

## **ORDINANCE NO. 900-U**

### **AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELL GARDENS CALIFORNIA ESTABLISHING INTERIM RENT CONTROL MEASURES FOR A 45-DAY PERIOD INCLUDING BUT NOT LIMITED TO A PROHIBITION OF RENT INCREASES ABOVE 3% WITHIN A 12-MONTH PERIOD WITH THE ABILITY TO EXTEND THE ORDINANCE FOR AN ADDITIONAL 10 MONTHS AND 15 DAYS FOR FURTHER STUDY**

**WHEREAS**, the City of Bell Gardens ("City") is a general law city, incorporated under the laws of the State of California;

**WHEREAS**, pursuant to its police power, the City may enact and enforce laws within its boundaries which promote the public health, morals, safety, or general welfare of the community, and are not in conflict with general laws;

**WHEREAS**, it has come to the City's attention that rents throughout the Los Angeles County area are continuing to rise as real estate costs rise, which is leading to a decrease in affordability for many and potential homelessness;

**WHEREAS**, the City Council of the City of Bell Gardens has formed an Ad Hoc Committee to look into rising rent costs and needs additional time to create an ordinance that would address both Tenant and Landlord concerns;

**WHEREAS**, this urgency interim ordinance is intended to temporarily stabilize rent increases for Tenants while still allowing a maximum 3% rent increase for Landlords while the City further studies the issue to come up with a permanent rent control program; and

**WHEREAS**, failure to adopt this temporary ordinance may subject renters to economic hardship and potential displacement that may lead to homelessness to the detriment of the public health, safety and welfare.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BELL GARDENS  
DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1. Findings.** The recitals above are true and correct and incorporated herein by reference.

**SECTION 2. Definitions.** For the purposes of this interim ordinance, the following definitions shall apply:

- A. “Base Rent” means the monthly Rent that was in effect on October 28, 2019.
- B. “Covered Rental Unit(s)” means any Rental Unit except for
  - a. A dwelling unit which is alienable separate from the title to any other dwelling unit or which is a subdivided interest in a subdivision, as specified in subdivision (b), (d), or (f) of Section 11004.5 of the Business and Professions Code;
  - b. A dwelling unit for which a certificate of occupancy was issued after February 1, 1995; or
  - c. Any other dwelling unit exempt from the Costa-Hawkins Rental Housing Act (California Civil Code Section 1954.52) or any other applicable state or federal law.
- C. “Just Cause” shall have the same meaning as the future California Civil Code Section 1946.2(b), as amended by Section 2 of the Tenant Protection Act of 2019.
- D. “Hearing Officer” means the person designated by the Director to conduct a review hearing under Section 5 of this interim ordinance. The Hearing Officer shall not be the enforcement officer that investigated the matter and/or issued the notice of administrative fine under Section 6 of this interim ordinance that is the subject of the administrative hearing or the immediate supervisor of that enforcement officer.
- E. “Housing Services” means all services provided by the Landlord related to the use or occupancy of a Covered rental unit, including but not limited to, insurance, repairs, replacement, maintenance, painting, utilities, heat, water, elevator service, laundry facilities, recreational areas and/or pools, Janitorial service, refuse removal, furnishings, parking, storage, and security services.

- F. "Landlord" means an owner, lessor, or sublessor who receives or is entitled to receive Rent of the use and occupancy of any Covered Rental Unit or Rental Unit or portion thereof, and the representative, agent, or successor of such owner, lessor, or sublessor. For purposes of this interim ordinance, a Landlord does not include an individual whose primary residence is the same Covered Rental Unit as the Tenant.
- G. "Notice of Termination" means a written notice from a Landlord to a Tenant that, in addition to any information required by State or federal law to terminate a residential tenancy, identifies at least one For Cause or No Fault reason that permits the Landlord to terminate the tenancy.
- H. "Rent(s)" is the sum of all periodic payments and all nonmonetary consideration demanded or received by a Landlord from a Tenant for the use or occupancy of a Covered Rental Unit, including tenant's access to and use of Housing Services. Rent includes without limitation, the fair market value of goods accepted, labor performed, or services rendered.
- I. "Responsible Person" is a person responsible for, or alleged to be responsible for, a violation of this interim ordinance.
- J. "Tenant" means a person entitled, by written or oral agreement, or by sufferance, to the use or occupancy of any Covered Rental Unit or Rental Unit.
- K. "Rental Unit(s)" means any dwelling units as defined in California Civil Code section 1940, subsection (c), including joint living and work quarters used or occupied in consideration of payment of Rent. This definition applies to any dwelling space that is actually used for residential purposes, whether or not the residential use is legally permitted, including live-work spaces, mobile homes rented by the owner of a mobile home to a Tenant, and accessory dwelling units. For purposes of compliance with this interim ordinance, Rental Unit does not mean any dwelling unit in which the Landlord or any member of his/her immediate family occupies one of the dwelling units on the property containing the Rental Unit and it is necessary for the Landlord or any member of his/her immediate family to use either a bathroom or kitchen facility common with the tenant.

