



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Shola Olatoye  
Director, HCDD

**SUBJECT:** Amend Rent Adjustment  
Ordinance to Establish  
Residential Rental Registry

**DATE:** April 25, 2022

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City Administrator Approval

Date: May 12, 2022

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## RECOMMENDATION

**Staff Recommends That The City Council Adopt An Ordinance Amending The Rent Adjustment Ordinance (O.M.C. 8.22.010 et seq) And The Just Cause For Eviction Ordinance (O.M.C. 8.22.300 et seq) To (1) Create An Annual Requirement For Residential Rental Units In Which Rental Property Owners Of Units Subject To The Rent Program Service Fee Shall Be Required To Report Rent And Other Tenancy Information, As Set Forth In Section 8.22.520, (2) Require Owners To Provide Evidence Of Complying With Residential Rental Registration Requirement When Filing Rent Increase Petitions or Responses To Tenant Petitions And (3) To Provide As A Tenant's Affirmative Defense In An Eviction Action The Property Owner's Failure To Comply With Registration Requirements Outlined In O.M.C. 8.22.510.**

## EXECUTIVE SUMMARY

The proposed legislation would amend Oakland's [Residential Rent Adjustment Program Ordinance](#) ("Rent Ordinance") to require rental property owners to annually report tenancy data with the Rent Adjustment Program ("RAP"). The proposed legislation will also amend both the Rent Ordinance and the [Just Cause for Eviction Ordinance](#) ("JCO") to establish that an owner's failure to annually register tenancy data will result in denial of certain otherwise-allowable rent increases, and will provide an affirmative defense in an eviction action.

### Rent Ordinance Amendments

The amendments to the Rent Ordinance require that owners annually report specified tenancy data for covered units as part of the annual registration process. The amendment also requires that owners who have not registered their rental data and who would be otherwise qualified to petition for rent increase in excess of annual CPI-based increases or respond to a tenant's petition for rent decrease will forfeit six months of the allowable increase. The owner will qualify

CED Committee  
May 24, 2022

to petition for rent increase or respond to tenants' petitions if they cure the failure to register by properly registering six months prior to serving the rent increase notice on the tenant or six months prior to filing the petition.

#### Just Cause for Eviction Ordinance Amendment

The amendment to the JCO allows tenants to cite failure to register as a defense to an eviction action citing one of the enumerated allowable "just causes" in the Ordinance under subsection 8.22.260.A.1-10.

### **BACKGROUND/LEGISLATIVE HISTORY**

In 1980, the Oakland City Council passed its first rent control ordinance which established the Housing, Residential Rent Arbitration and Relocation Board (The Board) and the Rent Adjustment Program (RAP) (Oakland No. 9980 C.M.S.). Since then, the Ordinance has been amended many times. The current Ordinance (O.M.C. Section 8.22.010 et seq.) regulates most residential rent increases in Oakland. Additionally, in 2002, the Oakland voters passed the Just Cause for Eviction Ordinance, requiring a property owner to cite one of the eleven enumerated "just causes for eviction" order to serve a notice to quit (O.M.C. Section 8.22.300 et seq.)

In November 2016, Oakland voters passed Measure JJ, which not only extended just cause for eviction protections to residential units built between 1980 and 1996, but also requires owners to obtain RAP approval for any rent increase that exceeds the current year's annual CPI-based increase.

In the City of Oakland's Fiscal Year (FY) 2021-2023 adopted budget, the Oakland City Council allocated \$500,000 for initial startup costs to create a rent registry. In its Budget Policy Directives, the City Council requested an ordinance for consideration by the City Council no later than May 2022.

#### Oakland's Changing Model

Since its inception, the Oakland Rent Adjustment Program has enforced the Rent Ordinance through a complaint-based model known as "passive" enforcement. This model relies solely on tenant and landlord complaints and resulting petition decisions to resolve disputes and determine allowable rent ceilings and rent increases. Tenants are obligated to file petitions in response to a specific notice of rent increase, and both tenants and owners must go through a RAP petition process to receive a legally binding determination of allowable rent and rent increase.

