

## ANALYSIS

This interim ordinance temporarily imposes a moratorium as of the effective date of this interim ordinance that prohibits rent increases in excess of three percent (3%) above the monthly rent in effect on September 11, 2018 and prohibits more than one rent increase in any twelve month period, and regulates the reasons Landlords are permitted to terminate certain residential tenancies as of the effective date of this interim ordinance, for residential rental properties in the unincorporated territory of the County of Los Angeles, except those properties that are defined as exempt.

This interim ordinance expires upon the expiration of the one hundred eightieth (180th) day following its effective date, unless extended or replaced by the Board of Supervisors with a permanent Residential Rent Regulation Ordinance.

MARY C. WICKHAM  
County Counsel

By



BEHNAZ TASHAKORIAN  
Senior Deputy County Counsel

BT:gjh

Requested: 9/18/18  
Revised: 10/31/18

**ORDINANCE NO.** \_\_\_\_\_

An interim ordinance temporarily imposing a moratorium as of the effective date of this ordinance that prohibits residential rent increases in excess of three percent (3%) above the monthly rent in effect on September 11, 2018 and prohibits more than one rent increase in any twelve month period, and regulates the reasons Landlords are permitted to terminate certain residential tenancies as of the effective date of this interim ordinance, for a period of one hundred eighty (180) days on residential rental units located in the unincorporated areas of the County of Los Angeles.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1. Interim Prohibition.**

A. Interim Prohibition on Rent Increases. No Landlord in the unincorporated area of the County of Los Angeles may request or receive Rent for the monthly use and occupancy of a Covered Rental Unit in excess of the allowable monthly amount of Rent due and payable under this interim ordinance.

B. Exemptions. This interim prohibition shall not apply to any dwelling units expressly exempt pursuant to any provision of State or federal law, and such units shall be exempt from the provisions of this ordinance. The following dwelling units are also exempt from the provisions of this interim ordinance:

1. Any dwelling unit that has a certificate of occupancy or equivalent permit for residential occupancy issued after February 1, 1995. For this purpose, certificate of occupancy is the certificate first issued before the property is used for any residential purposes; or

2. Any dwelling unit that is alienable separate from the title to any other dwelling unit, including without limitation single family residences and condominiums, but excluding mobilehomes offered for rent by the owner of the mobilehome; or is a subdivided interest in a subdivision, as specified in subdivision (b), (d), or (f) of section 11004.5 of the California Business and Professions Code.

**SECTION 2. Definitions.**

For purposes of this interim ordinance, the following definitions shall apply:

- A. "Code" means the Los Angeles County Code.
- B. "County" means the County of Los Angeles.
- C. "Covered Rental Unit(s)" means any dwelling unit as defined in California Civil Code section 1940, subsection (c), including joint living and work quarters, located in unincorporated areas of the County and used or occupied in consideration of payment of Rent with the exception of those units designated in Section 1 of this interim ordinance as exempt. This definition applies to any dwelling space that is actually used for residential purposes, including live-work spaces and mobilehomes rented by the owner of a mobilehome to a Tenant, whether or not the residential use is legally permitted.
- D. "DCBA" means the Department of Consumer and Business Affairs of the County of Los Angeles.
- E. "Director" means the Director of Department of Consumer and Business Affairs.
- F. "For Cause" means a termination of tenancy for one of the reasons specified in subsection B of Section 4 of this interim ordinance.

G. "Hearing Officer" means the person designated by the Director to conduct a review hearing under Section 5 of this interim ordinance. The Hearing Officer shall not be the enforcement officer that investigated the matter and/or issued the notice of administrative fine under Section 6 of this interim ordinance that is the subject of the administrative hearing or the immediate supervisor of that enforcement officer.

H. "Housing Services" means all services provided by the Landlord related to the use or occupancy of a Covered Rental Unit, including, but not limited to, insurance, repairs, replacement, maintenance, painting, utilities, heat, water, elevator service, laundry facilities, recreational areas and/or pools, janitorial service, refuse removal, furnishings, parking, storage, and security services.

