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INTERIM ORDINANCE NO.: _____

AN INTERIM ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INGLEWOOD ADOPTING AS AN URGENCY MEASURE A TEMPORARY (45 DAY) MORATORIUM ON CERTAIN RESIDENTIAL RENT INCREASES IN THE CITY OF INGLEWOOD TO NO MORE THAN 5% EFFECTIVE IMMEDIATELY.

WHEREAS, Government Code Sections 36937(b) and 65858(a), and Article X, Sections 4 and 5(d) of the Inglewood City Charter allows a city, including a charter city, to adopt effective immediately, as an urgency measure, an interim ordinance for the immediate preservation of the public health or safety without following the procedures otherwise required prior to adoption of a zoning ordinance; and

WHEREAS, such an urgency measure requires a four-fifths vote (4 votes) of the City Council for adoption and it shall be of no further force and effect forty-five (45) days from its date of adoption unless otherwise extended pursuant to Government Code section 65858(a); and

WHEREAS, the City Council directed City staff to present to the Council just cause evictions policy alternatives or an ordinance establishing just cause requirements for evictions; and

WHEREAS, City staff plans to present recommendations regarding just cause eviction policies to the City Council; and

WHEREAS, community members have reported that the City Council’s direction to study just cause eviction policy has created market uncertainty and concern among some landlords that if they do not increase rents now, they could face income and property value losses; and

WHEREAS, City residents have reported to the City Council and City staff that their rents are continuing to rise as the stock of affordable and available housing diminishes; and

WHEREAS, according to the U.S. Census Bureau, 2016 American Community

1 Survey, 20.7% of families in Inglewood live below the poverty level, and the number of
2 persons living below the poverty rate in Inglewood has increased since 2000; and

3 **WHEREAS**, according to the U.S. Census Bureau, 2016 American Community
4 Survey, 60.9% of Inglewood renter households are “overpaying households”, meaning
5 a household which pays 30% or more of its household income on housing costs; and

6 **WHEREAS**, according to Inglewood’s Housing Department, almost 65 percent
7 (65%) of Inglewood homes are renter-occupied, and thus, residents are vulnerable to
8 soaring rental prices and are in danger of being displaced from their homes; and

9 **WHEREAS**, increasing poverty in Inglewood, decreasing area median income,
10 and increasing rents, have created a growing “affordability gap” between incomes and
11 rents demonstrated by the increase in “overpaying renter households”; and

12 **WHEREAS**, given this increased housing cost burden and poverty faced by
13 many Inglewood residents, excessive rental increases threaten the public health, safety,
14 and welfare of Inglewood residents, including seniors, those on fixed incomes, those
15 with very low, low, and moderate income levels, and those with other special needs to
16 the extent that such persons may be forced to choose between paying rent and
17 providing food, clothing, and medical care for themselves and their families; and

18 **WHEREAS**, excessive rental increases could result in homelessness and the
19 displacement of low income families; and

20 **WHEREAS**, the City of Inglewood currently does not restrict rental increases;
21 and

22 **WHEREAS**, the City of Inglewood has constructed a website survey for residents
23 to report rental increases in the past year; and

24 **WHEREAS**, the City has received multiple submissions of rental increases, from
25 the website survey, showing an average rental increase of approximately 55%; and

26 **WHEREAS**, prior to the introduction of this interim ordinance, the Mayor
27 negotiated rental reductions with landlords so as to decrease the average rental
28 increase to approximately 45%; and

1 **WHEREAS**, certain aspects of public health, safety and welfare are not
2 adequately protected by the lack of rent control in the City of Inglewood, and it is in the
3 interest of the City, of owners and residents of rental units, and of the community as a
4 whole that City staff undertake a comprehensive study to consider regulations to protect
5 affordable housing within the City, including but not limited to, rent stabilization
6 regulations; and

7 **WHEREAS**, in light of the numerous concerns noted herein, including but not
8 limited to the current and immediate threat to the health, safety, and welfare of the City's
9 residents and the adverse impacts that would result from a substantial decrease of
10 affordable housing within the City, the City Council determines it is in the interest of
11 immediately preserving the public health, safety and general welfare to adopt as an
12 urgency measure this interim ordinance in order to allow staff to, among other related
13 tasks, proceed with a comprehensive study to consider regulations to protect affordable
14 housing within the City, and bring forward proposed regulations related to, for example,
15 just cause for eviction policies, residential rent mediation or arbitration, rent stabilization,
16 or rent review board, as that study finds appropriate; and

17 **WHEREAS**, the City Council finds and determines that, if a temporary
18 moratorium on residential rental increases were not imposed now, the public health,
19 safety and welfare will be immediately threatened because landlords would have an
20 immediate incentive to increase rents to even higher levels before the City of Inglewood
21 could implement rent stabilization or other such related regulations; and such increases
22 would defeat the intent and purpose of any potential future regulation and substantially
23 impair its effective implementation; and

24 **WHEREAS**, it is the intent of the City Council to consider and possibly to adopt
25 just cause for eviction policies, residential rent mediation or arbitration, rent stabilization,
26 and/or tenant relocation allowances paid by landlords that increase rents beyond a set
27 threshold; and

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1 **WHEREAS**, for reasons set forth above, this ordinance is declared by the City
2 Council to be necessary for preserving the public welfare, health, or safety and to avoid
3 a current, immediate and direct threat to the health, safety, or welfare of the community,
4 and the recitals above taken together constitute the City Council's statements of the
5 reasons constituting such necessity and urgency; and

