



CITY OF POMONA COUNCIL REPORT

July 18, 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 RESOLUTION DIRECTING STAFF TO PREPARE REGULATORY FRAMEWORK AND INFRASTRUCTURE NECESSARY TO IMPLEMENT RESIDENTIAL RENT STABILIZATION, JUST CAUSE EVICTION, AND OTHER PROTECTIONS FOR RESIDENTS FACING HOUSING INSTABILITY AND DISCUSSION OF POTENTIAL INTERIM URGENCY ORDINANCE REGARDING THE SAME

RECOMMENDATION:

It is recommended that the City Council adopt the following Resolution No. 2022-113 (Attachment No. 1) and discuss the following Urgency Ordinance No. 4320 (Attachment No. 2):

RESOLUTION NO. 2022-113 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, DIRECTING PREPARATION OF THE ADDITIONAL REGULATORY FRAMEWORK AND INFRASTRUCTURE NECESSARY TO IMPLEMENT RESIDENTIAL RENT STABILIZATION, JUST CAUSE EVICTION, AND OTHER PROTECTIONS FOR RESIDENTS FACING HOUSING INSTABILITY

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:

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 the staff and infrastructure necessary to implement residential rent stabilization, just cause eviction 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. Based on the need to create internal support and infrastructure the City Attorney has provided two options: 1) Adopt a Resolution directing staff to prepare a permanent ordinance with the necessary infrastructure and funding or 2) Adopt an urgency ordinance now and permit staff the time to develop the internal structure to implement the ordinance with the understanding that additional regulations may be adopted at a later date. The proposed Resolution (**Attachment 1**) and the proposed Urgency Ordinance (**Attachment 2**) are 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, consultant 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-19 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.

DISCUSSION:

The City Council has the option of adopting the proposed Resolution and directing staff to return with a more detailed ordinance and a complete implementation plan.

Alternatively, the City Council can adopt the urgency Ordinance and then have staff return with an implementation plan and potentially with additional regulations to address any additional areas that the City Council would like to see addressed.

Proposed Resolution

The proposed Resolution makes strong statements of policy demonstrating that the Pomona City Council fully understands and supports the need for regulations to protect renters and tenants. By adopting the Resolution the Council would acknowledge that the increasing housing rent burden and poverty faced by many residents in the City threatens the health, safety, and welfare of its residents by forcing them to choose between paying rent and providing food, clothing, and medical care for themselves and their families. The recitals state many facts demonstrating the need for regulations. By adopting the Resolution the City Council can demonstrate its commitment to adopt regulations by publicly directing staff to return with a permanent ordinance and a plan to immediately implement the ordinance.

Details of Proposed Urgency Ordinance

The proposed ordinance:

- (a) limits increases in rent on residential real property in the City of Pomona in excess of three percent (3%), or eighty (80%) of the change in the Consumer Price Index, whichever is less, and 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. If the change in the Consumer Price Index is negative, no rent increase is permitted;
- (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;
- (e) requires the City Manager to propose an ordinance creating a rent registry and program to recover costs.

If the City Council adopts the Urgency Ordinance it will need to decide the date of implementation. This date is currently left blank and needs to be added.

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.

Prepared by:

Sonia R. Carvalho
City Attorney

ATTACHMENT(S):

- 1) Attachment No. 1 – Proposed Resolution No. 2022-113
- 2) Attachment No. 2 – Proposed Urgency Ordinance No. 4320