



CITY OF POMONA COUNCIL REPORT

October 20, 2025

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: Beverly Johnson, Neighborhood Services Director

**SUBJECT: SECOND READING AND ADOPTION OF ORDINANCE NO. 4359
AMENDING THE POMONA CITY CODE BY ADOPTING THE RENT
STABILIZATION AND EVICTION CONTROL ORDINANCE OF 2025
AND AMENDING FY 2025-26 OPERATIONAL BUDGET BY
APPROPRIATING \$82,000 FROM GENERAL FUND RESERVES FOR
RENTAL REGISTRY SOFTWARE**

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Introduce, waive further and give second reading to the following ordinance:

**ORDINANCE NO. 4359 – AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF POMONA, CALIFORNIA, ADOPTING THE RENT
STABILIZATION AND EVICTION CONTROL ORDINANCE OF 2025**

- 2) Adopt the following resolution:

**RESOLUTION NO. 2025-124 – AMEND FISCAL YEAR (FY) 2025-26
OPERATING BUDGET BY APPROPRIATING \$82,000 FROM
GENERAL FUND RESERVES FOR RENTAL REGISTRY SOFTWARE**

- 3) Authorize the City Manager to execute all agreements, amendments, and any other documentation requested for acceptance of the award, distribution of the funding and operation of the Rent Stabilization Program, subject to approval as to form by the City Attorney.

EXECUTIVE SUMMARY:

The proposed Ordinance No. 4359 (Attachment No. 1) aims to amend the Pomona City Code by adopting the Rent Stabilization and Eviction Control Ordinance of 2025. This action is in accordance with State law and, upon going into effect, will repeal and replace Urgency Ordinance Nos. 4320 and 4329, which are currently codified in Municipal Code sections 30-571 to 30-582.

As presented for the Second Reading, Ordinance No. 4359 includes corrections to the sections of the Municipal Code to fix clerical or typographical errors relating to codification within the Municipal Code. The corrections are not alterations within the meaning of Government Code section 36934. Aside from the corrections, the Second Reading of Ordinance No. 4359 is identical to the first reading. City staff has retained a copy of the changes for reference.

Approval of Resolution No. 25-124 (Attachment No. 2) will allocate funding to purchase Rental Registry software to satisfy the rental registration requirement in the proposed Ordinance No. 4359.

SB1439/GOVERNMENT CODE §84308 APPLICABILITY:

☐ When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$500 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$500 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary, or otherwise related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

FISCAL IMPACT:

The City is projected to require between \$1.5M and \$2.5M to manage a comprehensive rent stabilization program effectively. Establishing the program will require an upfront investment from the City's General Fund to cover expenses such as City staffing, funding a Hearing Officer, implementing a Rental Registry program, conducting a Fee Study, managing petitions and public inquiries, and completing the overall program implementation. It typically takes one to two years for such a program to become fully operational. Therefore, the City must be prepared to fund these initial costs entirely from the General Fund until the program begins collecting fees.

The estimated costs to operate the Rent Stabilization program through December 2026 are funded via the American Rescue Plan (ARP) (Fund 191), except for additional funds needed to purchase a Rental Registry software. Approval of the resolution will amend the Fiscal Year (FY) 2025-26 operational budget by appropriating \$82,000 from available General Fund reserves (101-4201-52285-00000).

The extent of the fiscal impact of this Ordinance for FY 2026-27 and future years will depend on the adoption and implementation of cost recovery fees, with full or near full cost recovery possible within one to two years of program implementation. A Fee Study will be conducted to determine the fee level necessary to recover the costs associated with all components of program

administration. Please note that the Fiscal Year (FY) 2025-26 General Fund Budget was adopted on June 2, 2025, and projects a deficit of \$ 5.5M.

PREVIOUS RELATED ACTION:

On August 1, 2022, the City Council adopted Urgency Ordinance No. 4320, which established an initial regulatory framework that capped rent increases at the lower of 4% or changes in the Consumer Price Index (CPI). On April 17, 2023, the Council adopted Urgency Ordinance No. 4329, amending Ordinance No. 4320 to include provisions for relocation assistance in cases of no-fault evictions.

Two City Council Study Sessions were held in August 2023 and August 2024, following the adoption of Ordinances 4320 and 4329. During these sessions, staff and consultants presented various program options and related cost estimates. Significant community input was gathered throughout this period, both for and against the implementation of a permanent rent stabilization policy at nearly every City Council meeting.

