



June 30, 2025

Sent via email to: <u>abelp@sanpabloca.gov</u>, <u>patriciap@sanpabloca.gov</u>, <u>ElizabethP@sanpabloca.gov</u>, <u>ArturoC@sanpabloca.gov</u>, <u>RitaX@sanpabloca.gov</u>, <u>BrianH@sanpabloca.gov</u>, <u>mattr@sanpabloca.gov</u>.

Re: protecting San Pablo tenants

Dear San Pablo City Council:

We write to express our gratitude for your consideration of the much-needed Just Cause, Anti-Harassment, and Rent Stabilization Ordinances. Just cause, anti-harassment protection, and rent stabilization are all effective policies that prevent homelessness and keep low-income residents housed. In this letter we,

- 1. Provide information on the cornerstones of effective tenant protection and anti- displacement policies
- 2. Address several inaccuracies concerning the proposed tenant protection in the May 29, 2025, PowerPoint presentation.

#### I. SAN PABLO MUST PASS MEANINGFUL TENANT PROTECTIONS.

To protect San Pablo's tenants, San Pablo must pass a model just cause, rent stabilization, and anti-harassment ordinance.

#### A. San Pablo should pass a just cause ordinance that closes the state law loopholes.

The Tenant Protection Act ("TPA") is the floor for tenant protection – the absolute minimum allowed. While the TPA provides some protection from sudden displacement, it is not designed to prevent displacement over time. To truly protect residents from being displaced from San Pablo, the following tenant protections are imperative:

1. Tenant protections must apply to all tenants.

The Tenant Protection Act does not apply to most single-family homes and condos, newly constructed units, and some affordable housing complexes.<sup>2</sup> The TPA also does not apply to any property in the first one to two years of tenancy.<sup>3</sup> Landlords can evict these tenants for no reason without a relocation payment. Unfortunately, the lack of a legal requirement to state a reason for the eviction allows many landlords to engage in illegal retaliation and discrimination. There is no legal reason these exemptions from eviction protections are required. San Pablo can address this

<sup>&</sup>lt;sup>1</sup> Cal. Civ. Code, § 1946.2 subd. (i)(3).

<sup>&</sup>lt;sup>2</sup> Cal. Civ. Code, § 1946.2 subds. (e)(7)-(9).

<sup>&</sup>lt;sup>3</sup> Cal. Civ. Code 1946.2 subd. (a).

issue by passing a local ordinance that applies to all its residents on the first day of their tenancies.

2. Tenants must have the right to return after repairs and other no-fault evictions.

The Tenant Protection Act allows landlords to evict tenants permanently when the landlord claims they are "withdrawing" from the rental market, renovating, or when code enforcement deems a unit uninhabitable. This loophole rewards landlords who allow bad conditions, makes tenants afraid to request repairs, and encourages landlords to fraudulently "withdraw" from the rental market. Effective local just cause ordinances allow evictions for repairs and withdrawing from the rental market, but if the landlord re-rents, they are required to offer the unit back to the displaced tenant. The right to return is a common-sense policy that ensures landlords do not benefit from substandard housing conditions and false claims of "withdrawing from the rental market."

3. San Pablo must implement the Ellis Act's protection, or no other protections will be effective.

The state's Ellis Act has two primary components.<sup>5</sup> The first component specifies that a city cannot prevent a landlord from going out of business.<sup>6</sup> The second provision of the Ellis Act allows cities to implement protections to ensure this right is not abused.<sup>7</sup> In a nod to the Ellis Act, the Tenant Protection Act allows a landlord to "withdraw from the rental market."<sup>8</sup> However, the Tenant Protection Act does not define what it means to "withdraw" and does not implement any of the Ellis Act's Protections.<sup>9</sup> A simple fix to this problem is to clarify that San Pablo is implementing all of the Ellis Act's protections. The State of California allows cities with rent control to pass all of these protections.<sup>10</sup> Even without rent control, a locality can implement the most important protections.<sup>11</sup>

4. Tenants need adequate relocation assistance to avoid displacement from San Pablo.

State law allows a landlord to evict a tenant even when the tenant has always paid their rent and abided by all the terms of their lease.<sup>12</sup> In these situations, the law requires the landlord to pay the tenant one month of their current rent.<sup>13</sup> As such, tenants who pay the lowest rent and need relocation assistance the most receive the smallest relocation payment. We suggest that San Pablo address this issue by requiring a sizeable relocation payment that prevents tenants from becoming homeless due to no fault of their own.