I. "Landlord" means an owner, lessor, or sublessor who receives or is entitled to receive Rent for the use and occupancy of any Covered Rental Unit or portion thereof, and the representative, agent, or successor of such owner, lessor, or sublessor. For purposes of this interim ordinance, a Landlord does not include an individual whose primary residence is the same Covered Rental Unit as the Tenant.

J. "Material Rental Agreement Term" means any provision in a rental agreement that is reasonable, legal, and accepted in writing by the Tenant as material. Adding additional occupants in an existing tenancy is not a breach of a Material Rental Agreement Term so long as the number of occupants does not exceed the maximum number of occupants as determined by State law, and new terms added to an existing rental agreement cannot be considered a Material Rental Agreement Term unless expressly consented to in writing by the Tenant.

K. "No Fault" means a termination of tenancy for one of the reasons specified in subsection C of Section 4 of this interim ordinance.

L. "Notice of Termination" means a written notice from a Landlord to a Tenant that, in addition to any information required by State or federal law to terminate a residential tenancy, identifies at least one For Cause or No Fault reason that permits the Landlord to terminate the tenancy.

M. "Rent(s)" is the sum of all periodic payments and all nonmonetary consideration demanded or received by a Landlord from a Tenant for the use or occupancy of a Covered Rental Unit, including Tenant's access to and use of Housing Services. Rent includes, without limitation, the fair market value of goods accepted, labor performed, or services rendered. Rent does not include the direct cost of the Los Angeles County Measure W parcel tax if such cost is passed through to a Tenant by a Small Landlord.

N. "Responsible Person" is a person responsible for, or alleged to be responsible for, a violation of this interim ordinance.

O. "Small Landlord" means a Landlord that is the owner of, or has common ownership or common control of, 50 or fewer residential rental units in the County. For purposes of this definition, "owner" means the owner of record or the holder of an equitable or legal interest in property, including any person, persons, or entity with at least a ten percent (10%) interest in the property, either directly or by owning or controlling an entity with at least a ten percent (10%) interest in the property. "Common ownership" means two or more residential rental units that share an owner, are owned or controlled by an owner's spouse or registered domestic partner, or are under the

direct or indirect control of one person or legal entity through ownership, management, contract, or otherwise. "Common control" means two or more owners that directly or indirectly (1) share a managing member or members in the case of a limited liability company; (2) share a managing general partner or partners in the case of a partnership; or (3) are under the management or control of boards of directors or officers that overlap by fifty percent (50%) or more in the case of a corporation.

P. "State" means State of California.

Q. "Tenant" means a person entitled, by written or oral agreement, or by sufferance, to the use or occupancy of any Covered Rental Unit.

### **SECTION 3. Rent Increases.**

As of the effective date of this interim ordinance, no Landlord may request, receive, or retain Rent for a Covered Rental Unit from an existing Tenant whose tenancy began before or on September 11, 2018, in an amount that exceeds the monthly Rent that was in effect on September 11, 2018, plus any Rent increase authorized by this Section. No Landlord may request, receive, or retain Rent for a Covered Rental Unit from a Tenant whose tenancy began after September 11, 2018, which amount exceeds the initial monthly Rent charged for the Covered Rental Unit, plus any increase authorized by this Section, if applicable.

A. Rent Increases Generally.

While this interim ordinance is in effect, Rent for a Covered Rental Unit may be increased no more than three percent (3%) above either the monthly Rent charged on September 11, 2018, or the initial monthly Rent charged for tenancies that began after September 11, 2018.

1. For any Covered Rental Unit in which Rent for the Tenant household has been increased more than three percent (3%) since September 11, 2018, Rent for that particular Tenant household shall be capped at the Rent as of September 11, 2018, plus three percent (3%) for the twelve (12) months following the effective date of the Rent increase. In the event that a Tenant household has already paid Rent in excess of a three percent (3%) increase, the Landlord shall credit the Tenant for the balance of the overpayment. The Landlord may elect to either: (a) pay the Tenant the balance of the overpayment directly in one lump sum, or (b) give the Tenant a credit against the Rent otherwise due from the Tenant to the Landlord over a six-month period.

