



CITY OF GLENDALE, CALIFORNIA
REPORT TO THE:

Joint City Council Housing Authority Successor Agency Oversight Board

November 27, 2018

AGENDA ITEM

Adoption of Ordinance Imposing a Six-Month Moratorium on Certain Residential Rent Increases

1. Ordinance for Adoption
2. Resolution Amending Citywide Fee Schedule to Incorporate Administrative Citation Fine Schedule for Violations of Rent Moratorium Ordinance

COUNCIL ACTION

Public Hearing <input type="checkbox"/>	Ordinance <input checked="" type="checkbox"/>	Consent Calendar <input type="checkbox"/>	Action Item <input type="checkbox"/>	Report Only <input type="checkbox"/>
Approved for <u>November 27, 2018</u> calendar				

ADMINISTRATIVE ACTION

Submitted by:
Michael J. Garcia, City Attorney

Philip Lanzafame, Director of Community Development

Prepared by:
Michael J. Garcia, City Attorney

Approved by:
Yasmin Beers, City Attorney

Reviewed by:
Roubik Golanian, Assistant City Manager

Philip Lanzafame, Director of Community Development

Peter Zovak, Deputy Director of Housing

Signature

Michael J. Garcia

[Signature]

Michael J. Garcia

[Signature]

[Signature]

[Signature]

RECOMMENDATION

At the regular Council meeting of November 13, 2018, an urgency ordinance imposing a six-month moratorium on rent increases, with a specified allowable increase, on residential rental property was introduced (Agajanian). It is recommended Council consider adopting the ordinance.

BACKGROUND/ANALYSIS

Previous Report

At its regular meeting on November 13, 2018, the City Council received a report ("Report") and heard public comment regarding establishment of a rent stabilization program for rental units in Glendale. At the conclusion of the meeting, the Council requested additional information regarding such regulatory provisions:

- A right to lease requirement;
- An annual cap on rent increases in the range of 5% to 7%;
- Mandatory mediation, arbitration, and/or rent adjustment hearing procedures; and
- A five-year sunset on any rent cap provisions.

In addition, Council requested additional information regarding a subsidy to a specified number of low income households as discussed in the Report to Council dated November 13, 2018. As of the writing of this report, it is anticipated that these items will be brought back to Council for discussion in late January, early February.

Moratorium Ordinance

In conjunction with the Report, the Council introduced an urgency ordinance imposing a six-month freeze on rent increases, subject to an increase of 5% annually or 2.5% for the term of the six-month moratorium. For purposes of simplicity, the proposed ordinance allows an increase in an amount not to exceed 2.5% for the term of the moratorium. Council can adjust that percentage prior to adopting the ordinance.

As required by state law, the Ordinance exempts single family homes and condominiums, as well as any rental units that received a certificate of occupancy on or after February 1, 1995.

Other decision points and minor modifications are listed below.

- As drafted, the Ordinance would set September 18, 2018 as the date upon which the "Base Rent" for existing tenancies is established and upon which an allowable rent increase is permitted. September 18, 2018 is the date the Council requested a report on rent stabilization. At the November 13, 2018, Council discussed potentially amending the Base Rent date. Potential dates could include November 13, 2018 (the date the Council heard the report), November 27, 2018 (the potential date of adoption) or another date chosen by Council.
- A modification is proposed to exempt units subject to affordable housing covenants with the City, the Housing Authority, the State, or the Federal Government, such as density bonus agreements, inclusionary housing agreements and affordable housing agreements. Such units are already rent and income regulated, and subject to separate

monitoring. However, Section 8 units will be regulated by, and be subject to, the moratorium.

- Pursuant to Council direction, the Ordinance provisions regarding requests for rent adjustments have been clarified and amplified.
- The Ordinance has been revised to remove the inadvertent exemption of duplexes from the original version of the Ordinance. Council can provide further clarification or direction if it desires.

