

# Follow-up Discussion Regarding Amendments to the Residential Rent Stabilization Ordinance (RRSO) and Review of Council Referral Regarding a Moratorium on Rent Increases

March 21, 2019

# Presentation Focus

- Summarize the City Council's comments related to amendments to the Residential Rent Stabilization Ordinance (RRSO) from the February 19, 2019 work session;
- Discuss the referral made to the Homelessness-Housing Task Force regarding a moratorium on rent increases; and
- Describe the process for soliciting further community input and timeline for returning to Council with proposed legislation.

# Presentation Focus

- Approach for Modifying the RRSO:
  - Mandatory Mediation with Binding Arbitration
  - Elimination of Vacancy Decontrol Process (Section 8 of the RRSO)
  - Discrimination Protection for Section 8 Housing Choice Voucher Holders
  - Filing Rent Increase and Eviction Notices
  - Relocation Benefits for No Fault Evictions
  - Tenant Retaliation Protections
- Other Recommendations from Stakeholders
- Referral Regarding Moratorium on Rent Increases
- Process for Seeking Community Input

# Approach for Modifying the RRSO

## Mandatory Mediation with Binding Arbitration

Council consensus:

- Eligible to petition for review if rent (inclusive of all charges) increase > 5%
- Applicable to all pre-1979 units except single family homes and condominiums consistent with State Law
- Provide protection to 9,500 units

# Approach for Modifying the RRSO

## Mandatory Mediation with Binding Arbitration

Seeking stakeholder feedback on:

- Current workflow to identify areas of improvement
- Standards of review to protect a landlord's right to a fair return and tenants from unnecessary rent increases that cause displacement

# Approach for Modifying the RRSO

## Vacancy Decontrol Process (Section 8 of the RRSO)

Council consensus:

- Supported eliminating the vacancy decontrol provisions of the RRSO pending findings from consultant.

# Approach for Modifying the RRSO

## Discrimination Protection for Section 8 Housing Choice Voucher Holders

### Council consensus:

- Support for prohibiting discrimination of Section 8 Housing Choice Voucher Holders.

### Intent of the program

- Identify Section 8 vouchers as a source of income to prevent discrimination.
- Prohibition would not prevent Landlords from:
  - Charging market rent for their units
  - Prevent landlord from rejecting an applicant based on rental or credit history.

# Approach for Modifying the RRSO

## Filing Rent Increase and Eviction Notices

### Council consensus

- Support for requiring landlords to file rent increase and eviction notices with the City to obtain better data on rental housing.

### Seeking stakeholder feedback on:

- Process for collecting data
- Information to be collected for notices

# Approach for Modifying the RRSO

## Relocation for No Fault Evictions

### Council Consensus:

- City Council referred no fault evictions the Task Force to explore further.

### Intent of the program:

- Tenants would be eligible for and entitled to relocation assistance from a landlord if the termination of tenancy was due to a landlord caused termination.

# Approach for Modifying the RRSO

## Relocation for No Fault Evictions

Seeking stakeholder feedback on:

- Implementation of the program
- Benefits of the program
- Situation that need to be address  
(such as displacement caused by investment or sale of property)

# Approach for Modifying the RRSO Tenant Retaliation Protections

## Council Consensus:

- City Council referred tenant retaliation protections to the Task Force to explore further.

## Intent of the program:

- Provide tenants with legal recourse if they are harassed or retaliated against by the property owner and provides civil remedies for violations

# Approach for Modifying the RRSO Tenant Retaliation Protections

Seeking stakeholder feedback on:

- Implementation of the program
- Benefits of the program
- Situation that need to be address  
(such as refusal to accept rent or threatening to interrupt services)

# Other Recommendations from Stakeholders

- Housing provider community proposed:
  - Require mandatory leases at application and at renewal.
  - Extend rent increase noticing periods by 30 days beyond State standards to provide tenants more time to adjust to proposed changes in rent or find alternate housing.
  - Propose suspending rent increases if the property has an open maintenance issue as identified through the rental Housing Inspection Program.
- Staff is supportive of these recommendations in conjunction with direction provided by City Council.

# Other Recommendations from Stakeholders

- Business/Landlord community proposed:
  - Create advisory board to provide council with input prior to adopting legislation,
- Staff does not support this recommendation because this Task Force will provide an additional forum to review and discuss housing and homelessness related policies.

# Referral Regarding Moratorium on Rent Increases

- On February 26, 2019, the City Council made a referral regarding a potential moratorium on rent increases citywide to the Homelessness-Housing Task Force.
- Moratoria have been used by other Cities out of concern that pending legislation would cause immediate rent increases.
- Staff has limited capacity to implement and enforce the moratorium and work on a permanent solution.
- There has not been an increase in inquiries related to rent increase since discussions about modification to the RRSO began.
- There is concern that a rent increase moratorium may delay the construction of proposed rental housing projects.

# Process for Seeking Community Input

## Community Engagement Workshop

Date: Saturday, April 6, 2019

Time: 9:30 a.m. - 12:30 p.m.

Location: TBD

# Process for Seeking Community Input

## Objectives

- Provide information about proposed measures
- Get input from stakeholders

## Informational Stations on Specific Topics

- Mediation-binding arbitration program
  - Proposed workflow
  - Standards of review for increases above 5%
- Possible elimination of vacancy decontrol provisions
- Process for filing rent increase and eviction notices
- Relocation program for no fault evictions
- Tenant retaliation protections

# Next Steps

## Timeline

Community Engagement Workshop	April 6, 2019 (9:30am-12:30pm)
Homelessness-Housing Task Force	April 18, 2019 (5:00 pm)
Homelessness-Housing Task Force	May 2019 (TBD) (5:00 pm)
City Council Approval	May 21, 2019 (7:00 pm)

# Taskforce Feedback

Review consensus of measures to modify the RRSO.



Provide direction regarding a moratorium on rent increases.



Provide comments on community engagement process.

# Questions

