

RESOLUTION NO. 28862

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA ADOPTING A
REVISED POLICY CONCERNING RENT STABILIZATION — CAPITAL IMPROVEMENT
PLANS FOR RENTAL UNITS IN THE CITY OF SANTA ROSA

WHEREAS, the City Council of the City of Santa Rosa encourages landlords in the City to improve the quality of the City's rental housing stock, recognizes the need to ensure that landlords receive a just and reasonable return on their capital improvement expenditures and desires to protect tenants from being unreasonably displaced from their rental units as a result of capital improvements to their rental units or to the buildings housing such rental units; and

WHEREAS, when a landlord intends to make or has made major long term repairs or improvements to a rental unit or rental unit building that materially adds value to the property, prolongs the useful life or adapts the property to a new use, including demolishing existing rental units and immediately constructing new rental units, and the cost of which is not less than eight times the amount of the rent (of the rental units affected by the work) multiplied by the number of rental units to be improved, the rent for rental units so improved should be increased in excess of the annual allowable adjustment or, in some cases, the rent should not be regulated at all, not only to provide the landlord with a just and reasonable return on the property but also to benefit the tenants; and

WHEREAS, on August 16, 2016, City staff presented to the City Council a Policy Concerning Rent Stabilization – Capital Improvement Plans, which Policy identifies major long term repairs that could qualify as a capital improvement, provides a method by which a landlord may receive a rent increase that exceeds the maximum increase by undertaking such capital improvements, and requires the landlord to provide relocation assistance to displaced tenants when work associated with the capital improvements cannot be accomplished safely and reasonably with the tenants remaining in their rental units while the work is performed; and

WHEREAS, on August 16, 2016, City Council members heard from the public concerning the Policy and thereafter discussed the Policy among themselves; and

WHEREAS, on August 16, 2016, the City Council adopted Resolution No. 28844, adopting a Policy Concerning Rent Stabilization – Capital Improvement Plans; and

WHEREAS, on August 30, 2016, after adopting Ordinance No. 4072, the City of Santa Rosa Rent Stabilization and Other Tenant Protection Ordinance, the City Council directed staff to return to the City Council for its further consideration a revised Policy Concerning Rent Stabilization – Capital Improvement Plans to address a situation where a landlord intends in good faith to demolish existing rental units and immediately thereafter construct new rental units on the same property, which situation is not expressly addressed in the Policy and to clarify the wording in the Policy concerning the Program Administrator's calculation of an assumed interest rate for capital improvements; and

WHEREAS, on September 20, 2016, City staff presented to the City Council such a revised Policy; and

WHEREAS, on September 20, 2016, City Council heard from the public concerning the revised Policy and thereafter discussed the revised Policy among themselves.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa has approved and adopted the revised Policy Concerning Rent Stabilization – Capital Improvement Plans for Rental Units in the City of Santa Rosa, attached hereto as Exhibit A.

BE IT FURTHER RESOLVED that the Council adoption of this Resolution is effective immediately and the revised Policy will be operative as of September 30, 2016.

IN COUNCIL DULY PASSED this 20th day of September, 2016.

AYES: (5) Vice Mayor Schwedhelm, Council Members Combs, Coursey, Olivares, Wysocky

NOES: (0)

ABSENT: (1) Council Member Carlstrom

ABSTAIN: (1) Mayor Sawyer

ATTEST: _____ APPROVED: _____
City Clerk Mayor

APPROVED AS TO FORM:

Interim City Attorney

Exhibit A: Policy Concerning Rent Stabilization - Capital Improvement Plans