

ORDINANCE NO. 696

**AN ORDINANCE OF THE CITY OF COMMERCE, CALIFORNIA, EXTENDING  
ORDINANCE NO. 689, WHICH ENACTED A MORATORIUM ON RENT  
INCREASES ABOVE THE ANNUAL CPI ADJUSTMENT AND TEMPORARY  
MEASURES PROTECTING RESIDENTS FROM EVICTIONS WITHOUT CAUSE,  
FOR ONE YEAR, OR UNTIL THE TIME A PERMANENT ORDINANCE  
ADDRESSING RENT CONTROL IN THE CITY OF COMMERCE GOES INTO  
EFFECT**

WHEREAS, Government Code section 36937 authorizes the adoption of an urgency ordinance for "the immediate preservation of the public peace, health or safety," as long as the ordinance contains a declaration of the facts constituting the urgency and it is passed by a four-fifths vote of the City Council. Government Code section 65858 also authorizes the City Council to approve an ordinance imposing a moratorium on certain land uses without following the procedures otherwise required for the adoption of a zoning ordinance where the ordinance is justified "to protect the public safety, health, and welfare, may adopt as an urgency measure an interim ordinance prohibiting any uses that may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the legislative body, planning commission or the planning department is considering or studying or intends to study within a reasonable time." (Gov. Code, § 65858, subd. (a)); and

WHEREAS on August 15, 2017, the City Council passed Ordinance No. 689 entitled "An Interim Urgency Ordinance of the City Council of the City of Commerce, California, Enacting the Following Measures for a Forty-Five Day Period: (1) A Moratorium on Rent Increases Above the Annual CPI Adjustment and (2) Temporary Measures Protecting Residents From Evictions Without Cause; and Directing the Interim City Administrator to Evaluate Potential Permanent Rent Stabilization Measures"; and

WHEREAS, Ordinance No. 689 is an interim urgency ordinance that would have expired forty-five days after August 15, 2017, on September 30, 2017, if not extended; and

WHEREAS, on September 19, 2017, the City Council issued a written report describing the measures taken to alleviate the conditions that led to the adoption of Ordinance No. 689. That report is incorporated herein as if set forth in full; and

WHEREAS, as explained in the September 19, 2017 report, the City has taken a number of actions to address the condition that led to Ordinance No. 689, including but not limited to the following: several internal meetings to discuss the most appropriate rent stabilization and housing protection measures; conducted research regarding measures enacted by numerous cities and counties in California in order to assess the effectiveness of steps taken in other jurisdictions; further assessed relevant statistics to determine the extent of the issues precipitating the Ordinance in order to inform the scope and intent of any forthcoming legislation; evaluated the General Plan to determine the extent to which the current housing policies are inconsistent therewith, and considered possible amendments to the General Plan; and drafted several versions of potential legislation addressing rent stabilization and housing protections, which have included varied terms and scopes of application. These intensive processes are ongoing; and

WHEREAS, on September 29, 2017, an Ordinance was adopted that extended the moratorium imposed via Ordinance No. 689 for a period of 120 days; and

WHEREAS, the City has determined that a permanent solution is necessary. It is not acceptable that a large portion of Commerce residents are unable to afford rental housing, or that they forego other necessities of life, such as food and clothing, in order to afford rent. In considering permanent measures, the City is considering the following options, among others:

- (1) Prohibiting landlords of non-exempt residential properties from charging rents in excess of the rates established by the forthcoming legislation, and prohibiting more than one increase in rent per year. The ultimate cap on the rate is still being studied;
- (2) Pre-eviction protections, such as extensions to comply with eviction notices, pre-eviction mediation, and compliance filings with the City;
- (3) "Just cause" for eviction, and clear definition as to what would constitute "just cause";
- (4) Post-eviction protections, including extended periods before a Sheriff's notice to vacate is issued;
- (5) Extra protections for seniors and low-income residents;
- (6) Penalties for non-compliance; and
- (7) Enforcement; and

WHEREAS, the facts giving rise to Ordinance No. 689 are still present at this time. Given City staff's current workload and the processes required to perform the above tasks, as well as the need to review and evaluate the various legal and legislative options available, the City staff is not ready at this time to submit a specific proposal to the Council. In order to have adequate time to fashion and propose appropriate regulations, and to ensure that the current and immediate threat to the public safety, health and welfare continues to be forestalled until adequate regulations are in place, the moratorium needs to be extended; and

WHEREAS, on March 6, 2018, the City Council issued a written report describing the measures taken to alleviate the conditions that led to the adoption of Ordinance No. 689; and

WHEREAS, Government Code section 36937 authorizes the adoption of an urgency ordinance for "the immediate preservation of the public peace, health or safety." Pursuant to Government Code section 65858 (a), a city may extend the interim ordinance for 10 months and 15 days and subsequently for one year if it provides public notice and a public hearing pursuant to Government Code § 65090. (Gov. Code § 65858(a).) On March 9, 2018, the City published notice that on March 20, 2018, it would "conduct a public hearing to consider another extension of Ordinance No. 689." The City published notice in The Los Cerritos Community News (a newspaper of general circulation) and posted the notice in three public places designated for posting in the Commerce Municipal Code; and

