



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

### AGENDA ITEM

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Report: Ordinance Amending Chapter 9.30 (Rental Rights Program)

1. Ordinance for Introduction Amending Chapter 9.30 of the Glendale Municipal Code, 1995 – Relating to the Rental Rights Program.
2. Motion Directing Staff re Administrative Citations.

### COUNCIL ACTION

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**Item Type:** Action Item

**Approved for** November 28, 2023 **calendar**

### EXECUTIVE SUMMARY

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The City Council initiated Landlord/Tenant Ad-Hoc Committee to address rental housing issues in Glendale. The Ad-Hoc Committee's purpose was to gather citizen input and provide recommendations to the Council on landlord/tenant rental housing matters. The Ad-Hoc Committee was assigned three main tasks, including reviewing the Rental Rights Program ordinance, developing education and marketing strategies, and evaluating a voluntary dispute resolution program. The Ad-Hoc Committee was originally comprised of seven but now six members, representing both renters and landlords in Glendale, and convened monthly for a total of twelve meetings.

On August 22, 2023, the Ad-Hoc Committee presented three comprehensive reports detailing the Rental Rights Program to the City Council, covering the program's status, marketing strategies, mediation options, and improvement recommendations. While the marketing strategies were well-received and approved, the proposed changes to the Rental Rights ordinance sparked discussions and requests for further clarification.

On September 27, 2023, the Ad-Hoc Committee was convened to address the feedback received from the City Council. Although two committee members were unable to attend, the meeting proceeded with the remaining four members present. The Ad-Hoc Committee engaged in a comprehensive discussion of the City Council's feedback and proceeded to clarify and vote on their recommendations.

The Ad-Hoc Committee's discussions led to the following significant decisions:

- Lease Requirements: A nuanced approach was proposed, requiring a one-year lease offer after the initial year, subject to tenant acceptance or rejection.

- **Service Reductions:** Guidelines were outlined for tenants to request rent decreases in the event of significant reductions in housing services.
- **Banking Provisions:** A motion passed to limit historical look-back periods for rent increases to three years.
- **Just Cause Eviction Relocation:** A revised formula for relocation payments, addressing outdated parameters, ultimately landing on three times the greater of the tenant's current monthly rent or Fair Market Rent (FMR) plus \$2,000.

It is important to highlight that these decisions came about as a result of lengthy discussions, compromise on the part of the Committee Members representing both sides of the issues and a vote that approved a recommendation to the City Council for these specific amendments to the code.

The proposed changes to Chapter 9.30 aim to streamline the Rental Rights Program, enhancing communication, balancing power dynamics, and stabilizing the rental market. Attachments providing the complete ordinance and a user-friendly guide accompany this report.

Recent concerns over Just Cause eviction prompted tailored revisions addressing City Council's and tenants' concerns. These revisions introduce protections for qualified tenants, refine major rehab criteria, and adjust relocation assistance formulas.

A comparative analysis with other cities—such as South Pasadena, Burbank, and California Tenant Protection Act (AB 1482)—shows that Glendale's proposed measures often exceed or supplement existing regulations. For instance, Glendale introduces stronger protections for qualified tenants and offers more substantial relocation assistance compared to AB 1482.

Regarding an emergency eviction moratorium, staff recommends prioritizing immediate enactment of the drafted ordinance over implementing a moratorium, given the ordinance's comprehensive coverage of anticipated changes. Additionally, as it relates to substantial remodel, the proposed ordinance offers a retroactive date of October 1, 2023.

The Council holds options to approve the ordinance as is, with modifications, request a rewrite, or explore alternative actions.

## **RECOMMENDATION**

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- **Approve Proposed Revisions:** Acknowledging the extensive collaborative efforts and deliberations undertaken by the Ad-Hoc Committee, introducing the ordinance in its current form signifies an endorsement of the proposed changes.

- **Provide Feedback on Proposed Revisions:** City Council may opt to offer additional feedback on the proposed changes and request staff to refine the ordinance based on the discussions held.

## **ANALYSIS**

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On August 22, 2023, staff presented three in-depth reports that delved into the work plan assigned to the Ad-Hoc Committee. These reports covered the Rental Rights Program ordinance, marketing and outreach strategies for the program, and mediation options. They were the culmination of extensive research, analysis, and collaborative efforts by the Ad-Hoc Committee.

The Rental Rights Program report highlighted the current state of the program, including its strengths and areas in need of improvement. It provided a comprehensive review of existing regulations, tenant rights, and landlord responsibilities. Additionally, the report featured a range of recommendations aimed at enhancing the overall effectiveness and fairness of the program.