Staff have been working within the limited regulatory framework provided by Ordinances 4320 and 4329, while also collaborating with the City Attorney and RSG, a city-contracted consulting firm, to develop long-term program options for the Council's consideration.

On November 18, 2024, the Council reviewed options and community input regarding the potential expansion of the Urgency Ordinance. Following this review, on February 24, 2025, the Council directed staff to establish a local rent stabilization program that includes a 6% annual cap, to implement a rental registry, to include cause eviction protections, to provide access to mediation services, and to commit to the Phase II implementation of a Rental Inspection Program.

On June 16, 2025, the Council approved the first reading of the Rent Stabilization and Eviction Control Ordinance of 2025 (Ordinance 4359) with the following revisions: The annual rent increase cap was reduced from 6% to 5%. Additionally, the Council directed staff to provide a report on the progress and impact of the Rent Stabilization measures within 12 months of the ordinance's effective date.

DISCUSSION:

Based on staff experience implementing the current program under Ordinances 4320 and Amended Ordinance 4329, and following extensive discussions with the Mayor, Council, and community input, including two detailed Study Sessions, an additional Council presentation, and the approval of the first reading of Ordinance 4359, the revised Ordinance 4359 (Attachment No. 1) is presented for Council's approval. Key updates are outlined below.

Program Structure and Coverage

5% Annual Rent Cap - Implement local rent limits that include an annual percentage rent cap and comply with requirements mandated by state law, including exemptions under the Costa Hawkins

Act and the Tenant Protection Act of 2019 (AB 1482). The rent cap provides that rent increases shall not exceed five percent (5%) of the highest monthly rent charged for each covered rental unit during the twelve (12) months preceding the effective date of the increase. Notably, the allowable percentage increase does not accrue or carry forward. Additionally, this policy would require an ordinance that mandates affected property owners to register their properties through an annual rental registry program.

Rental Registration Requirement – The rental registry would serve as an online portal for both property owners who need to submit information about their units and for city staff who need to monitor and manage the registry. The system should include case management tools, workflow automation, a portal for online payments of fees, and analytics tools that provide city staff and officials with key insights about the community's housing inventory. These features enable the City to operate more efficiently by tracking rental activity in real-time, rather than responding reactively to issues or complaints on a case-by-case basis. With this information readily available, staff can quickly identify unregistered units or rent increases that exceed allowable limits. In the absence of these tools, program administration would remain largely reactive, requiring staff to investigate compliance concerns manually, verify property ownership and tenancy details, and coordinate across departments on a case-by-case basis. This inefficiency could lead to longer processing times, increased administrative workload, and higher overall program costs over time.

The rental registry provides a centralized platform where landlords can register their rental units, update information about those units, and provide limited tenancy details without including personally identifiable information about tenants. The primary aim of the rental registry is to collect rental inventory and housing data that will enhance transparency, facilitate effective regulation, and ensure compliance with local housing laws and regulations.

Typically, property owners must pay an annual fee during registration to support the administrative costs of the program, including maintaining the registry, managing public inquiries, processing petitions, coordinating public awareness efforts, and enforcing compliance. While often referred to as a "rental registry fee," these funds support all components of program administration, not just the online registry itself. While the rental registry fee is designed to offset the program's costs, full cost recovery depends on compliance; therefore, the effectiveness of the fee structure relies on property owners registering and paying the necessary fees.

Each registration statement must include, but is not limited to, the following information for every covered rental unit:

- Property street address and unit number;
- Year the property was built;
- All amenities and housing services associated with the unit;
- Total number of bedrooms and bathrooms;
- Name, address, and contact information of the landlord representative and/or property manager;
- Tenancy start date and rent amount at the start of tenancy; and
- Current rent amount and date of the most recent rent increase, along with the increase amount.

The Ordinance provides that 50% of the registration fee may be passed on to tenants.

Future Considerations

The Council has instructed staff to gather detailed data on rent stabilization and assess how the rent stabilization measures, along with the implementation of Ordinance 4359, are affecting rent increases and local evictions. Within 12 months of the ordinance's effective date, the Council will reassess the effective annual rent cap.

Prepared by:

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ATTACHMENTS:

Attachment No. 1 – Ordinance No. 4359
Attachment No. 2 – Resolution No. 25-124