

ATTACHMENT NO. 2

Rent Stabilization Ordinance Update and Next Steps

June 16, 2025



Purpose

Purpose: Present the Amended Rent Stabilization Ordinance

Objective:

- Recap direction provided by City Council at the February 24, 2025 meeting
- Review key amendments incorporated into the draft ordinance
- Receive input and confirmation from a majority of Council to proceed with a Second Reading for adoption



Background

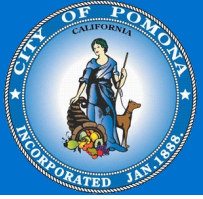




Background

At the February 24, 2025 Meeting, City Council Directed Staff to:

- Establish a local rent cap program with a 6% annual cap
- Implement a rental registry with limited or no personally identifiable information
- Include just cause eviction protections, including relocation benefits to tenants, informed by a market study
- Provide access to mediation services
- Continue utilizing a Rental Hearing Officer to administer disputes
- Commit to Phase II: Rental Inspection Program implementation



Program Structure and Coverage

Key Updates:

- 6% Annual Rent Cap: Aligns with Council's direction to establish a local rent stabilization standard
- Clarified Exemptions: Clarifies which units are exempt and outlines the process for claiming exemptions
- Rental Registration Requirement: Implements a rental registry to support compliance and program monitoring, with no personally identifiable tenant information collected



Tenant Protection Measures

Key Updates:

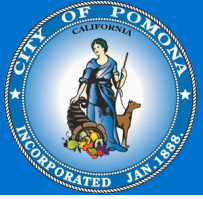
- Relocation Assistance: Amounts to be set by City Council resolution, providing flexibility to adjust over time
- Relocation Study: A study will be conducted to inform Pomona-specific relocation assistance amounts
- Mediation Program: A dispute resolution process will be available to help landlords and tenants resolve issues without formal petitions or legal action



Petition and Hearing Process

Key Updates:

- **Petition & Hearing Procedures Clarified:** Streamlines timelines, documentation requirements, and responsibilities for both tenant and landlord petitions, including hearing officer duties and scheduling
- **Expanded Tenant Petitions:** Allows tenants to file petitions for a broader range of issues
- **Capital Improvement Petitions:** Separated out from the general landlord petition to provide clearer guidance for landlords requesting relief to recoup costs for capital improvements



Administrative Improvements

Key Updates:

- **Submission Flexibility:** Required materials, such as notices, may now be submitted via email or mail, enhancing accessibility and reducing administrative burden
- **Improved Terminology and Formatting:** Language and timelines throughout the ordinance have been refined for clarity, consistency, and ease of interpretation by the public and staff



Next Steps

Legislative Milestones

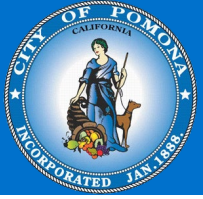
- First Reading held tonight
- If approved, Second Reading will be scheduled in Summer 2025
- Ordinance effective January 1, 2026

Implementation Planning Underway

- Relocation Assistance Study to inform City Council resolution
- RFPs to be released for Rental Registry Program and Fee Study
- Coordinate staffing and develop implementation roadmap

Future Consideration

- Rental Inspection Program to be considered at a later date, after successful implementation of the Rent Stabilization Program



QUESTIONS?



Rental Registry

Each registration statement shall include, but is not limited to, the following information for each Covered Rental Unit:

- A. The property street address and unit number;
- B. Year the property was built;
- C. All amenities and Housing Services associated with the unit;
- D. The total number of bedrooms and bathrooms;
- E. The name, address, and contact information of the Landlord representative and/or property manager;
- F. The tenancy start date and amount of Rent on tenancy start date; and
- G. The amount of current rent and the date and amount of the most recent Rent increase

The Department may adopt administrative regulations requiring the collection of additional information necessary to ensure the effective administration of this Division, provided that such information shall not include personally identifiable Tenant data.



Utility Allowance

What is a Utility Allowance?

A policy that allows landlords to apply an additional rent increase if they cover certain utility costs (typically gas and electricity) on behalf of the tenant

Example – City of Los Angeles:

Landlords may increase rent annually by the standard rent increase plus 1% per utility paid by the landlord (gas and/or electricity)

Potential Benefits

- Recognizes landlord cost burden for covering utilities
- Adds flexibility within a capped rent framework

Potential Challenges

- Adds complexity to ordinance language and enforcement
- Requires more data collection in rental registry (e.g., who pays for which utilities)
- May create confusion around base rent and allowable increases if not clearly defined