The marketing and outreach strategies report explored methods to better reach and inform our community about their rental rights and the resources available to them. It offered insights into approaches, such as digital campaigns, community events, and partnerships with local organizations, to maximize the program's impact.

The mediation options report detailed the various methods by which tenant-landlord disputes could be resolved amicably. It presented a comprehensive analysis of the benefits and drawbacks of different mediation approaches and proposed potential options for a mediation program in Glendale.

During the August 22<sup>nd</sup> meeting, City Council engaged in a thorough discussion of these reports while the marketing and outreach strategy was received positively and was approved. Regarding the proposed changes to the Rental Rights ordinance, the City Council acknowledged the merits of several recommendations put forth by the Ad-Hoc Committee. However, they sought further clarification on specific aspects of the ordinance. Furthermore, the City Council expressed a desire for the Ad-Hoc Committee to explore alternative dispute resolution methods beyond mediation.

On September 27, 2023, staff convened the Ad-Hoc Committee to address the feedback received from City Council. While two committee members were regrettably unable to attend the meeting, the remaining four members engaged in an in-depth discussion of City Council's feedback. They assessed and discussed the recommendations, subsequently voting on several issues based on thorough deliberation.

## **Committee Discussion**

Based on City Council comment, staff took back areas of the Rental Rights Program to the Ad-Hoc Committee for further clarification and asked the members to make specific recommendations to the City Council. The following were the areas addressed with the Ad-Hoc Committee and their subsequent decisions.

*Requirement of offering a one-year written leases*

The Ad-Hoc Committee was asked to clarify the changes they would like to see and after extensive discussion, the Committee recommends as follows:

Landlord is required to offer the one-year lease based on State noticing requirements, after the initial year, if the tenant accepts, they continue to offer the one-year lease, if the tenant rejects the landlord no longer has to offer the one-year lease. After rejection, it is up to mutual agreement of the parties. Furthermore, any one year lease offer would need to be substantially similar to any month to month option provided to tenant as an alternative to a one year lease.

The committee voted 4-0 for City Council to consider this option.

To guarantee every tenant has an opportunity to opt for a one-year lease, the proposed ordinance now includes a safeguard mandating landlords to extend the one-year lease offer for a full year beyond the anniversary date of the last rent increase.

In relation to one year lease terms, the committee discussed requirements for any amendments to a lease to be made in writing. The committee ultimately agreed 4-0 to the following:

When it's an oral arrangement, the written lease where the terms of the lease apply but the end date has passed and are on a month to month and landlord and tenant come to an oral arrangement, they must reduce it to writing. Changes can still be made with 30-day notice.

Staff incorporated this language into the ordinance, then examined it during the stakeholder meetings. Both landlord and tenant stakeholders expressed reservations about this amendment and stated that there was no discernible advantages for either party. Lawyers who frequent represent tenants stated that often times an established pattern of an activity, combined with the landlord's tacit acceptance arguably creates a right for the tenant that can be later brought up in court. This requirement would remove the ability for tenants to raise this issue in court. Concerns arose regarding potential legal complexities prompted the removal of this recommendation from the final redline.

*Reduction in Services*

The Ad-Hoc Committee also discussed options for compensation for reducing rents when a landlord reduces services. After a lengthy discussion, the Ad-Hoc Committee agreed that the ordinance should have a provision, but had no definitive suggestion on how this should be done. The Ad-Hoc Committee directed staff to provide options to the Council for consideration. Staff prepared the provisions below and discussed them with the various stakeholders, and further refined the language after receiving feedback:

'Reduced services' are defined as a significant decrease in housing services and amenities originally included in the rental agreement. Examples include disruptions or reductions in essential utilities, loss or reduction of parking availability, and other explicitly stated services in the rental agreement. If a tenant experiences a significant reduction in services, they may be entitled to a rent decrease. The tenant must provide written notice to the landlord, who has a reasonable time to address the issue. If not resolved, the tenant can request a rent decrease. The amount of the decrease is determined based on the extent and duration of reduced services, proportional to the reduction and calculated according to market best practices. For partial reductions, the decrease is prorated based on the percentage of affected services, and for permanent reductions, it may be calculated as 2 to 10 percent of the total monthly rent.

### *Banking*

There were concerns over the complexity of the calculation of the banking provision, when allowing the carrying forward of unused rent increases indefinitely. The lack of a specific limit on the historical "look-back" period poses challenges for both tenants and landlord. To address this, the committee proposed a motion reducing the look-back period to three years and ensuring the provision transfers from the prior owner to the new one for consistency. The motion passed 4-0.

