ORDINANCE NO. 2024-XX

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF **HUNTINGTON PARK, CALIFORNIA, ADDING CHAPTER** 21 (RENT STABLIZATION) TO TITLE 8 (BUILDING **REGULATIONS)** THE HUNTINGTON OF PARK MUNICIPAL CODE **ESTABLISHING** RENT STABILIZATION REGULATIONS

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WHEREAS, the increasing housing rent burden and poverty faced by many residents in the City of Huntington Park threatens the health, safety, and welfare of its residents by forcing them to choose between paying rent and providing food, clothing, and medical care for themselves and their families; and

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WHEREAS, according to a report by the California Housing Partnership Corporation (2022), in Los Angeles County, lower-income renters are likely than higher income renters to spend more than half of their income on housing; and in 2019, 87% of deeply low-income households (earning less than or equal to 15% of local area median income or "AMI") and 72% of very low-income households (earning less than or equal to 30% of AMI) are severely cost burdened, while 2% of moderate-income households experience this level of cost burden; and

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WHEREAS, the City's 2021-2029 Housing Element states that across the City's 10,617 renter households, 6,679 (62.9%) spend 30% or more of gross income on housing costs, compared to other local regions; additionally, 3,357 renter households in the City (31.6%) spend 50% or more of gross income on housing costs, compared to 28.9% regionally; and

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> WHEREAS, pursuant to the City's police power, as granted broadly under Article XI, section 7 of the California Constitution, to make and enforce local ordinances and regulations within their jurisdiction, as long as they do not conflict with state law; and

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> WHEREAS, the Costa-Hawkins Rental Housing Act, California Civil Code section 1954.50, et seq., limits the applicability of local rent stabilization policies, including prohibiting local jurisdictions from applying rent stabilization to certain residential rental properties, and this Ordinance intends to comply with such limitations,

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and all other applicable state and federal laws; and

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WHEREAS, rent control ordinances have long been held to be a valid exercise of a city's police power to regulate the health and safety of its residents.

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NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUNTINGTON PARK AS FOLLOWS:

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SECTION 1. The City Council hereby finds that the foregoing recitals are true and correct and are incorporated herein as substantive findings of this Ordinance.

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SECTION 2. The City Council hereby approves adding Chapter 21 (Rent Stabilization) to Title 8 (Building Regulations) to the Huntington Park Municipal Code to read as follows:

CHAPTER 21 RENT STABILIZATION

8-21.0 Intent and purpose.

The City Council of the City of Huntington Park finds:

- (a) The continued rise in rental rate has contributed to a housing affordability crisis, with the majority of renters in Huntington Park being "rent-burdened," paying over 30% of their income towards rent.
- (b) A significant percentage of residents face difficulty maintaining affordable, stable and adequate housing.
- (c) The purpose of these provisions is to promote long-term stability in the rental market by limiting unreasonable rent increases while allowing landlords a fair and reasonable return on investment. This Chapter establishes guidelines for permissible rent increases, the application process for rent adjustments, and protections for both tenant and landlords.
- 8-21.1 Definitions.
- (a) "City" refers to the City of Huntington Park.
- (b) "Covered Rental Unit" shall mean any residential unit rented to tenants unless explicitly exempt pursuant to Section 8-21.2 (Applicability and exemptions).
- (c) "Department" means the Community Development Department of the City of Huntington Park, or other department designated by the city council to administer the provisions of this chapter.
- (d) "Director" means the Director of Community Development of the City of Huntington Park or designee.
- (e) "Rental Agreement" shall refer to an agreement between a landlord and a tenant for the use or occupancy of a rental unit.
- (f) "Landlord" shall mean any property owner or any other person legally entitled to offer any rental unit for rent or entitled to received collect rent for the use and occupancy of a rental unit.
- (g) "Tenant" shall mean any individual who leases a rental unit from a Landlord. This includes but is not limited to a tenant, subtenant, lessee, sublessee, or any other person entitled under the terms of a rental agreement to the occupancy of a rental unit.

