RESOLUTION NO. 4133

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
SETTING INTEREST RATE FOR TENANT SECURITY DEPOSITS FOR 2019
AT ZERO PERCENT (0.00 %) IN THE CITY OF CAPITOLA

WHEREAS, Municipal Code Section 5.48.025 directs the City Council to set the minimum annual interest rate for tenant security deposits; and

WHEREAS, the current rate of interest for residential rental security deposits is zero percent (0.00%); and

WHEREAS, the County of Santa Cruz Board of Supervisors, at its meeting held December 4, 2018, voted to set the rate at one one-hundredth percent (0.01%) as recommended by the Santa Cruz County Investment Officer; and

WHEREAS, although it has been the practice of the Capitola City Council to set its interest rate for tenant security deposits consistent with other jurisdictions within the County of Santa Cruz, the City Council finds the rate of 0.01% to be burdensome to property owners in the City of Capitola; and

WHEREAS, based on the City Council’s action to set the interest rate at zero percent (0.00%) in previous years with similar situations;

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola that the rate of simple interest payable annually on residential rental security deposits by landlords shall be zero percent (0.00%) effective January 1, 2019.

I HEREBY CERTIFY that the above and foregoing Resolution was passed and adopted by the City Council of the City of Capitola at its regular meeting held on the 13th day of December, 2018, by the following vote:

AYES: Council Members Bertrand, Bottorff, and Petersen and Mayor Termini
NOES: None
ABSENT: Council Member Harlan
ABSTAIN: None

ATTEST:

Michael Termini, Mayor

Linda Fridy, City Clerk