

ORDINANCE NO. 2020-\_\_\_\_\_

AN ORDINANCE OF THE CITY OF CULVER CITY, CALIFORNIA,  
AMENDING CHAPTER 15.09, *RENTAL HOUSING*, OF THE  
CULVER CITY MUNICIPAL CODE TO ADD A NEW  
SUBCHAPTER 15.09.200, et seq., *RENT CONTROL*.

**NOW, THEREFORE**, the City Council of the City of Culver City, California, **DOES**  
**HEREBY ORDAIN** as follows:

**SECTION 1. FINDINGS.** The City Council of the City of Culver City hereby  
finds, determines and declares that:

**A.** On August 12, 2019, the City Council adopted an urgency ordinance  
establishing interim rent control and tenant protection measures for a 12-month period  
(Ordinance No. 2019-011), based on the findings set forth therein; and, on June 11, 2020,  
extended Ordinance No. 2019-011, without amendment or modification of its terms, through  
October 31, 2020. Ordinance No. 2019-011 is hereinafter referred to as the Interim Rent  
Control Ordinance or IRCO.

**B.** Since the adoption of the Interim Rent Control Ordinance, rents  
throughout the Los Angeles County region continue to rise as market pressures, such as  
increasing real estate costs, lead to a decrease of the affordability and stability of the housing  
stock.

**C.** Southern California Association of Governments (SCAG) determines the  
Regional Housing Needs Assessment (RHNA) growth needs for each city within the SCAG  
region, in addition to the unincorporated areas. According to the City's 2013-2021 Housing

Element ("Housing Element"), based on affordable housing production requirements under RHNA, the City needs 108 additional affordable homes that would house lower-income individuals and families in order to meet current needs. The total housing growth need for the City of Culver City during the 2013-2021 planning period is 185 units, including 108 units of affordable housing distributed by income category as follows:

Extremely Low	Very-Low	Low	Moderate	Total
24	24	29	31	<b>108</b>

The following is the percentage of the 185-unit total need that must be affordable housing, distributed by income category:

Extremely Low	Very-Low	Low	Moderate	Total
13%	13%	15.7%	41.4%	<b>83.1%</b>

To date, less than 50% of the required number of affordable housing units have been produced.

**D.** According to the Housing Element, approximately 43.7% of Culver City renters are "rent burdened," which is defined by the U.S. Department of Housing and Urban Development (HUD) as a renter-household spending more than 30% of its household income on rent. In addition, based on the BAE Urban Economics Long-Term Rent Control Study (BAE Study), which is being used to inform the discussion on the Culver City permanent rent control and tenant protections programs, data indicates that during the 2012-2016 period, 43% of Culver City renter households were moderately or severely cost-burdened. Furthermore, based on the BAE Study, over 80% of extremely low-income households were excessively cost-burdened.

**E.** On June 12, 2020, the Los Angeles Homeless Services Authority (LAHSA) released the results of the 2020 Greater Los Angeles Homeless Count, which showed 66,436 people in Los Angeles County experiencing homelessness. This represents a 12.7% rise from last year's point-in-time count. Culver City enumerated 216 unhoused during the 2020 Greater Los Angeles Homeless Count.

**F.** The effects of the COVID-19 pandemic and the measures taken to slow its spread and protect the public's health and safety have impacted record numbers of workers. California's Employment Development Department (EDD) reports it processed over 7 million claims for unemployment benefits over a 16-week period ending June 27, 2020, compared to about 3.8 million claims processed over the worst full year of the Great Recession (2010). According to the EDD, as of July 2020, California has an unemployment rate of 13.7%, with 2,591,000 jobless. This is above the 12.3% unemployment rate set during the height of the Great Recession (March, October, and November 2010).

**G.** The Public Policy Institute of California reports that about 12.3 million Californians in families headed by working age adults live in or near poverty, and the largest number of poor and near-poor Californians live in Los Angeles County; and that there is a 24% poverty rate among workers in the accommodation and food service sector, which has been severely impacted by reduced tourism and dining out; and a disproportionate share of essential workers such as laborers, cooks, cashiers, and personal care aides are poor or nearly poor.

**H.** Based on historical and projected trends, housing shortages in the City and continued escalation in rents will persist well beyond the economy's recovery from the impacts of COVID-19.

I. If renters are forced by unaffordable rental costs to relocate outside of Culver City, impacts would include the economic, personal and environmental cost of longer commutes to jobs in Culver City and increased difficulty for employers in Culver City to retain and attract employees.

J. At its June 11, 2020 meeting, the City Council directed staff to return with an ordinance to establish a permanent rent control program based, in part, on the protections afforded under the IRCO.

**SECTION 2.** Chapter 15.09, *Rental Housing*, of the Culver City Municipal Code is hereby amended to add a new Subchapter 15.09.200, et seq., *Rent Control*, as follows:

***Rent Control***

- § 15.09.200 Findings and Purpose
- § 15.09.205 Definitions
- § 15.09.210 Exemptions
- § 15.09.215 Permissible Rent Increases
- § 15.09.220 Applications for Rent Adjustments
- § 15.09.225 Capital Improvement Pass-Through Cost Recovery
- § 15.09.230 Rent Registry
- § 15.09.235 Tenant Petitions for Noncompliance
- § 15.09.240 Appeal and Hearing Procedures
- § 15.09.245 Penalties and Enforcement
- § 15.09.250 Civil Remedies
- § 15.09.255 Waiver Prohibited
- § 15.09.260 Severability
- § 15.09.265 Implementation; Rulemaking; and Subpoena Authority
- § 15.09.270 Conflict of Provisions

**§ 15.09.200 FINDINGS AND PURPOSE.**

The City Council of the City of Culver City finds:

A. Rents throughout the Los Angeles County region continue to rise as market pressures, such as increasing real estate costs, lead to a decrease of

1 the affordability and stability of the housing stock. As a result, it is increasingly  
2 difficult for tenants to find adequate, safe, and habitable housing at reasonable  
3 rents.

