



AD-HOC COMMITTEE SUGGESTIONS ON THE RENTAL RIGHTS PROGRAM

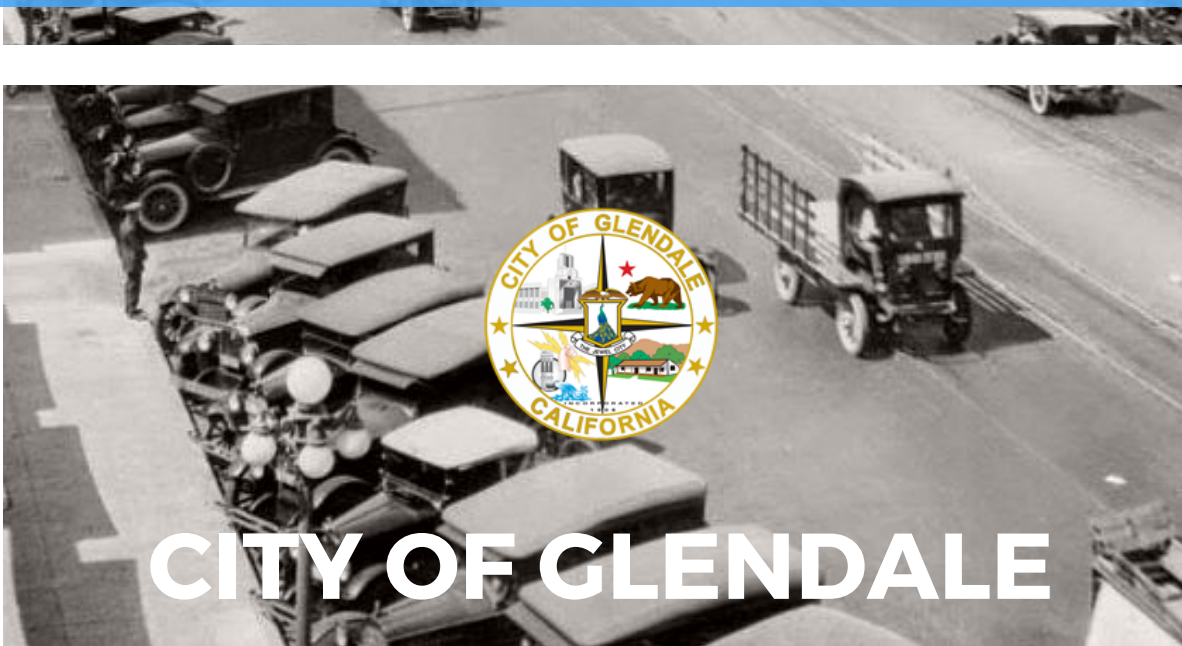


Table of Contents

TABLE OF CONTENTS	1
EXECUTIVE SUMMARY	2
BACKGROUND AND HISTORY	4
METHODOLOGY	6
FINDING	8
RECOMMENDED CHANGES	10
Chapter 9.30 Just Cause And Retaliatory Evictions	11
9.30.010 Legislative purpose	12
9.30.020 Definitions	13
9.30.025 Requirement of offering one-year written leases ..	16
9.30.030 Evictions – Nuisance	18
9.30.030 Evictions – Qualified Tenants	20
9.30.030 Evictions – Uninhabitable or illegal units	21
9.30.030 Evictions – Other	22
9.30.033 Rent Based Termination	23
9.30.035 Required Payment of Relocation Fee	25
9.30.050 Affirmative defense and remedies	31
9.30.070 Penalty for Violations.....	32
Other areas of considers	33
CONCLUSION	34
APPENDIX: RENTAL HOUSING CHARACTERISTICS	35

Executive Summary

This report aims to present a comprehensive review of proposed recommendations from the recently established Landlord/Tenant Ad-Hoc Committee. The objectives of this report are to outline the comments and suggestions made by the Ad-Hoc Committee through their last year together.

OVERVIEW

This report provides a comprehensive review of the recommendations put forth by the Landlord/Tenant Ad-Hoc Committee (Ad-Hoc Committee) regarding the Rental Rights Program in the City of Glendale. The objectives of this report are to outline the committee's comments and suggestions and assess their implications for the program.

The Rental Rights Program was introduced by the Glendale City Council (City Council) on February 12, 2019, as a response to the ongoing affordable housing crisis and escalating rental rates. It aimed to address these issues while considering the diverse perspectives and concerns expressed during the extensive deliberations. The program consists of three main sections: Just Cause Eviction, Right to Lease, and Renter Relocation.

Under the Just Cause Eviction section, regulations were implemented to safeguard tenants from arbitrary or unjust evictions, promoting stability and security within the rental market. The Right to Lease provision mandates landlords to offer a one-year lease to new tenants and when implementing rent increases, providing tenants with greater certainty and the ability to plan for their housing needs. The Renter Relocation section requires landlords to provide relocation assistance if rent increases exceed 7% over the previous 12 months, aiming to mitigate the impacts of displacement.

Since the program's implementation, staff has been actively involved in addressing inquiries from tenants and landlords, providing education, clarifications, and guidance on program requirements, as well as county and state laws. The COVID-19 pandemic and related emergency orders further influenced the rental market, necessitating additional education efforts due to the complexities of new laws and regulations.

At its meeting on August 24, 2021, the City Council approved the implementation of a

Executive Summary

Ad-Hoc Committee. The Ad-Hoc Committee's mission was to serve as a conduit for citizen input, analyzing and recommending options on landlord/tenant rental housing issues to the City Council.

