

HC 12-08-2025

Item No.2
Tenant
Protections

Presentations

Tenant Protection/Anti-Displacement Study and Housing Program Funding Increase Request



CUPERTINO

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December 8, 2025



Tenant Protection Study

Agenda

- Background on displacement in market rental units
- Studies included
- Strategies considered
- Commission recommendation for consideration

Housing Element

Strategy HE 3.3.6

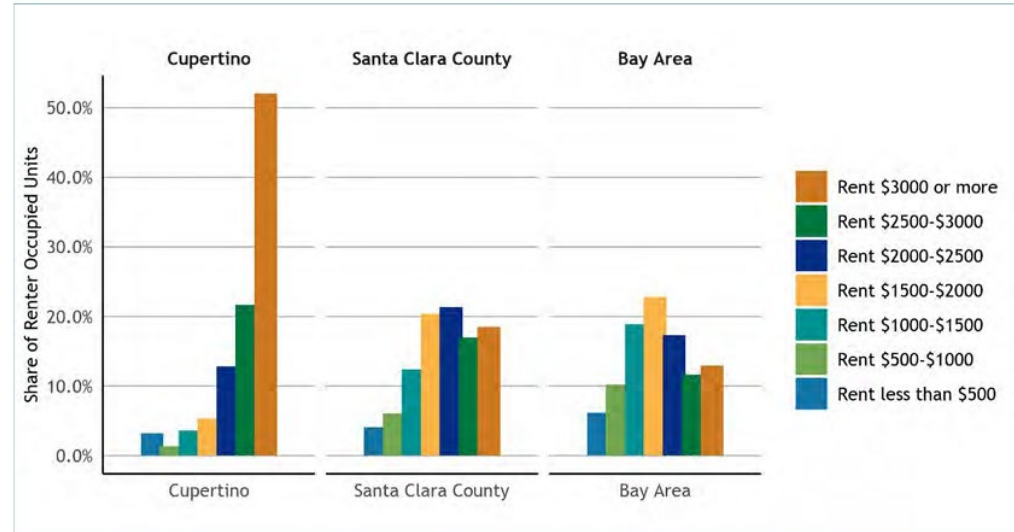
- Study rent stabilization and tenant protection ordinances in California and displacement in Cupertino due to rising rents and evictions
- Present implementation plan to City Council

Background

- 6,500 rental units
- Average rent in 2025 is \$3,900
 - Studio \$2,300
 - 1-bedroom \$3,200
 - 2-bedroom \$4,100
 - 3-bedroom \$5,100
 - 4-bedroom \$6,300
- 17.9% of renters pay 30-50% of income on housing
- 16.2% of renters pay 50%+ of income on housing

Rent Distribution

Figure B2-24: Contract Rents for Renter-Occupied Units



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25056. For the data table behind this figure, please refer to the Data Packet Workbook, Table HSG-09.

Cost Burden

Figure B2-27: Cost Burden by Income Level



Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 201B2-2017 release. For the data table behind this figure, please refer to the Data Packet Workbook, Table OVER-05.

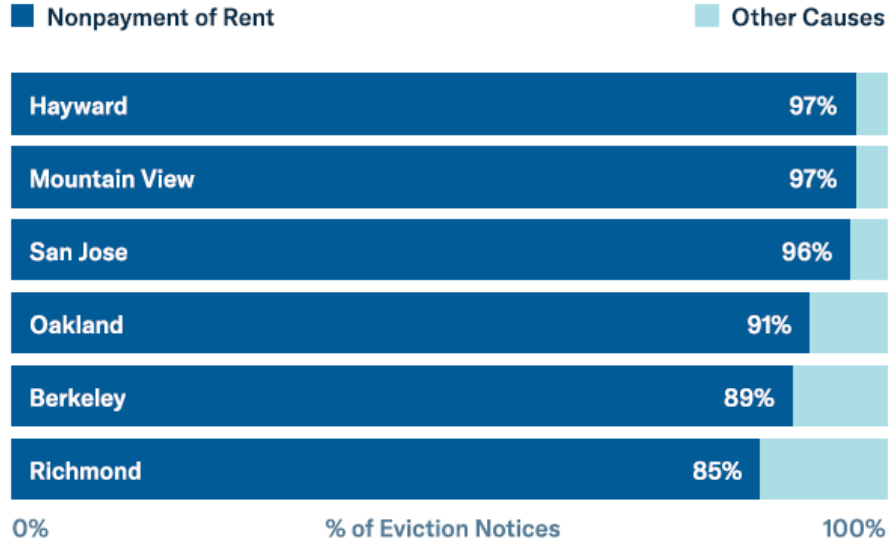
Eviction and Causes

4,053 evictions in Santa Clara County

FIGURE 5

Causes of Eviction in City Notice Data: Jul-Dec 2023

Sources: San Jose, Mountain View, Hayward, Oakland, Berkeley, and Richmond Housing Departments



