



Housing

Moratorium on Rent Increase for Rent Stabilized Apartments and Mobilehomes

April 28, 2020
Item 8.1

Jacky Morales-Ferrand
Director
Housing Department

Christopher Alexander
Deputy City Attorney

Rachel VanderVeen
Deputy Director
Housing Department

Economic Impacts on Rental Housing Market



Landlords and mobilehome owners facing financial insecurity



Tenants receiving rent increases in addition to unpaid rents & having greater risk of eviction when moratoriums are lifted



Moratorium Provisions



Scope

ARO tenants,
mobilehome
residents & owners



Length of Protection

Effective on
adoption date
until 12/31



Moratorium on Rent Increases

Rent stabilized
apartments &
mobilehomes &
fair return allowed



Allowable Rents

	Retroactive Ordinance	Alternate Ordinance
March Rent	\$2,000	\$2,000
April Rent Increase (5%)	\$2,100	\$2,100
Effective Date for Moratorium on Rent Increases	March 31	Effective Date Ordinance
Rents Through December 31 (Starts May 1)	\$2,000	\$2,100



Allowance of Temporary Rent Reductions

- **Example:**
 - **Contract Rent for July 2020: \$2,000**
 - **Rent Reduction: \$500**
 - **New Reduced Rent: \$1,500**
- **Rent Returns to Contract Rate Prior to January 1:**
 - **Returns to Contract Rate: \$2,000**

Rent increases following January 1 will be limited by the annual increase



Additional Provisions



**Prohibit Filings of
Tenant Petitions
Based on Service
Reductions**



**Suspension of
Late Fees**



**Waiver of Building
Permit Application
Fees**



Input from Stakeholders

Landlords:



- Retroactive rent increases concerns
- Need for mutual agreements for rent concessions
- Expand suspension of building permit fees to all units

Tenants:



- Accumulation of late rents & inability to repay back rents
- Confusion between different moratoriums
- Strengthen protections and enforcement



Mobilehome Policy Alternatives



Alternative 1:
Prohibit Banking
for January 2021 –
December 2021



Alternative 2:
Notice residents of
rent increase, but
not collect



Alternative 3:
Exclude
mobilehomes



Urgency & Companion Ordinance

	Urgency Ordinance	Companion Ordinance
Effective Date until 12/31/2020	April 29	June 11 30 days after the 2 nd reading
Votes Required for Adoption	2/3 Majority	Simple Majority



Key Policy Decisions

- **Rent Rollback to April 1st:** If rent should be rolled back, then adopt the **Urgency and Companion Ordinance**
- **No Rollback of Rents:** If no rent roll back, then adopt the **Alternate Urgency and Alternate Companion Ordinance**
- **Immediate Impact:** If effective immediately (impacting May 1 rent increases), then adopt the **Urgency Ordinance**
- **No Urgency:** If the ordinance should go into effect following the second reading and 30-day waiting period (June 11), adopt the **Companion Ordinance** alone



Convene Stakeholders

- **City Manager's Office of Innovation:** Brainstorm with tenant & landlord representatives
- **Reconvene:** Develop solutions
- **Silicon Valley at Home:** Host two workshops with thought leaders in the housing industry



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