4 **B.** According to the Culver City Housing Element, approximately  
5 43.7% of Culver City renters are "rent burdened," which is defined by the U.S.  
6 Department of Housing and Urban Development (HUD) as a renter-household  
7 spending more than 30% of its household income on rent. In addition, a study  
8 by BAE Urban Economics indicates that during the 2012-2016 period, 43% of  
9 Culver City renter households were moderately or severely cost-burdened and  
10 over 80% of extremely low-income households were excessively cost-burdened.

11 **C.** The purposes of this Subchapter are to promote long-term stability  
12 and certainty for tenants in the rental market while providing landlords an ability  
13 to receive a fair and reasonable return with respect to the operation of their  
14 property. This Subchapter regulates rents and requires landlords to register  
15 rental property, establishes an administrative hearing process, and provides for  
16 procedures and guidelines for the implementation of this Subchapter.

#### 17 **§ 15.09.205 DEFINITIONS.**

18 For the purposes of this Subchapter, the following definitions shall apply  
19 unless the context clearly indicates or requires a different meaning.

20 **A. *Capital Improvement*** shall mean the addition or replacement of  
21 improvements to a Rental Unit(s) or common areas of the building housing the  
22 Rental Unit(s) as specified in Section 15.09.225 of this Subchapter.

23 **B. *Code*** shall mean the Culver City Municipal Code.

24 **C. *Covered Rental Unit*** shall mean any Rental Unit that is not  
25 exempt, pursuant to Section 15.09.210 of this Subchapter.

26 **D. *CPI*** shall mean the Consumer Price Index for All Urban Consumers  
27 for All Items (CPI-U) for the Los Angeles-Long Beach-Anaheim metropolitan area  
28 (1982-84=100 reference base), or any successor designation of that index that  
may later be adopted by the United States Bureau of Labor Statistics.

**E. *Culver City*** shall mean the City of Culver City.

**F. *Director*** shall mean the Community Development Director of the  
City of Culver City, or his or her designee.

1                   **G.     *Housing Division*** shall mean the Housing Division of the Culver  
City Community Development Department.

2                   **H.     *Housing Division Guidelines*** shall mean the guidelines,  
3 procedures, and rules promulgated pursuant to the authority set forth in Section  
4 15.09.265.

5                   **I.     *Housing Services*** shall mean all services provided by the  
Landlord related to the use or occupancy of a Rental Unit, including, but not  
6 limited to, insurance, repairs, replacement, maintenance, painting, utilities, heat,  
water, elevator service, laundry facilities, recreational areas and/or pools,  
7 janitorial service, refuse removal, furnishings, parking, storage, and security  
8 services.

9                   **J.     *Interim Rent Control Ordinance*** shall mean the urgency  
ordinance adopted by the City Council on August 12, 2019 establishing interim  
10 rent control and tenant protection measures for a 12-month period (Ordinance  
No. 2019-011), based on the findings set forth therein; and, on June 11, 2020,  
11 extended, without amendment or modification of its terms, through October 31,  
12 2020.

13                   **K.     *Landlord*** shall mean an owner, lessor, or sublessor who receives  
or is entitled to receive Rent for the use and occupancy of any Rental Unit or  
14 portion thereof, and the representative, agent, or successor of such owner,  
lessor, or sublessor.

15                   **L.     *Notice of Termination*** shall mean a written notice from a Landlord  
16 to a Tenant that is in the form required by State law to terminate a residential  
17 Tenancy and that is served in accordance with State law.

18                   **M.     *Percentage Change in CPI*** shall mean the percentage change in  
19 the annual average CPI, which is the average of the latest twelve (12) monthly  
CPIs published before the effective date of the Rent increase minus the average  
20 of the prior twelve (12) monthly CPIs (the “base CPI”), divided by the base CPI  
and multiplied by 100. The Percentage Change in CPI shall be rounded to the  
21 nearest one-quarter of one percent.

22                   **N.     *Rent or Rents*** shall mean the sum of all periodic payments and all  
23 nonmonetary consideration demanded or received by a Landlord from a Tenant  
for the use or occupancy of a Rental Unit, including Tenant’s access to and use  
24 of Housing Services. Rent includes, without limitation, the fair market value of  
25 goods accepted, labor performed, or services rendered.

1           **O.     *Rental Agreement*** shall mean a lease, sublease or other oral or  
2 written agreement between the Landlord and Tenant establishing the terms and  
3 conditions of the Tenancy.

4           **P.     *Rental Unit*** shall mean any dwelling unit as defined in California  
5 Civil Code Section 1940(c), including joint living and work quarters, located within  
6 the jurisdictional boundaries of the City of Culver City and used for human  
7 habitation in consideration of payment of Rent, whether or not such use is legally  
8 permitted, including mobilehomes rented by the owner of the mobilehome and  
9 accessory dwelling units.

10           **Q.    *Responsible Person*** shall mean a person responsible for, or  
11 alleged to be responsible for, a violation of this Subchapter.

12           **R.     *State*** shall mean State of California.

13           **S.     *Tenancy*** shall mean the legal right of a Tenant to the use or  
14 occupancy of the Rental Unit.

15           **T.     *Tenant*** shall mean a person entitled, by a Rental Agreement, or by  
16 sufferance, or by this Code or State or federal law, to the use or occupancy of  
17 any Rental Unit.

