

ATTACHMENT "A"

ORDINANCE NO. 2024-XX

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
HUNTINGTON PARK, CALIFORNIA, ADDING CHAPTER
21 (RENT STABILIZATION) TO TITLE 8 (BUILDING
REGULATIONS) OF THE HUNTINGTON PARK
MUNICIPAL CODE ESTABLISHING RENT
STABILIZATION REGULATIONS**

WHEREAS, the increasing housing rent burden and poverty faced by many residents in the City of Huntington Park threatens the health, safety, and welfare of its residents by forcing them to choose between paying rent and providing food, clothing, and medical care for themselves and their families; and

WHEREAS, according to a report by the California Housing Partnership Corporation (2022), in Los Angeles County, lower-income renters are likely than higher income renters to spend more than half of their income on housing; and in 2019, 87% of deeply low-income households (earning less than or equal to 15% of local area median income or "AMI") and 72% of very low-income households (earning less than or equal to 30% of AMI) are severely cost burdened, while 2% of moderate-income households experience this level of cost burden; and

WHEREAS, the City's 2021-2029 Housing Element states that across the City's 10,617 renter households, 6,679 (62.9%) spend 30% or more of gross income on housing costs, compared to other local regions; additionally, 3,357 renter households in the City (31.6%) spend 50% or more of gross income on housing costs, compared to 28.9% regionally; and

WHEREAS, pursuant to the City's police power, as granted broadly under Article XI, section 7 of the California Constitution, to make and enforce local ordinances and regulations within their jurisdiction, as long as they do not conflict with state law; and

WHEREAS, the Costa-Hawkins Rental Housing Act, California Civil Code section 1954.50, *et seq.*, limits the applicability of local rent stabilization policies, including prohibiting local jurisdictions from applying rent stabilization to certain residential rental properties, and this Ordinance intends to comply with such limitations, and all other applicable state and federal laws; and

WHEREAS, rent control ordinances have long been held to be a valid exercise of a city's police power to regulate the health and safety of its residents.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF HUNTINGTON PARK AS FOLLOWS:**

1 **SECTION 1.** The City Council hereby finds that the foregoing recitals are true
2 and correct and are incorporated herein as substantive findings of this Ordinance.

3 **SECTION 2.** The City Council hereby approves adding Chapter 21 (Rent
4 Stabilization) to Title 8 (Building Regulations) to the Huntington Park Municipal Code
5 to read as follows:

5 **CHAPTER 21 RENT STABILIZATION**

6 8-21.0 Intent and purpose.

7 The City Council of the City of Huntington Park finds:

8 (a) The continued rise in rental rate has contributed to a housing affordability crisis,
9 with the majority of renters in Huntington Park being “rent-burdened,” paying over
10 30% of their income towards rent.

11 (b) A significant percentage of residents face difficulty maintaining affordable, stable
12 and adequate housing.

13 (c) The purpose of these provisions is to promote long-term stability in the rental
14 market by limiting unreasonable rent increases while allowing landlords a fair and
15 reasonable return on investment. This Chapter establishes guidelines for
16 permissible rent increases, the application process for rent adjustments, and
17 protections for both tenant and landlords.

18 8-21.1 Definitions.

19 (a) “City” refers to the City of Huntington Park.

20 (b) “Covered Rental Unit” shall mean any residential unit rented to tenants unless
21 explicitly exempt pursuant to Section 8-21.2 (Applicability and exemptions).

22 (c) “Department” means the Community Development Department of the City of
23 Huntington Park, or other department designated by the city council to administer
24 the provisions of this chapter.

25 (d) “Director” means the Director of Community Development of the City of
26 Huntington Park or designee.

27 (e) “Rental Agreement” shall refer to an agreement between a landlord and a tenant
28 for the use or occupancy of a rental unit.

29 (f) “Landlord” shall mean any property owner or any other person legally entitled to
30 offer any rental unit for rent or entitled to receive collect rent for the use and
31 occupancy of a rental unit.

32 (g) “Tenant” shall mean any individual who leases a rental unit from a Landlord. This
33 includes but is not limited to a tenant, subtenant, lessee, sublessee, or any other

1 person entitled under the terms of a rental agreement to the occupancy of a rental
2 unit.

