

## 2013 Council Study Issue

**CDD 13-15 Measures for preserving affordable housing as an alternative to rent control**

Lead Department Community Development

History 1 year ago None 2 years ago None

**1. What are the key elements of the issue? What precipitated it?**

During the latter half of 2012, the residents of Fair Oaks Mobile Home Lodge have repeatedly expressed concern about frequent and steep rent increases issued by their park management, forcing a number of residents to move from the park, and causing remaining residents to fear displacement. In response to these increases, some park residents have asked Council to sponsor a study issue on a local rent control measure applicable to mobile home parks. The requested study issue was not sponsored, however two council members proposed to study any alternatives to rent control to preserve affordable housing in the city.

Staff has identified the following alternatives to rent control that could be analyzed as part of this study:

1. Establishing a City Rent Mediation board, with members appointed by Council and administered through the City's existing Boards and Commissions program.
2. Arranging for a third-party agency to establish a rent mediation board as a community-based organization rather than an official City board.
3. Allocating City funds for a tenant-landlord mediation/conflict-resolution service to be provided by a qualified mediation agency. These would have to be general funds because this service does not qualify for housing grant and special revenue funds, except for the limited amounts potentially available through the human services funding program.
4. Other alternatives to be identified by Council or the public.
5. Consult with advocacy groups representing mobile home park owners and park tenants. If the study is approved to address rent control issues in standard dwellings as well, this option could also include Tri-Counties Apartment Association and tenants of market rate rental units.

Although the proposed study is limited to alternatives to rent control and not actual rent control, it is inevitable that some members of the public will continue to request that actual rent control also be studied as a possible alternative, so it may be unavoidable that this study will trigger the advocacy of a rent control ordinance in Sunnyvale.

**2. How does this relate to the General Plan or existing City Policy?**

Preserving affordable housing is one of the main goals of city housing policy, as adopted in the Housing Element of the General Plan, in the HUD consolidated Plan, the Municipal Code, and various other city policy documents.

General Plan, Housing Element, Goal B:

Maintain and enhance the condition and affordability of existing housing in Sunnyvale.

Policy B.6: Preserve Sunnyvale's mobile home parks as an affordable housing option. Maintain at least 400 acres of mobile home park zoning.

**3. Origin of issue**

**Council Member(s)** Spitaleri, Meyering

**4. Staff effort required to conduct study** Major

**Briefly explain the level of staff effort required**

The study would require a moderate amount of effort to research and compile information on alternatives to rent control for preserving the affordability of rental housing. However, staff anticipates that, due to the currently high level of public interest in this topic, and strong opinions on both sides of the issue, a major staff effort from multiple departments will be required to manage and respond to the extensive public input that will likely be received during the public outreach process. Multiple public meetings and hearings would be associated with this study.

**5. Multiple Year Project?** Yes **Planned Completion Year** 2014

**6. Expected participation involved in the study issue process?**

**Does Council need to approve a work plan?** Yes

**Does this issue require review by a Board/Commission?** Yes

**If so, which?** Housing and Human Services  
Commission, Planning Commission

**Is a Council Study Session anticipated?** Yes

**7. Briefly explain if a budget modification will be required to study this issue**

**Amount of budget modification required** \$0

**Explanation**

A budget modification has not been identified as it does not appear that an outside consultants would be required for the study itself. But it may be required later to implement the Council's direction depending on the outcome of the study as discussed below.

**8. Briefly explain potential costs of implementing study results, note estimated capital and operating costs, as well as estimated revenue/savings, include dollar amounts**

**Are there costs of implementation?** Yes

**Explanation**

If the study results in a recommendation to implement any new program to address rent control concerns, such as a mediation program, rent arbitration board, or similar alternative to direct rent control legislation, it would likely create significant annual administrative and/or operating costs for the City. Staff estimates such costs would be in the range of \$25,000 - \$100,000 annually, depending on what type of program is to be implemented, how much Council would like to allocate for this purpose, and the number of potential cases.

**9. Staff Recommendation**

**Staff Recommendation** Drop

**If 'Support', 'Drop' or 'Defer', explain**

The broader issue of increasing and maintaining affordable rental housing will already be addressed through normal Housing Division policy and program updates required by state and federal law, such as the housing element update and the annual HUD Action Plan hearings. If Council wishes to create a specific program to address rents for market rate apartments, such

as a rent review advisory board similar to those operated in some Bay Area cities, it could be the focus of this study issue since the City has not operated such a program before. The study would evaluate options and solicit input from various constituencies to weight the pros and cons of creating such a board. Nonetheless, for the reasons stated above in #1 and #4, staff does not recommend approving this study, but recommends addressing the broader issue of affordable rental housing in upcoming housing policy hearings.

Reviewed by

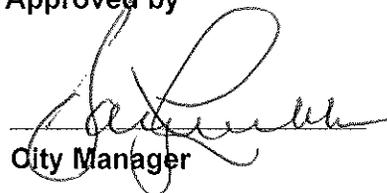


Department Director

1/11/13

Date

Approved by



City Manager

1/14/13

Date