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Council Tables Rent Increase Moratorium

By Cathy Tyson

Facing not enough votes to pass an emergency rent increase moratorium, and concerned with possible unintended consequences along with the administrative nightmare of enacting a moratorium, the Lafayette City Council decided to continue working with controversial complex owner Sack Properties to encourage them to adjust skyrocketing rent increases at their recently purchased and newly named "1038 on Second Avenue" property.

Initially, an outpouring of tenants pleaded with council members to intercede and do something about rental rates that were going up 60 percent and more, seemingly overnight, mainly at this property, but also at other complexes in the city. Local landlords came forward to point out the flaws of a moratorium, many expressing that it unfairly penalizes those who have kept rates below market.

Of the five council members, with Mark Mitchell recusing himself from the matter, it would take four out of four votes to pass an emergency moratorium. It was clear that wasn't going to happen.

Council Member Traci Reilly explained that the council has been working with Sack Properties in good faith and "they are doing what we asked them to do" to lessen the burden on tenants, and they "have agreed to rescind those (rent increases)."

At the last city council meeting, the city attorney was directed to draft an emergency ordinance that would have stabilized rents for the short term as a precursor to a possible long-term rent control ordinance that would have affected only the largest complexes in the city of Lafayette. "I don't recommend adopting the ordinance," said City Manager Steven Falk, "but want to keep it, if needed."

"The ordinance is our best hammer that seems to be working so far," said Council Member Mike Anderson. It appears to have brought Sack Properties to the bargaining table, giving the city some leverage over a private business. He proposed keeping the ordinance around, but to table it for now so that it's available for use, if needed.

Some council members met with a representative from the California Apartment Association to discuss standard practices, and discussed "modulated rent control" - a maximum cap of a 10 percent rent increase for current tenants who sign leases for a 12 month period, with a higher percentage increase for shorter month-to-month leases.

According to council members, Sack Properties agreed to offer modulated rent control. Tenants with Section 8 vouchers will continue to be welcome. As apartments turn over, the units can be renovated and be offered at current market rates.

Voicing concerns of the administrative fallout of a moratorium, Council Member Don Tatzin preferred to achieve the same goals through other means. He suggested writing letters to larger landlords asking them to specify their positions on rent and fee increases, and evictions to "provide a forum to tell us what's going on in practice." He was also concerned about shifting utility costs onto tenants, calling that a rent increase, which will be addressed at future meetings with Sack. The council agreed unanimously.

Meetings are slated to continue with Sack Properties management about the situation. During the public comment period, one resident of 1038 on Second urged the council to "not trust landlord promises."

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