



URGENCY ORDINANCE TO EXTEND TEMPORARY PROHIBITION ON RESIDENTIAL PRICE GOUGING

City Council Meeting
May 8, 2018

Sue Gallagher, City Attorney

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.
- ❖ The Council requested that staff bring forward a proposed extension of the Urgency Ordinance.
- ❖ The proposed extension would keep the City's price gouging prohibitions in place until December 4, 2018.

QUESTIONS?