At its meeting on August 24, 2021, the City Council approved the implementation of a Ad-Hoc Committee. The Ad-Hoc Committee's mission was to serve as a conduit for citizen input, analyzing and recommending options on landlord/tenant rental housing issues to the City Council. The Ad-Hoc Committee, through their discussions, made several recommendations for improving the Rental Rights Program. These recommendations include simplifying the one-year lease requirements, enhancing protections for tenants facing no-fault evictions, revisiting the formula for calculating relocation assistance, and exploring mechanisms to track illegally constructed units and monitor vacancies.

It is essential for the City Council to recognize the significance of the suggested changes and their potential benefits in fostering a fair and equitable rental market. Implementation of these recommendations will require careful planning, coordination, and allocation of necessary resources.

By considering the adoption of the proposed changes, the City of Glendale can further strengthen tenant protections, promote stability and affordability, and enhance the overall quality of the rental market. Continued support from the City Council will be instrumental in successfully implementing the recommended improvements to the Rental Rights Program and ensuring the well-being of both tenants and landlords in Glendale.

Background and History

Following a series of meetings held between 2016 and 2019 to address the pressing issue of an ongoing affordable housing crisis and explore potential solutions to combat increasing rental rates, the City Council took a significant step forward on February 12, 2019. The City Council introduced the Rental Rights Program. The program was designed to tackle the issue of unaffordable rental rates while considering the diverse perspectives and concerns expressed during the extensive deliberations. This program represented a comprehensive strategy that sought to strike a balance between the interests of tenants and landlords, fostering a fair and equitable rental market for all stakeholders involved. By opting for an alternative to rent control, the City Council paved the way for innovative solutions that prioritized the needs of the community, establishing a framework that aimed to provide stability, affordability, and fairness in the rental sector. This comprehensive program encompasses three key sections: Just Cause Eviction, Right to Lease, and Renter Relocation.

Under the Just Cause Eviction section, specific regulations were introduced to govern the eviction process, ensuring that tenants are protected from arbitrary or unjust evictions. This provision aims to foster stability and provide a sense of security for tenants within the rental market.

The Right to Lease provision mandates landlords to offer a one-year lease to new tenants, as well as when implementing rent increases. By enforcing this requirement, the City of Glendale aims to provide tenants with greater certainty and enable them to plan for their future housing needs effectively.

Recognizing the potential impacts of rapidly increasing rents, the Renter Relocation section of the program mandates landlords to provide relocation assistance to tenants if rent increases exceed 7% over the course of the previous 12 months. This provision seeks to mitigate the consequences of displacement and offer support to affected residents.

Collectively, these provisions within the Rental Rights Program were implemented to enhance stability, protect tenants from unfair practices, and address the challenges associated with displacement in Glendale.

Background and History

The program took effect on March 14, 2019, with a budget of approximately \$410,000 and the establishment of new positions. The program impacts approximately 47,000 rental units in Glendale.

Since the implementation of the Rental Rights Program, staff has received numerous calls and emails, addressing inquiries from both tenants and landlords. Staff has provided education, clarified program requirements, and offered guidance on county orders and state laws such as AB 1482, which established a rent increase cap and eviction protections statewide. The COVID-19 pandemic and related emergency orders also impacted the rental market, with a rent freeze and eviction suspensions. Rental Rights staff has responded to inquiries and provided resources to residents, with further education efforts needed due to the complexities of the new laws.

Methodology

The Ad-Hoc Committee meticulously executed a structured and comprehensive methodology to diligently review the Rental Rights program. To effectively address the tasks assigned by the City Council in their work plan, the committee allocated its time into three distinct phases, each aligned with the major responsibilities outlined.

OVERVIEW

The Ad-Hoc Committee meticulously executed a structured and comprehensive methodology to diligently review the Rental Rights program. To effectively address the tasks assigned by the City Council in their work plan, the committee allocated its time into three distinct phases, each aligned with the major responsibilities outlined.

The committee focused on thoroughly examining the Rental Rights program itself. In this phase, they delved into the intricacies of the program, meticulously scrutinizing its provisions, rules, and regulations. The committee members, guided by the expertise of the staff, embarked on a meticulous journey through the ordinance. They meticulously assessed each section and analyzed it line by line, ensuring a comprehensive understanding of the program's content.

After staff received the comments, suggestions, and revisions from the Ad-Hoc Committee, they compiled a concise report outlining the recommended changes. Subsequently, staff presented the report to the committee for final approval before submitting it to the City Council.

This rigorous review process was enriched by the active participation of all Ad-Hoc Committee members. Every member had the opportunity to contribute their insights, observations, and suggestions. The Ad-Hoc Committee fostered an environment that encouraged open dialogue, allowing diverse perspectives to be shared and considered. Through collaborative discussions, the Ad-Hoc Committee leveraged the collective wisdom of its members, enabling a thorough evaluation of the Rental Rights program.

Throughout the entire review process, the committee maintained a meticulous and syste-

Methodology

matic approach. They employed a combination of in-depth analysis, collaborative discussions, and external input to ensure that their recommendations were informed, balanced, and aligned with the objectives of the Rental Rights program.

Findings

PROGRAM ANALYSIS

In the Ad-Hoc Committees analysis of the current Rental Rights program, they observed that the program is extensive, covers many areas, and provides good protection for tenants while maintaining balance between tenants and landlord.

