



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Emily Weinstein
Interim Director, Housing
and Community
Development Department

SUBJECT: Amendment to Rent Registry
Ordinance

DATE: October 10, 2023

City Administrator Approval

Date:

Nov 2, 2023

RECOMMENDATION

Staff Recommends That The City Council Adopt An Ordinance Amending The Rent Registry Ordinance (Ordinance No. 13695 C.M.S.) To Modify The 2024 Registration Deadline From March 1, 2024 To July 1, 2024.

EXECUTIVE SUMMARY

The proposed legislation would amend the City of Oakland's ("City") [Rent Registry Ordinance](#) to extend the 2024 deadline to register from March 1, 2024, to July 1, 2024. The requested extension would provide sufficient time for the [Rent Adjustment Program](#) ("RAP") to complete its staffing model, finalize the data entry from the 2023 registration cycle, and provide additional outreach and support to property owners.

BACKGROUND / LEGISLATIVE HISTORY

In 1980, the Oakland City Council ("Council") passed its first rent control ordinance which established the Housing, Residential Rent Arbitration and Relocation Board and the 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 enumerated "just causes for eviction" 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.

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

CED Committee
November 14, 2023

On June 21, 2022, the Council adopted Ordinance [No. 13695 C.M.S](#) (“Rent Registry Ordinance”), which amended the Rent Adjustment Ordinance to establish a rent registry in Oakland, effective March 1, 2023. The Rent Registry Ordinance requires rental property owners to annually report tenancy data with the RAP, and also establishes that an owner’s failure to annually register tenancy data will result in denial of otherwise-allowable rent increases and will provide an affirmative defense in an eviction action. The rent registry itself is not currently publicly available although RAP does respond to public records requests for information in the registry.

The Rent Registry Ordinance sets forth March 1, 2023 as the date by which property owners will be required to start providing the tenancy data required. This date aligns with the date for property owners to pay the Rent Program Service Fee (“RAP fee”), which is due annually and is considered delinquent if not paid by March 1.

On December 6, 2022, Council adopted Ordinance No. 13710 to extend the submission deadline for rent registry forms from March 1, 2023 to July 1, 2023. RAP recommended this action because both the development of the rent registry database and fulfillment of RAP’s rent registry staffing model required more time to complete than originally envisioned.

As discussed in greater detail below, the large number of 2023 registration forms submitted via email or paper have required a significant amount of staff time to review and enter into the rent registry database. At the same time, RAP has not been able to fill all its vacancies and has lost temporary staff who were dedicated to data entry. In order to ensure that the 2023 rent registry data entry is completed before property owners are asked to review and update their data for 2024, RAP recommends adopting the proposed ordinance amendment to extend the upcoming registration cycle deadline date from March 1, 2024 to July 1, 2024.

In subsequent years, the original March 1 deadline outlined in the Rent Registry Ordinance would take effect.

ANALYSIS AND POLICY ALTERNATIVES

The proposed amendment seeks to further the City’s housing, economic, and cultural security by providing the Rent Adjustment Program with sufficient time to complete the first registration cycle that allow property owners to review and update the information they have already provided to RAP and RAP to more efficiently respond to tenant registration status inquiries. It is expected that the proposed amendments will result in a more effective implementation of the Rent Registry Ordinance, thereby leading to an increase in property owners’ compliance. This in turn will result in enhanced transparency and accessibility of both rent data and rent increase limits, thus assisting both owners and tenants in the maintaining of lawful rents.

The proposed amendment extends the 2024 deadline to provide tenancy data as required by the Rent Registry Ordinance from March 1, 2024, to July 1, 2024.

RAP’s experience with the initial year of the rent registry program has provided staff with several insights into the needs and challenges of the registration process.

First, while RAP has provided extensive outreach to the property owner, even more outreach will be required. Compliance with the rent registration requirement is just over 50% in October 2023, three months after the 2023 registration deadline. RAP is currently exploring additional ways to reach property owners who may remain unaware of their obligations and encourage them to register for the 2023 cycle. The 2023 cycle has ended, but owners can still continue to register.