3 (h) "Capital Improvement" shall mean significant additions or upgrades that materially
4 extend the life of the property, distinct from routine maintenance or repairs
5 covered by insurance.

6 (i) "Rent" shall mean the amount paid by a Tenant for the use of a rental unit,
7 including access to housing services.

8 (j) "Rental Unit" shall refer to any dwelling unit as defined under California Civil Code
9 Section 1940(c), located in the jurisdictional boundaries of the City of Huntington
10 Park and that is used or occupied for human habitation in consideration of
11 payment of rent.

12 (k) "Rent ceiling" refers to the maximum allowable rent which a landlord may charge
13 on any controlled rental unit.

14 8-21.2 Applicability and exemptions.

15 (a) This Chapter shall not apply to any residential units expressly exempt pursuant to
16 any provision of state or federal law, and those specifically exempt as follows:

17 I. Any rental unit that has a certificate of occupancy or equivalent permit for
18 residential occupancy issued after February 1, 1995. For this purpose,
19 certificate of occupancy is the certificate first issued before the property is
20 used for any residential purpose; or

21 II. Any rental unit that is alienable separate from the title to any other dwelling
22 unit, including single family residences, condominiums, and townhomes.

23 III. Any rental unit, space, or resident covered under the provisions of the state
24 Mobilehome Residency Law, Civil Code section 798, et seq., as applicable.

25 IV. Any rental unit that is a subdivided interest in a subdivision, as specified in
26 California Business and Professions Code section 11004.5(b), (d), and (t).

27 V. Any rental unit for which the Landlord receives federal, state, or local
28 housing subsidies, including, but not limited to federal housing assistance
29 vouchers issued under Section 8 of the United States Housing act of 1937
30 (42 U.S.C Sec. 1437f).

31 VI. Residential real property containing no more than two rental units in which
32 the owner occupies one of the units as the owner's principal place of
33 residence since the beginning of the tenancy, so long as the owner
34 continues in occupancy. For purposes of this subsection:

35 (i) The term "owner" means a natural person who owns at least a 25
36 percent ownership interest in the residential real property.

- (ii) An exemption under this subsection shall expire by operation of law when the owner ceases to reside on the property as their principal place of residence. It shall be the owner's responsibility to inform the Department of the change in occupancy and enroll the rental unit in the City's Covered Rental Unit registry as required by this Chapter within 6 months of the change in owner occupancy.
- (b) Any person with an ownership interest in a Rental Unit may claim an exemption from this Chapter by filing an application with the Department in a form approved by the City.

8-21.3. Permissible Rent increases.

- (a) Annual Rent Cap: Rent increases on covered rental units are capped at 3% per year or 100% of the Consumer Price Index (CPI) for the Los Angeles-Long Beach-Anaheim region, whichever is lower.
- (b) Frequency: Rent on covered rental units may only be increased once during a 12-month period.
- (c) Initial Rent Ceiling: Landlords may set market rent when a rental unit becomes vacant, but subsequent rent increases must follow the annual rent cap guidelines.
- (d) No Banking of Increases: Landlords may not bank unused rent increases from previous years for future use. This chapter will be enforceable prospectively.

8-21.4 Capital improvement pass-throughs.

- (a) 50% Pass-Through: Landlords may pass through 50% of capital improvement costs to tenants in covered rental units provided:
 - I. The improvement benefits tenants directly, such as upgrades in plumbing, roofing, or heating systems.
 - II. Costs are amortized over a minimum period of 5 years.
 - III. Capital improvements cannot include regular maintenance or repairs from wear and tear, repairs covered by homeowner's insurance or be the result of landlord's failure to perform regular maintenance.
 - IV. Landlords notify tenants at least 30 days in advance and provide detailed documentation on costs.
 - V. Approval Required: The Department must approve any capital improvement pass-throughs before they can be passed to tenants.
 - VI. Application Process: The landlord must apply to the Department for recovery of capital improvement costs, on a form approved by the Department, within 6 months of completing the capital improvement.

1 8-21.5 Landlord application for rent adjustment.

2 (a) Fair Return: If a landlord believes that the permissible rent increase under Section
3 4 prevents them from receiving a fair and reasonable return on investment on a
4 covered rental unit, they may file an application for a rent adjustment with the
Community Development Department.