Council may make other modifications to the ordinance as long as they are “germane” to the ordinance introduced on November 13, 2018. As noted previously, the Council could adopt the proposed Ordinance as an urgency ordinance with four (4) affirmative votes, and it would take effect immediately. If adopted with three (3) affirmative votes, it would be adopted on a non-urgency ordinance and take effect in 30 days.

Enforcement

The proposed Ordinance provides a private right of enforcement through civil remedies and use of the violation of the proposed ordinance as an affirmative defense in eviction proceedings. It also authorizes the City to enforce the provisions of the Ordinance through Chapter 1.20 (code enforcement) and Chapter 1.24 (administrative citations). If Council desires for the City to be able to use administrative citations as a tool to enforce the proposed Ordinance, it is recommended that Council adopt the attached resolution, adding a schedule of fines. To discourage violations, Council could adopt fines for 1st, 2nd and 3rd violations at \$400/\$1000/\$2000, which is generally the strictest schedule. Other options are \$100/\$200/\$500 or \$200/\$400/\$1000. Alternatively, Council could leave enforcement to pursuit of civil remedies.

FISCAL IMPACT

If adopted, the City will incur costs associated with outreach to the public (landlords and tenants) notifying them of the moratorium, as well as for potential retention of hearing officers in the event of any rent adjustment petitions. The Council previously appropriated \$150,000 for these activities during the moratorium period.

ALTERNATIVES

The Council may consider any of the following alternatives:

Alternative 1: Adopt the Urgency Ordinance as Modified.

Alternative 2. Adopt the Urgency Ordinance with additional modification germane to the original ordinance

Alternative 3: Adopt the Rent Moratorium Ordinance, but on a non-urgency basis

Alternative 4: City Council may elect to consider any other alternative not proposed by staff.

CAMPAIGN DISCLOSURE

Not applicable to this item.

EXHIBITS

Exhibit 1 – Strikeout, underline version of proposed Ordinance.

ORDINANCE NO. ____

**AN URGENCY ORDINANCE OF THE COUNCIL OF THE
CITY OF GLENDALE, CALIFORNIA, ESTABLISHING A TEMPORARY MORATORIUM ON
CERTAIN RESIDENTIAL RENT INCREASES IN THE CITY OF GLENDALE**

WHEREAS, pursuant to Article XI, Section 7 of the California Constitution, the City of Glendale ("City") may make and enforce all regulations and ordinances using its police powers;

WHEREAS, despite the extensive efforts of the City Council, Housing Authority, and City staff, community members have continued to express concern about the need for more immediate measures to address rental costs and the availability of affordable, decent, safe, and sanitary rental housing;

WHEREAS, renters occupy about 67 percent of the City's housing stock and 63 percent of renters are cost burdened under the federal definition, meaning they spend more than 30 percent of their income on housing;

WHEREAS, given the housing cost burden faced by many City residents, excessive rental increases threaten the public health, safety, and welfare of City residents, including seniors, those on fixed incomes, those with 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;

WHEREAS, housing insecurity and excessive rent increases could result in homelessness and displacement of low-income families;

WHEREAS, the City currently does not regulate rental amounts or rent increases;

WHEREAS, at its meeting of September 18, 2018, four members of the City Council requested that a report on rent control once again be prepared for discussion;

WHEREAS, at its regular meeting of November 13, 2018, the City Council received a report on rent stabilization, and directed City staff to prepare a report with more information on regulatory programs including information on a Right to Lease Ordinance, annual caps on rent increases, mandatory rent mediation, arbitration and/or rent adjustment hearing procedures, sunset provisions and a rental subsidy program;

WHEREAS, the City Council finds and determines that in light of the announcement to consider a rent stabilization ordinance be adopted, landlords of rent control eligible properties will have an immediate incentive to serve notices to raise rents thereby displacing many tenants in the City who, because of a critically low vacancy rate, will be compelled to find housing elsewhere and at higher rents;

WHEREAS, the City Council finds and determines that a temporary moratorium on residential rent increases for eligible rental units is necessary because rent increases imposed in anticipation of a rent stabilization law or other regulatory measures would defeat the intent and purpose of any potential future regulation and substantially impair its effective implementation; and

WHEREAS, based upon the above-described facts and circumstances, and for these same reasons, the City Council finds that this ordinance is necessary as an emergency measure for preserving the public peace, health and safety, and therefore that it shall take effect immediately upon its adoption.

NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE:

Section 1. The foregoing recitals are true and correct and incorporated herein as though set forth in full.

Section 2. Definitions.

A. **Base Rent.** The monthly Rent that was in effect for a Rental Unit on September 18, 2018.

B. **Housing Services.** Housing Services include, but are not limited to, repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades, and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, Utility Charges that are paid by the Landlord, refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants, the right to have pets, and any other benefit, privilege, or facility connected with the use or occupancy of any Rental Unit. Housing Services to a Rental Unit shall include a proportionate part of services provided to common facilities of the building in which the Rental Unit is contained.

B. **Landlord.** An owner of record, lessor, sublessor, or any other person, entity or non-natural person entitled to receive Rent for the use and occupancy of any Rental Unit, or an agent, representative, predecessor, or successor of any of the foregoing.

C. **Moratorium Period.** The period of time between the effective date of this Ordinance and its automatic expiration on the 180th day after adoption.

D. **Property.** All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

E. **Rent.** All periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord for use or occupancy of a Rental Unit and Housing Services under a Rental Housing Agreement.

F. **Rental Housing Agreement.** An oral, written, or implied agreement between a Landlord and a Tenant for use or occupancy of a Rental Unit and Housing Services.

G. **Rental Unit.** A building, structure, or part thereof, or land appurtenances thereto, or any other rental property rented or offered for rent for residential purposes and Housing Services.

H. **Tenant.** A Tenant, subtenant, lessee, sublessee, or a person entitled under the terms of a Rental Housing Agreement to the use or occupancy of a Rental Unit.

Section 3. Imposition of Temporary Moratorium on Residential Rent Increases.

A. As of the effective date of this Ordinance and during the Moratorium Period, no Landlord may request, impose, charge or receive monthly Rent for any Rental Unit from an existing Tenant, whose tenancy commenced on or before September 18, 2018, in amount that exceeds the Base Rent plus any Rent increase authorized by this Section. No Landlord may request, impose, charge or receive monthly rent for a Rental Unit from a Tenant whose tenancy began after September 18, 2018, in an amount that exceeds the initial monthly Rent charged for that Rental Unit, plus any Rent increase authorized by this Section. This moratorium shall not apply to any Rent increase which, after lawful notice to the Tenant, took effect prior to September 18, 2018.

B. Exemptions. The following Rental Units are exempt from the entirety of the moratorium established under this Ordinance:

1. Units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented to transient guests for a period of fewer than thirty (30) days, including all units subject to the transient occupancy tax ordinance codified at the Glendale Municipal Code Chapter 4.32.

2. Units in a hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an accredited institution of higher education;

3. Units which an government entity owns, operates, or manages, or, if other applicable federal or state law specifically exempt such units from municipal rent stabilization and eviction controls;

4. Rental Units subject to a covenant or agreement, such as a density bonus housing agreement, inclusionary housing agreement or an affordable housing agreement, with a government agency including the City, the Housing Authority of the City of Glendale, the State of California, or the federal government, restricting the household incomes of that Rental Unit and the Rent that may be charged for that Rental Unit.

4. Single-Family Dwellings, units within a common interest development, including condominiums and townhouses;

5. Rental Units with an initial certificate of occupancy dated on or after February 1, 1995 pursuant to the Costa-Hawkins Rental Housing Act (Cal. Civ. Code § 1954.52), or any successor Act thereto.

