

NOTICE OF INTENT TO CIRCULATE PETITION

18 JAN 12 PM 3:40

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Long Beach for the purpose of establishing an ordinance that enacts rent control, a Rent Board, and just cause for eviction requirements. A statement of the reasons of the proposed action as contemplated in the petition is as follows:

Currently there are no limits set on the maximum allowable rents in Long Beach, nor restrictions on tenancy termination. Therefore, an ordinance is proposed in the City of Long Beach to establish rent control, a rent board, and just cause for eviction requirements in the City of Long Beach.

This measure proposes to amend the City of Long Beach Municipal Code to add a new ordinance that would set a maximum allowable rent charged on rent controlled residential units in the City of Long Beach. The measure would also prohibit landlords from terminating tenancies for reasons that are not specifically listed in the proposed ordinance. In addition, certain temporary rentals, small second units, and rental of certain rooms, as further described in the ordinance, would be exempt from requirements of the ordinance.

The proposed ordinance would set maximum allowable annual rental increases for all residential units except for certain exempt units. Units exempt from rent control would include, for example, units that are exempt from rent control under the Costa-Hawkins Rental Housing Act and certain small second dwelling units. The maximum allowable annual rent increase would be 100% of the percentage increase in the Consumer Price Index.

The ordinance would also establish a Long Beach Rent Board composed of five members appointed by the mayor and approved by the City Council. No more than two Board members would be permitted to own or manage rental property or be realtors. Landlords and tenants would be permitted to petition the Rent Board for an upward or downward adjustment of the maximum allowable rent. In making a downward adjustment, the Board could consider decreases in living space, substantial deterioration of the rental unit, or a unit's failure to comply with housing health and safety codes. Upward adjustments could be made by the Board only if the landlord demonstrates that such adjustments are necessary to provide the landlord with a fair return on investment, as defined in the ordinance. The ordinance provides that the Board's decision may be challenged in court, and that a landlord could be liable in a civil action for damages, reasonable attorneys' fees and costs as determined by the court, and a civil penalty. The Rent Board would finance its expenses by charging landlords annual registration fees.

Under the ordinance, a landlord could only terminate a tenancy for one of the following reasons: 1) if the tenant fails to pay rent; breaches the lease; or fails to give the landlord access to the premises in certain situations; or 2) if the landlord seeks to use the unit as a primary residence by the landlord, or the landlord's spouse, children, parents or grandparents; or the landlord seeks to withdraw all units of an entire property from the rental market. The ordinance requires relocation payments to be made under certain circumstances in an amount to be determined by the City Council through a Relocation Ordinance to be adopted by the Council.

Signed,

Jo

[Redacted Signature]

Date

1/12/18

Karen Reside

[Redacted Signature]

Date

1/12/18

Martha Cota

[Redacted Signature]

Date

1/12/2018

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Office of the City Attorney
333 West Ocean Boulevard - 11th Floor
Long Beach, California
90802-4664

Mr. Charles Parkin,

We, the proponents of the primary argument for the Rent Control Ordinance, request that an unbiased ballot title and summary of our proposed ordinance be prepared by you, within the 15 days allocated for such activity pursuant to California Election Code § 9203. The purpose of submitting this ballot initiative to the City of Long Beach is to establish an ordinance that enacts rent control, a Rent Board, and just cause for eviction requirements. Below are listed the names and addresses of the proponents of this ballot initiative:

Sincerely,

Joshua D. Butler

[Redacted]

Date

1/12/18

Karen Reside

[Redacted]

Date

1/12/18

Martha Cota

[Redacted]

Date

1/12/2018

NOTICE OF INTENT TO CIRCULATE PETITION

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Long Beach for the purpose of establishing an ordinance that enacts rent control, a Rent Board, and just cause for eviction requirements.

Respectfully,

Joshua D. Butler

[Redacted Signature]

Date

1/12/18

Karen Reside

[Redacted Signature]

Date

1/12/18

Martha Cota

[Redacted Signature]

Date

1/12/2018

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ACKNOWLEDGEMENT OF SECTION 18650 OF ELECTIONS CODE

I, Joshua D. Butler, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

Signature of Proponent (1)



Dated this 12 day of January, 2018

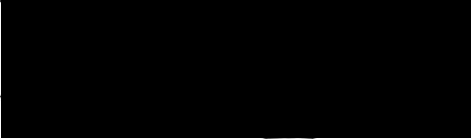
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ACKNOWLEDGEMENT OF SECTION 18650 OF ELECTIONS CODE

I, Karey Reside, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

Signature of Proponent




Dated this 12 day of January, 2018

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ACKNOWLEDGEMENT OF SECTION 18650 OF ELECTIONS CODE

I, Martha Cota, acknowledge that it is a misdemeanor under state law (Section 18650 of the Elections Code) to knowingly or willfully allow the signatures on an initiative petition to be used for any purpose other than qualification of the proposed measure for the ballot. I certify that I will not knowingly or willfully allow the signatures for this initiative to be used for any purpose other than qualification of the measure for the ballot.

Signature of Proponent



Dated this 12 day of January, 2018

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The Citizens of the City of Long Beach do hereby enact the following ordinance to the City of Long Beach Municipal Code, which may be referred to as: *“The Long Beach Fair Rent, Just Cause for Eviction, and Homeowner Protection Ordinance.”*

Chapter 21.65

SECTION 1	TITLE AND PURPOSE
SECTION 2	FINDINGS
SECTION 3	DEFINITIONS
SECTION 4	EXEMPTIONS
SECTION 5	ADDITIONAL HOMEOWNER PROTECTIONS
SECTION 6	JUST CAUSE FOR EVICTION PROTECTIONS
SECTION 7	STABILIZATION OF RENTS
SECTION 8	RENT INCREASES PURSUANT TO ANNUAL RENT ADJUSTMENT
SECTION 9	INITIAL RENTS FOR NEW TENANCIES
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SECTION 16	REMEDIES
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SECTION 19	SUPERSEDES
SECTION 20	CONFLICTING PROVISIONS
SECTION 21	CODIFICATION
SECTION 22	DUTY TO DEFEND
SECTION 23	MAJORITY APPROVAL, EFFECTIVE DATE, EXECUTION

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SECTION 1: TITLE AND PURPOSE

This Ordinance shall be known as The Long Beach Fair Rent, Just Cause for Eviction and Homeowner Protection Ordinance. The purpose of this Ordinance is to promote neighborhood and community stability, healthy housing, and affordability for renters in the City of Long Beach by controlling excessive rent increases and arbitrary evictions to the greatest extent allowable under California law, while ensuring Landlords a fair and reasonable return on their investment and protecting homeowners.

SECTION 2: FINDINGS

The People of Long Beach find and declare as follows:

(a) There is a shortage of decent, safe, affordable, and sanitary housing in the City of Long Beach resulting in a quickly gentrifying city that is pushing out valuable, long-term residents. As a result of this shortage of moderately priced rental space, freedom of contract and the ability of tenants to bargain in the setting of rents has become illusory.

(b) The Institute of Governmental Studies (IGS) published a poll that detailed attitudes to housing affordability and rent control in September of 2017. This poll focused on Los Angeles County at large, but found that 86% of Los Angeles County finds housing affordability to be a problem, with 42% deeming it a serious problem. Additionally, 58% of all of Los Angeles County has considered moving due to housing being unaffordable and 68% of Los Angeles County supports rent control measures, either to be strengthened or introduced, to help alleviate these issues.

(c) Tenants desire to be free from the fear of eviction motivated by a rental property owner's desire to dramatically increase rents in a hot housing market, and to live in a stable and healthy community.

(d) Long Beach's 2013-2021 Housing Element states that more than three-fifths of Long Beach households (65.1%) have incomes that are less than 80 percent (80%) of the Area Median Income (AMI), the low-income threshold as defined by the U.S. Housing and Urban Development department.

(e) A household is considered rent burdened if it spends more than 30 percent (30%) of its gross income on housing costs, and a household is severely rent burdened if it spends more than 50 percent (50%) of its gross income on housing. According to U.S. Department of Housing and Urban Development as cited in a May 2017 Long Beach Affordable and Workforce Housing Report, approximately fifty-three percent (53.2%) of all renter households in Long Beach are low-income and cost burdened, which is approximately 103,477 households in the city.

(f) According to the U.S. Census Bureau 2016 American Community Survey, almost 60 percent (59.8%) of Long Beach homes are renter-occupied, and thus, residents are vulnerable to soaring rental prices and are in danger of being displaced from their homes.

(g) Tenants in Long Beach are being displaced because of their inability to pay excessive increased rents and, as a result, must relocate. However, they are unable to find decent, safe and sanitary housing at affordable rent levels within the city. Residents are aware of the difficulty in finding decent housing, and some renters attempt to pay requested rent increases. Consequently, these households must spend less on other necessities of life, such as food, transit, and healthcare. If they are unable to find replacement housing in Long Beach, displaced residents are forced to look to the wider Los Angeles County rental market which is also facing the same market pressures.

(h) The rental housing situation has a detrimental effect on the health, safety, and welfare of substantial numbers of renters in the City, creating particular hardship for senior citizens, persons with disabilities, persons on fixed incomes and other vulnerable tenants.

(i) Evictions and displacement impose an especially high burden on school-aged children and their families, including increased absences from school and other educational disruption that can have long-lasting effects.

(j) High rental costs also make it increasingly difficult, if not impossible, for rental households to become first time homeowners, a fact recognized by the California Legislature. According to national studies, Los Angeles County has the second lowest homeownership rate in the country. According to the Southern California Association of Governments' 2017 Profile of Long Beach, the city of Long Beach has a homeownership rate of just over forty percent (41.4%), compared to a homeownership rate of over fifty-four percent (54.3%) in Los Angeles County generally in 2016.

(k) Coupled with high student debt and a lack of new affordable housing construction, potential new homeowners are being priced out of the homeowners' market in Long Beach altogether. Instead of welcoming back young professionals and new families into the Long Beach community, they are increasingly priced out of the community from which they came and to which they hope to contribute again with their acquired skills.

(l) Landlords have greater incentives to induce tenants in rent-stabilized units to move out. In jurisdictions with rent stabilization ordinances, many landlords offer cash buyouts in exchange for tenants vacating rental units. Many of these buyout negotiations are not conducted at arms-length and landlords sometimes employ high-pressure tactics or intimidation to induce tenants to sign agreements. Legislation is needed to promote fairness in buyout negotiations and agreements by requiring landlords to provide tenants with a statement of rights

and allowing tenants to rescind a buyout agreement within 30 days to provide tenants sufficient time to seek advice.