#### 18           **§ 15.09.210 EXEMPTIONS.**

19           This Subchapter shall not apply to any dwelling units expressly exempt  
20 pursuant to any provision of state or federal law, and such units shall be exempt  
21 from the provisions of this Subchapter, with the exception of the requirements of  
22 Section 15.09.230. The following dwelling units are also specifically exempt from  
23 this Subchapter, with the exception of the requirements of Section 15.09.230:

24           **A.**     Any dwelling unit that has a certificate of occupancy or equivalent  
25 permit for residential occupancy issued after February 1, 1995. For this purpose,  
26 certificate of occupancy is the certificate first issued before the property is used  
27 for any residential purpose; To the extent State law permits, this exemption  
28 shall be limited to dwelling units that have a certificate of occupancy or equivalent  
permit for residential occupancy issued within the previous 15 years.

**B.**     Any dwelling unit that is alienable separate from the title to any  
other dwelling unit, including single family residences, condominiums and  
townhomes, but excluding (i) mobilehomes offered for rent by the owner of the  
mobilehome; and (ii) a Rental Unit that is wholly contained within such separately  
alienable dwelling unit; To the extent State law permits, this exemption shall be  
limited to dwelling units owned by a Landlord who has no direct or indirect

1 economic interest in more than two (2) Rental Units located within or outside of  
2 Culver City, and who also is not (i) a real estate investment trust, as defined in  
3 Section 856 of the Internal Revenue Code; (ii) a corporation; (iii) a limited liability  
4 company in which at least one member is, or is controlled by, a corporation; or  
5 (iv) a partnership in which at least one partner is, or is controlled by, a  
6 corporation.

7 **C.** Any dwelling unit that is a subdivided interest in a subdivision, as  
8 specified in California Business and Professions Code Section 11004.5 (b), (d)  
9 and (f); ~~and~~.

10 **D.** Any dwelling unit for which the Landlord receives federal, state, or  
11 local housing subsidies, including, but not limited to, federal housing assistance  
12 vouchers issued under Section 8 of the United States Housing Act of 1937 line 9  
13 (42 U.S.C. Sec. 1437f).

#### 14 **§ 15.09.215 PERMISSIBLE RENT INCREASES.**

15 **A. *Applicability.*** As of October ~~29-30~~, 2020, no Landlord may  
16 request, receive, or retain Rent for a Covered Rental Unit from an existing  
17 Tenant whose tenancy began on or before October ~~29-30~~, 2020, in an amount  
18 that exceeds the monthly Rent that was in effect on October ~~29-30~~, 2020, plus  
19 any Rent increase authorized by this Section 15.09.215. No Landlord may  
20 request, receive, or retain Rent for a Covered Rental Unit from a Tenant whose  
21 tenancy began after October ~~29-30~~, 2020, which amount exceeds the initial  
22 monthly Rent charged for the Covered Rental Unit, plus any increase authorized  
23 by this Section 15.09.215. Rent increases that were instituted in compliance with  
24 the Interim Rent Control Ordinance and that took effect before October ~~29-30~~,  
25 2020 shall not be invalidated by this Section 15.09.215.

26 **B. *Annual Permissible Rent Increases.*** On or after October ~~29-30~~,  
27 2020, Rent for a Covered Rental Unit may be increased annually, without  
28 application to the City, in an amount not to exceed the Percentage Change in  
CPI, subject to the following provisions:

1. In no event shall the Rent for a Covered Rental Unit be increased more than ~~six~~ five percent (~~65~~%) every twelve (12) months.
2. If the Percentage Change in CPI is less than two percent (2%), Rent for a Covered Rental Unit may be increased by up to two percent (2%).



~~3. No Landlord shall be obligated to decrease the Rent in the event of a negative Percentage Change in CPI.~~

3. Not more than one Rent increase for a Covered Rental Unit may be imposed in any twelve-month (12-month) period, except as described in Section 15.09.215.B.4.

4. A Landlord may impose a Rent increase under this Section 15.09.215 that takes effect sooner than twelve (12) months following the date of the latest permitted Rent increase under the Interim Rent Control Ordinance but such transitional increase, in combination with the prior increase, may not result in total Rent increase that exceeds the maximum amount permitted under this Section 15.09.215.B. Subsequent Rent increases may only take effect every 12 months thereafter.

**C. Overpayments.** In the event that a Tenant household has paid Rent in excess of the maximum permissible increase authorized by this Section 15.09.215, 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 period of not more than six months.

**D. Rent Increases Following Vacancies.**

1. A Landlord may set an initial Rent for a Covered Rental Unit without restriction at the commencement of a new Tenancy where no member of Tenant's household is an occupant of the Covered Rental Unit only in the following circumstances:

a. The Covered Rental Unit was voluntarily vacated by the Tenant's household. For purposes of this Section 15.09.215.D, a Tenant will not be considered to have voluntarily vacated if:

i. the Landlord served a Notice of Termination; or

ii. the Tenant has opted to voluntarily vacate pursuant to Section 15.09.330.F of this Code.

b. The Covered Rental Unit was vacated as a result of Landlord's termination of Tenancy pursuant to Section 15.09.315 of this Code.

1 c. The Covered Rental Unit was vacated as a result of  
2 Landlord's termination of Tenancy pursuant to Section  
3 15.09.320 of this Code; provided, if the Landlord recovered  
4 possession of the Covered Rental Unit for use by the  
5 Landlord or Landlord's relative in accordance with Section  
6 15.09.320.B of this Code, the Landlord or Landlord's relative  
7 must have continuously resided in the Covered Rental Unit  
8 for ~~three~~ ~~twelve~~ (12) ~~3~~ years months before vacating for this  
9 Section 15.09.215.D to apply.

10 2. This Section 15.09.215.D shall not apply where:

11 a. the vacancy was the result of conduct of the Landlord or  
12 the Landlord's agent, which constituted harassment  
13 prohibited by Section 15.09.340 of this Code or other  
14 applicable law, constructive eviction, or a breach of the  
15 covenant of quiet enjoyment of the property; ~~or~~.

