



# City of Pomona

## Long-Term Implementation Study

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## INTRODUCTION

The City of Pomona (“City”) adopted Urgency Ordinance 4320 on August 1, 2022, and subsequently adopted Amended Ordinance 4329 on April 17, 2023, implementing the City’s rent stabilization measures for residential rental properties. The rent stabilization measures provide the following:

- Limitations on the maximum amount of rent increases that can be charged for certain residential rental units in the City – maximum of 4% or the change in the Consumer Price Index (“CPI”), whichever is less.
- Just cause eviction protections for tenants, categorized under for cause and no fault reasons for terminations of tenancy.

Urgency Ordinance 4320 directed City staff to further analyze the necessity of a permanent rent stabilization program in the City. This Long-Term Implementation Study (“Study”) serves to assist the City Council in making informed legislative decisions regarding rent stabilization. It explores various components of a potential permanent ordinance and evaluates alternative approaches that may fulfill the City’s goal of stabilizing housing for Pomona residents.

To conduct this Study, the City retained RSG to complete the following tasks:

1. Research outcomes of rent stabilization programs;
2. Gather information from peer jurisdictions’ rent stabilization and tenant protection programs, including staffing levels and cost;
3. Evaluate potential landlord and tenant grievance procedures;
4. Evaluate hearing and due process procedures; and
5. Research alternative approaches, including tenant legal assistance programs.

RSG’s research is organized by the following major topics:

### Section 1: Permanent Rent Stabilization Program

1. Rent Limits – This section presents information on the rent limits, rent banking, and vacancy decontrol established by the peer jurisdictions.
2. Petitions – This section presents information on petition types, fees, petition review and hearings, governing entity, and appeals process established by the peer jurisdictions.
3. Registration and Compliance - This section presents information on rental registry and fees, inspections, and administrative penalties and fines established by the peer jurisdictions.
4. Other Factors - This section presents information on mediation, relocation assistance, and exemptions established by the peer jurisdictions.
5. Administrative Considerations – This section presents information on administrative factors to consider, such as program staffing and budget, as well as other program components.

A summary of options related to a permanent rent stabilization program is included in Appendix A of this Study.

## Section 2: Alternative Approaches to Housing Stabilization

1. Rental Assistance Programs – This section provides an overview of programs that offer financial support to tenants to help cover rent payments.
2. Rental Inspection Programs – This section examines programs focused on ensuring rental properties meet health and safety standards through regular inspections.
3. Code Compliance Programs – This section explores programs that take a more proactive approach to code compliance, targeting the worst violators to enhance habitability standards.
4. Legal Aid and Eviction Defense Programs – This section discusses initiatives that provide legal support to tenants facing eviction, helping them navigate the legal system and avoid unjust evictions.
5. Enforcement Considerations – This section explores various enforcement mechanisms that can be implemented to ensure compliance with housing laws and regulations, enhancing the overall effectiveness of housing stabilization efforts.

A summary of the alternative approaches to housing stabilization is included in Appendix B of this Study.

## California Tenant Protections

Rent stabilization programs and policies have existed in California for decades.<sup>1</sup> Many jurisdictions have established rent stabilization ordinances dating back to the 1970's with the intention of keeping current residents housed through limiting rent increases and preventing unwarranted evictions. Rent increase limits vary by jurisdiction and seek to balance tenants' and landlords' interests. While these policies provide tenants with increased housing stability and security, landlords may raise their rents above the allowed limit through petitions for fair returns or capital improvements, protecting their right to a fair return on investment. Furthermore, rent stabilization programs and policies are often, but not always, governed by a board composed of community members acting as a regulatory body that adheres to non-arbitrary decision-making in order to protect the rights of both tenants and landlords.

The California Legislature's passage of the 1995 Costa-Hawkins Rental Housing Act ("Costa Hawkins") limited the kinds of policies a local jurisdiction can impose when establishing rent restrictions. Specifically, Costa-Hawkins limits rental regulations on units constructed after 1995, protects landlords' rights to raise the rent to market rate upon their units' vacancy, and exempts most single-family homes and condominiums from local rent restrictions.

Rent stabilization ordinances are often paired with just cause eviction provisions, collectively forming rent stabilization programs. Just cause eviction provisions typically define what causes are allowable for a property owner to seek eviction of a tenant and may include relocation assistance requirements to support tenants who are being evicted at no fault of their own in finding new housing. Studies show just cause eviction policies measurably lower eviction rates.<sup>2</sup>

Another state law impacting local rent stabilization measures is the Ellis Act (1985), which establishes the right of landlords to withdraw certain existing housing units from the rental market.

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<sup>1</sup> The terms "rent control" and "rent stabilization" are often used interchangeably, despite denoting distinct rental price regulation methods. Rent control involves rigid rent caps, while rent stabilization permits gradual rent increases. The distinction is also sometimes referred to as first and second generation rent control, with the latter referring to "rent stabilization."

<sup>2</sup> Julieta Cuellar, "Effect of Just Cause Eviction Ordinances on Eviction in Four California Cities," Princeton University Journal of Public and International Affairs (2019), <https://jpia.princeton.edu/news/effect-just-cause-eviction-ordinances-eviction-four-california-cities>

The Ellis Act allows local jurisdictions to adopt certain regulations controlling the withdrawal process; the return of withdrawn units to the rental market, including penalties for return within two years; and the transfer of these constraints to successors in interest.

Housing costs in California have continued to rise, leading to substantial rent increases and evictions for many tenants. Recognizing this issue, the State Legislature enacted the Tenant Protection Act (Assembly Bill 1482, California Civil Code Section 1946.2, et seq.) which will be effective for ten years, through December 31, 2029. The Tenant Protection Act established a statewide rent cap that limits annual increases to 5% plus any rise in the CPI, not to exceed a total 10% increase. In addition to limiting annual rent increases, the Tenant Protection Act also prevents tenant evictions without just cause when all tenants have lived in the unit for at least 12 months or at least one tenant has occupied the unit for 24 months or more. The Tenant Protection Act was recently amended by Senate Bill 567, which went into effect April 1, 2024.

## **Rent Stabilization Program Outcomes**

Rent stabilization and just cause eviction protections, commonly referred to as tenant protections, are policy tools cities can use to mitigate rental housing affordability issues and keep people stably housed. California's housing crisis—in terms of affordability and availability—affects every region of the state, to which Pomona is no exception. Every eight years, each California jurisdiction is allocated a specific number of housing units through the Regional Housing Needs Allocation ("RHNA"), a metric the State's Housing and Community Development Department ("HCD") uses to identify each jurisdiction's housing production goals to meet demand growth. According to the 2021-2029 6<sup>th</sup> Cycle RHNA, Pomona's share of necessary new housing is 10,558 units, including 2,799 units affordable to very low-income households, 1,339 units affordable to low-income, 1,510 units affordable to moderate-income, and 4,910 units affordable to above-moderate ("market-rate") income households.

While owner-occupied and tenant-occupied households are both impacted by rising housing costs, the challenges are more acute for renters, who make up approximately half (47%) of Pomona's resident population and have median incomes of \$54,598 compared to \$100,174 for owner-occupied households. Housing burden, defined as households paying over 30% of income toward housing costs, is greater for renters (56%) compared to owner-occupants (29%). Overcrowding, defined by the U.S. Census as 1.01 or more persons per room, is also higher for renters: 19.7% of renters are in overcrowded housing situations compared to 7.9% of owner-occupants.

Given the persistent challenges tenants encounter as it relates to housing burden and overcrowding, it is not surprising that failure to pay rent has consistently ranked as the primary cause of evictions in California. Difficulty in meeting rent obligations can arise from various factors, such as job loss or other unforeseen circumstances affecting a household's finances. The neighboring Los Angeles Housing Department (LAHD) reported that, of the 77,049 eviction notices filed in 2023, 96% of them were for non-payment of rent. Since the inception of Pomona's Urgency Ordinance Nos. 4320 and 4329, landlords are required to provide copies of eviction notices to the City. Of the 1,060 eviction notices filed with the City of Pomona since the inception of the Ordinance, 97% of them were for non-payment of rent. The low percentage of termination notices for reasons other than non-payment of rent does not necessarily indicate that Pomona's ordinance is ineffective in preventing evictions. However, it highlights a broader issue of housing affordability that local rent stabilization and just cause eviction regulations cannot fully address. This trend underscores the challenge of rising housing costs for burdened households, suggesting that while tenant protection ordinances can mitigate some consequences, they cannot entirely solve the problem of housing affordability and the resulting evictions due to non-payment.

The research in academic literature is mixed on the topic; both proponents and opponents of rent stabilization can find studies that support their case. Some studies have shown that affordability for tenants in rent-regulated units is improved and that long-term tenants living in rent-regulated units receive considerable benefits by paying substantially less than what would otherwise be the case. Other research shows that tenant affordability comes at the cost of the non-stabilized market through removal of some residential rental units from the market via conversions and demolitions and decreases in housing quality, as landlords may defer property maintenance and repairs to avoid incurring costs that cannot be recovered as quickly.<sup>3</sup> Broadly speaking, studies find positive benefits for current tenants in terms of housing stability; however, criticisms include that rent regulations are not means tested and may substantially benefit households with moderate or high incomes, lead to a decrease in the rental housing supply, and/or decrease housing quality by disincentivizing repairs and maintenance.<sup>4</sup>

Ultimately, while rent stabilization appears to have housing stabilization benefits, it is just one of many tools that localities can use to address the housing crisis. Tenant protections mitigate the immediate crisis of affordability but do not solve the long-term problems that drive costs—inadequate supply. Under the City's Pro-Housing Pomona initiative, a tenant protection ordinance that keeps rent increases at predictable and reasonable rates should be considered one of the many tools the City uses to respond to the housing crisis. Rent stabilization policies would provide coverage for approximately 11,000 multifamily units—roughly 30% of the City's housing stock.<sup>5</sup> These policies provide tenant households a sense of security and stability while also maintaining their landlords' right to a fair return on their property.

## SECTION 1: PERMANENT RENT STABILIZATION PROGRAM

State law allows for jurisdictions to adopt local laws that are more protective than the State's. In California, over 25 jurisdictions have passed citywide rent stabilization or just cause eviction policies. During summer and fall of 2023, RSG researched and interviewed 11 California jurisdictions with rent stabilization and just cause eviction programs to understand their program components, administrative structure and resources, program budgeting factors, and best practices that the City may wish to consider. After researching each program's ordinance, RSG interviewed staff from each of the jurisdictions to gather pertinent anecdotal information that is not publicly available and to confirm the accuracy of data collected online. This research, summarized in Appendix A, provides an overview of various components of a potential permanent ordinance for the City of Pomona to consider.

The jurisdictions that were selected were chosen because they form a mix of new and long-standing programs, are distributed throughout northern and southern California, and have a well-established presence with readily accessible information.

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<sup>3</sup> Rebecca Diamond, Timothy McQuade, and Franklin Qian, "The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco," National Bureau of Economic Research Working Paper No. 24181 (2018), [https://www.nber.org/system/files/working\\_papers/w24181/w24181.pdf](https://www.nber.org/system/files/working_papers/w24181/w24181.pdf).

<sup>4</sup> Prasanna Rajasekaran, Mark Treskon, and Solomon Greene, "Rent Control: What Does Research Tell Us About the Effectiveness of Local Action," Urban Institute (2019), [https://www.urban.org/sites/default/files/publication/99646/rent\\_control.\\_what\\_does\\_the\\_research\\_tell\\_us\\_about\\_the\\_effectiveness\\_of\\_local\\_action\\_1.pdf](https://www.urban.org/sites/default/files/publication/99646/rent_control._what_does_the_research_tell_us_about_the_effectiveness_of_local_action_1.pdf).

<sup>5</sup> DOF City/County Population and Housing Estimates and U.S. Census Bureau 2022 ACS 1-Year Estimates



Table 1: Peer Jurisdictions

Jurisdiction	Ordinance Adopted	Approved By	Population	Share of Renters <sup>6</sup>
<b>Alameda</b>	2016 2019 (amended)	Voter City Council	76,040	52.5%
<b>Berkeley</b>	1980	Voter	118,950	56.8%
<b>Culver City</b>	2020	City Council	39,515	45.9%
<b>Hayward</b>	2019	City Council	156,754	44.2%
<b>Inglewood</b>	2019	City Council	103,621	64.0%
<b>Mountain View</b>	2016	Voter	81,059	60.0%
<b>Oakland</b>	1980 (rent stabilization) 2002 (just cause)	City Council Voter	430,553	58.7%
<b>Richmond</b>	2016	Voter	114,301	48.0%
<b>San José</b>	1979 (rent stabilization) 2017 (just cause)	City Council	971,233	43.8%
<b>Santa Monica</b>	1979	Voter	89,947	71.0%
<b>West Hollywood</b>	1985	City Council	34,514	80.1%
<b>Pomona</b>	2022	City Council	146,017	47.0%

Sources: City Ordinances, July 2023 and U.S. Census

## Rent Limits

Rent increase limits form the pillar of rent stabilization programs around which most other topics in this section revolve. These limits are the maximum percentage by which landlords are allowed to increase tenants' rents, usually in a 12-month period. Some jurisdictions place explicit caps and floors on their rent increase limits, ensuring that in no event shall the rent increase limit be above or below a specified percentage. Some jurisdictions also include rent banking provisions that allow landlords to defer rent increases and apply them in the future. Table 2 provides a summary of rent limit provisions in each of the peer jurisdictions.

