



CITY OF INGLEWOOD

OFFICE OF MAYOR JAMES T. BUTTS, JR.



DATE: November 5, 2019

TO: Mayor and Council Members

FROM: Office of the City Manager

SUBJECT: Ordinance No. 20-03 - Amending Chapter 8 of the Inglewood Municipal Code to Regulate Rent Increases and Just Cause Evictions for Certain Covered Residential Units

RECOMMENDATION:

It is recommended that the City Council adopt Ordinance No. 20-03 to amend the Inglewood Municipal Code to do the following:

1. Amend Chapter 8 (Business, Trades, and Professions) by adding Article 9 (Just Cause Eviction Protections), and Article 10 (Residential Rent Regulations);
2. Amend Chapter 2 (Administration), Article 3 (Boards and Commissions) to add a Rental Housing Board; and
3. Amend Chapter 9 (Taxes), Article 1 (General Provisions) to change the definition of "Transient."

BACKGROUND:

On March 5, 2019, the City Council adopted an Emergency Ordinance (Ordinance No. 19-07) to impose a 45-day moratorium limiting rent increases to 5% per year on certain residential properties. The City Council found that if a temporary moratorium on residential rental increases were not imposed at that time, the public health, safety and welfare of many citizens would be immediately threatened, because landlords would have an immediate incentive to increase rents to even higher levels before the City Council could implement tenant relocation assistance or other such regulations.

The City Council also directed the City Manager to provide a comprehensive report on rent rates as they pertained to Inglewood and the region. The purpose of the report was to provide the City Council with information and recommendations to assist with developing a Housing Protection Ordinance. The directive was to design a policy whose purpose is to maintain housing options for Inglewood residents in the face of a rental market that is rapidly bringing Inglewood to market rate rents, and yet be fair to both renters and owners alike.

On April 2, 2019, the City Manager provided a brief status update and requested a time extension to continue efforts to broaden the research of similar cities in Southern California to add protection and support for senior and disabled renters, and other tenants, as well as compile more comparison information on rental increase limits, and relocation assistance allowances.

On April 9, 2019, a written report was provided to the City Council, and notice was given that a public hearing would be held on April 16, 2019.

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On April 16, 2019, a public hearing was conducted to receive public comments regarding the adoption of Ordinance No. 19-07. After receiving public input, as well as comments from the City Council, Ordinance No. 19-09 was introduced and adopted extending the moratorium for an additional 60 days. The City Council also directed the City Attorney to draft a comprehensive ordinance on the matter.

On June 11, 2019, the Mayor presented an initiative to the City Council to consider introducing an Ordinance amending Chapter 8 of the Inglewood Municipal Code to add a new Article 9 (Housing Protection Initiative) for the regulation of rent increases and just cause evictions for certain covered residential rental units. After receiving public input on the matter, and City Council deliberation, Ordinance No. 19-11 was introduced, as amended. Staff requested clarity on the amendments of June 11, 2019, and as such, Ordinance No. 19-11 was not submitted for Council adoption on June 18, 2019.

At the Council Meeting of June 18, 2019, to ensure there was no time-lapse in tenant protection, the City Council adopted Ordinance No. 19-12 (the 2nd extension of Urgency Interim Ordinance No. 19-07), which extended the moratorium an additional 180 days.

Mayor Butts also submitted a new proposed ordinance at the meeting of June 18, 2019, which was introduced as amended; however, at the meeting on June 25, 2019, the ordinance was pulled from the agenda and never adopted.

DISCUSSION:

The Housing Protection Ordinance has been one of the City's major topics in 2019. The Mayor and Council Members have sought to derive at a fair medium in which property owners will be allowed to receive a fair return on their investment, while protecting the City's renters from unfair rental increases.

The Mayor directed staff to research various local rent ordinances and provide a proposal in line with the direction from the City Council. The Rental Housing Protection Ordinance proposes the following:

Rent Increases

Rent Increases will be limited to ONCE IN A 12-MONTH PERIOD. Rent increases will be capped at 3%, or CPI, whichever is greater. If rental amounts are determined to be 80% under annual HUD Fair Market Rent (FMR), increases of 5%, or CPI (whichever is greater) will be allowed upon approval, after October 1, 2020. On October 29, 2019, the City Council amended the ordinance by setting an end date to aforementioned rental increases. As such, the rental increase of 3% or CPI and 5% or CPI will end on December 31, 2024, and on January 1, 2025, the City's rental increases will be aligned with the State of California.

The City Council also amended the Ordinance to address the exemption for the residential real property located at 435 W. Regent Street and 621 E. 99th Street. The rent increase exemption for these properties will also end on December 31, 2024, and on January 1, 2025, the increases will be aligned with the State of California.

HUD annually releases its Fair Market Rents for October 1st. The chart below shows the Fair Market Rents (FMR) for Fiscal Year 2020 and what 80% of the FMR would be:

UNIT TYPE	FAIR MARKET RENT	80% OF FMR
0 BEDROOMS	\$ 1,279	\$ 1,023
1 BEDROOM	\$ 1,517	\$ 1,214
2 BEDROOMS	\$ 1,956	\$ 1,565
3 BEDROOMS	\$ 2,614	\$ 2,091
4 BEDROOMS	\$ 2,857	\$ 2,286

Capital Improvements

Owners can apply to the Rental Housing Board to recover up to 50% of the costs of a Capital Improvement project over \$10,000. The Board will determine the amortization schedule and it shall not exceed \$50 per unit, nor last longer than 5 years. The Capital Improvement amortization cannot be passed on to a new tenant, and the project must have life sustainability of at least 5 years as determined by the Building Safety Division. No amortization payments will be extended to the resident unless approved by the Board.

