


## Memorandum

**TO:** RULES AND OPEN GOVERNMENT COMMITTEE      **FROM:** Councilmembers Rocha & Peralez

**SUBJECT:** COSTA HAWKINS LANGUAGE IN THE CITY'S LEGISLATIVE PRIORITIES      **DATE:** March 22, 2018

Approved

  
Don Rocha  
pt

Date 3-22-18

### RECOMMENDATION

That the Rules Committee agendize City Council action to revise the Legislative Priorities approved by the Council at the January 30, 2018 meeting to include the language on Costa-Hawkins originally proposed by staff, which read as follows:

*Strengthen rent stabilization, including the repeal of Costa-Hawkins.*

### ANALYSIS

The City Council considered adoption of the 2018 Legislative Principles and Priorities at the January 30, 2018 City Council meeting. Staff's proposed priorities originally included language regarding repeal of Costa Hawkins. Prompted by a question from the Mayor, Housing staff proposed deleting the language on Costa Hawkins, reversing their original recommendation on issue. They indicated that removing the Costa Hawkins language was appropriate because they did not believe it was likely that legislation would be proposed this year to take action on that issue.

During Council discussion of the item, Councilmember Rocha pointed out that we often adopt legislative priorities even if it's unlikely that a bill will advance on the issue in a given year, and that it was puzzling for staff to recommend deletion of the Costa Hawkins language for that reason. In response to this opinion, the Mayor spoke up to offer a second justification for deleting the Costa Hawkins language. He asserted that changes to Costa Hawkins had originally been inserted as a legislative priority for the purpose of protecting the City's ability to impose inclusionary zoning rules, not as means of increasing local control over rent stabilization. Here is what he said:

Councilmember Rocha raised an important issue about what's changed. Let me describe. My understanding was for many years we advocated for Costa Hawkins repeal, precisely because we had passed an inclusionary housing ordinance in this city that was as a result of court decisions barred from being fully implemented as a result of Costa Hawkins. We now have legislation that has fixed that. The question is a different one than we had when this was

originally part of our legislative priority list which is something that's far more reaching, so that is I think a very different policy issue that I think we probably need to discuss because I think it's fair to say we may align differently about how we feel about Costa Hawkins that has fixed the inclusionary housing issue, we can impose inclusionary housing regardless if it's rental or for sale.

Under subsequent questioning by Councilmember Peralez, Housing staff backed up the Mayor's account and asserted that the Costa Hawkins language was originally inserted into the legislative priorities in connection with inclusionary court case.

We're writing this memo because this assertion is not accurate. Costa Hawkins was not inserted into the legislative priorities in connection with inclusionary issue. It was inserted at the recommendation of Councilmembers Peralez and Rocha, through a memo we issued together for the January 12, 2016 City Council meeting. The memo recommended that the Council "direct the City Manager to include Costa-Hawkins reform as a legislative principle for the 2016 legislative season." This memo was approved by the City Council.

The origin of this proposal was not in inclusionary zoning, but in our rent control discussions. Councilmember Peralez had originally proposed including Costa Hawkins reform in our legislative priorities at the September 1, 2015 City Council meeting, under a discussion of the Rent Stabilization Workplan. The primary intent was to ensure the City regained local control over rent stabilization policy.

Given that the stated reason for removing Costa Hawkins from the legislative priorities was not consistent with the facts, we propose that the Rules Committee agendaize a Council item to restore staff's original language on Costa Hawkins. If any of our colleagues do not believe that the City should retain local control over housing policy, we're more than happy to hear their thoughts on this matter when the issue returns to Council. All we ask is that we have an opportunity to ensure that the basis of our decision on this matter is accurate.