(m) Residents of the City of Long Beach began expressing their concerns to the City Council regarding rising rents and displacement most recently in July 2016. Community groups in Long Beach also began hosting educational forums on rent control and just cause eviction protections in the same year. It was foreseeable that rent control and just cause eviction protections were being considered in Long Beach, thus making it reasonable to conclude that landlords would increase rents to levels they otherwise would not have in anticipation of imminent regulation.

(n) The City of Long Beach currently does not regulate rental amounts, rent increases, or evictions from residential housing. Residents have been unfairly evicted, without cause, so that landlords can take advantage of the current housing crisis and raise rents. Additionally, tenants are provided little information regarding their rights in the case of eviction and how to get help if they believe their rights have been violated.

(o) In light of the numerous concerns noted herein, including, but not limited to, the current and immediate threat to the health, safety, and welfare of the City's residents and the adverse impacts that would result from a substantial decrease of affordable housing within the City, the People of Long Beach determine that it is in the interest of immediately preserving the public health, safety and general welfare to adopt this Ordinance in order to put into place, among other things, regulations to protect homeownership, just cause for eviction, rent stabilization, and a simple process to ensure that landlords continue to receive a reasonable return on their investment.

SECTION 3: DEFINITIONS

Unless further defined elsewhere in this Ordinance, the following words or phrases as used in this Ordinance shall have the following meanings:

(a) **Annual General Adjustment**. The Annual General Adjustment is the percentage by which the Rent for existing tenancies in Covered Rental Units may be increased each year, subject to the limitations of this Ordinance.

(b) **Base Rent**. The Base Rent is the reference point from which the lawful Rent shall be determined and adjusted in accordance with this Ordinance.

(1) Tenancies commencing on or before the effective date of this Chapter. The Base Rent for tenancies that commenced on or before the effective date of this chapter shall be the Rent in effect on January 1, 2017.

- (2) Tenancies commencing after the effective date of this Chapter. The Base Rent for tenancies that commenced after the effective date of this chapter shall be the initial rental rate charged upon initial occupancy, provided that amount is not a violation of this Ordinance or any provision of state law. The term “initial rental rate” means only the amount of Rent actually paid by the Tenant for the initial term of the tenancy.
- (c) **Buyout Agreement**. A written agreement where a Landlord pays a Tenant money or offers other consideration to voluntarily vacate a Rental Unit covered by this Ordinance.
- (d) **Buyout Offer**. An offer, written or oral, by a Landlord to a Tenant to pay money or other consideration to vacate a Rental Unit covered by this Ordinance.
- (e) **Covered Rental Unit**. All Rental Units not specifically exempted under Section 4(a) (Exemptions - Fully Exempt) or Section 5 (Additional Homeowner Protections) herein.
- (f) **City Council**. The term “City Council” refers to the City Council of the City of Long Beach.
- (g) **Disabled**. A person with a disability. The term “disability” is defined in California Government Code Section 12955.3.
- (h) **Fair Return**. A Fair Return shall be determined by using the maintenance of net operating income (MNOI) standard as outlined in Section 12 herein.
- (i) **Hearing Officer**. An official appointed by the Rent Board to conduct an investigation or administrative hearing pursuant to this Ordinance.
- (j) **Housing Services**. Housing Services include, but are not limited to, repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, Utility Charges that are paid by the Landlord, refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants, and any other benefit, privilege, arrangement or facility provided or contracted for in connection with the use or occupancy of any Rental Unit. Housing Services to a Rental Unit shall include a proportionate part of services provided to common facilities of the building in which the Rental Unit is contained.
- (k) **Individual Rent Adjustment**. An adjustment to the otherwise lawful Rent that is authorized by a Hearing Officer or the Rent Board pursuant to this Ordinance.

(l) **Landlord**. An owner, lessor, sublessor or any other person entitled to receive Rent for the use and occupancy of any Rental Unit, or an agent, representative, predecessor, or successor of any of the foregoing.

(m) **Long Beach Relocation Assistance Ordinance**. Refers to Section 21.60 of the City of Long Beach Municipal Code.

(n) **Petition**. A petition for an Individual Rent Adjustment pursuant to this Ordinance.

(o) **Primary Residence**. The occupant's usual place of return. To classify a unit as an occupant's Primary Residence does not require that the occupant be physically present in the unit at all times or continuously, but does require that the unit be the occupant's usual place of return. Factors that are indicative of Primary Residence include but are not limited to:

- (1) The occupant carries on basic living activities at the subject premises for extended periods;
- (2) The subject premises are listed with public agencies, including but not limited to federal, state and local taxing authorities, as the occupant's primary residence;
- (3) Utility Charges and other charges and fees associated with usage of the structure are billed to and paid by the occupant at the subject premises;
- (4) The occupant does not file for a homeowner's tax exemption for any different property;
- (5) The occupant is not registered to vote at any other location; and
- (6) Ownership is held in the name of the occupant claiming Primary Residence and not held by a Limited Liability Corporation or other corporate or business entity structure.

(p) **Property**. All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

(q) **Qualified Tenant**. Any tenant who satisfies any of the following criteria on the date of service of the written notice of termination described in California Civil Code Section 1946: has attained age 62; is handicapped as defined in Section 50072 of the California Health and Safe Code; is disabled as defined in Title 42 United States Code § 423; or is a person residing with and on whom is legally dependent (as determined for federal income tax purposes) one or more minor children.

(r) **Recognized Tenant Organization**. Any group of Tenants residing in Rental Units in the same building or in different buildings operated by the same management company, agent or Landlord, who choose to be so designated. This shall also include any other at-large organization that represents the interest of Tenants.

(s) **Relocation Assistance**. Financial assistance in the amounts set forth in Section 6(c) or amounts set forth by the Rent Board pursuant to Section 6(c)(2).

(t) **Rent**. All periodic payments and all non-monetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord under a Rental Housing Agreement concerning the use or occupancy of a Rental Unit and premises and attendant Housing Services, including all payment and consideration demanded or paid for parking, Utility Charges, pets, furniture, and/or subletting.

(u) **Rent Board**. The term "Rent Board" refers to the Long Beach Rental Housing Board established by this Ordinance.

(v) **Rental Housing Agreement**. An agreement, oral, written, or implied, between a Landlord and Tenant for use or occupancy of a Rental Unit and for Housing Services. For the purpose of this Ordinance, the terms "Rental Housing Agreement" and "Lease" are interchangeable.

(w) **Rental Housing Fee**. The fee described in Section 11(m)(1) herein.

(x) **Rental Unit**. Any building, structure, or part thereof, or land appurtenant thereto, or any other rental property rented or offered for rent for residential purposes, whether or not such units possess a valid Certificate of Occupancy for use as rental housing, together with all Housing Services connected with use or occupancy of such Property, such as common areas and recreational facilities held out for use by the Tenant.

(y) **Security Deposit**. Any payment, fee, deposit, or charge as defined in Section 1950.5 of the California Civil Code.

(z) **Single-Family Home**. A detached building containing a single residential dwelling unit separately alienable from any other dwelling unit.

(aa) **Tenant**. A Tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a Rental Housing Agreement or this Ordinance to the use or occupancy of any Rental Unit.

(bb) **Utility Charges.** Any charges for gas, electricity, water, garbage, sewer, telephone, cable, internet, or other service relating to the use and occupancy of a Rental Unit.

(cc) **Written Notice to Cease.** A written notice provided by a Landlord that gives a Tenant an opportunity to cure an alleged violation or problem prior to initiating legal proceedings to terminate tenancy. Any Written Notice to Cease must:

- (1) Provide the Tenant a reasonable period to cure the alleged violation or problem;
- (2) Inform the Tenant that failure to cure may result in the initiation of eviction proceedings;
- (3) Inform the Tenant of the right to request a reasonable accommodation;
- (4) Inform the Tenant of the contact number for the Rent Board;
- (5) Include a specific statement of the reasons for the Written Notice to Cease with specific facts to permit a determination of the date, place, witnesses and circumstances concerning the reason for the eviction; and
- (6) Where a breach of Lease is alleged, inform the Tenant what Lease provision has been breached and what the Tenant must do in order to cure the breach.

SECTION 4: EXEMPTIONS

(a) **Fully Exempt (Exempt from Both Rent Stabilization and Just Cause for Eviction).** The following Rental Units are exempt from all provisions of this Ordinance:

- (1) Units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of fewer than thirty (30) days;
- (2) Rental Units in any hospital, convent, monastery, extended medical care facility, asylum, assisted living facilities, skilled nursing facilities, or dormitory owned and operated by an accredited institution of higher education;
- (3) Rental Units owned or operated or managed by a not-for-profit organization pursuant to a tax credit program;

- (4) Rental Units which a government unit, agency or authority owns, operates, or manages, or in which government-subsidized Tenants reside, if applicable federal or state law or administrative regulation specifically exempt such units from municipal rent control;
- (5) Rental Units additionally exempted pursuant to Section 5 (Additional Homeowner Protections).

(b) **Partially Exempt (Just Cause for Eviction Applies)**. The following Rental Units are exempt from Sections 7, 8, and 9 of this Ordinance (regarding Stabilization of Rents) and from Sections 12 and 13 (regarding Petitions for Individual Rent Adjustment), but are not exempt from Section 6 (Just Cause for Eviction Protection) and Section 10 (Tenant Buyout Notification Program):

- (1) To the extent required by state law, Rental Units exempt from rent control pursuant to the Costa Hawkins Rental Housing Act (California Civil Code Section 1954.52. *et seq.*). Where rent restrictions are permitted by state law, the Rent Board may issue rules and regulations to govern the restrictions on Rental Units identified in this paragraph

SECTION 5: ADDITIONAL HOMEOWNER PROTECTIONS

Homeownership is of great importance to the residents of the City of Long Beach. In addition to the Rental Units exempted in Section 4(a) of this Ordinance, the following Rental Units are also exempt from all provisions of this Ordinance:

(a) **Temporary Rentals Allowed**. A homeowner who is the Primary Resident of a Single-Family Home may create a temporary tenancy. The temporary Tenant must be provided, in writing at the inception of the tenancy, the length of the tenancy and a statement that the tenancy may be terminated at the end of the temporary tenancy and relocation shall not be provided. This subsection only applies to tenancies that last no more than twelve consecutive months.