16 b. the vacancy was the result of an eviction of a Tenant within  
17 the first twelve (12) months of Tenant's occupancy of the  
18 Rental Unit, as set forth in Section 15.09.310.A.2 of this  
19 Code.

20 3. After the Landlord sets an initial Rent for such Covered Rental  
21 Unit in accordance with this Section 15.09,215.D, the Landlord  
22 may only increase the Rent in the amount authorized by Section  
23 15.09.215.B.

24 **E. Housing Service Adjustments.** A decrease in Housing Services  
25 is considered an increase in Rent. A Tenant may petition for an adjustment in  
26 Rent based on a decrease in Housing Services under the process set forth in  
27 Section 15.09.235.

## 28 § 15.09.220 APPLICATIONS FOR RENT ADJUSTMENTS.

A. If a Landlord desires to increase the Rent for a Covered Rental Unit  
in an amount greater than allowed in Section 15.09.215.B., and the Landlord  
contends that the limitations on Rent increases in Section 15.09.215.B. 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 Rent Adjustment Application with the Housing Division to request an  
increase in Rent beyond the amount permitted under Section 15.09.215.B.

**B.** The Landlord shall mail a copy of the Rent Adjustment Application by first class mail, postage prepaid, to all Tenants whose Rents are the subject of the application within five (5) calendar days after the date the application is filed with the Housing Division. 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.

**C.** It shall be a rebuttable presumption that the annual net operating income earned by a Landlord on June 11, 2019 and Rent increases allowed under the Interim Rent Control Ordinance and Section 15.09.215, provide the Landlord with a fair and reasonable return with respect to the operation of their property. A Landlord shall have the burden to prove that the additional Rent increase is necessary to earn a fair and reasonable return with respect to the operation of their property.

**D.** All Rent adjustments approved by the Housing Division pursuant to this Section 15.09.220 may be imposed by Landlord only after the following:

1. Landlord has provided written notice to the Tenant of the Rent increase for the Covered Rental Unit in accordance with California Civil Code Section 827; and
2. Landlord has registered the Covered Rental Unit pursuant to Section 15.09.230 of this Subchapter.

**E.** Rent Adjustment Applications will be considered and determined by the Director in accordance with Housing Division Guidelines; and the Director's decision may be appealed to a hearing officer, in accordance with the procedures set forth in Section 15.09.240.

**§ 15.09.225 CAPITAL IMPROVEMENT PASS-THROUGH COST RECOVERY.**

**A. *Pass-Through Amount.*** Fifty percent (50%) of the approved cost of an eligible Capital Improvement may be passed-through to the Tenant in accordance with the provisions of this Section 15.09.225.

**B. Eligible Capital Improvements.** Capital Improvements include, but are not limited to:

1. The addition, but not the ~~or~~-replacement, of the following improvements to a Covered Rental Unit or common areas of the building in which the Covered Rental Unit is located, provided

such improvement has a useful life of five (5) years or more: ~~roofing, landscaping, carpeting, flooring, doors, window screens and coverings, draperies, fixtures, stuccoing the outside of a building,~~ air conditioning, security gates and other security items, swimming pool, sauna or hot tub, fencing, garbage disposal, washing machine or clothes dryer, dishwasher, major appliances, meter conversions, children's play equipment permanently installed on the premises, ~~the complete exterior painting of a building,~~ and other similar improvements as determined by the Housing Division.

2. ~~Replacement or s~~ Substantial improvements to, but not the renovation or replacement ~~modification~~ of, any structural, electrical, plumbing, or mechanical system that requires a permit pursuant to State or local law, such as a required seismic retrofit.
3. Abatement of hazardous materials, such as lead-based paint or asbestos, in accordance with applicable federal, State, and local laws.
4. Capital Improvements cannot include regular maintenance or repairs from wear and tear, or be the result of a Landlord's failure to perform regular maintenance and repairs.

**C. Application Process.** A Landlord may not pass-through approved costs of Capital Improvements to Tenants in Covered Rental Units until the Housing Division approves the Landlord's Pass-Through Cost Recovery Application and the Landlord registers each Covered Rental Unit pursuant to Section 15.09.230.

1. A Landlord must submit a Pass-Through Cost Recovery Application pursuant to this Section 15.09.225 within one hundred twenty (120) days of completion of an eligible Capital Improvement.
2. The Landlord shall mail a copy of the Pass-Through Cost Recovery Application by first class mail, postage prepaid, to all Tenants whose Rents would be subject to an increase within five (5) calendar days after the date the application is filed with the Housing Division. Within ten (10) calendar days after the date the application is filed, the Landlord shall file a proof of service signed under penalty of perjury stating that a copy of the application was mailed to all such Tenants.

1                   **3.** The following shall be established by Housing Division  
2                   Guidelines:

3                   **a.** The cost recovery calculations, amortization period and  
4                   depreciation schedules for the Capital Improvement pass-  
5                   through cost for each Covered Rental Unit;

6                   **b.** Criteria upon which the Housing Division will evaluate a  
7                   Landlord's Pass-Through Cost Recovery Application,  
8                   including, but not limited to, whether the work was  
9                   necessary to bring the property into compliance or maintain  
10                  compliance with Code requirements affecting health and  
11                  safety; and

12               **c.** Procedures for a low-income Tenant to file a request for a  
13               hardship waiver of the pass-through cost (low-income  
14               tenant means a household whose income does not exceed  
15               the qualifying limits for lower income families as established  
16               and amended from time to time pursuant to Section 8 of the  
17               United States Housing Act of 1937, or as otherwise defined  
18               in California Health and Safety Code Section 50079.5).

