



CITY OF LARKSPUR
Staff Report

June 17, 2024, City Council Special Meeting

DATE: June 13, 2024

TO: Honorable Mayor Candell and the City Council

FROM: Dan Schwarz, City Manager

SUBJECT: IMPACT REPORT FOR INITIATIVE PROPOSING AN ORDINANCE TO LIMIT RENT INCREASES FOR AND EVICTIONS OF TENANTS OF SOME RENTAL UNITS

ACTION REQUESTED

Receive report.

SUMMARY AND BACKGROUND

California Elections Code Section 9212 provides that the City Council may order a report on the effect of a proposed initiative and may refer the initiative measure to any city agency or agencies for such a report. The City may order a report before taking action to submit the proposed ordinance to the voters. In ordering the report, the Council may require that the city agency address a number of issues, including fiscal impact and any matters the Council requests. The report must be presented to the legislative body within 30 days after the elections officer certifies to the legislative body the sufficiency of the petition (Elections Code, Section 9212 (b)). After reviewing and considering this report, the City Council must either adopt the initiative without any amendments or schedule an election for consideration of the initiative by city voters (special election) within 10 days.

On July 13, 2022, the City Council approved Resolution 41/24 accepting a Certificate of Sufficiency of Signatures on a Petition for an Initiative Ordinance to Limit Rent Increases for and Evictions of Tenants of Some Rental Units. The Council deferred taking action calling for the initiative to be placed on the November 5, 2024, ballot. Pursuant to Elections Code Section 9212, the Council requested that staff provide a 9212 Impact Report of the effects of the Initiative within 30 days.

In 2023, the City Council adopted ordinances creating local rent stabilization and eviction protection rules for certain rental units in the City of Larkspur. The ordinance establishing local rent stabilization survived a referendum on the March 5, 2024, ballot. The ordinances were passed by the City Council following more than a year's public discussion, debate, and process about rent stabilization and eviction protections.

AGENDA ITEM 8.1

The submitted initiative rescinds the ordinances approved by the City Council and replaces them with a single ordinance containing provisions that in some cases are substantially different from what was passed by the City Council. Within the context of Elections Code 9212, the impacts of the most notable changes, including a lower cap on rent increases and the right for tenants to return to units several years after eviction, are discussed in this report.

A primary purpose of the 9212 Impact Report is to evaluate the potential fiscal impacts of the initiative on the City's budget. The City is in the first year of implementation of the ordinances passed by the City Council and staff has developed a model that complements in-house resources with outside support. Staff's evaluation of the initiative is that its more intense regulatory scheme is beyond the capacity of the staffing model developed for the current ordinances. Should the initiative pass, staff believes that the City will need to reconsider its staffing and support model and likely commit at least one full time management position to the administration of the program. Both the City's current ordinances and the initiative contemplate that the City will recover its costs through the adoption of a fee paid by property owners renting units.

ANALYSIS AND DISCUSSION

Rent stabilization and eviction protections ordinances have existed at the local level in some parts of California since the 1970s. For two decades, local governments were able to enact such ordinances with few constraints specifically imposed by state law. In 1995, the Costa-Hawkins Rental Housing Act (1995) introduced three significant limitations. First, it exempted certain types of rental units from local rent stabilization (most notably single family homes and condominiums). Second, it exempted units built after the February 1, 1995, effective date of the Act. Third, it prohibited "vacancy control." Vacancy control refers to regulating the amount a landlord may charge for a new lease of a vacant unit. Under Costa-Hawkins, when a unit becomes vacant, a landlord is not restricted in the amount of rent charged in a new lease. It was common prior to Costa-Hawkins for rent stabilization ordinances to include vacancy control.

Tenant Protection Act

On January 1, 2020, rent stabilization and eviction protections became state law and took effect in Larkspur with the enactment of the Tenant Protection Act. Notably, the Tenant Protection Act is not subject to Costa-Hawkins and some of its provisions do not adhere to the 1995 limitations.

Provisions of note in the Tenant Protection Act:

- It applies to rental units that are more than fifteen years old.
- It applies to single family homes and condominiums if those units are owned by a real estate trust or corporation.
- It establishes a ceiling or cap on rent increases in a twelve-month period of 5% plus inflation (a local Consumer Price Index) not to exceed 10%.
- It codifies definitions of "at fault" and "no fault" just cause evictions and establishes that when a tenant is evicted under a "no fault" cause – a circumstance beyond the tenant's control – the tenant shall receive compensation equivalent to one month of rent.
- The Act sunsets on January 1, 2030.