6 **WHEREAS**, adoption of this ordinance is exempt from review under the
7 California Environmental Quality Act (CEQA) pursuant to the following, each a separate
8 and independent basis: CEQA Guideline Section 15183 (action consistent with the
9 general plan and zoning); Section 15378; and Section 15061(b)(3) (no significant
10 environmental impact); and

11 **WHEREAS**, by the Agenda Report, testimony, and documentary evidence
12 presented at the September 18, 2018 City Council meeting, the City Council has been
13 provided with additional information upon which the findings and actions set forth in this
14 interim ordinance are based; and

15 **WHEREAS**, ten days prior to the expiration of this interim ordinance or any
16 extension thereof, the City Council is required by Government Code Section 65858(d)
17 to issue a written report describing the measures taken to date to alleviate the condition
18 which led to the adoption of this ordinance; and

19 **WHEREAS**, this ordinance allows up to a 5% annual increase in rent during the
20 moratorium period, and such figure, is found and determined to provide a just and
21 reasonable return, and has been calculated to encourage good management, reward
22 efficiency, and discourage the flight of capital, to be commensurate with returns on
23 comparable investments, but not so high as to defeat the purpose of preventing
24 excessive rents.

25 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INGLEWOOD**
26 does ordain as follows:

27 **SECTION 1.** The City Council finds and determines the foregoing recitals to be
28 true and correct and hereby incorporates them into this ordinance.

1 **SECTION 2. Effective Date.** From the effective date of this interim ordinance
2 and continuing for a period of forty-five (45) days, unless extended, or until such time
3 as the City adopts regulations relating to just cause for eviction, residential rent
4 mediation or arbitration, a rent review board, or rent stabilization, whichever occurs first,
5 no landlord shall increase rent by more than 5% in a one (1) year period.

6 **SECTION 2A. Evictions.** (The following requirement was added from the dais.)
7 No landlord may evict a tenant without just cause. The term “Just Cause” shall include
8 evictions for: 1) non-payment of rent; 2) criminal activity; and/or 3) illegal drug use.

9 **SECTION 3. Extension.** This moratorium may be extended by the City Council
10 in accordance with the provisions of California Government Code Section 65858(a).

11 **SECTION 4. Exceptions and Exemptions.** The following are exempt from the
12 moratorium established as an urgency measure under this interim ordinance: 1)
13 government owned housing units; 2) housing units whose rents are controlled,
14 regulated (other than by this chapter), or subsidized by any governmental unit, agency
15 or authority; 3) accommodations in motels, hotels, inns, tourist houses, rooming houses,
16 and boarding houses, provided that such accommodations are not occupied by the
17 same tenant for thirty (30) or more days; 4) units constructed after February 1, 1995; 5)
18 units that are separately alienable from the title of any other dwelling (single-family
19 homes and condominiums); 6) commercial units; 7) housing accommodation in any
20 hospital, convent, monastery, extended care facility, convalescent home, nonprofit
21 home for the aged, or dormitory operated by an educational institution; and 8) any other
22 units exempt pursuant to the Costa-Hawkins Act (California Civil Code Section 1954.52)
23 or any other applicable state or federal law.

24 This moratorium does not regulate the initial rent at which a unit is offered.

25 **SECTION 5. Enforcement.** In any action by a landlord to recover possession of
26 a rental unit, the tenant may raise as an affirmative defense any violation or
27 noncompliance with the provisions of this chapter.

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1 **SECTION 6. Petition for Relief from Moratorium.** This moratorium, without
2 extension, is only effective for a period of forty-five (45) days. Given that a Consumer-
3 Price-Index-based 5% annual increase is allowed, the City Council finds that this
4 moratorium does not deny any owner a fair and reasonable return. However, prior to
5 extending this moratorium beyond the forty-five (45) day period, the City Council shall
6 consider and adopt a procedure allowing any landlord claiming that the moratorium's
7 permitted rental rate is insufficient to provide a just and reasonable return to file a
8 petition requesting relief from the extended moratorium by way of an additional rental
9 increase, as well as procedures for hearings and appeals of such petitions. Prior to any
10 such extension, the City Council will also further consider the permitted rental increase
11 to provide rent stabilization and the fiscal impact of the moratorium.

12 **SECTION 7. Authority.** This interim ordinance is enacted pursuant to the City
13 of Inglewood's general police powers, Article III of the Charter of the City of Inglewood,
14 Article XI of the California Constitution, and Government Code Sections 36937(b) and
15 65858(a).

16 **SECTION 8. Severability.** If any section, subsection, sentence, clause or phrase
17 of this interim ordinance is for any reason held by a court of competent jurisdiction to be
18 invalid, such decision shall not affect the validity of the remaining portions of this
19 ordinance. The City Council declares that it would have adopted this interim ordinance
20 and each section, subsection, sentence, clause and phrase thereof, irrespective of the
21 fact that any one or more section, subsection, sentence, clause, or phrase be declared
22 invalid.

23 **SECTION 9. Effective Date.** All rental increases on or after the date of final
24 passage and adoption of this interim ordinance shall be subject to hereto. As an
25 urgency measure, this interim ordinance becomes effective immediately upon its
26 adoption at a first reading by a four-fifths vote of the City Council.

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