Upon closer examination, the Ad-Hoc Committee identified both strengths and weaknesses within the program. The relocation section for increases exceeding 7% stands out as a notable strength, serving as an effective deterrent against excessive rent hikes. This provision aligns with the program's objective of promoting stability and addressing the impacts of displacement for residents.

However, while the program's intent to cover all its bases is commendable, it has led to a degree of complexity and difficulty in understanding and following its guidelines. One of the overall agreements that the Ad-Hoc Committee had was that the program needs to be simplified. The program's extensive coverage and the inclusion of multiple exemptions have contributed to its intricate nature, which can pose challenges for both landlords and tenants seeking to navigate its provisions.

Some sections of the program have been found to be outdated, particularly the relocation section pertaining to Just Cause Evictions. It is crucial to review and update this section to ensure it remains relevant and in line with current circumstances and evolving needs. Additionally, the Ad-Hoc Committee's analysis has indicated that the provision for a one-year lease appears to unnecessarily complex and may have limited impact, potentially requiring further examination and possible adjustments.

Another area that necessitates attention is the banking system associated with the program's rent increases. The Ad-Hoc Committee identified certain loopholes that need to be addressed to enhance the program's effectiveness and ensure that it functions as intended. By addressing these gaps in the banking system, the ordinance can provide greater clarity and protection for both landlords and tenants, fostering a more transparent and reliable rental process.

Findings

KEY ISSUES AND CHALLENGES

Balancing Landlord-Tenant Rights: One of the key challenges is striking a balance between the rights and responsibilities of landlords and tenants. While the ordinance aims to protect tenants, it should also consider the interests and rights of landlords to ensure the sustainability and viability of the rental market.

Protection Against Substandard Living Conditions: The Ad-Hoc Committee recognizes that some residential rental units have substandard living conditions and reduced services. A key challenge has been to establish a provision that discourages retaliatory evictions, while also emphasizing the responsibility of landlords to ensure well-maintained living units and safeguard the health, safety, and welfare of tenants.

Implementation and Enforcement: The successful implementation and enforcement of the ordinance present significant challenges. This includes ensuring compliance by landlords, addressing potential disputes between landlords and tenants, and establishing effective mechanisms for resolving conflicts and enforcing penalties for non-compliance.

County and State laws: The impact of State laws, particularly AB 1482, was a significant topic of discussion. AB 1482, which sets a rent limit of 5% plus change in CPI (currently 8.8%), provides temporary protections for renters until its expiration in 2030. The Rental Rights Program and the development of effective legislation while considering the provisions of AB 1482 have presented challenges for staff and the Ad-Hoc Committee.

Adequate Resources and Support: To effectively implement the ordinance and support its objectives, sufficient resources and support are necessary. This includes providing accessible information and assistance to landlords and tenants, facilitating dispute resolution processes, and ensuring the availability of resources for inspections and enforcement activities.

Recommended Changes



As mentioned earlier in the Methodology section, the Ad-Hoc Committee meticulously examined each line of the Rental Rights ordinance (Chapter 9.30) to thoroughly analyze its provisions and propose recommendations. Staff diligently collected and consolidated all the feedback provided by the Ad-Hoc Committee, summarizing their comments and concerns for each relevant section of the ordinance where changes or suggestions were proposed. The subsequent information presents a comprehensive overview of the committee's input and its impact on the ordinance.

In the subsequent sections, each heading will align with a specific section of Chapter 9.30, commonly referred to as the Rental Rights Program. Headings will be Bold and Italicized, to make them easier to identify. Within each section, the comments and suggestions provided by the Ad-Hoc Committee will be presented, accompanied by a rationale highlighting the significance and necessity of these proposed changes. Finally, staff will provide their perspectives and recommendations for appropriate actions to be taken.

Recommended Changes

Chapter 9.30 Just Cause And Retaliatory Evictions

The Ad-Hoc Committee proposed changing the title of the Chapter to one of the following titles:

- Rental Rights Program*
- Residential Rental Rights Program*
- Residential Hiring of Property*

Rational

It was identified that the current title, "Just Cause and Retaliatory Evictions," may not accurately reflect the comprehensive nature of the regulation and could potentially cause confusion when referring to it. To address this concern, the Ad-Hoc Committee proposed changing the title of Chapter 9.30 to better represent its scope and purpose and also to align the title of the regulation with public perception and its representation in marketing documents. The program is publicly known as the Rental Rights Program and is referred to as such in nearly all marketing and outreach documents.



Staff Comments

Staff fully supports the proposed changes to the title of Chapter 9.30. It is recommended that the new title should be either "Rental Rights Program" or "Residential Rental Rights Program." This consistency will help prevent any misinterpretation or misconception that a new program has been introduced.



Recommended Changes

9.30.010 Legislative purpose

The Ad-Hoc Committee suggested that Section 9.30.010, Legislative purpose, should be revisited after the overall amendments are proposed to provide an updated version.

Rational

The legislative purpose of the ordinance was first drafted in 2001 when the original Just Cause and Retaliatory Eviction ordinance was first proposed. Since then, it went through minor revisions in 2019 when additions to Chapter 9.30 were made. The committee felt that the section was dated and should be updated so that the legislative purpose reflects the current issues and concerns.



Staff Comments

While acknowledging the necessity for an updated version, many of the initial areas of concern addressed and original intent behind the legislative purpose remain as pertinent today as they were when the language was initially drafted. The concerns and issues identified at the time of its inception continue to hold significance within the context of the current rental landscape.