The Tenant Protection Act requires no local enforcement – disputes are resolved through the legal system.

City Council Ordinances

In 2022 and 2023, at the request of members of the public, the City Council examined issues relating to rent stabilization and eviction protections, focusing on the adequacy of the Tenant Protection Act to deter tenant displacement. The City Council held a series of public forums and meetings on the subject and ultimately decided to adopt two ordinances amending the Municipal Code – one addressing just cause

AGENDA ITEM 8.1

evictions and tenant protections and the other concerning rent stabilization. The latter ordinance was subjected to a referendum and was upheld by the voters on the March 5, 2024, ballot.

Provisions of note in the Larkspur Municipal Code:

- Rent stabilization is subject to the restrictions of the Costa-Hawkins Act.
- It defines an effective date for determining a base rate, effectively rolling back rent increases to May 8, 2023.
- It establishes a cap on rent increases in a twelve-month period of 5% plus inflation (local CPI) or 7%, whichever is lower.
- It creates an administrative process for a property owner to petition to exceed the cap in order to realize a fair rate of return on rental property, with the resulting staff determinations appealable to a rent review board appointed by the City Council.
- It reiterates the definitions for just cause evictions found in state law and increases the compensation for a no fault eviction to the greater of the equivalent of three months of rent or \$5,000.
- For specific vulnerable populations (terminally ill and elderly), it extends the noticing period for a no fault eviction to allow more time to plan relocation.
- For no fault evictions due to substantial remodel or the intent that the unit shall be occupied by the owner or a member of the owner's family, if the owner desires to restore the unit to the rental market within twelve months of the eviction, the evicted tenant has a right to return to the unit at the rental rate in effect at the time of the eviction.
- The ordinances sunset on January 1, 2030.

To minimize the impact of Larkspur's rent stabilization and eviction protection ordinances on city operations, the Municipal Code follows state law whenever possible. Most of the active enforcement language concerns the evaluation of petitions for a fair rate of return. The remainder of the program is fairly passive or responsive with respect to administrative responsibilities. The language of the ordinances allows the City Council to require registration of rental units and to impose a fee for such registration. The intent of this language is to develop a "rental registry" – a database of rental activity in the community – and to recover costs associated with administering the program.

Citizens' Initiative

The initiative that is the subject of this report (Attachment 1) would remove the City Council's ordinances from the Municipal Code and replace them with a single ordinance addressing both rent stabilization and eviction protections.

Notable provisions of the initiative:

- Rent stabilization is subject to the restrictions of the Costa-Hawkins Act.
- It defines an effective date for determining a base rate, effectively rolling back rent increases to August 3, 2022.
- It establishes a cap on rent increases in a twelve-month period of 60% of CPI or 3%, whichever is lower.
- It creates a public hearing process for a property owner to petition to exceed the cap in order to realize a fair rate of return on rental property, with the ruling of the hearing officer appealable to the City Council.
- It nullifies specified lease provisions concerning the assignment of utility charges on a pro-rata basis.
- For specified at fault evictions, it establishes noticing requirements and restrictions not found in state law. (Note: would be enforced by the court, as it would be necessary to prove compliance when filing to evict a tenant.)

AGENDA ITEM 8.1

- For no fault eviction when the owner wishes to occupy or have a family member occupy a unit, it exempts specified, vulnerable tenants from being subject to eviction and it provides a 36-month right to return period during which the evicted tenant may return should the unit be placed back on the market. When returning, the evicted tenant would pay the rent at the time of eviction.
- For no fault evictions under the Ellis Act, which protects a property owner's right to remove a property from the rental market, it defines penalties, consequences, and terms for right of return at periods of 2, 5, and 10 years.
- For no fault evictions for substantial renovations, it defines noticing requirements and establishes that the evicted tenant has a right to return to the unit at the rent paid at the time of eviction plus any allowable annual adjustment.
- It sets compensation for a no fault eviction at the greater of the equivalent of four months rent or \$8,000. Specified vulnerable populations receive an additional \$4,000.
- It establishes per diem compensation for temporary short-term relocation of tenants when work on a unit requires that tenants vacate.
- It codifies various protections and rights of tenants.
- There is no sunset provision.