Exemptions

Single Family Homes, Condominiums, Duplexes, Triplexes, Four-plexes are exempt from the rent increase section of the ordinance, as long as the following does not apply:

1. A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.
2. A corporation.
3. A limited liability company in which at least one member is a corporation.

Just Cause Evictions

The proposed ordinance defines Just Cause as “At-Fault” Just Cause, and “No-Fault” Just Cause. Tenants evicted due to No-Fault Just Cause will be eligible for relocation assistance. Tenants evicted due to At-Fault Just Cause will not be eligible for relocation assistance.

At-Fault Just Cause Evictions include:

1. Non-Payment of Rent
2. Breach of a material term of the lease
3. Nuisance
4. Committing Waste
5. Refusal to Execute or Extend a New Lease Agreement
6. Criminal Activity
7. Refusal to Allow Owner to Enter Premises
8. Assigning or Subletting the Premises in violation of Lease
9. Using the Premises for an Unlawful Purpose

Reasons for No Fault Evictions include the following:

1. Intent of Owner or other enumerated family member to occupy the unit.
2. Withdrawal of the residential real property from the rental market (Ellis Act).
3. Termination of Tenancy due to Compliance with Government or Agency Order to Vacate Premises.
4. Intent to demolish or substantially remodel the residential real property.

Relocation Assistance

The proposed Ordinance provides for relocation assistance for “No-Fault” evicted tenants who have resided in a residential unit for at least 12 consecutive months.

Rental Unit Registration Fees

Beginning October 1, 2020, Owners stipulated by the proposed ordinance will be required to annually register the rents of each unit. The rental registration fees are as follows:

1. \$168 for each unit in a multi-family dwelling with 5 or more rental units on a parcel.
2. \$84 for each controlled residential property of two to four units o

Upon payment of all registration fees, owners of multi-family dwellings may pass 50% of the registration fee to the tenant at an amortized rate of \$7 per month. Owners of properties with 4 units or less may pass 100% of the registration fee to their tenant at \$7 per month.

Fee waivers may be approved for units owned, operated, managed, or e subsidized by a government unit, agency or authority; Single-Family owner occupied residences; Duplexes in which the owner occupies one of the units as a principal place of residence; and units with the principal tenant is a senior citizen (62 years or older), or disabled.

Fines will be assessed for any property owner who fails to register its rental unit. No rental increases will be allowed if the registration fees (and fines) are not paid in full.

Rental Housing Board:

The proposed ordinance provides for the selection of a Rental Housing Board comprised of five members as ratified by the City Council. All Board Members must be a landlord, tenant or citizen of the City. The Board will establish policies and procedures for administration and enforcement for Just Cause Eviction Protections, and Residential Rent Regulations.

On October 29, 2019, the City Council amended Section 2-153 (Rental Housing Board) by deleting the verbiage which states “*The Board Members shall select amongst themselves a Chairperson and Vice Chairperson.*”

Ordinance No. 20-03 was introduced as amended and does not conflict with the State of California’s Rent Control laws that will be in effect in January 2020.

FINANCIAL/FUNDING ISSUES AND SOURCES:

It is projected that a minimum of approximately \$2,000,000 will be generated by the Rental Unit Registration fees to off-set the cost of administering the Housing Protection Ordinance. The Finance Department will establish an account code to receive the fees when collected.

DESCRIPTION OF ATTACHMENTS:

Attachment No. 1 – Ordinance No. 20-03

PREPARED BY:

James T. Butts, Jr., Mayor
Yakema Decatur, Deputy to the City Manager

PRESENTED BY:

Yakema Decatur

CITY MANAGER APPROVAL:



Artie Fields, City Manager

1 **WHEREAS**, Civil Code section 1947.12 is not intended to expand or limit the
2 City's authority to establish local policies regulating rent consistent with the Costa-
3 Hawkins Rental Housing Act (Civil Code sections 1954.50-1954.535); and

4 **WHEREAS**, the City Council desires to adopt an ordinance with just cause
5 eviction provisions that are more protective than Civil Code section 1946.2 and regulate
6 rent increases for certain residential real properties that are consistent with Civil Code
7 sections 1954.50-1954.535; and

8 **WHEREAS**, this Ordinance, when effective, shall supersede and replace Interim
9 Ordinance No. 19-07;

10 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INGLEWOOD** does
11 ordain as follows:

12 **SECTION 1.** A new Article 9 entitled "JUST CAUSE EVICTION PROTECTIONS"
13 is hereby added to Chapter 8 of the Inglewood Municipal Code to read as follows:

14 **"Section 8-120. Findings and Definitions.**

15 (a) Findings. In accordance with Civil Code section 1946.2(g)(1)(B), the City
16 Council finds that the provisions of this Article regulating just cause for evictions are more
17 protective than Civil Code section 1946.2 for the following reasons:

18 (1) The just cause for termination of a residential tenancy under this Article is
19 consistent with Civil Code section 1946.2; and

20 (2) This Article further limits the reasons for termination of a residential
21 tenancy, provides for higher relocation assistance amounts, or provides additional tenant
22 protections that are not prohibited by any other provision of law.

23 Accordingly, the provisions of this Article regulating just cause for evictions shall
24 be enforced in lieu of Civil Code section 1946.2.

25 (b) Definitions. For the purposes of this Article, the following definitions shall
26 apply:

27 (1) "Owner" and "residential real property" have the same meaning as those
28 terms are defined in Civil Code section 1954.51.

1 (2) "Tenancy" means the lawful occupation of residential real property and
2 includes a lease or sublease.

3 (3) "Just cause" includes at-fault just cause and no-fault just cause.

4 (4) "At-fault just cause" includes any of the following reasons:

5 (A) Default in the payment of rent.