**SECTION 3. Rent Increases.** As of the effective date of this interim ordinance, and until December 11, 2019, no Landlord in the City of Bell Gardens may request, receive, or retain Rent for a Covered Rental Unit from an existing Tenant whose tenancy began before or on October 28, 2019, in an amount that exceeds the monthly Rent that was in effect on October 28, 2019, plus any Rent increase authorized by this Section. Until December 11, 2019, no Landlord may request, receive, or retain Rent for a Covered Rental Unit from a Tenant whose tenancy began after October 28, 2019, which amount exceeds the initial monthly Rent charged for the Covered Rental Unit, plus any increase authorized by this Section.

- A. While this interim ordinance is in effect, the monthly Rent charged for a Covered Rental Unit that is continuously occupied by the same Tenant may be increased no more than three percent (3%) in any 12-month period. For any Covered Rental Unit in which Rent for the Tenant household has been increased more than three percent (3%) since October 28, 2019, Rent for that particular Tenant household shall be capped at the Rent as of October 28, 2019, plus three percent (3%) for the twelve (12) months following the effective date of the Rent increase.
- B. In the event that a Tenant household has already paid Rent in excess of an three percent (3%) increase over their October 28, 2019 rent, the Landlord shall credit the Tenant for the balance of the overpayment. The Landlord may elect to either: (a) pay the Tenant the balance of the overpayment directly in one lump sum, or (b) give the Tenant a credit against the Rent otherwise due from the Tenant to the Landlord over a six-month period. In the event the Landlord elects to pay the Tenant in one lump sum, the payment shall be due on or before the next Rent payment is due from the Tenant to the Landlord after the effective date of this Interim Ordinance. In the event the landlord elects to give the Tenant a credit over a six-month period, the credit shall be granted beginning the first date a Rent payment is due from the Tenant to the Landlord after the effective date of this Interim Ordinance. Any payment or credit under this subsection shall be enforceable notwithstanding the expiration of this Interim Ordinance.

- C. For any Covered Rental Unit in which Rent for a particular Tenant household has not been increased by three percent (3%) of the Rent charged on October 28, 2019, the Rent for that particular Tenant household may only be increased following the effective date of this Interim Ordinance by an amount that, when added to the amount of any Rent increase noticed on or after October 28, 2019, does not exceed three percent (3%) of the monthly Rent charged on October 28, 2019, or of the initial rent charged if the tenancy began after October 28, 2019.
- D. A decrease in Housing Services is considered an increase in Rent. A Tenant may petition for an adjustment in rent based on a decrease in Housing Services under the process set forth in Section 7 of this interim ordinance.

**SECTION 4. Evictions.** While this Interim Ordinance is in effect, no Landlord shall serve a Notice of Termination or otherwise move to terminate a Tenant's tenancy without Just Cause. This section shall not limit a Landlord's ability to repurpose a property for non-rental uses.

**SECTION 5. Exceptions and Exemptions.** The following are exempt from this Interim Ordinance:

- A. 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;
- B. Commercial units; and
- C. Housing accommodation in any hospital, convent, monastery, extended care facility, convalescent home, nonprofit home for the aged, or dormitory operated by an educational institution.

This Interim Ordinance does not regulate the initial Rent at which a unit is offered.

**SECTION 6. 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 Interim Ordinance.

**SECTION 7. Petition for Relief.**

- A. **Petition Process.** If a Landlord desires to increase the rent for a Covered Rental Unit in an amount greater than allowed in Section 3 of this Interim Ordinance,

and the Landlord Contends that the limitations on Rent increases in Section 3 will prevent the Landlord from receiving a fair and reasonable return with respect to the operation of the property containing the Covered Rental Unit, the Landlord may file a petition with the Community Development Department by requesting a hearing, which will be heard by a Hearing Office appointed by the Director. The Landlord shall mail a copy of the petition by first class mail, postage prepaid, to all Tenants whose Rents are the subject of the petition within five (5) calendar days after the date the petition is filed. Within ten (10) calendar days after the date the petition is filed, the Landlord shall file a proof of service signed under penalty of perjury stating that a copy of the petition was mailed to all such Tenants. The petition shall include a statement indicating the basis on which the Landlord contends that the limitations of this Interim Ordinance on Rent increases will prevent the Landlord from receiving a fair and reasonable return, together with any evidence that the Landlord wants the Hearing Officer to consider. The Landlord shall bear the burden of proving by a preponderance of the evidence at the hearing that because of the implementation of this interim ordinance, the Landlord is unable to obtain a fair and reasonable return.

