

ORDINANCE NO. 2022-**AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, ENACTED PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTIONS 36934 AND 36937 TEMPORARILY ADDING CHAPTER 8.36 (“RESIDENTIAL RENT STABILIZATION”) TO TITLE 8 (“HEALTH AND SAFETY”) OF THE CLAREMONT MUNICIPAL CODE, TO LIMIT INCREASES IN RENT FOR CERTAIN RESIDENTIAL TENANCIES IN THE CITY OF CLAREMONT**

WHEREAS, effective January 1, 2020, the Tenant Protection Action of 2019, Assembly Bill 1482 (“AB 1482”) added Sections 1946.2, 1947.12, and 1947.13 to the California Civil Code; and

WHEREAS, subject to certain exceptions, AB 1482 limits rent increases over the course of any 12-month period to 5% plus the “percentage change in the cost of living” (as defined), or 10%, whichever is lower (the “Rent Stabilization Provisions”); and

WHEREAS, AB 1482’s Rent Stabilization Provisions are intended to “help families afford to keep a roof over their heads, and... provide California with important new tools to combat our state’s broader housing and affordability crisis;” and

WHEREAS, like many cities in Los Angeles County, the City of Claremont is experiencing a housing affordability crisis and a humanitarian crisis of homelessness that would be exacerbated by the displacement of renters; and

WHEREAS, in Claremont specifically, numerous tenants of residential real property have recently reported that they cannot afford the rental increases permitted under AB 1482; and

WHEREAS, the City is concerned that, without “more protective” local rent stabilization provisions, some tenants will be unable to continue to pay their rent, resulting in at-fault evictions; and

WHEREAS, pursuant to Government Code Sections 36934 and 36937, a city may adopt an urgency ordinance for the immediate preservation of the public peace, health, or safety; and

WHEREAS, as set forth in more detail in the declaration of the facts constituting the urgency in Section 3 below, the threatened displacement of renters at unprecedented levels poses numerous threats to the public peace, health, or safety; and

WHEREAS, protecting renters from rent increases that they cannot afford while the City Council considers the adoption of a permanent ordinance will prevent further homelessness and displacement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLAREMONT, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Recitals

The City Council finds the foregoing recitals and their findings to be true and correct, and hereby incorporates such recitals and their findings into this ordinance.

SECTION 2. Environmental Review

The City Council finds and determines that the adoption of this Urgency Ordinance is exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines Section 15060(c)(2), in that the adoption of this Ordinance will not result in a direct or reasonably foreseeable indirect physical change in the environment, and is further and independently exempt from the California Environmental Quality Act under State CEQA Guidelines Section 15061(b)(3), in that it can be seen with certainty there is no possibility the adoption of this Ordinance will have a significant effect on the environment.

SECTION 3. Declaration of Facts Constituting Urgency

The City Council has the power to enact an urgency ordinance, not in conflict with general laws, as necessary to protect public peace, health, and safety, via exercise of the powers provided to cities in Article XI, Section 7, of the California Constitution, and in compliance with Government Code section 36937, subdivision (b). The adoption of this Urgency Ordinance is necessary for the immediate preservation of the public peace, health, and safety as those terms are used in Government Code Section 36937, subdivision (b) in at least the following respects:

- A. Independent of the COVID-19 crisis, the City of Claremont is experiencing a housing affordability crisis, which is driving homelessness and displacement of residents to an unprecedented scale.
- B. When a household spends more than 30 percent of its income on housing costs (i.e., is “rent burdened”), it has less disposable income for other necessities such as health care. In the event of unexpected circumstances, such as loss of income or health problems, households with a burdensome housing cost are more likely to become homeless. In Claremont, approximately 52.4% of renter-households use more than 30% of their incomes to cover housing costs, and of those renter-households, approximately 44.2% spend 35 percent or more of their income on housing costs. (2014–2019 ACS 5-Year Estimates.)
- C. As the cost of housing in Southern California continues to rise, homelessness has become more prevalent. In the 2020 Greater Los Angeles

Homeless Street Count, 17 unsheltered individuals were counted in Claremont. That number increased to 26 individuals in 2022.

D. The Greater Los Angeles Homeless Street Counts do not include individuals who live with relatives or friends, in nearby hotels, or in other transitional housing. The Claremont Unified School District reported that, as of July 2021, there were 125 children that fit into the latter category (although the School District includes some neighborhoods outside Claremont).