(b) **Renting of a Room Unregulated**. The tenancy where the Tenant shares a bathroom or kitchen with the homeowner shall be exempt from this Ordinance if the home is the Primary Residence of the homeowner.

(c) **Small, Second Units Unregulated**. A unit that is lawful and in compliance with the Accessory Use Ordinance of the City of Long Beach (Long Beach Municipal Code §21.51.275) will be exempt from this Chapter if the owner is the Primary Resident of the first, larger single-family home.

SECTION 6: JUST CAUSE FOR EVICTION PROTECTIONS

(a) No Landlord shall take action to terminate any tenancy, or endeavor to recover possession of a Rental Unit, including but not limited to making a demand for possession of a Rental Unit, threatening to terminate a tenancy orally or in writing, serving any Written Notice to Cease or other eviction notice, or bringing any action to recover possession, or be granted recovery of possession of a Rental Unit unless at least one of the following conditions exists:

- (1) **Failure to Pay Rent.** The Tenant has failed, after receiving a Written Notice to Cease, to pay the Rent to which the Landlord is legally entitled under the Rental Housing Agreement, this Ordinance, state, and any other local law. This condition does not include a failure to pay any separately charged fees.
- (2) **Breach of Lease.** The Tenant has, after receiving a Written Notice to Cease, continued to substantially violate any of the material terms of the Rental Housing Agreement, other than a violation based on:
 - (A) The obligation to surrender possession upon proper notice; or
 - (B) The obligation to limit occupancy, provided that the additional Tenant who joins the occupants of the unit thereby exceeding the limits on occupancy set forth in the Rental Housing Agreement is either the first or second dependent child to join the existing tenancy of a Tenant of record, the sole additional adult Tenant, or is a replacement Tenant who moved in after an approved Tenant vacated the Rental Unit. For purposes of this paragraph, multiple births shall be considered as one child. The Landlord, however, has the right to approve or disapprove the prospective additional or replacement Tenant, who is not a minor dependent child, provided that the approval is not unreasonably withheld. If the Landlord fails to respond to the Tenant in writing with a description of the reasons for the denial of the request within 14 days of receipt of the Tenant's written request, the Tenant's request shall be deemed approved by the Landlord; or
 - (C) A change in the terms of the tenancy that is not the result of an express written agreement signed by both of the parties. The Tenant must knowingly consent, without threat or coercion, to each change in the terms of the tenancy. A Landlord is not required to obtain a Tenant's written consent to a change in the

terms of the tenancy if the change in the terms of the tenancy is authorized by this Ordinance, or if the Landlord is required to change the terms of the tenancy pursuant to federal, state, or local law. Nothing in this paragraph shall exempt a Landlord from providing legally required notice of a change in the terms of the tenancy.

- (3) **Nuisance.** The Tenant is committing or permitting to exist a nuisance in, or is causing damage to, the Rental Unit or to the unit's appurtenances, or to the common areas of the Property containing the Rental Unit, or is creating an unreasonable interference with the comfort, safety, or enjoyment of any of the other residents of the Property or within a 1,000 foot radius extending from the boundary line of the Property.

The term "nuisance" as used in this subsection includes, but is not limited to, any gang-related crime, violent crime, unlawful weapon or ammunition crime or threat of violent crime, illegal drug activity, any documented activity commonly associated with illegal drug dealing, such as complaints of noise, steady traffic day and night to a particular unit, barricaded units, possession of weapons, or drug loitering as defined in California Health and Safety Code Section 11532. For purposes of this subsection, gang-related crime is any crime motivated by gang membership in which the perpetrator, victim or intended victim is a known member of a gang. Violent crime is any crime which involves use of a gun, a deadly weapon or serious bodily injury and for which a police report has been completed. A violent crime under this subsection shall not include a crime that is committed against a person residing in the same Rental Unit as the person committing the crime. Unlawful weapon or ammunition crime is the illegal use, manufacture, causing to be manufactured, importation, possession, possession for sale, sale, furnishing, or giving away of ammunition or any weapon listed in subsection (c)(1)-(5) of Section 3485 of the California Civil Code.

Threat of violent crime is any statement made by a Tenant, or at his or her request, by his or her agent to any person who is on the premises or to the owner of the premises, or his or her agent, threatening the commission of a crime which will result in death or great bodily injury to another person, with the specific intent that the statement is to be taken as a threat, even if there is no intent of actually carrying it out, when on its face and under the circumstances in which it is made, it is so unequivocal, immediate and specific as to convey to the person threatened, a gravity of purpose and an immediate prospect of execution of the threat, and thereby causes that person reasonably to be in sustained fear for his or her own safety or for

his or her immediate family's safety. Such a threat includes any statement made verbally, in writing, or by means of an electronic communication device and regarding which a police report has been completed. A threat of violent crime under this subsection shall not include a crime that is committed against a person who is residing in the same Rental Unit as the person making the threat. Immediate family means any spouse, whether by marriage or not, parent, child, any person related by consanguinity of affinity within the second degree, or any other person who regularly resides in the household, or who, within the prior six months, regularly resided in the household. Electronic communication device includes but is not limited to, telephones, cellular telephones, video recorders, fax machines, or pagers. Electronic communications has the same meaning as the term is defined in subsection 12 of Section 2510 of Title 18 of the United States Code, except that electronic communication for purposes of this definition shall not be limited to electronic communication that affects interstate or foreign commerce.

Illegal drug activity is clear and convincing evidence of a violation of any of the provisions of Chapter 6 (commencing with Section 11350) or Chapter 6.5 (commencing with Section 11400) of the California Health and Safety Code.

- (4) **Illegal Purpose.** The Tenant is using, or permitting a Rental Unit, the common areas of the Property containing the Rental Unit, or an area within a 1,000 foot radius from the boundary line of the Property to be used for any illegal purpose.

The term "illegal purpose" as used in this subsection includes, but is not limited to, clear and convincing evidence of violations of any of the provisions of Division 10, Chapter 6 (commencing with Section 11350) and Chapter 6.5 (commencing with Section 11400) of the California Health and Safety Code, and does not include the use of housing accommodations lacking a legal approved use or which have been cited for occupancy or other housing code violations.

- (5) **Refusal to Execute New Lease.** The Tenant, who had a Rental Housing Agreement which terminated on or after the effective date of this Ordinance, has refused, after written request or demand by the Landlord to execute a written extension or renewal thereof for a further term of like duration with terms which are materially the same as in the previous Agreement and provided that such terms do not conflict with any provision of this Ordinance or any other provision of law.

- (6) **Failure to Give Access.** The Tenant, after service of proper notice, has refused the Landlord reasonable access to the unit for the purpose of making repairs or improvements, or for the purpose of inspection as permitted or required by law, or for the purpose of showing the Rental Unit to any prospective purchaser or mortgagee. The notice shall inform the Tenant that if they are unable to comply based on a disability-related reason, they have the right to request a reasonable adjustment or change in the Landlord's policies or practices to accommodate the Tenant's disability.
- (7) **Subtenant in Sole Possession.** The person in possession of the Rental Unit at the end of a lease term is a subtenant in sole possession, not approved by the Landlord.
- (8) **Owner Move-in.** The Landlord seeks, after providing written notice to the Tenant pursuant to state law, to recover possession of the Rental Unit in good faith for use and occupancy as a Primary Residence by the Landlord, or the Landlord's spouse, domestic partner, children, grandchildren, parents or grandparents.
- (A) As used in subsection (a)(8) herein, Landlord shall only include a Landlord that is a natural person and has at least a fifty percent (50%) recorded ownership interest in the Property.
- (B) No eviction may take place under this subsection if the same Landlord or enumerated relative already occupies a unit on the Property, or if a vacancy already exists on the Property. If a comparable unit does become vacant and available before the recovery of possession, the Landlord shall rescind the notice to vacate and dismiss any action filed to recover possession of the premises.
- (C) Any notice terminating tenancy pursuant to this subsection shall contain the name, address and relationship to the Landlord of the person intended to occupy the Rental Unit and the rights pursuant to Subparagraph (E) herein.
- (D) The Landlord or enumerated relative must intend in good faith to move into the Rental Unit within sixty (60) days after the Tenant vacates and to occupy the Rental Unit as a Primary Residence for

at least thirty-six (36) consecutive months. The Rent Board may adopt regulations governing the determination of good faith.

- (E) If the Landlord or relative specified on the notice terminating tenancy fails to occupy the Rental Unit within sixty (60) days after the Tenant vacates, the Landlord shall:
 - (i) Offer the Rental Unit to the Tenant who vacated it at the same Rent in effect when the Tenant vacated; and
 - (ii) Pay to said Tenant all reasonable expenses incurred in moving to and from the Rental Unit.

- (F) **Eviction Protection for Elderly or Disabled Tenant.** A Landlord may not evict a Tenant pursuant to Subsection (a)(8) herein if the Tenant (1) has resided in the Rental Unit for at least five (5) years and is either at least sixty-two (62) years old or Disabled; or (2) is certified as being terminally ill by the Tenants treating physician. Notwithstanding the above, a Landlord may evict a Tenant who qualifies for the exemption herein if the Landlord or enumerated relative who will occupy the Rental Unit also meets the criteria for this exemption and no other units are available.

- (G) Notwithstanding Section 6(a)(8)(F), at all times a Landlord may request a reasonable accommodation if the Landlord or enumerated relative is Disabled and another unit in Long Beach is necessary to accommodate the person's disability.

