

Rent Stabilization and Just Cause Eviction Fee Study City of Oxnard

Community Presentation
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Bio and Background



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Prior to founding GPP Analytics, Mr. Metcalf has served the San Francisco Budget and Legislative Analyst Office, the Santa Clara County Management Audit Division, as a lead analyst at Moody's Investors Service, and has led numerous audits and special studies for local governments. He brings an in-depth knowledge of public services and financial systems, with a strength in providing assessments to improve quality, accountability, and efficiency in the public sector.

Ordinance Background

- In April 2022, the Oxnard City Council passed the Rent Stabilization and Just Cause Eviction Ordinances, which became effective on June 3, 2022.
- Key elements of the newly enacted ordinances include the limitation of annual rent increases to 4% for specified properties, the mandate for tenant relocation assistance in cases of no-fault evictions—equivalent to either two months' rent or \$5,000, whichever amount is higher—and the authorization to enforce both ordinances, with potential outcomes including the issuance of a civil citation.
- City Council instructed Housing Department staff to provide education and training concerning the rights and obligations that these ordinances convey to both landlords and tenants.
- The ordinances can be examined on the City's website at: <https://www.oxnard.org/city-department/housing/apartment-rent-stabilization/>.

Why a Fee Study?

- According to Section 50076 of the California Government Code (GOV 50076), the fees levied for any service or regulatory activity should not surpass the reasonable cost of providing said service.
- GOV 50076 also requires that these fees receive approval from the City Council in a public session.
- Fee study focused on defining “reasonable costs”.

Information Gaps

- In California, several cities and counties had rent stabilization and tenant protection programs in place prior to Oxnard's adoption.
- Most programs were uniquely tailored to each community and ordinance, meaning there is no single “off the shelf” program to mimic.
- Many other communities started their ordinances when they had an existing rental registry programs, meaning they had a fairly accurate record of every rental unit in their jurisdiction.
- Oxnard had no record of all rental units and its ordinances differed from some existing programs.

Study Approach

1. Estimate the number of housing units subject to the ordinances. How big does the program need to be?
2. Conduct a survey and interviews with peer jurisdictions in California. Compare operational frameworks, what worked well or didn't for each? Apply this information to Oxnard.
3. Work with City staff to develop a cost estimates for the program based on lessons learned.
4. Recommended fee based on the cost to run the program for the estimated number of units.