2. For any Covered Rental Unit in which Rent for a particular Tenant household has not been increased by three percent (3%) of the Rent Charged on September 11, 2018, the Rent for that for that particular Tenant household may only be increased following the effective date of this interim ordinance by an amount that, when added to the amount of any Rent increase noticed on or after September 11, 2018, does not exceed three percent (3%) of the monthly Rent charged on September 11, 2018, or of the initial Rent charged if the tenancy began after September 11, 2018.

3. Not more than one Rent increase may be imposed on a Tenant household in any twelve-month period following the effective date of the interim ordinance.

**B. Rent Increases following Vacancies.**

Notwithstanding anything else in this interim ordinance to the contrary, a Landlord may set an initial Rent for Covered Rental Units without restriction at the commencement of

a tenancy where no Tenant is an occupant the Covered Rental Unit in question. After the Landlord sets the initial Rent for such Covered Rental Units, the Landlord may only increase a Tenant's Rent as provided by this interim ordinance.

C. Housing Service Adjustments

A decrease in Housing Services is considered an increase in Rent. A Tenant may petition for an adjustment in Rent based on a decrease in Housing Services under the process set forth in Section 5 of this interim ordinance.

**SECTION 4. Evictions.**

A. Cause Required to Terminate Tenancy

No Landlord may terminate a residential tenancy of a Tenant occupying a Covered Rental Unit unless the Landlord can demonstrate:

1. The Landlord served a Notice of Termination on the Tenant, via certified mail, return receipt requested; and
2. The Landlord has not accepted and will not accept Rent or any other consideration in return for the continued use of the Covered Rental Unit beyond the term of the terminated tenancy in compliance with California Civil Code sections 1945, 1946, and 1946.1; and
3. The termination qualifies as a For Cause or No Fault termination; and
4. The Landlord has submitted to the DCBA, 500 W. Temple Street, Room B-96, Los Angeles, CA 90012 via certified mail, return receipt requested within five (5) calendar days after service on the Tenant, a true and accurate copy of the Notice of Termination, with proof of such service on the tenant(s) attached. Landlord

shall maintain proof of service to the County as evidence that Landlord has complied with this subsection A.4 of Section 4.

A Tenant may challenge the validity of a Landlord's legal action to terminate a tenancy, including a suit for unlawful detainer, based on a Landlord's failure to comply with any or all of the requirements included in subsections A.1 through A.4 of this Section 4, including the Landlord's failure to provide the DCBA with a true and accurate copy of the Notice of Termination with proof of service. The DCBA will accept copies of all Notices of Termination received in accordance with this Section 4 and, upon written request of a Tenant who verifies residency in the Covered Rental Unit that is the subject of the Notice of Termination, and/or upon the written request of the Landlord who submitted the Notice of Termination, will endeavor to provide confirmation to the requesting party that such Notice of Termination was received; however, the County assumes no responsibility for errors or omissions in its response, and the County's response or lack thereof shall in no way create a County duty, impose an obligation on the County with respect to the requirements of this Section 4, or otherwise lead to legal or equitable liability on behalf of the County.

B. For Cause Termination.

If a Landlord can show any of the following circumstances with respect to a termination of tenancy, the termination will qualify as a For Cause termination:

1. Tenant failed to pay Rent within three (3) days of receiving written notice from the Landlord demanding payment as provided in subsection 2 of California Code of Civil Procedure section 1161; or

2. Tenant violated a Material Rental Agreement Term as provided in subsection 3 of California Code of Civil Procedure section 1161 and did not cure such violation within ten (10) days after receiving written notice from the Landlord of such violation.

3. Tenant has continued to refuse, after Landlord has provided a written request, reasonable access to the Covered Rental Unit by the Landlord in accordance with California Civil Code section 1954.

4. Tenant has used the Covered Rental Unit to create a nuisance or for an illegal purpose as provided in subsection 4 of California Code of Civil Procedure section 1161, including:

a. any crime committed by a Tenant of a Covered Rental Unit which involves use of a gun, a deadly weapon or serious bodily injury and for which a police report has been filed, but not a crime that is committed against a person residing in the same Covered Rental Unit as the person committing the crime; or

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

fear for his or her own safety or for his or her immediate family's safety, but not including a threat that is committed against a person who is residing in the same Covered Rental Unit as the person making the threat; or

c. Tenant has created or is maintaining a dangerous and unsanitary condition and that condition has not been promptly abated or repaired after written notice to the Tenant from the Landlord and the passage of a reasonable cure period.