- (9) **Necessary and Substantial Repairs Requiring Temporary Vacancy.** The Landlord, after having obtained all necessary permits from the City of Long Beach, and having provided written notice to the Tenant, seeks in good faith to undertake substantial repairs that are necessary to bring the Rental Unit into compliance with applicable codes and laws affecting the health and safety of Tenants of the building, provided that:
 - (A) The repairs necessitate that the Tenant vacate the Rental Unit because the work will render the Rental Unit uninhabitable for a period of not less than thirty (30) days;
 - (B) The Landlord gives advance notice to the Tenant of the right to elect between:

- (i) The right of first refusal to any comparable vacant Rental Unit owned by the Landlord at the same Rent, if such comparable vacant unit exists; or
 - (ii) The first right of return to reoccupy the Rental Unit upon completion of the repairs at the same Rent charged to the Tenant before the Tenant temporarily vacated the Rental Unit.
 - (iii) In the event that the Tenant elects to accept an offer to move to a comparable vacant Rental Unit at the same Rent, the Tenant is not eligible for any Relocation Assistance pursuant to Section 6(c) herein, however the length of tenancy shall continue to be calculated from the date the tenant first entered into a Rental Housing Agreement at the Property.
- (C) In the event the Landlord files a Petition for Individual Rent Adjustment within six (6) months following the completion of the work, the Tenant shall be party to such proceeding as if he or she were still in possession, unless the Landlord submits with such application a written waiver by the Tenant of his or her right to reoccupy the premises pursuant to this subsection.
- (10) **Withdrawal of the Unit Permanently from Rental Market.** To the extent California Government Code Section 7060 *et seq.*, requires this Ordinance to permit the Landlord to withdraw all Rental Units of an entire Property from the rental market, the Landlord may seek in good faith to recover possession of such Rental Units. The Landlord first must have filed the requisite documents with the Rent Board initiating the procedure for withdrawing Rental Units from rent or lease under California Government Code Section 7060 *et seq.* and all regulations passed by the Rent Board, with the intention of completing the withdrawal process and going out of the rental business or demolition of the Property. If demolition is the purpose of the withdrawal, then the Landlord must have received all needed permits from the City of Long Beach before serving any notices terminating a tenancy based on Subsection (a)(10) herein. Tenants shall be entitled to a minimum of 120-day notice or one (1) year in the case Tenants are defined as senior or Disabled. Notice times may be increased by regulations if state law allows for additional time. The Rent

Board or the City may further restrict or remove the ability of a Landlord to utilize this paragraph in the event the state law is amended.

- (11) **Government Order.** The Landlord seeks in good faith to recover possession of the Rental Unit in order to comply with a governmental agency's order to vacate, order to comply, order to abate, or any other order that necessitates the vacating of the building housing the Rental Unit as a result of a violation of the Long Beach Municipal Code or any other provision of law.

(b) **Relocation Assistance.**

- (1) A Landlord seeking to recover possession under Subsections (a)(8)-(11) herein shall provide Relocation Assistance to affected Tenant households. As a result, Relocation Assistance shall initially be set at the amounts pursuant to the Long Beach Relocation Assistance Ordinance (Long Beach Municipal Code §21.60) as follows:

- (A) \$8,441 to Qualified Tenants and \$3,941 to all other Tenants.
- (B) Tenants who claim eligibility based on their income shall file a statement with the Rent Board verifying their income on a form prescribed by the Rent Board. The form shall be delivered to the Tenant by the Landlord together with the notice seeking recovery of possession. Requests for a hearing to appeal a decision regarding a Tenant's Relocation Assistance eligibility, including disputes about eligibility for higher Relocation Assistance based on a Tenant's income, age, length of tenancy, family status and/or disability status, must be filed in writing on the form prescribed by the Rent Board and received by the Rent Board within fifteen calendar days of the date of the Rent Board's notification of its decision regarding Relocation Assistance.
- (C) A Landlord who terminates a tenancy pursuant to the provisions of Subsection (a)(8) of this section shall pay Relocation Assistance pursuant to the provisions of this ordinance herein, except in the following circumstance: If the termination of tenancy is based on the grounds set forth in Subsection (a)(8) of this section, and all of the following conditions exist: (1) the building containing the Rental Unit contains four or fewer Rental Units; (2) within the previous three years the Landlord has not paid the Relocation Assistance authorized by this subsection to

any Tenant who resided in the building; (3) the Landlord owns, in the City of Long Beach, no more than four units of residential Property and a Single-Family Home on a separate lot; and (4) any eligible relative for whom the Landlord is recovering possession of the Rental Unit does not own any residential Property in the City of Long Beach; then the Landlord shall pay a relocation fee of \$8,441 to Qualified Tenants and \$3,941 to all other Tenants. If more than one fee applies to a Rental Unit, the Landlord shall pay the highest of the applicable fees.

(2) The Rent Board shall issue rules and regulations to effectuate this subsection including but not limited to rules and regulations setting forth the procedures for the administration of Relocation Assistance applicable to any given Tenant household, and for the reasonably timely payment of any applicable Relocation Assistance. In no event shall the amount of Relocation Assistance be less than the amount provided for in California Health and Safety Code Section 17975.2. The Relocation Assistance shall be paid to any Tenant who vacates the Rental Unit no later than the time he or she vacates the Rental Unit.

(A) The Landlord shall notify the affected Tenants of their rights under this subsection, if any, at the time of service of the notice to quit.

(c) **Right of Return and First Right of Refusal.** All Tenants whose tenancy is terminated on a basis enumerated in Subsections (a)(8)-(11) herein shall have the first right of refusal to return to the Rental Unit if that Rental Unit is returned to the market by the Landlord or successor Landlord to the maximum extent permitted by state law. Rent for the Rental Unit shall be the Rent lawfully paid by the Tenant at the time the Landlord gave notice of termination based upon Subsections (a)(8)-(11) herein to the maximum extent permitted by state law.

(d) **Required Notice for Withdrawal of Rental Units From Rental Housing and Regulation of Property on Re-Offer of Rent or Lease After Withdrawal.** Within 180 days of the first meeting of the Rent Board, the Rent Board shall adopt regulations, in the manner specified by California Government Code Section 7060.5, that implement all of the provisions set forth in California Government Code Section 7060 *et seq.* Such regulations shall be updated from time to time to ensure consistency with California Government Code Section 7060 *et seq.* and to ensure that the maximum protections authorized by law are afforded to Tenants of Rental Units.

(e) **Posting of Notice.** For every Property containing Rental Units subject to this Ordinance, the Landlord shall post a notice on a form prepared and authorized by the Rent

Board, providing information about the existence of this Ordinance. Notice must be posted in a conspicuous location in the lobby of the Property, near a mailbox used by all Tenants, or in or near a public entrance to the Property. The notice shall be written in English and Spanish, and in any other languages as required by the Rent Board.

(f) **Security Deposits.** No Landlord shall increase a security or other deposit originally required from a Tenant as a condition of continued occupancy of a Rental Unit subject to this Ordinance. Landlords shall pay interest annually on all Security Deposits held for at least one year for his or her Tenants. The interest rate to be paid on Security Deposits shall be set annually by the Rent Board every September. A Tenant shall be given the unpaid accrued interest in the form of either a direct payment or a credit against the Tenant's Rent.

(g) **Retaliation is Barred.** No Landlord may threaten to bring, or bring, an action to recover possession, cause the Tenant to quit the unit involuntarily, serve any Written Notice to Cease or notice of termination of tenancy, decrease any services or increase the Rent where the Landlord's dominant motive is retaliation against the Tenant for the Tenant's assertion or exercise of rights under this Ordinance. Such retaliation shall be a defense to an action to recover possession, or it may serve as the basis for an affirmative action by the Tenant for actual and punitive damages and injunctive relief. A Tenant may assert retaliation affirmatively or as a defense to the Landlord's action regardless of the period of time which has elapsed between the Tenant's assertion or exercise of rights under this Ordinance and the alleged act of retaliation. The Rent Board may address retaliation issues further in its rules and regulations consistent with the intent of this subsection to prevent unlawful retaliation. The Rent Board shall maintain records of complaints received regarding violations of this Ordinance, and shall make certified copies available to Tenants of records of complaints initiated by Tenant regarding their Rental Unit upon request.

(h) **Harassment is Prohibited.** No Landlord may threaten to bring, or bring, an action to recover possession, cause the Tenant to quit the unit involuntarily, serve any Written Notice to Cease or notice of termination of tenancy, decrease any services, refuse to accept or acknowledge receipt of a Tenant's lawful Rent pursuant to this Ordinance, or interfere with the Tenant's quiet enjoyment of the Rental Unit and common areas as part of an attempt to increase the Rent above the maximum allowable Rent permitted under this Ordinance, either by obtaining such excessive Rent from the Tenant or by creating a vacancy and increasing the Rent to a new Tenant. Such harassment shall be a defense to an action to recover possession, or it may serve as the basis for an affirmative action by the Tenant for actual and punitive damages and injunctive relief. The Rent Board may address harassment issues further in its rules and regulations consistent with the intent of this subsection to prevent unlawful harassment.

(i) **Notice to Specify Basis for Termination.** Any notice purporting to terminate tenancy on any of the bases specified in this section must state with specificity the basis on which the Landlord seeks to terminate the tenancy.

(j) **Landlord Compliance with this Ordinance.** In any action brought to recover possession of a Rental Unit subject to this Ordinance, the Landlord shall allege compliance with this Ordinance.

(k) **Filing Termination Notices with Rent Board.** The Landlord shall file with the Rent Board a copy of any notice terminating tenancy, including a Written Notice to Cease, within three (3) days after serving the notice on the Tenant.

(l) **Failure to Comply.** A Landlord's failure to comply with any requirement of this section, including without limitation the failure to serve any of the required notices to the Rent Board, is a complete affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit.

Section 7: STABILIZATION OF RENTS

(a) **Rents Stabilized.** Upon the effective date of this Ordinance, no Landlord shall charge Rent for a Covered Rental Unit in an amount that exceeds the sum of the Base Rent plus any lawful Rent increases actually implemented pursuant to this Ordinance.

(b) **Rent Increases Regulated.** No Landlord shall increase Rent for a Covered Rental Unit except as authorized by this Ordinance. Rent increases shall be limited to those permitted by Section 8 (Rent Increases Pursuant to Annual General Adjustment) and Section 12 (Petition for Individual Rent Adjustment - Bases). A Landlord may set the initial Rent for a new tenancy pursuant to Section 9 (Initial Rents for New Tenancies).

(c) **Notice of the Existence of this Ordinance Required at Commencement of Tenancy.** The Landlord of any Covered Rental Units is required to comply with the following notice requirements at the commencement of any tenancy:

- (1) On or before the date of commencement of a tenancy, the Landlord must give the Tenant a written notice in a form prescribed by the Rent Board which must include the following information:
 - (A) The existence and scope of this Ordinance; and
 - (B) The Tenant's right to Petition against certain Rent increases.
- (2) The Landlord must give the initial notice to the Tenant in the language that was used to negotiate the terms of the tenancy.