<sup>&</sup>lt;sup>4</sup> Cal. Civ. Code, § 1946.2 subds. (b)(2)(B)-(D).

<sup>&</sup>lt;sup>5</sup> Cal. Gov. Code, §§ 7060-7060.7.

<sup>&</sup>lt;sup>6</sup> Cal. Gov. Code, § 7060.

<sup>&</sup>lt;sup>7</sup> Cal Gov. Code, §§ 7060.1-7060.7

<sup>&</sup>lt;sup>8</sup> Cal. Gov. Code, §§ 1946.2 subd. (b)(2)(B).

<sup>&</sup>lt;sup>9</sup> Randy Shaw, Ellis Act Loophole Puts CA's Eviction Protections at Risk, Beyond Chron, (Mar. 2, 2021) <a href="https://beyondchron.org/ellis-act-loophole-puts-cas-expanded-eviction-protections-at-risk/">https://beyondchron.org/ellis-act-loophole-puts-cas-expanded-eviction-protections-at-risk/</a>.

<sup>&</sup>lt;sup>10</sup> Cal. Gov. Code, §§ 7060.2, 7060.4.

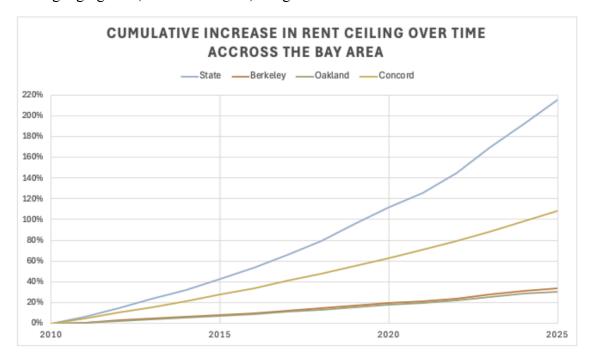
<sup>&</sup>lt;sup>11</sup> Cal. Gov. Code, § 7060.7 see also Cal. Civ. Code, § 1954.53 subd. (a)(1).

<sup>&</sup>lt;sup>12</sup> Cal. Civ. Code, § 1946.2 subd. (b).

<sup>&</sup>lt;sup>13</sup> Cal. Civ. Code, § 1946.2 (d).

# B. San Pablo should pass a rent stabilization ordinance that limits rent increases to 60 percent of the Consumer Price Index, not to exceed a three percent annual rent increase.

The Tenant Protection Act allows rent increases of up to ten percent per year. These rent increases compound year after year, ensuring that housing prices can skyrocket over a relatively short period. As shown below, the distinction between meaningful rent stabilization and anti-rent-gouging laws, such as the TPA, is significant.



This graph shows how different rent control laws would impact rent ceilings over the last 15 years, if they all had been adopted at the same time.

The statewide Tenant Protection Act of 2019, AB 1482, took effect January 1, 2020. It caps yearly rent increases at 5% + CPI. Here, calculations were made using CPI for the Bay Area (SF-Oakland-Hayward). Over a 15-year period beginning in 2010, a tenant under the State law could have had their rent increase by a cumulative 215%.

The Concord Rent Control Ordinance was recently amended and will take effect August 1, 2025. It caps yearly rent increases at 5%. Over a 15-year period beginning in 2010, under this new ordinance, a Concord tenant could have had their rent increase by a cumulative 108%. By comparison, Berkeley tenants could have seen their rents increase at most by a cumulative 33.5%, and Oakland tenants, by 30.6%. Oakland and Berkeley's yearly allowable rent increases are respectively 60% and 65% of CPI. Concord, before adopting this latest amendment, capped yearly rent increases at 60% of CPI.