The act or acts constituting domestic violence or sexual assault or stalking against the Tenant or a member of Tenant's household cannot form the substantial basis of a For Cause reason to terminate the tenancy of the victim of such acts. A member of a Tenant household may raise such facts as an affirmative defense to an action terminating the tenancy.

C. No Fault Termination.

If a Landlord can show any of the following circumstances with respect to a termination of tenancy, the termination will qualify as a No Fault termination:

1. Landlord will imminently demolish the Covered Rental Unit or otherwise permanently remove the property containing the Covered Rental Unit from any residential rental use or purpose, in accordance with California Government Code sections 7060 through 7060.7.

2. Landlord seeks in good faith to recover possession of the Covered Rental Unit for use and occupancy as a primary place of residence by the Landlord or the Landlord's spouse, registered domestic partner, children, grandchildren, parents, or grandparents. The Covered Dwelling Unit must be occupied as the primary residence

within three (3) months of the Tenant household vacating the Covered Dwelling Unit, and the Covered Dwelling Unit must continue to be occupied as the primary residence for at least one year.

**SECTION 5. Petitions.**

**A. Petitions for Relief from Moratorium.**

If a Landlord desires to increase the Rent for a Covered Rental Unit in an amount greater than allowed in Section 3 of this interim ordinance, and the Landlord contends that the limitations on Rent increases in Section 3 will prevent the Landlord from receiving a fair and reasonable return with respect to the operation of the property containing the Covered Rental Unit, the Landlord may file a petition with DCBA requesting a hearing, which will be heard by a Hearing Officer appointed by the Director. The Landlord shall mail a copy of the petition by first class mail, postage prepaid, to all Tenants whose Rents are the subject of the petition within five (5) calendar days after the date the petition is filed. Within ten (10) calendar days after the date the petition is filed, the Landlord shall file a proof of service signed under penalty of perjury stating that a copy of the petition was mailed to all such Tenants. The petition shall include a statement indicating the basis on which the Landlord contends that the limitations of this interim ordinance on Rent increases will prevent the Landlord from receiving a fair and reasonable return, together with any evidence that the Landlord wants the Hearing Officer to consider. The Landlord shall bear the burden of proving by a preponderance of the evidence at the hearing that because of the implementation of this interim ordinance, the Landlord is unable to obtain a fair and reasonable return.

B. Petitions for Noncompliance.

1. If a Tenant contends that a proposed or actual Rent increase is not in compliance with this interim ordinance, the Tenant may file a petition with DCBA requesting a hearing, which will be heard before a Hearing Officer appointed by the Director. The Tenant shall mail a copy of the petition by first class mail, postage prepaid, to the appropriate Landlord whose Rents are the subject of the petition within five (5) calendar days after the date the petition is filed. Within ten (10) calendar days after the date the petition was filed, the Tenant shall file a proof of service signed under penalty of perjury stating that a copy of the petition was mailed to all such Landlords. The petition shall include a statement indicating the basis on which the Tenant contends that a proposed or actual Rent increase is in violation of this interim ordinance, together with any evidence that the Tenant wants the Hearing Officer to consider. The Tenant shall bear the burden of proving by a preponderance of the evidence at the hearing that the proposed Rent increase is not in compliance with this interim ordinance.

2. A Landlord who is determined by Hearing Officer to not be in compliance with this interim ordinance may be subject to an administrative fine of up to \$1,000. Each separate day, or any portion thereof, during which any violation of such interim ordinance occurs or continues constitutes a separate violation.

