CITY OF POMONA
COUNCIL REPORT

November 17, 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 OF ORDINANCE 4359 AMENDING THE CITY CODE TO ADOPT THE RENT STABILIZATION AND EVICTION CONTROL ORDINANCE OF 2025

RECOMMENDATION:

It is recommended that the City Council adopt 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**

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.

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 total program cost includes both the ongoing, known costs required to sustain current operations and the projected future costs associated with achieving full implementation, such as additional staffing and expanded program activities. The program is projected to require an estimated $3,038,280 over the next three years, which would include an impact of $1,806,213 on the General Fund if the program is in operation beyond December 2026, to effectively implement and manage a comprehensive Rent Stabilization Program. The program budget covers expenses such as City staffing, funding for a Hearing Officer, legal review, managing petitions and public inquiries, and completing full program implementation.

The initial costs associated with the Rent Stabilization Program are funded through the American Rescue Plan (ARP) Fund 191 through December 2026. Beginning January 2027, no dedicated funding sources have been identified to continue supporting the program; at that point, expenses would need to be included as General Fund budget requests for FY 2026-27 and FY 2027-28. It is important to note that the FY 2025-26 General Fund Budget, adopted on June 2, 2025, projects a $5.5 million deficit, and the FY 2026-27 General Fund is anticipated to face similar fiscal challenges, limiting available funding. The Ordinance, as currently presented, includes a sunset date of December 2026, which ensures that no General Fund dollars are obligated at this time. This approach allows the program to be implemented using ARP funds while providing the City with time to develop a clearer financial picture in 2026 to determine whether it is feasible to allocate General Fund resources to sustain the program beyond that date.

Rent Stabilization programs typically take about 2 to 3 years to become fully operational. Currently, the Rent Stabilization Unit employs 2.5 full-time equivalent (FTE) city staff. Additional staffing will be added as needed based on the program's actual growth, which is projected for the fiscal year 2027-2028. According to findings from the Rent Stabilization Long-Term Implementation Study, an additional 2.0 FTE city staff will be required, along with extra resources for the Hearing Officer, legal interpretation, compliance monitoring support, data analysis, and tenant and landlord engagement. The Table 1 below illustrates the estimated cost breakdown over the next three years.

Table 1: Funding Breakdown

Proposed Permanent Rent Stabilization Program Budget	**FY 25-26**	**FY 26-27**	**FY 26-27**	**FY 27-28**	**Total Program Budget**
Funding Source	**American Rescue Plan (ARP)**	**American Rescue Plan (ARP)** (July 26 – Dec 26)	**General Fund** (Jan 27 – Jun 27)	**General Fund**	
City Staffing	$656,580	$344,704	$344,704	$1,061,509	$2,407,497
RSG Inc.	$150,632	$58,191	$100,000	$100,000	$408,823

(Development, Petition Review & Financial Analysis Consultant)					
Jones Mayer (Hearing Officer)	$8,984	$12,976	$100,000	$100,000	$221,960
Total RSO Expenditures	**$816,196**	**$415,871**	**$544,704**	**$1,261,509**	**$3,038,280**

PREVIOUS RELATED ACTION:

On August 1, 2022, the City Council adopted Urgency Ordinance No. 4320, establishing an initial regulatory framework that capped rent increases at the lower of 4% or changes in the Consumer Price Index (CPI), thereby limiting the amount landlords could raise rents. On April 17, 2023, the Council adopted Urgency Ordinance No. 4329, amending Ordinance No. 4320 to require landlords to provide relocation assistance in cases of no-fault evictions, thereby providing financial support to tenants who are displaced.

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

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

Subsequently, 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 just 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 revision: 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.

On October 20, 2025, the Council did not approve the second reading of the Rent Stabilization and Eviction Control Ordinance of 2025 (Ordinance 4359). Mayor Tim Sandoval requested staff return to the City Council with a revised Ordinance excluding the Rental Registry component.

On November 3, 2025, the Council approved the first reading of the Rent Stabilization and Eviction Control Ordinance of 2025 (Ordinance 4359).

DISCUSSION:

The attached draft Ordinance 4359 (Attachment No. 1) is presented for Council's consideration, based on staff experiences implementing the current program under Ordinances 4320 and Amended Ordinance 4329, and following extensive discussions with the City Council and community input, through two detailed Study Sessions, discussions from February 24, 2025, June 16, 2025, October 20, 2025, and November 3, 2025, is the attached draft Ordinance 4359 for Council's consideration. Key provisions of the ordinance are outlined below.

<u>Effective Date and Repeal of Existing Provisions</u>

Upon approval, Ordinance 4359 will take effect *on January 1, 2026* and remain in effect only until December 31, 2026, unless the City Council adopts a Resolution on or before December 31, 2026 explicitly identifying and appropriating funds to provide for the continued implementation of this Ordinance. In the event this Ordinance does not go into effect for any reason, Urgency Ordinance Nos. 4320 and 4329, as those provisions are codified in the Municipal Code, shall remain in full force and effect.

<u>Program Structure and Coverage</u>

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.

Clarified Exemptions – Ordinance 4359, in accordance with the Costa-Hawkins Rental Housing Act (AB-1482), specifies which unit types are exempt and describes the process for claiming these exemptions in detail.