### *Just Cause Eviction Relocation*

Considering various options, and aiming to align with current market conditions, the Ad-Hoc Committee, after extensive discussion on relocation and reviewing relocation fees in different cities, voted 3-1 for the following formula to calculate eviction relocation:

*3 times the greater of the tenant's current monthly rent or Fair Market Rent (FMR) plus \$2,000*

This decision is a response to the outdated 2003 formula, which no longer reflects current rental trends and falls short in comparison to neighboring areas.

For reference, the HUD Fair Market Rents for Fiscal Year 2024 are:

Fair Market Rents By Unit Bedrooms					
Year	Studio	1 Bed	2 Bed	3 Bed	4 Bed
<b>2024 FY</b>	\$1,777	\$2,006	\$2,544	\$3,263	\$3,600

Furthermore, the committee agreed that smaller properties ranging from 2 to 4 units should not be treated differently in the ordinance. This decision stemmed from an analysis of deliberation comments and public feedback.

The Ad-Hoc Committee's choice not to differentiate between various types of landlords in the proposed ordinance was motivated by a commitment to impartial treatment of tenants regardless of their property type. While acknowledging the differences in scale and resources between larger property management companies and smaller, individual landlords, the committee emphasized the importance of consistent standards and accountability for all.

Advocating for uniform regulations without special considerations for smaller properties aims to ensure that all landlords, regardless of property size, adhered to the same set of guidelines and obligations and does not disproportionately penalize tenants who reside there. This approach aims to minimize potential abuses or loopholes arising from differential treatment based on property ownership scale, prioritizing the upholding of tenant rights and maintaining housing standards across the entire spectrum of rental property ownership.

It's important to note that smaller properties, typically ranging from 2 to 4 units, can often be owned by corporate entities overseeing multiple properties. While these properties might fall within the bracket of smaller-scale units, they might be managed by corporate entities that own and operate various rental units.

While it's arguable that smaller landlords, particularly those overseeing only a couple of units, might lack the financial resources or infrastructure of larger property management companies, it is crucial to highlight that the proposed revisions don't significantly alter the impact on properties with 2 to 4 units. The sole addition is the requirement for a one-year lease, which shouldn't pose a substantial financial burden and, if the owners are genuinely operating on a small scale, should entail minimal administrative hassle. The adjustment in relocation assistance for increases over 7%, from 3 times the current rent to 3 times the proposed rent, represents a minor change. A notable alteration that could affect small property owners involves the inclusion of duplexes where the owner doesn't reside in any of the units. Staff introduced this change to align with state regulations,

concerned that failing to do so might lead to legal challenges due to the state's stricter restrictions compared to our ordinance.

During stakeholder meetings, staff inquired of landlord representatives about their definition of a “mom-and-pop” owner. Universally, the explanation by landlord groups of a mom-and-pop owner is anyone who owns fewer than 20 units. The rationale was that for a corporate owner, the investment in complexes of fewer than 20 units was not financially sound for them. This was considerably different from the city’s interpretation of mom and pop and further lent support for treating all residential offerings the same.

#### *Relocation of increase over 7%*

Currently, the relocation formula for increases over 7% follows a tiered system, allowing tenants to receive anywhere from 3 times the proposed rent up to 6 times the proposed rent based on income and the duration of their occupancy. After discussing various options, the Ad-Hoc Committee chose to simplify the formula to a uniform 3 times the proposed rent for all tenants, irrespective of income or years of occupancy and unit size. Additionally, the Ad-Hoc Committee would like for the City Council to review the relocation calculation periodically. The Ad-Hoc Committee voted 3-1 for this change.

#### *Other Changes Previously Discussed*

In addition to the aforementioned modifications, staff also incorporated several changes that reflect the broader discussions within the committee and City Council, as well as feedback from stakeholders. These changes include:

Under Section 9.30.010, the Legislative Purpose has been updated, broadening the protective scope. Amendments to Section 9.30.020 Definitions include:

- **Base Rent Definition:** The revision aims to differentiate between rent and recurring charges, particularly utility costs. It refines the current definition, which considers all charges as part of a rent increase. Read together with the addition of the reduction of services section, this provision allows for reduction in the rent in the event that a landlord chooses to remove existing utility payments from the overall rental value.
- **Qualified Tenant Definition:** This addition establishes a clear definition for a qualified tenant, delineating criteria such as disability, age, low income, or having a school-aged child enrolled. This distinction provides an additional layer of protection for the vulnerable tenant population.
- **Rental Unit Definition:** Expansion of the rental unit definition includes units constructed illegally, ensuring they fall under the ordinance's provisions.