C. Hearing Procedure.

1. A hearing before the Hearing Officer shall be set for a date no sooner than fifteen (15) days and no later than sixty (60) days after receipt of the request and proof of service on any request complying with the requirements of this

Section 5, unless the Hearing Officer determines that good cause exists for an extension of time.

a. In the instance of a Landlord's petition, upon setting the hearing, the Hearing Officer shall send written notice to the Landlord of the time and place set for the hearing. Upon receipt, the Landlord shall post such notice in a conspicuous place at the affected property including the Covered Rental Units that are the subject of the petition. Such notice shall be at least eleven (11) inches in width and seventeen (17) inches in length, and shall be placed not less than four (4) feet above ground level in the common area, at the entry or entries to the building or units, or other similar location or locations as necessary to provide Tenants a reasonable opportunity to view the notice and be advised of the hearing. Within five (5) calendar days of receipt of the notice of hearing, the Landlord shall personally deliver a copy of the notice to each Tenant in the affected Covered Rental Units.

b. In the instance of a Tenant's petition, upon setting the hearing, the Hearing Officer shall send written notice to the Tenant of the time and place set for the hearing, and shall provide written notice to the Landlord.

2. At the hearing, the party filing the petition shall be given the opportunity to testify, call witnesses and to present evidence concerning the petition.

3. In the instance of a Landlord's petition, the Hearing Officer may hear testimony from the Tenants in the affected Covered Rental Units.

4. In the instance of a Tenant's petition, the Hearing Officer may hear testimony from the Landlord.

5. The Hearing Officer may continue the hearing and request additional information from the Landlord or Tenant prior to issuing a written decision.

6. The Hearing Officer shall have the power to issue orders to keep order and decorum during an administrative hearing.

7. All hearings conducted by the Hearing Officer shall be open to the public.

D. The Hearing Officer may, in his or her discretion, grant a continuance of the hearing date upon a request and a showing of good cause by the Landlord or Tenant. The request must be made in writing and be received by the Hearing Officer at least five (5) business days prior to the hearing date. In the instance of a Landlord's continuance request, the Landlord must personally deliver a copy of the request to the affected Tenant(s). In the instance of a Tenant's continuance request, the Tenant must personally deliver a copy of the request to the Landlord. In no event shall the continuance be longer than fifteen (15) calendar days from the originally scheduled hearing date.

E. In evaluating the petitions from a Landlord or Tenant, the Hearing Officer shall consider all relevant factors that may potentially impact a Landlord's ability to obtain a fair and reasonable return and shall consider the basis for the calculation of any increase in Rent. Relevant factors may include, but are not limited to, changes in costs to the Landlord attributable to increased utility rates, property taxes, insurance, advertising, variable mortgage interest rates, governmental assessments and fees, incidental services, employee costs, normal repair and maintenance, upgrading and

addition of amenities or services, rent rolls, financial statements, expert analysis, and relevant studies.

F. Hearing Officer Decision.

1. After considering all of the testimony and evidence submitted at the hearing, within twenty (20) calendar days after the conclusion of the hearing, the Hearing Officer shall issue a written decision denying, affirming or modifying the petition and shall adopt written findings in support of that decision. In the instance of a Landlord's petition, the written decision shall be served by first-class mail, postage prepaid on the Landlord and Landlord shall post such notice in a conspicuous place at the property containing the affected Covered Rental Units. Within five (5) calendar days of receipt of the written decision, the Landlord shall personally deliver a copy of the written decision to each Tenant in the affected Covered Rental Units. In the instance of a Tenant's petition, the Hearing Officer shall send a copy of the written decision to the Tenant and the Landlord, each by first-class mail, postage prepaid. The Hearing Officer's decision shall be final, unless an administrative penalty has been assessed.

2. If the Hearing Officer determines that a Landlord is not in compliance with this interim ordinance and assesses an administrative penalty, the Landlord may file a request with DCBA for an administrative hearing before a Hearing Officer appointed by the Director to contest the imposition and/or the amount of the administrative penalty in accordance with Section 1.25.080 of the Code. Unless a Landlord requests an administrative hearing to contest the imposition of the administrative penalty, pursuant to Section 1.25.080, the assessment of the administrative penalty shall constitute the final administrative order of the County with

respect to said administrative penalty, and the penalty shall be due and payable by the Landlord to the DCBA within ten (10) calendar days following assessment of the administrative penalty.