Recommended Changes

9.30.020 Definitions

The Ad- Hoc Committee discussed changing the definition of Base Rent and Rent to include a formula that distinguishes between reoccurring charges and those that are based on utility usage and to make a distinction between providing additional services, such as an extra parking spot or a new pet, addition of another tenant and allow also for a reduction if there is a decrease in services, such as removal of a laundry facility.

Rational

Currently, Chapter 9.30 of the Rental Rights Program defines "Rent" and "Base Rent" in a manner that encompasses various charges, including parking, storage, and utilities. However, the Ad-Hoc Committee has put forth a recommendation to differentiate between payments made directly for the rental unit and those made for additional services such as parking, storage, or utilities. The objective behind this proposed change is to establish a clear distinction between rent increases and separate charges. By doing so, the calculation of relocation triggers would be simplified, and precise definitions would prevent any potential misunderstandings between landlords and tenants.



Staff Comments

Staff acknowledges the need for a more precise definition regarding the distinction between rent and utilities/fees. However, it is important to exercise caution in formulating this definition, as separating rent from utilities and other fees could potentially create a loophole that landlords may exploit to surpass rent increase limits by imposing additional charges.



Recommended Changes

9.30.020 Definitions

The Ad- Hoc Committee also discussed adding additional protections by expanding the definition for tenants residing in illegal units. This could be done by better defining a rental unit.

Rational

One of the primary concerns raised by the Ad-Hoc Committee pertained to habitability and tenant protections concerning illegally constructed units. The Ad-Hoc Committee expressed a strong determination to prevent unscrupulous landlords from exploiting tenants. Their goal was to ensure that if tenants were forced to vacate substandard units as a result of landlord negligence or if the units were illegally constructed, these tenants would receive enhanced relocation assistance.



Staff Comments

Staff fully supports the committee's recommendations regarding the inclusion of stronger protections and stricter relocation fees for tenants residing in illegally constructed units. Building upon these recommendations, staff proposes that the City Council consider incorporating additional provisions into the ordinance to further address the concerns related to negligent landlords and substandard living conditions.

To address these issues effectively, staff suggests implementing measures that would require landlords who neglect major issues to promptly address them or provide compensation to tenants for damages incurred. This would serve as a strong incentive for landlords to address and resolve any maintenance or safety concerns in a timely manner, ensuring the well-being and satisfaction of their tenants.



Recommended Changes

Staff Comments - Continued

Furthermore, staff recommends including provisions in the ordinance that outline compensation for tenants who are displaced due to necessary renovations. This would cover expenses such as hotel fees and any other costs incurred as a result of the displacement/inconvenience caused by the renovation process. By providing appropriate compensation, tenants can be relieved of any financial burdens and inconveniences resulting from the renovation of their units.

In cases where a landlord evicts a tenant to renovate a unit that has been damaged due to negligence, staff proposes that the relocation fee be significantly increased. This serves as a deterrent against landlords intentionally neglecting their responsibilities and reinforces the principle that tenants should not bear the consequences of their landlord's negligence.



Recommended Changes

9.30.025 Requirement of offering one-year written leases

The one year written lease provision of Chapter 9.30 requires landlords to offer a one-year lease to prospective tenants and any tenants whose rent they wish to increase. The current law requires that a landlord make this offer 90 days prior to the expiration of the current lease term, failure to do so renders the increase void. The Ad-Hoc Committee extensively discussed the one-written lease requirement, and possible alternatives that were more in line with current state laws and ones that did not create administrative burden for landlords but still offered the protection for tenants that wanted it. Some ideas the committee had include:

- *Removing the requirement of the one-year lease offer after the initial offer.*
- *Simplifying it and keeping the notice timing consistent with state law.*
- *Offering the one-year lease through to the second year only if the Tenant rejects the lease (but continue to offer the lease if Tenant accepts it).*
- *Allowing future rent increases to be governed by state law.*

Other changes that the Ad-Hoc Committee would like to see regarding leases but not necessarily associated with a one-year lease are:

- *Require any amendments to lease to be in writing.*
- *No unilateral changes by the landlord, unless required by state law.*

Rational

Many of the discussions and themes surrounding the one-year lease provision revolved around the need for simplification and clarity. Currently, the requirement to offer a one-year lease creates confusion due to inconsistencies with state law and arbitrary timing of the offers. This ambiguity can be burdensome for both landlords and tenants, leading to uncertainty about when the notice should be given. By simplifying this provision, it alleviates administrative burdens on landlords and provides tenants with a clear understanding of how they can secure a one-year lease, promoting transparency and facilitating smoother rental agreements.



Recommended Changes

Staff Comments

While staff acknowledges the need for a change in the one-year lease provision, there is disagreement with the proposed changes put forward by the Ad-Hoc committee due to concerns about added burdens and potential confusion. In light of this, staff suggests a simpler alternative. Staff has the following proposal, tenants would have the option to request a one-year lease annually, either on the anniversary of their move-in date or at the time of a rent increase. If a tenant makes such a request, the landlord would be obliged to provide them with a one-year lease term. However, landlords would not be required to proactively make an offer. This approach aims to alleviate administrative burdens on landlords while still ensuring protection for tenants, striking a balance between simplicity and safeguarding tenant rights.



