



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Vice Mayor Chappie Jones

SUBJECT: Actions Related to a Temporary Moratorium on Rent Increases for Rent Stabilized Apartments and Mobilehomes, Suspension of Late Fee Charges for Apartment Rent Ordinance Program Fees, Allow Landlords and Tenants to Enter Into Agreements to Reduce Rent, and Waiver of Building Fees for Apartment Buildings with 20 or Fewer Units.

DATE: April 27, 2020

Approved

Date 4/27/2020

RECOMMENDATION

- a) Approve staff recommendation and adopt both Ordinances with the following change:
Section 8(A) shall be amended to extend the late fee forgiveness of ARO fees through the 2020-2021 fiscal year to provide the intended benefit to landlords.
- b) Direct Staff to adjust the City's Apartment Rent Ordinance (ARO) to temporarily allow permit owners who entered into reduced rent agreements under Section 7 of the proposed ordinance to increase their rent next year based upon their average 12 months' rent they would have charged under their rental contract and not based upon temporary reductions reached under a reduced rental agreement.

BACKGROUND

I appreciate the diligence of City Staff and my council colleagues in working quickly and nimbly to address this issue during the current crisis. I bring forth this memorandum to clarify that the intent of my previous memorandum (dated April 13, 2020) was to suspend late fee charges for Apartment Rent Ordinance Program Fees for both past due accounts in the 2019-2020 fiscal year, and for accounts that may become late in the 2020-2021 fiscal year. Suspending late charges for ARO program fees that will be billed this fall will fulfill this provision's main objec-

tive: to assist landlords who are currently collecting less revenue than they would normally due to the COVID-19 pandemic.

Directing Staff to adjust the ARO to have future rent increases based solely on base rent prior to any temporary reductions due to the current crisis. This will 1) further incentivize landlords to offer temporary reductions in rent knowing it will not affect future earnings and, 2) be clearer from an administration and communication standpoint for City Housing Department staff.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.