C. Rent Increases Generally. While this Ordinance is in effect, Rent for a Rental Unit may be increased no more than two and one-half percent (2.5%) above either (i) the Base Rent, or (ii) the initial monthly Rent charged for tenancies that began after September 18, 2018.

D. Initial Rents. This moratorium does not affect or regulate the initial Rent at which a Rental Unit is offered.

E. Affirmative Defense. In any action by a Landlord to recover possession of a Rental Unit, the Tenant may raise as an affirmative defense any violation of or noncompliance with any of the provisions of this Ordinance.

F. Period of Effectiveness. This moratorium, unless extended by the Council, is only effective for the Moratorium Period as defined herein. It is presumed that Rents in effect as of the effective date this Ordinance, in addition to the Rent increases of up to 2.5% permitted by this Section, provide a fair return to Landlords; as such, given the short duration of the

Moratorium Period and the allowable Rent increase, the Council finds that this moratorium does not deny any Landlord a just and reasonable return.

G. Petition for Relief from Moratorium. If, during the Moratorium Period, a Landlord believes the application of this moratorium's limitation on Rent increases deprives the Landlord of the ability to receive a just and reasonable return, the Landlord may petition the city manager for a determination of the amount of Rent necessary to provide the Landlord with a just and reasonable return and authorization to charge such Rent. The city manager shall establish a hearing procedure for reviewing such petitions, which shall require a hearing officer or body to take into account relevant factors, including but not limited to changes in costs to the Landlord attributable to increased utility rates, property taxes, insurance, governmental assessments and fees, and costs of necessary capital improvements.

Section 4. Enforcement Procedures. The City, at its sole discretion, may choose to enforce the provisions of this ordinance through administrative fines, administrative citations and any other administrative procedure set forth in Chapters 1.20 and 1.24 of the Municipal Code, as amended. The City's decision to pursue or not pursue enforcement of any kind shall not affect a tenant's rights to pursue civil remedies.

Section 5. Civil Remedies. A Tenant may bring a civil suit in the courts of the state alleging that a Landlord has violated any of the provisions of this Ordinance or any regulations promulgated hereunder including that the Landlord has demanded, accepted, received, retained a payment or payments in excess of the lawful Rent, failed to maintain a Rental Unit in compliance with applicable health and safety and building codes, including but not limited to Civil Code Sections 1941.1 et seq. and Health and Safety Code Sections 17920.3 and 17920.10, or decreased Housing Services. In a civil suit, a Landlord found to violate this Ordinance shall be liable to the Tenant for all actual damages, including but not limited to the damages described in this Section. A prevailing Tenant in a civil action brought to enforce this Ordinance shall be awarded reasonable attorneys' fees and costs. Additionally, upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, the Tenant shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this Section.

Section 6. Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, the remainder of this Ordinance shall remain in full force and effect.

Section 7. Effective Date and Expiration Date. This ordinance shall take effect immediately upon its adoption and shall terminate on the date that is 180 days after the date of adoption.

Section 8. If the urgency component of this Ordinance is deemed invalid by a court of competent jurisdiction or if this Ordinance is approved by at least three affirmative votes, but does not obtain the 4/5 vote necessary for passage as an urgency ordinance, the City Council intends that this Ordinance becomes effective on the thirtieth (30th) day after its passage.