Recommended Changes

9.30.030 Evictions - Nuisance

The Ad-Hoc Committee discussed expanding the definition of nuisance to include noxious odors, incessant dog barking, refusal to pick up dog feces.

The current definition of “nuisance” includes, but is not limited to:

“any gang-related crime, any documented activity commonly associated with illegal drug dealing, including complaints of noise, steady traffic day and night to a particular unit, barricaded units, sighting of weapons, drug loitering as defined in California Health and Safety Code Section 11532, or other drug related circumstances brought to the attention of the landlord by other tenants, persons within the community, law enforcement agencies or prosecutorial agencies. For purposes of this subdivision, gang-related crime is any crime in which the perpetrator is a known member of a gang, or any crime motivated by gang membership in which the victim or intended victim of the crime is a known member of a gang.”

The suggestion would add the three new actions mentioned above to the current definition, no other changes would be made.

Rational

There was general agreement among the Ad-Hoc Committee members to add additional actions that should be considered as nuisance. By providing greater clarity and specificity in our description, landlords would have a better understanding of what constitutes a nuisance, allowing them to take appropriate action to address such behaviors.

This proposed expansion of the nuisance provision recognizes the importance of maintaining a harmonious living environment and addressing behaviors that may disrupt the peace and well-being of other tenants. By providing landlords with a comprehensive list of specific offenses, they can take proactive measures to address these issues promptly and effectively, ultimately contributing to the overall satisfaction and comfort of the rental community.



Recommended Changes

Staff Comments

Staff fully supports the inclusion of the mentioned offenses in the nuisance provision of the eviction section within Chapter 9.30.



Recommended Changes

9.30.030 Evictions – Qualified Tenants

Just Cause provisions currently allow for certain no-fault evictions, such as owner move-in or resident manager move in. The Ad-Hoc committee has proposed additional protections for tenants facing such no-fault evictions. These additional protections would be for tenants who are disabled or elderly. The additional protections could be in the form of extended time to move out, additional relocation fees or some other form of protection.

Additionally, the Ad-Hoc Committee suggested imposing limitations on the number of times a landlord can utilize owner move-in evictions, along with a requirement for landlords to report these evictions to the City for monitoring and compliance purposes.

Rational

With the proposed changes, the Ad-Hoc Committee aims to enhance the existing safeguards and provide additional protections for vulnerable tenants facing no-fault evictions. By granting them longer periods of time to move, these measures would offer more stability and support during the transition process. This is especially important for individuals with disabilities or the elderly, who may require additional time and resources to find suitable alternative housing.



Staff Comments

Staff has no objection to the changes proposed.



Recommended Changes

9.30.030 Evictions – Uninhabitable or illegal units

Throughout the Ad-Hoc committee's extensive deliberations, a significant focus was placed on addressing the issue of illegally constructed units. The Ad-Hoc Committee recognized the importance of tracking these properties and enhancing staff's ability to enforce regulations and identify such illegal units. The discussions highlighted the need for a comprehensive mechanism that would enable the City to monitor properties more effectively, ensuring compliance with safety standards and rental regulations.

Rational

The rationale for emphasizing the need to address illegally constructed units is based on the potential risks and challenges they pose to both tenants and the overall rental market. Illegally constructed units often lack proper safety measures and may not meet building codes and standards, jeopardizing the well-being of tenants. By tracking and identifying these units, the City can take necessary actions to ensure compliance with regulations, protect tenant rights, and maintain the integrity of the rental market. Implementing effective tracking systems and providing resources for enforcement will enable the City to proactively address these issues, promoting safer and more secure housing options for residents.



Staff Comments

Staff recognizes the importance of establishing a process to track habitability in Glendale and acknowledges the benefits it would bring to the city. The current lack of data poses challenges in making informed policy decisions and addressing issues effectively. By implementing a tracking system, Glendale would gain access to valuable data that can inform policy-making, enable proactive interventions, and facilitate better understanding of the local rental market. This process would enhance the city's ability to ensure habitable living conditions for tenants and promote informed decision-making to support the needs of both landlords and tenants.



Recommended Changes

9.30.030 Evictions – Other suggestions

Ad-Hoc Committee discussed situations where “a tenant is not good for the building” - when someone flies just under the radar for being a nuisance. Some members of the Ad-Hoc committee felt the need to have a clause in the ordinance that would allow landlords to remove troubled tenants.

Rational

Some tenants can be a nuisance without necessarily meeting the definition of a nuisance. Therefore landlords should be given the opportunity to remove them easier. While tenants may not be engaged in activities that directly violate the lease agreement or local laws, their behavior can still cause disruptions and problems for other residents, creating an unpleasant living environment. In such cases, landlords often find themselves in a difficult position, as it can be challenging to take action against these tenants within the confines of the existing regulations.



Staff Comments

Staff strongly disagrees with this recommendation as it contradicts the fundamental principles of just cause eviction and tenant protections. Granting landlords the ability to remove tenants without a valid reason would undermine the purpose of ensuring fairness and preventing arbitrary evictions. It could potentially lead to exploitative practices where landlords prioritize higher-paying tenants or unjustly retaliate against tenants exercising their rights. Landlords can identify any number of tenants as “troubled” based on little factual evidence. Upholding the principles of just cause eviction is crucial to maintain a balanced and equitable rental market that protects the rights and well-being of both tenants and landlords.