Santa Clara County Planning Collaborative Survey

- Open Oct 1 – Nov 31

Top Responses	1st	2nd	3rd
Housing instability concern	Lack of affordable housing (30%)	Rising costs (27%)	Overcrowded living conditions (13%)
Displacement concern	Neighborhood stability (36%)	Community culture loss (33%)	Neighbors forced to move (31%)
Factors to Displacement	Lack of affordable housing (61%)	High income people moving in (42%)	Homes sold to investors (39%)
Why were you displaced?	Rent increase		



Strategies Explored

Acquisition Preservation

Purchase units and re-restrict as BMR

- Rental units cannot be individually sold
- Buy buildings to preserve
- Whole buildings would be income restricted
- McClellan Terrace \$66.7 million
- Not financially feasible

Rent Stabilization

Price control - Limit rent increases

- AB1482 includes rent control of 5% + CPI increase limit or 10%
- Costa-Hawkins bans cities from enacting rent control on SFH, condos, TH, and apartments after 1995
 - 57% of City's multifamily housing
- Several Bay Area cities have local rent control ordinances
- If pursued, then pursue in tandem with other strategies

Bay Area Cities Rent Control

City	Rent Increase Limitation	Unit Type	Commission
AB 1482	5% of rent + CPI or 10%	Rental units 15+ years old (with exceptions)	No
San Jose	5% of rent	3+ units before 1979	No
Mountain View	5% of rent or 100% of CPI	3+ units before 1995	Yes
Los Gatos	5% of rent or 70% of CPI	3+ units before 1995	No
Hayward	5% of rent	5+ units before 1979	No
Alameda	5% of rent	2+ units before 1995	No
Berkeley	5% of rent or 65% of CPI	Apartments before 1980	Yes
East Palo Alto	80% of CPI	2+ units before 1988	Yes
Oakland	3% of rent or 60% of CPI	Rental units before 1983	Yes
Richmond	3% of rent or 60% of CPI	2+ units before 1995	Yes
San Francisco	60% of CPI	2+ units before 1979	Yes
Cupertino (potential)	60% of CPI	2+ units before 1995	No

Rent Mediation/Review

Facilitate compromise for rent increase disputes

- Expand housing program for rent mediation and enforce housing law
- Some cities add a rent review board – this is less effective as it is advisory
- Expand contract with Project Sentinel or similar organization for rent mediation

Eviction/Legal Defense

Prevent eviction and defend tenants

- Add new housing program to fund low-income legal aid orgs to represent tenants
- Move to settlement rather than eviction
- San Francisco and San Mateo counties saw a 31% decrease in court ordered evictions when legal aid was offered
 - Serve 1,260 households in Santa Clara
- Add contract with Bay Area Legal Aid, Legal Aid Society of Santa Clara County, or other similar organization.

Current Attorney Capacity

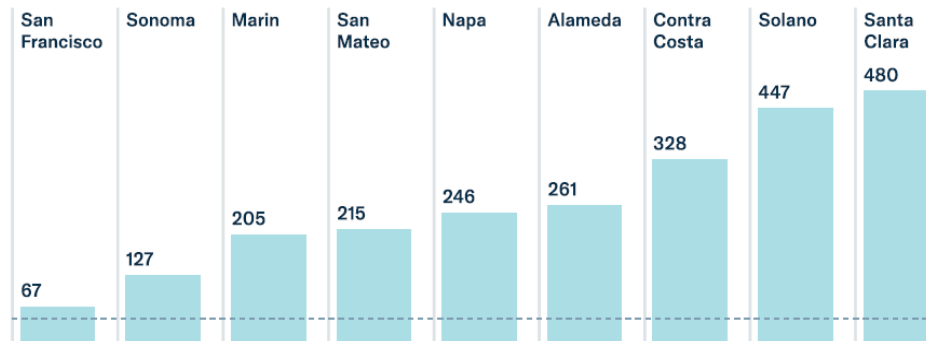
FIGURE 2

**Eviction Filings per
TLS Attorneys Who
Represent Tenants in
Eviction Cases: July
2023–June 2024***

Sources: BAHFA Survey of TLS Providers, California Judicial Council

*Respondents were asked to provide the number of full-time equivalent attorneys who represent tenants in eviction cases on staff at the time of survey administration in summer 2024. California Judicial Council data on the eviction filings were used for July 2023–June 2024.