Further revisions to the definition of Rental Units involve modifications to exemptions:

- Previously exempted duplexes will only maintain exemption if the owner occupies one of the two units as their primary residence.
- Section 8 tenants, previously excluded, are now included in the program, expanding coverage to this group.

Additionally, adjustments to the term 'nuisance' broadens its scope to include obstructing free passage, generating excessive noise, and displaying aggressive behavior toward neighboring tenants. Also, there are additional requirements for owner move-in evictions, mandating that landlords must place family members or resident managers within two months of a tenant vacating a unit due to an owner move-in eviction, the new tenant must remain in the unit for a minimum of one year. Finally, there is a proposal prohibiting landlords from evicting qualified tenants and restricting the use of this type of eviction to only once per family member.

#### Intentional Disrepair/Damage to Rental Unit/Complex

During the committee meeting, a key topic of discussion revolved around habitability concerns, specifically landlords letting their properties deteriorate and the living standards regarding illegally constructed units. To tackle these issues, staff introduced provisions aimed at addressing landlords who deliberately allow their properties to fall into disrepair or who refuse to address major concerns like mold, leaking, inadequate heating and other habitability concerns.

In addition to the existing safeguards outlined in the California Civil Code, if a rental unit is intentionally allowed to deteriorate to the point of being uninhabitable, the landlord is obligated to provide temporary relocation benefits during the displacement period. These benefits include lodging in a secure hotel or motel, compensation for meals, and laundry services if facilities are lacking. Alternatively, the landlord may choose to offer comparable housing during the displacement period, meeting specific criteria.

#### Rehab Eviction Related Changes

One of the major areas of concern in the recent week's has been major rehab evictions. Staff has heard from stakeholders, City Council and Ad-Hoc Committee members regarding their concerns. Some stakeholders have provided options that could strengthen the requirements of the major rehab provision in our ordinance.

The changes that staff has incorporated into the ordinance include the extension of the uninhabitable period from 30 to 60 days during renovations for 'major rehab' evictions. This proposal addresses concerns related to the eviction timeframe. It includes the

requirement that the project cost be 8 times the current rent or Fair Market Rent, whichever is higher—a change from the existing ordinance, which specifies 8 times the current rent.

These comprehensive revisions aim to strengthen the Rental Rights Ordinance and address various concerns discussed within the Ad-Hoc Committee and City Council meetings, incorporating valuable feedback from stakeholders.

### *Administrative Citations*

Currently, Rental Rights Ordinance allows for enforcement through administrative citations, but the existing fee schedule lacks associated citations for the enforcement outlined in the ordinance. This may have been an oversight when the section was first added. Staff proposes adding these administrative citations as a measure to ensure compliance with Rental Rights Program provisions. These citations act as a structured deterrent, imposing fees based on the severity and recurrence of violations. Consistent with other penalties outlined in the current fee resolution, staff proposes that the initial penalty would be \$400, with a \$1000 penalty for the second offense and a \$2000 fine for the third. By implementing these citations, the objective is to safeguard the rights of tenants and landlord. If Council approves a motion to add said administrative fees, staff will bring back a resolution for approval.

### *Alternatives to Mediation Program*

In addition to changes to the Rental Rights Program, City Council sought direction on alternatives to a mediation program. The Ad-Hoc Committee deliberated on various ideas, settling on several potential avenues for consideration. The Ad-Hoc Committee discussed funding a local agency to provide legal representation for landlords or tenants dealing with unresolved cases requiring legal action. This initiative would establish criteria for qualifying cases, ensuring targeted assistance where legal intervention is necessary.

Another discussion point was the development of a hotline escalation system within a general housing hotline. This system aims to swiftly escalate renter queries to attorneys or legal experts for immediate consultations when cases require specialized legal guidance. Lastly, the committee discussed dedicated staff to aid tenants in better understanding the ordinance. Strengthening staffing in this area would enhance community education and serve as a foundational step towards improved comprehension and engagement with the Rental Rights Program.

In summary, the proposed changes to Chapter 9.30 aim to simplify the ordinance, creating a clearer "Rental Rights Program" that both landlords and tenants can navigate easily. This includes defining qualified tenants and introducing measures to maintain

housing standards and address service reductions. These revisions strive to improve communication, balance power dynamics, and foster a more stable rental market.

The complete ordinance is included as Attachment 1, while Attachment 2 provides a user-friendly guide that highlights the key changes in redline version for easy reference.