Table 2: Rent Increase Limits

Jurisdiction	Rent Increase Limit	Banking Limits
<b>Alameda</b>	70% of change in CPI  Floor – 1% Cap – 5%	Regardless of how much they have banked, a landlord can never impose a rent increase of more than the allowable rent increase percentage for that year plus 3.0% (not to exceed a total of 8%)  Can only impose banked increases up to 3 times during any tenancy and not more than once in a 24-month period

<sup>6</sup> Census QuickFacts Population Estimates, July 1, 2022. Share of renters is calculated by subtracting owner-occupied housing unit rate from 100%.



Jurisdiction	Rent Increase Limit	Banking Limits
		Banked increases are not transferrable to a successor landlord
<b>Berkeley</b>	65% of change in CPI Floor – 0% Cap – 7%	Banked increases are permitted without limitations until the amount charged for rent reaches the rent ceiling
<b>Culver City</b>	100% of change in CPI Floor – 2% Cap – 5%	Rent banking is not allowed
<b>Hayward</b>	5%	Banked rent increase + current year's allowable increase cannot exceed 10%  Unused banked amounts expire after 10 years  Banked increases are transferrable to a successor landlord
<b>Inglewood</b>	<u>5+ units:</u> 3% or 100% of change in CPI, whichever is greater  <u>1-4 units:</u> 100% of change in CPI + 5%  No rent increase may exceed 10%	Rent banking is not allowed
<b>Mountain View</b>	100% change in CPI Floor – 2% Cap – 5%	Banking is allowed but cannot exceed 10% or be transferred to a successor landlord
<b>Oakland</b>	3% or 60% of change in CPI, whichever is lower Floor – 0%	Banking is allowed but cannot exceed 10%  Unused banked amounts expire after 10 years
<b>Richmond</b>	3% or 60% change in CPI, whichever is lower	Landlords may bank no more than 5% plus the current year's allowable increase (3% or less) - not to exceed 8%  Banked increases are transferrable to a successor landlord
<b>San José</b>	5%	Rent banking is not allowed
<b>Santa Monica</b>	75% change in CPI Floor – 0% Cap – 3%	Banked increases are permitted without limitations until the amount charged for rent reaches the rent ceiling  Banked increases are transferrable to a successor landlord
<b>West Hollywood</b>	75% change in CPI Floor – 0% Cap – 3%	Rent banking is not allowed

### *Rent Increase Limits*

Rent increase limits—sometimes referred to as “annual general adjustments”—vary by jurisdiction but are typically tied to a certain percentage of the change in the CPI for the jurisdiction's region or are established as a flat rate. All but two of the peer jurisdictions, Hayward and San José, tie their rent increase limit or annual general adjustment to a percentage of the change in CPI for the preceding twelve-month period. The majority of the jurisdictions (six) tie the increase to 60% to 75% of the CPI change and three of the eleven jurisdictions allow 100% of the CPI change prior to applying any maximum rent increase caps. The argument for jurisdictions that use an amount less than 100% is that the CPI includes factors that are not directly tied to housing costs and therefore an adjustment is made to more accurately reflect the portion of the CPI that is attributable to housing costs.

Ten of the eleven jurisdictions have maximum amounts for their rent increase limits, which range from 3 to 10%.<sup>7</sup> The majority of the jurisdictions use a 3% maximum rent increase cap. Conversely, nine of eleven jurisdictions have minimum amounts for their rent increase limits which range from 0 to 3%. This “floor” acts as a safeguard to prevent rents from falling below a certain level. Hayward and San José are the only two jurisdictions of those interviewed that have a flat rate rent increase limit of 5%.

Based on information from peer jurisdictions, the most common rent increase limit is 60% to 75% of the CPI change with a maximum rental increase cap of 3% and no minimum increase threshold.

#### **Rent increase limit options that the City Council may consider include the following:**

- a) Tie rent increases to 65% to 100% of the change in CPI;
- b) Establish the limit as a flat rate;
- c) Establish the limit as the lesser/greater of a percentage of the change in CPI or a flat rate (**Current Scenario under Urgency Ordinance 4320**); and/or
- d) Establish separate limits for small and large landlords, as defined by number of units.

### *Rent Banking*

Some jurisdictions allow rent banking, which refers to provisions in rent stabilization ordinances that allow landlords to accrue rent increases for the future that they could have implemented in a given year but chose not to. When rent banking is allowed, landlords can add a portion of what they “banked” to a subsequent year’s rent increase. Some jurisdictions include noticing requirements when banked amounts are applied. Others do not allow banking at all. When rent banking is allowed, certain limits may be established to prevent large and sudden rent increases for tenants. The majority of the jurisdictions (seven) interviewed include provisions on rent banking as part of their rent stabilization ordinance. Only two jurisdictions—Berkeley and Santa Monica—allow banking with no limits up to the maximum allowable rent (rent ceiling). The jurisdictions that allow banking have put in place limitations that include the following: the percentage of increases that can be banked, the percentage of banked increases that can be applied to a rent increase, whether banked amounts can be transferred to new owners, and the number of years that increases can be banked. The majority of the jurisdictions (five) that allow rent banking apply a maximum rent banking cap, ranging from 8% to 10%. Unlike Hayward and Oakland, most jurisdictions do not place limitations on the amount of time a landlord has to recoup banked rents. All but two jurisdictions limit rent banking to the current landlord and are not transferrable.

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<sup>7</sup> Two of the 11 are flat rates that we have counted as “maximums.”

**Rent banking options that the City Council may consider include whether to allow for or prohibit rent banking, specifically:**

- a) Include provisions to allow for rent banking and consider restrictions, such as how many years can be banked, how much can be banked, expiring banked amounts upon new ownership, and caps on applying banked rent increases;
- b) Include provisions to allow for rent banking until rent reaches a program-established rent ceiling; or
- c) Do not allow banking (***current scenario under Urgency Ordinance 4320***).

***Vacancy Control/Decontrol***

Vacancy control pertains to a jurisdiction's ability to uphold rent restrictions on a unit even after it becomes vacant and is occupied by a new household. In essence, it means that rent regulations continue to be in effect following a vacancy. The Costa Hawkins Rental Housing Act, as mentioned earlier, does not allow vacancy control. However, the concept was considered by RSG following suggestions from City Council that certain cities might proactively include a vacancy control provision in their ordinances, anticipating a potential change in state law. In practice, most California jurisdictions with rent stabilization programs have vacancy decontrol, which refers to the idea that once a unit is vacant, that unit's rent may be increased to market rate or increased by a percentage greater than an occupied unit's allowed increase. Because RSG's research was limited to California jurisdictions under purview of the Costa Hawkins Rental Housing Act—which allows landlords to establish initial rental rates for a new tenant (vacancy decontrol)—all of the programs in this Study were vacancy decontrol jurisdictions, meaning landlords are not rent regulated upon unit vacancy and can raise rents above the rent increase limits when a new tenancy starts. However, in two of eleven jurisdictions (Alameda and San José), vacancy control may still apply if a tenancy was unlawfully terminated. Berkeley is the only jurisdiction of the 11 surveyed that has preemptive vacancy control language in their ordinance, allowing for vacancy control in the case that state law changes.<sup>8</sup>

Jurisdictions that RSG interviewed generally advised against the inclusion of preemptive vacancy control provisions in the event state law is amended, due to their politically and legally contentious nature which can detract from passage and launch of rent stabilization programs. The consensus from the jurisdictions interviewed indicated that the inclusion of vacancy control provisions, preemptive or otherwise, may increase the likelihood of litigation and heighten opposition from landlords and landlord associations.

**Subject to limitations by state law, vacancy control/decontrol options that City Council may consider include the following:**

- a) Include a provision that allows vacancy control for unlawful evictions;
- b) Include a preemptive vacancy control provision stating rent regulations continue upon vacancy in the event state law changes; and/or
- c) Do not include preemptive vacancy control (***current scenario under Urgency Ordinance 4320***).

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<sup>8</sup> Berkeley Municipal Code 13.76.100(D) states: “[The 1980 base rent ceiling] shall apply *to the extent that state law no longer mandates that a landlord may establish the initial rental rate for any tenancy* in a unit that is otherwise subject to a residential rent control ordinance.”

## Petitions

Petitions in rent stabilization programs serve as a formal mechanism through which landlords and tenants can seek redress or request adjustments based on specific circumstances. In rent stabilization programs that impose rent increase limits that are more restrictive than the limits set by state law, petitions are a required component of due process, ensuring that legal and procedural rights are upheld, conflicts are addressed fairly, and decisions are based on thorough evaluations of relevant factors. Each type of petition plays a vital role in maintaining a balanced relationship between tenants and landlords and promoting stability and fairness within the rental market. Table 3 provides a summary of petition types and fees in each of the jurisdictions that were interviewed.

Table 3: Petitions

Jurisdiction	Petition Types and Number Received in the Past Year	Separate Petition Fee	Party Conducting Hearing	Party Overseeing Appeals
<b>Alameda</b>	Fair Return (1), Capital Improvement (2), Tenant (18), Other (1)	None	Hearing Officer	Court of appropriate jurisdiction
<b>Berkeley</b>	Fair Return (0), Capital Improvement (0), Tenant (100 to 130)	None	Hearing Examiner	Board
<b>Culver City</b>	Fair Return (0), Capital Improvement (1), Tenant (3), Other (7)	None	Petitions are decided internally by the director	Hearing Examiner
<b>Hayward</b>	Fair Return (0), Capital Improvement (24), Tenant (31)	None	Rent Review Officer	Court of appropriate jurisdiction
<b>Inglewood</b>	Fair Return (0), Capital Improvement (0), Tenant (0)	None	Hearing Officer	Board
<b>Mountain View</b>	Fair Return (0), Capital Improvement (0), Tenant (44)	None	Hearing Officer	Rental Housing Committee
<b>Oakland</b>	Fair Return (2), Capital Improvement (18), Tenant (176), Other (35)	None	Hearing Officer	Rent Board, Appeal Panel, or Appeal Officer
<b>Richmond</b>	Fair Return and Capital Improvement	None	Hearing Examiner	Board

Jurisdiction	Petition Types and Number Received in the Past Year	Separate Petition Fee	Party Conducting Hearing	Party Overseeing Appeals
	(50), Tenant (228)			
<b>San José</b>	Fair Return (3), Capital Improvement (12), Tenant (93), Other (3)	None	Hearing Officer	Staff / Hearing Officer
<b>Santa Monica</b>	Fair Return and Capital Improvement (0), Tenant (132), Other (13)	\$100 for petition for owner-occupancy of a property with three or fewer units	Hearing Examiner	Board
<b>West Hollywood</b>	Fair Return (0), Capital Improvement (0), Tenant (130)	\$25 for all hearing applications \$65 for appeals for rent increases \$500+ for landlord petitions for rent increases where net operating income has not increased by 60% since 1983	Hearing Examiner	Rent Stabilization Commission

### *Petition Types*

Generally, there are three types of petitions that a jurisdiction may include in their program: 1) fair return petitions, 2) tenant petitions, and 3) capital improvement petitions. Some jurisdictions include additional types of petitions depending on the community need. Depending on the type of petition, they may be submitted by the tenant or the landlord to a program administrator or decision-making body for consideration and approval.

#### **1) Fair Return Petitions**

A landlord is entitled under the law to receive a fair return on their rental property. If a landlord believes that the maximum allowable rent increase under the ordinance does not constitute a fair return, they have the right to file a fair return petition requesting an increase greater than what the ordinance provides. This is a legal requirement and as such, all 11 jurisdictions interviewed have a fair return petition available to landlords.

#### **2) Tenant Petitions**

All 11 jurisdictions have provisions in their ordinance that allow a tenant to file a petition asserting various types of claims against a landlord. Examples include requesting a rent

decrease due to a substantial decrease in housing services, failure to repair or maintain a unit, or rent increases in excess of the allowable amount.

### **3) Capital Improvement Petitions**

All 11 jurisdictions allow for a petition to request a capital improvement pass-through to the current tenants. A capital improvement is one that materially adds to the value of the property (this is often detailed as a specific amount in the ordinance) or appreciably prolongs its useful life or adapts it to new uses. The improvement is typically amortized over the useful life. As such, these rent increases are temporary. In general, a capital improvement petition would allow a landlord to recover the cost of capital improvements when the improvements benefit the units in question and the improvements were not necessitated by the current landlord's neglect or failure to maintain the property. Examples of capital improvements include new windows, a roof replacement, and exterior painting to the entire building.

### **4) Other**

Although less common, some jurisdictions have developed additional petitions to allow for tailoring policies to community needs. Examples include petitions to determine exempt status, petitions for a rent increase for additional occupants, and petitions to determine occupancy status.

