

# Rent Stabilization Ordinance

August 13, 2024

Housing and Land Use Committee Meeting



## Purpose of Meeting; Agenda

- Generally review Rent Stabilization Ordinance
- Receive report from Economic & Planning Systems, Inc.
- Receive questions, comments, and recommendation from the HLUC
- Continue to receive input and feedback from the community

## Draft Ordinance: Components

- Rent Stabilization
- Tenant Protection and Just Cause Eviction
- Anti-Harassment
  
- Revised draft ordinances available on City website
- Draft ordinances will continue to be refined based on HLUC and Council direction

# Rent Stabilization

- Applies to:
  - All Rental Units, unless exempt
    - Multifamily dwelling units building BEFORE February 1, 1995
- Exempt:
  - Single-family rentals
  - Condominium rentals
  - Rental units which are deed restricted as affordable
  - Multifamily dwelling units built AFTER February 1, 1995
  - Newly constructed dwelling units

# Rent Stabilization, continued

- Limit on Rental Rate Increases
  - One rent increase per 12-month period
  - Limited to a set percentage:
    - 2.5% to 2.75% or 65% to 75% of the Consumer Price Index for All Urban Consumers (CPI-U) Series Title: All items in West urban, all urban consumers, not seasonally adjusted
- Retroactive to December 31, 2023

## Rent Stabilization, continued

- Allows landlord/owner to petition for relief to receive a fair and reasonable return
- Allows tenants to petition for rent reductions if rent is charged in excess of the ordinance limits
  - Hearing Officer will review; Subject to appeal to the City Council
- Allowance for capital Improvements

## Rent Stabilization, continued

- Adds a definition for “Housing Services”
  - Amenities and services provided by the Landlord, including parking and utilities
  - A reduction in Housing Services is considered a rent increase
- Rent increases not permitted; Rent Reduction
  - Failure to comply with Ordinance
  - Rental Unit not maintained in habitable condition
- Notice of Ordinance protections must be provided
- Rent Program Fee imposed on Rental Units
  - Fee to be set by Resolution of the City Council

# Economic & Planning Systems, Inc.



# Tenant Protection, Just Cause Eviction

- Intent is to provide housing stability and limit adverse impacts on displaced tenants
- Applies to all Rental Units, unless exempted
  - Hotels, motels
  - Rental Units where owner maintains their Primary Residence

# Tenant Protection, Just Cause Eviction, continued

- Just Cause required for termination of tenancy
- At Fault
  - Failure to pay rent
  - Breach of lease
    - Except for addition of family members
  - Nuisance, waste
  - Criminal activity
- No Fault
  - Owner move-in
  - Temporarily vacate for substantial repairs, demolition
- Ellis Act Provision
  - Removal of Rental Unit from Rental Market

# Tenant Protection, Just Cause, continued

- Requirements Upon Termination of Tenancy (At-Fault)
  - Provide notice and an opportunity to cure
  - Must demonstrate good faith, honest intent, and with no ulterior motive
  - Notices filed with the City

## Tenant Protection, Just Cause, continued

- Requirements Upon Termination of Tenancy (No Fault Evictions)
  - Requires notice to Tenant; Notices filed with City
  - Offer to renew if property back on market within 5 years
  - Relocation Assistance: Three months of actual rent (in addition to security amounts or deposits)
  - Additional notice of Residential Tenant Protections
- Notices must be in English and Spanish

## Anti- Harassment

- Intent is to protect vulnerable populations and to prevent adverse health impacts as a result of involuntary displacement
- Applies to all residential rental units, including single-family residences and condominiums
- Prohibits landlord retaliation against tenants in response to a tenant exercising their legal rights:
  - Increasing rent
  - Refusing rent
  - Decreasing or eliminating housing services or access to amenities
  - Refusing to renew a lease or rental agreement
  - Physical or verbal harassment

## Timing and Next Steps

- August 13, 2024, HLUC Meeting
  - Does the HLUC recommend the ordinances proceed to City Council?
- August 20, 2024, City Council Meeting
  - September 10, 2024, Introduction of Ordinance
  - September 24, 2024, Adoption of Ordinance
- January 1, 2025, Operative Date of Ordinance