6 (B) A breach of a material term of the lease, as described in Code of Civil
7 Procedure section 1161(3), including, but not limited to, violation of a provision of the
8 lease after being issued a written notice to correct the violation.

9 (C) Maintaining, committing, or permitting the maintenance or commission of
10 a nuisance described in Code of Civil Procedure section 1161(4).

11 (D) Committing waste as described in Code of Civil Procedure section 1161(4).

12 (E) The tenant had a written lease that terminated on or after January 1, 2020,
13 and after a written request or demand from the owner, the tenant has refused to execute
14 a written extension or renewal of the lease for an additional term of similar duration with
15 similar provisions, provided that those terms do not violate this Article or any other
16 provision of law.

17 (F) Criminal activity by the tenant on the residential real property, including any
18 common areas, or any criminal activity or criminal threat, as defined in Penal Code
19 section 422(a), on or off the residential real property that is directed at any owner or
20 agent of the owner of the residential real property.

21 (G) Assigning or subletting the premises in violation of the tenant's lease, as
22 described in Code of Civil Procedure section 1161(4).

23 (H) The tenant's refusal to allow the owner to enter the residential real property
24 as authorized by Civil Code sections 1101.5 and 1954, and Health and Safety Code
25 sections 13113.7 and 17926.1.

26 (I) Using the premises for an unlawful purpose as described in Code of Civil
27 Procedure section 1161(4).

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1 (J) The employee, agent, or licensee's failure to vacate after their termination
2 as an employee, agent, or license as described in Code of Civil Procedure section
3 1161(1).

4 (K) When the tenant fails to deliver possession of the residential real property
5 after providing the owner written notice as provided in Civil Code section 1946 of the
6 tenant's intention to terminate the hiring of real property, or makes a written offer to
7 surrender that is accepted in writing by the landlord, but fails to deliver possession at the
8 time specified in that written notice as described in Code of Civil Procedure section
9 1161(5).

10 (5) "No-fault just cause" includes any of the following reasons:

11 (A) Intent to occupy the residential real property by the owner or their spouse,
12 domestic partner, children, grandchildren, parents, or grandparents. For leases entered
13 into on or after July 1, 2020, this paragraph shall apply only if the tenant agrees, in writing,
14 to the termination, or if a provision of the lease allows the owner to terminate the lease
15 if the owner, or their spouse, domestic partner, children, grandchildren, parents, or
16 grandparents, unilaterally decides to occupy the residential real property. Addition of a
17 provision allowing the owner to terminate the lease as described in this paragraph to a
18 new or renewed rental agreement or fixed-term lease constitutes a similar provision for
19 the purposes of paragraph (b)(4)(E), above.

20 (i) Notwithstanding the above paragraph (A), eviction for owner or
21 enumerated relative occupancy may not be invoked if the owner or enumerated relative
22 already occupies a dwelling unit on the residential real property, or if a vacancy exists
23 on such property, and the vacant unit is comparable to the unit for which eviction is
24 sought. Any notice to terminate a tenancy pursuant to this provision shall contain the
25 name, address, and relationship to the owner. The owner or enumerated relative must
26 intend in good faith to move into the residential unit within sixty (60) days after the tenant
27 vacates the residential unit, and occupy the unit for at least 24 consecutive months. The
28 Rental Housing Board may adopt regulations governing the determination of good faith.

1 If the owner or enumerated relative fails to occupy the dwelling unit within sixty
2 (60) days after the tenant vacates, the owner shall offer the dwelling unit to the
3 tenant who vacated it at the same rent in effect when the tenant vacated and pay
4 said tenant all reasonable expenses incurred in moving to and/or from the unit.

5 If the owner or enumerated relative has not moved into the unit within the allotted
6 time and the previous tenant declines the offer to move back into the unit, any new tenant
7 moving into the vacant unit will have their base rent set at the price the previous tenant
8 paid prior to vacating the premises.

9 (ii) An owner may not evict a tenant pursuant to this provision if the tenant has
10 either: (1) resided in the unit for at least five years and is at least 62 years of age (senior)
11 or disabled; or (2) is certified as being terminally ill by the tenant's treating physician. For
12 the purposes of this paragraph "disabled" means a person who is receiving benefits from
13 a federal, state, or local government, or from a private entity, on account of a permanent
14 disability that prevents the person from engaging in regular, full-time employment.
15 Notwithstanding the above, a landlord may evict a tenant who qualifies for the exemption
16 if the owner or enumerated relative who will occupy the unit also meets the criteria of this
17 paragraph.

18 (iii) An owner may evict a tenant from a dwelling unit located on residential real
19 property for the use and occupancy of the owner or enumerated relative for only one
20 dwelling unit located on a given property. A tenant evicted from a dwelling unit for owner
21 or relative occupancy who subsequently reoccupies the dwelling unit or relocates to a
22 comparable unit may not again be evicted from a dwelling unit under this provision (A)
23 by the same owner for a period of four years commencing from the date of the first notice
24 to vacate.

25 (B) Withdrawal of the residential real property from the rental market.

26 (C) The owner complying with any of the following: (i) an order issued by a
27 government agency or court relating to habitability that necessitates vacating the
28 residential real property; (ii) an order issued by a government agency or court to vacate

1 the residential real property; or (iii) a local ordinance that necessitates vacating the
2 residential real property.

3 If it is determined by any government agency, the Rental Housing Board, or court
4 that the tenant is at fault for the condition or conditions triggering the order or need to
5 vacate under this paragraph, the tenant shall not be entitled to relocation assistance as
6 outlined in this Article.

