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915 I Street, Sacramento, CA 95814

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SUPPLEMENTAL MATERIAL

Description: Attached is supplemental material received after publishing the agenda,

updating attachments 2 and 3. The attached staff report replaces the

original staff report in its entirety.

For the Meeting of: Tuesday, November 19, 2024 at 2:00 p.m.

Agenda Item: Discussion Item 2

2. An Ordinance Amending Chapter 5.156 of the Sacramento City Code, Relating to Tenant Protection [Passed for Publication 11/12/2024]

File ID: 2024-01260 **Location:** Citywide

Recommendation: Adopt an Ordinance amending Chapter 5.156 of the Sacramento City

Code, relating to Tenant Protection.

Contact: Peter Lemos, Code and Housing Enforcement Chief, (916) 808-8183,

plemos@cityofsacramento.org, Community Development Department

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City of Sacramento City Council - 2PM Report

915 I Street Sacramento, CA 95814 www.cityofsacramento.org

File ID: 2024-01260 11/19/2024 **Discussion Item 2**.

An Ordinance Amending Chapter 5.156 of the Sacramento City Code, Relating to Tenant Protection [Passed for Publication 11/12/2024]

File ID: 2024-01260

Location: Citywide

Recommendation: Adopt an **Ordinance** amending Chapter 5.156 of the Sacramento City Code, relating to Tenant Protection.

Contact: Peter Lemos, Code and Housing Enforcement Chief, (916) 808-8183, plemos@cityofsacramento.org, Community Development Department

Presenter: Peter Lemos, Code and Housing Enforcement Chief, (916) 808-8183, plemos@cityofsacramento.org, Community Development Department

Attachments:

- 1-Description/Analysis
- 2-Ordinance (Redlined) Updated
- 3-Ordinance (Clean) Updated

Description/Analysis

Issue Detail: On August 13, 2019, the City Council adopted Chapter 5.156 of the City Code, known as the Tenant Protection and Relief Act. The Tenant Protection Program (Program) was established to assist residential tenants with increasing rental rates by establishing limits on annual rent increases and for long term tenants to provide protection from unwarranted lease termination.

While the program went into effect September 2019, due to statewide eviction moratoriums that were put in place because of COVID, the program did not initiate until the moratoriums expired on September 30, 2020 (although certain aspects of the moratoriums were extended through June 30, 2021).

Per direction from the City's Housing Element, the City collected data from stakeholders to review the effectiveness of the Program while considering changes that would strengthen the effectiveness of the Ordinance. Upon review of the data, it is clear that the City has more work to do with this

Ordinance. However, there was broad support for maintaining the existing program and a desire expressed by interested groups for greater information and education about the program for both landlords and tenants.

The proposed amendments to the ordinance include:

- · Clarifying the existing ordinance with definitions;
- Providing clear language regarding registration; and
- Extending the Ordinance from the current sunset date of December 31, 2024 to December 31, 2029.

The five year extension will allow for the implementation of an educational program for tenants and landlords, consistent methods of data collection and reporting, and additional time to consider further amendments to increase the effectiveness of the ordinance.

Policy Considerations: The following Housing Element policies and programs support staff's recommendation to extend the Ordinance and review the Ordinance with additional data to be gathered at a future date:

- H-5.2 Strengthen Tenant Protections. The City shall explore options to strengthen eviction prevention, limits on annual rent increases, and tenant relocation measures.
- Program H25. Sacramento Tenant Protection Act. The City shall conduct outreach to raise
 awareness by tenants and landlords of the requirements and rights afforded to them under
 the Sacramento Tenant Protection Act (Sacramento City Code Chapter 5.156). The City
 shall collect data to review the effectiveness of the current ordinance and consider
 changes that would strengthen the effectiveness of the current ordinance.

Economic Impacts: Eviction protections and rental increase limits can provide economic stability for our most vulnerable renter populations.

Environmental Considerations: This report is an administrative activity that does not result in a direct or indirect physical change to the environment. Therefore, this action is exempt from environmental review under CEQA per the CEQA Guidelines section 15378(b)(5).

Sustainability: There are no sustainability considerations applicable to amending Sacramento City Code 5.156 related to tenant protection.

Commission/Committee Action: Staff prepared recommendations for minor initial changes to the program and a one-year extension of the sunset date which were presented to the Law and Legislation Committee on September 17, 2024. The Committee accepted staff's recommendations but recommended extending the sunset date for a five-year period, from December 31, 2024, to

December 31, 2029. This would align with the State's sunset date and would also give the City time to conduct additional outreach to tenants and landlords and establish a good method of data collection to provide a better understanding of the effectiveness of the ordinance.

In response to the Committee's direction, staff made the following updates to the Ordinance: 1) Extended the sunset date for five years to December 31, 2029, 2) Clarified the definition of substandard repair and 3) Clarified Section 5.156.080 regarding the frequency of registration.

On October 15, 2024, the Law and Legislation Committee reviewed these changes and recommended taking the minor modifications of the ordinance to the full Council for review and adoption.

Rationale for Recommendation: The recommended updates address items that need clarification within the Code while also allowing Staff time to prepare a plan for data gathering, analysis, and provide education to landlords and tenants in the next year.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

ORDINANCE NO.

Adopted by the Sacramento City Council

[Date Adopted]

AN ORDINANCE AMENDING SECTIONS 5.156.020, 5.156.080, AND 5.156.150 OF THE SACRAMENTO CITY CODE, RELATING TO TENANT PROTECTION

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

A. A definition of "substantial repairs" is added to section 5.156.020 of the Sacramento City Code to read as follows:

"Substantial repairs" has the same meaning as "substantially remodel" in California Civil Code section 1946.2, subdivision (b)(2)(D)(ii).

B. Except as amended by subsection A above, all provisions of section 5.156.020 remain unchanged and in full effect.

SECTION 2.

Section 5.156.080 of the Sacramento City Code is hereby amended to read as follows:

5.156.080 Tenant protection program registration and fee.

On an annual basis, Aall landlords with rental units that are subject to this chapter shall register those units on the rental housing registry by submitting a completed registration form made available by the city and pay the tenant protection program fee as established by the city council on an annual basis. The tenant protection program fee is to fund the city's cost to implement and enforce the provisions of this chapter.

SECTION 3.

Section 5.156.150 of the Sacramento City Code is hereby amended to read as follows:

5.156.150. Sunset date.

This chapter shall-remains in effect until December 31, 2024-2029, and on that date this chapter is repealed.

ORDINANCE NO.

Adopted by the Sacramento City Council

[Date Adopted]

AN ORDINANCE AMENDING SECTIONS 5.156.020, 5.156.080, AND 5.156.150 OF THE SACRAMENTO CITY CODE, RELATING TO TENANT PROTECTION

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

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"Substantial repairs" has the same meaning as "substantially remodel" in California Civil Code section 1946.2, subdivision (b)(2)(D)(ii).

B. Except as amended by subsection A above, all provisions of section 5.156.020 remain unchanged and in full effect.

SECTION 2.

Section 5.156.080 of the Sacramento City Code is hereby amended to read as follows:

5.156.080 Tenant protection program registration and fee.

On an annual basis, all landlords with rental units that are subject to this chapter shall register those units on the rental housing registry by submitting a completed registration form made available by the city and pay the tenant protection program fee established by the city council. The tenant protection program fee is to fund the city's cost to implement and enforce the provisions of this chapter.

SECTION 3.

Section 5.156.150 of the Sacramento City Code is hereby amended to read as follows:

5.156.150. Sunset date.

This chapter remains in effect until December 31, 2029, and on that date this chapter is repealed.