### **Recent Concerns of Just Cause Eviction**

In recent City Council meetings, the issue of Just Cause eviction has taken center stage, fueled by complaints from tenants experiencing renoventions. City Council members, recognizing the gravity of the concerns raised by residents, have actively explored potential solutions. Staff has followed these discussions, aiming to stay informed about the ongoing dialogue. This section of the report will detail the proposed changes to the Rental Rights ordinance, specifically tailored to address the issues highlighted by City Council concerns and tenant complaints. Additionally, staff conducted a comparative analysis with other cities to gain insights into their approaches to similar challenges. By examining these varied strategies, staff aims to ensure that Glendale's proposed modifications not only address local concerns but also align with broader trends in tenant protections. This comprehensive exploration seeks to strike a balance between the unique needs of Glendale residents and the evolving landscape of tenant rights across different municipalities.

#### *Glendale Proposed Revisions Addressing Evictions*

Based on Ad-Hoc Committee discussion and comment, and in response to concerns raised by both Council and tenants, the proposed revisions to the rental rights ordinance should add sufficient protections for areas of concern:

- **Definition of Qualified Tenant:** This proposed addition to the ordinance introduces the concept of a "qualified tenant" with associated protections, specifically the doubling of any relocation fee. A "qualified tenant" is defined as an individual with either a disability, aged 62 or older, low income, or having a school-aged child enrolled in school. Additionally, City Council reserves the flexibility to consider extended noticing periods or heightened criteria for the eviction of qualified tenants.
- **Major Rehab Clarification:** This proposed revision intricately refines the 'major rehab' section by providing a clear definition of 'substantial remodel,' both explicitly encompassing structural, electrical, plumbing, and mechanical system repairs or alterations and aligning with the State definition. Notably, the extension of the uninhabitable period from 30 to 60 days during renovations for 'major rehab' evictions addresses concerns related to the eviction timeframe. These additional requirements serve as

a crucial layer of protection, ensuring that landlords cannot invoke 'major rehab' as a pretext for eviction based solely on cosmetic enhancements, thereby safeguarding tenants from unwarranted displacement for non-essential renovations.

- **Relocation Assistance Adjustments:** This proposed revision marks a significant adjustment to the existing relocation formula, transitioning from the previous calculation of 2 times Fair Market Rent (FMR) + \$1000 to a more robust formula of 3 times the greater of FMR or current rent + \$2000. This amendment ensures that relocation assistance is more closely aligned with current market conditions and the economic realities faced by tenants.

Moreover, the proposal introduces a proactive approach to oversight with the mandate for periodic City Council reviews of the relocation amount. This mechanism allows for adjustments to be made in response to evolving economic factors or changes in the local housing landscape, maintaining the relevance and effectiveness of the relocation assistance program.

Additionally, a provision is introduced to specifically amplify support for qualified tenants, stipulating that any relocation assistance for this group would be doubled.

- **Owner Move-In Requirements:** Introduces additional requirements for owner move-in evictions, mandating that landlords must place family members or resident managers within two months of a tenant vacating a unit due to an owner move-in eviction, the new tenant must remain in the unit for a minimum of one year. Also proposes prohibiting landlords from evicting qualified tenants and restricting the use of this type of eviction to only once per family member.
- **Inclusion of Section 8 Tenants:** Proposes the elimination of the exemption of Section 8 tenants from the program, fostering inclusivity and ensuring equal rights and protections for all tenants, regardless of housing assistance source.

Staff is of the opinion that the aforementioned changes comprehensively address many concerns raised in recent weeks. However, should City Council seek to enhance these measures further, potential avenues include adjusting the relocation fee, extending the notice period, or providing additional clarity on the definition of substantial rehab. This framework allows for additional customization and refinement, empowering City Council to tailor the ordinance to more precisely align with the unique needs and preferences of the Glendale community.

## *Other Jurisdictions*

As previously highlighted, staff sought a comprehensive understanding of eviction policies by examining the approaches of other municipalities in comparison to Glendale. In this analysis, staff has considered the practices of South Pasadena, Burbank, and the broader state-level protections concerning evictions.

### California Tenant Protection Act

AB 1482, also known as the California Tenant Protection Act, is a statewide rent control measure that went into effect on January 1, 2020. The law establishes rent control and just-cause eviction protections for certain residential properties not previously covered by such regulations. Under AB 1482, non-exempt rental properties are subject to rent control limitations, capping annual rent increases at 5% of the current rent plus the local rate of inflation or 10% of the current rent, whichever is lower. Additionally, the law provides protection against arbitrary evictions by requiring landlords to provide just-cause reasons for eviction.

Permissible just-cause reasons include nonpayment of rent, material breach of the lease, engagement in criminal activities on the premises, creating a significant nuisance, owner move-in, and substantial remodel.

