

## Memo: Fairfax Rent Control Administration

*Context: The March 2nd Fairfax Town Council meeting demonstrated overwhelming public support for establishing rent control in Fairfax and unanimous principled support among council members for the concept. The main issue that was raised was whether or not a small town like Fairfax could administer its own rent stabilization program. Below are some key points arguing that administrative concerns should in no way be a barrier to passing rent control.*

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**1. Rent stabilization programs are scalable and flexible.** The range of scales of existing California rent control programs is already vast, spanning from Los Angeles, a city of nearly 4 million to East Palo Alto and West Hollywood, each with about 30,000 people. There is no reason we can't fractionally extend down that scale to Fairfax, a town of 7,500.

Furthermore, the amount of funding and staff time varies widely among rent control programs. Mountain View's Rent Stabilization program started with one full-time staffer and now has three for a city with over 80,000 residents. Sacramento's Tenant Protection Program has 1.5 staffers, covering a city of over 500,000. Different jurisdictions make different decisions about how much and how quickly they want to invest in their programs, how much proactive community outreach and education they want to take on, etc. Fairfax will have this same discretion.

Also, once Fairfax's program is up and running, it's relatively small number of covered units (about 700 fully-covered and 530 partially-covered units) will mean the staff and financial capacity associated with processing petitions, tracking notices, collecting the annual rental fee, etc. will be relatively minimal.

**2. The proposed rent stabilization program will pay for itself and be revenue-neutral for the town.** All program funding—including new paid staff—will be paid for via the rental housing fee, a modest annual fee paid by landlords. Our current proposal is \$120 per fully covered unit per year (or \$10 per month) and \$84 per partially covered unit per year (or \$7 per month), which would raise approximately \$116,000 per year in Fairfax, assuming a 90% compliance rate. Cities like Berkeley and Mountain View routinely collect more than 90% of the fees they're entitled to under their rent control ordinances.

The rental housing fee would be collected at the same time and via the same mechanism as the town's minimum annual license tax, which is already collected from all landlords, adding little to no new administration in order to secure program funding.

**3. There are no administrative concerns that should result in a decision not to pass a rent control ordinance that is supported in principle.** A Fairfax rent stabilization program would be administered by new staff; it would not take capacity away from existing staff members. It would also be entirely self-funding; it would not take away tax revenue from other programs or from the general fund.

While we would advocate to implement the strongest possible program, even more minimalist programs still make a real difference because new laws are largely self-enforcing. Once an ordinance is passed, most landlords will voluntarily abide by its mandates once they learn about it. Administrative questions regarding how much staff capacity should be allocated to the program, how quickly program infrastructure can be set up, what external partners might be available to support administrative tasks, etc. are important, but none should get in the way of passing a rent control ordinance. We should pass a strong ordinance now and build a program appropriate to the scale and needs of Fairfax.