



California Apartment Association
980 Ninth Street, Suite 1430
Sacramento, CA 95814
800.967.4222 ■ caanet.org

June 8, 2026

Mayor Elmer Martinez Saballos and City Council
City of Redwood City
1017 Middlefield Road
Redwood City, CA 94063

Re: Item 8A – Accept certification of an initiative to impose additional rent control and just cause eviction limits in Redwood City, review of Elections Code Section 9212 report on impacts of the initiative, and take action as required by Elections Code Section 9215

Dear Mayor Martinez Saballos, Vice Mayor Kaia Eakin, and City Council,

The California Apartment Association (CAA) appreciates the City's decision to commission an Elections Code Section 9212 economic impact report on the proposed Fair and Affordable Housing Ordinance. The report provides useful analysis of the initiative's rent control provisions, including the proposed rent cap, implementation costs, housing supply, property values, and potential revenue impacts in Redwood City.

However, the report does not fully analyze the initiative as a whole. The proposed ballot measure is not limited to rent control. In fact, rent control occupies fewer than two pages of the 46-page initiative. The other 44 pages of the measure create a broader regulatory framework governing evictions, relocation payments, tenant safety plans, rights of return, buyouts, anti-harassment rules, program administration, hearings, and enforcement and remedies.

These omissions matter to Redwood City, not only to housing providers. Increased operating costs, relocation liabilities, compliance burdens, litigation risk, and restrictions on recovering possession can affect whether rental housing remains available, whether older buildings are repaired or reinvested in, whether properties retain value, and whether the City receives projected property tax and VLF-related revenues. Those are municipal fiscal and housing impacts that fall within the purpose of a supplemental Section 9212 analysis.

For that reason, CAA respectfully requests that the City Council direct staff to prepare a supplemental Section 9212 report before taking final ballot-related action.

The supplemental report should include the following:

I. Applicability of the Non-Rent-Control Provision

The city would benefit from a provision-by-provision applicability analysis showing which parts of the initiative apply to which housing types.

The report states that all rental properties would be subject to the just-cause provisions regardless of size, and that the ordinance does not exempt single-family homes, condominiums, post-1995 units, ADUs, mobile homes, or deed-restricted affordable housing from many of the ordinance's non-rent-control provisions.

The supplemental report should identify the applicability and housing-stock impact of each major non-rent-control component of the ballot measure, including:

- Just Cause eviction rules
- Relocation payment requirements
- Right-to-Return obligations
- Tenant Safety Plan requirements
- Buyout regulations
- Anti-Harassment provisions
- Enforcement remedies
- Program fees and reporting requirements

This is necessary because the report's economic analysis focuses primarily on rent control, which applies to a limited portion of the City's rental housing stock under current state law. By contrast, many non-rent-control mandates apply across a much broader portion of the rental housing market.

II. Cumulative Impact of the Full Ordinance

The report notes that rent control policies can reduce rental supply, shift housing toward for-sale ownership, affect reinvestment decisions, reduce housing availability for new residents and create workforce impacts for employers seeking to attract and retain employees.

The supplemental report should analyze whether those same impacts may be compounded by the full ballot measure operating as one regulatory framework.

The initiative is not a standalone rent cap. It would create a citywide regulatory framework governing rent increases, evictions, relocation payments, repairs, renovations, tenant safety plans, buyouts, anti-harassment claims, rights of return, withdrawals from the rental market, program fees, reporting, enforcement and remedies.

The City should evaluate the combined effect of those requirements on:

- Housing supply
- Housing availability for new residents;
- Rental turnover and mobility
- Property values
- General Fund revenues
- Affordable housing preservation
- Redevelopment and rehabilitation
- Small property owners
- Rental operations/managers
- Program costs
- Long-term rental housing investment
- Business and employment attraction and retention

The current report identifies several of these risks in connection with rent control, but it does not fully analyze whether the initiative's non-rent-control mandates may amplify those impacts when combined with rent caps. That cumulative analysis is necessary before the City Council and voters can understand the full effect of the 46-page measure.