- (h) "Capital Improvement" shall mean significant additions or upgrades that materially extend the life of the property, distinct from routine maintenance or repairs covered by insurance.
- (i) "Rent" shall mean the amount paid by a Tenant for the use of a rental unit, including access to housing services.
- (j) "Rental Unit" shall refer to any dwelling unit as defined under California Civil Code Section 1940(c), located in the jurisdictional boundaries of the City of Huntington Park and that is used or occupied for human habitation in consideration of payment of rent.
- (k) "Rent ceiling" refers to the maximum allowable rent which a landlord may charge on any controlled rental unit.
- 8-21.2 Applicability and exemptions.
- (a) This Chapter shall not apply to any residential units expressly exempt pursuant to any provision of state of federal law, and those specifically exempt as follows:
 - Any rental unit that has a certificate of occupancy or equivalent permit for residential occupancy issued after February 1, 1995. For this purpose, certificate of occupancy is the certificate first issued before the property is used for any residential purpose; or
 - II. Any rental unit that is alienable separate from the title to any other dwelling unit, including single family residences, condominiums, and townhomes.
 - III. Any rental unit, space, or resident covered under the provisions of the state Mobilehome Residency Law, Civil Code section 798, et seq., as applicable.
 - IV. Any rental unit that is a subdivided interest in a subdivision, as specified in California Business and Professions Code section 11004.5(b), (d), and (t).
 - V. Any rental unit for which the Landlord receives federal, state, or local housing subsidies, including, but not limited to federal housing assistance vouches issued under Section 8 of the United States Housing act of 1937 (42 U.S.C Sec. 1437f).
 - VI. Residential real property containing no more than two rental units in which the owner occupies one of the units as the owner's principal place of residence since the beginning of the tenancy, so long as the owner continues in occupancy. For purposes of this subsection:
 - (i) The term "owner" means a natural person who owns at least a 25 percent ownership interest in the residential real property.
 - (ii) An exemption under this subsection shall expire by operation of law when the owner ceases to reside on the property as their principal place

of residence. It shall be the owner's responsibility to inform the Department of the change in occupancy and enroll the rental unit in the City's Covered Rental Unit registry as required by this Chapter within 6 months of the change in owner occupancy.

(b) Any person with an ownership interest in a Rental Unit may claim an from this Chapter by filing an application with the Department in a form approved by the City.

8-21.3. Permissible Rent increases.

- (a) Annual Rent Cap: Rent increases on covered rental units are capped at 3% per year or 100% of the Consumer Price Index (CPI) for the Los Angeles-Long Beach-Anaheim region, whichever is lower.
- (b) Frequency: Rent on covered rental units may only be increased once during a 12-month period.
- (c) Initial Rent Ceiling: Landlords may set market rent when a rental unit becomes vacant, but subsequent rent increases must follow the annual rent cap guidelines.
- (d) No Banking of Increases: Landlords may not bank unused rent increases from previous years for future use. This chapter will be enforceable prospectively.
- 8-21.4 Capital improvement pass-throughs.
- (a) 50% Pass-Through: Landlords may pass through 50% of capital improvement costs to tenants in covered rental units provided:
 - I. The improvement benefits tenants directly, such as upgrades in plumbing, roofing, or heating systems.
 - II. Costs are amortized over a minimum period of 5 years.
 - III. Capital improvements cannot include regular maintenance or repairs from wear and tear, repairs covered by homeowner's insurance or be the result of landlord's failure to perform regular maintenance.
 - IV. Landlords notify tenants at least 30 days in advance and provide detailed documentation on costs.
 - V. Approval Required: The Department must approve any capital improvement pass-throughs before they can be passed to tenants.
 - VI. Application Process: The landlord must apply to the Department for recovery of capital improvement costs, on a form approved by the Department, within 6 months of completing the capital improvement.
- 8-21.5 Landlord application for rent adjustment.

including:

