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CITY OF OAKLAND



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612
REBECCA KAPLAN (510) 238-7008
At-Large FAX: (510) 238-6910
atlarge@oaklandnet.com TDD: (510) 839-6451

Date: March 2, 2017

To: City Council

From: President Pro Tem Guillen and Councilmembers Kaplan and Kalb

Re: Resolution (1) Supporting Assembly Bill 1506 That Would Repeal The Costa-Hawkins Rental Housing Act, Setting Statewide Limits On Local Rent Controls; (2) If Not Repealed, Urging Reform Of Costa-Hawkins To Permit Expansion Of Local Rent Controls; And (3) Urging The State Legislature To Preserve The Costa-Hawkins' Requirement For A Landlord's 90 Day Notice To Tenants Following Termination Of A Rent Limitation Agreement With A Government Agency

Dear Colleagues on the City Council and Members of the Public,

In 1995, the California State Legislature adopted the Costa-Hawkins Rental Housing Act (California Civil Code Sections 1954.50-1954.535) allowing a property owner to establish a new rental rate for each new tenancy, allowing unlimited increases upon vacancy and then re-control of rents, and exempting certain units from rent control. The Costa-Hawkins law resulted in rent increases dramatically beyond the pace of inflation in unprotected rental units, exacerbating not only Oakland's housing crisis but regionally as well.

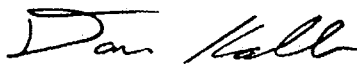
For this reason, we are introducing a Resolution: (1) supporting Assembly Bill 1506 that would repeal the Costa-Hawkins Rental Housing Act; (2) if not repealed, urging reform of Costa-Hawkins to permit expansion of local rent controls; and (3) urging the State Legislature to preserve the Costa-Hawkins' requirement for a landlord's 90 day notice to tenants following termination of a rent limitation agreement with a government agency. With our Resolution, we are submitting the attached text of the bill.

We urge you to support this Resolution, which will be heard at the Rules & Legislation Committee meeting on March 16, 2017.

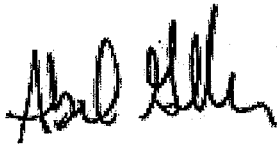
Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Rebecca Kaplan".

Councilmember At-Large Rebecca Kaplan

A handwritten signature in cursive script, appearing to read "Dan Kalb".

Councilmember Dan Kalb

A handwritten signature in cursive script, appearing to read "Abel Guillen".

President Pro Tem Guillen



California

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AB-1506 Residential rent control: Costa-Hawkins Rental Housing Act. (2017-2018)

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Date Published: 02/17/2017 09:00 PM

CORRECTED FEBRUARY 21, 2017

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

ASSEMBLY BILL

No. 1506

**Introduced by Assembly Members Bloom, Chiu, and Bonta
(Coauthor: Senator Allen)**

February 17, 2017

An act to repeal Chapter 2.7 (commencing with Section 1954.50) of Title 5 of Part 4 of Division 3 of the Civil Code, relating to tenancy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1506, as introduced, Bloom. Residential rent control: Costa-Hawkins Rental Housing Act.

The Costa-Hawkins Rental Housing Act prescribes statewide limits on the application of local rent control with regard to certain properties.

This bill would repeal that act.

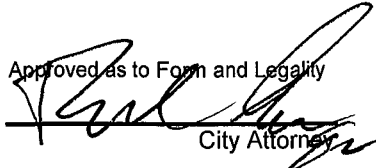
Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 2.7 (commencing with Section 1954.50) of Title 5 of Part 4 of Division 3 of the Civil Code is repealed.

Heading—Lines 1 and 2.

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Approved as to Form and Legality

City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

Introduced by Councilmembers Kaplan and Kalb and
President Pro Tem Guillén

RESOLUTION (1) SUPPORTING ASSEMBLY BILL 1506 THAT WOULD REPEAL THE COSTA-HAWKINS RENTAL HOUSING ACT, SETTING STATEWIDE LIMITS ON LOCAL RENT CONTROLS; (2) IF NOT REPEALED, URGING REFORM OF COSTA-HAWKINS TO PERMIT EXPANSION OF LOCAL RENT CONTROLS; AND (3) URGING THE STATE LEGISLATURE TO PRESERVE THE COSTA-HAWKINS' REQUIREMENT FOR A LANDLORD'S 90 DAY NOTICE TO TENANTS FOLLOWING TERMINATION OF A RENT LIMITATION AGREEMENT WITH A GOVERNMENT AGENCY

WHEREAS, in 1995, the California State Legislature adopted the Costa-Hawkins Rental Housing Act (California Civil Code Sections 1954.50-1954.535) allowing a property owner to establish a new rental rate for each new tenancy, allowing unlimited increases upon vacancy and then re-control of rents, and exempting certain units from rent control, including single family homes, condominiums, and rental units constructed after 1995 or earlier if a local rent control has an earlier date for exempting new construction, which in Oakland is 1983; and

WHEREAS, Oakland's Rent Adjustment Ordinance (O.M.C. Chapter 8, Article I (Section 8.22.010, et seq.)) sets limits on residential rent increases; and

WHEREAS, in 2016, Oakland City Council passed Resolution No. 86273, urging the California State Legislature and Governor Jerry Brown to repeal or modernize the Costa Hawkins Rental Housing Act; and

WHEREAS, the Costa-Hawkins law resulted in rent increases dramatically beyond the pace of inflation in unprotected rental units, exacerbating not only Oakland's housing crisis but regionally as well; and

WHEREAS, the Costa-Hawkins law exempts all single family homes from rent control, even when the homes are owned by large corporations that own hundreds of homes, and this is causing many renters in Oakland and throughout California to go without rent protections, even though they are in a similar situation as renters of apartment units; and

WHEREAS, in this unprecedented housing crisis, it is important that we explore all viable options to preserve affordability, prevent displacement, and make it easier for people who work in Oakland to live in Oakland; and

WHEREAS, by repealing or substantially reforming the Costa-Hawkins law, thereby allowing local governments to stabilize rents through mechanisms including, but not limited to, de-exempting condominiums, single-family homes, and post-1995 housing construction, or in Oakland's case post-1983 newly constructed units, cities will have an important tool to reduce displacement and keep rents from rising even further; now, therefore be it

RESOLVED: That the City of Oakland endorses Assembly Bill 1506 and urges the State Legislature to pass and the Governor to sign this bill into law; and be it

FURTHER RESOLVED: That the City of Oakland urges that State Legislature to preserve the provision in Costa-Hawkins providing a 90 day notice period following the termination of an agreement with a government agency for providing rent limitations to a qualified tenant.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN, AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California