Adopted by the Council of the City of Glendale this ____ day of _____, 2018.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM

Michael J. Garcia

CITY ATTORNEY

DATE 11/21/18

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF GLENDALE)

I, ARDASHES KASSAKHIAN, City Clerk of the City of Glendale, certify that the foregoing Urgency Ordinance No. was passed by a 4/5 vote of the Council of the City of Glendale, California, at a regular meeting held on the ____ day of _____ 2018, and that the same was passed by the following vote:

Ayes:
Noes:
Absent:
Abstain:

City Clerk

RESOLUTION NO. _____

**A RESOLUTION OF THE COUNCIL OF THE CITY OF GLENDALE,
CALIFORNIA, AMENDING THE CITYWIDE COMPREHENSIVE FEE RESOLUTION
REGARDING ADMINISTRATIVE CITATION FINE AMOUNTS FOR VIOLATIONS OF AN
ORDINANCE IMPOSING SIX-MONTH MORATORIUM ON CERTAIN RESIDENTIAL RENT
INCREASES AND AMENDING THE EXISTING COMPREHENSIVE CITYWIDE FEE
SCHEDULE FOR THE FISCAL YEAR 2018-19 TO ADD VIOLATIONS SUBJECT TO FINES
AND PROCESSING FEES**

WHEREAS, Chapter 1.24 of Title 1 of the Glendale Municipal Code (“GMC”) authorizes City enforcement officers to issue administrative citations to responsible persons for violations of the GMC; and

WHEREAS, Chapter 1.24 of Title 1 of the GMC provides that the amount of the fine to be assessed by means of an administrative citation shall be specified by resolution of the City Council; and

WHEREAS, the fine amounts are intended to incentivize violators to correct violations of the GMC in a speedy and efficient manner, thereby conserving City code enforcement resources; and

WHEREAS, Chapter 1.24 of Title 1 of the GMC provides that due to the significant risk posed by certain violations to public health, safety and welfare, the amount of fine to be imposed for certain violations of the GMC shall be of a greater amount than others and shall be established by resolution of the City Council and thus, initial and subsequent fine amounts vary based on such severity, falling into one of three fine tiers; and

WHEREAS, Chapter 1.24 of Title 1 of the GMC provides that the City may also recover the cost of processing the administrative citation (processing fee); and

WHEREAS, on June 12, 2018, the Council considered and adopted a Citywide Fee Schedule for the Fiscal Year 2018-19 (“Adopted Citywide Fee Schedule”) which consolidated into a comprehensive schedule all City taxes, schedules, fees, charges, rates, and penalties that are published on the City’s website and are reviewed and updated annually as part of the budget process; and

WHEREAS, the Council adopted Resolution 13-96 on June 25, 2013, which established the fine schedule for a recently adopted administrative citation program, which fine schedule has been amended at various times; and

WHEREAS, the Council adopted Resolution 13-216 on December 10, 2013, which included the amount the City may charge to recover its costs in processing each administrative citation via a processing fee; and

WHEREAS, concurrently with this Resolution, the Council has adopted Ordinance No. _____, imposing a six-month moratorium on certain residential rent increases as specified therein; and

WHEREAS, the City desires to include new and additional violations of the GMC related to commercial and charitable solicitation consistent with the ordinance, (and eliminate certain

violations related to the same eliminated in said ordinance) that will be subject to administrative citation fines and processing fees.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GLENDALE:

SECTION 1. Fine Amount: GMC Section Reference. In addition to the violations and corresponding fine amounts to be assessed by means of an administrative citation already adopted in the Adopted Citywide Fee Schedule, the following additional violations and corresponding fine amounts related to the ordinance imposing a six-month moratorium on certain residential rent increases to be assessed by means of an administrative citation, set forth in the attached Exhibit 1, are adopted.

SECTION 2. Repeat Violations. The administrative citation fine amount for a second violation of the same GMC provision by the same responsible party within twelve (12) months from the date of the first administrative citation shall be higher than the amount for the first administrative citation, and shall vary depending on the violation cited, as set forth in the attached Exhibit 1. The administrative citation fine amount for a third and any subsequent violation of the same GMC provision by the same responsible party within twelve (12) months from the date of the first administrative citation shall be higher than the amount for the first or second violation, and shall vary depending on the violation cited, as set forth in the attached Exhibit 1.

