

## **ORDINANCE NO. 845**

### **AN ORDINANCE OF THE CITY OF ROHNERT PARK SUSPENDING THE APPLICATION OF CHAPTER 9.71, "PAYMENT OF INTEREST ON SECURITY DEPOSITS" OF TITLE 9, "PUBLIC PEACE, MORALS AND WELFARE," OF THE ROHNERT PARK MUNICIPAL CODE**

WHEREAS, pursuant to Chapter 9.71 of the Rohnert Park Municipal Code, a landlord must pay interest on security deposits placed with the landlord by tenants pursuant to a rental agreement;

WHEREAS, Chapter 9.71 was originally enacted by the City Council in 1994 via the adoption of Rohnert Park Ordinance Number 587, and was subsequently amended;

WHEREAS, the purpose of the ordinance was to remedy an inequity the City Council perceived to exist with regard to tenant security deposits;

WHEREAS, the City Council directed that no city personnel, funds or resources should be used in administering or enforcing Chapter 9.71;

WHEREAS, in practice, staff has found that landlords seeking to achieve compliance with Chapter 9.71 often rely on city personnel and resources to calculate the interest due thereunder;

WHEREAS, since the enactment of Chapter 9.71, interest rates have significantly decreased;

WHEREAS, given the lower interest rates and the ability of landlords to retain an administrative charge, the payment of interest to tenants, if any, is often nominal;

WHEREAS, the City Council reviewed the ordinance on March 13, 2012 and considered alternatives;

WHEREAS, the City Council now desires to suspend the application of Chapter 9.71 until such time as the interests rates have rebounded to the point that benefits of the ordinance outweigh the burden;

NOW, THEREFORE, the City Council of the City of Rohnert Park does ordain as follows:

**Section 1. Recitals.** The City Council of the City of Rohnert Park does hereby find that the above referenced recitals are true and correct and material to the adoption of this Ordinance.

**Section 2. Amendments.** Chapter 9.71 shall be amended as follows.

Section 9.71.020 subsection (B) shall be amended in its entirety to read as follows:

B. “Interest rate” or “rate of interest” means the average rate of interest, based on regular (standard) consumer savings accounts paid by the three largest banks, by funds held, in Rohnert Park.

A new section shall be added to Chapter 9.71 of the Rohnert Park Municipal Code (Payment of Interest on Security Deposits) to read as follows:

**9.71.060 – Suspension.** Notwithstanding any other provision of this Chapter, this Chapter shall be suspended and be of no force or effect until such time as the interest rate, as defined by Section 9.71.020(B), reaches five percent (5%). At such time, the Housing Director shall return this ordinance to the Council to consider lifting the suspension.

**Section 3. Publication.** The City Clerk is directed to certify the adoption of this ordinance and cause the ordinance to be published in the manner required by law.

**Section 4. Severability.** If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it should have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional.

This ordinance was introduced on the 27<sup>th</sup> day of March 2012 and

**DULY AND REGULARLY ADOPTED** this 10th day of April 2012 by a vote of the City Council as follows:

AYES: Four (4) Council members Ahanotu, Belforte, Callinan and Mayor Mackenzie

NOES: None (0)

ABSENT: One (1) Council member Stafford

ABSTAIN: None (0)

**ATTEST:**

/s/ Deputy City Clerk Carrie Willis 4/11/12

**CITY OF ROHNERT PARK**

/s/ Mayor Jake Mackenzie

Approved as to Form:

/s/ City Attorney Michelle Marchetta Kenyon