This approach assumes that both owners and tenants are fully aware of rent regulation policies, as well as their rights under the Rent Ordinance. Furthermore, because the City of Oakland does not collect any rent or tenancy data for units covered by the Ordinance, tenants bear a significant burden to reconstruct their tenancy history and make the case for their own unit's maximum allowable rent. Finally, a "passive" approach generally favors "tenants who are more

knowledgeable about the law, better educated, or have assistance from advocacy groups.”<sup>1</sup> As a result, it is the tenants who have the most resources that file petitions in response to rent increases, whereas the most vulnerable members of the population are far more likely to experience unlawful rent increases and the resulting risk of eviction.

Over the past three years, RAP has been shifting toward an “active” model of rent regulation and enforcement. An “active” rent regulation model depends on extensive outreach to inform tenants and owners about their rights and obligations under existing laws, maintains full and accurate records through reporting requirements for initial rents and eviction proceedings, provides mediation and dispute resolution services, and actively enforces the law when violations are found.

Since 2018, RAP has focused strongly on strengthening its outreach, with a particular focus on African-American, Indigenous, and Latinx neighborhoods that are vulnerable to displacement. During the FY 2018-20 period, RAP expanded its drop-in counseling hours from 12 hours per week to 31 hours per week; this has continued remotely during the Covid-19 pandemic. RAP also nearly tripled its provision of community workshops to 20, as compared to seven during the previous two fiscal years. During the same period, RAP produced and published 16 new additional information sheets and published a “Guide to Rental Housing Law” (available in Spanish, English and Chinese) that provides a comprehensive overview of local and state laws. RAP has also expanded its conflict resolution services by offering tenants and owners who are not participating in RAP’s petition process to request mediation. Owners and tenants who are engaged in the RAP petition process also now receive the offer to participate in a Settlement Conference prior to every hearing. As a result, RAP resolves an ever-increasing number of disputes outside the petition process.

#### Rent Registry and Active Enforcement

The establishment and maintenance of a rent registry would provide the final step in RAP’s implementation of an “active” model of rent regulation. A rent registry is a database that would allow the RAP to compile key data on rent-stabilized apartments, track allowable rent increases, monitor compliance with the City’s rent and just cause for eviction ordinances, and communicate rental unit data on a regular basis to both owners and tenants. Through collection, monitoring and dissemination of allowable rents and rent increases, a rent registry clearly establishes and makes accessible the rent limits for each covered unit. This in turn eliminates doubt regarding rent maximums and provides a clear basis for both owners and tenants to verify that their rents and rent increases comport with the Rent Ordinance’s requirements.

In addition to the benefits that rent registries provide for rent-regulated units, it is well established that maintenance of a rent registry also provides stronger protections for rental units that are covered only by the Just Cause for Eviction Ordinance. Cities such as Berkeley and Richmond use their rent registries as bases for communicating with both owners and tenants in units where an eviction notice has been served. Registries’ data assist jurisdictions in monitoring compliance with “just cause” rules in a number of ways. First and foremost, registries can be used to determine whether an owner serving the notice is in compliance with

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<sup>1</sup> San Francisco Budget Legislative Analyst Office, Policy Analysis Report Re: “Creating a Rent Registry in San Francisco,” April 16, 2019.

all aspects of the Ordinance, and informing tenants who have received eviction notices of their rights and responsibilities – as well as advising them on legal resources. Furthermore, registries allow rent control jurisdictions to monitor rental activity after an owner has evicted a tenant under the Ellis Act, which prohibits rent increases for a specified period of time.

Finally, as compliance with the registration requirement grows, the data collected through maintenance of a rent registry will allow the City of Oakland to form a more comprehensive understanding of citywide rents. Currently, the City of Oakland collects and maintains no data on individual rental units' rents. Collection of this data through a registry will provide a critical means of filling this immense knowledge gap, and will provide the means to make informed, data-driven policy decisions to address affordability, homelessness and displacement.

