

# Measure V425

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## **INSTRUCTIONS:**

Please carefully read the following description of a ballot measure that was written by a disinterested expert. Feel free to take notes or outline passages as you read.

This should take you approximately 5 minutes.

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## **BALLOT MEASURE V425**

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### **BACKGROUND**

There is no state law which specifically regulates or controls the prices which persons may be charged to rent privately owned residential housing units. Under general regulatory powers, the legislative bodies of cities and counties may adopt ordinances to regulate and control rents. As of January 1, 1980, 18 cities and counties had adopted some form of rent control.

### **PROPOSAL**

This proposition would amend the State Constitution to:

- Declare that rent control is a matter of local government concern and prohibit the state from taking any action to control rents.
- Prohibit local governments from adopting rent control except by an ordinance approved by a vote of the people in the local jurisdiction.
- Require that each rent control ordinance approved by the voters expire no later than four years after its adoption (although subsequent ordinances could be enacted or reenacted).
- Make all existing rent control ordinances which were adopted prior to the effective date of this measure inoperative after the next local election.

The following types of rental units would be exempt from rent control ordinances:

1. Single-family residential units. Two or more units owned by the same owner in the same project would not be exempt.
2. Units subject to a transient occupancy tax such as hotels and motels.
3. Newly constructed units which are first occupied by tenants after the effective date of this proposition.
4. Units in publicly financed, insured, or subsidized multifamily housing projects when rents are subject to control resulting from such financing, insurance, or subsidy.

Furthermore, units that are voluntarily vacated by tenants would be exempt from control until after they are rented again. If a tenant is forced to move because of nonpayment of rent, the unit would be exempt from control until it is rented again.

The proposition further requires all rent control ordinances to provide (1) uniform criteria under which landlords could increase rent and (2) a commission to resolve grievances.

***Criteria for Allowing Rent Increases.*** Each local ordinance would be required to allow landlords to increase rents at the same rate as the annual increase in the Consumer Price Index. Each local ordinance would also be required to contain standards permitting additional increases above those based on the Consumer Price Index, including, but not limited to, those to pay for (1) the cost of property improvements over a reasonable period of time and (2) extraordinary cost necessary to meet code requirements. Each ordinance also would be required to establish procedures for additional increases to be granted by the commission to compensate for prior periods during which rents were not increased up to the Consumer Price Index, for increased user fees, for hardship conditions, and for a fair rate of return.

***Commission to Resolve Grievances.*** Each local ordinance would be required to establish an appointive, representative commission to resolve landlord/tenant grievances which result from rent increases in excess of the Consumer Price Index and/or the standards provided in the ordinance. The commission would have the authority to adjust the amount of rent increases on a case-by-case basis, and to require the holding of disputed rent increases in a trust fund until the resolution of the dispute.

Other provisions of this proposition permit, but do not require, local rent control ordinances to provide (1) sanctions and penalties for rent increases not made in good faith, (2) rent decreases or rollbacks that do not reduce rents below the allowable increases, had the local ordinance been in effect on July 31, 1979, or two years prior to the effective date of the rent control ordinance, whichever is later, and (3) rent adjustments for mobilehomes that are sold to new owners.



**STOP!**

Please go to the online survey, enter the 4-character code for this ballot measure (printed at the top and bottom of this page) and answer the survey questions.