

ORDINANCE NO. 924-U

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELL GARDENS, CALIFORNIA, EXTENDING THE EXISTING 90-DAY INTERIM PROHIBITION OF RENT INCREASES ON CERTAIN RESIDENTIAL PROPERTIES FOR AN ADDITIONAL 90 DAYS WITH THE ABILITY TO EXTEND FURTHER

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 despite the State's Tenant Protection Act of 2019 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, on April 25, 2022, the City Council adopted Urgency Ordinance No. 922-U, which established a 90-day rent freeze on residential rent increases subject to state rent control while a permanent rent stabilization and just cause evictions ordinance is being prepared;

WHEREAS, Urgency Ordinance No. 922-U became effective immediately upon adoption and is set to expire on July 24, 2022;

WHEREAS, the Ad Hoc Committee met on June 22, 2022, and July 6, 2022, to discuss and provide input regarding a permanent rent stabilization and just cause evictions ordinance;

WHEREAS, this urgency interim ordinance is intended to extend the temporary rent freeze for 90 days for any residential property subject to State rent control and not subject to the Costa-Hawkins Act while the City further considers a permanent rent stabilization and just cause evictions 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. Urgency Ordinance No. 922-U, in its entirety, shall be of no further force or effect and is hereby repealed, replaced and superseded by this Urgency Ordinance No. 924-U.

SECTION 3. 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 April 25, 2022.
- 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 4. Rent Increases. As of the effective date of this interim ordinance, and until October 9, 2022, no residential 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 April 25, 2022. 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 5. 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 6. 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 7. 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 8. Petition for Relief.

- A. **Petition Process.** If a Landlord desires to increase the rent for a Covered Rental Unit during the interim freeze period 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, maintenance, upgrading and addition of amenities or services, rent rolls, financial statements, expert analysis, and relevant studies.
- D. Hearing Office Decision.** After considering all 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 9. 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 10. 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 11. Sunset Date. This Interim Ordinance shall expire by its own terms after October 9, 2022, unless otherwise extended.

SECTION 12. Compliance with California Environmental Quality Act. The City Council finds that Ordinance No. 924-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.

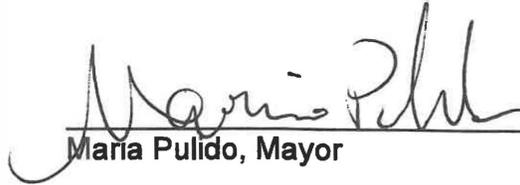
SECTION 13. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The 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 14. 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 90 days, which may be extended further.

PASSED, APPROVED, AND ADOPTED this 11th day of July 2022.

THE CITY OF BELL GARDENS



Maria Pulido, Mayor

APPROVED AS TO FORM:



Rick Olivarez
City Attorney

ATTEST:



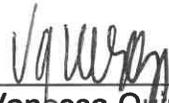
Vanessa Quiroz
Acting City Clerk

[Certification on the following page]

ORDINANCE CERTIFICATION

I, Vanessa Quiroz, Acting City Clerk of the City of Bell Gardens, hereby CERTIFY that **Ordinance No. 924-U** was introduced and adopted at a regular meeting of the Bell Gardens City Council held on **Monday, July 11, 2022** and was approved and passed by the following vote:

AYES: Council Members Barcena, Cortez, Flores; Mayor Pro Tem Chavez; Mayor Pulido
NOES: None
ABSTAIN: None
ABSENT: None



Vanessa Quiroz
Acting City Clerk