### **ANALYSIS AND POLICY ALTERNATIVES**

**The proposed amendments explicate the registration requirements for property owners and tenants and impose penalties on owners who fail to comply with the registration requirement. These proposed amendments seek to further the City of Oakland's housing, economic, and cultural security by increasing the transparency and accessibility of both rent data and rent increase limits, which in turn will assist both owners and tenants in the maintaining of lawful rents.**

The goal of the rent registry is to ensure compliance with existing laws, and the more active enforcement of maintaining lawful rent levels will have a direct and positive impact on vulnerable communities. Tenants in general are more economically vulnerable than homeowners, as their housing costs are not predictable over time in the same way that homeowners' costs are, and their housing expenditures do not build equity. However, African American, Latinx, and Asian populations are of particular concern, as they make up the majority of Oakland's tenant community. The Housing Initiative at Penn has found that African Americans make up 30% of renter households, while another 21% of renters are Latinx, and 15% are Asian.<sup>2</sup> The same study found that renters in Oakland remain "racially and ethnically segregated," and that "eight of the ten most segregated neighborhoods for African Americans in the entire Bay Area are in Oakland."<sup>3</sup> Furthermore, the City of Oakland's Oakland Equity Indicators data indicates that while almost half of renter households are rent burdened – meaning that they spent more than 30% of their annual income on rent – "it was more common among African American and Latino households, with 58.4% and 52.7%, respectively."<sup>4</sup> Adoption of the proposed amendments will reduce the likelihood of illegal rent increases that could lead to eviction, and will provide an important layer of protection for very vulnerable tenants.

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<sup>2</sup> The Housing Initiative at Penn, "Housing Vulnerability in Oakland, CA," September 2020.

<sup>3</sup> Ibid.

<sup>4</sup> City of Oakland, "2018 Oakland Equity Indicators Report: Measuring Change Toward Greater Equity in Oakland," 2018.

### Rent Registries in California

In 2020, RAP contracted an Executive Fellow through FUSE Corps<sup>5</sup> to research and investigate the use and effectiveness of rent registries. The goal of the RAP/FUSE project was to research and engage with jurisdictions to determine best practices, efficacy, benefits, challenges, and opportunities. The Fellow compiled data on the eight municipalities that had a rent registry in place at the time. In the course of the RAP/FUSE project, information was collected on the tasks and requirements associated with the respective rental registries. The requirements varied according to how actively each municipality enforced their rent ordinance. Finding on these municipalities' tasks/requirements are summarized in **Table A** below:

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<sup>5</sup> FUSE Corps is a non-profit organization that partners with cities on projects that focus on achieving more equitable access to affordable housing, health care, public safety and educational opportunities.

TABLE A Rent Stabilization Programs' Rent Registry Tasks and/or Requirements by Municipality								
Rent Registry Tasks And/or Requirements	Berkeley	Beverly Hills	East Palo Alto	Richmond	Santa Monica	West Hollywood	San Jose	Los Angeles
Requires initial registration of rent	x	x	x	x	x	x	x	x
Requires new vacancy registration	x	x	x	x	x	x	x	x
Sends notification of annual rent increase/rent adjustment to owners and tenants	x	x	x	x	x	x	x	x
Sends tenancy registration information to new tenants for validation	x	x		x	x	x	x	
Sends annual Notice of Apparent Lawful Rent to tenants and owners	x		x	x	x			
Issues Maximum Allowable Rent certificates to owners and tenants	x		x					x
Posts Maximum Allowable Rent info by unit online	x			x	x			
Processes change in unit status forms	x				x			
Processes Amended Registration Forms	x	x	x	x	x	x		x
Allows new tenants to submit vacancy registration info	x			x	x			
Accepts Rent Increase Notification from owners				x				
Accepts "Notice of Ordinance at Commencement of Tenancy" from owners			x				x	
Requires owners to submit copy of any rent increase notice to stabilization program			x					
Sends to new owners and tenants introductory info upon registration and/or ownership change	x				x	x		

Additionally, interviews were conducted with rent program staff at the cities of San Jose, East Palo Alto, West Hollywood, Beverly Hills, and Berkeley, all of which require rental unit registration. These cities' staff members were asked a series of questions to determine best practices and observations based on lessons learned through the implementation of their rent registries. Questions included:

- What is the background and history of your registry? How long has it been in place?
- What do you see as benefits of the rent registry in your city?
- How is the rent registry used for enforcement of your city's rent ordinance?
- What is the fee? If there is a penalty for late registration?
- How is compliance with the registration requirement enforced?
- Is there any verification process when tenancy data is reported by property owners?
- What online system/software is used for the rent registry – citywide proprietary or a third-party vendor?
- Why was this system selected? Can you evaluate its functionality?
- How is the rent registry used for outreach? What registration processes are most beneficial for outreach?
- Can you share any challenges and/or lessons learned?