Both AB 1482 (California Tenant Protection Act) and Glendale's Just Cause provisions share common elements in addressing arbitrary evictions and providing tenant protections. However, Glendale's Just Cause provisions, especially with the proposed changes, extend further in certain aspects.

Differences with Glendale's Proposed Changes:

**Definition of Qualified Tenant:** Glendale introduces the concept of a "qualified tenant," offering additional protections for disabled individuals, seniors, low-income tenants, and those with school-aged children. This goes beyond the protections provided by AB 1482.

**Relocation Assistance:** Glendale proposes adjustments to the relocation formula, providing more substantial relocation assistance. The proposed formula is 3 times the greater of Fair Market Rent (FMR) or current rent + \$2000, with an additional provision to double the relocation assistance for "qualified tenants". AB 1482 sets relocation at of 1 times the current rent.

**Owner Move-In Protections:** Glendale adds further requirements for owner move-ins, mandating that landlords must place family members or resident managers within two months of a tenant vacating a unit due to an owner move-in

eviction. Additionally, Glendale restricts the use of this type of eviction to only once per family member, offering enhanced tenant protections.

While Glendale's Just Cause regulations offer stronger protections for tenant rights, one notable distinction has been the definition of "substantial remodel." AB 1482 has had a more specific definition that clarifies the types of remodels that qualify for eviction. However, Glendale's proposed changes aim to bridge this gap, bringing its definition of "substantial remodel" in line with the standards set by AB 1482. By harmonizing this element, Glendale ensures that its regulations not only match but, in fact, exceed the statewide standards for determining when a remodel is significant enough to warrant an eviction.

### Burbank

On September 12, 2023, the Burbank City Council implemented the Burbank Tenant Protection Urgency Ordinance, immediately enhancing safeguards for no-fault just cause evictions linked to demolitions and substantial remodels. This ordinance mandates landlords to obtain relevant permits and offer three months of relocation assistance to tenants affected by such evictions due to substantial remodels. For other no-fault just cause evictions, the relocation payment aligns with the California Tenant Protection Act (AB 1482) at one month's current rent. The ordinance establishes detailed requirements for landlords, including securing permits, and providing tenants with comprehensive details about the scope and necessity of the work.

While the Burbank Tenant Protection Urgency Ordinance shares some similarities with Glendale's current rental rights ordinance, Glendale's existing and proposed protections either match or surpass those of Burbank in several key aspects.

**Required Permits:** Glendale has required landlords to provide permits and work plans since 2019, a measure that Burbank has recently implemented.

**Substantial Remodel:** The additional protections Glendale is introducing in the revised ordinance specifically defines substantial remodels to closely mirror Burbank's and AB 1482 requirements.

**Relocation Fees:** Burbank's new ordinance sets it at three times the tenant's current rent, Glendale's existing formula is two times Fair Market Rent (FMR) + \$1000. However, Glendale's proposed relocation formula, which stands at 3 times the greater of the tenant's current monthly rent or Fair Market Rent (FMR) plus \$2,000, surpasses Burbank's standard.

While Burbank generally aligns with the state's AB 1482 protections, Glendale's proposed measures provide greater protections, offering enhanced safeguards for

tenants. When considering both existing and proposed changes, Glendale's Rental Rights Program stands as a more comprehensive and robust framework compared to Burbank's.

### South Pasadena

On May 17, 2023, the City Council of South Pasadena implemented an Urgency Ordinance, initially establishing a 45-day moratorium on no-fault just-cause evictions. Subsequently, on June 28, 2023, the City Council extended this moratorium for an additional 6 months. This ordinance prohibits any eviction for "no-fault just cause" during this period. Such just-cause reasons include the owner's intent to occupy the property, removal of the property from the rental market, and the intent to demolish or substantially remodel the property. The primary objective of the moratorium was to afford City staff the time to research and engage with the community on issues related to substantial remodel evictions, facilitating proposed changes to the Just Cause for Eviction Ordinance.

At the City Council Meeting on November 1, 2023, South Pasadena staff introduced a proposed ordinance outlining amendments to South Pasadena's Just Cause provisions. The key proposed changes include the removal of "substantially remodel" as a "no-fault just cause" for terminating a tenancy. Additionally, a new section titled "Tenant Protections During Temporary Untenantable Conditions Resulting from Necessary and Substantial Repairs" is proposed, defining necessary and substantial repairs, disallowing their use as a no-fault cause for termination, outlining landlord responsibilities to address temporary untenable conditions, and providing tenants with the option to voluntarily terminate tenancy under specified circumstances through a tenant buyout agreement. South Pasadena City Council unanimously passed these new protections. Furthermore, a new section on "Tenant Buyout Agreements" was introduced to establish provisions that allow landlords to propose buyout agreements.

