



# URGENCY ORDINANCE TO EXTEND THE TEMPORARY PROHIBITION ON RENTAL HOUSING PRICE GOUGING FOR THE DURATION OF THE CITY'S PROCLAMATION OF LOCAL EMERGENCY DUE TO FIRES

City Council Meeting  
November 27, 2018

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# Background

- ❖ The October fires destroyed 3,000 homes in Santa Rosa, exacerbating an already severe shortage of rental housing.
- ❖ Soon after the fires, Council were alerted to potential price gouging in the City's rental housing market.

# Penal Code Section 396

- ❖ Penal Code section 396 prohibits landlords from increasing residential rents more than 10% in the thirty days following the declaration of an emergency.
- ❖ On October 18, the Governor ordered that the price gouging prohibition remain in effect in Sonoma County until April 18, 2018.
- ❖ The Governor has now extended that date to December 4, 2018.

# City Price Gouging Prohibition

- ❖ October 24, 2017, Council adopted an Urgency Ordinance to add new City Code Chapter 10-44.
- ❖ Prohibits any landlord from increasing residential rents by more than 10% above the price charged immediately prior to the City's declaration of emergency.
- ❖ Prohibits any landlord from evicting an existing tenant and subsequently renting the same unit for more than 10% above the price charged in the 30 days immediately preceding October 9, 2017.

# Extension of Prohibition

- ❖ The Urgency Ordinance was originally set to expire on April 18, 2018.
- ❖ On May 8, 2018, Council adopted an Urgency extending the temporary prohibition on rental housing price gouging until December 4, 2018 or for as long as the City remains under a State-declared declaration of emergency, whichever is later.

# Extension of Prohibition

- ❖ The proposed extension would keep the City's price gouging prohibitions in place for so long as the City remains under a proclamation of local emergency due to fires.
- ❖ Under the City Charter, five affirmative votes are necessary to adopt an urgency ordinance.

QUESTIONS?