

Low-income ordinance rejected

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East Palo Alto rent-control fight

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The East Palo Alto City Council fought over rent control for three hours Monday night before rejecting Councilman John Bostic's proposed low-income housing ordinance by a 3-2 vote.

Bostic didn't even get to a vote on the ordinance itself, which the councilman said could raise as much as \$900,000 for the financially strapped city. Instead, the proposal was killed by a vote against his motion to introduce the ordinance.

However, he emphasized he will do his best to get the issue of rent control on the June 1988 ballot.

City Manager Stan Hall also recommended the council develop plans to put the issue of housing and rent stabilization on the ballot to let the electorate decide whether or how to modify the ordinance.

About 100 people attended the council meeting. Most were tenants, who applauded any defense of rent controls.

Councilman Warnell Coats joined Bostic in supporting the ordinance, with Mayor James Blakey, Vice Mayor Ruben Abrica and Councilwoman Barbara Mouton voting against it.

The meeting was marked by heated exchanges among council members. At one point Mouton

sharply criticized the council's litigation subcommittee for advising the city attorney to consider negotiating an out-of-court settlement in an apartment owners' lawsuit.

Bostic, who is on the litigation subcommittee, defended the recommendation, saying, "If these lawsuits pop out at us, we'll really be in the hole."

When Mouton noted Coats and Bostic were on the litigation subcommittee, Bostic retorted, "Here we go again with Mouton's mudslinging."

Blakey hastily called for a recess.

Mouton and Bostic weren't the
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only ones at odds during the session. Coats and Abrica also exchanged sharp words. Just about everyone got into the fray.

Bostic's proposal called for establishing a one-time registration fee of \$200 for each rental unit, and an annual fee of \$100. Landlords who agreed to allot 10 percent of their units for low-income housing would be entitled to charge market rates for the remaining rental units.

Bostic declared the plan would bring in an estimated \$900,000 ini-

tially in revenues to the city, and about \$400,000 annually. He stressed the proposed ordinance would not eliminate rent control, but added, "it would be foolish to say there would not be a relaxation (of rent control)."

He declared his willingness to compromise on the proposal and to work with staff and council to integrate recommendations made by Hall.

He pointed out the City Council can't change the present rent-control ordinance on its own, but that an election or a court decision would be needed to change it.

Abrica noted Hall's report indicated the proposed ordinance would guarantee 256 units of low-

income housing and would decontrol 2,606 units.

"I can't read this as anything but an indirect way to decontrol the rental housing market," he declared.

Abrica urged the city to take a comprehensive look at housing, saying, "If we have to go back to the drawing board, then we have to go back to it."

Blakey thought the proposed ordinance had some good points but was concerned about the difficulty of setting up a housing authority.

He also feared the specter of more legal battles, commenting, "The tenants might come up and sue the city. I'm not looking for another suit."

Mouton emphatically stated she was against putting rent control on the ballot. Referring to Bostic's proposal, she said it was "ludicrous" to consider decontrolling 2,606 units.

She also said the city could get just as much revenue by enforcing a business license fee ordinance. She said the ordinance was adopted in 1985 but has not been enforced.

Mouton and Abrica claimed Bostic's proposal was the same as one advanced last month by the Palo Alto Park Association, a group of East Palo Alto landlords. The group offered to help the city financially if it would withdraw rent controls.