5 (b) Criteria for Adjustment: The landlord must provide detailed financial records
6 demonstrating that the rent limitations are causing a net operating income to fall
below acceptable levels.

7 (c) Review and Approval of Application for Rent Adjustment: The Community
8 Development Department shall consider the following factors as well as any other
relevant factors in reviewing the application and making its determination:

9 I. The landlord's income and expenses relative to the covered rental
10 property's net operating income

11 II. Changes in property taxes to be paid by a landlord.

12 III Changes in the CPI.

13 IV. The history of any prior hearings of determinations on an application for a
14 rent adjustment by a landlord.

15 V. The addition of capital improvements on a rental property.

16 VI. The need for repairs caused by circumstances other than ordinary wear
17 and tear.

18 (d) Tenant Notice: Landlords must provide at least 30 days' notice to tenants of any
19 approved rent increase beyond the cap. The landlord must provide notice to tenant
via personal service or certified mail return receipt requested.

20 8-21.6 Security deposits.

21 (a) Until July 1, 2024, Section 1950.5 of the California Civil Code limited the amount
22 of security deposits to two times the monthly rent for unfurnished units or three
23 months' rent for furnished units.

24 (b) After July 1, 2024, the law limits security deposits to one month's rent. For
25 landlords who own no more than two residential rental properties that collectively
26 include no more than four total units for rent, the limit is two times the monthly
rent, but only if the landlord is a natural person or a limited liability company in
which all members are natural persons.

27 8-21.7 Termination of Tenancy: Just Cause; No-Fault; Relocation Assistance;
28 and Buyout Offers and Notices.

1 (a) Just Cause Evictions: Landlords may only evict tenants for specific reasons,
2 including:

- 3 I. Nonpayment of rent.
- 4 II. Material breach of the lease.
- 5 III. Illegal activities or property damage.
- 6 IV. Assigning or subletting the premises in violation of the Tenant's lease.

7 (b) Notice to Cure Just Cause Evictions. Before a Landlord issues a notice to
8 terminate a Tenancy for just cause that is a curable lease violation, the Owner
9 shall first give notice of the violation to the Tenant with an opportunity to cure
10 the violation pursuant to paragraph (3) of Section 1161 of the Code of Civil
11 Procedure. If the violation is not cured within the time period set forth in the
12 notice, a three-day (3-day) notice to quit without an opportunity to cure may
13 thereafter be served to terminate the Tenancy.

14 (c) No-Fault Evictions: Includes any of the following:

- 15 I. Landlord's intent to occupy the Covered Rental Unit by the Landlord or their
16 spouse, domestic partner, children, grandchildren, parents, or grandparents.
- 17 II. Withdrawal of the Covered Residential Unit from the rental market for an
18 anticipated period of at least 24 months, as affirmed by the Landlord in a
19 written affidavit submitted to the City.
- 20 III. The Landlord complying with any of the following: (i) an order issued by a
21 government agency or court relating to the habitability that necessitates
22 vacating the Covered Rental Unit; (ii) an order issued by a governmental
23 agency to vacate the Covered Residential Unit; or (iii) a local ordinance that
24 necessitates vacating the Covered Residential Unit.
- 25 IV. Intent to demolish or to substantially remodel the Covered Residential Unit.

26 (d) Relocation Assistance: For termination for no-fault termination, the Landlord
27 must either: (i) provide relocation assistance equivalent to two (2) months' rent
28 for no-fault eviction due to reasons; or (ii) waive in writing the payment of Rent
for the final two (2) months of the Tenancy, prior to the Rent becoming due.

- 25 I. If a Landlord issues a notice to terminate a Tenancy for no-fault, the Landlord
26 shall notify the Tenant of the Tenant's right to relocation assistance or Rent
27 waiver, and all other rights pursuant to this Section.

