

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF COMMERCE
APPROVING A RENT-CONTROL ORDINANCE**

WHEREAS, housing in California, and in particular Los Angeles, has become increasingly expensive for renters. In fact, rents have increased by approximately 25% in the last three years; and

WHEREAS, the number of Commerce residents seeking rental housing has increased, while the supply has long been stagnant. This circumstance whereby landlords hold a disproportionate amount of leverage leaves renters susceptible to dramatic rent increases. Many residents have felt the pinch of decreasing housing supply and increased rents; and

WHEREAS, no demographic has been impacted by rising rents more than senior citizens. Seniors are particularly vulnerable to rent increases because they are typically on fixed incomes and may have decreased physical or mental capabilities. They are also more prone to predatory behavior and bullying by landlords; and

WHEREAS, the Council believes it appropriate to set limitations on the ability of landlords to raise rents on senior citizens in the City of Commerce. The Council also believes that seniors must have further protection from wrongful evictions. It believes that taking such actions will provide housing security for senior citizens while permitting landlords to obtain a reasonable return on their investments; and

WHEREAS, California cities are permitted to impose local rent-control measures. However, the Costa-Hawkins Act of 1995 (Civil Code, § 1954.50, et seq.) limits the breadth of any such measures. This Ordinance sets forth rent controls in the City while maintaining full compliance with California law; and

WHEREAS, the Council held a workshop on _____, 2017 to collect information and consider the perspectives of residents, landlords, and staff regarding the need for, and impact of, a rent-control ordinance; and

WHEREAS, the Council has considered the information obtained through the _____ workshop, materials provided in support of this Ordinance, and comments during public session.

NOW, THEREFORE, THE CITY COUNCIL DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The above recitals are incorporated herein as findings by the City Council. The Council also makes the following findings:

- (1) There is a shortage of decent, affordable, and sanitary housing for senior citizens who rent their housing in the City of Commerce.
- (2) Seniors that are displaced due to an inability to pay excessive rent increases are forced to relocate. However, the City's housing supply is extremely limited, especially for those with financial limitations. It has become increasingly difficult to find affordable, safe, and sanitary housing in the City.
- (3) Even where seniors are able to meet rent increases, many are on a fixed income and thus have to cut back on other necessities. This situation has a detrimental effect on substantial number of renters in the City, creating particular hardship for senior citizens.
- (4) The problem of rent increases has reached a crisis level, with examples of rents in Los Angeles rising at rates more than 10 times that of inflation or average wage growth.
- (5) This Ordinance is being adopted to protect senior citizens from exorbitant rent increases, unjust evictions, and promote neighborhood and community stabilization.

Section 2. A new Section _____ (“_____”) is hereby added Title ____, Chapter _____ (“_____”) of the Commerce Municipal Code to read as follows:

____.010. Purpose and Intent.

The purpose of this Ordinance is to protect senior citizens from exorbitant Rent increases and unjust evictions to the greatest extent permissible under California law, while ensuring Landlords a fair return on their investments. The Council believes this policy will promote neighborhood and community stability.

____.020. Definitions.

For purposes of this Ordinance, the following definitions apply:

- (1) "Landlord" means an owner, lessor, sublessor or any other entity entitled to offer any residential unit for rent or entitled to receive Rent for the use and occupancy of any Rental Unit.
- (2) "Rent" means the consideration, including any deposit, bonus, benefit, or gratuity demanded or received for, or in connection with, the use or occupancy of Rental Units and housing services. Such considerations shall include, but not be limited to, moneys and fair value of goods or services rendered to or for the benefit of the Landlord under the Rental Agreement, or in exchange for a Rental Unit or housing services of any kind.
- (3) "Rental Agreement" means an agreement, oral, written, or implied, between a Landlord and a Tenant for the use and/or occupancy of a Rental Unit.
- (4) "Rental Unit" means any unit in any real property, regardless of zoning status, including the land appurtenant thereto, that is rented or available for rent for residential use or occupancy (regardless of whether the unit is also used for other purposes), together with all housing services connected with use or occupancy of such property, including but not limited to parking, storage, and common areas and recreational facilities held out for use by the Tenant.
- (5) "Senior Tenant" or "Tenant" means an individual over the age of 60 years that is considered the head of household or the lead tenant on an oral or verbal Rental Agreement.
- (6) "Tenancy" means the right or entitlement of a Tenant to use or occupy a Rental Unit and includes a lease or sublease.
- (7) "Tenant" means an individual that is considered the head of household or the lead tenant on an oral or verbal Rental Agreement.