G. Judicial Review of Hearing Officer Decision.

Any person directly aggrieved by an administrative decision of a Hearing Officer's decision pertaining to a Petition for Relief from Moratorium or Petition for Noncompliance or assessment of an administrative penalty may seek judicial review in the Superior Court pursuant to Government Code section 53069.4 and/or Code of Civil Procedure sections 1094.5 and 1094.6.

**SECTION 6. Enforcement And Administrative Fines.**

A. DCBA is authorized to take appropriate steps to enforce this interim ordinance, including conducting investigations of possible violations by a Landlord. The DCBA, at its sole discretion, may choose to enforce the provisions of this interim ordinance through administrative fines and any other administrative procedure set forth in Chapter 1.25 of the Code. Each violation of any provision of this interim ordinance may be subject to an administrative fine of up to \$1,000. Each separate day, or any portion thereof, during which any violation of such interim ordinance occurs or continues, constitutes a separate violation. DCBA's decision to pursue or not pursue enforcement of any kind shall not affect a Tenant's rights to pursue civil remedies.

B. Administrative Appeals and Judicial Review.

1. Administrative Appeal. Any person who receives a Notice of Administrative Fine may request an administrative hearing before a Hearing Officer in accordance with Chapter 1.25 of the Code.

2. Judicial Review of Hearing Officer Decision. Any Responsible Person may seek judicial review of a Hearing Officer's decision pertaining to the imposition of an administrative fine in accordance with Chapter 1.25 of the Code.

C. County Counsel is authorized to bring a civil action and/or proceeding for violation of this interim ordinance or any rule or guideline promulgated pursuant to Section 8 of this interim ordinance for civil penalties, injunctive, declaratory and other equitable relief, restitution and reasonable attorneys' fees and costs and may take such other steps as necessary to enforce this interim ordinance.

**SECTION 7. Civil Remedies.**

A. Any Tenant aggrieved by a violation of this interim ordinance may bring a civil suit in the courts of the State alleging a violation of this interim ordinance. In a civil suit, a Landlord found to violate this interim ordinance shall be liable to the aggrieved Tenant. A prevailing Tenant in a civil action shall be awarded attorneys' fees and costs. No administrative remedy need be exhausted prior to filing suit pursuant to this Section.

B. Nothing in this interim ordinance shall be interpreted to deprive a Landlord of the ability to earn a fair and reasonable return from a property or to preclude a Landlord from terminating a tenancy in accordance with this interim ordinance and California Code of Civil Procedure section 1161.

**SECTION 8. Implementation; Rulemaking, and Subpoena Authority.**

The Director, or his or her designee, is authorized to administer and enforce this interim ordinance, which may include promulgating guidelines and rules consistent with the provisions of this interim ordinance. Guidelines and rules promulgated by the Director, or his or her designee, pursuant to the authority provided under this interim

ordinance shall have the force and effect of law and may be relied upon by parties to determine their rights and responsibilities under this interim ordinance. In administering and enforcing this interim ordinance, the Director may also issue subpoenas and may report noncompliance thereof to the judge of the Superior Court, pursuant to California Government Code section 53060.4.

**SECTION 9. Findings in Support of Interim Ordinance.**

A. Rents throughout the County are continuing to rise as market pressures, such as increasing real estate costs, lead to a decrease of the affordability and stability of the housing stock in unincorporated Los Angeles County. According to the California Housing Partnership Corporation (CHPC), the County needs 568,255 additional affordable homes that would house lower-income individuals and families in order to meet current needs.

B. In May of 2018, CHPC found that more than 800,000 County renter households would qualify for affordable housing, were it available. But fewer than 300,000 units are available across the entire County at rents that would be affordable to these residents.

C. The County's shortage of homes affordable and available to lower-income families continues to grow: home prices in Los Angeles County have increased nearly 80 percent over the past five years, with average apartment rents increasing by over 25 percent, according to data from the real estate brokerage Redfin. However, according to data from the State's Department of Housing and Community Development, the County's median household income has not increased proportionally over the same

time period, suggesting that displacement, or the possibility of displacement may be an issue throughout much of the County.

