

1. Executive Summary:

1. Rent Change: Tenants: 3.9 % (Current CPI Rent index) and Landlords: 5.1 % (3.9+1.2 business tax) with pass through or 6% with no pass-through. Both sides have made movement towards the “middle”, however, important differences in terms of how rent adjustment should be calculated, remain. I recommend an expert’s opinion on this issue.

2. Mediation Board: Both sides agree that City should constitute a “mediation board” where matters can be discussed to improve communication and hence relationship between landlords and tenants. They also think that this is a good place to further discuss and explore the issues of Habitability and Power Imbalance, besides exemptions. I concur with the parties and recommend that such board should be constituted at the earliest so the current momentum gained in the facilitative dialogues may continue.

3. Rent Registry: During facilitative dialogue six, the landlords agreed to proceed with the current registry with a few amendments (concerns over square footage and with sharing tenant’s personal information, which as per the City Staff was not the required information). The landlords did not raise concern with the rent amount in this meeting, however, in the subsequent (last) meeting, a strong voice was raised again against the registry by the landlords’ committee.

4. Relocation Fees: Both parties discussed relocation fees as discussed under 'the current ordinance. The tenants in the last meeting made a proposal that relocation fees should be tied to the actual "expenses" that the tenant faces. Detailed tenant’s proposal is provided in this report. The landlords wanted to get more information and concrete proposals from the tenants, however, stated that in principle they are not opposed to tenant’s idea. Recommendation: I recommend the City to carefully review tenant’s proposal and allow for further dialogue.

5. No Just Cause Eviction: Landlords want the terminology to be different. As per them, there is always some cause in eviction so the terminology that there is “no-cause” is itself wrong. They made a strong case to continue with the current laws pertaining to the no cause eviction. The tenants stated several concerns with this provision but the landlords conceded that we are willing to give the city a signed form that states the current rent being charged so that they are not perceived to manipulate the process. No agreement was reached on this issue, albeit, we didn’t have sufficient time to discuss it.

6. Exemptions: Duplexes and buildings with 4 units or less, which are owner occupied. Tenants want such units to be considered as any other units. Landlords want them exempt due to reasons explained in this report. Parties are still apart on this issue with one claiming exemption and the other claiming no exemption. Recommendation: I recommend this issue to be discussed before the proposed Mediation Board.

7. Habitability and Code Enforcement:

Both parties agreed that the City needs to adopt a higher than the current standard of *Habitability* and they also agree that City needs to invest in more personnel for code enforcement.