

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: CHUCK REGALIA, ASSISTANT CITY MANAGER
CITY MANAGER'S OFFICE

SUBJECT: INTRODUCTION OF AN INTERIM ORDINANCE TO IMPOSE A
TEMPORARY MORATORIUM ON RENT INCREASES

AGENDA ACTION: ORDINANCE ADOPTION

RECOMMENDATION

Council has directed staff to bring forward an interim ordinance to impose a temporary moratorium on rent increases in order to prevent rental increases exceeding 3% while a rent stabilization ordinance is being prepared.

EXECUTIVE SUMMARY

The Council has initiated a program to review and summarize rent stabilization programs in California, including options for the implementation of Mediation/ Arbitration, Just Cause for Eviction and Rent Stabilization in Santa Rosa. A presentation of these program options was made to the Council on January 26, 2016.

On March 31, 2016, the Rent Stabilization Council Subcommittee considered six tenant protection options, eventually recommending adoption of limited rent stabilization with a companion rent moratorium. The subcommittee also discussed several options for implementation, which should be considered by the City Council.

On May 3, 2016, the Council provided direction for a rent stabilization / just cause for eviction ordinance and directed staff to proceed with the ordinance. Council also directed the preparation of an ordinance to address an interim moratorium on rent increases exceeding 3%, to prevent landlords from increasing rent over this percentage while providing a fair and reasonable rate of return while the rent stabilization ordinance is drafted.

CITY COUNCIL GOALS

This work effort is included within Council Goal #1 Create a Strong, Sustainable Economic Base, Strategic Objective #2, Evaluate Housing Initiatives.

BACKGROUND

On September 1, 2015, a City Council Study Session was conducted on Rent Stabilization. During this study session, the City Council reviewed relevant State laws, considered market information and housing data, and considered other cities rental housing programs, policy options and future implications.

On October 20, 2015, the City Council awarded a contract to Management Partners to analyze policy and management options for the implementation of Mediation/Arbitration, Just Cause for Eviction and Rent Stabilization in Santa Rosa.

The Rent Stabilization subcommittee was established to oversee this research. Members of this subcommittee include Vice Mayor Schwedhelm and Council Members Combs and Coursey. Four subcommittee meetings have been held: November 9, 2015, December 7, 2015, January 4, 2016 and March 31, 2016.

On January 26, 2016, Management Partners presented the findings of research conducted thus far.

On March 31, 2016, the Rent Stabilization subcommittee met to consider six tenant protection options and to make a recommendation to the City Council regarding the next steps.

On May 3, 2016, the Council provided direction for a rent stabilization / just cause for eviction ordinance and directed staff to proceed with the ordinance. Council also directed the preparation of an interim ordinance to impose a temporary moratorium on rent increases over 3% while the rent stabilization ordinance is drafted.

PRIOR CITY COUNCIL REVIEW

May 3, 2016 – Direction to Prepare Rent Stabilization Ordinance and Temporary Rent Moratorium Ordinance

January 26, 2016 – Study Session Rent Stabilization Options

October 20, 2015 – Contract award to Management Partners

September 1, 2015 – Study Session Rent Stabilization

ANALYSIS

Rent Moratorium

The moratorium provides that landlords may not impose a rent increase of more than a cumulative 3% during the moratorium. Such a provision is required to protect the City against a claim that is taking private property. When the City of Richmond enacted a

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moratorium, it provided for a 3% increase over 12 months. The City of Alameda moratorium provided for 8% cumulative increase.

FISCAL IMPACT

Since the moratorium is for 45 days, there is no expectation of fiscal impact.

ENVIRONMENTAL IMPACT

This action is not a project under the California Environmental Quality Act, title 14, section 15378 of the California Code of Regulations.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

The Rent Stabilization Subcommittee recommends adopting Options 2 and 7: Limited Rent Stabilization ordinance with a companion rent moratorium.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Ordinance

CONTACT

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