City Attorney’s Impartial Analysis (Measure O)

Under existing law, owners of residential property in San Mateo may charge any rent they wish for their property. Under existing law, a landlord may, upon proper notice, remove a tenant without giving any reason. This measure would amend the city’s charter to enact new laws to limit the amount of rent a landlord may charge, and to prohibit removal of a tenant without just cause, as defined by the measure.

The proposed measure would set base rents for each rental unit, and would limit subsequent rent increases. For tenancies beginning on or before September 21, 2015, the base rent would be the rent charged on that date. The base rent for tenancies commenced after that date would be the rent charged upon initial occupancy. The measure would authorize the landlord to increase rents once annually by an amount equal to the increase in the Consumer Price Index, except that rents may be increased at least 1% and no more than 4% regardless of the change in the Index. The measure would authorize the landlord to bank annual increases that are not imposed and to impose them in subsequent years, provided that no annual increase may exceed 8%.

The measure would allow landlords to petition for increases larger than the authorized annual increase when necessary to ensure the landlord receives a fair and reasonable rate of return. The measure would also authorize tenants to petition for rent decreases when the landlord fails to maintain the premises in a habitable condition, decreases the housing services provided, or charges rent in excess of that permitted under the measure.

The measure would establish a Rental Housing Commission to be appointed by the city council. The commission would appoint hearing officers to conduct rent adjustment hearings; conduct hearings on rent adjustments, and adopt regulations to implement the measure’s rent regulation provisions. The Commission would be authorized to establish and impose a fee on landlords to cover the costs of administering the rent regulation program.

The proposed measure would require a landlord to have just cause to remove a tenant. Just cause would be limited to: failure to pay rent, breach of lease, nuisance, criminal activity, failure to grant reasonable access, necessary repairs, owner move-in, withdrawal of the unit from the rental
market, and demolition. Landlords would be required to pay relocation assistance under certain circumstances.

The rent regulations would apply to multi-family rental units with an initial certificate of occupancy issued before February 1, 1995. They would not apply to single family homes, condominiums, owner-occupied duplexes or secondary dwelling units, hotels, hospitals, certain nonprofits, dormitories or governmental facilities. The just cause for removal provisions would apply to the same type of units subject to the rent regulations with initial certificates of occupancy issued on any date up to the effective date of the measure.

This measure is placed on the ballot by a petition signed by more than 7,119, or 15%, of San Mateo voters, as required by law.