

Ballot Simplification Committee

FINAL Approved Digest –by: Packard, Fasick, Fraps, Jorgensen, Unruh—Thursday, March 11, 2010

Requests for Reconsideration were due by 1:00 p.m. on Thursday, March 4, 2010

Renters' Economic Relief *(working title only, subject to change)*

The Way It Is Now: The City's Residential Rent Ordinance (Ordinance) applies to most rental housing built before June 1979. The Ordinance limits when and by how much a landlord may increase a tenant's rent. For example, landlords may increase rent once a year by a percentage set by the Residential Rent Stabilization and Arbitration Board (Rent Board).

In addition, landlords may increase rents to pay for certain property improvements and some increases in the property tax. A tenant may file a hardship application with the Rent Board to seek to limit some of these increases.

The Proposal: Proposition ____ would amend the Ordinance to add provisions for hardship applications. In response to most rent increases, a tenant may submit a financial hardship application if one of the following conditions applies:

- the tenant has become unemployed;
- the tenant's wages have been reduced by 20% or more compared to the previous 12 months; or
- the tenant's sole income consists of government benefits, such as Social Security or disability, and the tenant has not received a cost of living increase in the previous 12 months.

After the tenant submits a financial hardship application to the Rent Board, an Administrative Law Judge (ALJ) holds a hearing on the application.

The ALJ would base a final decision on:

- whether the tenant satisfies one of the above conditions;
- whether the rent, with the increase, totals more than 33% of the tenant's income; and
- consideration of the tenant's assets.

If the ALJ finds that the tenant has a financial hardship, the landlord may not increase the tenant's rent for a specified period based on the tenant's circumstances. The rent increase may take effect later if the tenant's financial circumstances change. Either the tenant or the landlord may appeal the ALJ's decision to the Rent Board.

A “YES” Vote Means: If you vote "yes," you want to amend the Ordinance to allow tenants to apply to the Rent Board to postpone most rent increases if they become unemployed, their wages decrease by 20% or more, or they do not receive a cost of living increase in their government benefits and this is their sole income.

A “NO” Vote Means: If you vote “no,” you do not want to make these changes.