7 (D) Intent to demolish or substantially remodel the residential real property.
8 "Substantially remodel" means the replacement or substantial modification of any
9 structural, electrical, plumbing, or mechanical system that requires a permit from a
10 governmental agency, or the abatement of hazardous materials, including lead-based
11 paint, mold, or asbestos, in accordance with applicable federal, state, and local laws that
12 cannot be reasonably accomplished in a safe manner with the tenant in place and that
13 requires the tenant to vacate the residential real property for at least 30 days. Cosmetic
14 improvements alone, including, painting, decorating, and minor repairs, or other work
15 that can be performed safely without having the residential real property vacated, do not
16 qualify as a substantial remodel. The owner shall have obtained all necessary permits
17 from all applicable government agencies before serving the notice to terminate tenancy
18 pursuant to this paragraph.

19 (6) "Rental Housing Board" means the Rental Housing Board established by
20 Inglewood Municipal Code section 2-153 et seq.

21 **Section 8-121. Just Cause Evictions.**

22 (a) An owner of residential real property shall not terminate a tenancy without
23 just cause if at least one existing tenant has continuously and lawfully occupied the
24 residential real property for 12 months or more. The just cause reason(s) shall be stated
25 in the written notice to terminate tenancy.

26 (b) Exempt Residential Real Property. This Article shall not apply to the
27 following types of residential real properties or residential circumstances:

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1 (1) Transient and tourist hotel occupancy as defined in Civil Code section
2 1940(b) or the Inglewood Municipal Code.

3 (2) Housing accommodations in a nonprofit hospital, religious facility,
4 extended care facility, licensed residential care facility for the elderly, as defined in Health
5 and Safety Code section 1569.2, or an adult residential facility, as defined in Chapter 6
6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State
7 Department of Social Services.

8 (3) Dormitories owned and operated by an institution of higher education or a
9 kindergarten and grades 1 to 12, inclusive, school.

10 (4) Housing accommodations in which the tenant shares bathroom or kitchen
11 facilities with the owner who maintains their principal residence at the residential real
12 property.

13 (5) Single-family owner-occupied residences, including a residence in which
14 the owner-occupant rents or leases no more than two units or bedrooms, including, but
15 not limited to, an accessory dwelling unit or a junior accessor dwelling unit.

16 (6) A duplex in which the owner occupied one of the units as the owner's
17 principal place of residence at the beginning of the tenancy, so long as the owner
18 continues in occupancy.

19 (7) Housing that has been issued a certificate of occupancy within the previous
20 15 years.

21 (8) Residential real property that is alienable separate from the title to any
22 other dwelling unit, provided that both of the following apply:

23 (A) The owner is not any of the following: (i) a real estate investment trust, as
24 defined in Section 856 of the Internal Revenue Code; (ii) a corporation; or (iii) a limited
25 liability company in which at least one member is a corporation; and

26 (B) The tenants have been provided written notice that the residential property
27 is exempt from this Article using the following statement:

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1 "This property is not subject to the rent limits imposed by Section 1947.12 of the
2 Civil Code and is not subject to the just cause requirements of Section 1946.2 of the Civil
3 Code. This property meets the requirements of Sections 1947.12(d)(5) and 1946.2(e)(8)
4 of the Civil Code and the owner is not any of the following: (1) a real estate investment
5 trust, as defined by Section 856 of the Internal Revenue Code; (2) a corporation; or (3)
6 a limited liability company in which at least one member is a corporation."

7 For a tenancy existing before July 1, 2020, the notice required in the above
8 paragraph may, but is not required to be provided in the rental agreement. For any
9 tenancy commenced or renewed on or after July 1, 2020, the notice required in the above
10 paragraph must be provided in the rental agreement. Addition of a provision containing
11 the aforementioned notice to any new or renewed rental agreement or fixed-term lease
12 constitutes a similar provision for the purposes of Municipal Code section 8-120(b)(4)(E).

13 (9) Housing restricted by deed, regulatory restriction contained in an
14 agreement with a government agency, or other recorded document as affordable
15 housing for persons and families of very low, low, or moderate income, as defined in
16 Health and Safety Code section 50093, or subject to an agreement that provides housing
17 subsidies for affordable housing for persons and families of very low, low, or moderate
18 income, as defined in Health and Safety Code section 50093 or comparable federal
19 statutes.

20 **Section 8-122. Notices.**

21 (a) Notice to Cure. Before an owner of residential real property issues a notice
22 to terminate a tenancy for just cause that is a curable violation, the owner shall first give
23 notice of the violation to the tenant with an opportunity to cure the violation pursuant to
24 Code of Civil Procedure section 1161(3). If the violation is not cured within the time
25 period set forth in the notice, a three-day notice to quit without an opportunity to cure
26 may thereafter be served to terminate the tenancy.

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1 (b) Notification or Addendum to Lease. An owner of residential real property
2 subject to this Article shall provide notice to the tenant as follows:

3 (1) For any tenancy commenced or renewed on or after July 1, 2020, as an
4 addendum to the lease or rental agreement, or as a written notice signed by the tenant,
5 with a copy provided to the tenant.

6 (2) For a tenancy existing prior to July 1, 2020, by written notice to the tenant
7 no later than August 1, 2020, or as an addendum to the lease or rental agreement.

8 (3) The notification or lease provision shall be in no less than 12-point type, be
9 subject to Civil Code section 1632, and include the following:

10 "California and local laws limit the amount your rent can be increased. See
11 California Civil Code section 1947.12 and Chapter 8, Article 10 of the Inglewood
12 Municipal Code for more information. The Inglewood Municipal Code also provides that
13 after an existing tenant has continuously and lawfully occupied certain residential real
14 property for 12 months or more, a landlord must provide a statement of just cause in any
15 notice to terminate a tenancy. See Chapter 8, Article 9 of the Inglewood Municipal Code
16 for more information."

