



CITY OF COMMERCE STAFF REPORT

TO: The Honorable City Council

Item No. _____

FROM: City Administrator

SUBJECT: WRITTEN REPORT DESCRIBING THE MEASURES TAKEN TO ALLEVIATE THE CONDITION WHICH LED TO THE ADOPTION OF ORDINANCE NO. 689 AND ITS INITIAL EXTENSION

MEETING DATE: March 6, 2018

Government Code Section 65858 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).)

Additionally, 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 (4/5) vote of the City Council.

On August 15, 2017 the Commerce City Council passed Ordinance No. 689 (“the Ordinance”) 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”. In addition to findings set forth in recitals, the Ordinance made the following legislative findings:

- 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 and August 15, 2017 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 needs a temporary emergency ordinance to mitigate the harms of escalating rent increases while the City Council completes its deliberations over permanent reforms.
- D. If this temporary moratorium were not imposed 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 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 Ordinance, 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 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.

Based on legislative findings and a recommendation of staff, all five City Councilmembers voted to pass the Ordinance.

Pursuant to Government Code Section 36937, the City may adopt another urgency ordinance designed 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 (4/5) vote of the City Council.

Pursuant to Government Code Section 65858 (a), the City may extend an 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 Section 65090. Only two extensions are permissible and the Council must approve each by four-fifths vote. Extensions of the Ordinance required the City Council to make legislative findings that there is a current and immediate threat to the public health, safety, or welfare which the Council seeks to avoid. (Gov. Code, §65858, subd. (c).)

Ten days prior to the expiration of the interim ordinance or any extension, "the legislative body shall issue a written report describing the measures taken to alleviate the condition

which led to the adoption of the ordinance". (Gov. Code, §65858, subd. (d).) On September 19, 2017 a written report was provided to the City Council describing the measures taken to alleviate the condition which led to the adoption of Ordinance No. 689. Then, on September 29, 2017, an Ordinance was adopted that extended the moratorium imposed via Ordinance No. 689 for a period of 120 days. Despite efforts to finalize a recommendation on this matter to City Council, another extension is needed to complete staff's work. This would serve as the second extension of Ordinance No. 689 and this staff report constitutes the written report required under Government Code Section 65858 (d).

MEASURES TAKEN TO ALLEVIATE THE CONDITION WHICH LED TO THE ADOPTION OF THE ORDINANCE NO. 689 AND THE FIRST EXTENSION THEREOF:

Since the City Council passed Ordinance 689 and its initial extension, staff has undertaken, and continues to undertake, a number of actions to address the condition which led to the Ordinance 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 other 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; evaluate the General Plan to determine the extent of which the current housing policies are inconsistent therewith, and considered possible amendments to the General plan; and drafted different versions of potential legislation addressing rent stabilization and housing protections, which have included varied terms and scope of application. These intensive processes remain ongoing.

In performing the aforementioned actions, staff 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, staff is considering the following options, among others:

1. Prohibiting landlords of non-exempt residential properties from charging rents in excess of 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 Sheriff's notice to vacate is issued;

5. Extra protections for seniors and low-income residents;
6. Penalties for non-compliance; and
7. Enforcement

The facts giving rise to the Ordinance are still present at this time. Staff will persist in its studies in order to continue to seek solutions to alleviate the conditions which led to the moratorium. Given staff's current workload and the process required to perform the above mentioned tasks, as well as the need to review and evaluate the various legal and legislative options available, staff is not ready at this time to submit a specific proposal to the City Council. In order to have adequate time to fashion and propose appropriate regulations, and to ensure that the current immediate threat to the public safety, health and welfare continues to be forestalled until adequate regulations are in place, staff will recommend another extension of the Ordinance for a period of twelve months.

ALTERNATIVES:

1. Approve Staff recommendation;
2. Deny Staff recommendation; or
3. Provide Staff with further direction.

FISCAL IMPACT:

There is no fiscal impact from this activity.

Prepared by: Matt Marquez, Deputy Director of Development Services
Recommended by: Maryam Babaki, Director of Public Works and Development Services
Approved as to form: Noel Tapia, City Attorney
Respectfully submitted: Edgar P. Cisneros, City Administrator

Attachments:

1. Ordinance No. 689
2. Extension of Ordinance No. 689