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

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

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

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

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

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

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

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

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

WHEREAS, prior to the introduction of this interim ordinance, the Mayor negotiated rental reductions with landlords so as to decrease the average rental increase to approximately 45%; and
WHEREAS, certain aspects of public health, safety and welfare are not adequately protected by the lack of rent control in the City of Inglewood, and it is in the interest of the City, of owners and residents of rental units, and of the community as a whole that City staff undertake a comprehensive study to consider regulations to protect affordable housing within the City, including but not limited to, rent stabilization regulations; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 5. Enforcement. In any action by a landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense any violation or noncompliance with the provisions of this chapter.
SECTION 6. Petition for Relief from Moratorium. This moratorium, without extension, is only effective for a period of forty-five (45) days. Given that a Consumer-Price-Index-based 5% annual increase is allowed, the City Council finds that this moratorium does not deny any owner a fair and reasonable return. However, prior to extending this moratorium beyond the forty-five (45) day period, the City Council shall consider and adopt a procedure allowing any landlord claiming that the moratorium’s permitted rental rate is insufficient to provide a just and reasonable return to file a petition requesting relief from the extended moratorium by way of an additional rental increase, as well as procedures for hearings and appeals of such petitions. Prior to any such extension, the City Council will also further consider the permitted rental increase to provide rent stabilization and the fiscal impact of the moratorium.

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

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

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

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SECTION 10: Certification. The City Clerk shall certify that this interim ordinance was passed and adopted by the City Council of the City of Inglewood at a regular meeting thereof held March 5, 2019 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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Yvonne Horton, City Clerk

APPROVED:

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James T. Butts, Jr., Mayor