**B. Hearing Process.**

- a. A hearing before the Hearing Office shall be set for a date no sooner than fifteen (15) days and no later than sixty (60) days after receipt of the request and proof of service on any request complying with the requirements of this Section 7, unless the Hearing Officer determines that good cause exists for an extension of time. The Hearing Officer shall send written notice to the Landlord and the Tenant of the date, time, and place set for the hearing. Upon receipt, the Landlord shall post such notice in a conspicuous place at the affected property including the Covered Rental Units that are the subject of the petition. Such notice shall be placed on a written instrument that is at least eleven (11) inches in width and seventeen (17) inches in length, and shall be placed not less than four (4) feet above ground level in the common area, at the entry or entries to the building or units, or other similar location or locations as necessary to

provide Tenants a reasonable opportunity to view the notice and be advised of the hearing. Within five (5) calendar days of receipt of the notice of hearing, the Landlord shall personally deliver a copy of the notice to each Tenant in the affected Covered Rental Units.

- b. At the hearing the Landlord shall be given the opportunity to testify, call witnesses, and to present evidence concerning the petition. The Hearing Officer shall then hear testimony from the Tenants in the affected Covered Rental Units. The Hearing Office may continue the hearing and request additional information from the Landlord or Tenants prior to issuing a written decision. The Hearing Officer shall have the power to issue orders to keep order and decorum during the hearing. All hearings conducted by the Hearing Officer shall be open to the public.
  - c. The Hearing Officer may, in his or her discretion, grant a continuance of the hearing date upon a request and a showing of good cause by the Landlord or Tenant. The request must be made in writing and be received by the Hearing Officer at least five (5) business days prior to the hearing date. In the instance of a Landlord's continuance request, the Landlord must personally deliver a copy of the request to the affected Tenant(s). In the instance of a Tenant's continuance request, the Tenant must personally deliver a copy of the request to the Landlord. In no event shall the continuance be longer than fifteen (15) calendar days from the originally scheduled hearing date.
  - d. The cost of the hearing, including but not limited to a Hearing Officer's fee, shall be borne by the petitioner.
- C. **Evaluation of Petitions.** In evaluating the petitions from a Landlord or Tenant, the Hearing Officer shall consider all relevant factors that may potentially impact a Landlord's ability to obtain a fair and reasonable return and shall consider the basis for the calculation of any increase in Rent. Relevant factors may include, but are not limited to, changes in costs to the Landlord attributable to increased utility rates, property taxes, insurance, advertising, variable mortgage interest rates, governmental assessments and fees, incidental services, employee costs,

normal repair and maintenance, upgrading and addition of amenities or services, rent rolls, financial statements, expert analysis, and relevant studies.

- D. **Hearing Office Decision.** After considering all of the testimony and evidence submitted at the hearing, within twenty (20) calendar days after the conclusion of the hearing, the Hearing Officer shall issue a written decision denying, affirming or modifying the petition and shall adopt written findings in support of that decision. The written decision shall be served by first-class mail, postage prepaid on the Landlord and any Tenants in the affected Covered Rental Unit. The Hearing Officer's decision shall be final.
- E. **Judicial Review of Hearing Officer Decision.** Any person directly aggrieved by an administrative decision of a Hearing Officer pertaining to a Petition for Relief from Interim Ordinance may seek judicial review in the Superior Court pursuant to Government Code Section 53069.4 and/or Code of Civil Procedure Sections 1094.5 and 1094.6.
- F. **Timing of Petitions and Hearing.** Any petition that is timely filed before the expiration of this Interim Ordinance may continue to be adjudicated. Relief may be granted retroactively to the date the petition was filed.

**SECTION 8. Inconsistent Provisions.** Any provision of the Bell Gardens Municipal Code or appendices thereto that conflicts with the provisions of this Interim Ordinance, to the extent of such conflict and no further, is hereby repealed or modified to the extent necessary to implement the provisions of this Interim Ordinance.

**SECTION 9. Severability.** If any section, subsection, sentence, clause, or phrase of this Interim Ordinance, or any part thereof, is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Interim Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause, or phrase would be subsequently declared invalid or unconstitutional.

**SECTION 10. Sunset Date.** This Interim Ordinance shall expire by its own terms after December 11, 2019 unless otherwise extended.



**SECTION 11.** **Compliance with California Environmental Quality Act.** The City Council finds that Ordinance No. 900-U is not subject to the California Environmental Quality Act pursuant to Section 15060(c)(2), constituting an activity that will not result in a direct or reasonably foreseeable indirect physical change in the environment, and pursuant to Section 15060(c)(3) constituting an activity that is not a project as defined in Section 15378.

**SECTION 12.** If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof\* irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases or portions might subsequently be declared invalid or unconstitutional.

**SECTION 13.** The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause this Ordinance to be published or posted as required by law, which shall take full force and effect immediately for a period of 45 days, which may be extended further for 10 months and 15 days.

**PASSED, APPROVED, AND ADOPTED** this 28<sup>th</sup> day of October, 2019.

*[Signatures on the following page]*

**THE CITY OF BELL GARDENS**

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Alejandra Cortez, Mayor

**APPROVED AS TO FORM:**

**ATTEST:**

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Rick Olivarez  
City Attorney

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Vanessa Quiroz  
Acting City Clerk