

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE C

Generally, landlords may set the amount of rent charged to tenants, and may evict a tenant for any reason except for an unlawful reason, such as unlawful discrimination. Under some circumstances, a city may adopt an ordinance to limit rents for certain residential rental units and may restrict the reasons why landlords may evict tenants.

The Santa Rosa City Council adopted such an ordinance ("the Ordinance"). Certain residents of the City challenged the Ordinance through a referendum petition. The City Council has placed a measure on the ballot asking voters whether to approve the Ordinance. The Ordinance will not go into effect unless a majority of those voting on the measure vote "yes."

If approved, the Ordinance will reset rents to the rents that were in effect on January 1, 2016, but tenants will not be reimbursed for any increase in rents that were in place between January 1, 2016 and the effective date of the Ordinance. The Ordinance allows a landlord to increase rents up to 3% annually and, in certain circumstances, provides for a hearing process for landlords to request rent increases above 3% as well as for tenants to request reduced rent.

The Ordinance also prohibits landlords from evicting tenants unless there is "just cause" (such as when a tenant fails to pay rent or breaches the lease), or unless there are certain specific "no fault" circumstances (such as when a landlord will move into the rental unit or permanently withdraw the unit from the rental market). Where a landlord evicts a tenant for a "no fault" reason, the Ordinance requires the landlord to pay the tenant relocation fees equal to three months' rent for a comparable rental unit, plus \$1,500.

Not all residential rental units in the City are subject to the Ordinance. The Ordinance does not apply to single family residences (including condominiums), duplexes, triplexes where the owner resides in one of the three units and multi-family units for which the initial certificate of occupancy was issued after February 1, 1995. Other types of accommodation are also not subject to the Ordinance, such as where the

landlord has agreed with a governmental agency to limit the amount of the rent, roommate situations, rooms in hotels and institutional facilities, “granny” units and mobile homes.

Each year the City Council will set a fee imposed on landlords to cover the City’s costs of administering the program and one-half of that fee may be passed on to tenants. The City previously estimated its annual cost of administering the program to be approximately \$1,250,000, or about \$113 per unit.

The Ordinance makes it unlawful for a landlord to retaliate against a tenant for exercising rights under the Ordinance and imposes fines and penalties for violating the Ordinance.

The City Council is to review the Ordinance annually and any other time when the residential vacancy rate is above 5% for 12 months.

s/ Teresa L. Stricker
Interim City Attorney