(a) Just Cause Evictions: Landlords may only evict tenants for specific reasons,

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- I. Nonpayment of rent.
- II. Material breach of the lease.
- III. Illegal activities or property damage.
- IV. Assigning or subletting the premises in violation of the Tenant's lease.
- (b) Notice to Cure Just Cause Evictions. Before a Landlord issues a notice to terminate a Tenancy for just cause that is a curable lease violation, the Owner shall first give notice of the violation to the Tenant with an opportunity to cure the violation pursuant to paragraph (3) of Section 1161 of the Code of Civil Procedure. If the violation is not cured within the time period set forth in the notice, a three-day (3-day) notice to quit without an opportunity to cure may thereafter be served to terminate the Tenancy.
- (c) No-Fault Evictions: Includes any of the following:
 - I. Landlord's intent to occupy the Covered Rental Unit by the Landlord or their spouse, domestic partner, children, grandchildren, parents, or grandparents.
 - II. Withdrawal of the Covered Residential Unit from the rental market for an anticipated period of at least 24 months, as affirmed by the Landlord in a written affidavit submitted to the City.
 - III. The Landlord complying with any of the following: (i) an order issued by a government agency or court relating to the habitability that necessitates vacating the Covered Rental Unit; (ii) an order issued by a governmental agency to vacate the Covered Residential Unit; or (iii) a local ordinance that necessitates vacating the Covered Residential Unit.
 - IV. Intent to demolish or to substantially remodel the Covered Residential Unit.
- (d) Relocation Assistance: For termination for no-fault termination, the Landlord must either: (i) provide relocation assistance equivalent to two (2) months' rent for no-fault eviction due to reasons; or (ii) waive in writing the payment of Rent for the final two (2) months of the Tenancy, prior to the Rent becoming due.
 - I. If a Landlord issues a notice to terminate a Tenancy for no-fault, the Landlord shall notify the Tenant of the Tenant's right to relocation assistance or Rent waiver, and all other rights pursuant to this Section.
- (e) When terminating a Tenancy either for just cause or no-fault, a Landlord must comply with all of the following: (i) The Landlord must serve a written notice in accordance with Civil Code sections 1946 through 1946.5, to the Tenant that states that, in addition to any information required by federal or State law, the Landlord will terminate the Tenancy, and that indicates at least one at-fault or no-fault just cause reason as provided in this Section; and (ii) The Landlord has not accepted and will not accept Rent or any other consideration in return for the continued use of the Covered Rental Unit beyond the term of the terminated

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Tenancy in compliance with Civil Code sections 1945 through 1946.5; and (iii) The Landlord qualifies the termination as at-fault or no-fault just cause, as specified in Section; and (iv) The Landlord has submitted to the City, within five (5) days after service of the notice of termination on the Tenant, a true and accurate copy of the Landlord's written notice of termination, and proof of such service, signed under penalty of perjury, on the Tenant, through the City's Rental Registry progress. The Landlord shall maintain proof of service to the City as evidence that the Landlord has complied with this section; and (v) The Landlord must provide the notice in the language that the Owner and Tenant used to negotiate the terms of the Tenancy, in addition to English.

(f) Buyout Offers and Notices: A Landlord must inform a Tenant of certain rights before offering any form of compensation in exchange for a Tenant's agreement to voluntarily vacate a Covered Rental Unit. The information must be given in writing to each Tenant in a unit with respect to which buyout offer is made, on a form approved by the City. The Landlord must retain a copy of the form along with a record of when it was given to the Tenant for at least five (5) years after it is signed. The disclosures should include: (i) the right to refuse the offer; (ii) the right for the Tenant to consult a lawyer; (iii) a 30-day right for the Tenant to rescind its acceptance of the Landlord's buyout offer; (iv) a statement that the Tenant may visit the Department to compare its offer to other buyout offers in the Tenant's neighborhood and other relevant information; (v) the form must include a place for the Landlord to sign, together with a date of the Landlord's signature, verifying that the required notice was provided to the Tenant, a place for the Tenant to sign, verifying that he or she received the notice; (vi) the form must include the amount of relocation fees required under paragraph (d) of Section 8-21.7; (vii) any other information deemed necessary by the Director.

