

From: [Dan Schwarz](#)
To: [Alison Foulis](#)
Subject: FW: Rental Housing Fee Income Estimates
Date: Monday, March 13, 2023 10:08:42 AM

From: Curt Ries <curries@gmail.com>
Sent: Saturday, March 11, 2023 3:52 PM
To: Gabe Paulson <gpaulson@cityoflarkspur.org>; Scot Candell <scandell@cityoflarkspur.org>; Kevin Haroff <kharoff@cityoflarkspur.org>; Catherine Way <cway@cityoflarkspur.org>; Kevin Carroll <KCarroll@cityoflarkspur.org>
Cc: Dan Schwarz <dschwarz@cityoflarkspur.org>
Subject: Rental Housing Fee Income Estimates

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Dear Larkspur City Council Members,

In anticipation of the upcoming 3/15 Larkspur City Council meeting, I would like to submit a brief analysis on how much revenue we can expect the rental housing fee to generate if the council decides to adopt a rent stabilization ordinance. I'd then like to briefly explore the implications of this analysis on the question of whether to adopt a rent stabilization model or rent dispute resolution model for ordinance administration.

Using estimates from city staff (see 4.1 Attachment 1 from the 1/11/23 [staff report](#)) and county staff (see [this estimate](#) provided by Aline Tanielian, county planner) on the number of units that would be subject to rent control and the fee range of \$100-\$200 per year proposed by city staff, a wide range of \$182,500-\$510,400 in annual revenue can be established. You can see the calculations [here](#).

This is directly relevant to the conversation regarding the administrative/regulatory structure of any potential rent stabilization ordinance, since a central argument currently being provided for adopting the rent dispute resolution model is that it will cut down administrative costs. However, by the city staff's own estimates (Again, see 4.1 Attachment 1 from the 1/11/23 [staff report](#)), they expect annual rent stabilization costs to be approximately \$280,000 (\$100K for registration plus \$180K for primary staff). This is well within the expected range of annual revenue.

In other words, a modest annual per-unit fee charged to landlords will be able to easily cover either a rent stabilization model or rent dispute resolution model. I would therefore encourage you to focus on the relative merits of each to help or hinder the goals of effectively enforcing the rental cap and preventing displacement, not economic viability.

It is our position that a rent dispute resolution model is unfair and inappropriate in that it places the burden of enforcement on the tenant, who is in an inherently vulnerable position relative to their landlord. Appealing a rent increase in excess of the established cap will be an intimidating prospect

for many tenants, as will participating in a mandatory mediation process and binding arbitration process with the person who controls their housing.

Rent stabilization will more effectively enforce the rental cap by requiring landlords to submit an application that must be reviewed and approved by the city prior to being able to exceed the cap. This is the model used by the majority of CA jurisdictions with some form of rent regulation because it places the burden of enforcement on the city and the burden of proof that a rent increase is necessary on the landlord. Placing these burdens on the tenant is unreasonable and will result in less housing security and increased risk of displacement.

Thank you for your work and your consideration,

Curt Ries
Co-Chair, Marin DSA