The Fellow concluded through these interviews that the rent registries provide the primary mechanism through which a municipality can achieve compliance with its specific city ordinance. Key findings:

- 1) Rent registries allow city staff to monitor compliance with municipalities' existing rent ordinances. A rent registry specifically assists with compliance through requiring provision of baseline rent data – either initial rent for a tenancy or current rent – which can be used to calculate lawful rent increases.
- 2) Outreach facilitated by rent registries provides important access points for tenants to gain knowledge about their lawful rent levels, as well as other rights under municipalities' rent regulations.
- 3) Allowing both tenants and owners to access the tenancy data for their unit improves understanding of the municipalities' ordinances and reduces petition filings.
- 4) Rent registries maintain agencies' ability to regularly provide outreach to property owners and tenants.
- 5) Data collected through rent registries provide important information that assists cities in assessing rental trends.
- 6) All municipalities utilize an online database system to implement their rent registries. Each city reported varying levels of satisfaction with their database provider.

- 7) Cities that report high compliance rates cite excellent outreach plans as an important factor.

Research conducted by other municipalities supports RAP's findings. In its own survey of various California cities, the San Francisco Budget Analyst Office has found that cities with active enforcement models report "speedy resolution of landlord tenancy complaints because the registry was a source of accurate information which tenants and landlords did not always maintain."<sup>6</sup> And in his 2015 study of the East Palo Alto Rent Stabilization Program, Stephen Barton found that cities with rent registries have a higher rate of compliance with their jurisdictions' program requirements.<sup>7</sup>

Given these findings, RAP recommends that the council adopt the amendments to the ordinance as proposed. These proposed amendments will apply to units that are covered by the Rent Ordinance, which include rented units in most multifamily properties that were built prior to 1983. Also subject to the proposed registration requirements will be units that are covered by the Just Cause for Eviction Ordinance, which includes most rented single-family homes (provided they were built prior to December 31, 1995) and units whose rents are regulated by a governmental entity or agency like the Oakland Housing Authority.

Units that are exempt from both ordinances will not be subject to the proposed registration requirements. These exempt units include 1) newly constructed units built entirely from the ground up after December 31, 1995; 2) single-family homes where the property owners rents to a single tenant and shares a kitchen or bathroom with the tenant; 3) hospitals, skilled nursing, or health facilities; 4) and non-profits that support the homeless.

#### Proposed Ordinance Changes

The following is an analysis of the specific proposed ordinance changes to develop and implement a rent registry.

- 1) *Require owners to annually register covered units with the Rent Adjustment Program, including providing current tenancy and other information about the rental unit.*

Every year, prior to the annual fee delinquency date, owners will be required to provide information specific to each residential rental unit covered by both the Rent Regulation and Just Cause for Eviction Ordinances, including but not limited to:

- Tenancy Start Date
- Initial Rent
- Date of Last Rent Increase
- Number of Occupants at inception of tenancy
- Tenant Name(s) and Email Address(es)

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<sup>6</sup> San Francisco Budget Legislative Analyst Office, Policy Analysis Report Re: "Creating a Rent Registry in San Francisco," April 16, 2019.

<sup>7</sup> *Review of the City of East Palo Alto Rent Stabilization Program*, January 28, 2015, by Stephen Barton, Ph.D.



- Housing services provided at inception of tenancy
- Reason for end of previous tenancy – i.e., voluntary vacancy or eviction; type of eviction.

Provision of the unit-specific data named above will allow the Rent Adjustment Program to maintain a database of each unit's rental information at the mass level. This will in turn allow the program to impose and track allowable annual rent increases as allowed by the Rent Ordinance. Upon provision of the data listed above, owners and tenants will also be able to regularly access and verify their units' rental information. This will allow both parties to enjoy a shared understanding of limitations on the unit's rent, and also to make informed decisions regarding rent increases.

Furthermore, upon provision of the data listed above, RAP staff will be able to more easily determine a unit's current rent as allowed by the Ordinance, which will in turn streamline the process for both tenants' and owners' rent adjustment petitions. Adjustments granted by a hearing examiner can then be directly reflected in the database. Again, this information will be accessible to both owners and tenants, and as such will allow shared knowledge.

