



Culver City Rent Freeze: ABCs + 1,2,3s

June 14, 2019

As California grapples with a housing crisis, nearby jurisdictions—including [Glendale](#), [Inglewood](#), and [LA County's unincorporated areas](#)—have been enacting “rent freezes” while they evaluate permanent renter protections and comprehensive affordable housing policies. Here in Culver City, leaders regularly tout the City’s role in promoting economic growth—all those smiling photos with hardhats and shovels at groundbreakings—but they have yet to take action to protect tenants who are vulnerable to rapidly rising rents. In contrast, homeowners already have their property taxes frozen by Prop 13 while they still reap the benefits of rising property values. This threatens to destroy the racial and economic diversity of our community in which we take so much pride, and to deliver windfall profits to landlords who benefit from the appealing community created by all of us, and by city government.

It is in this context that we have called for a Culver City “rent freeze.” This means a **temporary rent stabilization law** that **limits rent increases for a fixed amount of time**. To ensure the effectiveness of the rent freeze and accomplish its purpose of allowing deliberation about permanent solutions, rent freezes typically include **complementary renter protections**, also temporary. What follows are the **A, B, Cs** of the rationale for a rent freeze and the **1, 2, 3s** of what a rent freeze ordinance should include.

- A. **Stabilize the housing market** with quick action. Housing policy is very complex, but that is no excuse for inaction. The temporary nature of a freeze enables interim measures that protect renters and the community while comprehensive policies are developed.
- B. **Preserve policy options** while the City Council and community seeks permanent solutions. Without a freeze, landlords may seek to pre-empt renter protections by jacking up rents in advance of Council action. Rent hikes cannot easily be reversed, but a freeze can be: the Council can always allow the freeze to expire and rents to rise again.
- C. **Enable robust public participation** in the debate about solutions to the housing crisis. Renters fear retaliatory rent hikes or evictions if they speak out for renter protections.

In order to achieve these goals, we identify three key components of a rent freeze. There are many additional, important details, but fortunately, Culver City can take advantage of all the hard work by other jurisdictions that have acted already. In particular, LA County has enacted, and then extended, a [carefully crafted ordinance](#) that can serve as a model, one that was the outgrowth of an [in-depth report](#) on the pros, cons, and design of renter protections (other recent reports are [here](#) and [here](#)).

- 1) **The Rent Freeze:** A temporary limit on annual rent increases for existing tenants.
 - a) **How much?:** We recommend a **3% annual cap**, like LA County. This allows rents to more than keep up with inflation, which has been [below 3%](#) for the last decade.
 - b) **How long?:** We recommend **12 months**, a little shorter than LA County's. It is unrealistic to expect permanent policies to be adopted in a significantly shorter time, and the freeze can always be terminated at an earlier point.
 - c) **As of when?:** We recommend that the 3% cap apply to the base rent **as of April 23, 2019**, when the City held a public forum on housing policy, and a number of speakers advocated rent regulations to loud applause. This protects tenants against any attempt by landlords to pre-empt rent regulation with rapid rent hikes. Similar provisions have been included in most other rent freezes.
 - d) **What exemptions?:** The state Costa-Hawkins law already exempts all buildings built **in the last 25 years** and any **single-family houses or condos**. No further exemptions are necessary.

2) **Just Cause Eviction Protections**

Currently, Culver City allows landlords to evict tenants on a whim. **"Just cause"** protections would mean that tenants can only be evicted for a good reason. These are generally divided into "for cause" evictions where the tenant has violated important lease provisions, such as not paying rent or creating a nuisance. In addition, "no fault" evictions are when the tenant has done nothing wrong, but nonetheless the landlord has a right to put the property to another use, ranging from moving in themselves to tearing it down and rebuilding.

Just-cause protections are essential to an effective rent freeze. That is because, under Costa-Hawkins, **rent freezes apply only to current tenants**, not to new leases. Therefore, landlords may attempt to get around a rent freeze by evicting existing tenants, then raising the rent for the next ones. All the recent rent freezes have included just cause protections for the duration of the freeze, with LA County again providing a detailed model.

3) **Relocation Assistance**

Just-cause policies allow for no-fault evictions where the tenant has done nothing wrong. This can create loopholes that allow landlords to get around a rent freeze by creating a vacancy or by switching to a different revenue model, like converting the building to condominiums. These maneuvers are a particular threat in Culver City's rapidly rising housing market.

A standard way to help displaced tenants, and to balance the landlord's economic incentives, is to require **relocation assistance** for tenants facing no-fault evictions. This helps them cover the expenses of moving and finding a new home. A related requirement is **advance notice**. Such provisions are common in permanent renter protections. They are especially important to include in a Culver City rent freeze because we already see landlords tearing down and reconstructing apartment buildings to take them upscale. For a temporary rent freeze, a simple approach would be to require **\$1,000 plus three months rent**, measured as the greater of either the tenant's current rent or the federally-established [fair market rent](#) for a similar apartment in LA County. [Glendale's ordinance](#) provides a starting point.