

Marin nonprofits call for rent control in San Rafael



The 99-apartment building at 400 Canal St. in San Rafael on Tuesday, Sept. 20, 2022. (Sherry LaVars/Marin Independent Journal)

By [ADRIAN RODRIGUEZ](#) | arodriguez@marinij.com | Marin Independent Journal
PUBLISHED: November 4, 2022 at 3:28 p.m. | UPDATED: November 9, 2022 at 7:39 a.m.

A coalition of Marin nonprofits is asking San Rafael to urgently adopt a rent control ordinance for the Canal neighborhood amid concerns of gentrification.

Executives of Canal Alliance, Legal Aid of Marin and Community Action Marin submitted a letter to city officials Wednesday saying that there is a “potential mass displacement crisis” at the 99-apartment complex at 400 Canal St.

The letter says the community is a critical part of the workforce in the city and county.

“This community also represents the largest collection of lower-income Latino immigrant households at risk of being uprooted from their home,” the letter says. “The City must take strong and immediate action to protect its residents.”

The call to action comes after tenants of the building received letters in September encouraging them to [voluntarily relocate](#) due to planned renovation of apartments. The letter offered the recipients \$8,100, the equivalent of three months’ rent, plus the return of their \$500 security deposit, if they moved out before Oct. 3.

“The community of our immigrant members is a critical part of the spirit of Marin,” said Laura McMahon, executive director of Legal Aid of Marin. “The Canal has struggled in terms of being disproportionately impacted by the COVID-19 crisis and also the increasingly high cost of living. We strongly urge the city to put rent regulations in place to increase the housing equity for those who are at risk of no longer being able to live here.”

Tesseract Capital Group, the San Francisco private equity firm that owns the property, purchased the building for about \$32 million in July.

Angelo Trinh, a Tesseract vice president, said the building is in need of major repairs and the company has budgeted \$8.2 million for renovations over the next two to three years.

Trinh said 12 tenants received relocation offers, and eight accepted. He said those offers were adjusted to comply with the city’s relocation requirements adopted in an ordinance for the Canal, which has been a state designated “opportunity zone.”

Opportunity zones were created by the Tax Cuts and Jobs Act of 2017. The zones are economically distressed communities where new investments, under certain conditions, might be eligible for preferential tax treatment.

In 2021, the city adopted an ordinance requiring landlords evicting a tenant living in San Rafael’s opportunity zone to provide a significant amount of relocation assistance in an effort to discourage gentrification.

The ordinance requires the landlord to pay the tenants, regardless of their income, two times the fair market rent of the apartment; a security deposit based on the number of bedrooms in the apartment; moving expenses based on the number of bedrooms; a daily rate if the tenancy is terminated prior to the end of the month; and additional payments if there are children, seniors or people with disabilities in the household.

The property owner must also pay the city to perform a substantial remodel and acquire permits before serving tenants with a notice to vacate.

Ali Giudice, the city’s community development director, said its enforcement is to hold permits until proof of payment is submitted. The city has processed six permits for work that required tenant relocation, and there are another 10 pending, she said.

Trinh said the company does not plan to relocate residents unless the work is so extensive that it can’t be performed while the apartment is occupied. Any tenants who are forced to leave an apartment because of repair work will be given the option of returning to the residence. While their rent will be increased to the market rate, they will be given a 5% to 10% discount and a one-time stipend of \$500, he said.

“Regardless of what a resident pays for rent, they are required by all jurisdictions to live in housing that is safe,” Trinh said. “It is our intent to provide this to our residents.”

Aaron Burnett, director of policy and civic engagement at Canal Alliance, said that while the building is complying with the relocation assistance ordinance, the residents are unable to find rental prices comparable to what they’re paying or what they can afford.

“From our conversations with tenant leaders, no residents have been able to find alternative dwelling in San Rafael,” Burnett said. “Some have found alternative dwellings in Novato, but the current market rate of housing in San Rafael is forcing displaced residents to move to Richmond, Vallejo and as far away as Los Angeles.”

Marina Palma, a leader in Voces del Canal, a community advocacy group, said she is helping residents who have formed a tenants union to negotiate with the property owners.

“If they can’t stay in San Rafael, it has a domino effect,” Palma said. “We need to stick together, and our government agencies need to keep us safe. We work here, our kids go to school here, we want to continue to live and work in Marin County. We need rent control.”

San Rafael Mayor Kate Colin said the city has a partnership with the organizations asking for rental protections called the Canal Policy Working Group, which formed during the pandemic to address disparities.

“We will be having a meeting with the CPWG in the next couple of weeks to discuss their concerns and proposed solution,” Colin said.

Giudice said the city’s housing element update, which was scheduled to be released Friday, includes guidelines for enhanced relocation assistance programs and policies, as well as discussion items on improving mandatory mediation and tenant protections.

“We don’t really have clear time frames for when new policies would be brought to the City Council,” Giudice said, adding that staff “will continue to monitor 400 Canal and use that to inform future conversations around renter protections.”

<https://www.marini.com/2022/11/04/marin-nonprofits-call-for-rent-control-in-san-rafael/>