**The City Council may consider offering some or all of the following petition types:**

- a) Landlord petitions: fair return, capital improvements, exemptions;
- b) Tenant petitions: improper rent increase, decreased housing services, habitability issues, undue burden from applying banked rent increases, if applicable; and/or
- c) Joint petitions: additional occupants, added housing services, one-time payments, etc.

Currently, under Urgency Ordinance 4320, there are two petition types offered: 1) Petition for Relief from the Ordinance (fair return petition) and 2) Petition for Noncompliance (tenant petition).

### ***Petition Fees***

In some programs, a petition fee is required by the governing authority or agency overseeing the petition process. The purpose of the fee is to cover administrative costs associated with processing the petition, conducting analysis, and organizing hearings or other proceedings. This fee is typically levied on landlords or tenants who wish to file a petition related to rent stabilization. The specific purpose and amount of the petition fee can vary depending on the jurisdiction and the provisions of the ordinance.

The majority of the jurisdictions (nine) interviewed have no separate fees or include petition costs in their rental registry fee. Only two of the eleven jurisdictions impose separate flat-rate petition fees, depending on the type, ranging from \$25 to \$500 or more. Factors in considering the fee include number of affected units and the cost of analysis, including time spent by consultants, the hearing officer, and members of the board, if applicable. Typically, a fee study is conducted to determine an appropriate cost to process petitions accounting for the level of analysis that is needed.

Often but not always, tenant petitions do not have an associated fee, as it may be considered counterproductive to the intention of the program. West Hollywood is the only jurisdiction that includes a fee for a tenant petition in the amount of \$25. A low-income waiver is available for tenants that may be unable to pay the associated fee.

**Petition fee options the City Council may consider include the following:**

- a) Include the cost of processing petitions in the rental registry fee and do not charge separately for petitions; or
- b) Charge applicants separately for the cost of processing petitions based on staff and/or consultant hours spent (***current scenario under Urgency Ordinance 4320***).

***Petition Review and Hearings***

Petitions are submitted to request that the entity with authority over the disputed matter can provide a ruling or decision, which typically takes place during a hearing. Hearings are formal procedures where landlords and tenants present evidence and testimony before a hearing officer, board, or designated arbitrator. The party who files the petition bears the burden of proof of all relevant factors in the petition. Some programs incorporate “settlement conferences” in their petition and hearing process, where trained third-party mediators listen to both sides and help them in trying to form a mutual agreement, bypassing the need for a lengthy hearing process. Other programs offer voluntary mediation services, described in more detail later in the Study.

It can take several months from the time a petition is submitted to reach a decision from a hearing officer. The duration is attributed to the time needed to review the submitted petition and supporting documents, obtain any necessary additional documentation, provide noticing, schedule a hearing with both parties and/or their representatives, and if applicable, administer appeals of decisions. The general steps involved in the hearing process are as follows:

1. Landlord or tenant submits a petition
2. Staff reviews petition for completeness
3. Notice of and scheduling for the hearing is provided to all parties
4. Petitioner and responding party gather and submit evidence
5. Hearing takes place
6. Hearing officer or board makes a legally binding decision
7. Appeals process (if applicable)

The required scheduling time frame for a hearing following the receipt of a petition varies across municipalities based on their ordinances. The shortest scheduling time frame among the peer jurisdictions is in Richmond, where all parties receive a hearing notice at least ten days prior. The longest scheduling time frame is in Santa Monica, with a requirement for a hearing no later than 60 days from filing. On average, municipalities schedule hearings approximately 30 to 45 days from the date a completed petition is accepted, indicating a general one to one-and-a-half month time frame for preparing for and conducting hearings.

The petition authority’s decision-making time frame after a hearing also varies. The quickest decision time frame is in Culver City, where a decision is expected within 20 days post-hearing, the same as in Pomona. On average, municipalities tend to make decisions approximately 30 to 40 days post-hearing, suggesting a general one to slightly over one-month time frame for the petition authority to provide a determination after a hearing.

A majority of jurisdictions (seven) reported that petitions generally take two to six or more months from receipt to final decision. West Hollywood staff informed RSG that it is advisable not to prescribe specific timelines in the ordinance as it relates to the petition process, and if timelines are included to account for no less than a 180-day process (6 months).



**Options the City Council may consider when establishing a petition review and hearing process include the following:**

- a) Set timelines for each phase of the petition/hearing process in the ordinance; and/or
- b) Allow for flexibility of the petition/hearing process by establishing timelines in program Policies and Procedures.

Currently, under Urgency Ordinance 4320, some timelines for each phase of the petition/hearing process are included.

### *Petition Authority*

Petition authority refers to a designated entity or governing body responsible for overseeing and managing the process of receiving, reviewing, and addressing petitions related to rent stabilization. Program staff, an elected or appointed board, a third-party hearing officer/examiner, or some combination of these typically serve the function of petition authorities. The primary role of a petition authority is to provide a formal ruling on submitted petitions regarding rent stabilization matters. The petition authority typically has the responsibility to review and evaluate each petition, ensuring they comply with the established guidelines and requirements, as well as to conduct hearings on contested matters and provide a determination to resolve the dispute.

The majority of the jurisdictions (ten) interviewed designate a hearing officer or similar role to make decisions on petitions. In the City of Inglewood, a dedicated staff member acts as the hearing officer. Only one of the eleven jurisdictions (Culver City) allows for petitions to be decided internally by program staff in lieu of the board and/or hearing examiner.

**Options the City Council may consider when choosing a petition authority include:**

- a) Petitions are decided by a hearing officer or similar role (***current Scenario under Urgency Ordinance 4320***); or
- b) Petitions are processed and addressed internally by program staff, with only appeals of decisions going to a board or hearing officer.

### *Appeals*

Appeals in the context of rent stabilization programs involve the opportunity for either a landlord or tenant to challenge a decision on a petition. While the option to appeal any decision to a court exists universally, specific ordinances may permit an appeal to a hearing officer, board, or arbitrator. Conversely, in some cases, the initial ruling is deemed final within the city's jurisdiction, necessitating an appeal to be escalated to a court of local jurisdiction for further review.

Among the eleven jurisdictions examined, nine permit the appeal of a petition decision within their respective programs. In a majority of these (seven), the oversight of hearing appeals is entrusted, either entirely or partially, to their rent board or commission. Only two programs, Culver City and San José, grant a hearing officer and the program director to oversee appeals of petition decisions. Alameda and Hayward are the only two programs that do not have internal processes for appeals, opting instead to defer such matters to courts.

The formation of a board or commission allows city councils to maintain a more hands-off role while fostering community involvement and garnering support. Rent stabilization boards offer a

forum for diverse stakeholder representation, including landlords, tenants, and other community members without financial interests in real estate. These boards are typically supported by dedicated program staff to carry out their various duties. Unique from other respondents, Oakland's program staff recommended avoiding the use of a rent board. Program staff instead recommended referring appeals of petition decisions to a panel of hearing officers. The reason for this recommendation was lower costs and increased effectiveness, although RSG could not independently confirm if this is true in practice. It is worth noting that hearing officers' services are not abundant and always readily available. In contrast to the recommendation from Oakland's program staff, Richmond program staff stated that having community members hold positions on the governing board is helpful to receive community buy in, since community members have a greater voice in rent stabilization policies.

**Options the City Council may consider for appeals to petition decisions include the following:**

- a) Establish an internal process for appeals of petition decisions and determine who will hear them; or
- b) Do not allow for appeals of petition decisions to the City and defer such matters to the court of local jurisdiction (***current Scenario under Urgency Ordinance 4320***).

## Registration and Compliance

The adherence to rent stabilization programs requires a well-organized and transparent approach, balancing the interests of both landlords and tenants. It is essential to establish clear procedures and actively monitor and enforce compliance to achieve the intended goals of a rent stabilization policy. There are several program components to consider to enhance adherence with local regulations, including the implementation of a rental registry and a rental registry fee, conducting inspections on residential rental properties, and imposing administrative penalties and fines.

### *Rental Registry and Fee*

A rental registry is a centralized database that contains information about rental properties within a particular jurisdiction. The registry typically includes details about the properties, landlords, and current tenancies. The primary purpose of a rental registry is to provide transparency, facilitate effective regulation, and ensure compliance with local housing laws and regulations. Typically, landlords incur a fee when enrolling their unit(s) in a rental registry software system. The rental registry fee is collected annually to cover costs associated with administering the program, including maintaining the registry, administering the program, responding to inquiries, processing petitions, coordinating public awareness efforts, and conducting compliance and enforcement activities. Table 4 provides a summary of rental registries and fees in each of the jurisdictions that were interviewed.

Table 4: Rental Registry and Fee

Jurisdiction	Fee	Pass Through Fee	Penalties for Nonpayment
Alameda	Fully Covered: \$162/unit	50% pass through to tenants	Cannot increase rent
	Partially Covered: \$109/unit		10% late penalty with additional 10% added each successive month up to 60%
Berkeley	Fully Covered: \$290/unit	Not allowed	Cannot increase rent or evict tenant

Jurisdiction	Fee	Pass Through Fee	Penalties for Nonpayment
	Partially Covered: \$178/unit		100% penalty
Culver City	\$167/unit	50% pass through of <u>initial</u> registration fees for tenants who continuously occupied the unit from August 12, 2019, to October 31, 2020	20% late penalty on the first day of each month following July 31 <sup>st</sup> up to 100%
Hayward	Covered Rental Units: \$66/unit Non-Covered Rental Units: \$32/unit	50% pass through to tenants	Cannot increase rent
Inglewood	Fully Covered: \$184/unit Section 8: \$92/unit *only applies to properties with 3 or more units	50% pass through to tenants	Cannot advertise for rent, demand or accept rent, or evict any tenant  No petition, application, claim, or request will be accepted until registered  Monthly fees and lien on property tax bill may be imposed
Mountain View	\$108/unit	Not allowed	Cannot increase rent
Oakland	\$101/unit	50% pass through to tenants	10% late penalty if paid within 30 days, 25% late penalty if paid within 60 days, and 50% plus simple interest of 1% of balance owed per month or fraction of a month if paid after 60 days
Richmond	Fully Covered: \$220/unit Partially Covered & Subsidized Units: \$125/unit	Not allowed	10% late penalty if 1 to 30 days late, 25% if 31 to 60 days late, and 50% if more than 60 days late
San José	Fully Covered: \$72/unit Partially covered: \$23/unit Mobile home: \$33/unit	Not allowed	A late fee as determined by City Council resolution is applied if over 30 days late
Santa Monica	\$228/unit	50% pass through to tenants	Cannot increase rent
West Hollywood	\$144/unit	50% pass through to tenants	Cannot increase rent

Each of the 11 jurisdictions surveyed imposes fees for registering residential rental properties, with fee amounts varying from around \$20 to over \$200 annually per unit. The average registration fee for fully-covered units among the surveyed jurisdictions at the time of the interviews was approximately \$160 annually per unit.

Some jurisdictions establish separate registration fees for fully and partially covered units and/or make certain units exempt from paying a registration fee, such as units with rent-subsidized tenants. Generally, a fully covered unit refers to rental units where both rent stabilization and just cause protections apply, and partially covered units refer to units where only the just cause protections apply. Four of the eleven jurisdictions charge fees depending on whether the property is fully covered or partially covered. The majority of the jurisdictions (six) interviewed allow landlords to pass through up to 50% of the registration fee to tenants as a rent surcharge prorated over 12 months to balance the interests of landlords and tenants since registration benefits both parties.

The jurisdictions interviewed cited that one of the primary reasons for noncompliance with rent stabilization policies is failure to register, advising that incorporating penalties for failing to register and pay the fee are beneficial for achieving higher compliance. Five of the eleven jurisdictions apply late fees ranging from 10% to 100% of the registration fee depending on how long the fee is overdue. The majority of the jurisdictions (six) interviewed do not allow landlords to raise rents if they have failed to register. Mountain View's program staff further emphasized this point, stating that the adoption of late fees and penalties for failing to register increased compliance from 38% initially to 88%. On average, jurisdictions report 60 to 70% compliance in the first year of launching a rental registry. Some program staff recommended waiving the registration fee in the first year to ease the transition to the new program and encourage higher registration rates.

Fees vary widely and depend on how active a program is in terms of services offered, staffing levels, and how many affected rental units are in the jurisdiction. Programs with increased administrative components that require more staff to provide services such as outreach and enforcement, have higher fees, while programs that are less proactive and dispute-resolution based, have lower fees. Typically, fee studies are conducted to determine the necessary amount to charge landlords for the program to be cost-neutral. These studies assess the costs for the program's services and seek to determine a reasonable dollar amount per covered unit in a given jurisdiction. Staffing levels and program budgets are discussed in more detail later in this Study.

**Options the City Council may consider when deciding on the rental registry and fee include the following:**

- a) Charge separate fees for small landlords or fully vs. partially covered units;
- b) Allow or disallow for 50% pass-through of the registration fee to tenants;
- c) Decide which properties will be exempt from program fees, if any; and/or
- d) Decide whether to include provisions that encourage compliance, such as fee waivers the first year.

Currently, under Urgency Ordinance 4320, there are no provisions on the requirement to register or pay a rental registry fee.