SECTION 3. Late Payment. Payment of the administrative citation fine amount after thirty (30) days from the date of the administrative citation shall be subject to an additional late payment charge. The late payment charge shall equal ten percent (10%) of the administrative citation fine amount due the City, or ten percent (10%) of the amount remaining unpaid to the City if a portion of the fine amount was timely paid. Late payment charges shall be in addition to the amount of the administrative citation fine amount. In addition, interest shall accrue on all unpaid monies due, exclusive of late payment charges, at the rate of one half of one percent per month, pro rata, of the total amount due from the date the administrative citation fine amount becomes delinquent until the date that all delinquent amounts are paid to the City.

SECTION 4. Processing Fee. Every administrative citation will be assessed a \$22 administrative citation processing fee. This processing fee is in addition to the administrative citation fine amount, any applicable late fee, interest or collection costs.

SECTION 5. This Resolution's adopted fees and fines take effect on the effective date of Ordinance No. _____.

Adopted this _____ day of _____, 2018.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM

Michael J. Garcia

CITY ATTORNEY

DATE 11/21/18

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF GLENDALE)

I, Ardashes Kassakhian, City Clerk of the City of Glendale, do hereby certify that the foregoing Resolution No. _____ was adopted by the Council of the City of Glendale, California, at a regular meeting held on the _____ day of _____, 2018, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

City Clerk

Exhibit A

Schedule of Fines

Ordinance No. _____, Imposing Six-Month Moratorium on Certain Residential Rent Increases

	1 st Fine	2 nd Fine	3 rd Fine
Violation of Ord. No. _____:	\$400	\$1,000	\$2,000

ORDINANCE NO. _____

AN URGENCY ORDINANCE OF THE COUNCIL OF THE CITY OF GLENDALE, CALIFORNIA, ESTABLISHING A TEMPORARY MORATORIUM ON CERTAIN RESIDENTIAL RENT INCREASES IN THE CITY OF GLENDALE

WHEREAS, pursuant to Article XI, Section 7 of the California Constitution, the City of Glendale ("City") may make and enforce all regulations and ordinances using its police powers;

WHEREAS, despite the extensive efforts of the City Council, Housing Authority, and City staff, community members have continued to express concern about the need for more immediate measures to address rental costs and the availability of affordable, decent, safe, and sanitary rental housing;

WHEREAS, renters occupy about 67 percent of the City's housing stock and 63 percent of renters are cost burdened under the federal definition, meaning they spend more than 30 percent of their income on housing;

WHEREAS, given the housing cost burden faced by many City residents, excessive rental increases threaten the public health, safety, and welfare of City residents, including seniors, those on fixed incomes, those with 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;

WHEREAS, housing insecurity and excessive rent increases could result in homelessness and displacement of low-income families;

WHEREAS, the City currently does not regulate rental amounts or rent increases;

WHEREAS, at its meeting of September 18, 2018, four members of the City Council requested that a report on rent control once again be prepared for discussion;

WHEREAS, at its regular meeting of November 13, 2018, the City Council received a report on rent stabilization, and directed City staff to prepare a report with more information on regulatory programs including information on a Right to Lease Ordinance, annual caps on rent increases, mandatory rent mediation, arbitration and/or rent adjustment hearing procedures, sunset provisions and a rental subsidy program;

WHEREAS, the City Council finds and determines that in light of the announcement to consider a rent stabilization ordinance be adopted, landlords of rent control eligible properties will have an immediate incentive to serve notices to raise rents thereby displacing many tenants in the City who, because of a critically low vacancy rate, will be compelled to find housing elsewhere and at higher rents;

WHEREAS, the City Council finds and determines that a temporary moratorium on residential rent increases for eligible rental units is necessary because rent increases imposed in anticipation of a rent stabilization law or other regulatory measures would defeat the intent and purpose of any potential future regulation and substantially impair its effective implementation; and

STRIKEOUT/UNDERLINE

WHEREAS, based upon the above-described facts and circumstances, and for these same reasons, the City Council finds that this ordinance is necessary as an emergency measure for preserving the public peace, health and safety, and therefore that it shall take effect immediately upon its adoption.

NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLENDALE:

Section 1. The foregoing recitals are true and correct and incorporated herein as though set forth in full.

Section 2. Definitions.

A. Base Rent. The monthly Rent that was in effect for a Unit on September 18, 2018.

B. Housing Services. Housing Services include, but are not limited to, repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades, and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, Utility Charges that are paid by the Landlord, refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants, the right to have pets, and any other benefit, privilege, or facility connected with the use or occupancy of any Rental Unit. Housing Services to a Rental Unit shall include a proportionate part of services provided to common facilities of the building in which the Rental Unit is contained.

B. Landlord. An owner of record, lessor, sublessor, or any other person, entity or non-natural person entitled to receive Rent for the use and occupancy of any Rental Unit, or an agent, representative, predecessor, or successor of any of the foregoing.

C. Moratorium Period. The period of time between the effective date of this Ordinance and its automatic expiration on the 180th day after adoption.

D. Property. All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

E. Rent. All periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord for use or occupancy of a Rental Unit and Housing Services under a Rental Housing Agreement.

F. Rental Housing Agreement. An oral, written, or implied agreement between a Landlord and a Tenant for use or occupancy of a Rental Unit and Housing Services.

G. Rental Unit. A building, structure, or part thereof, or land appurtenances thereto, or any other rental property rented or offered for rent for residential purposes and Housing Services.

H. Tenant. A Tenant, subtenant, lessee, sublessee, or a person entitled under the terms of a Rental Housing Agreement to the use or occupancy of a Rental Unit.

Section 3. Imposition of Temporary Moratorium on Residential Rent Increases.

STRIKEOUT/UNDERLINE

A. ~~A.~~ As of the effective date of this Ordinance and during the Moratorium Period, no Landlord ~~shall may request, impose, charge or receive Rent~~ monthly Rent for any Rental Unit ~~from an existing Tenant, whose tenancy commenced on or before September 18, 2018,~~ in amount that exceeds the Base Rent plus any Rent increase authorized by this Section. ~~No Landlord may request, impose, charge or receive monthly rent for a Rental Unit from a Tenant whose tenancy began after September 18, 2018, in an amount that exceeds the initial monthly Rent charged for that Rental Unit, plus any Rent increase authorized by this Section. unless that Unit is exempt by this Ordinance or state law.~~ This moratorium shall not apply to any Rent increase which, after lawful notice to the Tenant, took effect prior to September 18, 2018.

B. Exemptions. The following Rental Units are exempt from the entirety of the moratorium established under this Ordinance:

1. Units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented to transient guests for a period of fewer than thirty (30) days, including all units subject to the transient occupancy tax ordinance codified at the Glendale Municipal Code Chapter 4.32.

2. Units in a hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an accredited institution of higher education;

3. Units which an government entity owns, operates, or manages, or, if other applicable federal or state law specifically exempt such units from municipal rent stabilization and eviction controls;

4. Rental Units subject to a covenant or agreement, such as a density bonus housing agreement, inclusionary housing agreement or an affordable housing agreement, with a government agency including the City, the Housing Authority of the City of Glendale, the State of California, or the federal government, restricting the household incomes of that Rental Unit and the Rent that may be charged for that Rental Unit.

4. Single-Family Dwellings, units within a common interest development, including condominiums and townhouses; ~~and duplexes;~~

5. Rental Units with an initial certificate of occupancy dated on or after February 1, 1995 pursuant to the Costa-Hawkins Rental Housing Act (Cal. Civ. Code § 1954.52), or any successor Act thereto.

C. ~~C.~~ Rent Increases Generally. While this Ordinance is in effect, Rent for a Rental Unit may be increased no more than two and one-half percent (2.5%) above either (i) the monthly Rent charged on September 18, 2018, or (ii) the initial monthly Rent charged for tenancies that began after September 18, 2018.

