

CITY OF SAN RAFAEL

AGENDA ITEM NO.: 14

MEETING DATE: October 1, 2001

REPORT TO MAYOR AND CITY COUNCIL

SUBJECT: Report on Voluntary Fair Rental Practices

SUBMITTED BY:

Nancy Mackle
Nancy Mackle
Economic Development Director

RG
Rod Gould
City Manager

RECOMMENDATION: Staff recommends that the City Council accept this interim report regarding the monitoring of Fair Rental Practices.

BACKGROUND: In the Fall and Winter of 2000-01, the City of San Rafael held two community discussions to address the issue of rising residential rents. These discussions were held to address the concerns of San Rafael residents that had received substantial rent increases and feared that they would need to leave San Rafael to seek affordable housing. Approximately 100 people attended the first meeting. Staff researched and analyzed the options identified at the initial discussion and completed a report on the issues, which was presented at the second town discussion in February.

On April 2, 2001, the City Council accepted a report from staff outlining actions that could be undertaken by the City of San Rafael, other organizations and the community to address the issue of rising residential rents.

The recommended actions were to (a) Increase housing supply; (b) Continue partnerships for affordable housing; (c) Improve code enforcement efforts; (d) Improve management of rental units; (e) Increase tenant assistance; (f) Pursue tenant employment opportunities; (g) Accept the voluntary Fair Rental Practices program ("FRPO") proposed by a property owner group. Staff reported on the status of all of these items in the September 4, 2001 report to the City Council.

At the conclusion of the September 4, 2001 meeting, the Council requested follow up information on several issues related to the voluntary fair rental practices program, including;

- I. Number of rental units potentially covered by the FRPO program
- II. Status on notifying tenants regarding their landlords participation in the FRPO program
- III. Information regarding the outcome of the complaints received by Mediation Services.

This report will address those items.

File No: 13-16 x 13-7-1

~~Agency/Council Meeting~~ 10/1/01

Disposition: City Council accepted interim report regarding the monitoring of Fair Rental Practices, and directed staff to provide additional reporting at the December 17, 2001, City Council Meeting.

ANALYSIS:

Number of Units

There are a total of approximately 9,000 rental units (excluding mobile homes) in San Rafael. This includes apartments, single family homes, duplexes, triplexes, and condominiums, mixed use buildings, and units owned by nonprofits. The targeted type of rental housing for this voluntary effort are buildings with four or more units, owned by private parties (not nonprofits with tax exempt status), and that are not part of a mixed use property. There are approximately 6,100 units of this type of targeted rentals in San Rafael, in 400 properties. The FRPO membership now includes approximately 2,300 units of this type of housing in 150 buildings. FRPO rentals now represent approximately 37% of the targeted rental units in the City.

The information on the number of units is from a database provided by the property owners and checked against a database the Redevelopment Agency purchased from the Assessor. This "master" database is in a format that can be easily sorted and utilized for mailing to the property owners. Staff is appreciative of the efforts of Michael Burke of the FRPO group to develop the database, reducing staff administrative time. Staff has checked the FRPO unit figures and has confirmed the totals reported.

Status on notifying tenants regarding their landlords participation in the FRPO program

The Mayor and FRPO representative Al Aramburu signed a letter to the FRPO owners thanking them for their participation and requesting the FRPO notice be posted at each FRPO property (Exhibit A). This letter was mailed this week. In addition, City staff is working with FRPO representatives to finalize and mail a letter to all tenants residing in the 6,100 rental units in this program. This letter explains the FRPO program and provides the phone number for Mediation Services. This letter will be mailed next week.

Information regarding the outcome of the complaints received by Mediation Services.

At the September 4th City Council meeting, Mediation Services reported 54 complaints from San Rafael residents between July 3, 2001 and August 27, 2001. Between August 28th and September 21st, another 21 complaints were received, bringing the total to 75 to date.

Of the 75 complaints to Mediation, only two were regarding FRPO owners, one related to garbage pickup and the other regarding a maintenance issue (but not a health and safety issue). Fourteen of the complaints related to rent increases and seventeen were regarding notice/eviction issues. The remainder of complaints revolved around health and safety issues, security deposits, landlord harassment and/or discrimination.

All callers are notified of the FRPO program and the tenant organization. Code enforcement complaints are referred to the City's Code Enforcement Program. A total of four callers requested mediation, and three of these have resulted in mediation agreements.

FISCAL IMPACT: None.

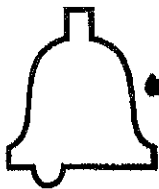
SUMMARY: Staff recommends continuing monitoring the FRPO program with periodic reporting to the Council. Staff recommends the next report occur at the December 17th meeting as part of the Annual Redevelopment Agency housing report which must also be approved by the City Council at the same meeting.