South Pasadena and Glendale share similarities in their Just Cause eviction policies, particularly regarding reasons for eviction. However, a notable divergence exists in the treatment of major rehab-related evictions. South Pasadena strictly prohibits landlords from evicting tenants for major rehab, while Glendale permits this action under certain limitations. Glendale's ordinance demonstrates strength, particularly in areas like relocation fees, where it offers more robust provisions. Glendale's ordinance strikes a better balance between landlord and tenant interests, whereas South Pasadena's approach appears restrictive. This strictness could pose challenges for remodels, potentially impacting housing stock negatively. The proposed ordinance also includes a provision for allowing tenants those similar rights as in South Pasadena, when a Landlord has intentionally allowed a unit to fall into disrepair. The key difference between the two types of processes being, that in the instance of disrepair, the

habitability of the unit is comprised and the tenant has made several efforts to with the landlord to repair, vs. for major rehab, the landlord initiates the action. Additionally, in South Pasadena, it does not appear that any measures are offered for the landlord to recoup any of the costs for the added improvements in the event of a major rehab, which is typically allowed in jurisdictions that allow a right to return to the unit.

### *Emergency Eviction Moratorium*

In recent City Council meetings, the concept of implementing an emergency eviction moratorium surfaced for discussion. An eviction moratorium is a temporary prohibition or suspension on evictions within a specified jurisdiction, usually imposed during emergencies or times of crisis. It's a measure implemented by local governments to prevent landlords from evicting tenants for a defined period, offering protection to renters facing financial hardship or other challenges.

While staff understands the basis behind some municipalities need for an eviction moratorium, there's a belief that such a measure might not be imperative now in Glendale, given the existence of a fully drafted ordinance ready for implementation. Unlike South Pasadena's situation, where they initiated a moratorium first and then assessed the ordinance, Glendale's situation is different. The proposed changes are already embedded in the drafted versions of Glendale's ordinance. Hence, opting for a moratorium might not be the most natural next step. Instead, City Council could consider immediate enactment of the ordinance, bypassing the waiting period, as the drafted ordinance encompasses many of the changes anticipated, making the moratorium seemingly redundant at this stage.

Additionally, with regard to the "substantial remodel," the proposed ordinance offers a retroactive effective date of October 1, 2023, which will require any efforts for eviction pursuant to Chapter 9.30.030G relating to major rehabs to meet the updated requirements imposed by this amendment. It will have not impact to any unlawful detainer cases already filed with the court, but will require issuances of new notices to vacate.

### *Other Ideas and Avenues*

Expanding upon the discussions, several additional promising concepts emerged, broadening the spectrum of potential measures to bolster tenant protections. These additional areas for consideration may require additional staff for implementation. These include:

- A. **Extended Notice Periods:** Require landlords to provide longer eviction notice periods, especially for long-term tenants. This gives tenants more time to find alternative housing or address issues causing the eviction.

- B. **Financial Assistance Programs:** Create financial assistance programs to help tenants facing evictions, providing temporary relief or rental assistance.
- C. **Legal Aid and Representation:** Increase access to legal aid and representation for tenants facing eviction, ensuring they have proper representation in eviction proceedings.
- D. **Pre-Renovation Assessment:** Mandate a comprehensive inspection of the property by certified inspectors before approving eviction for renovations. This assessment would determine the urgency and extent of renovations required, ensuring they are essential for the property's safety or habitability.
- E. **Appeals Process for Rehab Evictions:** Establish a mechanism allowing tenants to appeal major rehab evictions if they believe the necessity of the remodel is misrepresented or unjustified.
- F. **City Oversight of Permit:** Mandate landlords to note on permits if evictions are tied to major renovations. Appoint an oversight role to review these permits for eviction-related renovations. This person ensures compliance, informs tenants of their rights, and ensures a fair process.
- G. **Renovation Impact Assessments:** Implement a requirement for landlords to conduct impact assessments before initiating major renovations that could lead to evictions. These assessments would detail the potential effects on tenants' housing security and propose mitigating measures.
- H. **Notice to City and Tenant:** Require landlords to provide notice to both the city and tenants when issuing eviction notices. This measure can ensure the City is informed of evictions, allowing staff to track and potentially intervene in cases where tenants might face unjust or unwarranted eviction.
- I. **Additional Enforcement Provisions:** Provide for the ability for the City Attorney to institute a civil proceeding for damages for displacement of tenants.

