

ORDINANCE NO.

AN URGENCY ORDINANCE OF THE CITY COUNCIL  
OF THE CITY OF MOUNTAIN VIEW TO REQUIRE  
A WRITTEN RESIDENTIAL RENTAL LEASE WITH A SPECIFIED TERM

WHEREAS, as published in a July 2015 Trends Report by RealFacts, a rental market data provider, the average monthly asking rent within the City of Mountain View has risen 52.7 percent from 2011 to 2015,<sup>1</sup> while the median household income in Santa Clara has only risen 1.2 percent during that same period;<sup>2</sup> and

WHEREAS, almost one-third of Mountain View households (32 percent or 10,155 Mountain View households) have incomes less than 80 percent of the Area Median Income (AMI),<sup>3</sup> the low-income threshold as defined and annually published by the U.S. Department of Housing and Urban Development; and

WHEREAS, Mountain View's 2015-20 Consolidated Plan data, derived from HUD-provided data, indicated the most common housing problem is that households are cost-burdened,<sup>4</sup> with 36 percent of renter households (6,485 households) paying more than 30 percent of their income toward housing costs. Additionally, 18 percent of renter households (3,265 households) in Mountain View are severely cost-burdened, paying more than 50 percent of their income toward rent; and

WHEREAS, high rents could impact the finances of all households, the 2015-20 Consolidated Plan documents that lower-income renter households are much more likely than higher-income groups to experience cost burden, with 35 percent of low-income renter households (2,250 households) paying more than 30 percent of their income toward their housing costs, compared to 14 percent of lower-income ownership households (580 households). Additionally, 61 percent of renter households (1,980 households) who pay more than 50 percent of their income toward housing costs are lower income compared to 29 percent of owner households (480 households); and

WHEREAS, according to the Cities Association of Santa Clara County and Housing Trust Silicon Valley, the Association of Bay Area Governments (ABAG)

---

<sup>1</sup> RealFacts July 2015 Trends Report.

<sup>2</sup> 2012 (\$105,000) and 2015 (\$106,300) HUD-published median incomes for Santa Clara County.

<sup>3</sup> 2015-20 Consolidated Plan (Page 11): 13 percent (3,950 households) at 0 percent to 30 percent AMI; 32 percent or 10,155 total households earn less than 80 percent AMI broken down as follows: 13 percent/3,950 households at 0 percent to 30 percent AMI; 11 percent/2,595 households at 30 percent to 50 percent AMI; and 8 percent/2,320 households at 50 percent to 80 percent AMI.

<sup>4</sup> 2015-20 Consolidated Plan (Page 48).

projects that over the next 25 years, 57 percent of all household growth in the Bay Area, which includes the City of Mountain View, will consist of very low- and low-income households; and

WHEREAS, according to the U.S. Census Bureau 2009-2013 American Community Survey, a majority, 57 percent, of all units in the City are occupied by renter households;<sup>5</sup> and

WHEREAS, according to U.S. Census Bureau 2009-2013 American Community Survey, in 2010, 3 percent of families and 6.8 percent of all people in Mountain View lived below the poverty level, and by 2013, the number of households that had fallen into poverty had increased substantially with 5.7 percent of families and 8.1 percent of all people living below the poverty level; and

WHEREAS, the implementation of rent relief strategies is supported by the City's adopted 2014-23 Housing Element: Goal 2, to provide assistance to households at different income levels to address their housing needs; Policy 2.1, to assist extremely low-, very low-, low-, and moderate-income households in renting a home in Mountain View; and Program 2.4, promoting antidisplacement strategies; and

WHEREAS, excessive rental increases could result in homelessness and the displacement of low-income families; and

WHEREAS, increasing poverty in Mountain View, decreasing AMI, and increasing rents have created a growing "affordability gap" between incomes and rents demonstrated by the increase in "overpaying renter households" and overcrowded households; and

WHEREAS, members of the community have expressed their concerns to the City Council regarding the rental housing situation in the City of Mountain View and reported excessive rental increases and the issuance of eviction notices for tenants on month-to-month tenancies on September 8, September 15, October 6, and October 13, 2015; and

WHEREAS, Mountain View is experiencing a jobs/housing imbalance and the housing supply, particularly available rental housing, is not adequate to serve the needs of the community; and

WHEREAS, the City Council held a Study Session to discuss rent relief options on October 19, 2015; and

---

<sup>5</sup> 2015-20 Consolidated Plan (Page 81) and 2009-2013 American Community Survey data.

