



City of Culver City

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Staff Report

File #: 19-1427, **Version:** 1

Item #: A-1.

CC - (1) Discussion Regarding “Rent Freeze” (Temporary Moratorium on Residential Rental Increases) and Other Tenant Protections; and (2) Direction to the City Manager as Deemed Appropriate.

Meeting Date: June 24, 2019

Contact Person/Dept: Tevis Barnes/CDD
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Phone Number: (310)253-5780

Fiscal Impact: Yes ☐ No ☒

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/19/19); Publication of Public Notice in the Culver City News and Culver City Observer (06/13/2019 and 06/20/2019; Email Notice to Housing Developers, Supportive Service Providers and the Apartment Association of Greater Los Angeles (AAGLA) (06/11/2019) and Landlord Tenant Mediation Board; and Committee on Homelessness (06/11/2019)

Department Approval: Sol Blumenfeld, Community Development Director (06/12/19)

RECOMMENDATION:

Staff recommends the City Council (1) discuss a “rent freeze” (moratorium on residential rent increases) and other tenant protections; and (2) provide direction to the City Manager as deemed appropriate.

BACKGROUND:

On May 28, 2019, the City Council received extensive public testimony from individuals from *Protect Culver City Renters* (PCCR), who requested the City Council agendaize a discussion on rental increases in Culver City. In order to facilitate a full discussion on the matter, the City Council directed staff to return to City Council as soon as possible with a summary report on the methods to establish

a temporary moratorium on residential rental increases. Subsequent to the meeting, PCCR sent the attached informational bulletin for City Council's reference (Attachment 1).

Also during the May 28th meeting, City Council directed staff to return with discussion items regarding (1) the Sixth Cycle of Regional Housing Needs Assessment (RHNA) concerning methodology used by the Southern California Association of Governments (SCAG), and housing production target numbers for each city taking into consideration immigrants, and overcrowded units; and (2) options regarding the formation of a housing task force, or referral to the Ad Hoc Subcommittee on Housing and Homelessness (Subcommittee), to focus on the issue of housing production.

Consistent with City Council direction, the discussion of a task force/Subcommittee to focus on housing production has been agendaized as a separate item on the same agenda as this "rent freeze" discussion. With regard to the RHNA methodology, that item has been scheduled for July 8, 2019.

DISCUSSION:

The City Council has previously focused on the matter of rental increases with discussion on the roles and responsibilities of the Landlord Tenant Mediation Board (LTMB). On January 28, 2017, the City Council and the Committee on Homelessness (COH) hosted a "World Café" style Community Conversation on Affordable Housing which included discussion on:

- Local Mechanism that Encourage Affordable Housing Production and Opportunity;
- How to address Homelessness in Our Community; and
- Expanding the Role of the Landlord Tenant Mediation Board

In response, the City Council focused on preserving affordable housing and on July 9, 2018, the City Council adopted anti-displacement strategies in the Plan to Combat Homelessness.

In addition, the discussion informed the preparation of a proposed Ordinance amending Chapter 15.09 of the Culver City Municipal Code, and a proposed Resolution amending the LTMB Bylaws, to expand member roles, further define its organization and clarify the process for mediation services. The proposed Ordinance was introduced, and the proposed Resolution was adopted, at the June 10, 2019 City Council meeting. The Ordinance is returning to City Council on June 24th for second reading and, if adopted, will become effective on July 24,

Rent Freezes and Anti-Displacement Strategies in Other Los Angeles County Cities

Staff conducted research of several Los Angeles County cities regarding methods to establish rental protection and anti-displacement strategies as summarized below.¹

County of Los Angeles/Unincorporated Areas

Los Angeles County has the highest rate of unsheltered homeless people in the U.S., and, according to the Los Angeles Homeless Services Authority (LAHSA), more than a quarter of those people without shelter fell into homelessness for the first time in 2017. On September 11, 2018, Los Angeles County Board of Supervisors voted 4 to 1 to adopt an ordinance temporarily restricting landlords from raising rents more than three percent (3%) per year. A

second vote was held in November 2018 to apply the “rent freeze” only to unincorporated Los Angeles County and only to buildings constructed before 1995, excluding condos and single-family homes.

City of Inglewood

The City of Inglewood is largely made up of renters. With the current major construction projects underway, including a sports stadium complex, the City of Inglewood has experienced a drastic surge in the more costly apartment rentals. On March 5, 2019, the Inglewood City Council adopted a moratorium on rent increases. The moratorium was effective immediately and for a 45-day period with the option to extend it for up to one year. It applies to apartment buildings, duplexes, and other rental units built prior to February 1, 1995. However, pursuant to state law regulating rent control, it does not affect single-family homes and condominiums. Under Inglewood’s moratorium, property owners will not be allowed to raise rents more than five percent (5%) above the amount tenants pay today, and they will not be allowed to evict tenants, unless “the underlying reason is for criminality or drug use.”

City of Long Beach

The City of Long Beach has focused more on anti-displacement. The Long Beach City Council enacted an ordinance that requires property owners to provide financial assistance to tenants who are forced out by rising rents. The measure applies to landlords of buildings with four or more units who increase the rent by more than ten percent (10%) in a 12-month period. The amount of money landlords will have to pay is equivalent to two months’ rent, and ranges from \$2,700 for a studio apartment to \$4,500 for a three-bedroom unit. It will also aim to help seniors and low-income renters with public vouchers.

Staff recommends City Council discuss this issue and provide further direction.

Community Outreach/Public Notification

Public outreach was conducted to inform the community of the discussion on rental protection and anti-displacement strategies. One-quarter page public notices were placed in the June 13th and 20th, 2019 Culver City News and Culver City Observer. An email blast was sent to local housing developers, supportive service providers and the Apartment Association of Greater Los Angeles (AAGLA) on June 11th and 20th, 2019. In addition, notice was transmitted to the LTMB and the COH on June 11th, 2019.

FISCAL IMPACT:

There is no fiscal impact related to the discussion of this matter of rental protection and anti-displacement strategies. Depending on the direction of City Council on this matter, there will be costs associated with moving forward, including, but not limited to, additional staff time and resources; public outreach, education and enforcement; and consultation with special legal counsel and financial consultants. These costs are difficult to predict at this time.

ATTACHMENTS:

1. PCCR Rent Freeze Informational Bulletin

MOTION:

That the City Council:

1. Discuss options relating to a “rent freeze” (moratorium on residential rent increases) and other tenant protections; and
2. Provide direction to the City Manager as deemed appropriate.

NOTES

¹In addition to the communities detailed above, the cities of Los Angeles, Santa Monica and West Hollywood have enacted rent control ordinances.