The citizens' initiative defines the Rent Stabilization and Tenant Protections Program as "the City department that implements and enforces this Chapter." While staff does not interpret this definition to mean that the program requires creation of a stand-alone city department, it does imply an organizational unit should be established for this program. Additionally, the initiative codifies numerous administrative and enforcement requirements for "the Program," that will necessitate a dedicated organization unit. See the legal issues discussion below about the enforceability of the administrative components of the initiative.

Impact Should the Citizens' Initiative be Approved by Voters

California Elections Code Section 9212 states that the impact report for an initiative shall address eight factors:

- (1) Its fiscal impact.
- (2) Its effect on the internal consistency of the city's general and specific plans, including the housing element, the consistency between planning and zoning, and the limitations on city actions under Section 65008 of the Government Code and Chapters 4.2 (commencing with Section 65913) and 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.
- (3) Its effect on the use of land, the impact on the availability and location of housing, and the ability of the city to meet its regional housing needs.
- (4) Its impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the measure would be likely to result in increased infrastructure costs or savings, including the costs of infrastructure maintenance, to current residents and businesses.
- (5) Its impact on the community's ability to attract and retain business and employment.
- (6) Its impact on the uses of vacant parcels of land.
- (7) Its impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.
- (8) Any other matters the legislative body requests to be in the report.

Staff provides the following assessment of the impact of the initiative under each category, acknowledging that there is a level of speculation required for some of the analysis.

1. Fiscal Impact

The City is in the first year of implementation of the rent stabilization and eviction protection ordinances passed by the City Council in 2023. Implementation has involved three categories of resources: city staff,

AGENDA ITEM 8.1

outside support, and software. City staff time has been allocated in the form of a portion of time from the City Manager, Assistant City Manager, and Administrative Analyst within the Administration Department. In the model the City is developing, the Administrative Analyst is anticipated to be the primary internal staff person for the program, overseeing data collection and management, as well as aspects of communication, outreach, and engagement. In the first few years of the program, it is envisioned that the Analyst will spend 50% of time on the program. As a cost in dollars, the total amount of staff time allocated to the program approximates \$100,000 annually.

Outside support for the program involves the use of an organization called ECHO, which specializes in direct engagement with tenants and property owners about their rights and responsibilities under local and state laws. ECHO is authorized to answer questions about the Larkspur ordinances and how they are being implemented and enforced. ECHO works on a time and materials agreement not to exceed \$50,000 in the first year.

To manage the rent stabilization and eviction protection program, the City has acquired license agreements and technical support from a company called 3Di, which has within its data management software a module specifically designed for supporting such a program. The first-year cost of the software is \$ 81,500, with subsequent years costing \$54,180 (Year 2) to \$62,720 (Year 5). Time and materials support is also available.

Staff anticipates varying degrees of legal and support costs and has projected needing \$10,000 to \$50,000 annually for such purposes.

In total, staff believes the current program will cost the City \$250,000 to \$300,000 annually to operate.

The initiative implies the establishment of a separate organizational unit to support the program. The initiative purports to require staff to develop systems to monitor and track not just rents and rent increases, but evictions and the restoration of units to the market. The initiative requires coordination between the program administrator and other city units, such as the Building Division, to make certain notices comply with the ordinance and that proposed building improvements comply with required tenant safety plans. If the City must perform those functions, the responsibilities of the program administrator would best be addressed by someone with a background in housing matters. Additionally, the program administrator would need to be capable of acting on behalf of the City, including in enforcement matters that might carry liability if administered incorrectly. Finally, the rent cap in the initiative is lower in relation to the rent cap in the Municipal Code and it is believed a lower cap will invite more petitions by property owners to exceed the restriction.

Having reviewed the staffing models in other cities, staff anticipates the City would need a dedicated management level employee at a total cost of roughly \$200,000 annually. This employee would be assisted by a staff person shared with another function(s), such as an Administrative Analyst, at a cost of \$50,000 to \$80,000 per year. Ultimately, it might be necessary to hire a dedicated administrative support person. The agreement with ECHO for general support and outreach would likely continue, as would the agreement with 3Di for software. Legal and support costs would most likely increase to \$50,000 to \$100,000 to address the more complex ordinance.

In total, staff believes the program in the initiative would cost the City \$400,000 to \$500,000 annually to operate. **This means the direct fiscal impact on the cost of City operations is projected to be \$150,000 to \$200,000 in the first year** (the increased cost over the current program). The cost increase may grow over time if demand for program services intensifies.

