



RENT STABILIZATION ADVISORY COMMITTEE MEETING

May 25, 2022



PROPOSED AGENDA

1. Welcome & Introductions 4:00 - 4:05 PM
2. Proposed Community Engagement Strategy 4:05 - 4:15 PM
3. Discussion of Key Policy Questions 4:15 - 5:25 PM
4. Closing & Next Steps 5:25 - 5:30 PM

PROPOSED COMMUNITY ENGAGEMENT STRATEGY

- **Format:** Four additional listening sessions, focused on particular stakeholder groups
- **Language Accessibility:** Interpretation services, closed captioning, and translated materials will be provided in Spanish, Mandarin and Cantonese (*additional languages available upon request with minimum 7 days advance notice*)
- **Outreach:** Outreach will be conducted in partnership with community organizations and through the City's Neighborhood Liaisons, Mayor's Office of Immigrant Advancement, email lists, and social media accounts

Virtual Meeting	Proposed Date & Time
Listening Session (Tenant-Focused)	Saturday, June 25, 2022, 10:00 - 11:30 AM
Listening Session (Property Owner-Focused)	Thursday, July 21, 2022, 6:00 - 7:30 PM
Listening Session (Labor-Focused)	Tuesday, July 26, 2022 (daytime)
Listening Session (Tenant-Focused)	Wednesday, July 27, 2022, 6:00 - 7:30 PM



PROPOSED COMMITTEE MEETING STRUCTURE

Meeting Date	Objectives
May 25, 2022	<ul style="list-style-type: none">• Receive proposed community engagement and outreach plan• Discuss first three Pillars (from the University of Minneapolis Rent Stabilization Study (2021))<ul style="list-style-type: none">a. Rent increase capb. Exceptions to the capc. Vacancy decontrol
June 29, 2022	<ul style="list-style-type: none">• Discuss remaining two Pillars (from the University of Minneapolis Rent Stabilization Study (2021))<ul style="list-style-type: none">a. Applicability and exemptionsb. Compliance and education• Discuss companion policies to support rent stabilization
September 28, 2022	<ul style="list-style-type: none">• Review and discuss draft legislation

An aerial wireframe illustration of a cityscape, showing various building footprints and streets in a light blue color against a darker blue background. The perspective is from a high angle, looking down on the city.

PILLAR 1: CHOICE OF RENT CAP

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Key Policy Question: How should rent increases be capped?