Finally, specific information on units can be used for comprehensive outreach, both to owners and tenants. Granular unit information will allow RAP staff to communicate to both parties via individual and mass outreach efforts. It is critical to note that tenants' private information will **not** be publicly available; furthermore, tenant data will be used by RAP staff only for direct outreach and only for matters directly related to their tenancy.

- 2) *Require compliance with tenancy registration in order to file a petition for rent increase or respond to a tenant's petition.*

Owners will be required to comply with the above-stated registration requirements in order to file a petition for rent increase or respond to tenant's petition. Owners who fail to register will forfeit six months of the rent increase. Owners who cure the failure to register, however, will be able to serve a rent increase or file a petition provided that the owner properly registers at least six months prior to filing an owner petition OR six months prior to serving a rent increase notice on a tenant.

The maintenance of a rent registry database will allow Rent Adjustment Program staff to easily make a determination of whether an owner has complied with registration requirements when processing petition filings, which will in turn offer ease and clarity in the granting or denial of increases. Furthermore, imposition of real penalties in the form of denial of otherwise-allowable rent increases provides incentives for owners to ensure that their properties are compliant with the registration requirements.

- 3) *Add failure to register as a defense against an eviction action for units subject to Just Cause for Eviction protections.*

Owners who fail to comply with the registration requirements will face real barriers to evicting their tenants, as the tenants will be able to cite this as an affirmative defense in any eviction action – even if the owner has cited one of the just causes listed in the Ordinance. Requiring owners' compliance with registration requirements in order to carry out an eviction is essential not only as an incentive mechanism, but also to ensure that owners who serve eviction notices

have registered accurate rental information. It will also benefit tenants who receive eviction notices for reasons such as nonpayment, as they will have clear and easy access to their rent information and rent increase limits. Finally, requiring registration of rents in order to carry out an eviction will go far in reducing disputes over whether the tenant's rent and/or rent increase is a legal amount during the eviction process itself.

### **FISCAL IMPACT**

The Fiscal Year (FY) 2021-2023 adopted budget allocated \$500,000 for initial startup costs to research and, if adopted, create a rent registry. In addition, the adopted budget funded 1.0 full-time equivalent (FTE) Project Manager to assist in this endeavor. In the Budget Policy Directives, the City Council requested that the rent registry initiative launch in January 2023.

Three key components are required to meet the deadline and maintain a registry on an ongoing basis:

- 1) **Contract with a software developer** that will create, launch, and support the Rent Registry database according to stated RAP requirements.
- 2) **Perform extensive outreach** to property owners ahead of the launch to apprise them of both the new registration requirements and the process for registration. This outreach will likely take the form of both workshops and direct U.S. mail outreach.
- 3) **Allocate staff** required for RAP to implement and maintain Rent Registry, as well as to monitor and enforce compliance subsequent to launch, see below in **Table B** for details.

### **Technology/Database Costs**

An online database system is an essential piece of maintaining a rent registry. Of the eight cities interviewed by RAP in 2020, all used some form of online database system to host their rent registry and administer their rent program.

In its November memo, RAP staff described the costs of the implementation plan necessary to meet the January 2023 deadline. Staff estimated one-time costs for the database component of the rent registry at \$300,000. This figure is based both on data gathered in the RAP/FUSE project, as well as data gathered by the San Francisco Budget and Legislative Analyst Office in April 2019, which compiled a list of municipalities that created a rent registry and documented those costs. The range was between \$150,000 for West Hollywood with a total of 17,000 rent-controlled units to \$427,000 for Lost Angeles with a total of 600,000 rent-controlled units, with three jurisdictions – Berkeley, East Palo Alto, and San Francisco – all spending \$300,000 despite varying sizes of rent-controlled housing stock.

Ongoing annual costs to support, maintain, and improve the database are estimated at \$50,000. RAP will issue a Request for Proposal for a database system provider upon adoption of the proposed amendments to the Ordinance.

### Outreach Costs

RAP's survey of rent control jurisdictions revealed that comprehensive outreach ahead of and during launch of a new rent registry is critical, since a new requirement for owners to engage with new technology in order to comply with registration requirements would represent a significant change to their current RAP obligations. In order to ensure engagement with the new tool and compliance with the new regulation will require a significant outreach effort from RAP. Rent control jurisdictions that have enacted rent registries have attributed high compliance rates to ongoing and multifaceted outreach plans.