SECTION 8: RENT INCREASES PURSUANT TO ANNUAL GENERAL ADJUSTMENT

(a) **Annual General Adjustment.** No later than June 30th each year, the Rent Board shall announce the amount of the Annual General Adjustment, which shall be effective as of September 1st of that year. The Annual General Adjustment is the percentage by which the Rent for existing tenancies in Covered Rental Units may be increased each year, subject to the limitations of this Ordinance.

- (1) The Annual General Adjustment shall be equal to one hundred percent (100%) of the percentage increase in the Consumer Price Index (CPI) (All Items, All Urban Consumers, Los Angeles – Riverside – Orange County region, or any successor designation of that index that may later be adopted by the U.S. Bureau of Labor Statistics) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twelve-month period ending as of March of the current year. The Annual General Adjustment shall be rounded to the nearest one-quarter of a percent. The first Annual General Adjustment shall be in accordance with Subparagraph 3 of this section.
- (2) Subparagraph 1 of this subsection notwithstanding, in no event shall the Annual General Adjustment be less than zero percent (0%) or more than five percent (5%).
- (3) Pursuant to Subsection (a) herein, the Rent Board's first announcement of an Annual General Adjustment shall be made no later than June 30, 2019. Accordingly, the first Rent increase that a Landlord may impose pursuant to this Ordinance shall not take effect prior to September 1, 2019. The amount of the first Annual General Adjustment, which shall be effective on September 1, 2019, shall be equal to the percentage increase in the CPI from October 2017 through March 2019.

(b) **One Rent Increase Per Year.** No more than one Rent increase per twelve-month period may be imposed on a Tenant.

(c) **Notice of Rent Increase Required.** Allowable Rent increases pursuant to the Annual General Adjustment shall become effective only after the Landlord provides written notice to the Tenant in the manner prescribed by law, with at least thirty (30) days advance written notice.

(d) **Notice Required to Increase Rent or Change Other Terms of Tenancy.** As part of any notice to increase Rent or change any terms of tenancy, a Landlord must include:

- (1) Notice of the existence of this Ordinance; and
- (2) The right to Petition against any Rent increase in excess of the Annual Rent Adjustment unless such Rent increase is pursuant to an approved Petition.
- (3) No Rent Increase shall take effect until the requirements of this subsection have been met.

(e) **Conditions Under Which Rent Increase Not Permitted.** No Rent increase shall be effective if the Landlord:

- (1) Has failed to substantially comply with all provisions of this Ordinance and all rules and regulations promulgated by the Rent Board; or
- (2) Has failed to maintain the Rental Unit in compliance with California Civil Code Sections 1941.1 *et seq.* and California Health and Safety Code Sections 17920.3 and 17920.10; or
- (3) Has failed to make repairs ordered by a Hearing Officer, the Rent Board, or the City of Long Beach. This shall include inspections by the Long Beach Proactive Rental Housing Inspection Program (PRHIP) and any future inspection program needed so that the landlord may comply with such laws.

SECTION 9: INITIAL RENTS FOR NEW TENANCIES

(a) **Restrictions on Initial Rent for New Tenancies.** To the maximum extent permitted by state law, the initial Rent for new tenancies shall be subject to the restrictions of this Ordinance. The Rent Board shall issue rules and regulations to govern the restrictions on the initial Rent for new tenancies where such restrictions are permitted by state law.

(b) **Rent Increases After Setting an Initial Rent.** After the Landlord sets an initial Rent pursuant to this section, the Landlord may only increase the Rent in accordance with this Ordinance. The Landlord may not increase Rent based on cost increases, capital improvements, or other circumstances that arose before the new tenancy began.

SECTION 10: TENANT BUYOUT NOTIFICATION PROGRAM

(a) **Purpose.** The Tenant Buyout Notification Program provides for regulation,

monitoring and enforcement of voluntary vacancies of Rental Units subject to this Ordinance occurring pursuant to a Buyout Agreement. To promote fairness during buyout negotiations and agreements, this section requires Tenants be informed of their rights under this Ordinance before executing a Buyout Agreement. The Rent Board may promulgate regulations to implement this section.

(b) **Disclosure Notice.** Before making a Buyout Offer, the Landlord shall provide the Tenant(s) with a notice which shall be written in the primary language of the Tenant on a form prepared and authorized by the Rent Board, which shall be dated and signed by the Landlord and the Tenant(s).

(c) **Buyout Agreement Requirements.**

(1) Every Buyout Agreement shall be written in the primary language of the Tenant and state in a minimum of 12-point bold type above the Tenant signature line as follows:

"You, (Tenant name), may cancel this Buyout Agreement any time up to 30 days after all parties have signed this Agreement without any obligation or penalty."

(2) Every Buyout Agreement shall advise the Tenant that he/she/they have the right:

(A) Not to enter into a Buyout Agreement;

(B) To consult an attorney and/or the Rent Board before signing the Buyout Agreement; and

(C) To cancel the Buyout Agreement at any time up to 30 days after all parties have signed it.

(3) Every Buyout Agreement shall be signed and dated by the Landlord and Tenant.

(4) A copy of the fully executed Buyout Agreement shall be given to the Tenant.

(d) **Cancellation of Buyout Agreement.**

(1) A Tenant shall have the right to cancel a Buyout Agreement for any reason for up to 30 days after execution by the Landlord and the Tenant without any financial obligation or penalty.

(2) Whenever the notice required pursuant to this section and/or the Buyout Agreement does not conform to the requirements of this section or Rent Board Regulations, the Tenant shall have the right to cancel the Buyout Agreement through the applicable statute of limitations period.

(e) **Filing Executed Disclosure Notice and Buyout Agreement.** The Landlord shall file with the Rent Board copies of the notice required pursuant to this section signed by the Tenant and the Landlord and the Buyout Agreement within 60 days of the Buyout Agreement execution.

(f) **Affirmative Defense.** A violation of this section may be asserted as an affirmative defense in an unlawful detainer action.

(g) **Private Right of Action.** A Tenant may bring a private right of action against a Landlord who violates a provision of this section and recover damages and a penalty of \$1,000.

SECTION 11: LONG BEACH RENTAL HOUSING BOARD

(a) **Composition.** There shall be in the City of Long Beach an appointed Rental Housing Board comprised of Long Beach residents as set forth in this section. The Rent Board shall consist of five (5) members, appointed by the mayor and approved by City Council vote, and an alternate Committee member. The alternate Committee member shall be permitted to attend all Committee meetings and to speak, but not be authorized to vote unless a regular member of the Committee is absent at that meeting or is recused from voting on an agenda item. The Board will be comprised of at least three (3) Tenants and two (2) unrestricted positions. If any board position is filled by a person who represents residential rental Property owners, no more than one (1) member may be a Property manager or developer of market rate housing. Anyone nominated to this Rent Board must be in compliance with this Ordinance and all other local, state and federal laws regulating the provision of housing. Biannually, the Rent Board shall elect one of its members to serve as chairperson. No member of this Rent Board may serve as chairperson for more than two consecutive years, though they may be re-elected to chair after such time has passed. No member of this Rent Board may serve as chairperson more than twice.

(b) **Eligibility and Appointment.** Rent Board members shall be appointed by the mayor and approved by the City Council at a public meeting within 60 days of the effective date of this Ordinance. Applicants for membership on the Rent Board shall submit an application to the City Council. The application shall include a verified statement under penalty of perjury on a form

provided by the City Manager or designee of the applicant's interests and dealings in real Property, including but not limited to, ownership, trusteeship, sale, or management, and investment in and association with partnerships, corporations, joint ventures, and syndicates engage in ownership, sale, or management of real Property during the three (3) years immediately prior to the applicant's application. This documentation shall be made available to the public.

(b) **Full Disclosure of Holdings.** When filing nomination papers, candidates for the position of Commissioner shall submit a verified statement under penalty of perjury on a form provided by the City Manager or designee listing all of their interests and dealings in real Property, including but not limited to its ownership, sale or management, during the previous three (3) years. This documentation shall be made available to the public.

(c) **Term of Office.** Commissioners shall be appointed to serve terms of four years, beginning on the first Tuesday following their appointment. Commissioners shall serve a maximum of two full terms.

(d) **Powers and Duties.** The Rent Board shall have the following powers and duties:

- (1) Set Rents at fair and equitable levels to achieve the purposes of this Ordinance. Notwithstanding any other provision of this Ordinance, the Rent Board shall have the authority to adopt regulations authorizing Rent increases and/or adjustments required by state or federal law.
- (2) Establish rules and regulations for administration and enforcement of this Ordinance.
- (3) Determine and publicize the Annual General Adjustment pursuant to this Ordinance.
- (4) Appoint Hearing Officers to conduct hearings on Petitions for Individual Rent Adjustment pursuant to this Ordinance.
- (5) Adjudicate Petitions pursuant to this Ordinance and issue decisions with orders for appropriate relief pursuant to this Ordinance.
- (6) Establish procedures and timelines for hearings on Petitions, including determining the timelines and procedures for appeals to the Rent Board.
- (7) Administer oaths and affirmations and subpoena witnesses and relevant documents.

- (8) Establish a budget for the reasonable and necessary implementation of the provisions of this Ordinance, including without limitation the hiring of necessary staff, and charge fees as set forth herein in an amount sufficient to support that budget. The budget may include expenditures to advance the policies herein.
- (9) Administer the withdrawal process for the removal of Rental Units from the rental housing market.
- (10) Hold public hearings.
- (11) Conduct studies, surveys, investigations, and hearings, and obtain information to further the purposes of this Ordinance.
- (12) Report annually to the City Council on the status of Rental Units subject to this Ordinance. Reports shall be made available to the public and include, but not be limited to: (a) a summary of the numbers of Written Notices to Cease served pursuant to this Ordinance, including the bases upon which they were served, (b) a summary of any and all Petitions submitted to and/or decided by a Hearing Officer and/or the Rent Board pursuant to this Ordinance, including the bases on which the Petitions were submitted and the determinations on the Petitions, (c) a summary of all evictions pursuant to Section 6(a)(10), and (d) Buyout Agreements pursuant to Section 10.
- (13) Publicize through reasonable and appropriate means the provisions of this Ordinance, including without limitation the rights and responsibilities of Landlords and Tenants.
- (14) Establish a schedule of penalties that may be imposed for noncompliance with this Ordinance or with rules and regulations promulgated under this Ordinance.
- (15) Pursue civil remedies as provided by this Ordinance in courts of appropriate jurisdiction.
- (16) Intervene as an interested party in any litigation brought before a court of appropriate jurisdiction by a Landlord or Tenant with respect to Rental Units subject to this Ordinance.
- (17) Any other duties necessary to administer and enforce this Ordinance.