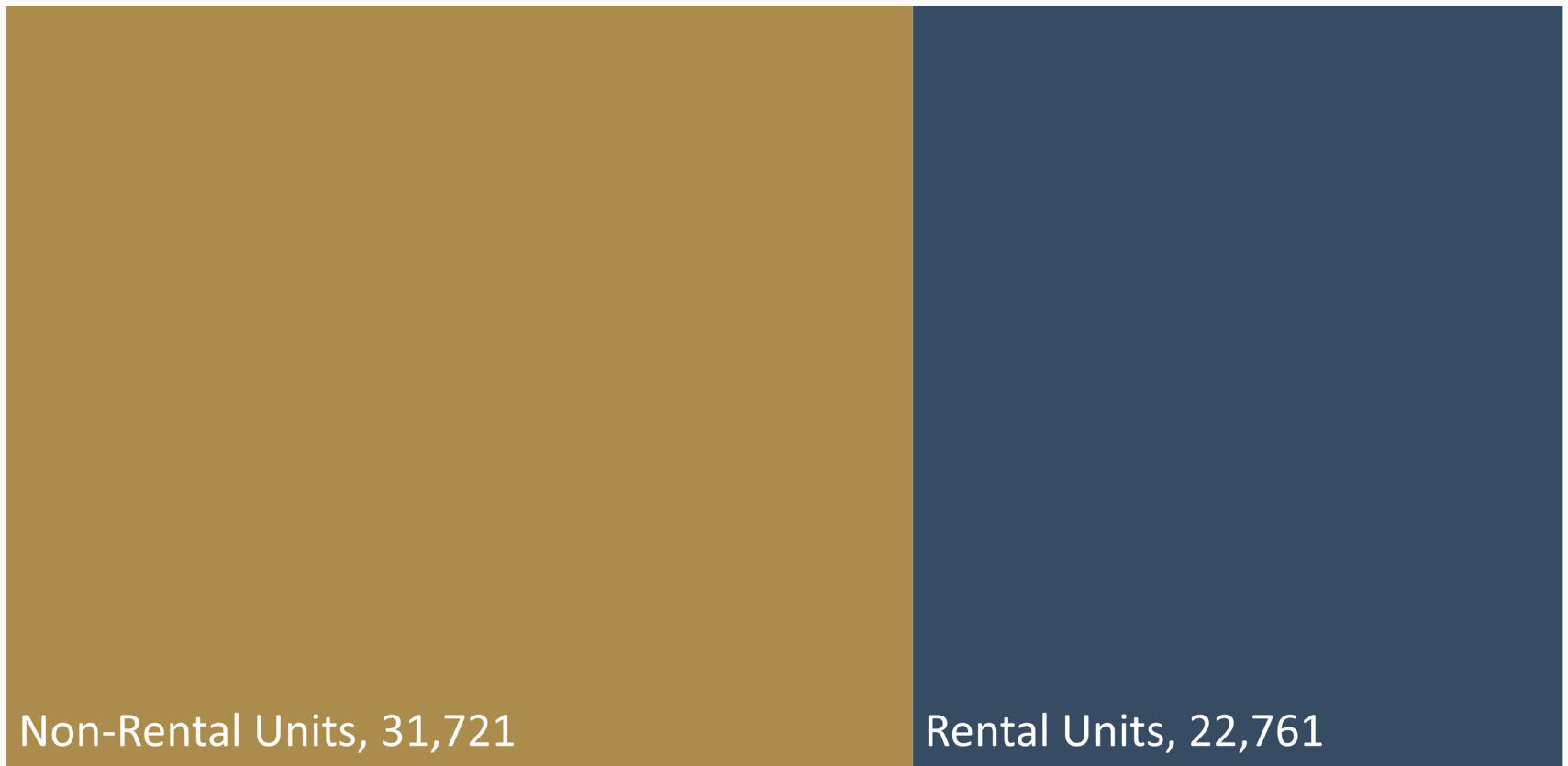
How Many Units?

- Without an existing rental registry to draw from we had to develop an estimation methodology.
- We did have US Census Bureau's annual American Community Survey (ACS) data from 2021 to help define total estimated population of rental units.

2021 ACS Rental Units

Breakdown of 54,482 Housing Units in Oxnard

■ Rental Units ■ Non-Rental Units



Listing Platforms and Samples

- We reviewed all rental listing platforms and found that in April of 2023 Craigslist had the highest volume of unique listing among platforms.
- On May 1, 2023, we downloaded all listings that occurred during the prior 30 days.
- We mapped the listings in a geographic information system (GIS) all of the downloaded listings and included only those that fell within the City's legal boundaries.