17 (c) An owner shall file with the Rental Housing Board a copy of any notice
18 terminating a tenancy, including a written notice to cure, within three (3) days after
19 serving the notice on the tenant.

20 **Section 8-123. Relocation Assistance No Fault Just Cause.**

21 (a) If an owner of residential real property issues a termination notice based
22 on any no-fault just cause ground defined in this Article, the owner shall provide
23 relocation assistance as follows:

24 (1) Base Relocation Fee. The owner shall provide a Base Relocation Fee
25 equal to three times the monthly rent in effect when the owner issued the notice to
26 terminate the tenancy. If one or more minor(s) reside in a Covered Rental Unit, the Base
27 Relocation Fee shall be increased by \$2,000. If more than one adult Tenant resides in

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1 a residential real property it is their responsibility to determine how this Base Relocation
2 Fee, including any monies for a minor, is to be distributed amongst themselves.

3 (2) Additional Relocation Fee. In addition to the Base Relocation Fee, the
4 owner shall pay existing tenants an Additional Relocation Fee if any one tenant's status
5 makes them eligible for such fee as follows:

<u>Status</u>	<u>Additional Relocation Fee</u>
Adult residing between 2 to 4 years	\$2,000
Adult residing between 5 to 10 years	\$3,000
Adult residing 11 or more years	\$5,000
Disabled Adult or Senior	\$7,500

11 (b) For the purposes of this section the following definitions apply:

12 (1) A disabled person is any person who is receiving benefits from a Federal,
13 State, or local government, or from a private entity due to a permanent disability that
14 prevents the person from engaging in regular, full-time employment.

15 (2) A minor is a person younger than 18 years of age.

16 (3) A senior is a person at least 62 years of age or older.

17 (c) The existing tenants shall provide proof of their eligibility for the Additional
18 Relocation Fee to the Landlord. The existing tenants shall only be entitled to share in
19 one Additional Relocation Fee for the highest amount any tenant qualifies for. Either
20 party may file an application with the Rental Housing Board to resolve any dispute over
21 the appropriate amount of the Base Relocation Fee and/or the Additional Relocation fee.

22 (d) Payment of Relocation Fees.

23 Any relocation fee shall be provided within 15 calendar days of service of the
24 notice to terminate the tenancy or within 15 days of the Rental Housing Board's decision
25 resolve any dispute over the relocation fee amount, whichever occurs later. If a tenant
26 fails to vacate after the expiration of the notice to terminate the tenancy, the actual
27 amount of any relocation fee provided pursuant to this Article shall be recoverable as
28 damages in an action to recover possession.

1 (e) Strict Compliance Required. An owner's failure to strictly comply with this
2 section shall render the notice of termination void.

3 **Section 8-124. Remedies.**

4 A violation of this Article may be enforced in accordance with Chapter 8, Article
5 10 of the Municipal Code."

6 **SECTION 2.** A new Article 10 "RESIDENTIAL RENT REGULATIONS" is hereby
7 added to Chapter 8 of the Inglewood Municipal Code to read as follows:

8 **"Section 8-125. Definitions.**

9 Unless otherwise defined elsewhere in this Article or State law, the following
10 words or phrases as used in this Article shall have the following meanings:

11 (a) "Capital Improvement" means the addition or replacement of the following
12 improvements to a Covered Rental Unit or common areas of the residential real property
13 containing the Unit, provided such new improvement has a useful life of five (5) years or
14 more, such as: roofing, carpeting, draperies, stuccoing the outside of a building, air
15 conditioning, security gates, swimming pool, sauna or hot tub, fencing, garbage disposal,
16 washing machine or clothes dryer, dishwasher, children's play equipment permanently
17 installed on the premises, the complete exterior painting of a building, and other similar
18 improvements as determined by the Rental Housing Board. Capital Improvement does
19 not include normal or routine maintenance or repair.

20 (b) "Covered Rental Unit" means residential real property available for rent in
21 the City together with the land and appurtenant buildings thereto and all housing
22 services, privileges and facilities provided in connection with the use or occupancy
23 thereof. The following residential real property or residential circumstances are not
24 considered Covered Rental Units and, therefore, exempt from the rent control
25 regulations in this Article:

26 (1) Transient and tourist hotel occupancy as defined in Civil Code section
27 1940(b) or the Inglewood Municipal Code.

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1 (2) Housing accommodations in a nonprofit hospital, religious facility,
2 extended care facility, licensed residential care facility for the elderly, as defined in Health
3 and Safety Code section 1569.2, or an adult residential facility, as defined in Chapter 6
4 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State
5 Department of Social Services.

6 (3) Dormitories owned and operated by an institution of higher education or a
7 kindergarten and grades 1 to 12, inclusive, school.

8 (4) Housing restricted by deed, regulatory restriction contained in an
9 agreement with a government agency, or other recorded document as affordable
10 housing for persons and families of very low, low, or moderate income, as defined in
11 Health and Safety Code section 50093, or subject to an agreement that provides housing
12 subsidies for affordable housing for persons and families of very low, low, or moderate
13 income, as defined in Health and Safety Code section 50093 or comparable federal
14 statutes.

15 (5) Units exempt pursuant to the Costa-Hawkins Rental Housing Act (Civil
16 Code sections 1954.50-1954.535).

17 (6) Residential real property containing four (4) dwelling units or less located
18 on a parcel of land.

19 (7) Residential real property located at 435 W. Regent Street and 621 E. 99th
20 Street whose owners voluntarily provided relocation fee assistance or alternative
21 residential rental housing. This exemption shall remain in effect only until December 31,
22 2024, and at the end of that date is repealed.