28 (e) When terminating a Tenancy either for just cause or no-fault, a Landlord must
comply with all of the following: (i) The Landlord must serve a written notice in
accordance with Civil Code sections 1946 through 1946.5, to the Tenant that
states that, in addition to any information required by federal or State law, the
Landlord will terminate the Tenancy, and that indicates at least one at-fault or

1 no-fault just cause reason as provided in this Section; and (ii) The Landlord has
2 not accepted and will not accept Rent or any other consideration in return for
3 the continued use of the Covered Rental Unit beyond the term of the terminated
4 Tenancy in compliance with Civil Code sections 1945 through 1946.5; and (iii)
5 The Landlord qualifies the termination as at-fault or no-fault just cause, as
6 specified in Section; and (iv) The Landlord has submitted to the City, within five
7 (5) days after service of the notice of termination on the Tenant, a true and
8 accurate copy of the Landlord's written notice of termination, and proof of such
service, signed under penalty of perjury, on the Tenant, through the City's Rental
Registry progress. The Landlord shall maintain proof of service to the City as
evidence that the Landlord has complied with this section; and (v) The Landlord
must provide the notice in the language that the Owner and Tenant used to
negotiate the terms of the Tenancy, in addition to English.

9 (f) **Buyout Offers and Notices:** A Landlord must inform a Tenant of certain rights
10 before offering any form of compensation in exchange for a Tenant's agreement
11 to voluntarily vacate a Covered Rental Unit. The information must be given in
12 writing to each Tenant in a unit with respect to which buyout offer is made, on a
13 form approved by the City. The Landlord must retain a copy of the form along
14 with a record of when it was given to the Tenant for at least five (5) years after
15 it is signed. The disclosures should include: (i) the right to refuse the offer; (ii)
16 the right for the Tenant to consult a lawyer; (iii) a 30-day right for the Tenant to
17 rescind its acceptance of the Landlord's buyout offer; (iv) a statement that the
18 Tenant may visit the Department to compare its offer to other buyout offers in
19 the Tenant's neighborhood and other relevant information; (v) the form must
20 include a place for the Landlord to sign, together with a date of the Landlord's
21 signature, verifying that the required notice was provided to the Tenant, a place
22 for the Tenant to sign, verifying that he or she received the notice; (vi) the form
23 must include the amount of relocation fees required under paragraph (d) of
24 Section 8-21.7; (vii) any other information deemed necessary by the Director.

25 **8-21.8 Tenant petition for rent adjustments.**

26 (a) **Petition Process:** Tenants in a covered rental unit may file a petition with the
27 Department if they believe a rent increase is not in compliance with this Chapter,
28 is unjustified or if housing services have been reduced (e.g., decreased
maintenance, utilities not provided).

(b) **Tenant's Burden of Proof:** Tenants must provide evidence that the rent increase
violates the ordinance or that services have been reduced.

25 **8-21.9 Rental unit registration.**

26 (a) **Rental Registry Required.** No Landlord shall demand or accept rent for a Covered
27 Rental Unit without first registering the Covered Rental Unit and serving on the
28 Tenant or displaying in a conspicuous place, proof of registration.

(b) **Registration Process.**

1 I. Within 60 days after the effective date of this Chapter for the initial
2 registration, and on or before December 30th of each subsequent year, a
3 Landlord must register with the Department each Rental Unit that is rented
4 or available for rent for a term exceeding 30 consecutive days by filing a
5 rental registration in a form approved by the City. The Landlord shall provide
6 the Rent amount and Tenancy information for every Rental Unit on the
7 rental registration form. Registration is complete only when any and all fees
8 under this Chapter have been paid and all of the following information is
9 provided: ownership information; property information; year built; certificate
10 of occupancy date or the date the final permit was issued by the City; the
11 number of total Rental Units in the rental property; the number of bedrooms
12 and bathrooms for each Rental Unit; Tenant information, including names
13 and move-in dates; the amount of rent in effect at the time of registration
14 and the date and amount of the last rent increase; and description of the
15 housing services.

16 II. After the initial Rental Unit registration, the Landlord shall: (i) update the
17 rental registration annually; (ii) update the rental registration within 30 days
18 of the start of a new tenancy; (iii) update the rental registration if there is
19 any subsequent change in the tenancy or ownership (i.e., change in
20 ownership or management or change in owner's or manager's contact
21 information).

