Contra Costa County

To: **Board of Supervisors**

From: LEGISLATION COMMITTEE

Date: September 18, 2018

Subject: Consider Advocacy Position on Proposition 10 on the November 6, 2018 Ballot

RECOMMENDATION(S):

CONSIDER adopting an advocacy position for Proposition 10 "Expands Local Governments' Authority to Enact Rent Control on Residential Property. Initiative Statute" on the November 6, 2018 ballot.

FISCAL IMPACT:

The Legislative Analyst's Office has indicated: "Unknown, but potentially significant, changes in state and local government tax revenues. Net decrease more likely than net increase. Potential increase in local government costs of up to tens of millions of dollars per year in the long term, likely paid by fees on owners of rental housing."

BACKGROUND:

At their August 13, 2018 meeting, the Legislation Committee (Chair Karen Mitchoff and Vice Chair Diane Burgis) considered Proposition 10 on the November 6, 2018 ballot and directed staff to place the item on the Board of Supervisors' agenda for discussion and development of an advocacy position. (The Committee took no vote on a recommendation to the Board for Prop. 10.)

APP	ROVE	OTHER	
RECOMMENDATION OF CNTY ADMINISTRATOR RECOMMENDATION OF BOARD COMMITTEE			
Action of Board On: 09/18/2018 ☐ APPROVED AS RECOMMENDED ✓ OTHER			
Clerks Notes: See Addendum			
VOTE OF SUPERVISORS			
AYE:	Candace Andersen, District II Supervisor		
	Diane Burgis, District III Supervisor	I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the	
	Karen Mitchoff, District IV Supervisor	Board of Supervisors on the date shown.	
		ATTESTED: September 18, 2018	
NO:	John Gioia, District I Supervisor	David Twa, County Administrator and Clerk of the Board of Supervisors	
ABSENT:	Federal D. Glover, District V Supervisor	By: June McHuen, Deputy	
Contact: L. DeLaney, 925-335-1097			

Proposition 10 is an initiated state statute that would repeal the	

BACKGROUND: (CONT'D)

Costa-Hawkins Rental Housing Act (<u>Costa-Hawkins</u>), thus allowing local governments to adopt rent control ordinances—regulations that govern how much landlords can charge tenants for renting apartments and houses. Proposition 10 would also state that a local government's rent control ordinance shall not abridge a fair rate of return for landlords.

Costa-Hawkins is a state statute that limits the use of rent control in California. Costa-Hawkins provides that cities cannot enact rent control on (a) housing first occupied after February 1, 1995, and (b) housing units where the title is separate from connected units, such as condominiums and townhouses. Costa-Hawkins also provided that landlords have a right to increase rent prices to market rates when a tenant moves out. Prior to the enactment of Costa-Hawkins, local governments were permitted to enact rent control, provided that landlords would receive just and reasonable returns on their rental properties. The California State Legislature passed Costa-Hawkins in 1995.

The text of the proposition can be found here: Proposition 10

The Legislative Analyst's Office's analysis of Proposition 10 is included in Attachment A.

More information about the proposition can be found here: https://ballotpedia.org/California Proposition 10, Local Rent Control Initiative (2018)

CONSEQUENCE OF NEGATIVE ACTION:

There will be no official position on the proposition from the Board of Supervisors.

CLERK'S ADDENDUM

Speakers: Gloria Bruce, East Bay Housing Organizations; Zuleika Godinez, Ensuring Opprtunity; Melvin Willis, resident of Richmond; David Sharples, resident of Richmond. The Board voted to TAKE NO POSITION at this time.

ATTACHMENTS

Attachment A