19               **4.** If the Capital Improvement benefited the entire building in  
20               which the Covered Rental Units are located, the pass-  
21               through costs shall be prorated among all the Tenants'  
22               Rents on a square footage basis of each Covered Rental  
23               Unit, but annualized in accordance with depreciation  
24               schedules set forth in the Housing Division's Guidelines.

25               **5.** If the Capital Improvement inures solely to the benefit of one  
26               or more of the Covered Rental Units, but to less than all of  
27               the Rental Units located in the building, the pass-through  
28               cost shall be annualized in accordance with depreciation  
29               schedules set forth in the Housing Division's Guidelines, but  
30               shall be applied and/or prorated only with respect to the  
31               Covered Rental Unit or Units directly benefited.

32               **6.** No Capital Improvement pass-through cost shall be allowed  
33               which exceeds three percent (3%) of Rent in place at the  
34               time the Pass-Through Cost Recovery Application is filed  
35               with the Housing Division. For the purposes of such  
36               computation, the base Rent level for any time period shall  
37               not include any previously imposed pass-through cost for  
38               Capital Improvement. If the total amount of calculated pass-  
39               through costs exceeds three percent (3%), the pass-

1 through cost amortization period may be extended beyond  
2 the established amortization period to allow the Landlord to  
3 recover Capital Improvement costs while not exceeding the  
4 three percent (3%) maximum increase in Rent.

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7. Pass-Through Cost Recovery Applications will be considered and determined by the Director in accordance with Housing Division Guidelines; and the Director's determination may be appealed to a hearing officer in accordance with the procedures set forth in Section 15.09.240.

**D. Tenant Consent.** Except where Capital Improvements are required by law, any Capital Improvement to the interior of any Covered Rental Unit shall only be performed with the written consent of the Tenant, which shall not be unreasonably withheld, or the Landlord shall not be entitled to add to the Rent the pass-through cost for such expenditure.

**E. No Collusion.** No Landlord shall be entitled to recover from a Tenant any pass-through cost based upon any Capital Improvement expense, the computation or representation of which has been inflated in collusion between the landlord and a contractor or other person.

**F. Landlord's Collection Process.**

1. A Landlord shall provide written notice of a pass-through cost to Tenants in accordance with California Civil Code Section 827.
2. An approved pass-through cost is not considered Rent. The approved pass-through cost should appear as a separate line item on the Rent statement along with the end date of the amortization period.
3. A Landlord must cease collecting the monthly pass-through cost when the Landlord has recovered the total pass-through costs approved by the Housing Division pursuant to this Section 15.09.225.
4. If an existing Tenant who is paying a pass-through cost vacates the unit, and the Landlord is authorized to set an initial Rent for a Covered Rental Unit without restriction at the commencement of a new Tenancy vacancy in

1 compliance with Section 15.09.215.D, then Landlord may  
2 not collect pass-through costs from a new Tenant of the  
3 Rental Unit, but must recover the balance of the Capital  
4 Improvement costs through the new Rent.

- 5 **5.** In the event a Tenant paid pass-through costs in excess of  
6 the amount approved by the Housing Division, or continued  
7 payments beyond the date of expiration of the pass-  
8 through, the Landlord shall reimburse the Tenant for the  
9 amount of the overpayment. The Landlord may elect to  
10 either: (a) pay the Tenant the amount of the overpayment  
11 directly in one lump sum; or (b) give the Tenant a credit  
12 against the Rent otherwise due from the Tenant over a  
13 period not longer than six (6) months.

14 **§ 15.09.230 RENT REGISTRY.**

15 **A. *Registration Required.*** Upon issuance by the Housing Division of  
16 a valid written Rent Registration certificate, as set forth in this Section 15.09.230,  
17 no Landlord shall demand or accept Rent for a Rental Unit without first serving  
18 on the Tenant, or displaying in a conspicuous place, such Rent Registration  
19 certificate.

20 **B. *Registration Process.***

21 **1.** A Landlord shall provide Rent amount and Tenancy  
22 information for every Rental Unit on a Rent Registration form provided by  
23 the Housing Division. The Rent Registration form shall be submitted by  
24 July 31, 2021 and July 31 of each year thereafter. Registration is  
25 complete only when all of the following information is provided: ownership  
26 information; property information; year built and certificate of occupancy  
27 date; number of bedrooms and bathrooms for each Rental Unit; the  
28 amount of Rent in effect at the time of registration; and a description of  
Housing Services.

**2.** Rental Unit Rent Registration certificates issued after August  
12, 2019 shall expire at midnight on August 31, 2021 and if not replaced  
with a newly issued certificate before that date, the Landlord will be  
deemed out of compliance with this Section 15.09.230.

**3.** Every Rental Unit Rent Registration certificate shall be  
updated annually, as required by Section 15.09.230.B.1, upon a new  
Tenancy, and when there are changes in Housing Services for the  
Covered Rental Unit.

1                   4.     A Landlord of a Rental Unit which is not registered with the  
2     Housing Division shall provide the Housing Division, on the form approved  
3     by the Housing Division and accompanied by supporting documentation, a  
4     written declaration stating the facts upon which the Landlord bases a claim  
5     of exclusion from the requirements of this Section 15.09.230. If a  
6     Landlord fails to submit a written declaration and supporting documents by  
7     July 31, 2021 and July 31 of each year thereafter, the Rental Unit shall be  
8     deemed to be subject to the provisions of this Section 15.09.230. If a  
9     Landlord declares that the Rental Unit is not subject to the registration  
10    requirements of this Section 15.09.230 because the Rental Unit is vacant,  
11    the Landlord shall provide a certification to the Housing Division declaring  
12    that the Rental Unit is and shall remain vacant, and the Rental Unit shall  
13    be secured against unauthorized entry.