Recommended Changes

9.30.033 Rent Based Termination

The Ad-Hoc Committee expressed concerns regarding the complexity and lack of clarity in the banking provision of Chapter 9.30. Currently, the provision allows landlords to carry forward unused rent increases from previous years and bypass the requirement of offering relocation assistance. Landlords can bank up to 3 years' worth of unused rent, which amounts to 21%, but they are restricted from using more than 15% of the banked rent at any given time. Furthermore, there is no specific limitation on how far back a landlord can “look-back” to bank rent increases.

To address these issues, the Ad-Hoc Committee recommends implementing additional changes to simplify the tracking of such increases. One proposed change is to reduce the look-back period to two or three years, making it easier to monitor and manage the banking of rent increases. Additionally, it is crucial to clarify that the banking provision should transfer from the prior owner to the new owner, ensuring continuity and consistency in the application of banking rules.

Rational

By implementing a limitation on how far back landlords can go to utilize unused rent increases, the proposed changes in the ordinance aim to prevent confusion and disputes between landlords and tenants. Under the current provision, landlords can potentially reach back several decades to utilize accumulated unused rent increases. This unrestricted timeframe can result in challenges for tenants who may not have maintained records or documentation to verify whether their landlord has indeed banked unused rent.

Introducing a specific limit on the timeframe for banking rent increases would provide clarity and transparency for both parties involved. It would enable tenants to more easily track and verify the utilization of unused rent increases by their landlords, minimizing the potential for disputes and ensuring fair treatment. By addressing this issue, the proposed changes seek to promote a more harmonious and transparent relationship between landlords and tenants within the rental community.



Recommended Changes

Staff Comments

Staff acknowledges the necessity of implementing a look-back limit to enhance the clarity and streamline the regulation of the banking provision. In order to simplify and bring consistency to the process, staff recommends a two-year look-back period. This limited timeframe would ensure that landlords can only utilize unused rent increases accumulated within the past two years.

Furthermore, staff proposes aligning the total banked amount with the maximum utilization limit of 15% at any given time. Currently, the provision allows landlords to bank up to 21% of unused rent increases, which is an arbitrary figure that adds unnecessary complexity to the regulation. By matching the total banked amount with the utilization limit, staff aims to eliminate confusion and provide a more straightforward and equitable approach for both landlords and tenants.



Recommended Changes

9.30.035 Required Payment of Relocation Fee

The Ad-Hoc Committee discussed simplifying the relocation calculation sections for both Just Cause Eviction relocation and rent increase relocations and including an escalation factor or a review mechanism. This section will be divided into two parts, Just Cause Eviction Relocation and Rent Increase Relocation.

Just Cause Eviction Relocation

The current Just Cause eviction relocation calculation in Chapter 9.30 involves multiplying the Fair Market Rent (FMR) for a comparable unit by two, and then adding \$1000. The FMR, provided by HUD annually, represents the Market Rents for different bedroom sizes. However, the Ad-Hoc Committee has noted that the FMR released by HUD is often outdated and does not accurately reflect the current rental market conditions. Consequently, the committee believes that the existing formula for calculating relocation assistance is dated and fails to provide adequate support for tenants facing eviction through no fault of their own.

To address this issue, the Ad-Hoc Committee recommends revising the relocation calculation formula to better align with the actual market conditions. By incorporating a more representative measure, such as an updated and accurate market rental rate, the proposed formula would ensure that tenants receive fair and appropriate assistance when faced with involuntary displacement.

Moreover, the committee suggests implementing an escalation mechanism as part of the formula to avoid the need for frequent adjustments in the future. This proactive approach would provide a long-term solution, reducing the necessity of revisiting the topic periodically to accommodate changing market dynamics. Some suggestions for formulas that the committee discussed include:

- 3 times the greater of Tenant's current monthly Rent in effect or the FMR for a comparable unit plus two thousand dollars (\$2,000).*
- 2x Actual rent + value of security deposit; with possible escalator for larger projects.*
- ((2x FMR) + \$2000) x CPI; Council review every 5 years.*

For further consideration, the Committee suggested differentiating between small owners and multiple owners. If the total number of units were a higher count, then the value of relocation could increase and consider whether the landlord owns in the aggregate less than 4 units and/or lives on the property.

Recommended Changes

Rational

The original formula for Just Cause Eviction relocation, established in 2001, was considered reasonable and even above market standards at that time. However, over the years, the rental landscape has evolved significantly, and the relocation fees offered in Glendale no longer align with current trends. In comparison to neighboring areas such as Los Angeles County where minimum relocation assistance for a 2 bedroom is \$10,797 compared to Glendale's maximum relocation payment for a 2 bedroom of \$5,444 for any tenant falls significantly short. For Los Angeles City, the minimum relocation amount for any tenant starts at \$9,900.

By adopting these proposed changes, the relocation assistance calculation would be more responsive to the current rental market, enabling displaced tenants to receive adequate support and helping to alleviate the financial burden associated with involuntary evictions.

The rationale behind differentiating between larger property owners and smaller mom-and-pop owners in relation to relocation fees is to prevent an unfair burden on the latter group. Recognizing that smaller-scale property owners may have limited resources compared to larger entities, the intention is to ensure that they are not disproportionately impacted by higher relocation costs.



Staff Comments

Staff acknowledges the need to update the formula for relocation assistance but disagrees with the proposal to differentiate between larger property owners and smaller mom-and-pop owners. Such differentiation could introduce unnecessary complexity and complications into the ordinance, contrary to the goal of simplifying it.



