

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

The Town Attorney has prepared the following title and summary of the chief purpose and points of the proposed Measure, pursuant to California Elections Code Section 9203.

BALLOT TITLE:

Initiative Measure Repealing Fairfax Just Cause Eviction Ordinance and Replacing it with Just Cause Eviction Standards in the California Tenant Protection Act of 2019; and Repealing Fairfax Rent Stabilization Ordinance and Replacing it with a Mandatory Local Good-Faith Rent Mediation Process.

BALLOT SUMMARY

This Measure, if passed, would repeal the Fairfax Just Cause Eviction Ordinance in Chapter 5.54 and replace it with State law eviction standards. It would prohibit the Town from enforcing more restrictive limits on evictions than State law. The Measure would also repeal the Rent Stabilization Ordinance in Chapter 5.55, and cap rent increases at 5% per 12-month period. Good faith mediation may be initiated when rent is increased over the 5% cap.

Fairfax Ordinances:

Chapter 5.54 sets more restrictive limits on just cause evictions than State law. It applies to all dwelling units in the Town with limited exceptions. For covered units, Chapter 5.54 prohibits a landlord from evicting a tenant without “just cause”. “Just cause” grounds are enumerated in the ordinance and include: rent default; material breach of lease, except subleasing in certain cases; failure to remedy a nuisance after notice; failure to give reasonable access after notice; substantial repairs to comply with the law and for which permits have been obtained; move-in by owner or owner’s family member as a long-term primary residence subject to limitations; withdrawal of property from the rental market, subject to other requirements; voluntary vacation by tenant under a written agreement; or recovering possession of the unit as landlord’s primary residence pursuant to a temporary tenancy agreement. If eviction is due to substantial repair, owner/family move-in, or removal from the market, the landlord must pay relocation assistance equal to two months’ rent.

Chapter 5.55 sets more restrictive limits on rent increases than State law. It establishes “base rent” equivalent to the rate in effect on February 2, 2022 or the first day rent is charged after February 2, 2022. Thereafter, annual general rent increases are limited to 60% of the percentage increase in the Consumer Price Index (CPI), with a 5% cap. Landlords and tenants may petition the Council for rent increases and decreases. Petitions are decided by a Town Manager-appointed hearing examiner through a public hearing process and are appealable to the Council.

This Measure:

This Measure would repeal the Fairfax Ordinances. Chapter 5.54 would be replaced to permit evictions on the grounds provided in the Tenant Protection Act of 2019, and prohibit the Town from imposing limits on evictions stricter than the Act. The Measure would also replace

Chapter 5.55 to allow a maximum 5% rent increase within a 12-month period. Good faith mediation may be initiated by tenants when rent is increased over the 5% cap and landlords may seek mediation to increase rent above the 5% cap. Mediation agreements, if reached, are binding on the parties. Absent an agreement, a non-binding statement will be prepared summarizing the dispute and facts about the mediation. Civil remedies are provided if a party fails to participate in good faith (as defined in the Measure) or if a landlord engages in harassment of tenants or other prohibited activities. The Measure's rent regulations would apply to any dwelling space actually used for residential purposes except for government-owned/operated units and affordable housing.

/s/ Janet Coleson, Town Attorney