In its October 13, 2021, information memo, RAP staff budgeted a one-time expenditure of \$25,000 for outreach. Outreach will require two components:

- 1) A series of workshops in late 2022 and early 2023. These workshops will be conducted by RAP staff, and will be targeted to property owners, which will describe the registration requirement and set expectations for launch in 2023.
- 2) Direct U.S. mail outreach to owners of properties that are highly likely to be subject to tenancy registration requirements. Data from the City of Oakland Finance Department's Business License will be a key resource to target the approximately 8,000 owners who already pay the RAP fee, and will be expected to register their tenancies in the online registration database. In addition, staff will conduct research of Alameda County records to identify other properties that are not currently subject to the RAP fee but could potentially be required to register their units' tenancy information. These include single-family homes for which no homeowner's exemption has been claimed, and for which the owner's mailing address does not match the property address. Once a comprehensive list is gathered, RAP will send direct individual communications to these property owners providing information on the new registration requirement, implications for failure to register, and instructions on how to comply with the new requirement.

### Staffing Costs

RAP is funded through the annual payment of registration fees, which are due for any unit covered by either the Rent Ordinance or the Just Cause for Eviction Ordinance. The current fee is \$101 per covered unit. This fee is paid by property owners; one-half of each unit's fee can be passed through to that unit's current tenant upon timely payment of the fee. In this way, the funding of the program is borne by both owners and tenants.

It is proposed that the RAP dedicate for the first year four staff members to staff the implementation and maintenance of the rent registry as part of the agency's Community Engagement and Enforcement (CEE) Unit. The staffing level is based on data gathered from Alameda, Los Angeles, and San Francisco<sup>8</sup>. The median number of FTEs per 10,000 housing units across Los Angeles (600,000 covered units) and Alameda (13,389 covered units) is 0.6.

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<sup>8</sup> San Francisco Budget Legislative Analyst Office, Policy Analysis Report Re: "Creating a Rent Registry in San Francisco," April 16, 2019.

When applied to the estimated 80,000 covered units in Oakland this would equal a staff of approximately 5 FTE. Taking into account advantages gained from economies of scale, a median of 0.4 equates to a staffing level of approximately 4 staff members, including the 1 FTE Project Manager that the FY2021-23 adopted budget funded as part of its initial costs to adopt a rent registry.

The four staff members are proposed as follows:

- 1 FTE Project Manager
- 1 FTE Program Analyst II
- 1 FTE Administrative Analyst I
- 1 FTE Administrative Assistant I

Proposed staff include the existing FTE Project Manager, as well as an existing FTE Program Analyst II and Administrative Analyst I. These three staff members/positions are currently part of RAP's existing staff. The proposed Administrative Assistant I position also is funded in the current RAP budget, though it is currently vacant. Therefore, all four positions are funded as part of RAP's existent budget and as such will have no impact to the agency's registration fee.

Total anticipated costs are outlined in **Table B** below:

<b>Table B - Estimated Operations and Staffing Costs</b>		
<b>Projected Costs</b>	<b>One-Time</b>	<b>Ongoing</b>
Technology (Estimated)	\$300,000	\$50,000
Outreach	\$25,000	\$20,000
Staffing		
- Project Manager		\$306,548
- Program Analyst II		\$188,192
- Administrative Analyst I		\$169,121
- Administrative Assistant I		\$125,837
<b>Subtotals</b>	<b>\$325,000</b>	<b>\$789,698</b>
<b>TOTAL</b>		<b>\$1,114,698</b>

### **PUBLIC OUTREACH / INTEREST**

In February 2022, the Rent Adjustment Program staff hosted two stakeholder engagement meetings with representatives of tenant advocacy organizations and property owner advocacy organizations. During these meetings, RAP staff provided an overview of how rent registries are maintained and implemented in various rent control jurisdictions in California and sought

feedback from the meeting participants. RAP staff also outlined possible implementation plans for a rent registry in the City of Oakland.

