

Summary of Draft Rent Ordinances

Ordinance #1: Ordinance Revising the Current Rent Review Procedures, Limiting the Grounds for Evictions and Requiring Relocation Assistance for Certain Evictions

A. Amendments to the Rent Review Process

1. Property owners to initiate the rent review procedure, if they seek rent increases of 8% or above, (or at some other threshold as determined by the City Council) by notifying the Housing Authority within 15 days of serving a notice of rent increase.
2. Rent increase above the threshold amount would not go into effect until after the RRAC hearing.
3. Tenants will still have the right to request a review even if the rent increase is below the threshold.
4. Tenant and the property owner will then be required to appear before the RRAC for a hearing concerning the rent increase.
5. Following the hearing, as now, the RRAC will make a non-binding, advisory recommendation.
6. Rent increase at or above the threshold would be void and may not be enforced by the property owner if the property owner fails to comply with this process.
7. Any rent increase in violation of this ordinance may be used as evidence in a tenant's defense to an unlawful detainer action based on a tenant's failure to pay an illegal rent increase.
8. Retaliation is prohibited for accessing the RRAC process (i.e., no eviction notice within six months).
9. Increases the number of days to 15 that a tenant has to file a complaint with the Housing Authority.

B. Other Tenant Protections

1. Requires landlords to offer tenants one-year leases (one time only).
2. Prohibits landlords from increasing rents more than once per year.
3. Limits the grounds for evictions.
 - a. Allows "no cause" evictions with stipulations (relocation assistance and cap on rent increase for new tenant).
 - b. Substantial rehabilitation will require City's approval of Capital Improvement Plan (to be developed) before any tenants are evicted.
 - c. "No cause" evictions limited to a maximum % of units per month/year (i.e., 25% of units a mo/50% in a year for 1-4 unit buildings, 20% of

units a mo/50% a year for 5-14 unit buildings, and 10% of units a mo/50% in a year for 15+ unit buildings).

4. Requires payment of relocation assistance for “no cause/no fault” evictions.
 - a. One month’s rent for each year of tenancy up to four months’ rent plus \$1,500 (moving expenses).
 - b. Provision for tenants to request more time up to a maximum of four months beyond the 60-day notice (total time six months). Relocation benefits would be reduced in exchange for more time in unit (for each month extension beyond the 60 days, the amount of one month’s rent would be reduced from the relocation benefit).
5. Monetary Penalties/Enforcement

Program Registration and Fee

- Provides for a program fee that will be imposed on all rental units and paid annually.
- Data collection would be part of the registration process.
- A fee study in the next few months to determine the cost of administering the ordinance adopted by City Council.

Sunset Provision

- The ordinance requires an Annual Report to City Council.
- The ordinance sunsets on December 31, 2019, unless the City Council takes action to retain all, or some, of the provisions of the ordinance (e.g., relocation benefits tied to no cause/no fault evictions).

Ordinance #2: Ordinance Imposing Rent Stabilization, Limiting the Grounds for Evictions and Requiring Relocation Assistance for Certain Evictions

A. Rent Stabilization

1. Property owner may not increase rents greater than 8% on a cumulative basis over the past twelve-month period (“the maximum allowable increase”).
2. Property owner may petition for an increase above the maximum allowable increase in order to receive a fair and just return on property or where the property owner is constructing capital improvements that warrant an increase above the maximum allowable increase.
3. A hearing officer would conduct an evidentiary, administrative hearing in which the property owner would have to prove that a rent increase above the maximum allowable increase was necessary.
4. The hearing officer’s decision would be final and binding but subject to a judicial appeal process.
5. The portion of the rent increase above the maximum allowable increase would not go into effect until the hearing officer’s decision was final or there was a final judgment (or other resolution, e.g., a settlement) concerning the challenge to the hearing officer’s decision.
6. Provides a rent review process for units that are exempt from Costa Hawkins.
7. Retains the RRAC to hear cases initiated by tenants of units covered by the rent stabilization ordinance for rent increases below the threshold amount (i.e., rent increases 8% or below).
8. Any RRAC determination would be non-binding.
9. Retaliation is prohibited for tenants accessing the rent stabilization process (i.e., no eviction notice within six months).