E. One of the most effective ways to address the homeless crisis is to prevent individuals and families from becoming homeless in the first place. To that end, the City has programs to assist families threatened with homelessness. For example, the City's Department of Human Services is responsible for overseeing the City Senior and Family Emergency Fund. This fund helps Claremont families and seniors through initial crises. Once resolved, Human Services Department staff works with the recipients to connect with agencies to assist them in obtaining ongoing financial support.

F. Starting in April of 2020, Claremont's residential tenants were generally protected from evictions by a variety of temporary COVID-19-related governmental measures, such as: (1) the California Judicial Council's temporary emergency measures which effectively provided for a moratorium on all evictions; (2) the State of California's eviction moratorium (ultimately codified through Assembly Bill 3088 (2020), Senate Bill 91 (2021), and Assembly Bill 81 (2021)); and (3) the County of Los Angeles' Tenant Protections Resolution. However, with the exception of the County's Tenant Protections Resolution, those measures have now expired or have been lifted. The County can terminate its tenant protections at any time. Unless the County extends its Tenant Protections Resolution, it is due to automatically expire December 31, 2022.

G. Starting in or around the fall of 2022, numerous residential tenants in Claremont reported that they cannot continue to afford the rent increases permitted under AB 1482 and, without more stringent rent stabilization protections, they will soon be priced out of their rental units or will be forced to choose between paying rent or paying for other necessities (e.g., food, medical care, etc.).

The above-identified facts constitute a current and immediate threat to the public peace, health, and safety of the City, within the meaning of Government Code section 36937, subdivision (b). In light of these facts, the City Council finds that an urgency ordinance is necessary and essential to prevent the irreparable injury tenants would suffer due to unsustainable rent increases. The City Council declares that this urgency

ordinance is necessary for immediate preservation of the public peace, health, and safety of the community.

SECTION 4. Temporary Code Amendment

For the term of this Urgency Ordinance, Chapter 8.36 (“Residential Rent Stabilization”)¹ is added to Title 8 (“Health and Safety”) of the Claremont Municipal Code to read as follows:

Chapter 8.36 Residential Rent Stabilization

8.36.000 Intent

The City finds and declares that the unique circumstances of the current housing crisis require a local response to address rent gouging by establishing heightened local limitations on gross rental rate increases. It is the intent of the City that this chapter should apply only for the limited time needed to address the current housing crisis.

8.36.010 Residential Rent Increases

(a)(1) Subject to subdivision (b), an owner of residential real property shall not, over the course of any 12-month period, increase the gross rental rate for a dwelling or a unit by more than **three percent (3%) and the percentage change in the Consumer Price Index or six percent (6%), whichever is lower**, of the lowest gross rental rate charged for that dwelling or unit at any time during the 12 months prior to the effective date of the increase. In determining the lowest gross rental amount pursuant to this section, any rent discounts, incentives, concessions, or credits offered by the owner of such unit of residential real property and accepted by the tenant shall be excluded. The gross per-month rental rate and any owner-offered discounts, incentives, concessions, or credits shall be separately listed and identified in the lease or rental agreement or any amendments to an existing lease or rental agreement.

(2) If the same tenant remains in occupancy of a unit of residential real property over any 12-month period, the gross rental rate for the unit of residential real property shall not be increased in more than two increments over that 12-month period, subject to the other restrictions of this subdivision governing gross rental rate increase.

(b) For a new tenancy in which no tenant from the prior tenancy remains in lawful possession of the residential real property, the owner may establish the initial rental rate

¹ This chapter parallels AB 1482’s Rent Stabilization Provisions, specifically Section 1947.12 of the Civil Code. Places where this chapter differ from AB 1482 are in **purple font**.

not subject to subdivision (a). Subdivision (a) is only applicable to subsequent increases after that initial rental rate has been established.

(c) A tenant of residential real property subject to this section shall not enter into a sublease that results in a total rent for the premises that exceeds the allowable rental rate authorized by subdivision (a). Nothing in this subdivision authorizes a tenant to sublet or assign the tenant's interest where otherwise prohibited.

8.36.020 Exceptions

This chapter shall not apply any residential real properties that qualify for the exceptions to AB 1482's rent stabilization provisions listed in subdivisions (d) and (j) of Section 1947.12 of the Civil Code.

