



DATE: October 6, 2015

CATEGORY: Items Initiated by Council

DEPT.: City Council

TITLE: **Fair Rental Practices Program**

RECOMMENDATION

Direct staff to prepare a fair rental practices program for Mountain View rental property owners and managers consistent with Council direction and return to Council for approval.

BACKGROUND

The booming economy in the San Francisco Bay Area is exacerbating an already severe housing crisis. The cost of virtually every type of housing is increasing. The City Council is concerned that this is leading to the displacement of many long-term residents or the economically disadvantaged and making it difficult for many to enter the Mountain View housing market either as a renter or homeowner.

The situation is particularly acute in the rental market. Other than a general acknowledgement that rental rates have increased, and in some circumstances markedly, actual data of specific increases, the number of times rents are increased during a year, and the reasons for rent increases, specific data is hard to come by and is often anecdotal in nature.

At least two other Bay Area jurisdictions have implemented some form of a fair rental housing program, a voluntary program in which landlords agree to a specific set of fair rental practices. Those that do participate are recognized and listed as members, thereby identifying those rental housing providers who have made a commitment to some form of a responsible business practice.

ANALYSIS

Given the lack of specific and complete data, it is difficult to determine which landlords are already adhering to what many would consider fair rental practices. Based on anecdotal evidence, there are clearly some property owners and managers who are

sensitive to the plight of their residents while there are others that are not, yet the apartment industry as a whole is being targeted as unreasonable.

It is suggested that Mountain View create a Fair Rental Practices Program (FRPP) modeled on those of San Rafael in 2001-02 (Attachment 1) and more recently the City of Healdsburg (Attachment 2).

Should it be the desire of the Council to implement such a program, those landlords wishing to participate would make a public commitment to voluntarily agree to operate according to a set of fair rental practices, which could include:

1. Limit rent increases to no more than one reasonable rent increase per calendar year.
2. Offer residents the option of a 12-month lease when signing a new lease and at renewal.
3. Provide a 90-day notice for all rent increases and/or notices to terminate and agree to let the tenant out of a lease during the 90-day notice period should they choose to move.
4. Agree to participate in good faith in Mountain View's landlord-tenant mediation program should the tenant request mediation.
5. Owners and/or property managers imposing rent increases commit to being willing to listen openly to tenants' concerns and consider special arrangements for hardship cases.
6. Property owners and managers are expected to respect the rights of their tenants and provide a timely response to maintenance/repair requests in accordance with applicable law. 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.

Landlords and property owners that participate in the FRPP will be listed on the City website as being participants. The website will also describe the program. It is anticipated that the website would also identify those apartments that have fallen out of the FRPP for noncompliance with the program. The Council may also wish to consider listing specific instances of unreasonable rent increases by nonparticipating landlords.

It is not anticipated or recommended that there be an enforcement mechanism for violating the FRPP terms other than removal from the program and being listed as having been removed. It is anticipated that noncompliance would be based on reported violation, subject to verification, but would not otherwise be monitored by staff.

This is clearly a voluntary program and is based on the premise that transparency in the rental market could positively impact industry behavior. Additionally, if despite such efforts the apartment industry does not choose to meaningfully participate, there is nothing preventing the City from enacting further regulatory measures.

FISCAL IMPACT – To be determined.

ALTERNATIVES

There may be a number of additional practices Council may wish to add to the list, such as publishing the identity of nonparticipating complexes, properties known to have violated the FRPP, and/or reported instances of unreasonable rent increases or practices.

Additionally, the Council may choose to offer other incentives to participating rental owners who agree to participate in the FRPP.

PUBLIC NOTICING – Agenda posting.

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Attachments: 1. Report on Voluntary Fair Rental Practices, City of San Rafael
2. Rent Stabilization Advisory, City of Healdsburg