

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DAISY GOMEZ, CITY CLERK

SUBJECT: REFERENDUM PETITION AGAINST ORDINANCE NO. 4072
(Rent Stabilization and Other Tenant Protections Ordinance)

AGENDA ACTION: MOTION

RECOMMENDATION

It is recommended by the City Clerk that the Council, (1) by motion, accept the City Clerk's Certificate of Sufficiency, based on the determination of the Sonoma County Registrar of Voters, for the Referendum Petition challenging portions of Ordinance No. 4072; and (2) take one of the following two actions: (a) introduce an ordinance repealing the portions of Ordinance No. 4072 challenged by the Petition, or (b) direct staff to bring back to Council an appropriate resolution to submit the challenged portions of Ordinance No. 4072 to the voters at a Special Election to be held on June 6, 2017.

EXECUTIVE SUMMARY

On December 21, 2016, the City Clerk received the Sonoma County Registrar of Voters' determination that the Referendum Petition challenging portions of Ordinance No. 4072 contained a sufficient number of valid signatures to qualify the referendum for the ballot. Pursuant to Elections Code Section 9240, the City Clerk, as the Election Official, must certify the Petition's sufficiency at the next regular meeting of Council following her receipt of the Registrar's determination.

Once the Clerk certifies the Petition's sufficiency, the Council must take one of two actions: (1) repeal the portions of Ordinance No. 4072 challenged by the Petition; or (2) submit the issue to the voters at a special election or the next general election.

BACKGROUND

On September 26, 2016, a timely Referendum Petition was filed with the City Clerk challenging portions of Ordinance No. 4072, establishing rent stabilization, eviction control, and other residential tenant protections in Santa Rosa. The Petition challenged all provisions of the Ordinance except the provision of the Ordinance that repealed both the 90-day moratorium on rent increases (which took effect on July 7, 2016) and the

Just Cause Eviction Ordinance (which took effect on September 16, 2016). Both of those earlier ordinances have now been repealed.

On September 26, 2016, the City Clerk submitted the Petition to the Sonoma County Registrar of Voters Office (ROV) for a prima facie review, signature verification, and final count.

On December 21, 2016, the ROV submitted to the City Clerk its determination that the Petition contained a sufficient number of signatures of qualified voters.

PRIOR CITY COUNCIL REVIEW

At the City Council meeting of October 11, 2016, an informational report was presented explaining the Referendum Petition process and the status of the Ordinance No. 4072.

ANALYSIS

Pursuant to California Elections Code section 9240, the City Clerk is required to certify the sufficiency of the Referendum Petition to the City Council at the next regular Council meeting after receiving the Registrar's sufficiency determination. Once the Council receives the Clerk's certificate of sufficiency, the Council must take one of two actions: (1) repeal the portions of Ordinance No. 4072 challenged by the Petition; or (2) submit the issue to the voters at a special election or the next general election.

If the Ordinance is submitted to the voters, the Ordinance will not take effect unless and until the voters approve it.

If the Council repeals the challenged parts of the Ordinance, or the Council submits the Ordinance to the voters and the voters disapprove it, the Ordinance may not be enacted by the Council again for one year after the date of its repeal by Council or disapproval by the voters.

Should the Council choose to submit the Ordinance to the voters rather than repeal it, Council must decide the date for the election. The options are (1) a special election on June 6, 2017, (2) a special election on November 7, 2017, (3) a special election on April 10, 2018, (4) a special election on June 5, 2018, or (5) the general election on November 6, 2018. Under Elections Code section 9241, a special election may not be called fewer than 88 days after the order of the City Council, therefore, the Ordinance may not be placed on the March 7, 2017 ballot.

If the Ordinance is to be submitted to the voters, staff recommends that the Council call a special election on June 6, 2017 to address this matter. First, submitting the matter to the voters in June 6, 2017 will bring certainty to this issue at the earliest possible date for both the community and staff.

Second, submitting the question to the voters on June 6, 2017 may provide significant savings for the City. The Council previously directed staff to return to Council to

address whether to submit to the voters on June 6, 2017 an ordinance that would authorize the City to impose a business tax on the Cannabis Industry operating in Santa Rosa.

Based on the cost estimates below provided by the ROV, should the Council ultimately decide to submit the Cannabis Industry Tax to the voters on June 6, 2017, the City would avoid significant elections costs by placing a second City measure on the same ballot rather than submitting the measures to the voters at separate elections.

- The cost to the City of placing one City measure on a Special Election ballot is approximately \$403,785.
- The cost to the City of placing two City measures on the same Special Election ballot is approximately \$493,515.
- The cost to the City of adding a City measure to the November 6, 2018 Regular Election ballot is approximately \$134,595.

If the Council chooses to submit the Ordinance to the voters rather than repeal it, the staff recommends that the Council direct staff to return to the Council with the appropriate resolution to call the election on the particular election date selected by Council.

FISCAL IMPACT

The fiscal impact will depend on whether the Council chooses to repeal the challenged portions of the Ordinance or submit the matter to voters. There is no direct cost to repealing the Ordinance. The cost associated with submitting the matter to the voters depends on which election date the Council chooses and the number of City measures on the ballot, as set forth above.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

NOTIFICATION

Not Applicable.

ATTACHMENTS

Attachment 1 - Certificate of Sufficiency with Petition Results
Ordinance

CONTACT

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