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APPROVED AS TO FORM AND LEGALITY

INTRODUCED BY COUNCIL MEMBERS KALB AND KAPLAN


CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL
ORDINANCE NO. 13503 C.M.S.

ADOPT AN ORDINANCE EXTENDING BY UP TO 180-DAYS ORDINANCES NO. 13481 C.M.S. AND 13465 C.M.S. THAT IMPOSED A TEMPORARY MORATORIUM ON SUBSTANTIAL REHABILITATION EXEMPTIONS FROM THE RESIDENTIAL RENT ADJUSTMENT ORDINANCE (O.M.C. SECTION 8.22.030.B.2.)

WHEREAS, the City of Oakland has been experiencing a severe housing affordability crisis for years that has been exacerbated in the last few years due to the Bay Area wide housing crisis; and

WHEREAS, the City Council, on November 28, 2017 (13465 C.M.S.) adopted a 180-day moratorium on substantial rehabilitation exemptions pursuant to 8.22 of the Oakland Municipal code through April 24, 2018; and on April 17, 2018 (13481 C.M.S.) extended the moratorium by another 180-days to October 21, 2018 to allow staff to provide City Council with options and recommendations for modifying or eliminating the substantial rehabilitation exemption; and

WHEREAS, staff's report is scheduled to be considered by City Council at its September 17, 2018 meeting. The report provides three options:

- 1) Extend the moratorium for three years to facilitate a study of the impact of the exemption on Oakland's housing inventory and tenant displacement and how it advances city policy objectives;
- 2) Amend the exemption to limit its application to units that are vacant and essentially uninhabitable and further restrict its use in additional ways to protect against tenant displacement; or
- 3) Eliminate the substantial rehabilitation exemption.

WHEREAS, Additional time will be required for staff to draft an ordinance to implement City Council's selected option.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds the foregoing recitals to be true and correct and hereby incorporates such findings into this ordinance.

SECTION 2. Extension of Moratorium on Exemption From Rent Adjustment of New Substantially Rehabilitated Buildings. The moratorium on new substantial rehabilitation exemptions that was adopted by the City Council on April 17, 2018 by Ordinance No.13481 C.M.S., the operative portions of which are set out in full below, is extended by up-to 180-days, and will continue to be in effect until April 19, 2019, or such time that City Council adopts an ordinance addressing substantial rehabilitation exemptions.

SECTION 3. Notwithstanding any provision of the Oakland Municipal Code to the contrary, a moratorium is imposed on new substantial rehabilitation exemptions pursuant to Oakland Municipal Code (O.M.C. -- "Residential Rent Adjustment Program") sections 8.22.030A.6. and 8.22.030B.2. Petitions for exemption based on substantial rehabilitation filed on or after October 20, 2017 shall be considered new exemption requests and not be accepted for filing, unless or until after the moratorium is lifted or expires, or the City Council authorizes new substantial rehabilitation petitions, and under such modifications to this exemption that the City Council should enact. Petitions for exemption based on substantial rehabilitation for projects for residential buildings (1) that have received certificates of occupancy or final permits for the work, (2) that meet all requirements of O.M.C section 8.22.030B.2. and Rent Adjustment Regulations section 8.22.030B.3, and (3) that are fully completed and filed before October 20, 2017 are not subject to this moratorium.

SECTION 4. Additional Procedures.

- A. Should any Owner believe that said Owner should be eligible to file a petition for a substantial rehabilitation exemption during the period of the moratorium, the Owner may file a petition seeking relief from the moratorium that includes the basis for such relief;
- B. Notwithstanding all of the above, an Owner may file a petition for capital improvements or other allowed rent increases pursuant to O.M.C. Chapter 8.22 Article I. If an Owner elects to file a petition for capital improvements or other permitted rent increase, such petition will be without prejudice to filing a petition for a substantial rehabilitation exemption should it be permitted in the future and under such modifications as the City Council may enact.

SECTION 5. Report from Staff on Options on Substantial Rehabilitation Exemption. City Council directs the City Administrator to report to the City Council no

later than January 19, 2019 regarding the status of the drafting of the ordinance reflecting City Council's option selection and direction to staff.

SECTION 6. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Chapter. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional.

SECTION 7. Effective Date. This ordinance shall become effective immediately upon final adoption if it receives six or more affirmative votes; otherwise it shall be effective upon the seventh day after final adoption.

SECTION 9. CEQA Exemption. This action is exempt from the California Environmental Quality Act ("CEQA") pursuant to, but not limited to, the following CEQA Guidelines: § 15378 (regulatory actions), § 15061(b)(3) (no significant environmental impact), and § 15183 (consistent with the general plan and zoning).

IN COUNCIL, OAKLAND, CALIFORNIA,
PASSED BY THE FOLLOWING VOTE:

OCT 0 2 2018

AYES - ~~BRUNSON~~ CAMPBELL-WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLÉN, KALB, KAPLAN ~~WILLIAMS~~ - *e*

NOES - *Ø*

ABSENT - *Ø*

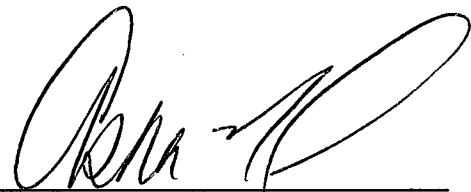
ABSTENTION - *Ø*

Excused - 2 Brooks & Reed

Introduction Date

SEP 17 2018

ATTEST:



LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

Date of Attestation:

10/8/2018

NOTICE AND DIGEST

ADOPT AN ORDINANCE EXTENDING BY UP TO 180-DAYS ORDINANCES NO. 13481 C.M.S. AND 13465 C.M.S. THAT IMPOSED A TEMPORARY MORATORIUM ON SUBSTANTIAL REHABILITATION EXEMPTIONS FROM THE RESIDENTIAL RENT ADJUSTMENT ORDINANCE (O.M.C. SECTION 8.22.030.B.2.)

The Ordinance extends by up to 180-days a moratorium on substantial rehabilitation exemptions of Article 1, Chapter 8.22 of the Residential Rent Adjustment Program, O.M.C. Section 8.22.030.B.2 that was adopted on April 17, 2018 by Ordinance Number 13481. The purpose of the extension of the moratorium is to allow time for consideration of staff's report and proposed options for modifying or eliminating the substantial rehabilitation exemption and for drafting an ordinance regarding the same. The moratorium shall be in effect until April 19, 2019.