



CITY OF POMONA COUNCIL REPORT

August 1, 2022

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Sonia R. Carvalho, City Attorney

**SUBJECT: ADOPTION OF URGENCY ORDINANCE REGARDING RENT
STABILIZATION AND JUST CAUSE EVICTION PROTECTIONS FOR
RESIDENTS FACING HOUSING INSTABILITY**

RECOMMENDATION:

It is recommended that the City Council adopt the following urgency ordinance:

**URGENCY ORDINANCE NO. 4320 – AN URGENCY ORDINANCE OF THE CITY
COUNCIL OF THE CITY OF POMONA, CALIFORNIA AMENDING CHAPTER 30 OF
THE POMONA CITY MUNICIPAL CODE TO ADD DIVISION 4 TO ARTICLE VIII
PERTAINING TO “RESIDENTIAL RENT STABILIZATION”**

EXECUTIVE SUMMARY/DISCUSSION:

The Mayor and City Council have previously heard public comment from those expressing support for bringing forward, for Council consideration, an ordinance creating a regulatory framework and other protections for residents facing housing instability. The City Attorney was asked to prepare a discussion draft of an urgency ordinance based on recommendations from the Council Housing Committee and comment provided at a special study session of the Council. As a result, the City Attorney has provided Council with the option to: Adopt an urgency ordinance now and direct staff to continue to study and develop the internal structure needed to adopt and implement a permanent ordinance at a later date. The proposed proposed Urgency Ordinance (**Attachment No. 1**) is attached.

FISCAL IMPACT: Establishing rent restrictions and just cause eviction regulations with enforcement mechanisms such as a rent review board or individual independent reviewer could cost several million dollars considering the necessary staff and legal support. As with other programs of this nature, the City may recover some or all of these costs through rent registration fees which would need to be studied.

PREVIOUS RELATED ACTION:

In 2020 and 2021 the City Manager and the City Council took actions to protect tenants using emergency powers and authorizations related to addressing impacts of the COVID Pandemic. Many of those emergency powers and authorizations have now expired. The City Council has also received correspondence and listened to many testifying at public meetings about the need for regulations to protect renters. The Council Housing Committee met to discuss a possible urgency ordinance and the City Council held a special meeting work study on Tuesday, July 26, 2022 to hear feedback from the community and city councilmembers.

DISCUSSION:

Details of Proposed Urgency Ordinance

The proposed ordinance:

- (a) limits increases in rent on residential real properties as defined in the ordinance, in the City of Pomona, to three percent (3%) and allows for a cost of living adjustment of up to (5%) or the consumer price index CPI, whichever is less. More than one rent increase in any twelve (12) month period, are prohibited, unless expressly exempt under the Costa-Hawkins Rental Housing Act codified in *California Civil Code* section 1954.50;
- (b) addresses overpayments;
- (c) allows for a reasonable rate of return for owners and a process for owners to follow; and
- (d) provides for “for-cause” terminations.

As an urgency ordinance the proposed Ordinance requires five affirmative votes of the City Council pursuant to Section 510 of the City Charter. An ordinance declared by the Council to be necessary for the immediate preservation of the public peace, health or safety, containing a declaration of the facts constituting the urgency, and passed by a five-sevenths (5/7) vote of those present.

Because AB1482, a state law, also provides rent stabilization and just-cause eviction protections in California we were asked to provide a comparison of the terms of AB1482 and the proposed Urgency Ordinance. The comparison is set forth below.

Subject: RE: AB1482

AB 1482	Terms	Proposed Urgency Ordinance
<ul style="list-style-type: none">• Allows a 5% rent increases• Allows a cost of living up to 5% or a maximum of 10%• No maximum rent or a limit on how much rents can be raised between one tenant and the next	Rent Increases	<ul style="list-style-type: none">• Rent capped at August 1, 2022 level during term of urgency ordinance• Allows a 5% rent increase or the change in the Consumer Price Index, whichever is less

		<ul style="list-style-type: none"> No more than one rent increase during any 12-month period
<ul style="list-style-type: none"> Applies only to those residing in a unit for more than one year At-fault evictions are permitted for: <ul style="list-style-type: none"> failure to pay rent criminal activity breaching the lease but, only after owner provides notice and opportunity to cure No-fault evictions are permitted for: <ul style="list-style-type: none"> owner moving into the unit owner is converting an apartment into a condo project owner is renovating or demolishing a unit if, any of the above are exercised the landlord must offer relocation of one month's rent 	Eviction Protections	<ul style="list-style-type: none"> Applies once urgency ordinance is adopted For cause termination <ul style="list-style-type: none"> Failure to pay rent Material breach of rental agreement Refusal to allow landlord to enter rental unit Tenant or Tenant's guest are creating a nuisance Using rental unit for illegal activity No-fault evictions permitted for: <ul style="list-style-type: none"> Demolishing rental unit Removal permanently from rental market Perform work on rental unit Owner of use or occupancy by resident manager or family member Compliance with government agency's order to vacate Tenant no longer qualifies for governmental assistance

No limit on rent increases between vacancies	Increases after Vacancies	No limit on rent increases between vacancies
None provided	Legal Assistance/Enforcement	Directs staff to explore additional legal resources for tenants and provides enforcement options for tenants as well as an administrative process
January 1, 2030	Expires	Until permanent ordinance is adopted
Yes	Applies to Multi-Family Units	Yes
<ul style="list-style-type: none"> • new units constructed until unit is 15 years old or older • duplexes with one unit occupied by the owner • single family homes and condos, unless owned by a corporation or real estate investment trust 	Does not apply to	<ul style="list-style-type: none"> • Units constructed after February 1, 1995 • Single family residences, condos, or townhomes, unless corporate or REIT owned • Dwelling unit with subdivides interest • Dwelling unit which receives housing assistance

Prepared by:



Sonia R. Carvalho
City Attorney

ATTACHMENT:

Attachment No. 1 – Urgency Ordinance No. 4320