Both the City's current program and the program in the initiative allow the City Council to recover costs by establishing a registration fee for property owners wishing to rent units in Larkspur. The initiative goes so

AGENDA ITEM 8.1

far as to establish an initial registration fee, proposing a two-tiered system for units subject to both rent stabilization and eviction protections and those units subject only to eviction protections. The two-tiered approach is found in many cities with these types of ordinances. Depending on the final mix of units that fall into each category (plus consideration for exempt units), staff estimates that the annual costs of the program, and thus the annual fee, for property owners subject to both components of the program will likely be \$140 to \$160 per unit under the current program in the Municipal Code and \$175 to \$200 per unit under the initiative. Final numbers will depend on true costs, which will not be known for one to two years.

Another potential fiscal impact of the initiative is a negative effect on property tax revenue. During the City Council's exploration of rent stabilization and eviction protections, representatives for the owner of one apartment complex stated that if a rent stabilization ordinance established a rent cap that would make it difficult for the owner to realize the rate of return projected at the time the complex was purchased, the owner would apply for a downward reassessment of the property value. City staff met with staff from the County Assessor's Office and learned that a rent stabilization ordinance would be a valid reason to petition for a reassessment. The assessed value of an apartment complex is based, in part, on the assumptions made at the time of acquisition, and a rent stabilization ordinance could have a material effect on the owner's pro forma. Staff from the County Assessor's Office did not state that any particular application for a reduced assessed valuation would be approved or denied. They only confirmed that rent stabilization is a cognizable basis for an application.

2. Effect on the Internal Consistency of the City's General and Specific Plans

Staff does not believe this initiative has an effect on the internal consistency of the City's General and Specific Plans. The City is in the final stages of revising its Housing Element, which incorporates the existence of local rent stabilization and eviction protections into its text.

3. Effect on the Use of Land, including the Availability of Housing

Generally, staff does not believe this initiative will have an effect on the use of land, but does note that most of the complaints received to date from property owners about the City Council's ordinances have focused on eviction protections. In particular, several property owners have indicated they are or will be removing their single-family homes from the rental market in response to the ordinance. The initiative proposes a broader scope of eviction protections than found in Larkspur's Municipal Code and a similar ordinance adopted in Fairfax has received highly publicized criticism from owners of smaller rental properties for its potential to drive units off the market.

4. Impact on Funding for Infrastructure

If the City realizes a loss of property tax (discussed above) as a result of the initiative, there will be less money available for the General Fund, including for infrastructure projects. Otherwise, staff does not believe there is a direct impact on funding for infrastructure.

5. Impact on Community's Ability to Attract and Retain Business and Employment

Staff does not believe this initiative will have an impact on the community's ability to attract and retain business and employment.

6. Impact on Uses of Vacant Parcels of Land

Staff does not believe this initiative will have an impact on the uses of vacant parcels of land, but notes that some speakers have voiced concern that rent stabilization and evictions protections are a disincentive to use vacant parcels to construct apartments.

AGENDA ITEM 8.1

7. Impact on Agricultural Lands, Open Space, Traffic Congestion, Existing Business Districts, and Developed Areas Designated for Revitalization

Staff does not believe this initiative will have an impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.

8. Any Other Matter the Legislative Body Requests to Be in the Report

The City Council has expressed concern about and requested discussion about the economic impact of the initiative on the community as a whole. The overall economic impact of this initiative is open to considerable debate. Rent stabilization is an anti-displacement policy and the initiative's low rent cap reduces a considerable factor in what leads a tenant to move. In simple terms, rent stabilization is a benefit for the current resident. Rent stabilization is not an affordable housing policy, nor does it curb the rise in market rates for housing. It arguably has the opposite long-term effect as less displacement means fewer units are available on the market. Of the papers reviewed by staff about these issues and arguments, the attached article (Attachment 2) by a group led by Professor Karen Chapple, offers a good overview of the economic arguments concerning housing market interventions, including rent stabilization, and the various implications for the behavior of a market sector. Throughout the City Council's exploration of the topics of rent stabilization and eviction protections, supporters of intervention spoke of the negative effects of an unregulated rental market while opponents of intervention spoke of the unintended consequences of regulation. Voters are encouraged to visit <https://www.cityoflarkspur.org/TPO> and follow the link to "Past Rent Regulation Meetings and Staff Reports" to review these arguments.