<u>Tenant Protection Measures</u>

Relocation Assistance – The current relocation assistance amounts will be required, but Ordinance 4359 provides that the eligibility and amounts for relocation will be set by a City Council resolution, which will allow for adjustments to the fees as necessary over time. RSG, Inc. will carry out a Relocation Study to conduct local market research and perform a comparative analysis. This study will consider local moving costs, interviews with local service providers, and any potential factors that may require variations in relocation assistance. Should the relocation amounts not be adopted upon the effective date of Ordinance 4359, the current established relocation amounts will apply until a resolution is adopted by the City Council.

Mediation Program – Effective November 1, 2025, staff sub-contracted with the Housing Rights Center (HRC) to implement a one-year pilot Mediation Program that will provide voluntary mediation services for both tenants and landlords. The Mediation Services will assign a mediator responsible for the entire mediation process, which includes connecting with the participating parties and guiding them toward a resolution of their housing dispute. While the Mediation Services are related to landlord-tenant issues, they are not intended to resolve disputes under the Rent Stabilization and Eviction Control Ordinance. At the end of the one-year pilot, the City will evaluate program data and outcomes and explore funding opportunities to sustain the Mediation Services Program.

The primary objective of Mediation Services is to help stabilize tenants in their housing situations. HRC will encourage both tenants and landlords to reach agreements regarding their disputes to avoid the issuance of an eviction notice or filing for eviction in court. Such agreements may include but are not limited to negotiating a payment plan for the tenant to remain in their housing, establishing a mutually agreed-upon move-out agreement, or reaching an agreement to stay with potential repairs. The mediator's role is to facilitate communication, help the parties understand each other's perspectives, and guide them toward a resolution. However, the mediator does not impose decisions or make rulings. Mediation services must be initiated before the filing of any eviction court hearing. Mediation services may occur through joint or separate in-person meetings, virtual sessions, or telephone conversations to accommodate the schedules, transportation limitations, and any other barriers faced.

Petition and Hearing Process

Petition and Hearing Procedures Clarified – This ordinance clarifies the procedures for petitions and hearings, including streamlined timelines, documentation requirements, and responsibilities for both tenant and landlord petitions, and the hearing officer’s duties and scheduling obligations.

Expanded Tenant Petitions – This ordinance allows tenants to file petitions on a broader range of issues than those permitted under Urgency Ordinance 4320. The previous ordinance only addressed non-compliance with rental increases, reductions in housing services, and concerns regarding habitability.

Capital Improvement Petitions – This ordinance allows landlords to submit petitions for relief to recover costs associated with Capital Improvements. This petition must be completed using a form provided by the Department and should include the following:

- A description of the Capital Improvement;
- Documentation of the costs incurred;
- An explanation of the reasons for making the Capital Improvement; and

- Any additional supporting documentation required.

This process gives landlords a clear understanding of the requirements for seeking reimbursement for their improvements.

Administrative Improvements

Submission Flexibility – Required materials, such as notices and supporting documents, can now be submitted via email or mail. This change enhances accessibility and reduces administrative burdens.

Improved Terminology and Formatting – This ordinance includes enhanced terminology and formatting compared to Urgency Ordinance 4320 and Amended Ordinance 4329. The language and timelines in the ordinance have been improved for greater clarity, consistency, and ease of interpretation by the public and staff.

Updates and Clarifications – This ordinance addresses questions or issues that have come up during the implementation of the existing provisions, and makes updates based on changes in state law, such as new provisions in state law about no-fault terminations for substantial remodels.

Rent Stabilization Comparative Analysis

Table 2 below compares key features of Ordinance 4359 and the State AB 1482 Tenant Protection Act.

Table 2: Comparative Analysis

Rent Stabilization Comparative Analysis		
	Enhanced Local Protections (Ordinance 4359)	**No Local Policy (State AB 1482) (Expires January 1, 2030)**
Rent Limits	5% Annual Cap	State law - 5% + CPI, not to exceed 10% not to exceed 10% (currently set at 8% cap for 2024)
Eviction Protections	Requiring landlords to have a no fault "just cause" for eviction.	Statewide eviction protections for most California renters begin after 12 months of tenancy, requiring landlords to have a "just cause" for eviction.

Relocation Assistance	$6,164.00 to the maximum amount of $15,377.00 until any alternative Relocation Fee Resolution is approved by Council.	Relocation assistance equal to one month's rent.
Additions	**Enforcement** **Petitions** *Noncompliance Petition (Tenant)* *Fair Return Petition (Landlord)* *Capital Improvement Petition (Landlord)* **Legal Services (FY-2025-26) -** $68,781 (funded through ESG Rush, Measure A) **Mediation Services (FY 2025-26) -** $44,469 (funded through CDBG, ESG Rush, Measure A)	Incorporates due process by requiring landlords to have "just cause" to evict a tenant and provide a written notice that states the reason for termination. For certain "at-fault" reasons, the law also requires landlords to give tenants a notice of violation and an opportunity to cure the issue before issuing an eviction notice.

Prepared by:

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ATTACHMENTS:

Attachment No. 1 – Ordinance No. 4359