Second, the staff time required to process submissions has been significant. RAP provides for three manners of registration by a property owner: directly into the online rent registry, via emailed registration submissions, and via paper (mailed) registration submissions. RAP has found that many property owners have provided emailed or paper ("Form-Based") submissions; of the 17,000 submissions property owners have made to date, 2,900, or 17 percent, have been Form-Based. Processing these Form-Based submissions requires a significant amount of work by RAP staff. Of the 2,900 submitted, staff have reviewed, resolved deficiencies, and performed data entry for 1,000. The 1,000 number represents the work of two dedicated staff for four months (or the equivalent of approximately 125 forms per dedicated staff member per month.)

Third, achieving and maintaining the staffing required to perform the rent registry work has proved very challenging. The temporary staff that RAP had available to perform this work had to leave in September because of civil service regulations limiting temporary employee contracts to 120 days. RAP hopes to re-fill those positions as soon as possible – likely in early to mid-November. RAP also hopes to add two additional temporary staff to support the Rent Registry work.

Ideally, four of the new staff positions (all Administrative Assistant 1s) will be dedicated to data entry. If the plan to hire the staff is successful and the new staff start in mid-November, past experience suggests that by mid-March 2024 is a reasonable estimate for finishing the 1,900 in-hand Form-Based submissions. Importantly, given that half of property owners have not yet registered and RAP is continuing to provide outreach to owners to reach full compliance, RAP expects to continue receiving additional Form-Based submissions that will also need to be processed and entered.

RAP intends to reach out to property owners two months in advance of the upcoming submission deadline to remind them of the 2024 registration obligation. If the deadline to register in 2024 is extended to July 1, RAP would therefore start outreach May 1. The plan for dedicated data entry staff should ensure that the data would be entered by May 1 for all owners who provided Form-Based submissions in 2023. It is important that data entry for the prior year be completed before asking an owner to update the current year's submission: if not, property owners will not see the information they previously submitted when they try and review and update their forms and may understandably become confused and frustrated with their experience.

Given the combination of factors as described above – the need for additional outreach to property owners, the large percentage of property owners who are submitting forms in a manner which requires time-consuming data entry by RAP staff, and the challenge of reaching and maintaining an adequate staffing level to perform the work – RAP foresees that the March 1, 2024 deadline will not provide adequate time for RAP's work related to the 2023 cycle to be completed before beginning the 2024 cycle. RAP thus recommends that the Council to approve the amendment as proposed. This will extend the 2024 deadline for registration to July 1, 2024

which will provide RAP the additional time needed to fully staff, complete the 2023 data entry, and support property owners through additional outreach.

FISCAL IMPACT

There is no fiscal impact expected as a result of the adoption of these amendments. The RAP fee delinquency deadline remains unchanged as March 1st, and property owners' obligation to pay this fee timely also remains unchanged.

PUBLIC OUTREACH / INTEREST

RAP has continued to keep key stakeholders updated as the rent registry program has been implemented. Many of these stakeholders serve low-income clients. RAP has had informal conversations with property owner and tenant groups about the extension of the 2024 registration deadline and has not heard concerns expressed about that possible action.

COORDINATION

This report and legislation were prepared in coordination with the City Attorney's Office. The Finance Department was also consulted on the legislation.

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 approving the ordinance amendment that will ensure a smooth rollout and in turn better compliance with 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 & 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 amendment is expected to increase compliance with the Rent Registry Ordinance, which in turn will further transparency in allowable rents. Maintenance of a robust rent registry will enable the city to monitor allowable rents and protect tenants from illegally high housing costs and from unjust evictions and illegal rent increases.

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 ¹ 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.² 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."³ 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."⁴ 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.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt An Ordinance Amending The Rent Registry Ordinance (Ordinance No. 13695 C.M.S.) To Modify The 2024 Registration Deadline From March 1, 2024 To July 1, 2024.

For questions regarding this report, please contact Rent Adjustment Program Manager Victor Ramirez at 510.238.3220.

Respectfully submitted,



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¹ The Housing Initiative at Penn, "Housing Vulnerability in Oakland, CA," September 2020.

² Ibid.

³ Ibid.

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