The Council expressed interest in what the effect of the initiative would be on the rent cap – the threshold above which a property owner would have to petition to increase the rent amount. The table below uses the 12-month percent change in CPI for every year from 2000 to 2024 to illustrate the rent cap calculation that state law, the current Larkspur Municipal Code, and the initiative would have determined were they in effect for this period.

Effect of Different Rate Cap Calculations Had They Been in Effect in Larkspur from 2000 to 2024

Year	12-Month % Change CPI	% Maximum Allowable Rent Increase (Cap)		
		State law	Municipal Code	Initiative
2000 Apr	3.8	8.80	7.00	2.28
2001 Apr	5.8	10.00	7.00	3.00
2002 Apr	2.1	7.10	7.00	1.26
2003 Apr	2.2	7.20	7.00	1.32
2004 Apr	0.5	5.50	5.50	0.30
2005 Apr	2.1	7.10	7.00	1.26
2006 Apr	3.2	8.20	7.00	1.92
2007 Apr	3.3	8.30	7.00	1.98
2008 Apr	2.9	7.90	7.00	1.74
2009 Apr	0.8	5.80	5.80	0.48
2010 Apr	1.7	6.70	6.70	1.02
2011 Apr	2.8	7.80	7.00	1.68
2012 Apr	2.1	7.10	7.00	1.26
2013 Apr	2.4	7.40	7.00	1.44
2014 Apr	2.8	7.80	7.00	1.68
2015 Apr	2.4	7.40	7.00	1.44

AGENDA ITEM 8.1

Year	12-Month % Change CPI	% Maximum Allowable Rent Increase (Cap)		
		State law	Municipal Code	Initiative
2016 Apr	2.7	7.70	7.00	1.62
2017 Apr	3.8	8.80	7.00	2.28
2018 Apr	3.2	8.20	7.00	1.92
2019 Apr	4	9.00	7.00	2.40
2020 Apr	1.1	6.10	6.10	0.66
2021 Apr	3.8	8.80	7.00	2.28
2022 Apr	5	10.00	7.00	3.00
2023 Apr	4.2	9.20	7.00	2.52
2024 Apr	3.8	8.80	7.00	2.28

The April calculation of “12-month % Change in CPI” is used to be consistent with a provision in the initiative.

Finally, there are two general categories of legal issues associated with the initiative that Council might find informative. The first has to do with the enforceability of several provisions of the initiative related to the administration of the programs envisioned in the ordinance. The second has to do with defense of the initiative, if challenged in whole or in part.

With regard to the first issue, California courts have established that the voters’ power to enact law through initiative is not unlimited. The power of initiative is limited to legislative acts and cannot compel administrative or executive acts. An initiative is subject to invalidation by a court to the extent that it deals with and seeks to direct administrative acts. The distinction between legislative acts and administrative ones can be blurry—and courts may be cautious to invalidate a measure— in part because an initiative may properly include both a broad public purpose and also specific “provisions for ways and means of its accomplishment.” That said, courts have drawn a line to find that an initiative amounts to an administrative act when it infringes on “governmental powers properly assigned to the executive department” and that an initiative that “interferes with the City’s ability to carry out its day-to-day business is not a proper subject of voter power.”

A city is not prohibited, however, from implementing an initiative that directs administrative acts. Rather, an initiative that includes provisions that intrude into areas of city administration are subject to court challenge and potential invalidation, in whole or in part. The court-created tests for deciding this issue are mostly fact-specific and therefore this question cannot be answered except through litigation.

Nevertheless, the proposed initiative includes a number of provisions that could be characterized as administrative. Some examples include:

- The requirement that the City maintain records of units withdrawn from the market and re-rented and provide notice of re-rental to the tenant displaced.
- The requirement to maintain a register of rental units withdrawn from the market.
- The requirement that the City review and decide whether a Tenant Safety Plan, as defined in ordinance, is adequate.
- The requirement that the City collect data from Buyout Agreements, as defined in the ordinance, that are filed with the City.
- The requirement that the City “issue rules and regulations as will further the purposes” of the initiative.
- The requirement that the City produce a brochure that describes the legal rights and obligations of landlord and tenants.

AGENDA ITEM 8.1

- The requirement that the City produce materials that describe a tenant's rights for posting in common areas of rental housing buildings.