____.030. Exemptions.

This Ordinance shall not apply to the following:

- (1) Transient and tourist hotel occupancy as defined in Civil Code Section 1940(b).
- (2) Government-owned housing, if any exist in the City at the applicable time.
- (3) Housing accommodations in a nonprofit religious facility, if any are developed in the City, or any extended care facility.
- (4) Dormitories owned and operated by any educational institution, if any exist in the City at the applicable time.

____.040. Rent Increases.

This Ordinance shall not apply to the following:

- (1) It shall be illegal for a Landlord of residential properties to charge Rents in excess of the rates established herein, or to increase Rents more than once per year, as set forth herein.
- (2) The allowable increase percentage shall be determined on February 1 of each year commencing on March 1, and shall be calculated as follows: 60% of the change in the Consumer Price Index for the Los Angeles-Long Beach area of California ("CPI") for the prior year. The City shall publish the allowable increase percentage each year with a cap no higher than five percent every year.
- (3) A Landlord must provide sixty (60) day notice to the Tenant prior to any permissible Rent increase during the course of a Tenancy.
- (4) In addition to the Rental Units that are categorically exempt from this Ordinance as set forth above, the following are exempt from the Rent increase limitations of this Section: single-family homes, condominiums, and homes constructed on or after 1995 to the extent that regulation of Rents is prohibited by the Costa Hawkins Rental Housing Act.

- (5) Pursuant to state law, this Ordinance does not regulate the initial Rent at which a Rental Unit is offered, unless such regulation is permitted by the Costa Hawkins Rental Housing Act, in which case the Rent increase limits of this Section shall apply.

____.050. Pre-Eviction Protections.

No Landlord shall serve a notice to terminate Tenancy, file an unlawful detainer, or otherwise evict a Tenant unless the Landlord has good cause for eviction. Grounds for eviction must be set forth in the notice to terminate Tenancy. The following are the only permissible grounds for eviction:

- (1) Extension to Comply on Eviction Notices

Any issuance of a Notice to Comply to terminate a Tenancy pursuant to section 1161 of the California Code of Civil Procedure would require Landlords to provide Senior Tenants an additional seven days to perform. The notice shall explicitly state that the Senior Tenant must have ten days to comply with any notice issued based on Section 1161.

- (2) Pre-Eviction Mediation

No Landlord shall file an unlawful detainer against a Senior Tenant to terminate a Tenancy or otherwise evict unless the Landlord has first mediated with the Senior Tenant. The Landlord will have satisfied the requirements for pre-eviction mediation with the Senior Tenant if the Landlord complies with the following:

- a. The Landlord has agreed to third party mediation through a non-profit organization, association, government entity, educational institution, or any other third party entity that provides free mediation services for both Landlords and Tenants. If a Tenant fails to mediate with the Landlord, the Landlord will have complied with this subsection.
- b. Upon completion of the mediation and a good faith attempt by the Landlord and Tenant, the Landlord must submit a written verification to the City of Commerce stating that the mediation took place along with the result of the mediation. If the mediation failed to take place due to the Senior Tenant's participation the Landlord must submit a written

verification to the City of Commerce stating the attempts to mediate and signed under penalty of perjury.

- c. Upon Landlord's submission and review by officials from the City of Commerce, the Landlord shall continue with an eviction proceeding upon the City's approval of the Landlord's written verification.
- (3) Landlord's failure to comply with Section _____.050, Paragraph 1 or Paragraph 2, will allow the Senior Tenant to have complete affirmative defense and the Landlord will not be able to proceed with any eviction based on an unlawful detainer filing against a Senior Tenant.

____.060. Just Cause for Evictions.

No Landlord shall serve a notice to terminate Tenancy, file an unlawful detainer, or otherwise evict a Tenant unless the Landlord has good cause for eviction. Grounds for eviction must be set forth in the notice to terminate Tenancy. The following are the only permissible grounds for eviction:

- (1) Failure to pay the Rent to which the Landlord is lawfully entitled under the oral or written Rental Agreement between the Tenant and Landlord.
- (2) Substantial breach of a material term of the Rental Agreement, other than the obligation to surrender possession on proper notice as required by law, and failure to cure such violation after having received written notice thereof from the Landlord.
- (3) Nuisance, waste, or illegal conduct that substantially interferes with the health, safety, or quiet enjoyment of the Landlord or neighbors.
- (4) Owner or qualified family member (parent, spouse, child, grandparent, or grandchild), is a natural person who seeks to move into the premises as their primary residence. In the case of an Owner-Move-In (OMI) or Relative-Move-In (RMI) eviction, the owner must own greater than 50% of the property. A senior (age 60 years of age or older) or disabled (as defined in Government Code 12955, et seq.) Tenant who has lived in the Rental Unit for at least 5 years may only be evicted if no other comparable Rental Unit is available for the owner or relative. The OMI or RMI tenant must maintain residence in the unit for at least six consecutive months,

otherwise the eviction of the Senior Tenant shall be deemed wrongful. A Landlord shall not proceed in bad faith with an eviction to avoid using another available Rental Unit for occupancy.