WHEREAS, the City Council's findings and declarations contained in Ordinance No. 689 remain and continue to apply under present circumstances; and

WHEREAS, based on the foregoing, the City may extend the current moratorium by a four-fifths vote to allow for the City to adopt proper policies pertaining to the issues addressed by the moratorium; and

WHEREAS, on March 20, 2018, prior to the expiration of the first extension of Ordinance No. 689, the City Council held a duly noticed public hearing regarding a

second extension of Ordinance No. 689 for a period of up to one year, or the effective date of the a permanent ordinance addressing rent control issues in the City of Commerce, whichever comes first; and

WHEREAS, the City Council heard and considered all evidence, both written and oral, that was duly presented during said hearing.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, DOES ORDAIN AS FOLLOWS:

Section 1. CEQA Considerations

The Ordinance is not subject to California Environmental Quality Act (California Code of Regulations, Title 14, Chapter 3, § 15000, *et seq.*; Public Resources Code section 21000, *et seq.*) (“CEQA”) because it “will not result in a direct or reasonably foreseeable indirect physical change in the environment” and is not a “project” under CEQA section 15378. (CEQA, § 15060, subd. (c)(2) and (3).) The Ordinance is also exempt from CEQA because “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” (CEQA, § 15061, subd. (b)(3).) Additionally, the Ordinance is a regulatory action taken by the City pursuant to its police power to assure maintenance, enhancement and protection of the environment by way of regulatory procedures, and is therefore exempt from CEQA. (CEQA, § 15308.)

Section 2. Incorporation of Recitals

The above recitals are true and correct and are incorporated herein as if set forth in full. The above recitals constitute findings for the passage of this Ordinance.

Section 3. Report of Alleviation Measures

In accordance with Government Code section 65858(d), at least 10 days before March 26, 2018, the City issued a written report describing the measures taken to alleviate the conditions which led to the adoption of Ordinance No. 689 and its first extension.

Section 4. Legislative Findings

The City Council of the City of Commerce finds that:

- a. The Council has been provided with information upon which the findings and actions set forth in this Ordinance is based, including staff reports, public testimony, and documentary evidence at the July 18, 2017, August 15, 2017, September 19, 2017, September 29, 2017, and March 6, 2018 City Council meetings.
- b. Allowing landlords to raise rents by 3% within a twelve month period allows them a fair and reasonable return on their investments.
- c. The City is adopting this Ordinance for the protection of the public health, safety, and welfare, against a current and immediate threat. The City needs to extend the moratorium imposed by Ordinance No. 689 to mitigate the harms of escalating rent increases while the City Council completes its deliberations over permanent reforms.

- d. If the temporary moratorium established by Ordinance No. 689 were not again extended and effective immediately, the public health, safety, and welfare would be threatened because landlords in the City may increase rents or evict tenants paying low rent in order to avoid the housing protection policies being considered by the City, thereby undermining the purpose and intent of purpose of any potential future regulation that the City may adopt as a result of the aforementioned studies, and substantially impair its effective implementation.
- e. The City Council is concerned that the current housing policies, as written, may not be compatible with the purpose and intent of the City's General Plan and Zoning Code, which seek to provide all residents with sound, safe, decent, and affordable housing, and to protect the health, safety, and welfare of all City residents. As such, the City Council wishes to consider proper regulations to address the circumstances giving rise to this Ordinance, including, but not limited to amendments to the General Plan and the Commerce Municipal Code.
- f. This Ordinance is consistent with the City's General Plan, as preventing excessive rent increases prevents displacing of certain residents and seeks to avoid decreases to the affordable housing stock in the City.
- g. The process of adopting permanent regulations and measures addressing the City's rent control issues is complex and will take more time. At the time the forthcoming permanent ordinance becomes effective, thereby addressing rent control issues in the City, this moratorium will become ineffective. Until that time, the current and immediate threats to health, safety, and welfare posed by increases in rents or eviction of tenants paying low rent in order to avoid the housing protection policies being considered by the City, will continue to exist. Such action during the public process of adopting permanent regulations might frustrate the ultimate regulations adopted. Thus, it is necessary to again extend the moratorium established by Ordinance No. 689 to provide more time for the City to adequately consider permanent amendments.

#### Section 5. Extension of Moratorium

Ordinance No. 689, imposing a moratorium on the raising of rents (with limited exceptions) and temporary measures protecting residents from evictions without cause, is hereby extended for a period of one year, or until a permanent ordinance goes into effect addressing the rent control issues in the City of Commerce, whichever occurs first.

#### Section 6. Violations

The penalties for land use violations that are prescribed in the Commerce Municipal Code shall apply to violations of the provisions of this Ordinance.

#### Section 7. Severability

If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence,

clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

Section 8. Certification and Posting

The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published or posted as required by law.

**PASSED, APPROVED AND ADOPTED this 20<sup>th</sup> day of March 2018.**

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Oralia Rebollo, Mayor

ATTEST:

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Lena Shumway, City Clerk