(e) **Rules and Regulations.** The Rent Board shall issue and follow such rules and regulations as will further the purposes of the Ordinance.

(f) **Meetings.** The Rent Board shall hold regularly scheduled meetings as necessary to ensure the performance of its duties under this Ordinance. All regular and special meetings shall be called and conducted in accordance with state law.

(g) **Quorum.** Three (3) Commissioners shall constitute a quorum for the Rent Board.

(h) **Voting.** The affirmative vote of three (3) Commissioners of the Rent Board is required for a decision, including on all motions, regulations, and orders of the Rent Board.

(i) **Vacancies.** If a vacancy shall occur on the Rent Board, the Mayor shall within thirty (30) days appoint a qualified person to fill such a vacancy.

(j) **Financing** The Rent Board shall finance its reasonable and necessary expenses, including without limitation engaging any staff as necessary to ensure implementation of this Ordinance, by charging Landlords an annual Rental Housing Fee as set forth herein, in amounts deemed reasonable by the Rent Board in accordance with applicable law. The Rent Board is also empowered to request and receive funding when and if necessary from any available source including the City for its reasonable and necessary expenses.

(1) **Rental Housing Fee.** All Landlords shall pay a Rental Housing Fee on an annual basis. The first Rent Board convened after the effective date of this Ordinance shall determine the amount of the Rental Housing Fee. The amount of the Rental Housing Fee may differ between Rental Units subject to the entirety of this Ordinance and those that are partially exempt. The Rent Board may adjust the amount of the Rental Housing Fee at its discretion to ensure full funding of its reasonable and necessary expenses, in accordance with all applicable law.

(A) **Pass-Through to Tenants.** The amount of the Rental Housing Fee, if any that a Landlord may pass through to a Tenant is determined by the Rent Board. If the Rent Board determines that part of the Rental Housing Fee may be passed through to Tenants, the pass-through must be in the form of a Rent surcharge prorated over a twelve-month period. The portion of the Rental Housing Fee that may be passed through to a Tenant shall not exceed fifty percent (50%). No fee may be passed through if it has not actually been paid by the owner, and the fee may not be passed through until the owner completes the registration requirements. Penalty or late fees for failure to register

may not be passed through to Tenants. The registration fee may be waived by regulation

(B) **No Pass-Through for Section 8 Tenants.** No portion of the Rental Housing Fee may be passed through to Tenants whose tenancy is governed by a Section 8 Housing Choice Voucher Program contract. The Landlord does not have to pay the Rent Board the portion of registration fees that the Landlord could pass through to the Tenant but for this subparagraph.

(2) **City to Advance Initial Funds.** During the initial implementation of this Ordinance, the City shall advance all necessary funds to ensure the effective implementation of this Ordinance, until the Rent Board has collected Rental Housing Fees sufficient to support the implementation of this Ordinance. The City may seek a reimbursement of any advanced funds from the Rent Board after the Rental Housing Fee has been collected.

(k) **Integrity and Autonomy of Rent Board.** The Rent Board shall be an integral part of the government of the City, but shall exercise its powers and duties under this Ordinance independent from the City Council, City Manager, and City Attorney, except by request of the Rent Board. The Rent Board may request the services of the City Attorney, who shall provide them pursuant to the lawful duties of the office in Article VI of the Long Beach City Charter.

(l) **Board Legal Work.** The Rent Board may, in its sole discretion, and without approval of the City Council, retain private attorneys to furnish legal advice or representation in particular matters, actions, or proceedings.

(m) **Conforming Regulations.** If any portion of this Ordinance is declared invalid or unenforceable by decision of a court of competent jurisdiction or rendered invalid or unenforceable by state or federal legislation, the Rent Board and not the City Council shall have authority to enact replacement regulations consistent with the intent and purpose of the invalidated provision and applicable law. Such replacement regulations shall supersede invalidated or unenforceable provisions of this Ordinance to the extent necessary to resolve any inconsistency. The subject matter of such replacement regulations shall be limited to the matters addressed in this Ordinance.

(n) **Designation of Replacement Rent Board.** In the event the establishment of the Board under this Section is adjudged to be invalid for any reason by a court of competent jurisdiction, the City Council shall designate one or more City departments, agencies, boards, or commissions to perform the duties of the Board prescribed by this Chapter until such time that a Rent Board may be properly appointed pursuant to the intent of this section.

(o) **Conflict of Interest.** The appointed Rent Board Commissioners shall not necessarily be disqualified from exercising any of their powers and duties on the grounds of a conflict of interest solely on the basis of their status as a Landlord, realtor, developer, or Tenant. However, a Commissioner shall be disqualified from ruling on a Petition if the Commissioner is either the Landlord of the Property or a Tenant residing in the Property that is involved in the Petition. The provisions of the Political Reform Act, California Government Code Sections 87100 *et seq.* shall apply.

(p) **Interim Authority for Implementation.** During the period of time from the effective date of this Ordinance until the appointment of the Commissioners and establishment of the Rent Board, the City Council shall enforce the terms of this Ordinance, assuming the powers and duties of the Rent Board on an interim basis and making available public guidance to those affected by its provisions.

SECTION 12: PETITIONS FOR INDIVIDUAL RENT ADJUSTMENT – BASES

A Landlord or a Tenant may file a Petition with the Rent Board seeking adjustment, either upward or downward, of the Rent for any given tenancy in accordance with the standards set forth in this section, and using the procedures set forth in Section 13 herein and implementing regulations. A Petition shall be on a form provided by the Rent Board and, if made by the Landlord, shall include a declaration by the Landlord that the Covered Rental Unit complies with all requirements of this Ordinance.

(a) **Petition for Upward Adjustment – Fair Return.** To effectuate the purposes of this Ordinance and the requirements of law, a Landlord may file a Petition for an upward adjustment of the Rent to ensure a Fair Return. It is the intent of this Ordinance that individual upward adjustments in Rent be granted only when the Landlord demonstrates that such adjustments are necessary to provide the Landlord with a Fair Return. The Rent Board may promulgate regulations to further govern Petitions filed pursuant to this subsection in accordance with law and the purposes of this Ordinance.

(1) **Prerequisites.** No upward adjustment of Rent shall be authorized by a Hearing Officer or the Rent Board under this subsection if the Landlord:

(A) Has continued to fail to comply, after order of the Rent Board or other authority, with any provisions of this Ordinance or orders or regulations issued thereunder; or

- (B) Has failed to maintain the Covered Rental Unit in compliance with California Civil Code Sections 1941.1 *et seq.* and California Health and Safety Code Sections 17920.3 and 17920.10; or
- (C) Has failed to make repairs ordered by a Hearing Officer, the Rent Board, or the City of Long Beach. This shall include inspections by the Long Beach Proactive Rental Housing Inspection Program (PRHIP) and any future inspection program needed so that the landlord may comply with such laws.

(b) **Fair Return Standard.**

- (1) **Presumption of Fair Base Year Net Operating Income.** It shall be presumed that the net operating income received by the Landlord in the base year provided a fair return.
- (2) **Fair Return.** A Landlord has the right to obtain a net operating income equal to the base year net operating income adjusted by one hundred percent (100%) of the Consumer Price Index (CPI), as defined in Section 8(a)(1) herein, since the base year. It shall be presumed this standard provides a fair return. The Base Year CPI shall be the annual CPI for calendar year 2016. The "current year" CPI shall be the annual CPI for calendar year preceding the calendar year the application is filed.
- (3) **Base Year.**
 - (A) For the purposes of making fair return determinations pursuant to this section, the base year means the 2016 calendar year.
 - (B) In the event that a determination of the allowable Rent is made pursuant to this section, if a subsequent petition is filed the base year shall be the year that was considered as the "current year" in the prior petition.
- (4) **Adjustment of Base Year Net Operating Income.** The Landlord may present evidence to rebut the presumption of fair return based upon the base year net operating income as set forth Subsection b(1) of this section based on at least one of the following findings:
 - (A) **Exceptional Expenses in the Base Year.** The Landlord's operating expenses in the base year were unusually high or low in comparison to other years. In such instances, adjustments may be

made in calculating operating expenses so the base year operating expenses reflect average expenses for the property over a reasonable period of time. The following factors shall be considered in making such a finding:

- (i) Extraordinary amounts were expended for necessary maintenance and repairs.
- (ii) Maintenance and repair was below accepted standards so as to cause significant deterioration in the quality of services provided.
- (iii) Other expenses were unreasonably high or low notwithstanding the application of prudent business practices.

(B) Exceptional Circumstances in the Base Year. The gross income during the base year was disproportionately low due to exceptional circumstances. In such instances, adjustments may be made in calculating base year gross rental income consistent with the purposes of this Chapter. The following factors shall be considered in making such a finding:

- (i) If the gross income during the base year was lower than it might have been because some residents were charged reduced Rent.
- (ii) If the gross income during the base year was significantly lower than normal because of the destruction of the premises and/or temporary eviction for construction or repairs.
- (iii) The pattern of Rent increases in the years prior to the base year and whether those increases reflected increases in the CPI.
- (iv) Base period Rents were disproportionately low in comparison to the base period Rents of other Rental Units in the City.
- (v) Other exceptional circumstances.

(5) **Calculation of Net Operating Income.**

(A) **Net Operating Income.** Net operating income shall be calculated by subtracting operating expenses from gross rental income.

(B) **Gross Rental Income.**

(i) Gross rental income shall include:

(I) Gross rents calculated as gross rental income at one hundred percent occupancy, adjusted for uncollected Rents due to vacancy and bad debts to the extent such vacancies or bad debt are beyond the control of the Landlord. Uncollected Rents in excess of three percent (3%) of gross rent shall be presumed to be unreasonable unless established otherwise by the Landlord and shall not be included in computing gross income.

(II) All other income or consideration received or receivable in connection with the use or occupancy of the Rental Unit, except as provided in Clause (ii) of this section.

(ii) Gross rental income shall not include:

(I) Utility Charges for charges for sub-metered gas, electricity or water.

(II) Charges for refuse disposal, sewer service, and, or other services which are either provided and solely on a cost pass-through basis and/or are regulated by state or local law.

(III) Charges for laundry services.

(IV) Storage charges.