14                   5.     For every property for which a Landlord is required to  
15    procure a Rent Registration certificate pursuant to this Section 15.09.230,  
16    the Landlord shall post a notice in a form provided by the Housing  
17    Division, providing information about this Subchapter 15.09.200, et seq.  
18    and Housing Division contact information. Notices must be posted in a  
19    conspicuous location in the common area, at the entry or entries to the  
20    building or units, or other similar location or locations as necessary to  
21    provide Tenants a reasonable opportunity to view the notice. If there is no  
22    common area or similar location, this requirement may be satisfied by  
23    mailing the notice to each Tenant of the building, by certified mail, return  
24    receipt requested. The notice shall be written in English and Spanish, and  
25    in any other languages as required by the Housing Division.

26                   **C.     *Notice of Rent Information Deficiencies and Opportunity to***  
27                   ***Cure; Appeals; and Final Administrative Decision.***

28                   1.     The Housing Division shall provide written notification to the  
Landlord of a failure to comply with this Section 15.09.230 and allow  
fifteen (15) calendar days to respond. The Housing Division shall not  
issue a Rent Registration certificate for the Rental Unit until the Landlord  
has substantially complied by providing the rental information as required  
by Section 15.09.230.A.

2.     Any Landlord disputing the Housing Division's notification of  
deficient registration may file a written appeal with the Director within ten  
(10) calendar days of the date of the notice of deficiency. The Director  
shall provide a written notice within thirty (30) calendar days of its appeal  
decision, which shall be a final administrative decision.

**D.     *Registration Fee.***



- 1                   1. A fee for the registration of Rental Units may be established by  
2                   resolution of the City Council. Such fees are intended to  
3                   recover the City's reasonable costs associated with the  
4                   administration and enforcement of its residential rent control  
5                   program and tenant protection program, as set forth in  
6                   Subchapters 15.09.200, et seq. and 15.09.300, et seq. of this  
7                   Code.
- 8                   2. A Landlord may pass-through to the Tenant fifty percent (50%)  
9                   of the initial fee for the registration of Tenant's Rental Unit (the  
10                  "pass-through fee") if such Tenant continuously occupied the  
11                  Rental Unit during the period of August 12, 2019 through  
12                  October 31, 2020. The pass-through fee is not considered Rent  
13                  and should appear as a separate line item on the Rent  
14                  statement. A Landlord may collect a maximum of one-twelfth  
15                  (1/12) of the pass-through fee per month.

#### 16                   **§ 15.09.235 TENANT PETITION FOR NONCOMPLIANCE.**

17                   **A.** If a Tenant contends that a proposed or actual Rent increase is not  
18                   in compliance with this Subchapter or that there has been a Reduction in Housing  
19                   Services, the Tenant may file a petition with the Housing Division. The Tenant  
20                   shall mail a copy of the petition by first class mail, postage prepaid, to the  
21                   Landlord within five (5) calendar days after the date the petition is filed. Within ten  
22                   (10) calendar days after the date the petition is filed, the Tenant shall file a proof  
23                   of service signed under penalty of perjury stating that a copy of the petition was  
24                   mailed to the Landlord. The petition shall include a statement indicating the basis  
25                   on which the Tenant contends that a proposed or actual Rent increase or a  
26                   proposed or actual reduction in Housing Services is in violation of this  
27                   Subchapter, together with any evidence that the Tenant wants the Director to  
28                   consider. The Tenant shall bear the burden of proving by a preponderance of the  
evidence at the hearing that the Rent increase or reduction in Housing Services is  
not in compliance with this Subchapter 15.09.200, et seq.

**B.** Tenant Petitions for Noncompliance will be considered and  
determined by the Director in accordance with Housing Division Guidelines; and  
the Director's decision may be appealed to a hearing officer, in accordance with  
the procedures set forth in Section 15.09.240.

#### **§ 15.09.240 APPEAL AND HEARING PROCEDURES.**

1 The Director's decision on a Rent Adjustment Application, Pass-Through  
2 Cost Recovery Application or a Tenant Petition for Noncompliance will be given  
3 in a notice of decision. In the case of a decision on a Rent Adjustment  
4 Application or Pass-Through Cost Recovery Application, the Landlord shall,  
5 within five (5) calendar days after the decision date identified in a notice of  
6 decision that approves an increase in Rent or a pass-through of capital  
7 improvement costs, deliver a copy of the notice to each affected Tenant. In the  
8 case of a decision on a Tenant Petition for Noncompliance, the Director shall  
9 serve the notice of decision on the Tenant and the Landlord concurrently. The  
10 Director's decision may be appealed to a hearing officer in accordance with the  
11 following procedures:

12 **A. Appeal.** A Landlord or an affected Tenant who wishes to contest  
13 the Director's decision on a Rent Adjustment Application or Pass-Through Cost  
14 Recovery Application, or a Landlord or Tenant who wishes to contest the  
15 Director's decision on a Tenant Petition for Noncompliance, may file a Request  
16 for Appeal of the Director's decision with the Housing Division requesting a  
17 hearing, which will be heard in accordance with the procedures set forth in this  
18 Section 15.09.240.B.

19 **1.** Appeals shall be submitted in writing on a Request for  
20 Appeal form and filed with the Housing Division within fifteen (15) calendar  
21 days after the decision date identified in the notice of decision. If the filing  
22 deadline falls on a weekend, holiday, or other day when City Hall is  
23 officially closed, the filing deadline will extend to the following City Hall  
24 business day.

25 **2.** The Request for Appeal shall specifically state the pertinent  
26 facts and the basis for the appeal as required by Subsection  
27 15.09.240.A.5.