----- Recommended client load



Just Cause Terminations

Limit owner-caused displacement

- 3 types of eviction: at-fault, no-fault, no-cause
- AB 1482 limits no-cause terminations, requires 1 month of Fair Market Rent as relocation assistance for no-fault evictions (with loopholes), expressly encourages cities to adopt a more protective ordinance
- Most cities have gone forward, would be a necessary component in TPO to close loopholes and ensure enforceability

Santa Clara Cities Just Cause

City	Relocation Assistance	Occupation Minimum	Exemption for SFH, TH, Condos	Restriction on Remodel Eviction	Notice for Ellis Act	Family/Sublease Protection	Restriction on Owner Move in
AB 1482	1 month FMR	12 months	Yes (no corporations)	No	None	None	Owner must be a "natural person" with at least 25% recorded ownership interest
Milpitas	1 month rent	12 months	Yes (no corporations)	No	None	No	Authorizes move-in by an "owner"
Mountain View	3 months FMR	None	Yes	Yes	120 days or 1 year for special circumstances	Yes	Owner must be a "natural person" with at least 50% recorded ownership interest
Palo Alto	Unique calculation, similar to 3 months FMR	6 months	Yes (no corporations)	No	None	No	Owner must be a "natural person"
San Jose	Unique calculation, similar to 3 months FMR	7 days	Yes	Yes	120 days or 1 year for special circumstances	Yes	Owner must be a "fee owner" with at least 50% recorded ownership interest
Sunnyvale	3 months FMR	12 months	No	No	None	No	Owner must be a "natural person" with at least 25% recorded ownership interest
Santa Clara County	3 months FMR	None	No	Yes	120 days or 1 year for special circumstances	Yes	Owner must be a "natural person" with at least 50% recorded ownership interest
Cupertino (potential)	3 months FMR	None	No	Yes	120 days or 1 year for special circumstances	Yes	Owner must be a "natural person" with at least 50% recorded ownership interest

Relocation Assistance (rent increase)

Disincentive rent hikes, prevent homelessness

- Previously studied for BMR rental expirations due to rent stabilization being unavailable
- Functions similarly to limit rent control, but is less protective due to being an incentive rather than a price control
- Not widely pursued by other cities
- Relocation assistance is more suited as a function of just cause eviction protection, rather than related to rent increases

Per Unit Assistance Payment

2025 Santa Clara County Fair Market Rent

Unit Size	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom	6 Bedroom
Fair Market Rent	\$2,608	\$2,975	\$3,446	\$4,477	\$4,878	\$5,610	\$6,341
3x	\$7,824	\$8,925	\$10,338	\$13,431	\$14,634	\$16,830	\$19,023

Deposit/Fee Regulations

Add requirements for charging unexpected fees

- Require primary source documentation before charging tenants maintenance costs
- Could lower housing costs overall
- Potentially include in TPO

Staff Analysis

- Housing Programs – Rent Mediation and Legal Defense are both strategies worth pursuing but will require funding commitments
- Tenant Protection Ordinance – Rent Stabilization, Just Cause Protections, and Fee Regulations are strategies worth studying to include
- Present City Council with implementation plan



Motion

Recommend strategies to pursue for inclusion in tenant protection implementation plan



Human Services Grant Funding Increase

Federal Budget Proposals

- May 2, 2025 White House discretionary budget request proposed elimination of CDBG and HOME
- July 17 and July 24, appropriations committees of the House and Senate passed conflicting bills that funded CDBG but did not fund HOME

Federal Government Shutdown

- Oct 1, 2025 federal government entered a shutdown after Congress failed to pass appropriations legislation for FY26
- As of Nov 2025, the City has still not received its FY 25-26 CDBG allocation of \$354,559

CDBG Funding Gap

Program	Average Contract	Annual Households Served
Live Oak Adult Day Care	\$19,000	15
West Valley Community Services (CARE)	\$37,000	100
Rebuilding Together Silicon Valley	\$96,000	7
Total	\$152,000	122

HOME Funding Gap

- The City indirectly receives its funding through the Santa Clara County Consortium, which administers the program as a lump sum with other participating cities
- It is more administratively feasible to implement a funding increase for HOME through the County

HSG Impacts

- City currently provides local funds – HSG in amount of \$129,000 plus CPI increase to supplement housing program funding
- Without CDBG, all applicants would have to compete for HSG
- Impact all housing programs with reduction in deliverables and clients served

Other local response

- Either use local funding to replace CDBG public services
 - (County Santa Clara, Palo Alto, Sunnyvale, Mountain View)
- Stop contracts
 - (City Santa Clara)

Increase

- To stabilize the City's housing programs:
- Increase the annual HSG allocation by \$152,000 for a grand total of \$281,000 with an annual CPI increase

Motion

I motion to approve the resolution to City Council to recommend an annual funding increase of \$152,000 for a grand total of \$281,000 with an annual CPI increase to the Human Services Grant