23 (c) "Housing Services" means all services provided by the Landlord related to
24 the use or occupancy of the Covered Rental Unit, including, but not limited to, insurance,
25 repairs, replacement, utilities (unless separately billed to the Tenant by the utility
26 company), window shades and screens, maintenance, painting, heat, hot and cold water,
27 elevator service, laundry facilities, janitorial service, refuse removal, furnishings, parking,
28 storage, and any other benefit, privilege or facility that has been provided by the Landlord

1 to the Tenant with use or occupancy of the Covered Rental Unit. Services to a Covered
2 Rental Unit shall include a proportionate part of services provided to common facilities
3 of the building in which the Covered Rental Unit is contained.

4 (d) "Landlord" means any person, partnership, corporation, family trust, and
5 any other business entity or successor thereof, offering for rent or lease any Covered
6 Rental Unit, and the employee, agent or representative of any such person, partnership,
7 corporation, family trust or other business. A Landlord does not include an individual
8 whose primary residence is the same Covered Rental Unit as the Tenant.

9 (e) "Rent" means all periodic payments and all nonmonetary consideration,
10 including, but not limited to, fair market value of goods, labor performed or services
11 rendered to or for the benefit of the Landlord under a Rental Housing Agreement
12 concerning the use or occupancy of a Covered Rental Unit and premises and attendant
13 Housing Services, including all payment and consideration demanded or paid for
14 parking, utility charges (unless separately billed to the Tenant by the utility company),
15 pets, furniture, and/or subletting.

16 (f) "Rental Housing Agreement" means an agreement, oral, written, or
17 implied, between a Landlord and Tenant for the use or occupancy of a Covered Rental
18 Unit and for Housing Services.

19 (g) "Rental Housing Board" means the Rental Housing Board established by
20 Inglewood Municipal Code section 2-153 et seq.

21 (h) "Residential real property" includes any dwelling or unit that is intended for
22 human habitation.

23 (i) "Tenant" means a person entitled, by written or oral agreement, or by
24 sufferance, to the use or occupancy of a Covered Rental Unit.

25 **Section 8-126. Rental Unit Registration.**

26 (a) Commencing on October 1, 2020, any person engaged in the residential
27 rental business (IMC 8-1.42) shall register any dwelling unit that is offered or rented for
28

1 a term exceeding 30 days with the City. The registration fee for each dwelling unit that
2 is offered for rent or rented for over 30 days is as follows:

3 (1) For any residential real property containing more than 4 dwelling units the
4 registration fee is \$168 per dwelling unit. After payment of the \$168 fee, the owner or
5 landlord may pass along 50% of the fee to their tenants at the rate of \$7/month per
6 dwelling unit. This fee shall not be included in the Rent when calculating any Rent
7 increase under this Article.

8 (2) For any residential real property containing 4 or fewer dwelling units the
9 registration fee is \$84 per dwelling unit. After payment of the \$84 fee, the owner or
10 landlord may pass along 100% of the costs to existing tenants at the rate of \$7/month
11 per dwelling unit. This fee shall not be included in the Rent when calculating any Rent
12 increase under this Article.

13 These fees are intended to recover the City's reasonable costs associated with
14 enforcing its Just Cause Eviction Protections and Residential Rent Control Regulations
15 as set forth in Chapter 8, Articles 9 and 10 of the Municipal Code.

16 (b) Exempt Residential Real Properties.

17 The following residential real properties are exempt from this registration fee:

18 (1) Transient and tourist hotel occupancy as defined in Civil Code section
19 1940(b) or the Inglewood Municipal Code.

20 (2) Housing accommodations in a nonprofit hospital, religious facility,
21 extended care facility, licensed residential care facility for the elderly, as defined in Health
22 and Safety Code section 1569.2, or an adult residential facility, as defined in Chapter 6
23 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State
24 Department of Social Services.

25 (3) Dormitories owned and operated by an institution of higher education or a
26 kindergarten and grades 1 to 12, inclusive, school.

27 (c) The following residential real properties may be eligible for a fee waiver:

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1 (1) Housing accommodations in which the tenant shares bathroom or kitchen
2 facilities with the owner who maintains their principal residence at the residential real
3 property.

4 (2) Single-family owner-occupied residences, including a residence in which
5 the owner-occupant rents or leases no more than two units or bedrooms, including, but
6 not limited to, an accessory dwelling unit or a junior accessor dwelling unit.

7 (3) A duplex in which the owner occupied one of the units as the owner's
8 principal place of residence at the beginning of the tenancy, so long as the owner
9 continues in occupancy.

10 (d) The Rental Housing Board shall establish policies and procedures
11 governing the granting or denial of a fee waiver by City staff. Any appeal of a fee waiver
12 decision shall be reviewed by the Rental Housing Board.

13 **Section 8-127. Rent Increases for Covered Rental Units.**

14 (a) A Landlord shall not over the course of any 12-month period increase the
15 Rent for a Covered Rental Unit by more than three percent (3%) or the percentage
16 change in the cost of living, whichever is greater, of the lowest Rent charged for that
17 Covered Rental Unit at any time during the 12 months prior to the effective date of the
18 Rent increase. The Rent increase limitations in this paragraph do not invalidate any
19 Rent increase that took effect prior to the effective date of this Article that complied with
20 Interim Ordinance No 19-07.

21 The percentage change in cost of living shall be measured based on the
22 Consumer Price Index average for the area (Los Angeles-Riverside-Orange County) for
23 the twelve month period ending September 30 of each year.

24 (b) A Landlord shall not increase the Rent more than one time per 12-month
25 period, this includes any Rent increase that occurred in the 12-months preceding the
26 effective date of this Article. The 12-month period shall be calculated from the date the
27 Rent increase takes effect.