### *Inspections*

Rental inspection policies may be mandated by local ordinances to ensure compliance with established housing standards, building and safety codes, and regulations. These inspections may include habitability assessments, especially prior to approving rent increases, petition

determinations, and claims of exemptions. Typically, such inspections are coordinated through a city's Code Enforcement department or may involve third-party contractors for thorough examination and evaluation.

Of the 11 jurisdictions interviewed, none require inspections within their rent stabilization programs. Nevertheless, three of the jurisdictions (Berkeley, Richmond, Santa Monica) grant explicit authority for city officials to carry out inspections for ordinance enforcement. In two of the eleven jurisdictions (Berkeley and Richmond), fee amounts for both initial and subsequent inspections are specified. Initial inspection fees span from \$0 (Berkeley) to \$178 (Richmond), while reinspection fees range from \$76 (Richmond) to \$800 (Berkeley).

While rent stabilization programs generally do not mandate inspections, some jurisdictions have separate initiatives to address habitability concerns. In Hayward, collaboration with the Code Enforcement department occurs without a mandatory inspection requirement. In Inglewood, tenant-reported issues prompt interventions, and a planned Proactive Rental Housing Inspection Program is in the works. San José uses a tiered inspection system through their Multiple Housing Inspection Program. Alameda conducts inspections during relocations or tenant-initiated cases, while Mountain View employs a Multi-Family Inspection Program every five years. Both Hayward and Inglewood noted that they face funding and staffing challenges in their inspection efforts.

**Options the City Council may consider regarding inspections of residential rental properties include the following:**

- a) Omit inspection provisions from the ordinance, redirecting inspection requests to Code Enforcement or establishing a separate periodic inspection program for rental properties; and/or
- b) Include inspection provisions in the ordinance and employ trained staff.

Currently, under Urgency Ordinance 4320, there are no provisions on the inspection of rental units.

*Administrative Penalties and Fines*

To discourage noncompliance with the law, some jurisdictions have adopted civil penalties that may be imposed on landlords and their representatives in the event of violations. These measures, comprising of administrative fines and penalties, are managed by the department overseeing the program and are categorized as either civil or judicial penalties, with the latter involving court proceedings and often requiring legal representation. It is important to note that jurisdictions typically offer appeal mechanisms, allowing those who are issued citations or suspected of violations to contest the allegations and seek a fair resolution. Table 5 provides a summary of administrative penalties and fines in each of the jurisdictions that were interviewed.

Table 5: Administrative Penalties and Fines

Jurisdiction	Type(s) of Penalties	Limits on Penalties	Appeal Mechanism
Alameda	Fines	\$250 to \$1,000 depending on number of offenses in a year	None stated
	Misdemeanor and/or jail time	Misdemeanor may include fine up to \$1,000, jail time not to exceed six (6) months	
	Public nuisance designation		

Jurisdiction	Type(s) of Penalties	Limits on Penalties	Appeal Mechanism
		Designation may apply to any rental business	
<b>Berkeley</b>	Tenant may file suit for damages with the city  Misdemeanor and/or jail time	\$750 in addition to any damages  \$500 fine and/or 90 days in jail for the first offense and \$1,000 fine and/or six (6) months jail time	None stated
<b>Culver City</b>	Administrative citation  Misdemeanor	Each violation may be subject to a fine of up to \$1,000  Guilty of a misdemeanor	Yes
<b>Hayward</b>	Administrative citation  Misdemeanor and/or jail time	Liable for tenant damages and attorneys' fees  Liable for civil penalty that is the greater of \$500 dollars or three times the amount of money more than the maximum rent  \$100 to \$500 depending on number of offenses in a year. After four offenses, misdemeanor and fine of no more than \$1,00 and/or six (6) months jail time	Yes
<b>Inglewood</b>	Administrative citation	Any violation is a misdemeanor which carries a fine of \$500	Yes
<b>Mountain View</b>	Administrative hearing  Additional relief for landlord's violation of eviction rules	Excess rent charged  Tenant may regain the rental unit at their previous rent	None stated
<b>Oakland</b>	Administrative citation  Administrative assessment of civil penalties	\$100 to \$500 depending on number of citations issued in a year (maximum of \$5,000 per year)  Maximum fine of \$1,000 per day for each property	Yes
<b>Richmond</b>	Administrative hearing	All rent received, demanded, retained, or accepted more than the maximum allowable rent plus damages and being found guilty of a misdemeanor	Yes
<b>San José</b>	Administrative citation	Amount ranges between \$500 to \$10,000 according to stored fee schedule	Yes
<b>Santa Monica</b>	Administrative hearing  Misdemeanor	Excess amount paid and any expenses incurred while resolving the issue, up to \$500  Fine not exceeding \$500 and/or imprisonment not exceeding six (6) months	None stated

Jurisdiction	Type(s) of Penalties	Limits on Penalties	Appeal Mechanism
<b>West Hollywood</b>	Administrative assessment of civil penalties  Misdemeanor	Statutory damages in the sum of \$1,000 or actual damages, whichever is greater  Misdemeanors are punishable by a fine of up to \$1,000 or by imprisonment not to exceed six (6) months	Yes

All 11 jurisdictions surveyed have some type of administrative hearing or direct citation, with maximum fines per violation ranging from \$500 to \$1,000. Some jurisdictions implement penalties and fines based on the existing administrative citation process set forth in the municipal code, while others adopt tailored fines for violations of the ordinance. Thus, even for those jurisdictions where there is no specific appeal, there may be general appeal remedies in the local municipal code or under state law.

Four of the eleven jurisdictions have a fine that increases with each incidence of violation with a cap beyond the second or third violation. The remainder declare a maximum fine but do not set a specific dollar amount per violation (with a partial exception of San José who lists the maximum fine by type of violation as part of their approved master fee schedule). The majority of the jurisdictions (seven) incorporate criminal penalties, such as a misdemeanor or jail time, into penalties and remedies for violations of the ordinance. These jurisdictions emphasize that robust penalties provide authorities with effective enforcement tools to address violations swiftly and decisively and to help protect the rights and interests of the community.

**Options the City Council may consider regarding administrative fines and penalties include the following:**

- a) Implement a fixed fee for violations of the ordinance;
- b) Implement a penalty structure that escalates with each incidence of violation; or
- c) Do not incorporate explicit penalties into the ordinance and defer to the existing administrative citation process set forth in the municipal code.

Urgency Ordinance 4320 includes provisions that allow administrative fines of up to \$1,000 and authorize the City Attorney to bring a civil action for violations, seeking civil penalties, injunctive relief, declaratory and other equitable relief, restitution, and reasonable attorneys' fees and costs.

## Other Factors

There are several other factors to consider when establishing a rent stabilization program. Components such as mediation, relocation assistance, and exemptions vary amongst the interviewed jurisdictions and can be tailored to suit the specific needs of the community.

### *Mediation*

Mediation is an approach to conflict resolution that involves an impartial third party to aid landlords and tenants in resolving disputes through facilitated dialogue. The goal of mediation is to find a solution that works for both parties and identify potential solutions together, rather than relying solely on the City or rent board for resolutions. Ultimately, the successful outcome of mediation is to facilitate voluntary agreements between landlords and their tenants.



Some jurisdictions host “settlement conferences” at the start of a petition hearing to determine if the parties can come to a voluntary agreement before undertaking a lengthy evidentiary hearing. All of the interviewed jurisdictions stated mediation is highly effective and saves time for all involved parties. Table 6 provides a summary of mediation services offered in each of the jurisdictions that were interviewed.

Table 6: Mediation

Jurisdiction	Mediation in Ordinance?	Process for Initiating Mediation	Party Presiding over Mediation
Alameda	No	Upon request	Offered separately through City Attorney’s Mediation Program
Berkeley	No	Petition process or upon request	Berkeley Rent Board staff member
Culver City	No	Upon request for rent increases only	Offered separately through City’s Landlord-Tenant Mediation Board
Hayward	Yes	Petition process	Mediator designated by Rent Review Officer
Inglewood	Yes	Petition process	Program Administrator or designee
Mountain View	No	Petition process or upon request	Offered separately through Mountain View Mediation program (contracted with Project Sentinel)
Oakland	Yes	Petition process or upon request	Rent Adjustment Program
Richmond	No	Upon request	Formal mediation and informal dispute resolution offered by Richmond Rent Program
San José	Yes	Petition process or upon request	Offered through the Housing Mediation Program or County of Santa Clara partnership program
Santa Monica	No	Petition process or upon request	Rent Control Board
West Hollywood	No	Petition process or upon request	Offered separately through a contracted mediator

In various rent stabilization programs across California, mediation plays a crucial role in resolving landlord-tenant disputes. All 11 jurisdictions offer some form of mediation whether tied to the rent stabilization program or offered through a separate citywide program. Four of the eleven jurisdictions contain mediation provisions specifically outlined in their ordinances.

Hayward's is the only program that mandates mediation when disputes arise unless both parties waive the right, leading to roughly one quarter of the petitions received in a given year being resolved without formal hearings. Santa Monica offers voluntary mediation and finds it highly effective, as evidenced by 79 out of 114 petitions being mediated in 2022 and 44% of mediated petitions being fully or partially resolved. West Hollywood, without mediation provisions in its ordinance, frequently engages the services of a contracted mediator. Oakland's program staff highly recommends mediation, recognizing its effectiveness in averting lengthy petition processes and hearings. Meanwhile, Mountain View's program uses the Mountain View Mediation Program,

operated by Project Sentinel (a non-profit organization under contract with the City), which achieves a 90% success rate in resolving disputes. Overall, mediation emerges as a common and successful strategy in rent stabilization programs to streamline dispute resolution and reduce the need for formal hearings.

**Mediation options that the City Council may consider include the following:**

- a) Do not include mediation services in the ordinance (disputes are resolved through petitions/hearings or contracted mediator) (**current scenario under Urgency Ordinance 4320**); or
- b) Incorporate mediation services into the petition process or provide them upon request.

**Relocation Assistance**

Relocation assistance refers to guidelines and provisions established by a local jurisdiction requiring landlords to pay a defined amount to support tenants who are being evicted at no fault of their own. Relocation assistance payment amounts vary widely by jurisdiction and tenant qualifications, such as age or disability, and are intended to support tenants in finding new housing accommodations. Table 7 provides a summary of relocation assistance in each of the jurisdictions that were interviewed.

Understanding the implications of key legislation, such as the Housing Crisis Act (2019), commonly referred to as SB 330, and the Ellis Act (1985), is crucial when creating relocation provisions. SB 330 requires local governments to provide relocation assistance to tenants displaced due to housing unit loss from demolitions or conversions and provides a right of first refusal for a comparable unit in the new project at an affordable rent. It also mandates the replacement of protected units, including affordable housing and rent-controlled properties. The requirements of SB 330 are distinct from the typical relocation provisions in rent stabilization ordinances, which address a broader range of no-fault evictions. Conversely, the Ellis Act allows landlords to exit the rental housing market and withdraw their units from rental use, permitting eviction of all tenants for purposes like converting units into condominiums or other ownership forms. However, under the Ellis Act, local entities can impose various restrictions on landlords going out of business, such as requiring a notice of intent to withdraw, providing information about tenancies, offering relocation assistance, and imposing limits on future rental use of the property, including offering units to displaced tenants at former rental rates within specific timeframes.