- (5) Landlord is withdrawing the Rental Unit from rent or lease pursuant to state law and has complied fully with any and all requirements of state and local law for such withdrawal. In the case of eviction pursuant to Government Code section 7060, et seq. (Ellis Act), Tenants shall be entitled to a 120 day notice, or 1 year in the case of senior or disabled tenants under Govt. Code Section 7060.4, subdivision (b). The Rent Board shall adopt all permissible requirements and mitigation measures under the Ellis Act.
- (6) Landlord seeks in good faith and without ulterior motive to recover possession of the Rental Unit in order to comply with a government order which requires that the building be vacated for health and safety reasons.
- (7) The Landlord is seeking to recover possession temporarily of the Rental Unit in order to carry out necessary capital improvements or rehabilitation, displacement of the Tenant is necessary for the work to be done, and the Landlord has all the necessary permits before the issuance of a notice to temporarily displace the Tenant. The Landlord shall offer the Rental Unit back to the Tenant within 30 days of when the work is completed at the same Rent when the Tenant vacated, subject to any increases allowed under this Chapter.

Landlords shall file a copy of any notice terminating Tenancy, however denominated, with the City of Commerce within five (5) days of service of the notice upon any Tenants protected under this Ordinance.

____.070. Post-Eviction Protections.

If a Senior Tenant is legally evicted from a Rental Unit, the Senior Tenant shall be provided ten (10) more days than the allotted five (5) days after the issuance of the Sheriff's Notice to Vacate pursuant to section 1174 of the Code of Civil Procedure. Therefore, the Senior Tenant will be provided a total of fifteen (15) days to vacate the Rental Unit.

____.080. Landlord Noncompliance and Enforcement.

- (1) Defense to Eviction. Landlords must establish compliance with this Ordinance in any action to recover possession of a Rental Unit. Violation of this Ordinance shall be a complete defense to eviction and the Landlord shall not obtain possession of the Rental Unit nor terminate a Senior Tenant's Tenancy.
- (2) Retaliation. No Landlord may cause a Tenant to quit involuntarily or threaten to bring any action to recover possession, or decrease any services, or increase the Rent, or take any other action where the Landlord is motivated in any way by retaliation for the Tenant's exercise of any rights under the law. Such retaliation shall be a defense to any action to recover possession.
- (3) Private Right of Action. Whenever a Landlord endeavors to recover possession or recovers possession of a Rental Unit in violation of this Ordinance, charges a Tenant a Rent which exceeds the limitations set forth in this Ordinance, retaliates against a Tenant for the exercise of any rights under this Ordinance, or attempts to prevent a Tenant from acquiring any rights herein, the Tenant or City may institute a civil proceeding for injunctive relief, damages (including possible treble and punitive damages, depending on the circumstance), and whatever other relief the court deems appropriate. The prevailing party shall be entitled to reasonable attorney's fees and costs pursuant to order of the court.
- (4) Nonexclusive Remedy. The rights and remedies provided by this Ordinance are in addition to any rights available to the Tenant under contract, statutory, or case law, including the Fair Housing Act of 1968, as amended (42 U.S. Code, §§ 3601-3619 and 3631), which specifically prohibits housing discrimination on the basis of age, among other things.

____.090. No-Waiver of Rights.

Any attempted waiver by a Tenant of rights under this Ordinance shall be void as contrary to public policy.

____.100. Severability.

All clauses of this Chapter are declared to be severable. If any provision or clause of this Ordinance or the application thereof to any person or circumstance is held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other Chapter provisions.

Section 3. This Ordinance shall take effect thirty (30) days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this Ordinance and shall cause this Ordinance to be posted as required by law.

ORDINANCE NO. _____ HAD ITS FIRST READING ON _____, ITS SECOND READING ON _____, AND WAS DULY PASSED, APPROVED, AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF COMMERCE AT ITS REGULAR MEETING OF _____.

PASSED, APPROVED and ADOPTED this ____th day of July 2017.

Oralia Rebollo
Mayor

ATTEST:

Lena Shumway
City Clerk