B. Other Tenant Protections

1. Requires landlords to offer tenants one-year leases (annual basis).
2. Prohibits landlords from increasing rents more than once per year.
3. Limits the grounds for evictions.
 - a. Allows “no cause” evictions with stipulations (relocation assistance and cap on rent increase for new tenant).
 - b. Substantial rehabilitation will require City’s approval of Capital Improvement Plan (to be developed) before any tenants are evicted.
 - c. “No cause” evictions limited to a maximum % of units per month/year (i.e., 25% of units a mo/50% in a year for 1-4 unit buildings, 20% of units a mo/50% a year for 5-14 unit buildings, and 10% of units a mo/50% a year for 15+ unit buildings).

4. Requires payment of relocation assistance for “no cause/no fault” evictions.
 - a. One month’s rent for each year of tenancy up to four months’ rent plus \$1,500 (moving expenses).
 - b. Provision for tenants to request more time up to a maximum of four months beyond the 60-day notice (total time six months). Relocation benefits would be reduced in exchange for more time in unit (for each month extension beyond the 60 days, the amount of one month’s rent would be reduced from the relocation benefit).
5. Monetary Penalties/Enforcement

Program Registration and Fee

- Provides for a program fee that will be imposed on all rental units and paid annually.
- Data collection would be part of the registration process.
- A fee study in the next few months to determine the cost of administering the ordinance adopted by City Council.

Sunset Provision

- The ordinance requires an Annual Report to City Council.
- The ordinance sunsets on December 31, 2019, unless the City Council took action to retain all, or some, of the provisions of the ordinance (e.g., relocation benefits tied to no cause/no fault evictions).

Ordinance #3: Ordinance Imposing Rent Stabilization, Prohibiting No Cause Evictions and Requiring Relocation Assistance for Certain Evictions

A. Rent Stabilization

1. Property owner may not increase rents greater than 8% on a cumulative basis over the past twelve-month period (“the maximum allowable increase”).
2. Property owner may petition for an increase above the maximum allowable increase in order to receive a fair and just return on property or where the property owner is constructing capital improvements that warrant an increase above the maximum allowable increase.
3. A hearing officer would conduct an evidentiary, administrative hearing in which the property owner would have to prove that a rent increase above the maximum allowable increase was necessary.
4. A majority of tenants (50% + 1) may petition for a reduction in rent based on a reduction in housing services no more than once per year.
5. A hearing officer would conduct an evidentiary, administrative hearing in which the tenants would have to prove that a reduction in rent was warranted based on the reduction in housing services.
6. The hearing officer’s decision would be final and binding but subject to a judicial appeal process.
7. The portion of the rent increase above the maximum allowable increase/reduction in rent would not go into effect until the hearing officer’s decision was final or there was a final judgment (or other resolution, e.g., a settlement) concerning the challenge to the hearing officer’s decision.
8. Provides a rent review process for units that are exempt from Costa Hawkins.
9. Retains the RRAC to hear cases initiated by tenants of units covered by the rent stabilization ordinance for rent increases below the threshold amount (i.e., rent increases 8% or below).
10. Any RRAC determination would be non-binding.
11. Retaliation is prohibited for tenants accessing the rent stabilization process (i.e., no eviction notice within six months).

B. Other Tenant Protections

1. Requires landlords to offer tenants one-year leases (annual basis).
2. Prohibits landlords from increasing rents more than once per year.
3. Eviction Limitations
 - a. The property owner would **not** have the ability to evict a tenant for “no cause.”

- b. Substantial rehabilitation will require City's approval of Capital Improvement Plan (to be developed) before any tenants are evicted.
4. Requires payment of relocation assistance for "no fault" evictions.
 - a. One month's rent for each year of tenancy up to four months' rent plus \$1,500 (moving expenses).
 - b. Provision for tenants to request more time up to a maximum of four months beyond the 60-day notice (total time six months). Relocation benefits would be reduced in exchange for more time in unit (for each month extension beyond the 60 days, the amount of one month's rent would be reduced from the relocation benefit).
5. Monetary Penalties/Enforcement

Program Registration and Fee

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