

AMENDMENTS TO RENT CONTROL ORDINANCE CONCERNING CAPITAL IMPROVEMENT PLANS AND MARINA RELATED ISSUES

By: Michael H. Roush, Special Council

July 12, 2022 City Council Meeting

CURRENT CAPITAL IMPROVEMENT PLAN POLICY (ADOPTED APRIL 2016)

- Major, long term, repairs and improvements, e.g., a new roof, new plumbing for the entire building
- To qualify: monthly rent x number of units x 8
- If approved, rent increase

REVISED POLICY/ORDINANCE (APRIL 2021)

- Major, long term, repairs and improvements
- To qualify: \$25,000 overall; \$2500/unit
- “Pass through” (not rent increase) capped at 5% of MAR
- Pass through delayed for 12 months after local emergency rescinded

PROPOSED POLICY/ORDINANCE

- Major, long term, repairs and improvements (includes marinas)
- To qualify: \$7500 overall; \$750/unit
- Pass through capped at 5% of MAR
- Cap of 8% of MAR when AGA is combined with pass through
- 12 months delay
- Tenant hardship
- AGA applies to floating homes and other marina residential tenancies

CIP COMPARISON TABLE

	Current CIP Regulation	Proposed CIP Ordinance
Annual CAP	None	8% of current Rent inclusive of AGA, pass through and banking (existing AGA and banking cap already at 8%)
Minimum Dollar Limit to Qualify	Monthly rent x number of units x 8	\$7,500 overall and \$750 per unit
How CIP is imposed	Rent Increase (subject to future AGA)	Pass Through (not subject to future AGA)
Qualifying Expenses	Major, Long Term Improvements / Repairs	Same + explicit inclusion of maritime tenancy related work
Qualification determination	Program Administrator only	Program Administrator with appeal to independent hearing officer

APPLICATION OF RENT CONTROL ORDINANCE AMENDMENTS TO FLOATING HOME RESIDENTS AND LIVEBOARDS

- Existing Ordinances "froze" rents and provided other protections to floating home residents and long term "liveboards"
- Proposed Ordinance permits rents to be increased by AGA and pass throughs for new capital improvements at marinas
- Council to confirm or revise application of Ordinance to long term liveboards

STAFF RECOMMENDATION: INTRODUCE THE ORDINANCE