Instead of offering short-term protection, San Pablo must adopt a rent ordinance similar to those in Antioch, Oakland, or Richmond, which requires landlords and tenants to share the burden of inflation. Allowing rent increases at levels of 60 percent of the consumer price index is a fair and just compromise between landlords and tenants.

While a rent-stabilization ordinance is often accompanied by a dedicated staff, staff is not required. Nothing prohibits the city of San Pablo from passing a law that restricts rent increases without hiring additional staff or establishing a new city agency. If hiring new staff

is cost-prohibitive, the city can simply pass a rent stabilization ordinance at no cost and allow private enforcement by tenants.

# C. San Pablo must adopt an anti-harassment ordinance that effectively deters illegal bad-faith conduct.

State law narrowly defines tenant harassment to include certain criminal and otherwise illegal acts if the tenant can prove that the landlord committed the criminal act with the intent to encourage the tenant to move. 14 Proving that the landlord, for instance, committed criminal burglary or extortion against the tenant is not sufficient to establish tenant harassment. 15 The tenant must prove that the landlord engaged in the unlawful conduct for "the purpose of influencing a tenant to vacate a dwelling." 16 If the tenant can prove this, they can obtain a maximum penalty of \$2,000. 17 However, the tenant will need to pay for their own attorney because the law does not provide for attorney's fees. 18

San Pablo can address this issue by passing an anti-harassment ordinance similar to those in Oakland, Richmond, Concord, or Antioch. These ordinances do not classify any violation by a landlord as "harassment." However, if the tenant can prove the landlord committed a list of already illegal acts in "bad faith," then the tenant will have significant remedies against the landlord, including the right to recover attorney's fees.

These ordinances, again, require no city funding and are an effective deterrent against landlords violating the law in bad faith.

#### D. San Pablo must not waste money on symbolic codification and mediation.

Throughout the state, landlord trade associations have employed various tactics to undermine meaningful tenant protections. The two most common suggestions are to "codify" state law or create a mediation program.

1. Symbolic codification of state law does nothing to protect tenants.

The first tactic is to encourage cities to pass a local ordinance that "codifies" the state's tenant protections. Codifying the state's tenant protections at the local level does nothing to protect tenants. It offers tenants no new protections and instead, encourages cities to preserve the status quo.

#### 2. Mediation is a waste of city resources.

The second tactic used by trade associations is to suggest that cities implement costly mediation programs. Unlike a rent stabilization ordinance, which does not require any staff or any city funding, a mediation program requires paid mediators. While tenant advocates have no issue with tenants compromising with landlords, mediation is a losing proposition for tenants who lack sufficient rights and resources. The problem is compounded when landlords appear in mediation with an attorney and tenants are unrepresented.

<sup>&</sup>lt;sup>14</sup> Cal. Civ. Code, § 1940.2.

<sup>&</sup>lt;sup>15</sup> *Ibid*.

<sup>&</sup>lt;sup>16</sup> Cal. Civ. Code, § 1940.2 subd. (a).

<sup>&</sup>lt;sup>17</sup> Cal. Civ. Code, § 1940.2 subd. (b).

<sup>&</sup>lt;sup>18</sup> Cal. Civ. Code, § 1940.2.

Most importantly, tenants do not like mediation. As we have seen in Fremont and Alameda, <sup>19</sup> tenants consistently report that mediation creates a humiliating and disempowering dynamic. In these mediations, year after year, tenants must grovel in front of their corporate landlords to avoid displacement. While rent stabilization creates efficiency and predictability for the entire community, allowing tenants and landlords to plan accordingly, mediation introduces an element of unpredictability and isolation each and every year. Notably, no tenant groups support or request mediation programs. Mediation is only ever proposed by corporate landlord lobbyists who seek to undermine real tenant protections.