22 III. A Landlord of a Rental Unit which is not registered with the City because of
23 a claim of exemption, shall provide the City, on a form approved by the City
24 and accompanied by supporting documentation, a written declaration
25 stating the facts upon which the Landlord bases a claim of exemption from
26 this Chapter. If a Landlord fails to submit a written declaration and
27 supporting documents by December 30, 2024, and December 30 of each
28 year thereafter, the Rental Unit shall be deemed to be subject to the
 provisions of this Section. If a Landlord declares that the Rental Unit is not
 subject to the registration requirements of this Section because the Rental
 Unit is vacant, the Landlord shall provide a certification to the Department
 declaring that the Rental Unit is and shall remain vacant, and the Rental
 Unit shall be secured against unauthorized entry.

29 IV. For every Rental Unit for which a Landlord is required to register pursuant
30 to this Section, the Landlord shall post a notice in form provided by the City,
31 providing information about this Chapter and the Department's contact
32 information. Notices must be posted in a conspicuous location in the
33 common area, at the entry or entries to the building(s) or units, or other
34 similar location(s) as necessary to provide Tenants a reasonable
35 opportunity to view the notice. If there is no common area or similar location,
36 this requirement may be satisfied by mailing the notice to each Tenant of
37 the building, by certified mail, return receipt requested. The notice shall be
38 written in English and Spanish, and in any other languages as required by
 the City.

39 V. Failure to Register: Landlords who fail to register their units may not
40 enforce rent increases or evictions.

1
2 8-21.10 Enforcement and compliance.

3 (a) Penalties for Non-Compliance:

4 I. Civil Penalty: Any person violating any of the provisions, or failing to comply
5 with any of the requirements, of this chapter may be liable for a civil penalty not
6 to exceed \$1,000 for each violation.

7 II. Criminal Penalty: Any person violating any of the provisions or failing to comply
8 with any of the requirements of this chapter shall be guilty of a misdemeanor and
9 punished by a fine of not more than \$1,000, or by imprisonment in the county jail
10 for a period of not more than six months, or by both.

11 III. Each violation of any provision of this Chapter, and each day during which any
12 such violation is committed, permitted or continued, shall constitute a separate
13 offense.

14 (b) Rent Increases Ineffective: Any rent increase imposed without following the
15 proper registration or notice procedures is considered void.

16 (c) Appeals Process: Tenants or landlords may appeal decisions made under this
17 Chapter to a hearing officer within 30 days.

18 (d) The above remedies are not exclusive and do not preclude the city or any tenant
19 from seeking other remedies or penalties provided by applicable law.

20 8-21.11 Administrative review and appeals.

21 (a) Administrative Review: The Director's decision on a rent adjustment application,
22 tenant petition for adjustment or a pass-through cost recovery application will be
23 issued in a notice of decision.

24 I. The Director shall review and evaluate applications pursuant to this Chapter and
25 issue a notice of decision in accordance with adopted procedures and
26 regulations.

27 II. The Director may request documents, interview witnesses and affected parties,
28 and gather necessary evidence to review and make appropriate conclusions and
29 findings.

30 III. The Director's decision may be appealed to a hearing officer in accordance with
31 the following procedures as set forth herein.

32 (b) Appeals Process: Parties may file an appeal and request a hearing with the City
33 Clerk no later than 30 calendar days after the Director issues a notice of decision.
34 Appeals will be heard by a hearing officer. If the filing deadline falls on a weekend,
35 holiday, or other day when city hall is officially closed, the filing deadline will extend
36 to the following city hall business day.

1 (c) Hearing Dates: A hearing on a request for appeal will be scheduled before a
2 hearing officer for a date no sooner than 15 days and no later than 60 days after
3 receipt of the request for appeal and proof of service, unless the hearing officer
4 determines that good cause exists for an extension of time. Upon setting the
5 hearing date, the hearing officer shall send written notice to the appealing party of
6 the date, time and place set for the hearing. Within five calendar days of receipt of
7 the notice of hearing, the appealing party shall deliver a copy of the notice to each
8 affected tenant or landlord, as applicable, via personal service or certified mail
9 return receipt requested..

10 (d) Public Hearing: Appeals are conducted in a public hearing, and both parties may
11 present evidence. At the hearing, the hearing officer shall review the record of the
12 decision and hear testimony of the party requesting the appeal, representatives of
13 the department, and any other interested party. The hearing officer may continue
14 the hearing and request additional information from the landlord or tenant before
15 issuing a written decision.

16 (e) Application and Materials: At an appeal hearing, the hearing officer shall consider
17 only the administrative record that was the subject of the department's final
18 decision.