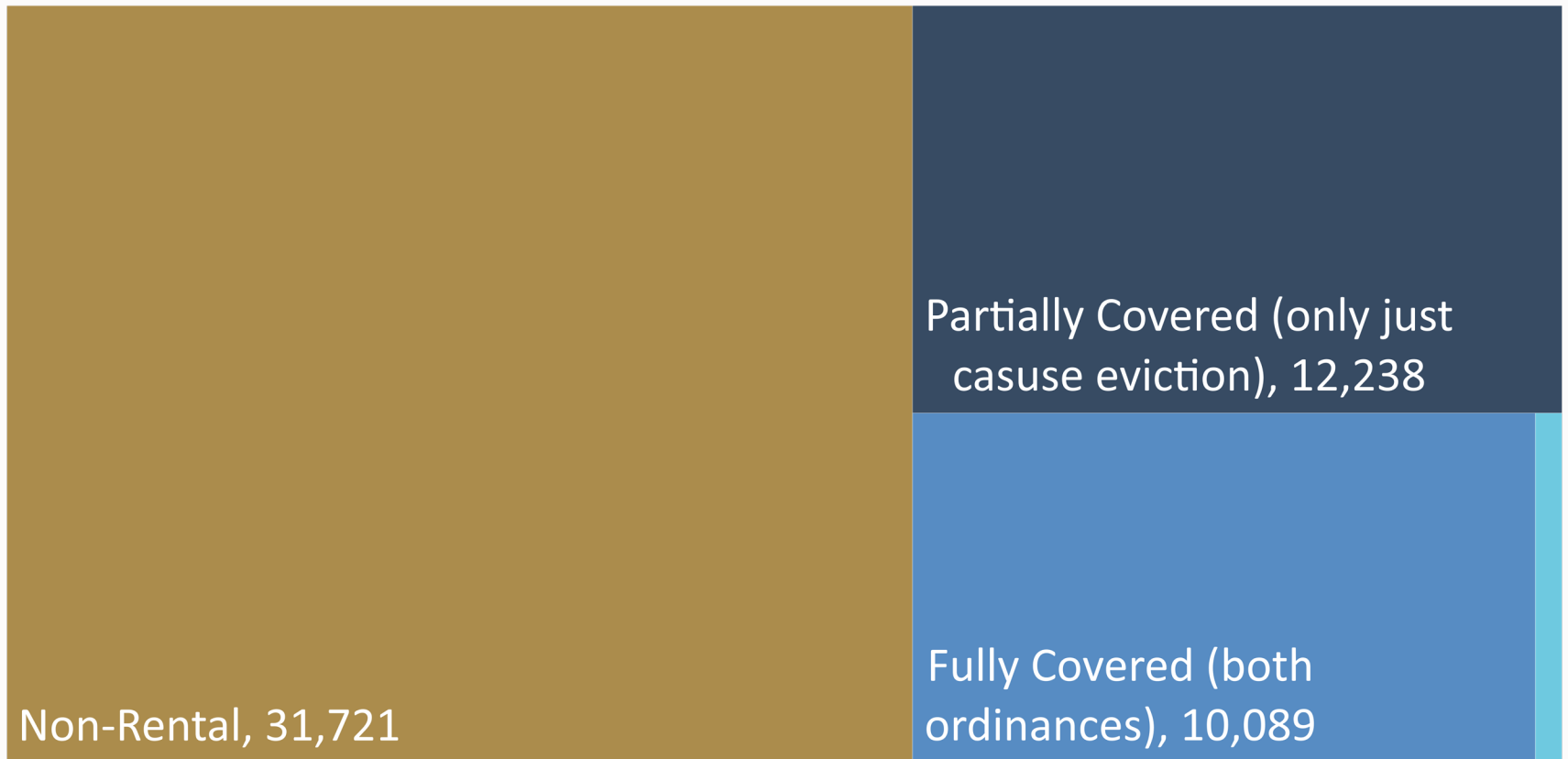
Sample Testing

- We reviewed the samples based on all available evidence to estimate which of the ordinances might apply.
- We used:
 - Information and photos included in the listing
 - Viewed the properties on Google Maps and Street View
 - Researched state business filings for related to the properties
 - Ventura County Assessor's records
 - Ownership records
 - Compared the mailing address of the listed owner with the address of the property to consider owner occupancy.

Results

Breakdown of 54,482 Housing Units in Oxnard

- Rental Not Subject to Ordinance
- Fully Covered (both ordinances)
- Partially Covered (only just casuse eviction)
- Non-Rental



Limitations and Future Considerations

- We estimate that Craigslist represented only 42.0% in April 2023.
 - Even with this limitation it was the most comprehensive platform to use for the study.
 - We expect units are so filled by word of mouth or through community networks.
- Once the City has a rental registration database it will have better information on the size of the rental market the units applicable to the ordinances.
- In the future, the City should monitor ACS, permit activity, new construction, and possible conversions of units between rental and owner occupied.

Peer Survey

- We surveyed and interviewed a total of 18 jurisdictions. Most jurisdictions were giving of their time and information.
- Discussed and viewed data related to:
 - Successes and challenges
 - Landlord engagement and communication
 - Budgets and staffing levels
 - Program implementation
 - Annual registration
 - Enforcement
 - Oversight and accountability
 - Information systems
- Interview but excluded Los Gatos, Palm Springs, and Los Angeles County from analysis because their programs differed significantly, or had not been fully implemented at the time of our outreach, making comparison difficult.

