



DATE: March 22, 2016

CATEGORY: Consent

DEPT.: Community Development/
City Attorney's Office

TITLE: **Ordinance Adding Article II to
Chapter 43 of the Mountain View
City Code to Adopt a Rental Housing
Dispute Resolution Program
(Including Nonbinding Arbitration)
(Second Reading)**

RECOMMENDATION

Adopt an Ordinance Adding Article II to Chapter 43 of the Mountain View City Code to Adopt a Rental Housing Dispute Resolution Program (Including Nonbinding Arbitration). (First reading: 4-3; Siegel, Rosenberg, Inks no)

SUMMARY

On March 15, 2016, Council introduced an ordinance to establish a Rental Housing Dispute Resolution Program (RHDRP). The proposed ordinance creates a mandatory mediation program consisting of conciliation and mandatory mediation for rental housing disputes, including rent increases, service reductions, 30-day and 60-day notices, security deposits, repairs/maintenance, and termination of a lease by a tenant prior to the end of a lease. Disputes involving rent increases and service reductions may also be subject to mandatory and nonbinding arbitration. Both a tenant and a landlord can initiate participation in the program. A third party would administer the RHDRP for the City.

Council introduced an ordinance recommended by staff with the following clarifications: (1) limiting rent increases to two in any consecutive 12-month period; (2) requiring rent increases in any consecutive 12-month period which exceed 7.2 percent to be subject to the RHDRP, which process involves mandatory mediation and nonbinding arbitration; (3) removal of a "banking" provision which would have exempted landlords who have not raised rents for more than 12 months prior to the latest increase, and if the last increase was more than 24 months prior to the current increase; and (4) inserting a "sunset" clause which provides for repeal of the ordinance by operation of law on September 30, 2019, unless Council by affirmative vote retains the ordinance in whole or part. If adopted, the ordinance will go into effect 30 days after adoption on April 21, 2016.

FISCAL IMPACT

An RHDRP would require General Fund support for its initial implementation. Ongoing administration could be fully recovered by implementation of a fee for the costs of the program. Implementing the program for a full fiscal year is estimated to cost approximately \$110,000 for Project Sentinel to administer the program. A fee of \$7 per rental unit per year was adopted based on this estimate. The Council also appropriated \$70,000 for implementation of the program, including noticing, advertisements, and outreach. Additional appropriations will be included in the upcoming budget recommendation.

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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JLQ-LL/KC/3/CAM
011-03-22-16CR-E

Attachment: 1. Ordinance