(g) Anti-Retaliation:

- I. Prohibition Against Retaliation. No Landlord shall retaliate against a Tenant by raising rent, reducing services, failing to perform necessary repairs, threatening eviction, or initiating eviction proceedings because the Tenant has exercised their legal rights under the Section, including but not limited to:
 - a. Reporting habitability concerns or violations to local authorities;
 - b. Joining or organizing tenant associations;
 - c. Participating in rent stabilization program;
 - d. Requesting repairs or maintenance;
 - e. Filing complaints about rent increases or unsafe conditions; or
 - f. Exercising any other rights protected under local, state or federal law.
- II. Presumption of Retaliation. If a Landlord takes any adverse action such as rent increases, eviction threats, or reductions in services, within 180 days of a Tenant engaging in a protected activity, it shall be presumed that the Landlord's actions are retaliatory. The Landlord may rebut this presumption by providing clear and convincing evidence of a legitimate, non-retaliatory reason for the action.

ownership or management or change in owner's or manager's contact information).

- III. A Landlord of a Rental Unit which is not registered with the City because of a claim of exemption, shall provide the City, on a form approved by the City and accompanied by supporting documentation, a written declaration stating the facts upon which the Landlord bases a claim of exemption from this Chapter. If a Landlord fails to submit a written declaration and supporting documents by December 30, 2024, and December 30 of each year thereafter, the Rental Unit shall be deemed to be subject to the provisions of this Section. If a Landlord declares that the Rental Unit is not subject to the registration requirements of this Section because the Rental Unit is vacant, the Landlord shall provide a certification to the Department declaring that the Rental Unit is and shall remain vacant, and the Rental Unit shall be secured against unauthorized entry.
- IV. For every Rental Unit for which a Landlord is required to register pursuant to this Section, the Landlord shall post a notice in form provided by the City, providing information about this Chapter and the Department's contact information. Notices must be posted in a conspicuous location in the common area, at the entry or entries to the building(s) or units, or other similar location(s) as necessary to provide Tenants a reasonable opportunity to view the notice. If there is no common area or similar location, this requirement may be satisfied by mailing the notice to each Tenant of the building, by certified mail, return receipt requested. The notice shall be written in English and Spanish, and in any other languages as required by the City.
- V. Failure to Register: Landlords who fail to register their units may not enforce rent increases or evictions.
- 8-21.10 Enforcement and compliance.
 - (a) Penalties for Non-Compliance:
 - I. Civil Penalty: Any person violating any of the provisions, or failing to comply with any of the requirements, of this chapter may be liable for a civil penalty not to exceed \$1,000 for each violation.
 - II. Criminal Penalty: Any person violating any of the provisions or failing to comply with any of the requirements of this chapter shall be guilty of a misdemeanor and punished by a fine of not more than \$1,000, or by imprisonment in the county jail for a period of not more than six months, or by both.
 - III. Each violation of any provision of this Chapter, and each day during which any such violation is committed, permitted or continued, shall constitute a separate offense.
 - (b) Rent Increases Ineffective: Any rent increase imposed without following the proper registration or notice procedures is considered void.

- (c) Appeals Process: Tenants or landlords may appeal decisions made under this Chapter to a hearing officer within 30 days.
- (d) The above remedies are not exclusive and do not preclude the city or any tenant from seeking other remedies or penalties provided by applicable law.
- 8-21.11 Administrative review and appeals.
- (a) Administrative Review: The Director's decision on a rent adjustment application, tenant petition for adjustment or a pass-through cost recovery application will be issued in a notice of decision.
 - The Director shall review and evaluate applications pursuant to this Chapter and issue a notice of decision in accordance with adopted procedures and regulations.
 - II. The Director may request documents, interview witnesses and affected parties, and gather necessary evidence to review and make appropriate conclusions and findings.
 - III. The Director's decision may be appealed to a hearing officer in accordance with the following procedures as set forth herein.
- (b) Appeals Process: Parties may file an appeal and request a hearing with the City Clerk no later than 30 calendar days after the Director issues a notice of decision. Appeals will be heard by a hearing officer. If the filing deadline falls on a weekend, holiday, or other day when city hall is officially closed, the filing deadline will extend to the following city hall business day.
- (c) Hearing Dates: A hearing on a request for appeal will be scheduled before a hearing officer for a date no sooner than 15 days and no later than 60 days after receipt of the request for appeal and proof of service, unless the hearing officer determines that good cause exists for an extension of time. Upon setting the hearing date, the hearing officer shall send written notice to the appealing party of the date, time and place set for the hearing. Within five calendar days of receipt of the notice of hearing, the appealing party shall deliver a copy of the notice to each affected tenant or landlord, as applicable, via personal service or certified mail return receipt requested.
- (d) Public Hearing: Appeals are conducted in a public hearing, and both parties may present evidence. At the hearing, the hearing officer shall review the record of the decision and hear testimony of the party requesting the appeal, representatives of the department, and any other interested party. The hearing officer may continue the hearing and request additional information from the landlord or tenant before issuing a written decision.
- (e) Application and Materials: At an appeal hearing, the hearing officer shall consider only the administrative record that was the subject of the department's final decision.