Appendix C of the Fee Study

Rent Stabilization and Just Cause Eviction Fee Study - City of Oxnard

Appendix C - Peer Jurisdiction Information

We evaluated a total of 18 jurisdictions in preparation for this report, however, we excluded Los Gatos, Palm Springs, and Los Angeles County because their programs differed significantly, or had not been fully implemented at the time of our outreach, making comparison difficult. The following is a combination of information gathered from interviews, and a review of public records to corroborate numbers whenever possible, from the remaining 15 peer jurisdictions.

City (unless noted as a county)	Year In Effect	Fully Covered Units Rent Stabilization + Eviction Protection	Fully Covered Annual Fees	Partially Covered Units Eviction Protection only	Partially Covered Annual Fees	Other Fees	Late Penalty	Registration has an online portal?	Budgeted Staff Size FY 2022-23	Staff to Units RSC+JCE	Budget FY 2022-23
Alameda	2016	12,174	\$162.00	1,887	\$109.00		10% per month until maximum of 80% reached	Yes	6	2,029	\$2,278,492
Berkeley	1980	19,400	\$290.00	5,000	\$178	Fees for a variety of services related to program. See link for details.	If delinquent a penalty equal to 100% of the fee, so delinquent shall become due in addition to the fee. Every six months that the fee remains delinquent, the penalty shall be increased by 100% of the original fee.	Yes	28	693	\$6,697,755
Beverly Hills	1978	7,793	None, admin fees paid on utility bill to City's General Fund for multiple programs	No partially covered units	N/A		Utility shutoff	Yes	5	1,559	\$1,100,000

Worked With City to Develop Draft Budget

- We worked closely with the City to develop a draft budget for the program.
- The process considered information gathered from peer research, unique requirements of Oxnard ordinances, needs of the community, and how staff will implement the adopted ordinances.

Iterations of Budget

- We reviewed several iterations of the budget with City staff.
- The program was streamlined wherever possible.

Resulting Estimated Budget

	FY 2024–25	FY 2025–26	FY 2026–27
Salaries and Benefits	920,910.56	955,311.50	983,970.85
Internal Service Charges	228,251.53	238,053.58	245,134.39
Services and Supplies	869,670.24	895,760.35	919,587.75
Capital Outlay	5,500.00	5,665.00	5,778.30
TOTAL	\$2,024,332.33	\$2,094,790.43	\$2,154,471.29
	Percent annual increase	3.48%	2.85%

Annual Registration Fees

- We developed a a set of recommended fees based on the estimated number of units and the estimated program budget.

Fee Type	FY 2024–25	FY 2025–26	FY 2026–27
Fully Covered Registration Fee	\$138.77	\$143.21	\$146.88
Partially Covered Registration Fee	\$69.39	\$71.60	\$73.44
	<i>Percent Increase</i>	3.19%	2.56%

Penalties

- We develop penalty recommendations by considering feedback from other jurisdictions and evaluation of what would be most effective.
- The program is designed to not rely on penalties as an operating revenue source.
- Ideally, few or no penalties will ever be applied.