Table 7: Relocation Assistance

Jurisdiction	Permanent Relocation	Temporary Relocation	Buyout Agreement Provision?
<b>Alameda</b>	Amount ranges from \$6,004 for studio apartments to \$15,900 for qualified tenants living in 4+ bedroom units	Amounts are \$228 per household for hotel expenses, \$66 per day per person for meal expenses, \$1 per day per household for laundry expenses, \$36 per day per cat and \$67 per day per dog	Yes
<b>Berkeley</b>	Amount ranges from \$18,011 for eligible households and an additional \$6,003 for qualifying households	Amounts are \$120 to \$166 per day up to three people, and \$15 for each additional person per day. Per diem rates for cats and dogs are \$20 and \$50, respectively, per day per pet	No

Jurisdiction	Permanent Relocation	Temporary Relocation	Buyout Agreement Provision?
	Amounts increase annually in accordance with the CPI adjustment		
<b>Culver City</b>	Three times the current monthly rent in effect or the small area fair market rent as established by the U.S. Department of Housing and Urban Development (“HUD”) for a comparable unit in the same zip code, plus \$1,000. “Small landlords” (three or less units) pay 50% of this amount when owner or owner’s immediate family move in	N/A	Yes
<b>Hayward</b>	One month of rent, or waiver of the final month of rent	Amounts are \$161 per day per household for hotel/motel, \$32 per day per person for meal expenses, \$1 per day per household for laundry, \$31 per day per cat and \$56 per day per dog	No
<b>Inglewood</b>	Three times the monthly rent plus up to \$9,500 depending on tenure, senior or disability status, or if minor(s) reside in the unit	Amounts are set by resolution of the Board	Yes
<b>Mountain View</b>	Three months median market rent for similar sized apartment, plus \$8,000 for special circumstances tenants	Relocation benefits for temporary relocation if it is over 30 days	No
<b>Oakland</b>	Amount ranges from \$7,861.52 to \$11,943.47 depending on bedroom count, plus \$2,500 if the household is low income, has elderly or disabled tenants, and/or children reside in the unit  Amounts increase annually in accordance with the CPI adjustment	Requires the payment of actual and reasonable moving expenses and temporary housing accommodation costs directly incurred as a result of the temporary displacement	Yes
<b>Richmond</b>	Amount ranges from \$4,177.01 to \$20,147.05 depending on bedroom count, qualified status, and reason for termination of tenancy	Amounts are \$178.24 per day per household for hotel/motel, \$35.88 per day per person for meal expenses, \$1.19 per day per household for laundry, \$34.69 per day per cat and \$62.21 per day per dog	No
<b>San José</b>	Amount ranges from \$6,925 to \$17,380 depending on bedroom count, qualified status, and reason for termination of tenancy	Emergency and temporary relocation assistance provisions included under the Housing Code section of the Municipal Code. Landlord must provide alternative safe and legal	Yes

Jurisdiction	Permanent Relocation	Temporary Relocation	Buyout Agreement Provision?
		temporary housing and education/employment transportation costs.	
<b>Santa Monica</b>	<p>Amounts range from \$18,250 to \$34,950 depending on bedroom count and qualified status</p> <p>Amounts increase annually in accordance with the CPI adjustment</p>	<p>Amounts are \$365 for hotel/motel per day per household, \$39 for meal expenses per day per person, \$1 per day per household for laundry, \$36 per day per cat and \$66 per day per dog</p>	Yes
<b>West Hollywood</b>	<p>Amounts range from \$8,206 to \$27,356 depending on bedroom count and qualified status</p> <p>Amounts increase annually in accordance with the CPI adjustment</p>	N/A	Yes

All 11 jurisdictions interviewed require landlords to provide permanent relocation assistance in the event of no-fault terminations such as owner move-in or withdrawal from the rental market. The range of relocation assistance across these jurisdictions spans from one month's rent in Hayward to \$34,950 in Santa Monica, contingent upon factors such as bedroom size and special circumstances. Three of the eleven jurisdictions (Culver City, Inglewood, and Mountain View) determine relocation assistance based on three times the current monthly rent.

Some jurisdictions adopt relocation amounts from neighboring jurisdictions, while others (Santa Monica and West Hollywood) have undertaken extensive research to determine the specific costs associated with moving, such as:

- First and last months' rent based on median market rent;
- Security deposits based on median market rent;
- Utility hook-ups and utility deposits;
- Estimated packing and moving costs;
- Estimated storage costs for three months;
- Packing supplies;
- Taxes (permanent relocation benefits are taxable as supplemental wages)<sup>9</sup>; and
- Other incidental costs associated with moving.<sup>10</sup>

In five out of the eleven jurisdictions, there is a requirement to provide temporary relocation assistance to tenants when they are required to temporarily leave their residences for reasons such as temporary displacement due to code compliance or government order. Temporary relocation assistance amounts vary and are often based on actual and reasonable temporary housing expenses. Provisions are often included that require landlords to allow tenants to move back in once repairs are complete.

<sup>9</sup> Santa Monica City Council Report dated January 8, 2019

<sup>10</sup> West Hollywood Staff Report dated January 19, 2016

Some cities with rent stabilization ordinances include guidelines or provisions for tenant buyout agreements. A tenant buyout occurs when a landlord proposes a financial incentive to encourage a tenant to voluntarily vacate a rental unit. The majority of the jurisdictions (seven) incorporate buyout agreement provisions to ensure that tenants are well-informed about their rights in such situations. These provisions often require that landlords provide a written disclosure document setting forth tenants' rights prior to making an offer and may also include provisions outlining the timeframe within which the tenant can rescind the agreement, typically 25 to 45 days.

Hayward's program is unique in that it has a dedicated emergency relocation assistance fund to provide tenants their owed amounts in situations where the property owner has not paid or challenges the required payment. Emergency relocation assistance funds that are dispersed are collected from liable property owners at a later time through property tax assessments. Hayward staff considered this emergency fund to be one of the top program strengths.

**The City Council may consider the following options as it pertains to relocation assistance:**

- a) Consider alternative methods of calculating relocation assistance amounts, such as estimated moving costs, one to three months of current rent, and distinctions for vulnerable populations (eligible vs. qualified);
- b) Consider including temporary relocation assistance for tenants who must temporarily relocate; and/or
- c) Consider including provisions for tenant buyout agreements.

Currently, under amended Ordinance 4329, permanent relocation amounts range from \$5,926 to \$15,377 for no-fault terminations of tenancy depending on whether the tenant is an eligible or qualified tenant, the length of tenancy, and the tenant's income.

### *Exemptions*

Exemptions from rent stabilization ordinances refers to specific cases or categories of rental properties that are excluded or exempted from the regulations and restrictions imposed by such ordinances. As previously discussed, the Costa Hawkins Rental Housing Act requires that units constructed after 1995 be exempt from rent increase limits as well as most single-family homes and condominiums. To that end, jurisdictions with rent stabilization ordinances must operate within the framework of exemptions from state law while having the option to include additional exemptions based on the interests of the community.

The jurisdictions interviewed determined properties that are exempt from rent stabilization policies based on their unique political landscape and the economic and housing market conditions in their area. However, common patterns emerged among the types of properties exempt from rent stabilization regulations in the surveyed jurisdictions, as summarized below:

- Government subsidized or deed-restricted units – All 11 jurisdictions that RSG interviewed exempt properties that are government subsidized, deed-restricted, and/or for which tenants receive governmental subsidies. Rent stabilization programs typically exempt these types of units to align with the overarching goal of providing affordable housing and to ensure the viability of these programs.
- Newly constructed units – Across all jurisdictions, units that are newly constructed are also exempt—presumably to mitigate the impacts of rent stabilization on housing development. New construction is defined in varying ways depending on the jurisdiction. Some jurisdictions define new construction as units with certificates of occupancy after 1979, 1983, or 1995.

- Secondary units (e.g. Accessory Dwelling Units or “ADUs”) – Five of eleven jurisdictions specifically exempt secondary units, such as ADUs. Exempting ADUs may encourage increased housing supply and reduce regulatory constraints for smaller property owners.
- Duplexes – Four of eleven jurisdictions include exemptions for duplexes (buildings with up to two units), of which two jurisdictions require the landlord to reside in one of the units for the exemption to apply.
- Small landlords – Some rent stabilization ordinances exempt properties owned by small landlords who own only a few rental units (e.g., three units or less). This exemption aims to mitigate the administrative burden on smaller-scale landlords. One of the jurisdictions interviewed (Inglewood) takes this approach.
- Landlord’s primary residence - Dwelling units where the landlord resides, sharing facilities with tenants, are sometimes exempt to provide landlords with more flexibility in managing their own residences.
- Units representing subdivided interests – Properties that have been divided into multiple units or parts, each of which represents a distinct ownership interest, are sometimes exempt (e.g. condominiums).
- Other exemptions – The majority of jurisdictions (ten) include provisions that exempt a variety of dwelling types outside of the typical landlord-tenant relationship. These may include government, non-profit, or cooperative-owned housing; residences owned by healthcare or educational institutions; as well as hotels or short-term rentals.

When determining which properties should be exempt from rent regulations, it is important to consider several key factors. These include the size and type of properties, owner-occupancy status, distinctions between small-scale landlords and large corporations, affordability impacts, local housing market dynamics, and administrative feasibility. By analyzing these factors comprehensively, rent stabilization programs ensure that the intended goals of the program are being addressed while supporting responsible property ownership and addressing the unique characteristics of different property types and ownership structures.

It is important to note that properties can be exempt from rent stabilization regulations while still being subject to just cause eviction provisions. This means that certain properties may not be covered by rent stabilization ordinances, which typically govern rent increase limits and other rental policies. However, these property owners may still need to adhere to just cause eviction provisions, which define legitimate reasons for terminating a tenancy or require relocation assistance. Distinguishing between exemptions for rent stabilization and just cause eviction protections allows jurisdictions to provide partial tenant protections for households residing in units that are exempt from rent stabilization.

Additionally, even if a rental property is exempt from a local ordinance, it may still be subject to restrictions imposed by state law. For instance, if a local ordinance includes an exemption for properties with less than three rental units, the property could still be subject to requirements of state law.

**In determining which types of properties are exempt from rent stabilization, City Council may consider the following:**

- a) Include specific provisions clarifying the exempt status of ADUs and/or duplexes;
- b) Include other exemptions depending on the specific community need; and/or
- c) Differentiate between exemptions from rent stabilization provisions and just cause eviction provisions.

Currently, Urgency Ordinance 4320 does not apply to: dwelling units with a certificate of occupancy or equivalent permit for residential occupancy issued after February 1, 1995; single



family residences, condominiums, and townhomes; dwelling units that are a subdivided interest in a subdivision; and dwelling units for which the landlord receives federal, state, or local housing subsidies.

## Administrative Considerations

When establishing and overseeing rent stabilization programs, jurisdictions must consider several administrative factors, including program staffing and budget and community outreach requirements.

### *Program Staffing and Budget*

In interviews conducted by RSG, program staff underscored the critical importance of maintaining adequate staffing levels to effectively operate rent stabilization programs. This emphasis on staffing stems from the multifaceted nature of these programs, which necessitate a diverse team with specific skill sets. Rent stabilization programs demand a range of expertise, including legal acumen to navigate and advise on complex regulations, communications staff to coordinate outreach initiatives and bolster public awareness, and customer service-oriented personnel to promptly address inquiries from landlords and tenants alike. Table 8 summarizes program staffing and budget in each of the jurisdictions that were interviewed.

Table 8: Program Staffing and Budget

Jurisdiction	Full-Time Equivalent (“FTE”)	Program Costs (Expenses)	Number of Rental Units
<b>Alameda</b>	7.5	\$1.99M	Fully Covered Units: 13,741 Partially Covered Units: 2,838
<b>Berkeley</b>	26	\$7.51M	Approx. 25,000 Registered Units
<b>Culver City</b>	3	\$1.2M	Approx. 7,200 Rent Stabilized Units
<b>Hayward</b>	3.5	\$642K	Fully Covered Units: 11,580 Non-Covered Units: 9,854
<b>Inglewood</b>	11	\$2.96M	Approx. 23,000 Registered Units
<b>Mountain View</b>	7	\$1.91M	Fully Covered Units: 12,720 Partially Covered Units: 1,673
<b>Oakland</b>	24	\$9.36M	Approx. 59,000 Registered Units
<b>Richmond</b>	14	\$3.00M	Approx. 18,000 Registered Units
<b>San José</b>	20	\$2.98M	Approx. 38,000 Rent Stabilized Units
<b>Santa Monica</b>	24	\$6.14M	Approx. 27,600 Rent Stabilized Units
<b>West Hollywood</b>	12	\$3.46M	Approx. 17,000 Registered Units
<b>Average</b>	13.82	\$3.74M	Approx. 24,291 Units

The staffing levels of rent stabilization programs appear to be closely linked to the number of rental units in the city. As the number of rental units increases, the workload for program staff—



such as registration, data management, processing petitions, enforcement, and community education—also increases. Consequently, higher staffing levels are often necessary to adequately manage the larger volume of work associated with a larger number of rental units. This increased staffing requirement directly impacts the overall program budget, as additional funds are needed to cover salaries, benefits, training, and other operational expenses for the expanded program. Conversely, fewer rental units may result in lower staffing levels and budgetary expenses, as there is less work to be done in administering the program. Thus, staffing should align with the rental housing market size and available resources to ensure efficient and effective program administration.

Additionally, staffing levels tend to vary based on the services provided or the scope of regulatory oversight required by the ordinance. Comprehensive regulations demand a robust budget to support detailed compliance checks, diverse tenant-landlord services, and extensive documentation and monitoring. This requires increased staffing, thorough training, and technological resources for data collection. An assertive enforcement strategy also necessitates more resources for legal support, enforcement officers, and ongoing training to handle complex legal issues.

Lastly, our research indicates that the method of initiative approval—whether by voters or the city council—may have implications on a program’s budget. Voter-approved initiatives tend to have larger program budgets and account for some of the highest budgets of the programs interviewed (Berkely, Santa Monica). This may be due to voter-approved initiatives having more community support, leading to less contention and opposition compared to city council-approved initiatives. This reduced contentiousness can lead to smoother implementation and cost recovery, fewer legal challenges, and a more stable funding environment over time.

Based on data from other jurisdictions, **it is estimated that the City of Pomona will need approximately 6 to 7 Full-Time Equivalent (FTE) staff members and around \$1.5 – \$2.5 million to manage a rent stabilization program for 11,000 covered units.** To calculate these estimates, we applied the ratio of the average number of FTEs and average program costs to the average number of rental units, scaling it to match Pomona’s estimated rental market size.

It is important to note that, in the first years of program implementation, additional staffing time and resources are required to implement administrative structures, determine which units are covered under the ordinance, educate landlords and tenants on the new program requirements, and develop the database required to track rental unit data. Typically, it takes one to two years for such a program to become fully operational. Overall, the staffing levels and administrative startup activities of rent stabilization programs require careful planning, coordination, and resource allocation to ensure the effective administration and management of these programs.