RECOMMENDATION: Accept report and direct staff to provide additional reporting at the December 17, 2001 City Council meeting.

EXHIBITS:

A: Letter from Mayor to FRPO owners.

CITY OF



San Rafael

Mayor
Albert J. Boro

Council Members
Paul M. Cohen
Barbara Heller
Cyr N. Miller
Gary Q. Phillips

September 17, 2001

Dear San Rafael Property Owner/Manager,

The City of San Rafael would like to commend you for having volunteered to become a "Fair Rental Practices Owner" (FRPO). As a Fair Rental Practices Owner, you have agreed to follow these practices:

- 1) To limit rent increases to no more than once a year for existing tenants.
- 2) To give existing tenants at least 60 days advance notice for all rent increases.
- 3) To keep the amount of rent increases for existing tenants to less than 10% per year.
- 4) To maintain rental buildings in a safe condition as required by law, and to repair in a timely manner any unsafe conditions brought to the owner's attention.
- 5) To encourage other property owners to abide by these same principles for their current properties and existing tenants.

By adopting these principles, you have assisted both the City of San Rafael and the tenants of your building in providing and maintaining rental units at a fair market rate.

In a collaborative effort between representatives of property owners, the City of San Rafael, and Mediation Services, a monitoring program has been set up to track future tenant complaints and concerns both in buildings that are FRPO and buildings that are not. This will help the City to determine whether the volunteer program is working.

The first report from Mediation Services was encouraging. Of the sixty complaints in San Rafael over the past two months, no complaints were lodged against a FRPO owner. The City plans to mail a letter to all tenants in all buildings containing four or more units listing the special Mediation Services telephone number (507-2834).

1400 Fifth Ave., P.O. Box 151560, San Rafael, CA 94915-1560
Phone: (415) 485-3070 Fax: (415) 459-2242 TDD: (415) 485-3198

EXHIBIT A

The City of San Rafael would also like to ask your assistance in two other areas:

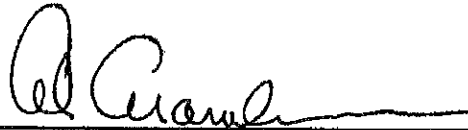
- 1) Proudly post a copy of the attached notice in English and Spanish in a convenient location so that your tenants may know of your participation in the program.
- 2) Volunteer to recruit other landlords who have not yet signed the voluntary practices.

Please feel free to call Stephanie Lovette at the City of San Rafael (485-3460), Al Aramburu at the Marin Association of Realtors (507-1011), or Michael Burke (925-3214) if you have any questions or would like to offer further assistance.

Sincerely,



Al Boro
Mayor
City of San Rafael



Al Aramburu
Director of Local Government Relations
Marin Association of Realtors

FAIR RENTAL PRACTICES OWNER

The owner and management of this building are proud sponsors and supporters of the volunteer program of "Fair Rental Practices". As such, we have agreed:

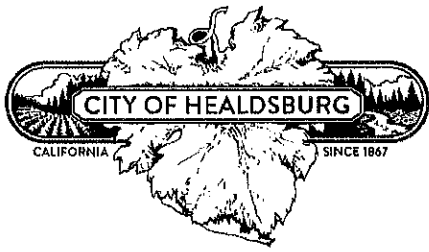
- 1) To limit rent increases to no more than once a year for existing tenants.
- 2) To give existing tenants at least 60 days advance notice for all rent increases.
- 3) To keep the amount of rent increases for existing tenants to less than 10% per year.
- 4) To maintain rental buildings in a safe condition as required by law and to repair in a timely manner any unsafe condition brought to the owner's attention.
- 5) To encourage other property owners to abide by these principles.

If as a tenant you should have any questions, complaints or concerns about this ownership's compliance with this program, please feel free to contact: Mediation Services at 507-2834.

Los propietarios y la administración de este edificio estamos orgullosos de ser los patrocinadores de este programa voluntario "Fair Rental Practices Owner". Propiamente dicho, estamos de acuerdo con estos principios:

- 1) Limitar el aumento de renta a solamente una vez al año para inquilinos existentes.
- 2) Notificar a los inquilinos existentes del aumento por lo menos 60 días de anticipación.
- 3) Mantener la cantidad de aumento de renta para los inquilinos existentes a menos de 10%.
- 4) Mantener las habitaciones en condición segura como requiere la ley y reparar en manera oportuna cualquier condición que sea peligrosa.
- 5) Animar a otros propietarios para cumplir con estos principios.

Si usted como inquilino tiene preguntas, quejas o preocupaciones con la conformidad del propietario con este programa, por favor llame: Mediation Services (Servicio de Mediación) al número 507-2834.



