



OFFICE OF THE **CITY ADMINISTRATOR**

POLICY DIRECTION AND WORK PLAN FOR DEVELOPMENT OF A RENT STABILIZATION PROGRAM

City Council

December 16, 2025

Staff Recommendation

- That Council provide preliminary direction to staff regarding a draft work plan and the fundamental policy questions for further research related to the development of a Rent Stabilization Program.

Work Plan

January 2026

Consultant
Procurement
and Research
Launch

February 2026

Analysis, Focus
Groups & Policy
Development

March 2026

City Council
touchpoint; then
Draft Ordinance
Development

April 2026

Public Review of
Draft Ordinance
and Second
Round
Engagement

May 2026

Ordinance
Refinement and
Committee
Preparation

Work Plan

June 2026

Ordinance Committee
and Planning
Commission Review

July 2026

City Council
Consideration and
Adoption Process

August 2026

Implementation
Planning

January 2027

Program Launch

Moratorium

- Given the proposed Work Plan timeline, should staff prepare a rent increase moratorium for a specified period such as the time it took to develop an ordinance?
 - May also include, but not be limited to:
 - Eviction Moratorium
 - Roll Back Date

Program Design

- Which types of housing units would be included in or excluded from the program?
 - Should owner-occupied duplexes or properties with 2 – 4 units be exempted or included?
 - Should older ADUs be exempted or included?
 - How should a program treat units owned by a non-profit entity?
 - How should a program treat units that are government subsidized or are regulated units?

Costa-Hawkins Rental Housing Act

- There are already exclusions to Local Rent Control:
 - Single-family homes
 - Individually-owned condos
 - Any housing with a certificate of occupancy after February 1, 1995

Program Design

- Considerations for mandatory annual cap to rent increases:
 - Should the program establish a formula utilizing a fixed percentage increase and/or CPI to establish a cap to rent increases? Are there are other ideas that Council would like staff to research and evaluate regarding annual rent increases?
 - Should there be annual allowable cost pass-throughs to tenants for things such as capital improvements, major repairs, as property tax increases? If so, what would be the procedures, caps, noticing or amortization processes?

California Tenant Protection Act of 2019

- Limits rent increases for most residential tenants and excludes:
 - Units in buildings less than 15 years old
 - Most single-family homes/condos (unless corporate-owned)
 - Subsidized affordable housing
 - Owner-occupied duplexes (owner in one unit)
 - Certain specialty housing (hospitals, religious facilities, etc.)
- Maximum annual rent increase is 5% plus the percentage change in Cost of Living for the region, or 10 percent, whichever is lower

Program Design

- Should the program have income restrictions so that only individuals or households that meet certain income criteria participate in the program?
- Should there be exemptions to the program under certain circumstances in addition to exemptions based on unit type?
- How should a rent regulation program be coordinated with existing just cause regulations?

Program Design

- Should the Rental Housing Mediation Board be re-imagined and strengthened to support a rent stabilization program or should a new separate board be created?



Program Design

- What enforcement tools should be available – civil fines, penalties, injunctive relief, criminal penalties?
- What is the design of the administrative hearing process including, who bears the burden of proof, what triggers a hearing requirements, and is there an internal appeal process?

Program Design

- Should there be a rental registry database and/or mandatory owner/landlord registration?
- Should the City establish a tenant rent subsidy program instead of, or in addition to, a rent stabilization program?



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