WHEREAS, on October 19, 2015, the City Council directed City staff to present an urgency ordinance to minimize the displacement of tenants who rent on a month-to-month basis by requiring landlords to offer a written lease to tenants with either a six-month or one-year term to provide some assurance of stability; and

WHEREAS, the City of Mountain View currently does not regulate residential rental evictions; and

WHEREAS, in light of the numerous concerns noted herein, including, but not limited to, the current and immediate threat to the health, safety, and welfare of the City's residents and the adverse impacts resulting from an inadequate supply of affordable housing within the City, the City Council declares this emergency measure is necessary to preserve the public health, safety, and general welfare of the community by adopting this urgency ordinance in order to prevent further evictions and displacement of tenants into a rental housing market which affords renters few and expensive options while staff brings forward a regular ordinance to protect affordable housing within the City, and proposed regulations related to a mandatory residential rent mediation program; and

WHEREAS, contractual relationships between a landlord and tenant offer some assurance of stability under the terms of a written lease so as to minimize displacement of tenants into a rental housing market which affords them few and expensive options; and

WHEREAS, a short notice period allowed by California law for a rent increase or termination of a tenancy makes it difficult for tenants to adjust to rent increases and loss of housing and causes significant community disruption; and

WHEREAS, Government Code Section 36937 allows a city, including a charter city, to adopt, as an urgency measure, an interim ordinance for the immediate preservation of the public peace, health, or safety; and

WHEREAS, Section 514 of the City Charter allows the City Council to introduce and adopt an ordinance it declares to be necessary as an emergency measure to preserve the public peace, health, or safety at one and the same meeting if passed by at least five (5) affirmative votes; and

WHEREAS, the urgency ordinance shall be of no further force and effect as of February 1, 2016; and

WHEREAS, for reasons set forth above, this ordinance is declared by the City Council to be necessary for preserving the public welfare, health, or safety and to avoid a current, immediate, and direct threat to the health, safety, or welfare of the

community, and the recitals above, taken together, constitute the City Council's statements of the reasons constituting such necessity and urgency; and

WHEREAS, adoption of this ordinance is exempt from review under the California Environmental Quality Act (CEQA) pursuant to the following, each a separate and independent basis: CEQA Guideline Section 15183 (action consistent with the general plan and zoning), Section 15378, and Section 15061(b)(3) (no significant environmental impact); and

WHEREAS, by staff discussions, testimony, and documentary evidence presented at the October 19, 2015 City Council meeting, the City Council has been provided with additional information upon which the findings and actions set forth in this ordinance are based;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNTAIN VIEW DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The City Council finds and determines the foregoing recitals to be true and correct and hereby incorporates them into this ordinance.

Section 2. Definitions.

a. "Landlord" means an owner, lessor, or sublessor, or the agent, representative, or successor of any of the foregoing persons who receives, or is entitled to receive, rent for the use and occupancy of any rental unit or portion thereof.

b. "Rent" means the consideration, including any bonus, benefit, or gratuity demanded or received by a landlord for or in connection with the use or occupancy of a rental unit.

c. "Rental unit" means a dwelling unit (as defined in Mountain View City Code Section 36.60.11) in the City of Mountain View provided three or more dwelling units exist in a single structure and are used as rental housing. The term "rental unit" shall not include:

(i) A single-family dwelling;

(ii) Rooms or accommodations in hotels, boardinghouses, or lodging houses which are rented to transient guests for a period of less than 30 days;

(iii) Dwelling units in a condominium, community apartment, or planned unit development;

(iv) Dwelling units in which housing accommodations are shared by landlord and tenant;

(v) Housing accommodations in any hospital, skilled nursing, health or care facility, extended-care facility, asylum, nonprofit home for the aged, or in dormitories owned and operated by an institution of higher education, a high school, or an elementary school;

(vi) Housing accommodations rented by a medical institution which are then subleased to a patient or patient's family;

(vii) Dwelling units whose rents are controlled or regulated by any government unit, agency, or authority, or whose rent is subsidized by any government unit, agency, or authority; or

(viii) Dwelling units acquired by the City of Mountain View or any other governmental unit, agency, or authority and intended to be used for a public purpose.

d. "Tenant" means a person or persons entitled by written or oral agreement to occupy a rental unit to the exclusion of others.