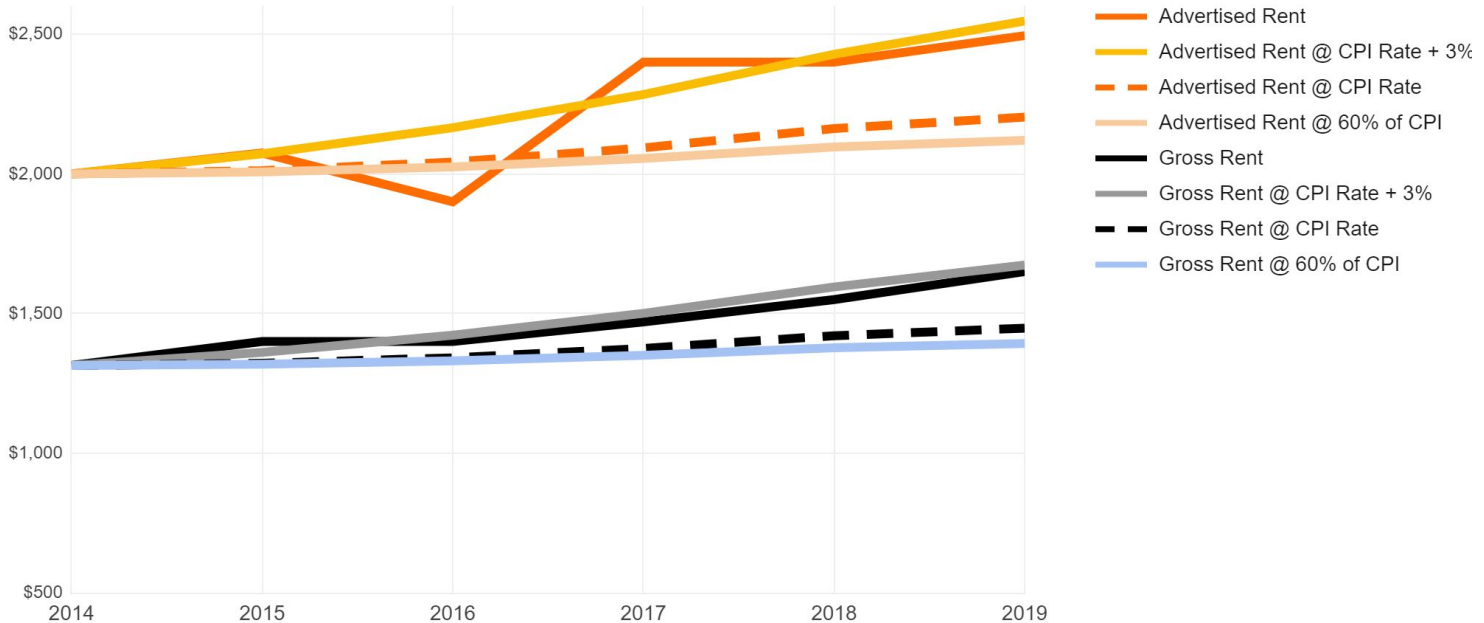
Case Study Examples	
Method	Example (Jurisdiction)
Fixed percentage	3% (Saint Paul, MN)
CPI, plus a fixed percentage	CPI for Western Region + 7% (Oregon)
Consumer Price Index (CPI), plus a fixed percentage, with an upper limit	Consumer Price Index (CPI) for the Metro Area + 5%, up to 10% (California)
Consumer Price Index (CPI), plus a fixed percentage, with an upper limit and other rate for certain groups	CPI for the Metro Area + 2%, up to 10% Elderly or people with disabilities - the lesser of the Consumer Price Index or Social Security COLA, not exceeding 5% (Washington, DC)
Percentage of the CPI	60% of the CPI for the Bay Area (San Francisco, CA)
Various data	Set by the Rent Guidelines Board based on annual data on taxes, utility rates, cost of living, and other factors (New York, NY)

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Key Policy Question: How should rent increases be capped?

Rent Change for Existing Stock at the Rate of CPI (All Items)

Housing built before 2011 only



Sources: Advertised Rents (Rental Beast and MLS); Gross Rents (American Community Survey 1-Year Estimates, PUMS); CPI (US Bureau of Labor Statistics, Boston-Cambridge-Newton metro area). All years are normalized to 2014 median rent prices.



COMMITTEE DISCUSSION

Pillar 1: Choice of Rent Cap

The background of the slide is a dark blue aerial wireframe illustration of a city. The buildings are represented by white and light blue outlines, showing a dense urban layout with various building heights and shapes. The perspective is from a high angle, looking down on the city.

PILLAR 2: EXCEPTIONS TO THE RENT CAP

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Key Policy Questions:

What types of expenses should be able to be passed through to tenants as exceptions to the rent increase cap?

Should a policy allow landlords to “bank” rent increases if they choose not to apply them in a given year?

Common Pass-Through Costs:

- Application of “banked” rent increases (if owners elect to defer annual increases)
- Capital improvements
- Substantial rehabilitation of the property
- Changes in space or services provided
- Changes in the number of tenants



COMMITTEE DISCUSSION

Pillar 2: Exceptions to the Cap

An aerial wireframe map of a city, rendered in a light blue color against a darker blue background. The map shows the outlines of numerous buildings, streets, and parks, creating a complex geometric pattern.

PILLAR 3: VACANCY DECONTROL

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Key Policy Question:

Should the base rent level reset to market rate (or some other amount) when there is a change in tenancy?

Considerations:

- Vacancy decontrol is a common feature of rent stabilization policies
- Unrestricted vacancy decontrol provisions limit a policy's ability to stabilize the rental housing market and instead provides stability to current tenants
- Different models of vacancy decontrol exist:
 - Full vacancy decontrol: Unrestricted rent increases upon vacancy (e.g. California)
 - New "base rent" rate is subject to annual rent increase caps
 - Limited vacancy decontrol: 10% - 20% rent increases upon vacancy based on the length of time the tenant resided in the unit (e.g. Washington, D.C.)



COMMITTEE DISCUSSION

Pillar 3: Vacancy Decontrol

TIMELINE AND NEXT STEPS