### *Public Awareness and Community Outreach*

Effective community outreach is essential for the success of rent stabilization programs, as public awareness plays a pivotal role in fostering understanding, compliance, and support. The implementation of rent stabilization programs often depends on the community's understanding of the program's existence, its benefits for tenants, the rights afforded to landlords, and the overall housing landscape. All the jurisdictions that RSG interviewed while writing this Study emphasized that public awareness and community outreach are key components of their efforts.

Utilizing a diverse range of outreach methods is crucial to reach a broad audience. This may involve engaging in social media campaigns; distributing physical mailers; strategically placing billboard signs on busy roads; creating informative online videos; hosting seminars and workshops both online and in person; forging partnerships with school districts, universities, libraries, churches, and police departments; making radio announcements; incorporating

information in utility bills; and actively participating in local events like farmers' markets. By employing this multifaceted approach, rent stabilization program staff can ensure that information reaches residents through various channels, thereby maximizing public awareness and understanding. This proactive engagement not only facilitates compliance but also builds a foundation of community support for the ongoing success of rent stabilization initiatives.

## SECTION 2: ALTERNATIVE APPROACHES TO HOUSING STABILIZATION

The City of Pomona's Urgency Ordinance directed staff to conduct further analysis and research to assist the City Council in making future legislative decisions related to rent stabilization. As part of this analysis, staff requested that RSG examine various programs other than a rent stabilization ordinance that may help achieve the City's goals of stabilizing housing for Pomona residents. This section, summarized in Appendix B, highlights the benefits and considerations of these alternative approaches, which include:

- Rental assistance programs,
- Rental inspection programs,
- Code enforcement programs,
- Legal aid and eviction defense initiatives, and
- Enforcement considerations for existing housing laws.

It is important to note that, should the City be interested in implementing these alternative programs, they would likely have to be considered in lieu of a fully operating rent stabilization program due to the extensive budget and staffing required for each approach. When local jurisdictions impose rent increase limits that are more restrictive than those set by state law, comprehensive administrative procedures described in Section 1 of this Study are often necessary to ensure that legal and procedural rights are upheld for both tenants and landlords. However, by aligning rent increase limits with state law, the City can lessen the administrative capacity, allowing for the implementation of alternative programs without the added complexity and regulatory oversight required for extensive local rent stabilization enforcement.

Some of these alternative programs may offer more immediate benefits, especially for residents facing eviction, compared to the long-term and gradual impacts of a rent stabilization ordinance. For instance, rental assistance programs can provide immediate financial relief to tenants, preventing evictions and promoting housing stability. Legal aid and eviction defense initiatives offer critical support to tenants in immediate need of legal representation, helping to ensure they receive due process and are protected from wrongful evictions. Rental inspection and code enforcement programs can quickly address habitability issues, improving living conditions and preventing health and safety hazards.

If the City opts to implement alternative programs instead of a comprehensive rent stabilization program, residents will still benefit from the protections provided by the state-wide Tenant Protection Act, which caps rent increases at 5% plus CPI, not to exceed 10%, and prevents tenant evictions without just cause when all tenants have lived in the unit for at least 12 months.

### Rental Assistance Programs

Rental assistance programs play a critical role in stabilizing housing for residents struggling to afford rental payments or facing eviction due to non-payment of rent. By addressing the immediate financial needs of renters, these programs prevent evictions, maintain occupancy rates in rental

properties, and promote community stability. Rental assistance programs may provide a critical safety net for tenants who face financial hardships that rent caps alone cannot address, offering targeted, immediate, and flexible financial support to ensure that they can remain in their homes and maintain stable living conditions. RSG gathered information detailed in Table 9 about Pomona's existing limited rental assistance program, as well as programs in Santa Ana and Irvine, to better understand their impacts and implementation strategies.

Table 9: Rental Assistance Programs

Program	Funds Distributed	Households Assisted	FTE	Average Assistance	Funding Source	Time to Implement
<b>Pomona Rental Assistance Program (Data since 2020)</b>	\$698,439	301	.5 Housing Technician .5 FSS Coordinator	\$2,320	ERA, Compassion Funds, TBRA	N/A – Program infrastructure exists
<b>Santa Ana Emergency Rental Assistance Program (Began in 2020)</b>	Funds Distributed: \$35,022,926 Admin Costs: \$4,127,351 % Allocated to Admin: 11.78%	3,018	1 FTE 5 Temp Staff Contracted with 9 non-profits- Each provider allocated approx. 5 staff members to work on the program	Varied throughout program – Ended at \$5,500	CDBG-CV, ERA 1, ERA 2, State ERA	COVID response – 2 months
<b>Irvine Eviction Prevention Program (Began June 2023)</b>	Approx. \$93k in financial assistance distributed	377	City Staff – Partial time of 1 Analyst United way – .5 program manager 6 non-profit partners – 10 hours/week Legal aid service provider – 25 hours + per week	\$6k-8k	ARPA, CDBG, ESG, Irvine Recovery Money	Less than 6 months

### *Program Considerations*

In researching cities with existing rental assistance programs, several key takeaways were identified that could inform the development and expansion of similar programs in Pomona. The amount of funding dedicated to rental assistance varied widely across the programs, ranging from \$93,000 to \$35 million in distributed funds. This funding primarily came from federal and state

grants. In Santa Ana, the program was entirely funded by COVID-19-related grants aimed at rental assistance and eviction diversion, which have now been depleted. Many similar programs operated in response to the pandemic but have not continued outside of this capacity due to funding limitations. For Pomona to establish an expanded rental assistance program, it will be crucial to identify a sustainable and flexible funding source. Relying solely on federal and state grants limits the number of households that can be served and may not provide the necessary continuity for ongoing support.

Rental assistance programs often develop a screening tool, such as a vulnerability index, to evaluate program eligibility. This tool considers factors like prior housing stability, Area Median Income (AMI), job loss, fixed income, and barriers such as domestic violence and undocumented status. Additionally, it is common to outsource rental assistance programs to non-profit organizations, which helps reduce the internal staff time required for program administration. Non-profits bring specialized expertise and established community networks, allowing them to deliver services more efficiently and effectively. This approach leverages the strengths of non-profits, including their experience in managing housing assistance and their established trust within the community, enhancing outreach and engagement.

Lastly, we found that rental assistance programs can be quickly established, especially when existing infrastructure is already in place. For instance, Pomona has a program infrastructure that can be easily expanded to accommodate increased demand. This allows for the swift implementation of new initiatives and adjustments to current programs, ensuring that assistance can be provided promptly to those in need.

### *Potential Costs*

The City of Pomona currently has a rental assistance program that operates on a limited basis due to funding constraints. This program typically assists households, particularly those receiving help from local legal aid organizations, with paying past due rent. To determine approximate costs required to maintain the current level of rental assistance provided in Pomona, we analyzed the program data available since 2020. The data indicates that approximately 75 households are assisted per year, with an average assistance amount of \$2,320 per household. Therefore, to sustain the current level of assistance provided, the City of Pomona would need to allocate approximately \$174,000 annually towards rental assistance payments.

If the City of Pomona would like to increase the number of households served, the costs would proportionately increase. Doubling the current number of households served from 75 to 150 would require an additional \$174,000 annually for rental assistance payments, bringing the total to \$348,000 annually. This expansion would ensure that more households in need receive crucial rental assistance, significantly impacting community stability and support.

If the rental assistance program were to expand, Pomona estimates the need for one additional full-time Housing Technician. Based on the provided job description, this position would involve duties such as coordinating rental assistance programs, processing applications, and conducting outreach. The estimated fully burdened cost for this position would range from approximately \$92,675 to \$99,341 annually, depending on the specific requirements and qualifications. Hiring an additional full-time Housing Technician would enhance the program's capacity to manage and support more households. This investment would likely improve efficiency in processing applications and conducting outreach, ensuring that more eligible residents receive timely assistance.

## Rental Inspection Programs

Rental inspection programs are a vital component in the broader effort to stabilize housing and improve the quality of life for all residents by ensuring that rental properties meet health and safety standards through regular inspections. These programs are essential in maintaining habitable living conditions, which, in turn, help to stabilize communities and protect tenants from substandard housing. By proactively identifying and addressing potential issues, rental inspection programs help prevent the deterioration of housing stock and ensure that all tenants have access to safe and healthy living environments. RSG gathered detailed information about programs in Anaheim, Berkeley, Fresno, and Santa Ana to understand their implementation and effectiveness, as detailed in Table 10.

Table 10: Rental Inspection Programs

Program	Program Costs	Funding Source	Units Under Program	FTE	Units per FTE
<b>Anaheim Quality Rental Housing Program</b>	\$785,503	General Fund	57,600	5 FTE	11,500
<b>Berkeley Rental Housing Safety Program</b>	\$2.3M	Program Fee: \$60 per unit and \$30 per room	30,000	12 FTE	2,500
<b>Fresno Rental Housing Improvement Program</b>	Not available	\$100 for each inspection	Over 88,000 registered units	10 FTE	8,800
<b>Santa Ana Proactive Rental Enforcement Program</b>	Not available	Business Tax Fee: \$100 + \$14 for each additional unit  Inspection Program Fee: \$29.00/unit	33,629	6 FTE	5,600

### *Program Considerations*

The research on rental inspection programs highlights several important considerations. Most programs include an option or requirement for property owners to self-certify annually, typically involving a checklist to declare that the property is up to code. This self-certification process holds property owners accountable for maintaining standards and ensures that properties meet safety and habitability requirements. Conducting annual inspections for every unit is not feasible, and self-certification provides a practical solution. Additionally, tenant-reported issues prompt inspections to verify compliance and address concerns, ensuring that any emerging problems are promptly investigated and resolved.

Rental inspection programs generally operate on a cyclical basis, such as inspecting a property every five years. This systematic approach ensures that all properties are periodically reviewed, maintaining ongoing compliance with health and safety standards. If a tenant lodges a complaint, it may prompt a comprehensive inspection of all units within the property. For larger complexes, this may involve inspecting a percentage of units to assess overall compliance and address any widespread issues. This approach allows for efficient use of resources while ensuring thorough oversight of rental properties.

Rental inspection programs are generally self-funded through the collection of various fees, such as annual program fees, inspection fees, re-inspection fees, delinquency fees, and penalty fees. This fee structure supports the financial sustainability of the programs and incentivizes property owners to maintain compliance to avoid incurring additional costs. However, the programs surveyed indicated that the collected fees do not entirely cover the program costs, often requiring supplemental funding to bridge the gap. The City of Anaheim takes a unique approach by not collecting any annual fees for its rental inspection program. Instead, the program is entirely funded by the City's General Fund, demonstrating an alternative model of funding that relies on municipal resources rather than direct charges to property owners.

Research indicated that rental inspection programs are typically managed within the respective city's code enforcement department. This integration facilitates streamlined enforcement of housing standards and ensures that rental properties comply with local codes and regulations. Code enforcement departments are well-equipped to handle the inspection duties associated with rental inspection programs, providing effective oversight. However, close coordination between housing and code enforcement staff is required to ensure the program meets its intended goals. This collaboration is essential for addressing any overlaps or gaps in responsibilities and for maintaining consistent communication and efficient workflow between departments.

Lastly, effective rental inspection programs often require a comprehensive database to manage and track inspections. This database must be regularly updated to ensure accurate records of property conditions and compliance status. Identifying applicable properties can also be challenging, particularly for programs that include single-family residences. Accurate identification and registration of rental properties are essential to ensure that all relevant units are inspected and compliant with health and safety standards.

### *Potential Costs*

To estimate the staffing needs for Pomona, which has approximately 11,000 multi-family units, RSG analyzed data from the rental housing programs in Anaheim, Berkeley, Fresno, and Santa Ana. These programs vary significantly in terms of their program budgets, the number of full-time equivalents (FTEs), and the number of rental units they oversee.

Utilizing ratios of rental units per FTE in each of the programs researched, RSG calculates an average of approximately 7,000 units per FTE. Applying this ratio to Pomona's 11,000 units suggests a need for about 1.5 - 2 FTEs. However, a majority (three) of the jurisdictions interviewed stated that they were actively seeking additional staff. In order to ensure adequate oversight and more effective enforcement, it may be prudent to consider staffing 3 - 4 FTEs to implement the program. This recommendation aims to provide a robust administrative capacity to ensure that rental housing standards are upheld and that both tenants and property owners are adequately supported.

The estimated annual cost for these FTEs, based on a fully burdened rate of \$116,914 for a Housing Inspector, would range from approximately \$350,742 to \$467,656. This cost estimate does not account for a manager-level position, which may be necessary to oversee the program and ensure effective administration and compliance.



Additional cost considerations may include conducting a comprehensive fee study to determine the appropriate fees needed to cover program costs. Such a study would help ensure that the program is financially sustainable while remaining fair and accessible to property owners. Cross-departmental collaboration with code enforcement would be essential for streamlined enforcement and monitoring, as this integration would enhance the efficiency and effectiveness of the program. Furthermore, careful program design and implementation would be necessary, including the establishment of self-inspection protocols and the determination of inspection cycles. These measures would help ensure ongoing compliance with housing standards and the overall effectiveness of the program.