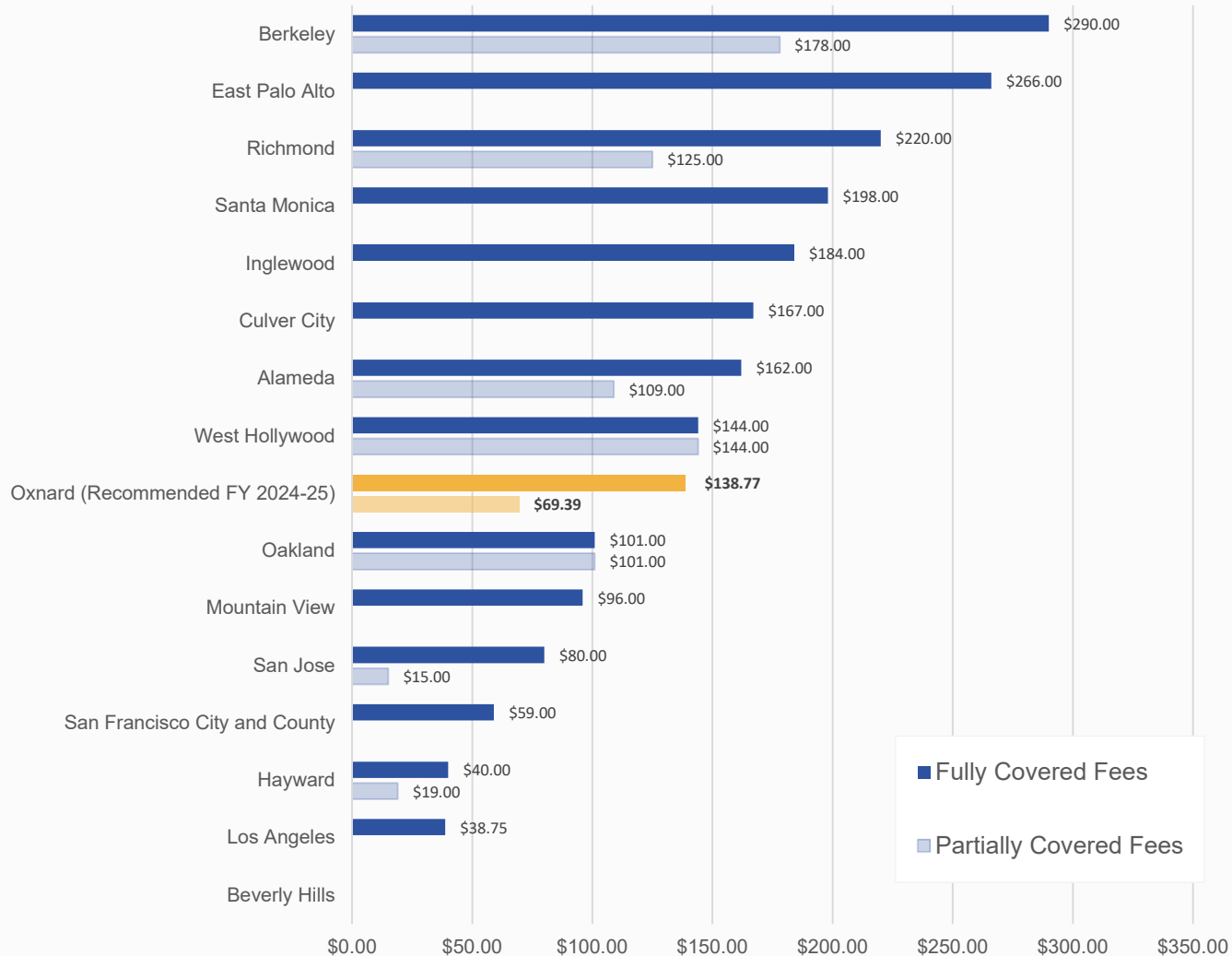
Penalties

Late Penalty	
1-30 days past due	10% of Registration Fee
31-60 days past due	50% of Registration Fee
60 days+ past due	100% of Registration Fee
Non-Registration Penalty	
FY 2024–25 Non-registration (never registered but later identified by City) Per Year Not Registered	We recommend an initial amnesty year while the Program is fully implemented and communicated to the public.
FY 2025–26 Non-registration (never registered but later identified by City) Per Year Not Registered	\$500.00 per year not registered.
FY 2026–27 Non-registration (never registered but later identified by City) Per Year Not Registered	\$515.06 per year not registered.

