

Officials to hold public hearings on rent control

Times Tribune staff

East Palo Alto officials will hold public hearings in mid-August to discuss possible changes in the city's rent control law, including one alteration that would put even tighter restrictions on landlords.

Although most of the proposed changes are for clarification, three "substantive" ones will be considered, according to Renee Glover, the head of the city's Rent Stabilization Board.

East Palo Alto's controversial rent control ordinance was made law after city residents approved it in the April 10 election. The ordinance passed despite fierce opposition from a group of residents and landlords.

The most significant change will be a new method of calculating the annual rate of increase allowed for each rental unit. The language of the ordinance now permits increases equal to the rate of inflation, or the change in the Consumer Price Index. Under the new proposal, the maximum allowable increase would be 60 percent of the CPI, Glover said.

The "justification" for the stricter rule centers around the landlord's costs, which are split between mortgage payments and day-to-day overhead, she explained.

Mortgage payments are not usually affected by changes in inflation, so the rent board has decided to allow adjustments only for day-to-day operating expenses, or 40 percent of landlord costs, she said.

To that 40 percent, the board wants to add another 20 percent of the CPI to cover expenses accrued from flexible mortgage rates.

East Palo Alto

Therefore, an annual adjustment of 60 percent of the CPI is the proposed ceiling on annual rent hikes.

Glover noted the 60 percent rate is a general adjustment figure. Landlords who believe they qualify as an exception because of extra costs may ask the rent board for a special exemption.

"I think it's fair," Glover said of the ordinance and the proposed changes. Rent control laws in Santa Monica and Berkeley allow increases of up to 40 and 45 percent.

According to Glover, about 60 percent of the city's landlords registered their units with the board before July 2. Notices of reminder have been sent to landlords who did not register their units. Those who fail to comply will be fined, she said.

"People are interested and people are complying, except for a few trouble spots," Glover said.

Glover said there will be two other major changes proposed at the public hearings. First, she said the ordinance will be broadened to include mobile home parks. Although the original draft of the ordinance intended to include those residences, specific reference to them is necessary because some mobile home park owners were claiming exemption.

The third change would link the present ordinance to the two previous rent control measures — a temporary ordinance and an emergency law. Tenants would be able to collect for illegal rent hikes that were imposed while any of the rent control measures was law.

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