



DATE: October 27, 2015

CATEGORY: Public Hearing

DEPT.: City Attorney's Office

TITLE: **Urgency Ordinance to Require a Written Residential Rental Lease with a Specified Term**

RECOMMENDATION

Introduce and adopt an Urgency Ordinance of the City Council of the City of Mountain View to Require a Written Residential Rental Lease with a Specified Term, to be read in title only, further reading waived. (Five votes required)

BACKGROUND AND ANALYSIS

In response to testimony presented to the City Council by renters in Mountain View in September and October regarding rental increases and tenant evictions in September and October, the Council held a Study Session on October 19, 2015 to discuss rent relief program options.

After hearing presentations from Melissa Morris, a Senior Attorney with the Public Interest Law Firm and the Fair Housing Law Project of the Law Foundation of Silicon Valley; Martin Eichner, a former dispute resolution director for Project Sentinel; and Joshua Howard, Executive Director of the Tri-County Division of the California Apartment Association, and hearing extensive testimony from the public, the Council directed staff to draft an urgency ordinance requiring landlords to provide tenants with a 6- or 12-month written lease and also to provide tenants with 90 days written notice of any eviction notice or rent increase. In addition, the Council directed staff to prepare recommendations for a mandatory mediation program for rental disputes. The Council also asked staff to work with Community Services Agency to enhance emergency assistance to renters. Staff is working on this item. The Council also discussed a data collection program. Staff will return to the City Council to clarify the scope of this program.

The urgency ordinance is presented to address the concerns expressed by the Council on a short-term basis while staff prepares a regular ordinance as well as agenda items on the mediation, emergency assistance, and data collection programs. As drafted, the

urgency ordinance will remain effective for 90 days to allow a regular ordinance to be adopted.

In preparing the urgency ordinance, and subsequent to the October 19, 2015 Study Session, research revealed the timing of notices for rent increases and evictions is governed by State law and the State law preempts any City regulations increasing the notice requirement. For this reason, these provisions are not included in the proposed urgency ordinance. However, they could be part of a voluntary program.

COMPONENTS OF URGENCY ORDINANCE

The draft urgency ordinance is based on Palo Alto's Rent Stabilization Ordinance which requires landlords to provide current and prospective tenants with a one-year written lease. This ordinance was adopted in 1980 and withstood a legal challenge in 2001. The ordinance has been reviewed to ensure compliance with the Costa-Hawkins Rental Housing Act.

Council expressed a desire to include a provision requiring the amount of rents for units rented with a written lease be similar to units rented on a month-to-month basis. This issue is still being researched and will be addressed with the presentation of a regular ordinance. While the landlord is required to provide the tenant with a written six-month or one-year lease, the tenant has the option of accepting or rejecting a written lease depending on the terms. The ability of the tenant to select a month-to-month tenancy, six-month lease, or one-year lease may provide some of the flexibility the Council is seeking for tenants.

Outreach efforts to notify landlords of an adopted urgency ordinance will include a mailing to landlord, notices on the City's website, and social media. City staff will also seek the assistance of the California Apartment Association to reach landlords and notify them of the urgency ordinance.

In terms of enforcement, the ordinance provides a defense to the tenant in an unlawful detainer action on the basis for injunctive relief.

DIRECTION NEEDED

Staff has drafted a proposed urgency ordinance and seeks direction regarding three specific items:

1. *Scope of Ordinance.* The ordinance applies to all “rental units.” Rental units must be defined in order to determine which dwellings will be subject to the ordinance. The draft ordinance utilizes the same definition as the Multi-Family Housing Inspection Program and includes “any situation in which three (3) or more dwelling units exist in a single structure and are used as rental housing.” For example, single-family dwellings, condominiums, and duplexes would not be included. The Council could choose to define rental units more broadly or modify the exclusions contained in the ordinance.
2. *Time for Sunset Date for Urgency Ordinance.* The goal of the urgency ordinance is to address the immediate rental crisis facing the community and provide staff with time to prepare a nonurgency ordinance requiring a written lease. Staff proposes a sunset date of January 31, 2016 to allow staff to accomplish this. Staff hopes to prepare agenda items regarding a mediation and a data collection program by that time as well. Council could affirm this date or select an alternate date.
3. *Timeline for Landlords to Provide Written Leases.* The ordinance requires landlords to provide written leases to current and prospective tenants. The landlords will need some time to comply with this provision. Staff seeks direction regarding the appropriate amount of time and recommends the Council consider 30, 60, or 90 days.

FISCAL IMPACT

The urgency ordinance does not impact the General Fund beyond the use of staff resources. Staff will address any fiscal impact of the other items, such as the mandatory mediation program, data collection, and emergency rental assistance, when those items are presented to the Council.

ALTERNATIVES

1. The Council could provide other direction to staff.

2. Given that extended notification for rent increases and evictions cannot be mandated, Council could provide guidance to staff to explore a voluntary program, possibly in conjunction with mandatory mediation.

PUBLIC NOTICING – Agenda posting.

Prepared by:

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JLQ/2/CAM
010-10-27-15CR-E

Attachment: 1. Urgency Ordinance