28 **3.** A Landlord who files a Request for Appeal shall do the  
following:

**a.** Mail a copy of the Request for Appeal by first class mail,  
postage prepaid, to all Tenants who would be subject to  
a Rent increase or pass-through of capital improvement  
costs, or the Tenant who filed the Petition for  
Noncompliance, as applicable, within five (5) calendar  
days after the date the Request for Appeal is filed with  
the Housing Division.

**b.** Within ten (10) calendar days after the date the Request  
for Appeal is filed with the Housing Division, the  
Landlord shall file a proof of service signed under

penalty of perjury stating that a copy of the Request for Appeal was mailed to all such Tenants.

4. A Tenant who files a Request for Appeal shall do the following:

- a. Mail a copy of the Request for Appeal by first class mail, postage prepaid, to the Landlord or Landlord's agent within five (5) calendar days after the date the Request for Appeal is filed with the Housing Division.
- b. Within ten (10) calendar days after the date the Request for Appeal is filed with the Housing Division, the Tenant shall file a proof of service signed under penalty of perjury stating that a copy of the Request for Appeal was mailed to the Landlord or Landlord's agent.

5. The Request for Appeal shall include:

- a. A general statement, specifying the basis for the appeal and the specific aspect of the decision being appealed, and shall be based upon an error in fact or dispute of findings.
- b. Supporting evidence substantiating the basis for the appeal.
- c. Any other documentation or information the appealing party wants the hearing officer to consider.

**B. *Hearing Procedure.***

1. A hearing on a Request for Appeal will be scheduled before a hearing officer for a date no sooner than fifteen (15) days and no later than sixty (60) days after receipt of the Request for Appeal and proof of service in compliance with the requirements of Section 15.09.240.A, unless the hearing officer determines that good cause exists for an extension of time.

2. 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.

3. If the Landlord is the appealing party, upon receipt of the notice setting the date, time and place of the hearing, the Landlord shall,

1 in the case of a Request for Appeal of a Rent Adjustment Application or  
2 Pass-Through Cost Recovery Application, post such notice in a  
3 conspicuous place at the affected property including the Covered Rental  
4 Units that are the subject of the appeal. Such notice shall be placed on a  
5 written instrument that is at least 11 inches in width and 17 inches in  
6 length, and shall be placed not less than four (4) feet above ground level  
7 in the common area, at the entry or entries to the building or units, or other  
8 similar location or locations as necessary to provide Tenants a reasonable  
9 opportunity to view the notice and be advised of the hearing. Within five  
10 (5) calendar days of receipt of the notice of hearing, the Landlord shall  
11 personally deliver a copy of the notice to each Tenant in the affected  
12 Covered Rental Units. In the case of Landlord's Request for Appeal of a  
13 Tenant Petition for Noncompliance, the hearing officer shall send a copy  
14 of the notice setting the date, time and place of the hearing to the Tenant  
15 concurrently with sending the notice to the Landlord.

16  
17 **4.** If the Tenant is the appealing party, the hearing officer shall  
18 send a copy of the notice setting the date, time and place of the hearing to  
19 the Landlord concurrently with sending the notice to the Tenant.

20  
21 **5.** At the hearing, the appealing party shall be given the  
22 opportunity to testify, call witnesses and to present evidence concerning  
23 the appeal. The hearing officer may also hear testimony and consider  
24 written evidence offered by the Tenants in the affected Covered Rental  
25 Units and, if a Tenant is the appealing party, hear testimony and consider  
26 written evidence offered by the Landlord.

27  
28 **6.** The hearing officer may continue the hearing and request  
additional information from the Landlord, affected Tenants, or petitioning  
Tenant, as applicable, prior to issuing a written decision.

**7.** The hearing officer shall have the power to issue orders to  
maintain order and decorum during the hearing.

**8.** All hearings conducted by the hearing officer shall be open  
to the public.

**C. *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 five (5) business days prior to the hearing date. If the  
Landlord is the party 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 fifteen (15) calendar days from the originally scheduled hearing date.

**D. Hearing Officer 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 Director's decision and shall adopt written findings in support of that decision. The written decision shall be served by first-class mail, postage prepaid on the appealing party. If the Landlord is the appealing party and the appeal concerned a Rent Adjustment Application or Pass-Through Cost Recovery Application, the Landlord shall post such notice in a conspicuous place at the property containing the affected Covered Rental Units and within five (5) calendar days of receipt of the written decision, the Landlord shall personally deliver a copy of the written decision to each Tenant in the affected Covered Rental Units. If a Tenant is the appealing party or if the Landlord is the appealing party and the appeal concerned a Tenant Petition for Noncompliance, the hearing officer shall serve a copy of the written decision on the Landlord and the Tenant concurrently. The Hearing Officer's decision shall be final, unless an administrative penalty has been assessed.

**E. 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 on a Rent Adjustment Application or Pass-Through Cost Recovery Application, 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.

#### **§ 15.09.245 PENALTIES AND ENFORCEMENT.**

**A. Administrative Citations.** The Housing Division is authorized to take appropriate steps to enforce this Subchapter, including conducting investigations of possible violations by a Landlord. The City, in its sole discretion, may choose to enforce the provisions of this Subchapter through the administrative citation process set forth in Chapter 1.02 of this Code. Notwithstanding any provision in Chapter 1.02 to the contrary, each violation of any provision of this Subchapter may be subject to an administrative fine of up to \$1,000.

#### **B. Administrative Appeals and Judicial Review of Administrative Citations.**

**1. Administrative Appeal.** Any person who receives an administrative citation may request an administrative hearing

before a hearing officer in accordance with Chapter 1.02 of this Code.

**2. Judicial Review of Hearing Officer Decision.** Any Responsible Person may seek judicial review of a hearing officer's decision pertaining to the imposition of an administrative fine in accordance with Chapter 1.02 of this Code.