8.36.030 Notices of Rent Increases

An owner shall provide notice of any increase in the rental rate, pursuant to Section 8.36.010 above, to each tenant in accordance with Section 827 of the Civil Code.

8.36.040 Definitions

For the purposes of this chapter, the following definitions shall apply:

(1) "Consumer Price Index for All Urban Consumers for All Items" means the Consumer Price Index for All Urban Consumers for All Items (CPI-U) for the Los Angeles-Long Beach-Anaheim metropolitan area, as published by the United States Bureau of Labor Statistics, or any successor metropolitan area index.

(2) "Owner" includes any person, acting as principal or through an agent, having the right to offer residential real property for rent, and includes a predecessor in interest to the owner.

(3)

(A) "Percentage change in the cost of living" means the percentage change, computed pursuant to subparagraph (B), in the applicable, as determined pursuant to paragraph (1), Consumer Price Index for All Urban Consumers for All Items.

(B)

(i) For rent increases that take effect before August 1 of any calendar year, the following shall apply:

(I) The percentage change shall be the percentage change in the amount published for April of the immediately preceding calendar year and April of the year before that.

(II) If there is not an amount published in April for the applicable geographic area, the percentage change shall be the percentage change in the amount published for March of the immediately preceding calendar year and March of the year before that.

(ii) For rent increases that take effect on or after August 1 of any calendar year, the following shall apply:

(I) The percentage change shall be the percentage change in the amount published for April of that calendar year and April of the immediately preceding calendar year.

(II) If there is not an amount published in April for the applicable geographic area, the percentage change shall be the percentage change in the amount published for March of that calendar year and March of the immediately preceding calendar year.

(iii) The percentage change shall be rounded to the nearest one-tenth of 1 percent.

(4) "Residential real property" means any dwelling or unit that is intended for human habitation, including any dwelling or unit in a mobile home park.

(5) "Tenancy" means the lawful occupation of residential real property and includes a lease or sublease.

8.36.050 Scope

This chapter shall apply to all rent increases subject to Section 18.36.010, above occurring on or after [October 11, 2022](#).

8.36.060 No Waiver of Rights Under this Chapter

Any waiver of the rights under this chapter shall be void as contrary to public policy.

8.36.070 Expiration of Temporary Urgency Ordinance

Unless repealed or extended, this chapter shall remain in effect until [July 1, 2023](#), and as of that date is repealed.

SECTION 5. Effective Date.

This Ordinance is declared to be an Urgency Ordinance by authority conferred on the City Council of the City of Claremont by Government Code Sections 36934 and 36937, and shall be in full force and effect immediately upon its adoption by a four-fifths vote of the City Council.

SECTION 6. Term of Urgency Ordinance.

This Urgency Ordinance shall be in effect until the earlier of: (1) the date a permanent ordinance addressing “just cause” evictions adopted by the City Council of the City of Claremont goes into effect; (2) the date this Urgency Ordinance is rescinded or terminated by the City Council of the City of Claremont; or (2) July 1, 2023.

SECTION 7. Expiration or Termination

If the term of the Urgency Ordinance is not extended, then it shall automatically expire at 11:59 p.m. on its last day without further action of the City Council.

SECTION 8. Rent Stabilization Study

During the term of this Urgency Ordinance, City staff is directed to further study and analyze whether a long-term rent stabilization program is warranted.

SECTION 9. Severability.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase, or portion of this Urgency Ordinance is, for any reason, held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Urgency Ordinance or any part thereof. The City Council hereby declares that it would have adopted this Urgency Ordinance and each section, subsection, subdivision, paragraph, sentence, clause or phrase of this Urgency Ordinance irrespective of the fact that one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid or ineffective. To this end, the provisions of this Urgency Ordinance are declared to be severable.

SECTION 10. Posting of Ordinance.

The Mayor shall sign this Urgency Ordinance and the City Clerk shall attest and certify to its passage and adoption. The City Clerk shall cause a summary of this Urgency Ordinance be published or posted as required by law. In accordance with Government

Code Section 8634, this ordinance and any amendments, extensions, and rescissions thereof shall be given widespread publicity and notice.

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

Mayor, City of Claremont

ATTEST:

City Clerk, City of Claremont

APPROVED AS TO FORM:



City Attorney, City of Claremont