



Attachment No. 4

Rent Stabilization Ordinance Update and Next Steps

February 24, 2025



Background





Purpose

Discuss Permanent Rent Stabilization Options

Consider two potential pathways for rent stabilization:

1. **Revised Local Policy:** Adopt a revised local rent stabilization policy with the following components:
 - Annual percentage cap
 - Required due process elements
 - Rental registration requirement
2. **State-Aligned Policy (AB 1482+):** Adopt a policy that aligns with the rent limits of state law (AB 1482) while pursuing a suite of alternative programs:
 - Rental Inspection Program
 - Rental Assistance
 - Tenant Anti-Harassment Ordinance
 - Just cause eviction protections
 - Mediation services

Objective: Receive clear direction from a majority of Council on a preferred approach so that staff, the City Attorney, and consultants may bring forth enacting legislation for Council consideration.



Urgency Ordinance No. 4320 and 4329

Rent Increase Limit

- Lesser of 4% or change in CPI for non-exempt residential rental units

Just Cause Eviction Protections

- Property owners must cite a for cause or no-fault reason to terminate tenancy
- No-fault terminations receive relocation assistance ranging from \$5,926 to \$15,377

Established Petition Process

- Petition for Relief - for property owners seeking fair return
- Petition for Noncompliance - for tenants who allege there is a violation



Rent Stabilization Options

	Revised Local Policy	State-Aligned Policy (AB 1482+)
Rent Limits	Keep as in Urgency Ordinance or modify	Mirror state law – 5% + CPI, not to exceed 10%*
Eviction Protections	Keep as in Urgency Ordinance or modify	Separate just cause eviction ordinance
Relocation Assistance	Keep as in Urgency Ordinance or modify	Retain or adjust tenant relocation payments for no-fault evictions
Additions	<ul style="list-style-type: none">• More robust due process procedures• Anti-harassment Ordinance• Rental Registry and Fee	<ul style="list-style-type: none">• Rental inspection program• Rental assistance• Anti-harassment Ordinance• Mediation services
Administrative Impact	<ul style="list-style-type: none">• Rent Stabilization Program: 6 – 7 FTE	<ul style="list-style-type: none">• Rental Inspection Program: 3 – 4 FTE• Enhanced Rental Assistance Program: 1 additional FTE
Cost Considerations	<ul style="list-style-type: none">• Rent Stabilization Program Administration: \$1.5 – \$2.5 Million (recovered fully or partially by Rental Registry Fee)• Anti-Harassment Ordinance: \$300,000	<ul style="list-style-type: none">• Rental Inspection Program Staff: \$350,742 and \$467,656 annually (recovered fully or partially by program fee)• Enhanced Rental Assistance Program: \$450,000• Anti-Harassment Ordinance: \$300,000• Relocation assistance market analysis: \$TBD• Mediation Services: \$TBD

**AB 1482 is set to sunset on January 1, 2030*



QUESTIONS?