIFORNIA EXAMPLES : SANTA MONICA POLICIES

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Regulate Evictions	Define Just Causes	✓
	Minimum Lease Term	
	Relocation Assistance	✓
	Notify City	✓
Regulate Rent Increases	Non-Binding Mediation	
	Binding Arbitration	
	Regulate Frequency	✓
	Regulate Amount (%)	✓
	Publish Max. Allowable Rent	✓
Other	Registration of Units	✓
	Tenant Complaints/Petitions	✓
	Defense Against Eviction	✓
	Anti-Retaliation/Harassment	✓

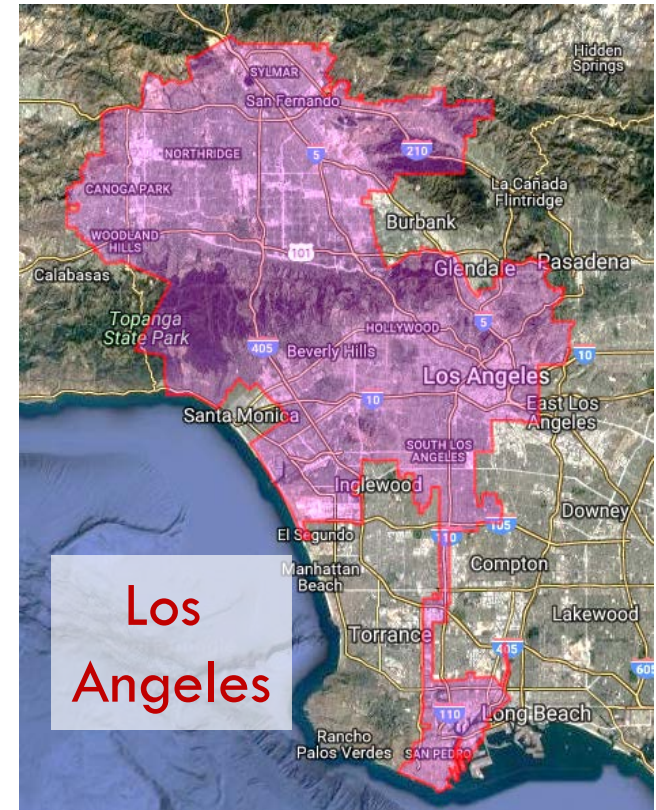


CALIFORNIA EXAMPLES :

CITY OF LOS ANGELES POLICIES

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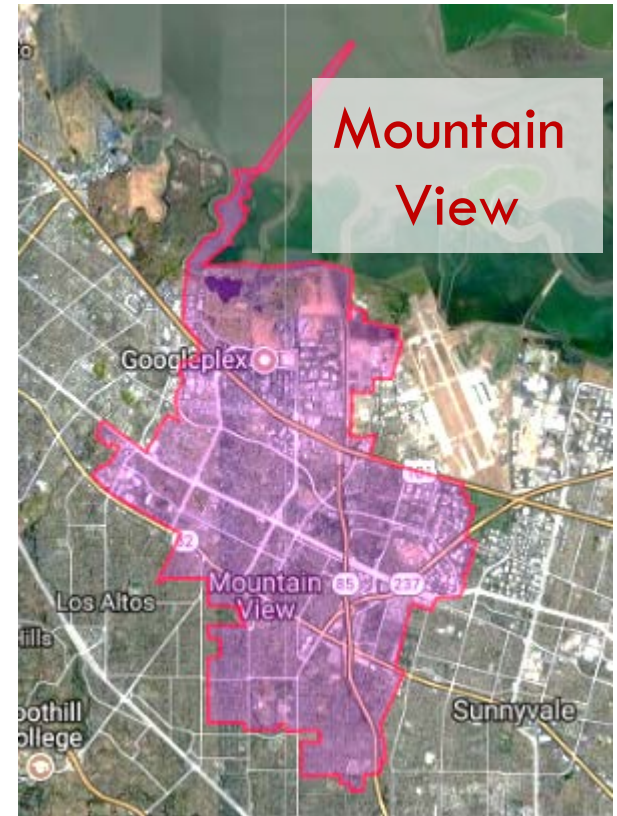
Regulate Evictions	Define Just Causes	✓
	Minimum Lease Term	
	Relocation Assistance	✓
	Notify City	
Regulate Rent Increases	Non-Binding Mediation	
	Binding Arbitration	
	Regulate Frequency	✓
	Regulate Amount (%)	✓
	Publish Max. Allowable Rent	
Other	Registration of Units	✓
	Tenant Complaints/Petitions	✓
	Defense Against Eviction	✓
	Anti-Retaliation/Harassment	✓



CALIFORNIA EXAMPLES: MOUNTAIN VIEW POLICIES

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Regulate Evictions	Define Just Causes	✓
	Minimum Lease Term	
	Relocation Assistance	✓
	Notify City	✓
Regulate Rent Increases	Non-Binding Mediation	
	Binding Arbitration	
	Regulate Frequency	✓
	Regulate Amount (%)	✓
	Publish Max. Allowable Rent	
Other	Registration of Units	
	Tenant Complaints/Petitions	✓
	Defense Against Eviction	✓
	Anti-Retaliation/Harassment	✓