## Next Steps

The redline version of the ordinance has been presented to the City Council, the City Council now has several options to consider regarding the proposed ordinance.

**Passing as Is:** The Council may choose to approve the redline version of the ordinance in its current form. This action would signify acceptance of the proposed changes without any alterations.

**Passing with Changes:** Alternatively, the Council might opt to approve the ordinance with specific modifications. This route allows for adjustments to the proposed redline version based on Council discussions, feedback, or identified areas requiring refinement.

**Requesting a Rewrite:** Should the Council deem significant revisions necessary, they may request a complete reworking of the ordinance. This option entails sending the proposed redline version back for comprehensive revisions or clarifications based on Council directives.

**Exploring Other Options:** Additionally, the Council retains the freedom to explore alternative courses of action. This could involve deferring the decision for further evaluation, seeking additional input from stakeholders, or initiating further discussion on specific sections before finalizing the ordinance.

## **STAKEHOLDERS/OUTREACH**

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During November 14, 15 and 21 , staff convened meetings with stakeholders to present the redline version of the ordinance and the anticipated modifications. Additionally, staff extended an invitation to stakeholders for one-on-one sessions to share their concerns and feedback. Staff met with representatives from Apartment Association of Greater Los Angeles, California Apartment Association, Glendale Association of Realtors, Glendale Tenants Union, Neighborhood Legal Services, the Armenian Bar Association and the Housing Rights Center.

Upon analyzing stakeholders' feedback, various points have surfaced regarding the proposed ordinance. An overarching observation made by landlord representatives points out surprise and concern regarding the ordinance's treatment of smaller property owners, particularly those categorized as "mom and pop" operations. Stakeholders argue that these smaller-scale operations lack resources akin to larger entities and recommend keeping exemptions the same with regards to 4 units or fewer. Additionally, there was a marked difference in the definition of a mom and pop owner offered by the landlord representatives to include complexes containing fewer than 20 rental units.

Staff also heard feedback regarding strengthening some areas of the rehab eviction clause, the comment heard described changing the rehab project cost be 8 times the

current rent or Fair Market Rent, whichever is higher for the landlord to be able to evict a tenant—a change from the existing ordinance, which specifies 8 times the current rent.

Other recommendations include removal of the mandate for a one-year lease, seen as unnecessary within the proposed ordinance considering other factors in the ordinance such as strong eviction protections mitigate the need for lease requirements.

Stakeholders have also had concerns regarding the Banking provisions as it relates to Relocation assistance triggered after an increase of over 7%, deeming it overly convoluted and unnecessary.

Some stakeholders, upon reviewing the Committee's suggestion to formalize oral agreements in writing, expressed reservations. They questioned the potential benefits for both tenants and landlords, raising concerns about potential legal complexities and the possibility of conflicting with state laws in the future.

Additional individual comments focused on specific recommendations, including a change to the Legislative Purpose, removal of the Qualified Tenant designation, the proposal to implement a 12-month notification period for any changes in tenancy terms, advocating for the broadening of the nuisance definition to include sex trafficking, and suggesting the incorporation of a retroactive clause.

## **FISCAL IMPACT**

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There is no fiscal impact associated with this report.

## **ENVIRONMENTAL REVIEW (CEQA/NEPA)**

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CEQA does not apply to projects where the lead agency determines "with certainty that there is no possibility that the activity in question may have a significant effect on the environment." CEQA Guidelines (14 Cal. Code Regs.) § 15061(b)(3). Here, the action involves noting and filing of a staff report on the 12-month performance status of the Alex Theater and providing staff direction on the proposed reservation of twelve days of Theatre use for 2024. There is no possibility that the action to note and file this report and provide direction on Theatre use may have a significant effect on the environment.

## **CAMPAIGN DISCLOSURE**

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This item is exempt from campaign disclosure requirements.

## **ALTERNATIVES TO STAFF RECOMMENDATION**

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Alternative 1: Introduce the ordinance amending Chapter 9.30 of the Glendale Municipal

Code, 1995 relating to the Rental Rights Program and Provide Direction regarding Administrative Citations.

Alternative 2: City Council may elect to consider any other alternative not proposed by staff.

## **ADMINISTRATIVE ACTION**

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Sipan Zadoryan, Housing Analyst

**Approved by:**

Roubik R. Golanian, P.E., City Manager

## **EXHIBITS/ATTACHMENTS**

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**Attachment 1:** Redline version of Chapter 9.30 (Rental Rights Program)

**Attachment 2:** Guide for Redline version of Chapter 9.30 (Rental Rights Program)