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1 (c) This Article does not supersede a Landlord's right to set the initial Rent for
2 new tenancies under State law.

3 (d) This Section shall remain in effect only until December 31, 2024, and at
4 the end of that date is repealed.

5 **Section 8-128. Below Market Rent Increases.**

6 (a) Commencing on October 1, 2020, if a Landlord charges an existing Tenant
7 Rent for a Covered Rental Unit that is less than 80% of Fair Market Rents for a
8 comparable unit, the Landlord may file an application with the Rental Housing Board for
9 permission to increase the Rent by five percent (5%) or the percentage change in cost
10 of living, whichever is greater. The Rental Housing Board shall only approve 12-month
11 Rent increases under this section until the Rent reaches or exceeds 81% of Fair Market
12 Rents.

13 The percentage change in cost of living shall be measured based on the
14 Consumer Price Index average for the area (Los Angeles-Riverside-Orange County) for
15 the twelve month period ending September 30 of each year.

16 (b) Fair Market Rent Determination. The U.S. Department of Housing and
17 Urban Development's Office of Policy Development and Research's (HUD PD&R) then
18 most recently published Fair Market Rents for Los Angeles County shall be used for
19 determining Fair Market Rents. In the event HUD PD&R ceases publishing such Fair
20 Market Rents, the Rental Housing Board, by resolution, may identify an alternative
21 source of Fair Market Rents.

22 (c) The Rental Housing Board shall establish policies and procedures prior to
23 October 1, 2020, and make such policies and procedures available to the public upon
24 request. If the Rental Housing Board determines that the registration of Rents is
25 necessary in order for the Board to adjudicate applications for Rent increases, the Board
26 shall present regulations that meet the requirements of Civil Code sections 1947.7 and
27 1947.8 to the City Council for adoption.

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1 (d) Any Rent increase authorized under this section shall not exceed the limits
2 imposed by Civil Code section 1947.12.

3 (e) This Section shall remain in effect only until December 31, 2024, and at
4 the end of that date is repealed.

5 **Section 8-129. Capital Improvement Rent Increases.**

6 (a) Notwithstanding Inglewood Municipal Code section 8-127, and
7 commencing on October 1, 2020, a Landlord may, subject to approval by the Rental
8 Housing Board, increase an existing Tenant's Rent for a Covered Rental Unit to recover
9 the Landlord's costs for a Capital Improvement if all of the following conditions are met:

10 (1) The Landlord makes a Capital Improvement to a Covered Rental Unit, or
11 the real property where the unit is located on, which costs over \$10,000.

12 (2) The Landlord files an application with the Rental Housing Board to recover
13 up to 50% of Landlord's Capital Improvement costs which is approved, in accordance
14 with the policies and procedures adopted by the Board.

15 (b) If the Rental Housing Board approves a Landlord's application, the Rental
16 Housing Board shall decide the terms of the monthly Rent increase. Any such Rent
17 increase authorized under this section shall not: (1) exceed \$50 per month per Covered
18 Rental Unit; (2) be for more than 60 months; (3) allow the Landlord to recover more than
19 50% of Landlord's Capital Improvement costs; and (4) apply to Covered Rental Units or
20 new Tenants whose initial Rent was established after the Landlord filed the application
21 for a Rent increase under this section.

22 (c) The Landlord shall provide Tenants with written notice of the terms of the
23 Rent increase authorized by the Rental Housing Board.

24 **Section 8-130. Security Deposit.**

25 Unless otherwise prohibited by State law or the terms of a written lease
26 agreement, a Landlord may increase a Tenant's security deposit for a Covered Rental
27 Unit at the same time the Landlord seeks to increase the Rent. Any increase in the
28 security deposit shall be clearly stated in the written notice of rent increase and not

1 exceed \$30 per month until the security deposit equals the maximum amount authorized
2 by State law.

3 **Section 8-131. Actions to Recover Possession Compliance with Article.**

4 In any action brought by an owner to recover possession of residential real
5 property, the owner shall allege and prove by a preponderance of evidence compliance
6 with Chapter 8, Articles 9 and 10 of the Municipal Code. An owner's failure to comply
7 with any requirement of either Article is a complete affirmative defense in an unlawful
8 detainer or any other action brought by an owner to recover possession of the residential
9 real property.

10 **Section 8-132. Civil Remedies.**

11 A Tenant may bring a civil suit in the courts of this State alleging that his/her
12 Landlord has violated any of the provisions of Chapter 8, Articles 9 or 10 of the Municipal
13 Code or any regulation promulgated thereunder. A Landlord found to have violated
14 either Article, in a civil suit, shall be liable to the Tenant for all actual and punitive
15 damages, and the prevailing Tenant shall be entitled to reasonable attorney's fees and
16 costs as determined by the court. Additionally, upon a showing that the Landlord has
17 acted willfully or with oppression, fraud, or malice, the Tenant shall be awarded treble
18 damages. No administrative remedy need be exhausted prior to filing a civil suit pursuant
19 to this section.

20 **Section 8-133. Retaliation Prohibited.**

21 No Landlord may threaten to bring, or bring, an action to recover possession of
22 residential real property, cause the Tenant to quit residential real property involuntarily,
23 serve any notice to quit or notice of termination of tenancy, decrease any Housing
24 Services or increase the Rent where the Landlord's intent is to retaliate against the
25 Tenant for Tenant's assertion or exercise of rights under Chapter 8, Articles 9 or 10 of
26 the Municipal Code, or under state or federal law; for the Tenant's request or demand
27 for, or participation in mediation or arbitration under any public or private mediation
28 program; or for the Tenant's participation in litigation. Such retaliation shall be a defense

1 to an action to recover possession of residential real property, or it may serve as the
2 basis for a civil action by the Tenant for actual and punitive damages and/or injunctive
3 relief.