Recommended Changes

Staff Comments - Continued

Implementing a system to identify and track mom-and-pop landlords who own fewer than four units would be challenging. Many property owners hold their properties under limited liability companies (LLCs) or other legal entities, making it difficult to accurately determine their ownership status.

Instead, staff suggests focusing on creating a fair and consistent formula for calculating relocation assistance that is applicable to all property owners, regardless of their size. Staff recommends looking into the possibility of differentiating between tenants who are 62 years of age or older and/or handicapped.



Recommended Changes

9.30.035 Required Payment of Relocation Fee

Rent Increase Relocation Calculation

Currently, under the rental rights provisions, landlords are required to offer relocation assistance if the rent is increased by more than 7%. The calculation for the relocation assistance varies based on the number of units in the property. For properties with 3 to 4 units, the calculation is 3 times the current rent. For properties with 5 or more units, the calculation takes into account the tenant's income. If the tenant's income is below 130% of the Area Median Income (AMI), the formula includes an additional factor, the multiplier becomes the number of years the tenant has resided in the unit, ranging from 3 to 6 maximum. If the tenant's income is above 130% of AMI, the calculation is 3 times the proposed rent.

The committee recommends simplifying the formula for relocation assistance and eliminating the AMI requirements. Additionally, they propose establishing a single value for relocation assistance.

Rational

The suggested changes to the relocation assistance formula in the Rental Rights program aim to address the complexity and challenges currently associated with determining the assistance amount. The existing formula, with its variations based on unit size, tenant income, and length of tenancy, can lead to confusion and difficulties in calculation.

By removing the AMI requirements and implementing a single value for relocation assistance, the revised formula would treat all tenants equally when it comes to relocation benefits. This approach acknowledges that the costs and inconveniences of moving are not exclusive to lower-income individuals and should be taken into account regardless of income bracket. The suggested revisions aim to ensure fairness and avoid penalizing tenants solely based on their income level.



Recommended Changes

Rational - Continued

By streamlining the formula and removing the AMI requirements, both landlords and tenants would benefit from a clearer and more straightforward process. This would eliminate the need for extensive calculations and ensure that the relocation assistance amount is easily understandable and consistent for all parties involved.



Staff Comments

Staff agrees with the need to remove the AMI requirement. Staff further suggests the need to remove the differentiation between properties with 3 to 4 units and those with 5 or more units, as this distinction does not necessarily align with the actual ownership structure. Many investors with 3 to 4 units are larger companies rather than small-scale landlords. Removing this differentiation would simplify the formula and ensure a more consistent approach.

Additionally, staff suggests retaining the connection between the formula and proposed rent increases, as this serves as a deterrent for landlords from implementing excessive rent hikes. The provision acts as a safeguard to prevent landlords from significantly raising rents due to the potential financial obligations associated with relocation assistance.

To streamline the formula, staff proposes a revised calculation that considers the number of years a tenant has resided in the unit, up to a maximum of 10 years, multiplied by the proposed rent increase. This simplified formula would provide a clearer method for determining relocation assistance in addition to accounting for the length of tenancy.



Recommended Changes

9.30.035 Required Payment of Relocation Fee

Rent Increase Relocation – other suggestions

The Ad-Hoc Committee proposed modifications to one of the exemptions regarding relocation assistance for rent increases. Currently, the regulation excludes the payment of a relocation fee for rental units that obtained a certificate of occupancy after February 1, 1995. The committee suggests aligning the look-back period with AB 1482, which establishes a 15-year look back for such exemptions. This means any property built within the last 15 years is exempt, as opposed to properties built after 1995.

Additionally, the committee recommends incorporating a noticing requirement that would direct tenants to the City of Glendale's rental rights page when receiving rent increases that require the offer of a relocation assistance.

Rational

By implementing these suggestions, the regulations surrounding relocation assistance would be updated to align with current standards and provide tenants with clearer guidance. The change to match state law would insure protection for a new batch of properties.

The changes to include the city website aim to ensure that tenants have easy access to relevant information and resources regarding their rights and responsibilities under the rental rights program.



Staff Comments

Staff has no objections to the suggestions made by the Ad-Hoc Committee.



Recommended Changes

9.30.050 Affirmative defense and remedies.

During the deliberations of the Ad-Hoc committee, one member put forward the idea of incorporating a provision to cap attorney fees in the code. However, there were differing opinions among the committee members on this matter. Some members believed that the code should remain unchanged without a specific cap on attorney fees.

Rational

The rationale behind considering a cap on attorney fees is to establish a fair and balanced approach in cases where a tenant takes legal action against a landlord but does not succeed in their claim. By implementing a cap, it ensures that landlords are not able to potentially accumulate exorbitant fees from tenants in such situations.



Staff Comments

Staff does not agree with the suggested change. Staff holds the viewpoint that implementing a cap on attorney fees could potentially discourage tenants from pursuing legal action against landlords as they may fear the financial consequences of an unsuccessful lawsuit.

The removal of a cap on attorney fees may pose challenges for tenants seeking legal representation, as it could potentially create financial constraints that limit their ability to secure legal assistance. Without the possibility of recovering attorney fees from the opposing party, tenants may face difficulties in finding attorneys willing to take their cases due to concerns about compensation for their services.

This situation raises important considerations regarding access to justice and the ability of tenants to effectively assert their rights in legal proceedings. The financial burden associated with attorney fees could deter tenants from pursuing legitimate claims or seeking legal remedies, ultimately impacting the fairness and balance of the legal process.