### Section 3. Requirement of Offering a Six-Month or One-Year Written Lease.

a. Offer. If a tenant or prospective tenant wishes to rent a rental unit from a landlord and if said landlord wishes to rent said rental unit to said tenant or prospective tenant, the landlord must offer to the tenant or prospective tenant a written lease which has a minimum term of either six months or one year at tenant's election of the term. Such offer must be made in writing. Signing of a lease which has a minimum term of six months or one year shall be considered an offer in writing.

b. Acceptance. If the tenant or prospective tenant accepts the offer of a written lease which has a minimum term of either six months or one year, this acceptance must be in writing. Signing a lease which has a minimum term of either six months or one year will be considered an acceptance.

c. Rejection. If the tenant or prospective tenant rejects the offer for a written lease which has a minimum term of either six months or one year, this rejection must be in writing, and the landlord and tenant or prospective tenant may then enter into an agreement, oral or written, that provides for a rental term of less than one year.

d. Rent. If the landlord and tenant enter into a written lease which has a minimum term of either six months or one year, such lease must set the rent for the

rental unit at a rate or rates certain and these rates shall not be otherwise modified during the term of such lease, to the extent not precluded by the Costa-Hawkins Act.

e. Renewal of Leases. If both the landlord and the tenant wish to continue the rental relationship, upon the expiration of the initial written lease which has a minimum term of one year, a lease shall be offered again in accordance with the procedures of (a) through (d) in this section:

(i) Leases with a term of one year shall be offered annually.

(ii) Leases with a term of six months shall be offered biannually.

(iii) Leases with a term longer than one year shall be renewable at the expiration of each lease period for a minimum term of one year.

(iv) A landlord shall offer annually a written lease with a minimum term of one year to a tenant who rejected an initial offer of a written lease with a minimum term of one year but who has rented a unit from the landlord for a period of at least 12 months.

f. Applicability. This section shall not apply to:

(i) A unit which is rented on the effective date of this urgency ordinance, provided, that: (1) if the unit is rented subject to a written lease, when the lease in effect for such a unit expires, this ordinance shall then apply; and (2) if the unit is rented without a written lease, within \_\_\_\_\_ days after the effective date of this section, the landlord shall offer a written lease to the tenant in accordance with this section;

(ii) An owner-occupied unit that is rented to a tenant for less than one year;  
or

(iii) A rental unit occupied by a tenant who subleases that unit to another tenant for less than one year; or

(iv) A rental unit where tenancy is an express condition of, or consideration for, employment under a written rental agreement or contract.

#### Section 4. Tenant's Remedies.

a. Defense to Action to Recover Possession. Failure of a landlord to comply with any of the provisions of this chapter shall provide the tenant with a defense in any legal action brought by the landlord to recover possession of the rental unit.

b. Defense to Action to Collect Rent. Failure of a landlord to comply with any of the provisions of this chapter shall provide the tenant with a defense in any legal action brought by the landlord to collect rent.

c. Injunctive Relief. A tenant may seek injunctive relief on his or her own behalf and on behalf of other affected tenants to enjoin the landlord's violation of this chapter.

d. Remedies Are Nonexclusive. Remedies provided in this section are in addition to any other existing legal remedies and are not intended to be exclusive.

Section 5. Nonwaiver. Any waiver or purported waiver by a tenant of rights under this chapter prior to the time when such rights may be exercised, except a rejection of a one-year lease offered in accordance with Section 3, shall be void as contrary to public policy.

Section 6. Authority. This ordinance is enacted pursuant to the City of Mountain View's general police powers, Article 514 of the Charter of the City of Mountain View, Article XI of the California Constitution, and Government Code Section 36937.

Section 7. CEQA. The City Council hereby finds and determines that this ordinance is not subject to the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline 15183 (Action Consistent with General Plan and Zoning); Section 15378 (No Project); and Section 15061(b)(3) (No Significant Environmental Impact).

Section 8. Severability. If any section, subsection, sentence, clause, or phrase of this urgency ordinance is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this urgency ordinance. The City Council declares that it would have adopted this urgency ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more section, subsection, sentence, clause, or phrase be declared invalid.

Section 9. Effective Date. All rental increases on or after the date of final passage and adoption of this urgency ordinance shall be subject to this urgency ordinance. This urgency ordinance becomes effective immediately upon its adoption at a first reading by a 5-of-7 vote of the City Council.

Section 10: Publication. The City Clerk shall publish this urgency ordinance in a newspaper of general circulation once within 15 days after its adoption.

-----

JLQ/7/ORD  
010-10-27-15o-E