4 **Section 8-134. Enforcement Procedures.**

5 The City, at its sole discretion, may choose to enforce the provisions of Chapter
6 8, Articles 9 and 10 through its administrative citations procedure set forth in Chapter 11,
7 Article 11.4 of the Municipal Code, and/or pursue any other civil or criminal enforcement
8 action. The City's decision to pursue or not pursue enforcement of any kind shall not
9 affect a Tenant's right to pursue civil remedies under this Article or any other
10 applicable law."

11 **SECTION 3.** Chapter 2, Article 3 of the Inglewood Municipal Code is hereby
12 amended to add the following sections to read as follows:

13 **"Section 2-153. Rental Housing Board.**

14 There is hereby created and established a Rental Housing Board to perform the
15 functions designated in this Article.

16 **A. Membership of Board**

17 The Rental Housing Board shall consist of five members who shall be designated
18 respectively as Board Member Nos. 1, 2, 3, 4 and 5.

19 (1) Board Member No. 1 shall be appointed by the Mayor with the approval of
20 the City Council from nominees submitted by the Councilmember from District No. 1.

21 (2) Board Member No. 2 shall be appointed by the Mayor with the approval of
22 the City Council from nominees submitted by the Councilmember from District No. 2.

23 (3) Board Member No. 3 shall be appointed by the Mayor with the approval of
24 the City Council from nominees submitted by the Councilmember from District No. 3.

25 (4) Board Member No. 4 shall be appointed by the Mayor with the approval of
26 the City Council from nominees submitted by the Councilmember from District No. 4.

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1 (5) Board Member No. 5 shall be appointed by the Mayor with the approval of
2 the City Council from nominees submitted by the Mayor and serve as the Chairperson
3 of the Board unless otherwise unavailable.

4 All Board Members shall be a Landlord, Tenant or citizen of the City. The Board
5 Members shall consist of at least two Landlords and two Tenants. Three members of
6 the Rental Housing Board shall constitute a quorum for the transaction of business.

7 **Section 2-153.1. Term and Compensation.**

8 A. Term

9 Unless otherwise removed by the City Council for any reason, all Board Members
10 shall serve terms which coincide with the term of the elected official who nominated the
11 Board Member. Provided, however, that each member shall continue to serve until a
12 successor has been appointed and qualified. Vacancies shall be filled in the manner
13 provided in Section 2-153 and shall be for the remainder of the then current term.

14 B. Compensation

15 Board Members shall receive no compensation for their services, but shall be
16 entitled to their reasonable and necessary expenses incurred in the performance of their
17 duties as Board Members, not to exceed the amount budgeted therefor.

18 **Section 2-153.2. Powers and Duties.**

19 The Rental Housing Board shall have the following duties and powers:

20 1. To hold regular meetings at least once each calendar month, or as needed,
21 to review applications submitted by owners/landlords or tenants under Chapter 8, Article
22 9 (Just Cause Eviction Protections) or Article 10 (Rent Control Regulations) of the
23 Municipal Code. Such meetings shall be fixed by resolution of the Board, and any
24 application fee shall be established by City Council resolution in the City's Master Fee
25 Schedule.

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1 2. To establish policies and procedures for administration and enforcement
2 of Just Cause Eviction Protections and Residential Rent Regulations, subject to
3 limitations imposed by State law, including, but not limited to, Civil Code sections 1940-
4 1954.05 and 1954.50-1954.535, and Government Code section 7060-7060.7.

5 3. Such other duties as are designated by resolution of the City Council.

6 **Section 2-153.3. Appeal.**

7 Any decision of the Rental Housing Board shall be final and conclusive unless
8 appealed to a court of competent jurisdiction.”

9 **SECTION 4.** Inglewood Municipal Code section 9-2.17 is hereby amended to
10 read as follows:

11 **“Section 9-2.17. Transient.**

12 “Transient” shall mean any person or entity, including, but not limited to, any firm,
13 partnership, joint venture, association, social club, fraternal organization, joint stock
14 company, corporation, estate, trust, business trust, receiver, trustee, syndicate or any
15 other group or combination acting as a unit, who exercises, for any period of time,
16 occupancy or is entitled to occupancy by reason of concession, permit, right of access,
17 license or other agreement. Provided, however, that an individual or an entity acting
18 through an individual who personally, continuously, and exclusively so exercises
19 occupancy or is so entitled to occupancy for a period of ~~ninety-one~~ thirty-one consecutive
20 calendar days or more shall not be deemed a transient.”

21 **SECTION 5.** If any section, subsection, sentence, clause, phrase or word of this
22 Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such
23 decision shall not affect the validity of the remaining portions this Ordinance. The City
24 Council hereby declares that it would have passed and adopted this Ordinance, and
25 each and all provisions thereof, irrespective of the fact that one or more provisions may
26 be declared invalid.

27 **SECTION 6.** The City Clerk shall certify that to the approval, passage and
28 adoption of this Ordinance by the City Council and shall cause the same to be published

1 in accordance with the City Charter, and thirty days from the final passage and adoption,
2 this Ordinance shall be in full force and effect.

3 **INTRODUCED** at a regular meeting of the Inglewood City Council on
4 _____, 2019.

5 **PASSED, APPROVED AND ADOPTED** at a regular meeting of the Inglewood
6 City Council on _____, 2019.

7 **CITY OF INGLEWOOD:**

8
9 _____
James T. Butts, Jr., Mayor

10 **ATTEST:**

11
12 _____
13 Yvonne Horton, City Clerk