Recommended Changes

9.30.070 Penalty for Violations

While the Ad-Hoc Committee did not provide specific feedback on the addition of administrative fees as penalties for violations of Chapter 9.30, staff is recommending that administrative fees be added.

Rational

Administrative fees can serve as an effective deterrent and provide a mechanism to enforce compliance with the rental rights regulations.

By implementing administrative fees, the City of Glendale can reinforce the importance of adhering to the provisions outlined in Chapter 9.30. These fees would serve as a financial consequence for landlords who fail to comply with the established rental rights program, encouraging better adherence to tenant protections and promoting a more equitable rental market.



Recommended Changes

Other areas of considers

In addition to reviewing the specific provisions of Chapter 9.30, the Ad-Hoc Committee also explored broader strategies to address various aspects of rental rights and housing in Glendale. One significant topic of discussion centered around the implementation of a mechanism to track illegally constructed units and monitor the number of vacancies within the city.

By establishing a system to track illegal units, Glendale can enhance its ability to enforce housing regulations and hold landlords accountable for any violations. This proactive approach would contribute to maintaining a safe and habitable rental market for tenants while ensuring that landlords comply with legal requirements.

Furthermore, tracking units would allow for more effective enforcement of regulations and code compliance. By having a centralized database or system in place, authorities can streamline their efforts to investigate, inspect, and take appropriate actions against landlords who are engaging in illegal construction practices. This mechanism would not only deter future violations but also hold accountable those who disregard the well-being of tenants.

In addition, tracking these units can provide valuable insights into the scale and scope of the issue. It can help authorities understand the prevalence of illegal construction within specific neighborhoods or areas of the city, enabling targeted interventions and resource allocation.

Furthermore, the Ad-Hoc Committee discussed the possibility of implementing a vacancy tax. This tax, if adopted, could serve as an incentive for landlords to keep their rental units occupied, thereby addressing the issue of housing scarcity and discouraging the practice of keeping properties vacant for extended periods of time. The revenue generated from the vacancy tax could be utilized to support affordable housing initiatives or fund other programs aimed at addressing housing challenges in Glendale.

To strengthen enforcement efforts, the Ad-Hoc Committee proposed allocating additional resources for staffing. This would enable the city to dedicate more personnel to monitor compliance, conduct inspections, and respond to tenant complaints promptly. Greater staffing in code enforcement would enhance the effectiveness of enforcing rental rights regulations and ensure that tenants' concerns are addressed in a timely manner.

Overall, the Ad-Hoc Committee recognized that a comprehensive approach to rental rights involves not only the refinement of existing regulations but also the implementation of additional strategies to address broader housing issues. By exploring mechanisms for tracking illegal units, considering a vacancy tax, investing in code enforcement staffing, and conducting educational workshops and outreach, Glendale aims to create a more equitable and sustainable rental housing environment for all residents.

Conclusion

This report has provided a comprehensive analysis of the Rental Rights Program in Glendale, along with the recommendations put forth by the Ad-Hoc Committee. Through this discussion, several key areas have been identified for improvement in the program. These include aligning the program's title with public perception, updating legislative purpose, revising definitions and calculations, simplifying the banking provision, enhancing protections for tenants in illegally constructed units, expanding the nuisance definition, and reevaluating the relocation assistance formula.

Appendix: Rental Housing Characteristics

This overview aims to present the composition of the rental market in Glendale. The primary data source for this overview is the 2021 American Community Survey conducted by the United States Census Bureau. The 2021 American Community Survey is the latest data available through the Census. While certain details might be slightly dated, the US Census remains the most readily available and reliable data for analysis purposes.

Number of Housing Units		
Occupancy Type	#	%
<i>Owner-Occupied</i>	25,211	33%
<i>Renter-Occupied</i>	45,620	60%
<i>Vacant</i>	5,389	7%
<i>Total</i>	76,220	

Median Gross Rent		
Bedroom Size	Rent (Census)	Rent (Zillow)
<i>Studio</i>	\$1,471	\$1,795
<i>1</i>	\$1,577	\$2,200
<i>2</i>	\$2,060	\$3,000
<i>3</i>	\$2,442	\$4,500
<i>Total</i>	\$1,835	\$2,875

Appendix: Rental Housing Characteristics

Number of Rental Units by Bedroom Size

Bedroom Size	Units	%
<i>Studio</i>	4,098	9%
<i>1</i>	14,499	31.80%
<i>2 or 3</i>	26,412	57.90%
<i>4 or more</i>	611	1.30%

Number of Rental Units Based on Property Types

Property Size	Units	%
<i>1 - Detached</i>	4,312	9.5%
<i>1 - Attached</i>	1,245	2.7%
<i>2 Units</i>	1,471	3.2%
<i>3 or 4 Units</i>	4,238	9.3%
<i>5 to 9 Units</i>	9,667	21.2%
<i>10 or more Units</i>	24,498	53.7%
<i>Other</i>	189	.4%

Appendix: Rental Housing Characteristics

Years Structure Built - Rental Units		
Year	Units	%
<i>2020 or later</i>	0	0%
<i>2010 to 2019</i>	3,744	8.20%
<i>2000 to 2009</i>	1,468	3.2%
<i>1980 to 1999</i>	9,985	21.90%
<i>1960 to 1979</i>	16,530	36.20%
<i>1940 to 1959</i>	8,775	19.20%
<i>1939 or earlier</i>	5,118	11.20%