III. Housing Market Impacts of Expanded Just-Cause Eviction Rules

The report should analyze the housing market and operational impacts of the initiative's expanded eviction-control provisions, including:

- Just Cause implementation at Day 1
- Narrower grounds for termination
- Additional procedural requirements
- Creation of a new classification for renters
- Owner move-in restrictions
- School-year protections for educators, students and households with children

The current report repeatedly notes that single-family homes and other housing types are exempt from rent control under Costa-Hawkins Rental Housing Act. But that does not mean they are exempt from the initiative's non-rent-control mandates. Single-family rentals, condominiums, post-1995 multifamily housing, ADUs, mobile homes and affordable housing are subject to expanded eviction control requirements.

The supplemental report should evaluate how these provisions may affect housing availability, rental turnover, leasing practices, small property owners, operating costs, risk assumptions and the continued availability of rental housing.

The report already recognizes that housing regulations may influence whether owners continue offering units as rentals or convert rental housing to ownership. A supplemental report should apply that same analysis to the initiative's expanded just cause requirements.

IV. Economic Impact of Relocation Payment Requirements

The report should analyze the initiative's relocation payment mandates, including:

- Four months of HUD Fair Market Rent or \$12,000, whichever is greater
- Additional \$6,000 for qualifying protected households
- Temporary relocation during substantial renovation
- Hotel and meal payments during short-term displacement
- Relocation obligations tied to owner move-ins, substantial rehabilitation, demolition and withdrawal from the rental market

This analysis is especially important given the composition and age of Redwood City's rental housing stock. Based on CAA survey data of approximately 1,261 rental buildings, 94% of Redwood City rental properties are in buildings with fewer than 50 units, and 79% are in buildings with fewer than 10 units. CAA survey data also indicates that approximately 80% of surveyed rental buildings were built before 1980.

That means relocation mandates are not a theoretical issue. They may fall heavily on older, smaller rental properties, which are properties most likely to need ongoing repairs, capital improvements, and long-term reinvestment.

The current report analyzes how rent caps may affect reinvestment. A supplemental report should apply the same analysis to relocation mandates, because large relocation obligations may independently affect whether owners proceed with major repairs, renovations, owner move-ins, or redevelopment projects.

V. Rehabilitation, Reinvestment and Housing Preservation Impacts

The supplemental report should analyze how the initiative's renovation-related requirements may affect the preservation of Redwood City's aging rental housing stock. Many of these properties will require ongoing repairs, capital improvements, energy improvements and long-term reinvestment.

The initiative includes several provisions that may affect whether and how those projects move forward, including:

- Tenant Safety Plan requirements
- Temporary relocation rules
- Relocation payment obligations
- Right-to-Return requirements
- Substantial Rehabilitation provisions
- Notice and approval requirements
- Enforcement procedures

The current report discusses reinvestment impacts from rent caps. A supplemental report should evaluate whether the initiative's non-rent-control mandates could independently affect rehabilitation, preservation, and capital improvement decisions.

The City should understand whether these requirements could affect the timing, cost, feasibility, or likelihood of reinvestment in older rental housing. This analysis is necessary to evaluate the initiative's potential impact on housing preservation, code compliance, long-term maintenance, and the continued availability of safe rental housing in Redwood City.

VI. Affordable Housing Impacts

The economic impact report specifically found that the initiative does not explicitly exempt deed-restricted affordable housing and noted that this approach is "*atypical compared to many jurisdictions with rent stabilization policies.*" The report further concluded that this may create direct conflicts between affordable housing regulatory requirements and the ballot measure's rent control provisions.

That finding should be the starting point for a fuller supplemental analysis. Affordable housing should not be analyzed only through the lens of rent caps. Many of the initiative's non-rent-control mandates will also affect affordable housing operations, financing, rehabilitation, and preservation.

The supplemental report should evaluate how the initiative's non-rent-control mandates affect deed-restricted affordable housing, including:

- Operating costs
- Relocation obligations
- Tenant Safety Plan requirements
- Rehabilitation projects
- Right-to-Return obligations
- Compliance burdens
- Program fees
- Ability to address serious lease violations or nuisance conditions
- Long-term preservation

Because affordable housing providers often operate with limited reserves, regulatory constraints, and project-specific financing obligations, the City should fully evaluate how the initiative's broader mandates may affect the long-term viability and preservation of affordable housing in Redwood City.