CALIFORNIA EXAMPLES: MARIN COUNTY POLICIES

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Regulate Evictions	Define Just Causes	
	Minimum Lease Term	
	Relocation Assistance	
	Notify City	
Regulate Rent Increases	Non-Binding Mediation	✓
	Binding Arbitration	
	Regulate Frequency	
	Regulate Amount (%)	
	Publish Max. Allowable Rent	
Other	Registration of Units	
	Tenant Complaints/Petitions	✓
	Defense Against Eviction	
	Anti-Retaliation/Harassment	✓

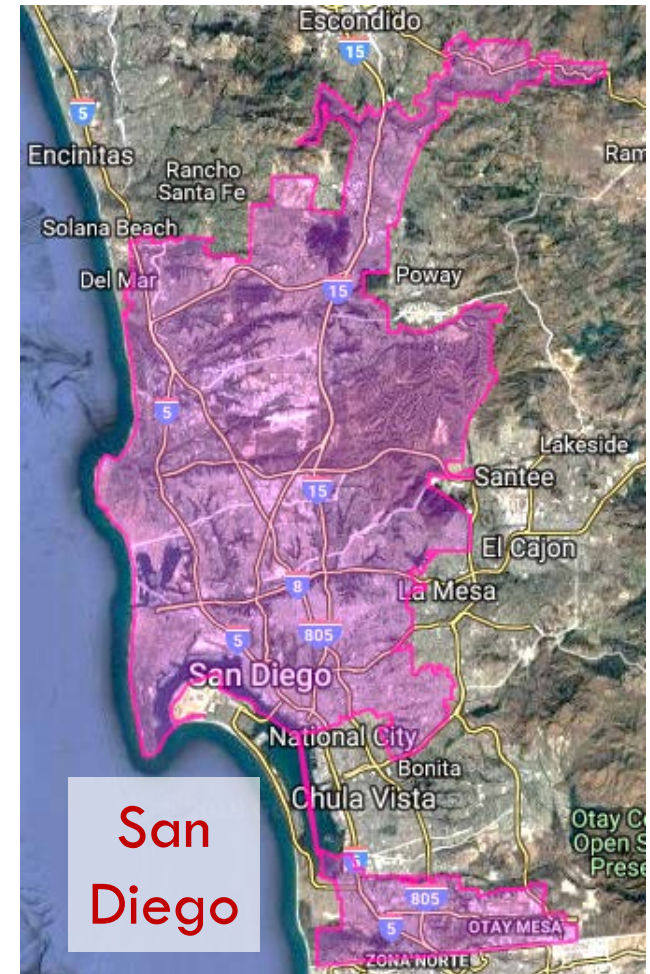


CALIFORNIA EXAMPLES:

CITY OF SAN DIEGO POLICIES

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Regulate Evictions	Define Just Causes	✓
	Minimum Lease Term	
	Relocation Assistance	
	Notify City	
Regulate Rent Increases	Non-Binding Mediation	
	Binding Arbitration	
	Regulate Frequency	
	Regulate Amount (%)	
	Publish Max. Allowable Rent	
Other	Registration of Units	
	Tenant Complaints/Petitions	
	Defense Against Eviction	
	Anti-Retaliation/Harassment	



STATE LAW: **ELLIS ACT**

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STATE LAW:

COSTA-HAWKINS RENTAL HOUSING ACT

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- Vacancy decontrol required
 - ▣ Landlords are allowed to set initial rent, with limited exceptions
 - ▣ Jurisdictions may still regulate frequency and amount of rent increases
- Rent Stabilization Exemptions for:
 - ▣ Single-family homes
 - ▣ Condos
 - ▣ All units built after 1995

STATE LAW:

AB 1482 –Rent Control

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- Limits annual rent Increase to 5% plus CPI
- Applies to all rental units in the State Except
 - ▣ Affordable housing subject to recorded restrictions
 - ▣ Dormitories
 - ▣ Housing subject to local rent control that is more restrictive
 - ▣ Housing issued a certificate of occupancy within 15 years
 - ▣ Single family homes and condominiums unless owned by a corporation or REIT

STATE LAW:

AB 1482- Eviction Protection

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Just Cause for Evictions for tenants residing in a unit for 12 months or more

- ▣ At Fault causes – nonpayment, breach of lease etc.

- ▣ No Fault Causes

 - Owner move in

 - Withdrawal of unit from market

 - Intent to demolish

No Fault Causes – owner must provide relocation assistance equal to one months rent.

STATE LAW:

AB 1482- EVICTION PROTECTION

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- Just Cause Provisions apply to all rental units Except:
 - ▣ Transient and tourist hotels
 - ▣ Certain licensed facilities and hospitals
 - ▣ Dormitories
 - ▣ Housing where tenant shares kitchen and bath with owner
 - ▣ Duplex if owner continuously occupies one unit
 - ▣ Single family owner occupied units
 - ▣ Housing issued certificate of occupancy within previous 15 years

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