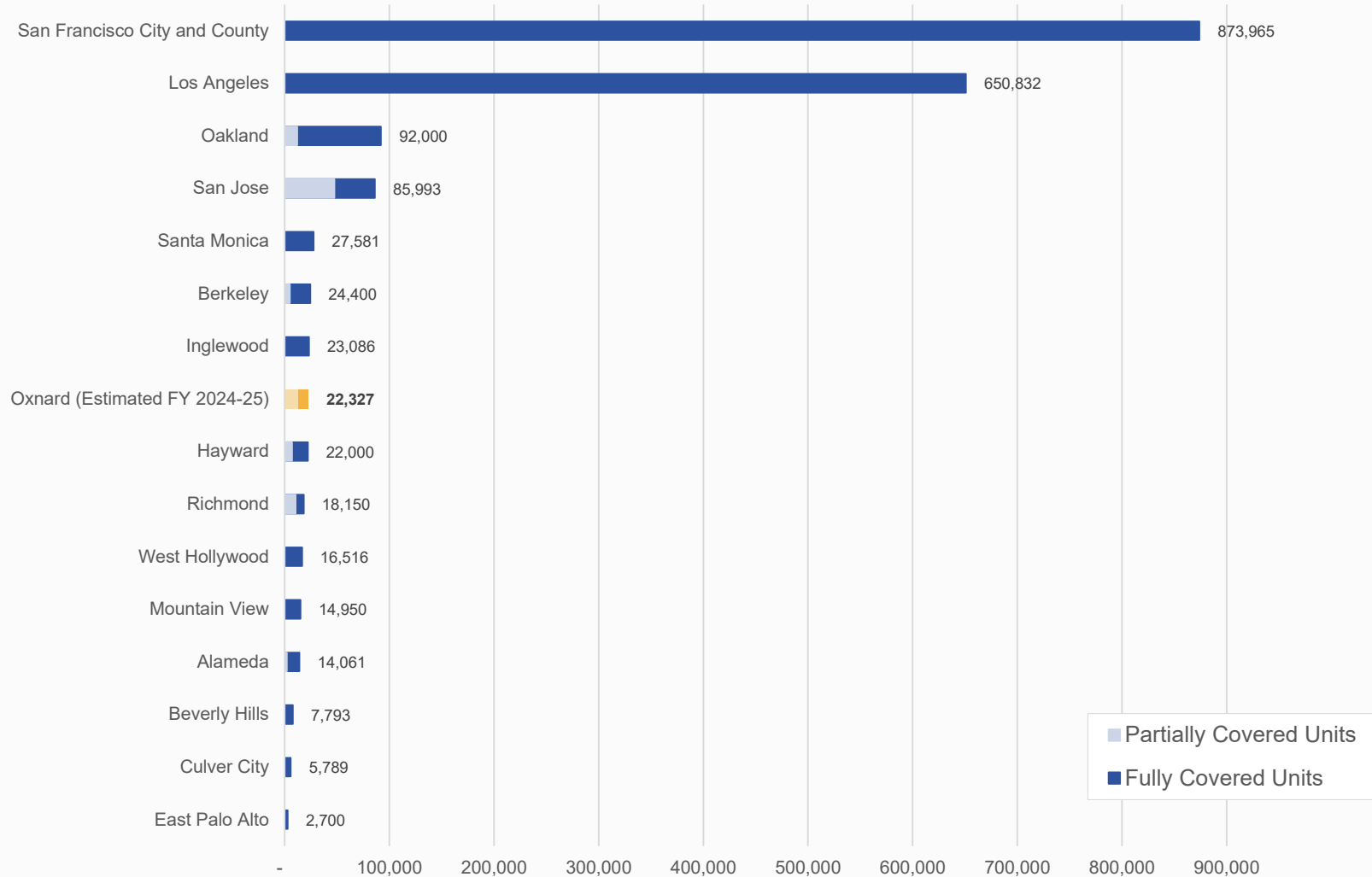
Future Considerations

- The recommended 3 years of fees should provide enough time for the Housing Department to fully implement the Program and get a majority of the applicable units registered.
- After the 3 years, the City can internally develop future fees recommendations.
 - More precise knowledge of the units registered, as well as experience running the Program and its actual costs.
 - City will have actual costs it can be use to determine future fee increases – not just estimates.
 - Conduct a time study to further refine the fee differences between the two ordinances.

