



DATE: June 13, 2017

CATEGORY: Consent

DEPT.: City Attorney's Office/Community Development

TITLE: **Adopt an Ordinance Repealing the Right-To-Lease Ordinance and Rental Housing Dispute Resolution Program (Second Reading)**

RECOMMENDATION

Adopt an Ordinance Repealing the Right-To-Lease Ordinance and the Rental Housing Dispute Resolution Program, Mountain View City Code Sections 43.1-43.6 and 43.20-43.32. (First reading: 7-0)

SUMMARY

On December 18, 2015, the City Council adopted the Right-To-Lease Ordinance ("RTLO") to address reports from tenants regarding escalating rents. The RTLO required landlords to offer new and existing tenants a fixed-term lease of either six months or one year. On April 26, 2016, the City Council adopted an ordinance establishing a Rental Housing Dispute Resolution Program ("RHDRP"). The broad purpose of the RHDRP is to protect tenants from unreasonable rent increases, assure a fair and reasonable return to property owners, and to maintain a safe, habitable, and stable housing environment in the City.

Following the adoption of these ordinances, the voters approved an amendment to the City Charter entitled the Community Stabilization and Fair Rent Act ("CSFRA") on November 8, 2016.

The RTLO is superseded by the CSFRA because it requires that the rent for a rental unit with a written six-month or one-year lease not exceed the rental rate for the same unit for month-to-month tenancy.

Under the RHDRP, landlords are limited to two rent increases in any consecutive 12-month period. This provision conflicts with the CSFRA which permits only one rent increase per 12-month period. In addition, the disputes covered by the RHDRP include

rent increases in excess of 7.2 percent per year. The CSFRA governs and allows a different annual rent increase based on the Consumer Price Index.

To address the conflicts created by the overlapping statutory schemes, the City Council introduced an ordinance repealing both the RTLO and RHDRP so they do not conflict with the CSFRA, and to eliminate confusion for both landlords and tenants as to which regulations apply to a particular rental unit.

FISCAL IMPACT

Repeal of the RHDRP and elimination of the RHDRP Fee will remove the authority to assess the fee, resulting in a reduction of \$110,000 in revenue to the General Operating Fund for Fiscal Year 2017-18.

ALTERNATIVES

Provide other direction to staff, such as amending one or both ordinances.

PUBLIC NOTICING

Agenda posting. The ordinance was published at least two days prior to adoption in accordance with City Charter Section 522.

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Attachment: 1. Ordinance