- (f) Hearing Continuance. 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. The request must be made in writing and be received by the hearing officer at least 5 business days prior to the hearing date. If the Landlord is requesting an extension, the Landlord must personally deliver a copy of the request to the affected Tenant(s). If a Tenant is the party requesting an extension, the Tenant must personally deliver a copy of the request to the Landlord or Landlord's agent. In no event shall the continuance be longer than 15 calendar days from the originally scheduled hearing date.
- (g) Decision and Notice: After the hearing, the hearing officer shall affirm, modify or reverse the decision and specify the reasons for its decision or refer the matter back to the Department for further review.
 - I. Decisions shall be rendered within 30 days of the close of the hearing.
 - II. The hearing officer shall mail the hearing officer's decision to the affected parties within 10 days after it is rendered.
 - III. The decision of the hearing officer shall be final and not subject to further appeal.
- (h) Final Decision. The decision of the hearing officer shall be final and not subject to further appeal.
- (i) Judicial Review of Hearing Officer Decision. Any person directly aggrieved by an administrative decision of a hearing officer pertaining to a request for appeal of a Director's decision under this Chapter, may seek judicial review in the court pursuant to Government Code section 53069.4 and/or Code of Civil Procedure sections 1094.5 and 1094.6.
- (j) Hearing Officer. The City Manager shall establish procedures for the selection of a Hearing Officer. Hearing Officers shall be selected in a manner that avoids the potential for pecuniary or other bias. In no event shall the Hearing Officer be the Director. The compensation, if any, of the Hearing Officer shall be paid by the City. Compensation shall not be directly or indirectly conditioned upon whether or not decisions of the City are upheld by the Hearing Officer.
- 8-21.12 Administrative Citations.
- (a) Any Landlord or Tenant who violates any provisions of this Chapter, or Department's procedures and guidelines, is subject to an administrative citation and fine as provided for in Chapter 5 of Title 1 of the municipal code.
- 8-21.13 Additional remedies.
- (a) Tenant Legal Rights: Tenants may bring a civil lawsuit against landlords for violations of the ordinance. Remedies may include injunctive relief, damages, and attorneys' fees.

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2	(b) Eviction Defense: A tenant may use a landlord's failure to comply with the ordinance as a defense to eviction.
3	8.21.14 Notices to tenants.
4	(a) Landlords must provide to each tenant, prior to, or at the time of agreeing to rent or lease a rental unit, a notice of tenant rights and under this chapter. The Department shall publish a form notice of tenant rights in English and any other.
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6	frequently spoken languages.
7	(b) Landlords must provide the form notice in the following circumstances:
8 9	When entering into a rental agreement, by including a copy of the form notice as an exhibit or attachment to the written rental agreement.
10	II. When renewing a rental agreement.
11	8.21.15 Implementation and rulemaking.
12	(a) The City Manager and City Attorney shall take all necessary steps to implement this ordinance, including the creation of forms, public information, and administrative procedures. SECTION 3. If any action, subsection, line, sentence, clause, phrase, or word of this Ordinance is for any reason held to be invalid or unconstitutional, either facially or as applied, by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance, and each and every individual section, subsection, line, sentence, clause, phrase, or word without regard to any such decision.
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18	SECTION 4. This ordinance shall become effective thirty (30) days after
19	approval by the City Council.
20	SECTION 5. The City Clerk shall certify to the adoption of this Ordinance and
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22	PASSED, APPROVED and ADOPTED this 18th day of November, 2024.
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24 ₂₅	 Karina Macias, Mayor
$\begin{bmatrix} 25 \\ 26 \end{bmatrix}$	Taina Madas, Mayor
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ATTEST: Eduardo Sarmiento, CMC City Clerk