The start-up time for implementing a rental inspection program is dependent on several factors, including the time required to hire and train staff, the scope of the program, and the establishment of necessary administrative and operational frameworks. Key factors influencing the timing include the efficiency of the hiring process, the development of inspection protocols, the integration with existing code enforcement efforts, and the time needed to educate landlords and tenants about the new program requirements. While it is challenging to provide an exact timeline, careful planning and coordination can help expedite the implementation process, ensuring the program becomes operational as efficiently as possible.

## Code Compliance Programs

Rental inspection programs, as previously discussed, appear to be the primary method cities use to address habitability issues in rental properties. However, some cities implement programs that take a more proactive approach to code compliance. For instance, the City of Fresno has implemented an innovative program known as the Anti-Slum Enforcement Team (ASET). The ASET is dedicated to combating urban blight and improving the lives of residents by encouraging voluntary code compliance and initiating legal proceedings against the worst violators of housing health and safety laws.

The City of Pomona may consider adopting a similar innovative and proactive approach to addressing habitability issues. Such a program can significantly improve living conditions for tenants in substandard housing by aggressively targeting the worst violators and enhancing habitability standards. Focused enforcement and the threat of legal action encourage more property owners to voluntarily comply with health and safety standards, reducing urban blight and enhancing the overall health and safety of the community. By maintaining high standards in rental housing, these programs contribute to community stability, as safe and well-maintained housing fosters stronger, healthier communities. Additionally, it protects compliant property owners by focusing enforcement efforts on the worst offenders, ensuring those who maintain their properties well are not unnecessarily burdened. Implementing a proactive code enforcement program could provide Pomona with a robust tool to improve the quality of rental housing and protect the health and safety of its residents. Detailed information about Fresno's program is provided in Table 11.

Table 11: Code Enforcement Program Information (City of Fresno)

Program	Program Costs	Funding Source	Active Cases	FTE
<b>Fresno Anti-Slum Enforcement Team</b>	Not available	Inspection fees, fines, general fund	Varies, currently 23 cases (400 units)	6 FTE: .5 Manager .5 Attorney 1 Supervisor 4 Inspectors



### *Program Considerations*

When considering the implementation of a Code Enforcement program, it is valuable to analyze the effective practices and organizational structure of successful models such as the City of Fresno's Anti-Slum Enforcement Team (ASET). The ASET program's administration costs are primarily supported through a combination of fees, fines, and general department funding. Fees and citations are applied similarly to general code enforcement fees, which help cover staff costs. However, these funds are supplemented by the general fund to ensure the program's financial sustainability and to cover any additional costs not met by collected fees. The ASET program is managed by a supervisor and includes one attorney who assists with appeal hearings and compliance agreements. The program's enforcement team consists of four inspectors, comprising two community revitalization specialists and two senior community revitalization specialists. This staffing structure is essential for managing the comprehensive inspection process and ensuring that all areas of a property are thoroughly evaluated.

A significant distinction between the ASET program and a typical rental inspection program is the thoroughness of the property inspections. The ASET program inspects entire properties, both interior and exterior spaces, including every room, electrical systems, plumbing, permits, laundry rooms, and common areas. This comprehensive approach ensures that all potential violations are identified and addressed. Another key distinction is that these cases are opened primarily by referral within different divisions of the code department or other city departments such as police and fire. When the team is out in the field, they can proactively open a case on a property if they observe issues. They also implement "knock and talks" with tenants to gather insights into building conditions, emphasizing the importance of community involvement. Legal proceedings are initiated as necessary, maintaining an aggressive stance on pursuing non-compliant properties to ensure adherence to housing health and safety laws.

The success of the ASET program is also attributed to close coordination with other city departments, such as fire and police. The fire department attends all initial inspections to identify any fire hazards, while the police department assists with re-inspections as needed. This cross-departmental collaboration enhances the efficiency and effectiveness of the program, ensuring that all aspects of property safety and compliance are thoroughly addressed.

### *Potential Costs*

Determining appropriate costs for a proactive code compliance program proves difficult, as it would depend on the number of referrals and cases that may potentially be brought forward in the City of Pomona. In addition to partial staff time of a program manager and City Attorney, the City would likely want to designate at least 1 – 2 full-time inspectors that will be dedicated to focus enforcement efforts on properties in the worst conditions in the City. The estimated annual cost for these FTEs, based on the fully burdened rate for a Housing Inspector, would range from approximately \$116,914 to \$233,828.

However, the complexity and scope of the program may necessitate additional resources. This includes potential support staff for administrative duties, tracking and managing cases, and training for inspectors to handle various housing issues effectively. The program manager's partial time allocation would ensure strategic oversight, while the City Attorney's involvement would be crucial for handling legal proceedings and ensuring compliance with housing laws.

Moreover, the costs could vary depending on the program's scope and the volume of cases. If the City experiences a high number of referrals, additional inspectors may be required to manage the workload, leading to higher costs. Conversely, a lower volume of cases might allow the City to operate with fewer inspectors, reducing the overall budget. The City may also consider incorporating community outreach and education components to the program to help prevent

violations and promote voluntary compliance, potentially reducing the number of enforcement actions needed. While this would entail additional costs, it could lead to long-term savings by fostering a cooperative approach to maintaining housing standards.

## **Legal Aid and Eviction Defense Programs**

Legal aid eviction defense programs provide critical legal assistance to residents facing eviction, particularly those who cannot afford private legal representation. These programs ensure that tenants receive due process and are protected from wrongful evictions, which is crucial for maintaining housing stability. By preventing evictions, these programs contribute to the stability of housing for vulnerable populations, maintaining family units, supporting children's education, and ensuring overall community well-being. Legal aid programs offer necessary support to navigate complex legal proceedings and secure fair outcomes, ultimately promoting a more just and equitable housing environment. This stability not only benefits the affected tenants but also strengthens the community as a whole, fostering a sense of security and continuity that is essential for long-term community development.

The City of Pomona can explore several strategies to provide direct legal services to tenants facing eviction, including partnering with local universities, utilizing paraprofessionals, and increasing funding to local nonprofit service providers. These approaches can ensure that tenants have the necessary support to navigate legal challenges. However, it's important to note that these programs are not as common or widely established, making them relatively innovative. As a result, there is limited information available about their funding and staffing requirements. Exploring and piloting these programs may provide valuable insights, set a precedent for other municipalities facing similar challenges, and offer significant benefits in terms of preventing wrongful evictions, promoting housing stability, and providing crucial legal support to vulnerable individuals and families.

### ***Partnering with Local Universities***

The City of Pomona may consider exploring a partnership with the University of La Verne to establish a legal clinic focused on providing low or no-cost legal services to tenants facing eviction. This collaborative effort would involve law students, under the supervision of experienced attorneys, offering legal advice and representation to residents in need. Discussions with Pomona's legal counsel indicate that the University of La Verne has expressed interest in developing such a program.

The benefits of this partnership are multifaceted. Residents would gain access to legal services, significantly easing the financial burden for low-income tenants seeking to defend against evictions. Law students would benefit from hands-on experience in real-world legal cases, thereby enhancing their education and professional development. Additionally, the program would strengthen the relationship between the university and the community, fostering a sense of civic responsibility among students and promoting community engagement.

The City may consider a few model programs in exploring a partnership with a local university. Pepperdine University's Community Justice Clinic provides legal services to underserved populations, allowing students to practice under the guidance of licensed attorneys while positively impacting their community. Similarly, the UC Irvine Community and Economic Development Clinic engages students in real-life legal practice by assisting clients with legal issues related to housing, employment, and economic development. These students work on projects that promote social justice and community empowerment, offering critical legal support to those in need. By adopting a similar model, Pomona can leverage the resources and expertise of the University of La Verne to create a sustainable and impactful legal aid program for tenants facing eviction.

### *Utilize Paraprofessionals*

The Legal Link model in the Bay Area leverages community justice workers, known as community navigators, to provide legal support to underserved communities. These paraprofessionals are trained to identify and address initial legal concerns such as immigration issues and eviction notices, even though they are not licensed attorneys. The program operates through several key components, including community navigators from community-based organizations who help residents identify legal issues, access legal protections, and connect with appropriate resources. Additionally, the Community Navigator Fellowship Program is an intensive training initiative that equips staff at partner organizations with the skills needed to provide effective legal navigation support. Ongoing training, case reviews, and access to tailored tools ensure that navigators can assist residents effectively.

The benefits of the Legal Link model include increased legal access for underserved populations, helping them navigate complex legal systems and receive necessary protections and services. By providing initial legal support, navigators bridge the gap between residents and formal legal assistance. Furthermore, embedding legal support within trusted local settings builds resilient communities capable of addressing legal challenges independently, fostering a sense of self-reliance and strengthening community bonds.

Implementing a similar model in Pomona could provide significant benefits, particularly for residents facing eviction or other legal issues. By utilizing paraprofessionals, the City can enhance legal access and support within the community, contributing to greater housing stability and overall wellbeing.

### *Increase Funding to Local Non-Profit Service Providers*

Another option the City Council may consider is increasing funding for local nonprofit service providers, enabling them to assist more residents with legal aid and eviction prevention. Enhanced funding can support various initiatives, such as holding legal clinics at city hall, offering educational workshops, and providing mediation and counseling services. With additional funding, nonprofits can broaden their reach and offer more comprehensive services, including legal assistance and tenant rights education. Funding local organizations enhances housing stability by creating a robust support network that addresses various aspects of tenant protection. These organizations are often deeply embedded within the community and understand the unique challenges residents face, allowing them to provide tailored assistance that meets specific local needs.

One example of a successful program is Stay Housed LA, which provides legal assistance and resources to tenants facing eviction. This program allows tenants to file legal responses online and access support services to remain stably housed. By increasing funding for similar initiatives in Pomona, the City can enhance the availability and effectiveness of legal aid and eviction prevention services, contributing to greater housing stability and overall community wellbeing.

### *Program Considerations*

While there are several benefits to expanding access to legal services, there are also challenges the City should consider if expanding or implementing a legal aid and eviction defense program. Many of the programs identified are outsourced to non-profits and funded through grants, which can limit the number of residents able to be served and create dependency on fluctuating funding sources. The criteria set by federal and state grants often restrict the number of individuals who can benefit from these programs, potentially leaving many in need without access to legal assistance. Furthermore, tenants often do not seek help until the eviction process has already begun, limiting the effectiveness of early intervention and increasing the difficulty of achieving favorable outcomes.

Launching legal aid and eviction defense programs may take four to twelve months or more. This timeline includes engaging with stakeholders, allocating funding, designing and developing the program, and building capacity. Each phase is crucial to ensure the program's success and sustainability. The potential implementation phases can be summarized as follows:

**Stakeholder Engagement:** Initial discussions and agreements with partners, community organizations, and local government to build a collaborative framework.

**Funding Allocation:** Securing necessary funds through City budgets, grants, or other sources to ensure the program is adequately financed.

**Program Design and Development:** Creating the program structure, defining roles and responsibilities, and establishing operational procedures to guide the program's execution.

**Capacity Building:** Training staff, volunteers, or paraprofessionals, and providing them with the necessary resources and tools to effectively deliver services.

**Launch and Outreach:** Promoting the program to the community to raise awareness and starting service delivery to provide immediate assistance to those in need.

As these would be innovative programs tailored to Pomona, it is difficult to determine staffing and costs without first understanding the desired program scope and capacity. The costs and staffing needed for the implementation would need to be determined at a later date. However, through thoughtful planning and phased execution, the City can establish a robust legal aid and eviction defense program that effectively supports tenants and ensures more residents receive the help they need to maintain stable housing.

## Enforcement Considerations

Research into various tenant protection programs highlighted that a crucial element for successful implementation is the presence of strong enforcement measures to ensure adherence to state and local laws. The City may consider establishing robust enforcement mechanisms to increase compliance with rental housing regulations and enhance the overall effectiveness of housing stabilization efforts.

Recent legislative advancements, such as California's SB 567 and AB 1482, provide a framework for tenant protections that local jurisdictions can more effectively enforce at the local level. AB 1482, known as the California Tenant Protection Act of 2019, caps annual rent increases and establishes just cause eviction protections, aiming to stabilize the rental market and protect tenants from unfair practices. However, the effectiveness of these state-level protections heavily relies on robust local enforcement mechanisms. SB 567 enhances the ability of cities like Pomona to enforce these tenant protections by providing local jurisdictions with the authority to implement and oversee compliance with AB 1482. This means that the City could develop a comprehensive enforcement framework tailored to its unique housing market and community needs.

Since SB 567 recently became effective on April 1, 2024, there are not yet best practices established for local enforcement mechanisms. This presents an opportunity for Pomona to adopt an innovative approach in creating a robust enforcement program designed to ensure compliance with both state and local rental housing laws. This approach may involve hiring dedicated staff to manage enforcement activities, instituting administrative fines, and pursuing legal actions to deter violations of state regulations, the City's local ordinance, or recurrent code infractions and substandard housing. Taking a proactive stance on enforcement not only helps in protecting tenants' rights but also ensures that rental housing standards are consistently upheld, contributing to the overall quality and stability of housing in the community.