D. Approximately 77 percent of Los Angeles County renters are "rent burdened," which is defined by the U.S. Census Bureau as when a renter-household spends more than 30 percent of their household income on rent, and on average, Los Angeles County renters spend a greater percentage of household income on rent (30.4%) as compared to homeowners pay toward housing costs (25.1%).

E. The 2018 Greater Los Angeles Homeless Count conducted by the Los Angeles Homeless Services Authority (LAHSA) revealed a 22% jump in people 62 years and older experiencing homelessness. More than a quarter of those included in LAHSA's count of unsheltered people, 9,322 people, became homeless for the first time in 2017, an increase of 1,278 over the previous year.

F. At its May 16, 2017 meeting, the Board of Supervisors (Board) directed the County's Chief Executive Officer, in coordination with the Director of the Department of Regional Planning, the Executive Director of the Community Development Commission of the County of Los Angeles (Commission), the Director of the DCBA, the Director of Public Health, the Director of Public Works, the Assessor, and the County Counsel to convene and provide technical support for a Tenant Protections Working Group to, among other charges, provide recommendations to the Board regarding potential tenant protections to be developed for unincorporated areas of the County.

G. After a months-long public process involving thirteen public meetings, the Tenant Protections Working Group issued a report to the Board on August 15, 2018, which included recommendations to adopt a rent stabilization program for residential

rental units in unincorporated areas of the County and an eviction regulation program that would limit reasons that a landlord could lawfully terminate a residential tenancy.

H. At its September 11, 2018 meeting, the Board directed the Executive Director of the Commission and the Interim Director of the DCBA, in consultation with the Chief Executive Officer and County Counsel, to return to the Board in 60 days with an interim ordinance to place a temporary limit on rent level increases and evictions without just cause.

I. This interim ordinance includes regulations that will increase stability for Tenant households and promote predictability in the rental housing market while the Board considers taking permanent action in response to the Tenant Protections Working Group's recommendations. Many studies have demonstrated that rent stabilization is especially helpful for longtime renters who are disproportionately likely to be older adults.

J. The housing and economic conditions discussed throughout this Section 9 detrimentally impact a substantial number of Tenant households, which impact constitutes a threat to the public health, safety, and welfare, and a particular hardship for seniors, persons living on fixed-incomes, families with school-age children, and other vulnerable persons who reside in Covered Rental Units in the unincorporated areas of the County.

K. With the lack of current regulation and the recent public discussion of the potential adoption of new policies to stabilize Rents charged to Tenants, it is reasonable to conclude that Landlords may seek to increase Rents in anticipation of imminent regulation, and that increases in Rent would exacerbate the housing and economic

conditions, increasing economic hardship for certain Tenant households leading to increased household displacement and homelessness, which effects constitute a threat to the public health, safety, and welfare of the residents of the County.

L. This interim ordinance allows an annual increase in Rent during the period this interim ordinance is in effect, and such figure, in combination with the possibility of individualized determinations following a hearing for Landlords unable to earn a fair return under the provisions of this interim ordinance, is found and determined to provide a fair and reasonable return, and has been calculated to encourage good management, reward efficiency, and discourage the flight of capital, to be commensurate with returns on comparable investments, but not so high as to defeat the purpose of preventing excessive rents.

#### **SECTION 10. Environmental Determination.**

The Board finds that the adoption and implementation of this interim ordinance are exempt from the provisions of the California Environmental Quality Act under California Code of Regulations, title 14, section 15061(b)(3) in that the Board find there is no possibility that the implementation of this interim ordinance may have significant effects on the environment.

#### **SECTION 11. Severability.**

If any provision of this interim ordinance or the application thereof to any person, property, or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this interim ordinance which can be given effect without the invalid provisions or application, and to this end, the provisions of this interim ordinance are hereby declared to be severable.

**SECTION 12. Sunset Date.**

This interim ordinance shall take effect thirty (30) days from its adoption, and it shall be of no further force and effect on the expiration of the one hundred eightieth (180th) day following its effective date unless extended or replaced by an affirmative vote of the Board.

[INTRENTREGBTCC]