Tenant stakeholders included representatives from:

- Centro Legal de la Raza
- Eviction Defense Center
- East Bay Community Law Center
- Bay Area Legal Aid
- Causa Justa
- Alliance for Californians for Community Empowerment
- Asian Pacific Islander Legal Outreach
- Legal Assistance for Seniors

Property owner stakeholders included representatives from:

- East Bay Rental Housing Association
- The McConnell Group
- Fried & Williams LLP
- Asian Real Estate Association of America
- Law Offices of Alan J. Horwitz
- In It Together Oakland

Themes of concern and support differed between the groups.

Feedback from tenant organizations focused on 1) their overall support for the rent registry concept, and a belief in the usefulness of collecting tenancy data for more effective implementation of the Rent Ordinance and related outreach; 2) the advantage of tenants being able to look up their unit information and determine whether their unit was subject to or exempt from the Rent Adjustment Program; and 3) support for registration as a requirement for eviction actions with good cause.

Property owners' feedback centered around 1) skepticism that the collection of tenancy data would be beneficial to the implementation of the Rent Adjustment Ordinance, 2) concern that the implementation of a rental registry benefited tenants and not property owners, 3) concerns that the collection of rental data could infringe on privacy, and 4) concerns about the administrative and technical burdens that a rent registry would pose to property owners. Of particular concern was equity and access to technology. Property owners also raised concerns about the possible impacts on fees that are borne by both owners and tenants.

In crafting the approach to implementing a rent registry, RAP has noted these concerns, especially in regard to privacy, equity, and fee impacts. While rent registry data could be the subject of public records acts, RAP has taken into account owners' fears of privacy infringement and will take care to mask and/or group data to avoid revealing personal information and identifying information. Concerns about access to technology are noted as well. This is one of the main reasons that RAP plans extensive outreach to the property owner community during the latter half of 2022. Extensive outreach and training can help owners prepare for the

upcoming requirements so that the registration period itself will be less burdensome. And while RAP's primary rent registry access point will be through an online database, the agency will also create and disseminate registration forms for owners who do not have easy access to a computer. And as for the economic impact, the agency has worked creatively to implement a staffing model that utilizes existing resources so as not to necessitate a fee increase.

### **COORDINATION**

This report and legislation were prepared in coordination with the City Attorney's Office.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** While there are no direct economic opportunities associated with this report, the maintenance of a rent registry is expected have a direct impact in the prevention of illegal rent increases, which in turn may reduce evictions associated with illegal rent increases. Thus, the creation and maintenance of a rent registry will amount to a strengthening of tenant protections and act as a stabilizing force in maintaining housing. Housing stability is a necessary component in increasing citizens' economic stability and associated economic opportunities.

***Environmental:*** There are no environmental opportunities associated with this report.

***Race and Equity:*** African-American, Latinx, Asian, and other immigrant communities continue to be the populations most vulnerable to displacement as Oakland's housing crisis continues. Approval of this ordinance and the creation of a rent registry will be a key tool in ensuring transparency in allowable rents. This will in turn enable the city to monitor allowable rents and protect tenants from illegally high housing costs and from unjust evictions and illegal rent increases.

### **ACTION REQUESTED BY THE CITY COUNCIL**

Adopt An Ordinance Amending The Rent Adjustment Ordinance (O.M.C. 8.22.010 Et Seq) And The Just Cause For Eviction Ordinance (O.M.C. 8.22.300 Et Seq) To (1) Create An Annual Registration Requirement For Residential Rental Units In Which Rental Property Owners Of Units Subject To Section 8.22.500.D Shall Be Required To Report Rent And Other Tenancy Information, As Set Forth In Section 8.22.520, (2) Require Owners To Provide Evidence Of Complying With Registration Requirement When Filing Rent Increase Petitions or Responses To Tenant Petitions And (3) To Provide As A Tenant's Affirmative Defense In An Eviction Action The Property Owner's Failure To Comply With Registration Requirements Outlined In O.M.C. 8.22.510.

Edward D. Reiskin, City Administrator

Subject: Amendment to Rent Adjustment Ordinance to Establish Residential Rental Registry


Date: May 24, 2022

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For questions regarding this report, please contact Chanée Franklin Minor at 510.238.3262.

Respectfully submitted,



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SHOLA OLATOYE  
Director, HCD

Reviewed by:

Emily Weinstein, Deputy Director, HCD

Prepared by:

Chanée Franklin Minor, Program Manager,  
Rent Adjustment Program