#### II. THE MAY 29, 2025 SLIDESHOW CONTAINS INACCURACIES

After reviewing the May 29, 2025 slideshow, we requested the RSG Report that the slideshow was based on. Upon close examination, we believe that the slideshow deviates from the RSG report in some areas, while failing to accurately interpret the content in others.

### A. The potential negative effects of rent stabilization are largely speculative.

The City Manager's May 29, 2025, PowerPoint lists several "potential negative impacts" of rent stabilization. One potential negative impact suggested is that rent stabilization may lead to increased crime. The commissioned RSG report does not mention criminal activity being associated with rent stabilization. In fact, the word "crime" does not appear in the report once.

The presentation claims that another potential negative effect is "Reduced Turnover & Unit Availability - Rents not based on tenant income and reduces incentives to move and free up the unit." We must ask, "free up the unit for who?" We do not believe that unit turnover is inherently positive, as it often results from forced displacement. The presentation neglected to mention the report's own cited studies showing that rent stabilization effectively reduces tenant displacement and housing instability. Similarly, we question why the city would be concerned that rents are not based on tenant income, as this is generally true regardless of whether a rent stabilization ordinance is in place. While some landlord groups believe that rent stabilization itself should be means-tested, no city in California has adopted this type of policy.

The remaining negative impacts are equally problematic. For example, the slide notes that "Lower profit margins may discourage new rental housing projects, negatively impacting RHNA." As stated on slide 23, due to the Costa-Hawkins Rental Act, "rent control does not apply to units built after 1995." Further, the RSG report states on page 24 that "the [rent stabilization] Ordinance would not affect the development of new housing units in the City if Costa-Hawkins remains in place." As Costa-Hawkins was not repealed, developers are unlikely to consider the effects of rent stabilization on new developments.

The remaining potential negative impacts are largely speculative, with research on both sides of the issue.

<sup>&</sup>lt;sup>19</sup> The city of Alameda has abolished its failed program.

## B. Rent stabilization can be implemented with little or no cost to the city.

While staff to implement and enforce a rent-stabilization ordinance is ideal, a city is not required to have staff dedicated to implementing a rent-stabilization ordinance. A city, with no administrative costs, can simply pass an ordinance that prohibits certain rent increases.

While dedicated staff is ideal, the RSG report notes that for San Pablo, "[t]he estimated fiscal impact of the proposed Ordinance to the City is approximately \$1.21 Million in ongoing annual costs, excluding adjustments for inflation." (RSG Report P.2.) The slideshow states something different, asserting that these costs could be "up to tens of millions annually." This figure is placed next to a picture of a decreasing dollar sign inside a house.



# C. San Pablo rents are not decreasing.

The RSG report notes that market rents in San Pablo have increased every year since 2020. (RSG Report p. 17.) This data was not included; instead, the slideshow includes a different graph that claims to show that "in the last year, rents have decreased by \$200 compared to the previous year." The data source is listed as "Zillow, May 11, 2025." It is unclear why the five-year study in the report commissioned by the city was excluded in favor of a graph from Zillow that only focused on the first five months of 2025 compared to 2024. This data is far less reliable, as demonstrated by the same Zillow graph, a month later, stating that San Pablo's rents have "increased by \$150 compared to the previous year."



Graph in presentation

Current graph

#### III. CONCLUSION

We thank the council for considering effective tenant protection policies. We are hopeful that San Pablo will adopt just cause, rent stabilization, and anti-harassment ordinances modeled after cities with effective protections. We are confident that the city will not be fooled by corporate landlord lobbying tactics such as paying fake advocates \$250 in cash to oppose tenant protections. We are optimistic that the city will reject the corporate landlord and realtor trade associations' talking points and take the necessary steps to protect San Pablo Tenants.

Alliance of Californians for Community Empowerment

Rising Juntos

California Center for Movement Legal Services

<sup>&</sup>lt;sup>20</sup> Jennifer Wadsworth, *The ad offered a quick \$250. The job? Shilling for a bunch of landlords*, The San Francisco Standard, (Apr. 16, 2025)