

MOTION BY SUPERVISORS SHEILA KUEHL AND
HILDA L. SOLIS

April 9, 2019

Extension of the Interim Ordinance to Temporarily Limit Rent Increases

On September 11, 2018, the Board instructed the Executive Director of the Community Development Commission (CDC) and the Interim Director of the Department of Consumer and Business Affairs (DCBA), in consultation with the Chief Executive Officer (CEO) and County Counsel, to return to the Board in 60 days with an interim ordinance to place a temporary limit on rent level increases and evictions without just cause. Additionally, the Board asked CDC and DCBA, in consultation with the CEO and County Counsel to report back on the development of a plan to build an immediate capacity for more consistent code enforcement of tenant occupied units, development of a strategy to begin collection of data to track rent increases and evictions specific to the unincorporated areas, development of a framework for arbitration or conflict resolution for tenant-landlord disputes, and the feasibility of exploring and pursuing a right to provide legal counsel services in the County to low income tenants being threatened by eviction. This motion focuses on the interim ordinance, code enforcement, and the tracking of rent increases and evictions.

MOTION

Solis _____

Ridley-Thomas _____

Kuehl _____

Barger _____

Hahn _____

A working group, comprised of the departments and agencies above (Working Group), convened and introduced an Interim Rent Stabilization Ordinance (Interim Ordinance) to the Board, which was adopted on November 20, 2018. The Interim Ordinance is set to sunset on June 18, 2019. Since then, the Working Group has made diligent efforts to gather data, conduct research, analyze policy options, and engage in community outreach. Extension of the Interim Ordinance to December 31, 2019 will allow the Working Group additional time to complete these tasks and formulate recommendations for a permanent, robust tenant protections program.

On November 20, 2018, CDC and DCBA also recommended the Board create an online rental registry system that could be used to track rent increases, evictions, and other important property and unit information, since neither CDC nor DCBA had an existing system suitable to support the required functions. Since then, the Working Group has continued to explore rental registry software options for both a potential permanent RSO and the developing permanent Mobilehome Rent Regulation Ordinance. Through the U.S. General Services Administration Cooperative Purchasing Program, the CDC is able to utilize the IT services of 3DI, Inc., a highly qualified and experienced software solutions company with demonstrated experience in the field of housing property based data solutions. 3Di, Inc. is a Southern California-based company with an office in Los Angeles that has an existing subscription-based product for managing rent stabilization property registrations.

3Di, Inc. is able to assist the CDC and the County to develop a County Rental Registry System which would ensure that all of CDC and County's future property based

data systems are integrated and allow for better systematic tracking and monitoring of the County's housing stock. In addition, utilizing 3Di would allow the CDC to leverage its existing systems for wider expansion into larger affordable housing data systems including a preservation database and potential centralized affordable housing waiting list that builds on data to be captured through a Universal Notice of Funding Application. Such a system could also support the implementation of a future code enforcement and case management program.

Finally, on November 20, 2018, CDC and DCBA recommended CDC convene a working group including the Housing Authority and the Departments of Public Health, Regional Planning, and Public Works (Code Enforcement Group) to discuss the path to a plan for building an immediate capacity for more consistent code enforcement of tenant occupied units. Since then, the Code Enforcement Group has met several times and continues to work diligently to understand the County's current enforcement activities across the departments and models for improvement. The Code Enforcement Group recommends proceeding with a detailed assessment of the current housing stock based on all of the data collected through the departments and utilizing various outreach methods to supplement the reported data. Additionally, it recommends using the assessment, legal counsel and further research on best practices to develop a plan for a County Code Enforcement Program, led by CDC, for tenant occupied units.

WE, THEREFORE, MOVE that the Board of Supervisors, also acting as the Board of Commissioners for the Community Development Commission, take the following actions:

1. Approve an ordinance for introduction amending the Interim Ordinance to extend the sunset date to December 31, 2019, adding clarifying language, and also to expand Just Cause eviction protections to all rental units except those designated as exempt.
2. Instruct the CDC and the DCBA, in consultation with the CEO and County Counsel, to return to the Board in 180 days with an ordinance establishing a Rent Review Board to oversee current and future ordinances adopted by the Board concerning rent stabilization, mobilehome space rent regulation, tenant protections, and related matters.
3. Instruct the CDC, in consultation with the Department of Public Health, Department of Public Works, County Counsel and Department of Regional Planning, to report back in 180 days with an assessment of the conditions of the County's rental housing stock, highlighting code enforcement needs, and a plan for the development of a Countywide code enforcement program to monitor and improve rental housing conditions, including the scope of the program, structure, incentives, enforcement mechanisms, funding requirements, IT system needs for implementation, and next steps.
4. Direct the Director of DCBA, or his designee, in collaboration with the Executive Director of the CDC, or her designee, to execute agreements, if necessary, with community-based organizations, and collaborate with affected Departments, and other relevant stakeholders, to educate and conduct outreach to members of the public, utilizing social media as well as other mediums, to educate renters and property owners about the Interim Rent Stabilization Ordinance and available

County services to assist owners and tenants, and to direct individuals to resources, such as consumer counseling and advocacy groups to educate on the potential impacts of this ordinance on their individual situations.

5. Authorize the Director of DCBA, or his designee, in collaboration with the Executive Director of the CDC, or her designee, to execute amend and/or terminate as needed, a six (6) year agreement and all related documents between the County, the CDC and 3DI, Inc. for purchase of a software subscription, associated maintenance, consulting and support services, and any required software licenses necessary for the development and annual operation of a rental registry system, a preservation database, a centralized waiting list, and other data systems needed to assist with the above systems, in an amount not to exceed \$1,393,000; with \$118,000 included in the Commission's Fiscal Year (FY) 19-20 budget, subject to review and approvals as to form by County Counsel.
6. Direct the Director of DCBA to partner with the CDC to ensure that there is readily shareable data across both agencies and to enter into a Memorandum of Understanding (MOU) outlining the roles and responsibilities of each agency with respect to the rental registry system as well as other matters regarding tenant protections. The MOU shall establish, at a minimum: (1) the responsibilities of each agency with respect to cost sharing under the contract with 3DI Inc.; 2) how permission levels of users to access, add, delete, and modify data are assigned and managed; and (3) maximum data sharing between the agencies to foster a

robust and collaboratively administered rent stabilization program and associated code enforcement and affordable housing programs.

7. Instruct the CEO, in consultation with County Counsel, DCBA and the CDC, to identify up to \$287,000 in one-time funding for costs related to the rental registry system, rental housing stock assessment, code enforcement plan, and activities concerning rent stabilization, tenant protections, and related matters funding. If necessary, authorize the CEO to execute a Funding Agreement with the CDC to transfer the funds in an amount not to exceed \$287,000 and alternatively, if necessary authorize the County Counsel to execute a Memorandum of Agreement with the DCBA and CDC for use of the funds for enforcement of consumer protection laws.
8. If necessary, authorize the Executive Director of the CDC, or her designee, to execute a Funding Agreement with the County for an amount not to exceed \$287,000 for costs related to the rental registry system, rental housing stock assessment, code enforcement plan, and activities concerning rent stabilization, tenant protections, and related matters, and to accept and incorporate the funds, as needed into the Commission's Fiscal Year 2018-2019 and future Fiscal Year budgets. If consumer protection funds are identified, authorize the Executive Directors of the CDC and DCBA to execute a Memorandum of Agreement with the County Counsel for use of the funds for enforcement of consumer protection laws.