~~C.D.~~ Initial Rents. This moratorium does not affect or regulate the initial Rent at which a Rental Unit is offered.

E.D. Affirmative Defense. In any action by a Landlord to recover possession of a Rental Unit, the Tenant may raise as an affirmative defense any violation of or noncompliance with any of the provisions of this Ordinance.

F.E. Period of Effectiveness. This moratorium, unless extended by the Council, is only effective for the Moratorium Period as defined herein. It is presumed that Rents in effect as of the effective date this Ordinance, in addition to the Rent increases of up to 2.5% permitted by this Section, provide a fair return to Landlords; as such, given the short duration of the

STRIKEOUT/UNDERLINE

Moratorium Period and the allowable Rent increase, the Council finds that this moratorium does not deny any Landlord a just and reasonable return.

GF. Petition for Relief from Moratorium. If, during the Moratorium Period, a Landlord believes the application of this moratorium's limitation on Rent increases deprives the Landlord of the ability to receive a just and reasonable return, the Landlord may petition the city manager for a determination of the amount of Rent necessary to provide the Landlord with a just and reasonable return and authorization to charge such Rent. The city manager shall establish a hearing procedure for reviewing such petitions, which shall require a hearing officer or body to take into account the procedures and factors set forth in case law relevant factors, including but not limited to changes in costs to the Landlord attributable to increased utility rates, property taxes, insurance, governmental assessments and fees, and costs of necessary capital improvements.

Section 4. Enforcement Procedures. The City, at its sole discretion, may choose to enforce the provisions of this ordinance through administrative fines, administrative citations and any other administrative procedure set forth in Chapters 1.20 and 1.24 of the Municipal Code, as amended. The City's decision to pursue or not pursue enforcement of any kind shall not affect a tenant's rights to pursue civil remedies.

Section 5. Civil Remedies. A Tenant may bring a civil suit in the courts of the state alleging that a Landlord has violated any of the provisions of this Ordinance or any regulations promulgated hereunder including that the Landlord has demanded, accepted, received, retained a payment or payments in excess of the lawful Rent, failed to maintain a Rental Unit in compliance with applicable health and safety and building codes, including but not limited to Civil Code Sections 1941.1 et seq. and Health and Safety Code Sections 17920.3 and 17920.10, or decreased Housing Services. In a civil suit, a Landlord found to violate this Ordinance shall be liable to the Tenant for all actual damages, including but not limited to the damages described in this Section. A prevailing Tenant in a civil action brought to enforce this Ordinance shall be awarded reasonable attorneys' fees and costs. Additionally, upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, the Tenant shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this Section.

Section 6. Severability. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance or the application thereof to any person or place, is for any reason held to be invalid or unconstitutional by the final decision of any court of competent jurisdiction, the remainder of this Ordinance shall remain in full force and effect.

Section 7. Effective Date and Expiration Date. This ordinance shall take effect immediately upon its adoption and shall terminate on the date that is 180 days after the date of adoption.

Section 8. If the urgency component of this Ordinance is deemed invalid by a court of competent jurisdiction or if this Ordinance is approved by at least three affirmative votes, but does not obtain the 4/5 vote necessary for passage as an urgency ordinance, the City Council intends that this Ordinance becomes effective on the thirtieth (30th) day after its passage.

STRIKEOUT/UNDERLINE

Adopted by the Council of the City of Glendale this ____ day of _____, 2018.

Mayor

ATTEST:

City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF GLENDALE)

I, ARDASHES KASSAKHIAN, City Clerk of the City of Glendale, certify that the foregoing Urgency Ordinance No. was passed by a 4/5 vote of the Council of the City of Glendale, California, at a regular meeting held on the ____ day of _____ 2018, and that the same was passed by the following vote:

Ayes:
Noes:
Absent:
Abstain:

City Clerk