



ORDINANCE ADOPTION – ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA ROSA ADDING CHAPTER 6 90 TO THE SANTA ROSA MUNICIPAL CODE CONCERNING, AS TO CERTAIN RESIDENTIAL RENTAL UNITS IN THE CITY, (A) RENT STABILIZATION, LIMITATIONS ON THE TERMINATION OF TENANCIES AND THE PAYMENT OF RELOCATION ASSISTANCE AND REPEALING IN THEIR ENTIRETY ORDINANCE NUMBERS 4067, 4069 AND 4070

City Council Meeting  
August 30, 2016

David Gouin  
Director, Housing and Community Services

# BACKGROUND

## SUMMARY OF REVISED TEXT IN THE ORDINANCE

1. Housing Choice Voucher Program Rental Units are not exempt from the Ordinance. Section 6-90.020 B(1)
2. Landlords must provide materials concerning the Ordinance in writing. Section 6-90.030 A
3. Where landlords unbundle charges and fees, they must provide documentation showing the amount and that such charges have not been included in the calculation of the annual allowable adjustment. Section 6-90.045 B; 6-90.040 A

# BACKGROUND

4. Agreements between landlords and tenants where the rent increase exceeds 3% are not permitted except with the oversight of the Program Administrator. Sections 6-90.040, 6-90.070, 6-90.130
5. Where a landlord has permitted a tenant to have a pet, the tenant retains that right even if the landlord changes the policy. Section 6-90.045 C
6. Tenants may participate in the decision making process concerning requests for rent increases above 3%. Sections 6-90.065, 6-90.080 A, D, E, 6-90.100 A, 6-90.105 F, 6-90.110, 6-90.120

# BACKGROUND

7. The 30-day time limit for tenants to request rent adjustments has been deleted and a tenant may request more than one rent adjustment in a twelve month period so long as it is not based on the same or substantially the same reasons. Section 6-90.075
8. Eliminated as factors for the Program Administrator and the Hearing Officer to consider when evaluating a rent increase above 3% not related to a capital improvement plan, “historic buildings” has been clarified. Section 6-90.080
9. The definition of habitual late payment of rent has been clarified. Section 6-90.125 B

# BACKGROUND

10. Owner Move-In and Resident Manager have been clarified. Section 6-90.125 G(4), 6-90.125 G 2
11. Landlords must pay a relocation fee to a tenant at the end of a fixed term lease of greater than nine months. Section 6-90.130 A
12. The relocation fee shall be \$1500 plus the equivalent of three months' rent based on the monthly rent of a comparable unit. Section 6-90.130 A
13. Violators will be referred to an educational program for the first violation of the Ordinance. Section 6-90.160 A

# BACKGROUND

## **SUMMARY OF REVISED TEXT IN THE RENT STABILIZATION CAPITAL IMPROVEMENT PLAN (RS-CIP) POLICY**

1. Interest rate will be one-half of an assumed interest rate of the Wall Street Journal's prime rate plus one percent. Section 5
2. The Cost of the improvement will be amortized over 20, not 15 years. Section 5
3. The dollar amount of the rent increase as calculated under the Policy will be deducted from the rent then in effect at the conclusion of the 20 year amortization period. Section 5

# BACKGROUND

## **SUMMARY OF REVISED TEXT IN THE RENT STABILIZATION CAPITAL IMPROVEMENT PLAN (RS-CIP) POLICY**

4. The Program Administrator will provide the tenant with the opportunity to respond to the landlord's request for a Capital Improvement Plan. Section 9
5. When a tenant has informed the landlord that they intend to stop renting the unit because of the rent increase due to improvements, the tenant may remain in the unit until the work is completed, after which the landlord may terminate the tenancy and pay relocation benefits. Section 11A

# DEMOLITION AND RELOCATION CLARIFICATION

- If a building with rental units is demolished and a new residential rental building constructed, the rent control and no cause eviction provisions of the Ordinance would not apply for the new units.
- Council may wish to revise the RS-CIP Policy to provide, for example, relocation benefits and right of first refusal for displaced tenants.
- If Council adopts a revised RS-CIP Policy on Sept 13, Council could also adopt the Ordinance as introduced on August 16 and both would take effect on Sept 30, 2016.



# RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Council 1) adopt the Ordinance with the revisions noted in the attached redline version of the Ordinance; and , 2) direct staff to return on September 13, 2016 with a revised Rent Stabilization Capital Improvement Plan Policy to address demolition and new construction.