(6) **Operating Expenses.**

(A) **Included in Operating Expenses.** Operating expenses shall include the following:

- (i) Reasonable costs of operation and maintenance.
- (ii) Management Expenses. It shall be presumed that management expenses have increased by the percentage increase in Rents or the CPI, whichever is greater, between the base year and the current year unless the level of management services has either increased or decreased significantly between the base year and the current year.
- (iii) Utility Costs. Utility Costs except utility where the consideration of the income associated with the provision of the utility service is regulated by state law and consideration of the costs associated with the provision of the utility service is preempted by state law.
- (iv) Real Property Taxes. Property taxes are an allowable expense, subject to the limitation that property taxes attributable to an assessment in a year other than the base year or current year shall not be considered in calculating base year and/or current year operating expenses.
- (v) License and registration fees. License and registration fees required by law to the extent these expenses are not otherwise paid or reimbursed by tenants.
- (vi) Landlord-performed labor. Landlord-performed labor compensated at reasonable hourly rates. However, no landlord-performed labor shall be included as an operating expense unless the landlord submits documentation showing the date, time, and nature of the work performed. There shall be a maximum allowed under this provision of five percent (5%) of gross income unless the landlord shows greater services were performed for the benefit of the residents.
- (vii) Costs of Capital Replacements. Costs of capital replacements plus an interest allowance to cover the amortization of those costs where all of the following conditions are met:
 - (I) The costs, less any insurance proceeds or other applicable recovery, are averaged on a per unit basis

for each Rental Unit actually benefited by the improvement.

- (II) The costs are amortized over a period of not less than thirty six months.
 - (III) The costs do not include any additional costs incurred for property damage or deterioration that result from any unreasonable delay in undertaking or completing any repair or improvement.
 - (IV) The costs do not include costs incurred to bring the Rental Unit into compliance with a provision of the Long Beach Municipal Code or state law where the original installation of the improvement was not in compliance with code requirements.
 - (V) At the end of the amortization period, the allowable monthly Rent is decreased by any amount it was increased because of the application of this provision.
 - (VI) The amortization period shall be in conformance a schedule adopted by the Rent Board unless it is determined that an alternate period is justified based on the evidence presented in the hearing.
- (viii) Legal Expenses. Attorneys' fees and costs incurred in connection with successful good faith attempts to recover Rents owing, successful good faith unlawful detainer actions not in derogation of applicable law, and legal expenses necessarily incurred in dealings with respect to the normal operation of the Property. Reasonable fees, expenses, and other costs incurred in the course of successfully pursuing rights under or in relationship to this Chapter and regulations adopted pursuant to the Chapter including costs incurred in the course of pursuing successful Petitions. Said expenses shall be amortized over a five-year period, unless the Rent Board concludes that a different period is more reasonable.

Allowable legal expenses which are of a nature that does not recur annually shall be amortized over a reasonable period of time. At the end of the amortization period, the allowable monthly Rent shall be decreased by any amount it was increased because of the application of this provision.

- (ix) Interest Allowance for Expenses that Are Amortized. An interest allowance shall be allowed on the cost of amortized expenses; the allowance shall be the interest rate on the cost of the amortized expense equal to the "average rate" for thirty-year fixed rate on home mortgages plus two percent. The "average rate" shall be the rate Freddie Mac last published in its weekly Primary Mortgage Market Survey (PMMS) as of the date of the initial submission of the petition. In the event that this rate is no longer published, the Rent Board shall designate by regulations an index which is most comparable to the PMMS index which shall be used.

(B) **Exclusions from Operating Expenses.** Operating expenses shall not include the following:

- (i) Mortgage principal or interest payments or other debt service costs.
- (ii) Any penalties, fees or interest assessed or awarded for violation of any provision of this chapter or of any other provision of law.
- (iii) Land lease expenses.
- (iv) Political contributions and payments to organizations which are substantially devoted to legislative lobbying purposes.
- (v) Depreciation.
- (vi) Any expenses for which the Landlord has been reimbursed by any utility rebate or discount, Security Deposit, insurance settlement, judgment for damages, settlement or any other method or device.
- (vii) Unreasonable increases in expenses since the base year.

(viii) Expenses associated with the provision of master-metered gas and electricity services.

(ix) Expenses which are attributable to unreasonable delays in performing necessary maintenance or repair work or the failure to complete necessary replacements (e.g., a roof replacement may be a reasonable expense, but if water damage occurred as a result of unreasonable delays in repairing or replacing the roof, it would not be reasonable to pass through the cost of repairing the water damage).

(C) **Adjustments to Operating Expenses.** Base year and/or current operating expenses may be averaged with other expense levels for other years or amortized or adjusted by the CPI or may otherwise be adjusted, in order to establish an expense amount for that item which most reasonably serves the objectives of obtaining a reasonable comparison of base year and current year expenses. Grounds for such adjustments include, but are not limited to:

(i) An expense item for a particular year that is not representative.

(ii) The base year expense is not a reasonable projection of average past expenditures for that item in the years immediately preceding or following the base year.

(iii) The current year expense is not a reasonable projection of expenditures for that item in recent years or of future expenditures for that item.

(iv) A particular expense exceeds the normal industry or other comparable standard for the area, the Landlord shall bear the burden of proving the reasonableness of the expense. To the extent that it is found that the expense is unreasonable it may be adjusted to reflect the normal industry standard.

(v) A base year expense is exceptionally low by industry standards and/or on an inflation adjusted basis is exceptionally low relative to current year expenses although the level or type of service has not changed significantly.

- (vi) An increase in maintenance or management expenses is disproportionate to the percentage increase in the CPI, while the level of services has not changed significantly and/or is not justified by special circumstances.
- (6) **Rent Increases for Periods Preceding Date that a Landlord Implemented Rent Increases Pursuant to this Section.** In the event that the period for determining the allowable Rent increase pursuant to this section exceeds 120 days, the Landlord may recover increases that would have been permitted if the Rent increase decision had been made within 120 days. The allowance for these increases may be amortized or may be factored into the prospective allowable increase in order to avoid undue hardship on the Tenants.
- (7) **Assurance of a Fair Return.** It shall be presumed that the MNOI standard provides a fair return. Nothing in this Chapter shall preclude the Rent Board or Hearing Officer from granting an increase that is necessary in order to meet constitutional fair return requirements.
- (8) **Effective Date of Individual Rent Adjustment.** Rent increases authorized pursuant to this subsection shall become effective only after the Landlord provides the Tenant written notice of such Rent increase pursuant to state law.

(c) **Petition for Downward Adjustment – Failure to Maintain Habitable Premises.**

- (1) Failure to maintain a Covered Rental Unit in compliance with governing health and safety and building codes, including but not limited to California Civil Code Sections 1941.1 *et seq.*, and California Health and Safety Code Sections 17920.3 and 17920.10, constitutes an increase in Rent. A Tenant may file a Petition with the Rent Board to adjust the Rent downward based on a loss in rental value attributable to the Landlord's failure to maintain the Rental Unit in habitable condition.
- (2) A Tenant Petition filed pursuant to this subsection must specify the conditions alleged to constitute the failure to maintain the Rental Unit in

habitable condition and demonstrate that the Landlord was provided with reasonable notice and opportunity to correct the conditions that form the basis for the Petition.

- (3) A landlord's failure to make repairs ordered by a Hearing Officer, the Rent Board, or the City of Long Beach, including repairs mandated by the Long Beach Proactive Rental Housing Inspection Program (PRHIP) and any future City inspection program, constitutes an increase in Rent. A Tenant may file a Petition with the Rent Board to adjust the Rent downward based on a loss in rental value attributable to the Landlord's failure to maintain the Rental Unit in habitable condition.

(d) **Petition for Downward Adjustment – Decrease in Housing Services or Maintenance.** A decrease in Housing Services or maintenance, or deterioration of a Covered Rental Unit beyond ordinary wear and tear, without a corresponding reduction in Rent, is considered an increase in Rent. A Tenant may file a Petition to adjust the Rent downward based on a loss in rental value attributable to a decrease in Housing Services or maintenance or deterioration of the Rental Unit. The Petition must specify the circumstances alleged to constitute a decrease in Housing Services or maintenance, and demonstrate that the Landlord was provided with reasonable notice and an opportunity to correct in like manner to Petitions filed pursuant to Subsection (c)(2) herein.

(e) **Petition for Downward Adjustment – Unlawful Rent.** If a Landlord demands or retains Rent in excess of the lawful Rent pursuant to this Ordinance, a Tenant may file a Petition to adjust the Rent to its lawful level. If such a Petition is granted, the Landlord shall be ordered to return any excessive Rent charged to the Tenant in violation of this Ordinance.

SECTION 13: PETITIONS FOR INDIVIDUAL RENT ADJUSTMENT – PROCEDURES

The Rent Board shall promulgate regulations regarding procedures for Petitions filed under this Ordinance. Petitions shall be governed by such regulations and by the provisions of this section.

(a) **Hearing Officer.** A Hearing Officer appointed by the Rent Board shall conduct a hearing to act upon the Petition, and shall have the power to administer oaths and affirmations, and to render a final decision on the merits of the Petition, subject to the provisions of this Ordinance.

(b) **Notice.** The Rent Board shall notify the Landlord, if the Petition was filed by the Tenant, or the Tenant, if the Petition was filed by the Landlord, of the receipt of such a Petition and provide a copy thereof.

(c) **Time of Hearing.** Each party to a Petition shall receive sufficient advance notice of the bases, theories, and relevant documents to be presented by the other party(ies), and of the time, date, and place of any hearing regarding the Petition.

(d) **Developing the Record.** The Hearing Officer may require either party to a Petition to provide any books, records, and papers deemed pertinent. If the Hearing Officer finds good cause to believe that a building or other inspection would assist in resolving the issues raised by the Petition, the Hearing Officer may conduct an inspection and/or request the City to conduct an inspection. The Tenant may request the Hearing Officer to order such an inspection prior to the date of the hearing. All documents required under this subsection shall be made available to the parties involved prior to the hearing. The parties to the hearing may be present during the inspection.

(e) **Open Hearings.** All hearings conducted pursuant to this section shall be open to the public unless prohibited by state or federal law.

(f) **Right of Assistance.** All parties to a hearing conducted pursuant to this section may have assistance in presenting evidence and developing their position from attorneys, legal workers, Recognized Tenant Organization representatives, or any other persons designated by said parties.