To effectively enforce AB 1482 and any local tenant protection ordinance, the City of Pomona may consider implementing several enforcement mechanisms:

**Dedicated Staff:** Hire or designate staff specifically for enforcement duties. This team would handle complaints, conduct investigations, and ensure compliance with state and local tenant protection laws. Having a dedicated enforcement team ensures that there is a consistent and focused effort to uphold housing standards and protect tenant rights.

**Administrative Fines:** Implement a system of fines for landlords who violate state law, the City's local ordinance, or have repeated code violations. These fines would serve as a deterrent against non-compliance and provide a mechanism for the City to address violations. Administrative fines can be a powerful tool in encouraging landlords to adhere to regulations and maintaining the habitability of rental properties.

**Legal Actions:** Pursue legal action against landlords who repeatedly violate tenant protection laws. This could involve working with the City Attorney to bring cases to court, ensuring landlords face consequences for their actions. Legal actions can provide a strong deterrent against violations and help establish a precedent for compliance within the rental market.

The costs for these measures would need to be determined at a later stage, based on the scope and scale of the enforcement efforts. Factors such as the desired level of regulatory oversight, existing staffing infrastructure, the level of non-compliance in the community, and the ability to effectively integrate with existing departments at the City will all influence the development of the enforcement mechanisms. Timing considerations are also crucial; while certain enforcement measures, like the establishment of administrative fines and penalties, may be quick to set up, the overall effectiveness of the program depends on how long it takes to hire dedicated staff and implement procedures. By assessing these factors, the City can tailor its enforcement strategy to ensure compliance with tenant protection laws while promoting a stable and secure housing environment. Robust enforcement not only protects tenants but also contributes to the overall health and quality of the community's rental housing market.

## CONCLUSION

As highlighted in this Study, the City of Pomona has multiple options to stabilize housing and protect tenants. The City of Pomona may consider implementing a permanent rent stabilization ordinance as outlined in Section 1. This approach may provide long-term stability in rental costs, fostering community retention and reducing displacement due to sudden rent increases. However, it requires substantial resources for effective oversight and compliance. Section 1 detailed the elements of a permanent rent stabilization program, including rent limits, petitions, registration and compliance, and additional factors like mediation and relocation assistance. It also covered the necessary administrative structure, estimated staffing, and budget needs for effective implementation.

Alternatively, the City might explore the programs detailed in Section 2, which may offer more immediate and targeted benefits, particularly for residents facing eviction. These programs address urgent needs such as preventing evictions and ensuring habitability standards. However, they also require sustained financial support to maintain effectiveness. Section 2 explored alternative approaches, presenting various programs that could meet the needs of Pomona's most vulnerable renters. These programs include rental assistance, rental inspections, code compliance, legal aid and eviction defense, and enforcement considerations. Each program offers different strategies to enhance housing stabilization.

Both approaches have robust budget and staffing requirements. Rent stabilization programs are designed to be self-sustaining, typically funded by the collection of an annual fee paid by property owners, and are often subsidized by the general fund in instances of shortfalls. Similarly, alternative programs such as rental inspection or code enforcement programs could aim to be self-sustaining through the implementation of annual program fees and re-inspection fees. In contrast, programs such as rental assistance and eviction defense initiatives would require establishing a stable funding source. City staff have identified potential flexible funding sources for these alternative programs, including business licenses, cannabis taxes, rental inspection fees, and the transient occupancy tax. These funding sources could provide the necessary financial support to sustain these programs and expand their reach.

Ultimately, the decision on which approach to adopt will depend on the City's priorities and resources. A permanent rent stabilization ordinance can offer long-term benefits and predictability, while alternative programs can deliver immediate and targeted assistance. By carefully considering the immediate impact on the community, the administrative capacity of the City, and the long-term goals for housing equity and security, the City Council can develop a strategy that best meets the needs of its residents and enhances overall housing stability.



## APPENDIX A: PERMANENT RENT STABILIZATION PROGRAM OPTIONS

Urgency Ordinance Provisions		Research-Based Options
<b>Rent Limits</b>		
<b>Rent Increase Limits</b>	4% or change in CPI, whichever is lower	<ul style="list-style-type: none"> <li>a) Tie rent increases to 65% to 100% of the change in CPI;</li> <li>b) Establish the limit as a flat rate;</li> <li>c) Establish the limit as the lesser/greater of a percentage of the change in CPI or a flat rate (<b>Current Scenario under Urgency Ordinance 4320</b>); and/or</li> <li>d) Establish separate limits for small and large landlords, as defined by number of units.</li> </ul>
<b>Rent Banking</b>	No provisions on rent banking	<ul style="list-style-type: none"> <li>a) Include provisions to allow for rent banking and consider restrictions, such as how many years can be banked, how much can be banked, expiring banked amounts upon new ownership, and caps on applying banked rent increases;</li> <li>b) Include provisions to allow for rent banking until rent reaches a program-established rent ceiling; or</li> <li>c) Do not allow banking (<b>current scenario under Urgency Ordinance 4320</b>)</li> </ul>
<b>Vacancy Control/Decontrol</b>	No provisions on vacancy control in the case that state law changes	<ul style="list-style-type: none"> <li>a) Include a provision that allows vacancy control for unlawful evictions;</li> <li>b) Include a preemptive vacancy control provision stating rent regulations continue upon vacancy in the event state law changes; and/or</li> <li>c) Do not include preemptive vacancy control (<b>current scenario under Urgency Ordinance 4320</b>)</li> </ul>
<b>Petitions</b>		
<b>Petition Types</b>	Two petition types offered: 1) Petition for Relief from the Ordinance (fair return petition), and 2) Petition for Noncompliance (tenant petition)	<ul style="list-style-type: none"> <li>a) Landlord petitions: fair return, capital improvements, exemptions;</li> <li>b) Tenant petitions: improper rent increase, decreased housing services, habitability issues, undue burden from applying banked rent increases, if applicable; and/or</li> <li>c) Joint petitions: additional occupants, added housing services, one-time payments, etc.</li> </ul>
<b>Petition Fees</b>	Applicants (landlords) are charged separately for the cost of processing petitions based on staff and/or consultant hours spent	<ul style="list-style-type: none"> <li>a) Include the cost of processing petitions in the rental registry fee and do not charge separately for petitions; or</li> <li>b) Charge applicants separately for the cost of processing petitions based on staff and/or consultant hours spent (<b>current scenario under Urgency Ordinance 4320</b>)</li> </ul>



<b>Petition Review and Hearings</b>	Some timelines for each phase of the petition/hearing process are included in the ordinance	<ul style="list-style-type: none"> <li>a) Set timelines for each phase of the petition/hearing process in the ordinance; and/or</li> <li>b) Allow for flexibility of the petition/hearing process by establishing timelines in program Policies and Procedures</li> </ul>
<b>Petition Authority</b>	Petitions are decided by a hearing officer	<ul style="list-style-type: none"> <li>a) Petitions are decided by a hearing officer or similar role (<b>current Scenario under Urgency Ordinance 4320</b>); or</li> <li>b) Petitions are processed and addressed internally by program staff, with only appeals of decisions going to a board or hearing officer</li> </ul>
<b>Appeals</b>	The hearing officer's decision is final, unless an administrative penalty is assessed. Any person directly aggrieved by a decision of a hearing officer may seek judicial review in the Superior Court	<ul style="list-style-type: none"> <li>a) Establish an internal process for appeals of petition decisions and determine who will hear them; or</li> <li>b) Do not allow for appeals of petition decisions to the City and defer such matters to the court of local jurisdiction (<b>current Scenario under Urgency Ordinance 4320</b>)</li> </ul>
<b>Registration and Compliance</b>		
<b>Rental Registry and Fee</b>	No provisions on the requirement to register or pay a rental registry fee	<ul style="list-style-type: none"> <li>a) Charge separate fees for small landlords or fully vs. partially covered units;</li> <li>b) Allow or disallow for 50% pass-through of the registration fee to tenants;</li> <li>c) Decide which properties will be exempt from program fees, if any; and/or</li> <li>d) Decide whether to include provisions that encourage compliance, such as fee waivers the first year</li> </ul>
<b>Inspections</b>	No provisions on inspection of rental units	<ul style="list-style-type: none"> <li>a) Omit inspection provisions from the ordinance, redirecting inspection requests to Code Enforcement or establishing a separate periodic inspection program for rental properties; and/or</li> <li>b) Include inspections provisions in the ordinance and employ trained staff</li> </ul>
<b>Administrative Penalties and Fines</b>	Administrative fines of up to \$1,000; and City Attorney is authorized to bring a civil action, seeking civil penalties, injunctive relief, declaratory and other equitable relief, restitution, and reasonable attorneys' fees and costs	<ul style="list-style-type: none"> <li>a) Implement a fixed fee for violations of the ordinance;</li> <li>b) Implement a penalty structure that escalates with each incidence of violation; or</li> <li>c) Do not incorporate explicit penalties into the ordinance and defer to the existing administrative citation process set forth in the municipal code</li> </ul>
<b>Other Factors</b>		
<b>Mediation</b>	No provisions on mediation	<ul style="list-style-type: none"> <li>a) Do not include mediation services in the ordinance (disputes are resolved through petitions/hearings or contracted mediator) (<b>current scenario under Urgency Ordinance 4320</b>); or</li> </ul>

		b) Incorporate mediation services into the petition process or provide them upon request
<b>Relocation Assistance</b>	Permanent relocation amounts range from \$5,926 to \$15,377 for no-fault terminations of tenancy depending on whether the tenant is an eligible or qualified tenant, the length of tenancy, and the tenant's income	a) Consider alternative methods of calculating relocation assistance amounts, such as estimated moving costs, one to three months of current rent, and distinctions for vulnerable populations (eligible vs. qualified); b) Consider including temporary relocation assistance for tenants who must temporarily relocate; and/or c) Consider including provisions for tenant buyout agreements
<b>Exemptions</b>	The Ordinance does not apply to: dwelling units with a certificate of occupancy or equivalent permit for residential occupancy issued after February 1, 1995; single family residences, condominiums, and townhomes; dwelling units that are a subdivided interest in a subdivision; and dwelling units for which the landlord receives federal, state, or local housing subsidies	a) Include specific provisions clarifying the exempt status of ADUs and/or duplexes; b) Include other exemptions depending on the specific community need; and/or c) Differentiate between exemptions from rent stabilization provisions and just cause eviction provisions
<b>Administrative Considerations</b>		
<b>Staffing</b>	.5 FTE – Housing Stabilization Division Manager .5 FTE – Housing Stabilization Supervisor 2 FTE – Rent Stabilization Coordinator	6 – 7 FTE
<b>Budget</b>	The current budget includes funding for 3 FTE staff positions and start-up costs, including consultant contracts to assist with program administration and the rental registry	\$1.5 – \$2.5 million

## APPENDIX B: ALTERNATIVE APPROACHES TO HOUSING STABILIZATION

Program	Housing Stabilization Benefits	Estimated Costs	Time to Implement
<b>Enhanced Rental Assistance Program</b>	Provides financial support to tenants to help cover rent payments and prevent evictions. Prevents evictions by addressing immediate financial needs, maintaining stable living conditions for vulnerable tenants	Current cost for Pomona: \$174,000 annually. Expansion requires 1 additional Housing Technician (\$92,675 - \$99,341 annually). Additional funds needed to provide assistance to more households	Infrastructure exists, expansion can be swift. Initial setup for expansion: less than 6 months
<b>Rental Inspection Program</b>	Ensures rental properties meet health and safety standards through regular inspections. Maintains habitable living conditions by addressing potential health and safety issues, ensuring stable and safe housing for all tenants	3-4 FTEs needed, with annual costs between \$350,742 and \$467,656	Dependent on hiring and training staff, development of inspection protocols, and integration with existing code enforcement efforts
<b>Code Compliance Program</b>	Takes a proactive approach to code compliance, targeting worst violators to enhance habitability standards. Prevents urban blight and improves living conditions for tenants in substandard housing	1-2 full-time inspectors, annual costs range from \$116,914 to \$233,828	Dependent on referrals and case volume. Implementation may require coordination with other departments
<b>Legal Aid/Eviction Defense Program</b>	Provides critical legal assistance to tenants facing eviction, particularly those who cannot afford private legal representation. Ensures tenants receive due process and are protected from wrongful evictions, maintaining housing stability for vulnerable populations	Costs and staffing to be based on desired program scope and capacity. Could involve partnerships with local universities, paraprofessionals, and increased funding to local nonprofits	Implementation timeline may range from 4 to 12 months or more, depending on stakeholder engagement, funding allocation, program design, and capacity building
<b>Enforcement Considerations</b>	Implements enforcement mechanisms to ensure compliance with housing laws, promoting a stable and secure housing environment through consistent enforcement	Costs to be determined based on scope and scale. Influencing factors include level of oversight, existing staffing, and non-compliance rates	Administrative fines and penalties may be quick to set up. Overall effectiveness depends on the time required to hire dedicated staff and implement procedures