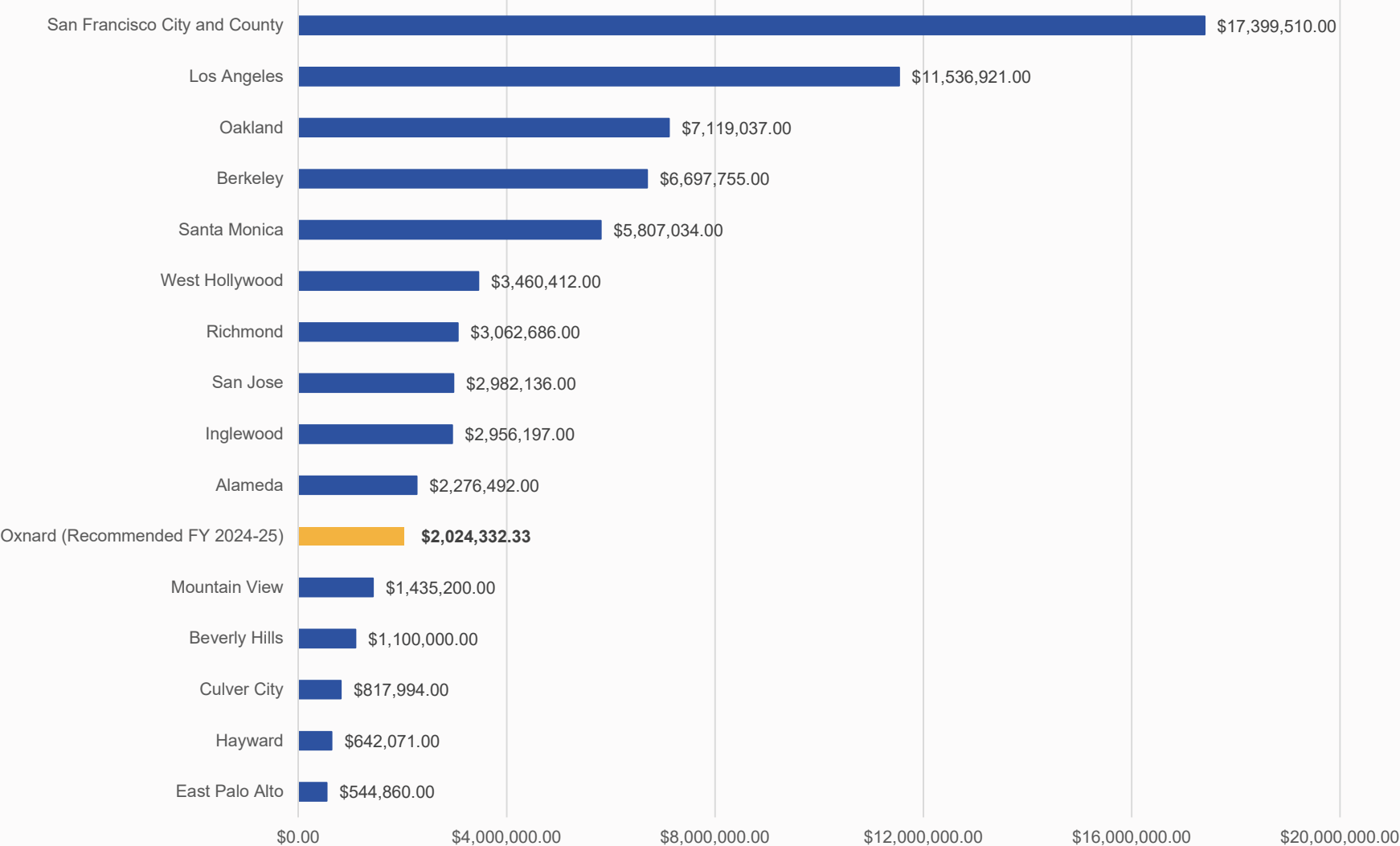
Adopted FY 2023–24 Fees for Fully Covered and Partially Covered Units Compared to Recommended FY 2024–25 Oxnard Fees



Number of Fully Covered and Partially Covered Units in FY 2023–24 Compared to FY 2024–25 Oxnard Estimates



Comparison of Actual FY 2022–23 Program Budgets Compared to the Recommended FY 2024–25 Oxnard Budget



Thank You

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