CITY OF HEALDSBURG RENT STABILIZATION ADVISORY

The City Staff met with approximately 25 property owners and rental property managers on July 22nd and July 24th representing approximately 650 rental units in Healdsburg. The discussion focused on the impacts recent evictions and significant rent increases have had on our community. A lengthy discussion ensued regarding the actions of a few property owners / property management firms that have created concerns throughout the Healdsburg community. The City Manager advised those in attendance that Council had directed him to prepare a "Rental Advisory". The "Advisory" is intended to express City Council's intent that all those who reside in rental units are provided a level of stability in their rent and occupancy. The City has taken many steps to address housing challenges our community is facing. Some of these steps include the adoption of the City's Housing Element, the recent Housing our Community workshops, and Council's goals relating to housing in the 5-year strategic plan and annual goals. The "Advisory" and other steps that are currently being taken are all consistent with those documents and goals.

The City Council of the City of Healdsburg values all members of our community. Housing that is decent, safe and affordable to all is critical to the overall quality of life in our community. The City is committed to providing Healdsburg residents who reside in rental units a level of stability in their rent and occupancy. The following Rental Stabilization Advisory addresses concerns that have been raised due to recent substantial rent increases and tenant displacements related to repair/maintenance issues.

Please note, City housing policy documents including the City's General Plan and recently adopted Housing Element, as well as the recent Housing Our Community workshops provide additional background on housing topics. While it is expected that property owners comply with all applicable laws, the purpose of this Advisory is to affirm Council's support of the City's housing goals and communicate expectations to property owners.

1. Property owners have an obligation to provide a measure of reliability to tenants regarding rent increases both in terms of rate of increase and frequency. Rent increases for current tenants should be reasonable and fair. A guideline for a reasonable and fair increase amount should not exceed 10% annually.
 - a. Rents should not be raised more than once per calendar year to current tenants.
 - b. Owner should be able to recover the cost associated with an increased cost of operations and maintenance.
 - c. Owners should, whenever possible, provide tenants with a minimum of 90 calendar days' written notice prior to the effective date of any rent increase.
2. When significant work on a rental unit is needed that requires the tenant to be removed, the tenant is to be given **the first right of return** to his or her unit once repairs are completed.
 - a. Owners should be able to recover the documented cost of capital improvements averaged on a per unit basis amortized over a period of no less than 48 months;
 - b. First right of return would not apply to those tenants that are delinquent in rental payments; and/or that have violated the rental/lease provisions;
 - c. If renovations / improvements require terminating tenancies, owners should provide a minimum of 90 days' written notice to the tenant.
 - d. Owners must consider and respond appropriately to requests for reasonable accommodations from tenants with disabilities.

3. Owners / property managers imposing reasonable rent increases should be willing to listen openly to tenants' concerns and consider special arrangements for hardship cases when appropriate.
4. Safe and healthy living conditions are a shared responsibility. Property owners are expected to respect the rights of their tenants and provide a timely response to maintenance/repair requests and in accordance with applicable law.
 - a. Rental property owners are responsible for maintaining their property in good repair and are encouraged to work with their tenants to visually inspect properties on a regular basis to identify any health and/or safety issues and complete any required corrections promptly.
 - b. It is important to contact the City's Planning and Building Department prior to initiating necessary work to determine whether or not a building permit is required. The Building Department is available to provide information and assistance regarding building code requirements.
 - c. In accordance with State law, owners are prohibited from taking action (such as increasing rent, or serving notices of termination) that could be considered retaliatory against tenants who have recently made complaints to the City regarding unresolved health and safety issues in their units.

SUPPORT

Alliance Property Management
 BirdSong Property Management
 Canyon Run Apartments
 CB Robertson
 Century 21 Healdsburg
 Dayton Property Management
 DeDe's Rentals
 Fowler
 Harvest Grove Apartments
 Matsuda Enterprises
 Don and Judy Mills

David Spangenberg
 Albina Zhazan
 Monte Vina Apartments
 Oak Grove Apartments
 Parkland Senior Housing Apartments
 Sotheby's
 Timely Property Management
 Fitch Mtn Terrace I & II
 Northcoast Rental Housing Association
 President
 California Apartment Association

REFERENCES

Healdsburg Housing Element | www.ci.healdsburg.ca.us/357/Housing-Element

Healdsburg General Plan | www.ci.healdsburg.ca.us/354/General-Plan

Housing our Community | www.ci.healdsburg.ca.us/360/Housing

Healdsburg Strategic Plan | cityofhealdsburg.org/404/Strategic-Plan

401 Grove Street, Healdsburg, CA 95448 | 707.431.3317

CITYOFHEALDSBURG.ORG