

Comparison of Rent Review Ordinance, Renters' Initiative and Landlords' Initiative

ADOPTION AND AMENDMENTS OF RENTAL CONTROL REGULATIONS

<u>City Ordinance</u>	<u>Renters' Initiative</u>	<u>Landlords' Initiative</u>
<ul style="list-style-type: none"> • Regulations adopted by the City Council • City Council may amend or repeal 	<ul style="list-style-type: none"> • Regulations would be through a proposed City Charter amendment • Must be adopted by the voters • May be amended or repealed only by the voters 	<ul style="list-style-type: none"> • Regulations would be through a proposed City Charter amendment • Must be adopted by the voters • May be amended or repealed only by the voters

EFFECT OF INITIATIVES ON EXISTING CITY ORDINANCE

<u>City Ordinance</u>	<u>Renters' Initiative</u>	<u>Landlords' Initiative</u>
	<ul style="list-style-type: none"> • Replaces and repeals City Ordinance 	<ul style="list-style-type: none"> • Repeals those portions of City Ordinance that directly impose restrictions on the sale or lease of rental property

ADMINISTRATION OF THE RENT PROGRAM

<u>City Ordinance</u>	<u>Renters' Initiative</u>	<u>Landlords' Initiative</u>
<ul style="list-style-type: none"> • City Council oversight and Housing Authority runs the day-to-day operation through a Staffing Service Agreement • City Council establishes rules, regulations and policies to implement the program • Program funding is required (annual cost estimated at \$1.9M) • Requires landlords to initiate a process through the Rent Review Advisory Committee when rent increases are more than 5% • Requires landlords to initiate a process separate from the RRAC when seeking a rent increase based on substantial rehabilitation of the rental unit (CIP) • Requires one-time offer of one-year lease • Process in place and most disputes resolved before RRAC hearing 	<ul style="list-style-type: none"> • Need to elect a five-member Rent Control Board within 90 days of adoption of the Initiative (cost to the City, \$540K-\$675K) • Board would be autonomous from the City, the City Council could not approve its budget and the Board would have its own administrative and legal staff funded by fees paid by landlords (annual cost estimated at \$3M-\$3.7M) • Board would establish rents, issue rules and regulations, conduct investigations and hearings and impose penalties for non-compliance • City, not Board, would be legally responsible for damages and attorneys' fees if a court determines a Board decision deprived a landlord of a constitutional right 	<ul style="list-style-type: none"> • Rent Program would largely remain intact (although decisions regarding rent increases would be non-binding) and therefore a funding source is required to cover the cost of administering the program (annual cost similar to City Ordinance (\$1.9M)) • No requirement to offer one-time, one-year lease
<ul style="list-style-type: none"> • Housing Authority properties and private sector units with Section 8 Housing Choice Voucher-holders are exempt from the Ordinance 	<ul style="list-style-type: none"> • Unclear if certain Housing Authority properties and units with Housing Choice Vouchers would be exempt from rent control. 	<ul style="list-style-type: none"> • Exempts properties with affordable housing regulatory agreements • Silent as to private sector units with Housing Choice Vouchers so City Ordinance would apply

ESTABLISHMENT OF BASE RENT AND ALLOWABLE RENT INCREASES

<u>City Ordinance</u>	<u>Renters' Initiative</u>	<u>Landlords' Initiative</u>
<ul style="list-style-type: none"> • Does not establish a base rent • No limitation on the amount of rent a landlord may charge when there is a vacancy due to a just cause or "no fault" termination of tenancy or a tenant voluntarily vacating 	<ul style="list-style-type: none"> • Rents are "rolled back" to May 5, 2015 	<ul style="list-style-type: none"> • Does not establish a base rent and landlords may impose whatever rent the market will allow.
<ul style="list-style-type: none"> • No limitation on the amount of a rent increase but landlords must invoke the RRAC process if rent increase is greater than 5% • Landlords must use a separate process for rent increases due to substantial rehabilitation (CIP) • Rent increases are limited to once a year 	<ul style="list-style-type: none"> • Annual allowable rent increase is limited to 65% of the change in the Consumer Price Index for the previous March 	<ul style="list-style-type: none"> • No limitation on the amount of a rent increase (inc. CIP) nor the number of times rent may be increased.
<ul style="list-style-type: none"> • For certain units, RRAC decision is non-binding • For other units, RRAC decision is binding if landlord or tenant does not petition to have rent increase heard by a neutral hearing officer, whose decision is binding 	<ul style="list-style-type: none"> • If landlord wants percentage increase above the allowable rent increase, landlord must file a petition and have the matter heard by a hearing examiner whose decision is final but subject to appeal to the Rent Board and to judicial review • Tenant may also petition to have rent adjusted downwards 	<ul style="list-style-type: none"> • Prohibits direct restrictions on rents including regulating allowable rent increases

TERMINATIONS OF TENANCIES

<u>City Ordinance</u>	<u>Renters' Initiative</u>	<u>Landlords' Initiative</u>
<ul style="list-style-type: none"> • Permits no cause evictions but limits the number of units on a monthly/annual basis and rent for new tenant is limited • Permits "for cause" and no fault evictions (owner move in, substantial rehabilitation and withdrawal of unit from rental market) 	<ul style="list-style-type: none"> • Does not permit "no cause" evictions • Does permit "for cause" and no fault evictions including (a) owner move in, (b) when necessary to bring property into compliance with codes affecting health and safety of the tenants and where repairs cannot be completed with Tenant in the unit and (c) when unit is withdrawn from the rental market. In this latter case, tenant is entitled to 120 days' notice to vacate but if tenant is senior or disabled, tenant is entitled to one year's notice 	<ul style="list-style-type: none"> • Silent as to limitations on evictions so City Ordinance applies (except rent for a new tenant following a no cause termination would not be regulated)

RELOCATION FEES

<u>City Ordinance</u>	<u>Renters' Ordinance</u>	<u>Landlords' Initiative</u>
<ul style="list-style-type: none"> • \$1,500 plus the dollar equivalent of one month's rent for each year, or portion thereof, that a tenant has rented the unit, capped at four months' rent • In some cases, tenant may "trade" dollars for more time in the unit • \$1,500 moving expense adjusted annually based on CPI 	<ul style="list-style-type: none"> • \$7,300 if tenant has rented the unit 3 years or fewer • \$15,000 if tenant has rented the unit 3 years or fewer and tenant is disabled, 62+ or has a child under 18 • \$9,650 if tenant has rented the unit more than 3 years • \$18,300 if tenant has rented the unit more than 3 years and tenant is disabled, 62+ or has a child under 18 adjusted for CPI 	<ul style="list-style-type: none"> • Silent as to relocation fees so City Ordinance would apply
<ul style="list-style-type: none"> • Half of the payment is due when tenant advises landlord that tenant will move and other half when tenant vacates on promised date 	<ul style="list-style-type: none"> • Full payment is due when notice to vacate is served 	

REMEDIES

<u>City Ordinance</u>	<u>Renters' Initiative</u>	<u>Landlords' Initiative</u>
<ul style="list-style-type: none">• Allows tenants to recover damages and attorneys' fees from landlords for violation of the Ordinance• City may seek civil penalties, injunctive relief, issue citations	<ul style="list-style-type: none">• Allows tenants to recover damages and attorneys' fees from landlords for violations• Board may impose penalties and seek civil relief	<ul style="list-style-type: none">• Silent on this issue so remedies under City Ordinance would apply