19 (f) Hearing Continuance. The hearing officer may, in his or her discretion, grant a
20 continuance of the hearing date upon a request and a showing of good cause.
21 The request must be made in writing and be received by the hearing officer at least
22 5 business days prior to the hearing date. If the Landlord is requesting an
23 extension, the Landlord must personally deliver a copy of the request to the
24 affected Tenant(s). If a Tenant is the party requesting an extension, the Tenant
25 must personally deliver a copy of the request to the Landlord or Landlord's agent.
26 In no event shall the continuance be longer than 15 calendar days from the
27 originally scheduled hearing date.

28 (g) Decision and Notice: After the hearing, the hearing officer shall affirm, modify or
1 reverse the decision and specify the reasons for its decision or refer the matter
2 back to the Department for further review.

- 3 I. Decisions shall be rendered within 30 days of the close of the hearing.
- 4 II. The hearing officer shall mail the hearing officer's decision to the affected
5 parties within 10 days after it is rendered.
- 6 III. The decision of the hearing officer shall be final and not subject to further
7 appeal.

8 (h) Final Decision. The decision of the hearing officer shall be final and not subject to
9 further appeal.

10 (i) Judicial Review of Hearing Officer Decision. Any person directly aggrieved by an
11 administrative decision of a hearing officer pertaining to a request for appeal of a
12 Director's decision under this Chapter, may seek judicial review in the court

1 pursuant to Government Code section 53069.4 and/or Code of Civil Procedure
2 sections 1094.5 and 1094.6.

3 (j) Hearing Officer. The City Manager shall establish procedures for the selection of
4 a Hearing Officer. Hearing Officers shall be selected in a manner that avoids the
5 potential for pecuniary or other bias. In no event shall the Hearing Officer be the
6 Director. The compensation, if any, of the Hearing Officer shall be paid by the
7 City. Compensation shall not be directly or indirectly conditioned upon whether or
8 not decisions of the City are upheld by the Hearing Officer.

9 8-21.12 Administrative Citations.

10 (a) Any Landlord or Tenant who violates any provisions of this Chapter, or
11 Department's procedures and guidelines, is subject to an administrative citation
12 and fine as provided for in Chapter 5 of Title 1 of the municipal code.

13 8-21.13 Additional remedies.

14 (a) Tenant Legal Rights: Tenants may bring a civil lawsuit against landlords for
15 violations of the ordinance. Remedies may include injunctive relief, damages, and
16 attorneys' fees.

17 (b) Eviction Defense: A tenant may use a landlord's failure to comply with the
18 ordinance as a defense to eviction.

19 8.21.14 Notices to tenants.

20 (a) Landlords must provide to each tenant, prior to, or at the time of agreeing to
21 rent or lease a rental unit, a notice of tenant rights and under this chapter. The
22 Department shall publish a form notice of tenant rights in English and any other
23 frequently spoken languages.

24 (b) Landlords must provide the form notice in the following circumstances:

25 I. When entering into a rental agreement, by including a copy of the form
26 notice as an exhibit or attachment to the written rental agreement.

27 II. When renewing a rental agreement.

28 8.21.15 Implementation and rulemaking.

29 (a) The City Manager and City Attorney shall take all necessary steps to implement
30 this ordinance, including the creation of forms, public information, and
31 administrative procedures.

32 **SECTION 3.** If any action, subsection, line, sentence, clause, phrase, or word
33 of this Ordinance is for any reason held to be invalid or unconstitutional, either facially
34 or as applied, by a decision of any court of competent jurisdiction, such decision shall
35 not affect the validity of the remaining portions of this Ordinance, and each and every

1 individual section, subsection, line, sentence, clause, phrase, or word without regard
2 to any such decision.

3 **SECTION 4.** This ordinance shall become effective thirty (30) days after
4 approval by the City Council.

5 **SECTION 5.** The City Clerk shall certify to the adoption of this Ordinance and
6 shall cause the same to be published or posted as prescribed by law.

7 **PASSED, APPROVED and ADOPTED this xxth day of November, 2024.**

8
9

Karina Macias, Mayor

10 **ATTEST:**

11
12

Eduardo Sarmiento, CMC
13 City Clerk

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28