**C. Civil Action.** The City Attorney is authorized to bring a civil action and/or proceeding for violation of this Subchapter, or any guideline or rule promulgated pursuant to Section 15.09.265 of this Subchapter, for civil penalties, injunctive, declaratory and other equitable relief, restitution and reasonable attorneys' fees and costs and may take such other steps as necessary to enforce this Subchapter.

**D. Criminal Penalty.** Any person violating any of the provisions of this Subchapter shall be deemed guilty of a misdemeanor, which shall be punishable as provided in Chapter 1.01 of this Code.

**E. Separate Violation.** Each separate day, or any portion thereof, during which any violation of this Subchapter occurs or continues, constitutes a separate violation.

**F. Remedies Cumulative.**

1. The remedies, violations, and penalties set forth in this Subchapter are cumulative and in addition to all other remedies, violations, and penalties set forth in this Code, or in any other City, County, State or federal ordinance, laws, rules or regulations.
2. The City's decision to pursue or not pursue enforcement of any kind shall not affect a Tenant's rights to pursue civil remedies in accordance with Section 15.09.250 of this Subchapter.

**§ 15.09.250 CIVIL REMEDIES.**

Any Tenant aggrieved by a violation of this Subchapter may bring a civil suit in an appropriate State or federal court. A Landlord found to be in violation of this Subchapter shall be liable to the aggrieved Tenant for damages and for Tenant's attorneys' fees and costs. Tenants are not required to exhaust their

1 administrative remedies under this Subchapter prior to filing suit pursuant to this  
2 Section 15.09.250.

3 **§ 15.09.255 WAIVER PROHIBITED.**

4 Any waiver of rights under this Subchapter shall be void as contrary to  
5 public policy.

6 **§ 15.09.260 SEVERABILITY.**

7 If any provision of this Subchapter or the application thereof to any person,  
8 property, or circumstance, is held invalid, such invalidity shall not affect other  
9 provisions or applications of this Subchapter that can be given effect without the  
10 invalid provision(s) or application, and to this end, the provisions of this  
11 Subchapter are declared to be severable.

12 **§ 15.09.265 IMPLEMENTATION; RULEMAKING; AND SUBPOENA  
13 AUTHORITY.**

14 The Director is authorized to administer and enforce this Subchapter,  
15 which may include promulgating guidelines, procedures, and rules consistent  
16 with the provisions of this Subchapter. These Housing Division Guidelines shall  
17 have the force and effect of law and may be relied upon by parties to determine  
18 their rights and responsibilities under this Subchapter. In administering and  
19 enforcing this Subchapter, the Director may also issue subpoenas pursuant to  
20 California Government Code Section 53060.4 and may report noncompliance  
21 therewith to the judge of the Superior Court.

22 **§ 15.09.270 CONFLICT OF PROVISIONS.**

23 In the event of any conflict between this Subchapter and any other  
24 provision of this Code, this Subchapter shall control.

25 **SECTION 3. ENVIRONMENTAL DETERMINATION.** The City Council finds  
26 that this Ordinance is not subject to the California Environmental Quality Act ("CEQA")  
27 pursuant to CEQA guidelines, California Code of Regulations, Title 14, Chapter 3,  
28 §15060(c)(2) [the activity will not result in a direct or reasonably foreseeable indirect physical

1 change in the environment] and §15060(c)(3) [the activity is not a project as defined in §15378]  
2 because it has no potential for resulting in physical change to the environment, directly or  
3 indirectly.

4  
5 **SECTION 4. EFFECTIVE DATE.** Pursuant to Section 619 of the City Charter,  
6 this Ordinance shall take effect thirty (30) days after the date of its adoption. Pursuant to  
7 Sections 616 and 621 of the City Charter, prior to the expiration of fifteen (15) days after the  
8 adoption, the City Clerk shall cause this Ordinance, or a summary thereof, to be published in  
9 the Culver City News and shall post this Ordinance or a summary thereof in at least three  
10 places within the City.

11  
12 **SECTION 5. INTERIM RENT CONTROL ORDINANCE.** The Interim Rent  
13 Control Ordinance, adopted pursuant to Ordinance No. 2019-011 and extended by Ordinance  
14 No. 2020-011, shall hereby terminate and be of no further force and effect as of October ~~29~~ 30,  
15 2020.

16  
17 **SECTION 6. SEVERABILITY.** The City Council hereby declares that, if any  
18 provision, section, subsection, paragraph, sentence, phrase or word of this Interim Ordinance  
19 is rendered or declared invalid or unconstitutional by any final action in a court of competent  
20 jurisdiction or by reason of any preemptive legislation, then the City Council would have  
21 independently adopted the remaining provisions, sections, subsections, paragraphs,  
22 sentences, phrases or words of this Ordinance and as such they shall remain in full force and  
23 effect.

24  
25 **SECTION 7. PUBLICATION.** Pursuant to Section 619 of the City Charter, this  
26 Ordinance shall take effect thirty (30) days after the date of its adoption. Pursuant to Sections  
27  
28



1 616 and 621 of the City Charter, prior to the expiration of fifteen (15) days after the adoption,  
2 the City Clerk shall cause this Ordinance, or a summary thereof, to be published in the Culver  
3 City News and shall post this Ordinance or a summary thereof in at least three places within  
4 the City.

5 APPROVED and ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_ 2020.  
6  
7

8 \_\_\_\_\_  
9 GÖRAN ERIKSSON, Mayor  
10 City of Culver City, California

11 ATTEST:

APPROVED AS TO FORM:

12  
13 \_\_\_\_\_  
14 JEREMY GREEN  
15 City Clerk

16 \_\_\_\_\_  
17 CAROL A. SCHWAB  
18 City Attorney

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