



Administrative Report

DISCUSSION ITEM

TO: HONORABLE CITY COUNCIL

FROM: James Vega, City Manager

DATE REPORT PREPARED: April 19, 2023

MEETING DATE: June 27, 2023

SUBJECT: Request from Mayor Stix for a New Development Rental Rate Disclosure Ordinance

Recommendation

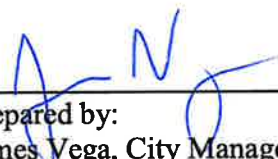
That City Council consider Mayor Stix's request to direct staff to prepare a New Development Rental Rate Disclosure Ordinance.

Discussion

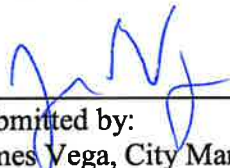
Per the City Council's protocols, the Mayor has the "power to add items to the Council agenda without the need for concurrence by another Member of the City Council." On April 19, 2023, the Mayor submitted the attached request and added the item to the April 25, 2023 agenda. The item was then rescheduled for May 23, 2023. Consistent with past Council practice, the item is being placed at the end of the agenda without staff analysis.

Fiscal Impact

Staff has not analyzed this matter or determined fiscal impact pending Council direction.



Prepared by:
James Vega, City Manager



Submitted by:
James Vega, City Manager

Attachment:

A – Request from Mayor Stix – Ojai New Development Rental Rate Disclosure Ordinance

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Ojai New Development Rental Rate Disclosure Ordinance

Purpose:

The purpose of this ordinance is to give the public and decision makers easy to access and understandable information about rental rates in all proposed new residential developments in Ojai that if built would have one or more deed restricted affordable housing units.

The problem:

Whether written or verbal, most promotion of proposed new housing developments that if built would have one or more affordable housing units generally states that the project is affordable housing, workforce housing, low income housing or other similar terms. These terms do not inform people of how much will actually be charged for rent. Therefore, many members of the public assume that most or all affordable housing projects will actually provide places to live for local working or retired people at a rate that those with modest incomes can actually afford. Often, those who are unaware of the complexity of affordable housing rules will express support for a proposed “affordable housing” development that is based on the commonly understood definition of “affordable,” rather than the dissimilar legal definition of “affordable” used in housing law. In fact, most people do not know that there are actually five different levels of deed restricted affordability (moderate, low, very low, extremely low, and acutely low) and that many households will only be served if they can access extremely low or acutely low income units that too often are not offered as part of projects, or if offered, are few in number.

Proposed solution:

Direct city staff to draft an ordinance for consideration by the council that requires rental rate transparency so that a proposed project’s depth of affordability is easily understood by all. The ordinance would require all written promotions of new development projects to prominently disclose the amount of rent allowed for all units in the project at the legally defined level of affordability being proposed along with the number of years the deed restriction on rents would be in force. It would also require that verbal promotion of the project would include clear, easy to understand statements that disclose the same information required in written promotions as described above. The disclosed rental rate of deed restricted units would reflect the maximum amount of rent allowed based on affordability guidelines in force at that time. Should a proposed project include one or more market rate units, the number and size of the market rate units would be required to be disclosed along with the following statement, “These units would have no restrictions on rents.”