(g) **Hearing Record.** The Rent Board shall make available for inspection and copying any official record that shall constitute the exclusive record for decision on the issues at the hearing. The record of the hearing, or any part of one, shall be obtainable for the reasonable cost of copying. All hearings shall be audio or video recorded, as ordered by the Hearing Officer, and any party to the Petition may receive a copy of the recording upon payment of a reasonable cost.

(h) **Quantum of Proof and Notice of Decision.** No Petition for Individual Rent Adjustment, whether upward or downward, shall be granted unless supported by the preponderance of the evidence submitted prior to and at the hearing. All parties to a hearing shall be sent a notice of the decision and a copy of the findings of fact and law upon which said decision is based. At the same time, parties to the proceeding shall also be notified of their right to appeal to the Rent Board and/or to judicial review.

(i) **Consolidation.** Whether submitted by a Landlord or Tenant(s), all Petitions pertaining to Covered Rental Units at the same Property may be consolidated for hearing upon a showing of good cause.

(j) **Appeal.** Any person aggrieved by the decision of the Hearing Officer may appeal to the full Rent Board for review. On appeal, the Rent Board shall affirm, reverse, or modify the

decision of the Hearing Officer. The decision on appeal shall be based on the hearing record, and the Rent Board may hear and/or find facts in addition to those presented to the Hearing Officer.

(k) **Finality of Decision.** The decision of the Hearing Officer shall be the final decision of the Rent Board, unless an aggrieved party has timely sought an appeal to the Rent Board. The decision of the Rent Board on appeal shall be final unless an aggrieved party has timely sought judicial review pursuant to law.

(l) **Time for Decision.** A final decision on any Petition shall be made within a reasonable time. Decisions decreasing Rent shall remain in effect until the Landlord has corrected the defect warranting the decrease. The Rent Board shall, by regulation, establish procedures for making prompt compliance determinations.

(m) **Fair Return Guaranteed.** No provision of this Ordinance shall be applied so as to prohibit the Rent Board from granting an Individual Rent Adjustment that is demonstrated by the Landlord to be necessary to provide the Landlord with a Fair Return.

SECTION 14: JUDICIAL REVIEW

A Landlord or Tenant aggrieved by any action or decision of the Rent Board may seek judicial review pursuant to state law and this Ordinance and its implementing regulations. No action or decision by the Rent Board shall go into effect until any statutory time period for such review has expired.

SECTION 15: NON-WAIVABILITY

Any provision of a Rental Housing Agreement, whether oral or written, which purports to waive any provision of this Ordinance established for the benefit of the Tenant, shall be deemed to be against public policy and shall be void.

SECTION 16: REMEDIES

In addition to any other remedies provided by law, Landlords and Tenants covered by this Ordinance shall have the following remedies for violations of this Ordinance.

(a) **Landlord's Demand for or Retention of Excessive Rent.** When a Landlord demands, accepts, receives, or retains any payment or payments in excess of the lawful Rent pursuant to this Ordinance and the regulations promulgated hereunder, including in violation of the provisions ensuring compliance with habitability standards and maintenance of Housing Services, the Tenant may file a Petition pursuant to Sections 12 and 13 (Petitions for Individual Rent Adjustments) or file a civil suit against the Landlord. A Landlord who demands, accepts, receives, or retains any payment of Rent in excess of the lawful Rent shall be liable to the Tenant

in the amount by which the payment or payments have exceeded the lawful Rent. In such a case, the Rent shall be adjusted to reflect the lawful Rent pursuant to this Ordinance and its implementing regulations.

(b) **Civil Remedies.** A Tenant may bring a civil suit in the courts of the state alleging that a Landlord has violated any of the provisions of this Ordinance or the regulations promulgated hereunder, including that the Landlord has demanded, accepted, received, or retained a payment or payments in excess of the lawful Rent. In a civil suit, a Landlord found to violate this Ordinance shall be liable to the Tenant for all actual damages, including but not limited to the damages described in Subsection (a) herein. A prevailing Tenant in a civil action brought to enforce this Ordinance shall be awarded reasonable attorneys fees and costs as determined by the court. Additionally, upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, the Tenant shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this subsection.

(c) **Additional Relief for Landlord's Violation of Eviction Rules.** If it is shown that the event which the Landlord claims as grounds to recover possession under Section 6(a)(8)-(11) is not initiated within two (2) months after the Tenant vacates the Rental Unit, or it is shown that the Landlord's claim was false or in bad faith, the Tenant shall be entitled to regain possession of the Rental Unit at same Rent that was lawfully in effect when the Tenant vacated, in addition to the relief described in Subsection (b) herein.

(d) **Defense to Action to Recover Possession.** A Landlord's failure to comply with any of the provisions of this Ordinance or regulations promulgated hereunder may be raised as an affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit. Any and all violations of this Ordinance by the Landlord shall constitute such an affirmative defense, including but not limited to the demand or retention of payment in excess of the lawful Rent, failure to serve any of the notices required pursuant to this Ordinance on the Tenant or the Rent Board, or failure to conform such notices to the requirements of this Ordinance, failure to pay the Rental Housing Fee, failure to pay any required Relocation Assistance, and a decrease in Housing Services or maintenance without a corresponding reduction in Rent. It is the intent of this Ordinance to construe this subsection to the broadest extent permissible under the law to ensure maximum compliance with this Ordinance and avoid unlawful evictions.

(1) **Eviction Protection for Victims of Domestic Violence or Sexual Assault or Stalking.** It shall be a defense to an action for possession of a unit under Section 6(a)(3)-(4) if the trier of fact determines that:

(A) The Tenant or the Tenant's household member is a victim of an act or acts that constitute domestic violence or sexual assault or stalking; and

(B) The notice to vacate is substantially based upon the act or acts constituting domestic violence or sexual assault or stalking against the Tenant or a Tenant's household member, including but not limited to an action for possession based on complaints of noise, disturbances, or repeated presence of police.

(e) **Rent Board or City Attorney Enforcement Action**. If the Tenant fails to bring a civil or administrative action to enforce the Tenant's rights under this Ordinance, the Rent Board or the City Attorney may bring such an action or settle the claim on the Tenant's behalf. If the Rent Board or City Attorney brings such an action, the Tenant shall be provided the right to opt in or out of the action. In the case of an opt-in, the Tenant on whose behalf the Rent Board acted is barred from bringing a separate action against the Landlord in regard to the same violation, and the Rent Board or City Attorney shall be entitled to recuperate the costs it incurred from any monetary recovery from the Landlord, with the remainder to go to the Tenant against whom the violation has been committed. In the case of an opt-out, the Tenant shall retain all rights relating to his or her right to private action. The Rent Board or City Attorney may take other such enforcement action as necessary to ensure compliance with this Ordinance.

(f) **Remedies Not Exclusive**. The remedies available in this Ordinance are not exclusive and may be used cumulatively with any other remedies in this Ordinance or otherwise available at law.

(g) **Jurisdiction**. The appropriate court in the jurisdiction in which the Rental Unit is located shall have jurisdiction over all actions brought under this Ordinance.

SECTION 17: INJUNCTIVE AND OTHER CIVIL RELIEF

The Rent Board, Tenants, and Landlords may seek relief from the appropriate court in the jurisdiction where the affected Rental Unit is located to enforce any provision of this Ordinance or its implementing regulations or to restrain or enjoin any violation of this Ordinance and of the rules, regulations, orders, and decisions of the Rent Board.

SECTION 18: PARTIAL INVALIDITY

If any provision of this Ordinance or application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable. This Ordinance shall be liberally construed to achieve the purposes of this Ordinance and to preserve its validity.

SECTION 19: SUPERSEDES

(a) This Ordinance supersedes any conflicting provisions of a municipal ordinance covering the area of rents, evictions, relocation assistance, or other matters addressed herein. However, nothing in this subsection shall be construed to restrict the authority of the City Council to enact complimentary or non-conflicting ordinances or take other such actions within its powers, where such ordinances or actions are designed to comply with or further the terms and purposes of this Ordinance.

(b) In the event any other ballot initiative addressing in whole or in part the same subject matter as this Ordinance is approved by a majority of the voters voting thereon at the same election, the following provisions shall apply:

- (1) If this Ordinance receives a greater number of affirmative votes than any other such proposed ordinance, including one that would provide that property owners have the right to set the price at which they rent residential property, then this Ordinance shall control in its entirety and the other proposed ordinance shall be rendered void and without any legal effect; and
- (2) If this Ordinance receives fewer affirmative votes than any other such proposed ordinance, including one that would provide that property owners have the right to set the prices at which they rent residential property, all provisions of this Ordinance which are not directly contradicted by the initiative receiving a greater number of affirmative votes will apply to the extent permitted by law.

SECTION 20: CONFLICTING ORDINANCE PROVISIONS

To the extent that any of the provisions of this Ordinance conflict with other provisions of the Long Beach Municipal Code, the provisions of this Ordinance shall govern. This Ordinance, however, is not intended to revise, repeal, or supersede any other provisions of the Long Beach Municipal Code with respect to matters not addressed herein. As such, this Ordinance shall have the effect of amending the Long Beach Municipal Code as necessary for the Rent Board to exercise its authority and fulfill its responsibilities as specifically identified herein, but this Ordinance shall not otherwise amend the Long Beach Municipal Code with respect to the powers and limitations of other boards and commissions.

SECTION 21: CODIFICATION

The City Clerk and the City Attorney shall take all steps necessary to ensure the proper and efficient codification of this Ordinance into the Long Beach Municipal Code. This authority

shall include making any necessary revisions to numbering, revising or substituting any references herein to other provisions of Long Beach or State law, and similar non-substantive items. In exercising this authority, the City Clerk and City Attorney shall not alter the substantive provisions of this Ordinance nor take any action that contradicts express terms and purpose of this Ordinance.

SECTION 22: DUTY TO DEFEND

The City Attorney shall take all steps necessary to zealously defend against any legal challenges to the validity of this Ordinance. If the City Attorney is unable or unwilling to defend, an interested third party may intervene to defend. Any third party that defends this Ordinance shall be entitled to court awarded attorney's fees and costs.

SECTION 23: MAJORITY APPROVAL, EFFECTIVE DATE, EXECUTION

This Ordinance shall be effective only if approved by a majority of the voters voting thereon and shall go into effect ten (10) days after the vote is declared by the City Council. The Mayor and City Clerk are hereby authorized to execute this Ordinance to give evidence of its adoption by the voters.

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