VII. City Administrative and Program Implementation Impacts

The report estimates certain administrative and implementation costs associated with the ordinance. However, much of that analysis is tied to the rent control program.

A supplemental report should evaluate whether the initiative's non-rent-control mandates create additional start-up, administrative, staffing, enforcement, technology, facility, and program-management costs beyond those already analyzed.

The supplemental report should evaluate:

- Start-up costs
- Staffing requirements
- IT systems, software, and database needs
- Office space needs
- Office furniture, fixtures, and equipment
- Hearing and appeals workload
- Complaint investigation workload
- Enforcement activities
- Outreach and education requirements
- Monitoring and reporting obligations
- Program administration costs
- Long-term program implementation costs

This analysis is particularly important because many of the initiative's non-rent-control mandates apply far more broadly than rent control itself. If provisions such as just cause eviction rules, relocation payment requirements, tenant safety plans, right-to-return obligations, buyout regulations, and anti-harassment provisions apply across a much larger share of Redwood City's rental housing stock, the City should evaluate whether the associated administrative and enforcement responsibilities are fully reflected in the current report.

VIII. Property Value, Property Tax and VLF Revenue Impacts

The report recognizes that the initiative may affect property values and that changes in assessed values may affect the City's property tax revenues and property-tax-in-lieu-of-Vehicle-License-Fee revenue. That is an important fiscal finding and should be applied to the full ballot measure, not only the rent control provisions. The supplemental report should evaluate whether the initiative's non-rent-control mandates may also affect property values through:

- Increased operating costs
- Increased regulatory risk
- Relocation liabilities
- Compliance obligations
- Insurance impacts
- Reduced redevelopment flexibility
- Reduced marketability
- Restrictions on recovering possession of rental units
- Impacts on reinvestment and long-term rental housing operations

This analysis is especially important because many non-rent-control mandates may apply to housing types that the report treats as exempt from rent control, including single-family rentals, condominiums, post-1995 multifamily housing, ADUs, mobile homes, and affordable housing.

The current report already establishes the fiscal link between property values, assessed valuation, property tax revenue and VLF-related revenue. A supplemental report should evaluate whether the initiative's other mandates may create similar fiscal impacts through different economic mechanisms.

IX. Assumptions Regarding Costa-Hawkins and Future Coverage

The supplemental report should clearly identify how much of the current analysis depends on existing Costa-Hawkins exemptions remaining in place.

The initiative is drafted to expand if Costa-Hawkins is repealed or amended. That means the scope of affected units could change in the future, including single-family rentals, condominiums, and post-1995 multifamily housing.

The supplemental report should estimate potential future City staffing, technology, office space, equipment and program administration costs if more units become fully covered.

The supplemental report should identify:

- Which findings depend on current Costa-Hawkins exemptions
- How many units are currently excluded from rent control because of state law
- Which housing types could become covered if state law changes
- How program administration costs could change if more units become fully covered
- How expanded coverage could affect future City staffing, IT systems, office space, equipment, hearing capacity, enforcement workload, and long-term program administration costs.

- How housing supply, property values, City revenues, and affordable housing could be affected under expanded coverage
- Whether the current report's conclusions would remain the same if the initiative applied to a larger share of Redwood City's rental housing stock

This is not speculation. Costa-Hawkins has been the subject of three statewide repeal attempts, and the initiative is drafted to expand if state law changes. Given that history, the supplemental report should explain which conclusions depend on current Costa-Hawkins exemptions and how the ordinance would operate if those exemptions were modified or repealed.

Conclusion

CAA respectfully requests that the City Council direct staff to prepare a supplemental Section 9212 report addressing the items above and defer final ballot-related action until the fiscal and economic analysis is complete.

The current report provides useful analysis of rent control and should remain part of the public record. However, the initiative is much broader than rent control, and many of its major provisions have not received the same level of fiscal and economic analysis. A supplemental report would provide the City Council and the public with a more complete understanding of the measure before the City moves forward.

Sincerely,



Rhovy Lyn Antonio
Senior VP of Local Public Affairs
Greater Bay Area
California Apartment Association