There is a section of the initiative ordinance that lists “powers, duties, and responsibilities” of the City administrative staff. It does not specify which of the listed items is a power and which is a duty. If characterized as duties, several of the listed items could be viewed as an intrusion into the administration of the City, including for example:

- Issuing orders, rules, and regulations.
- Reporting annually to the City Council on the status of rental housing regulated by the ordinance.
- Maintaining a database of unlawful detainer filings, and termination, rent increase, and change in terms of notices received.

Another of the items on that list potentially makes it a duty of the City administration to “[m]ake available on a contract basis legal services for low income residents of the City related to presentation in evictions, petitions, hearings and administrative appeals.” California courts have not definitively ruled on this issue, but many have suggested that, with some exceptions not applicable here, entering into contracts is an administrative act. In other words, it may be beyond the voters’ power, through an initiative, to compel the City to enter into a contract to provide legal services to low income residents of the City.

Other provisions of the initiative ordinance potentially exceed the voters’ power for related reasons. The ordinance states that “Council shall finance the reasonable and necessary expenses of the Program by charging Landlords an annual Rental Housing Fee.” California courts have established that the voters, in exercising legislative power by initiative, cannot compel further legislative acts by a legislative body. Thus, it is questionable whether the initiative can compel the City Council to adopt a fee on rental housing. As noted above, the ordinance establishes initial fee amounts, and it authorizes Council to increase the fee amounts based on administrative costs. However, if Council opts not to adopt fee amounts that reflect actual administrative costs, the initial fee amounts established by the ordinance might be inadequate to fully fund the program. Since the ordinance also provides the costs of administration shall not be paid from the City’s General Fund, if Council left in place the fee amounts established by the ordinance, it might not be possible to implement all aspects of the ordinance.

Another provision states that the City Council “shall review and assess yearly that a sufficient number of staff are employed by the Program, such as a Program Administrator, hearing examiners, housing counselors and legal services, as may be necessary to perform the functions of the Program efficiently in order to fulfill the purpose of” the ordinance. It is unclear whether this provision of the ordinance attempts to compel the City Council to direct the hiring of staff based on its determinations about the administrative needs of the ordinance—assuming the ordinance can compel the City Council to undertake such annual review. In a general law city such as Larkspur, the City Council appoints only two positions: the City Manager and City Attorney. The City Manager has independent authority to make all other hiring decisions for the administration of the City. To the extent this provision of the ordinance purports to compel that the City create and fill positions for the administration of the ordinance, it might be beyond the power of the voters.

Regarding the second general category of legal issues, in the event of a legal challenge to all or any part of the proposed initiative ordinance, California courts have recognized that cities are not legally required to provide a defense. In this case, the City could answer a legal challenge by declining to defend the initiative ordinance, including agreeing that all or some of the challenged provisions are unlawful. The initiative proponents would have standing to intervene in the litigation to defend the ordinance. The City, however, cannot be compelled to defend the initiative or to fund a legal defense. The proponents or parties with legal standing could defend the initiative, but they would have to do so at their own expense.

CONCLUSION

The submitted citizens' initiative would create a regulatory scheme for rent stabilization and eviction protections that would result in increased staffing costs. Staff projects the initial increase in cost would be \$150,000 to \$200,000 over what the City is projects spending for its current program, and that amount might grow over time. In total, program costs under the initiative are expected to approach \$500,000 annually. The initiative proposes that this fiscal impact be eliminated by charging a registration fee to the owners of rental property that is sufficient to cover the costs of the program. Additionally, staff believes there is a real possibility that the initiative will result in reduced property tax revenue for the City by inviting some number of petitions from property owners seeking a reduction in the assessed value of their rental property.

Rent stabilization and eviction protections ordinances are a form of government intervention into a market. There are many theoretical arguments about the impact of these ordinances that were discussed when the City Council conducted its extensive process that concluded with the adoption of the ordinances now found in the Municipal Code. Voters are encouraged to visit <https://www.cityoflarkspur.org/TPO> and follow the link to "Past Rent Regulation Meetings and Staff Reports" to review these arguments.

STAFF RECOMMENDATION

It is recommended for the City Council to receive this report and direct staff to publish it on the City's website.

Respectfully submitted,
Dan Schwarz, City Manager

Attachments

1. Initiative
2. Article, "Housing Market Interventions and Residential Mobility in the San Francisco Bay Area"