



**COUNTY OF LOS ANGELES
DEPARTMENT OF CONSUMER
AND BUSINESS AFFAIRS**



BOARD OF SUPERVISORS

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November 19, 2019

The Honorable Board of Supervisors
County of Los Angeles
Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

21 November 19, 2019

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Supervisors:

**INTRODUCTION OF AN ORDINANCE TO ESTABLISH THE RENTAL HOUSING
OVERSIGHT COMMISSION
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

This letter recommends that your Board authorize the creation and establishment of a Rental Housing Oversight Commission (Commission). The Commission will adjudicate matters related to the pending Rent Stabilization Ordinance, the pending Mobilehome Rent Stabilization Ordinance, and all related matters. This Commission will also serve at the pleasure of the Board of Supervisors to enforce rules and/or guidelines consistent with the provisions of ordinances adopted by your Board concerning implementation of the foregoing matters.

IT IS RECOMMENDED THAT THE BOARD OF SUPERVISORS:

1. Introduce an ordinance that repeals Section 8.52.060 relating to the rent adjustment commission and adds a new Chapter 8.64 entitled "Rental Housing Oversight Commission;"
2. Introduce, waive reading, and place on the Board of Supervisors' agenda for adoption on November 26, 2019, the Rental Housing Oversight Commission Ordinance (Ordinance) that implements the above recommendation, with an effective date of December 26, 2019;
3. Find that approval of this Rental Housing Oversight Commission Ordinance is exempt from the California Environmental Quality Act (CEQA), for the reasons stated in this letter and in the record;
4. Instruct the Director of the Department of Consumer and Business Affairs

(DCBA), or his designee, and the Executive Director of the Los Angeles County Development Authority (LACDA), or her designee, to work with the Chief Executive Office (CEO) to develop an appointment process, staffing plan, and funding requirements, as needed to implement the Ordinance.

5. Authorize DCBA to retain as-needed consultants to implement the above directives.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since May 2017, your Board has taken steps to explore potential tenant protections for unincorporated areas of Los Angeles County (County). In February 2018, your Board directed the Director of DCBA and the Executive Director of LACDA to create a Mobilehome Rent Regulation Ordinance to limit excessive space rent increases. In August 2018, your Board adopted the Interim Mobilehome Rent Regulation Ordinance (IMRRO) which took effect in October 2018, and was extended in March 2019 through December 31, 2019.

In September 2018, your Board directed the Director of DCBA and the Executive Director of LACDA to create an Interim Rent Stabilization Ordinance (IRSO), capping rent increases for covered units at 3 percent per year and preventing evictions without just cause. In November 2018, your Board adopted the IRSO, which took effect in December 2018. In April 2019, through one motion, your Board extended the IRSO through December 31, 2019, expanded just cause eviction protections to all rental units in the unincorporated County, and directed the Director of DCBA and the Executive Director of LACDA to draft an ordinance establishing a rent review board to oversee current and future ordinances adopted by your Board concerning rent stabilization, mobilehome space rent stabilization, tenant protections and related matters.

The Permanent Rent Stabilization and Mobilehome Rent Stabilization Ordinances are also being presented before your Board for approval. This Ordinance establishes a rent review board, called the Rental Housing Oversight Commission (Commission).

FISCAL IMPACT/FINANCING

The Commission will be established with nine Commissioners. Bridge funding in the amount of \$50,000 will be required to cover the expenses of the Commission for the period January-June 2020. The cost to operate the Commission will be included in the rental registration fee and/or application fees charged in connection with hearings and appeals before the Commission. DCBA is not expected to require bridge funding after FY 2019-20. The annual cost to operate the Commission is estimated at \$100,000 per year, and includes stipends, travel reimbursements, and cost for general supplies, which will be included in the total expected cost to operate the Rent Stabilization Unit.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Ordinance repeals Section 8.52.060 of the Rent Adjustment Commission of the Los Angeles County Code, and adds Chapter 8.64 titled the Rental Housing Oversight Commission, which authorizes the creation and provisions of the Commission.

Membership and Qualifications

The Commission shall be composed of nine members, all appointed by your Board. Each Supervisor will appoint one Commission member that must possess a demonstrated interest in and knowledge of housing needs in the community, and a history of active involvement and leadership in community affairs.

Four Commission members will represent renters and owners. Two members shall be renters, one of a dwelling unit and one of a mobilehome park space. These members must reside in the unincorporated area of the County, and such location must be the member's primary residence, and either be subject to the pending Rent Stabilization Ordinance or eligible to be subject to the pending Mobilehome Rent Stabilization Ordinance. Either or both of these members may alternatively be individuals who are affiliated with an organization that represents the interests of each respective renter group. Collectively, these two members are referred to as the "renter members."

Two of the members of the Commission shall be owners, one of a dwelling subject to the pending Rent Stabilization Ordinance and one of a mobilehome park that is subject to the pending Mobilehome Rent Stabilization Ordinance. Either or both of these members may alternatively be individuals who are affiliated with an organization that represents the interests of each respective owner group. Collectively, these two members are referred to as the "owner members."

Terms

The Ordinance establishes that the term length for each member of the Commission shall be three years. The initial term lengths will be staggered, with three members receiving two years, three receiving three years, and three receiving four years, as determined by your Board, in order to stagger the term lengths of the initial members and their respective successors.

Tenure

Individuals may serve on the Commission for a maximum of two terms. The members shall serve at the pleasure of your Board and may be removed at your Board's discretion at any point during their term.

Any member who no longer qualifies for appointment pursuant to the qualifications shall be deemed to have resigned from the Commission, effective as of the date of ineligibility.

Furthermore, when a vacancy occurs for any reason other than the expiration of a term, the successor shall be appointed by your Board to fill the vacancy for the unexpired term of his or her predecessor. A partial term shall not count towards the two-term limit.

Powers

The Ordinance establishes the powers of the Commission to enforce rules and/or guidelines consistent with the provisions of ordinances adopted by your Board concerning rent stabilization, mobilehome rent stabilization, tenant protections, and other related matters under Chapter 8. The rules and guidelines may include, but are not limited to, authorizing individual and/or general rent adjustments or base rent adjustments required by State, federal, or local law.

Furthermore, the Ordinance establishes the authority for the Commission to hear, determine and resolve appeals of decisions made by DCBA or LACDA related to ordinances adopted by your Board concerning rent stabilization, mobilehome rent stabilization, tenant protections, and other related matters under this chapter, including but not limited to appeals of determinations regarding setting individual rents at fair and equitable levels, and setting or making adjustments to the maximum allowable rent for all rental units and spaces.

Compensation

The Ordinance establishes the compensation of each member of the Commission. Each member shall be entitled to receive as compensation such sum as shall be established from time to time by resolution of your Board, not to exceed the statutory limits of such compensation, if any, which may exist for your Board. Such compensation shall be paid to each member for each meeting of the Commission attended, up to 52 meetings in any one calendar year. The Commission may, in its discretion, meet more than 52 times in any one calendar year-however, no compensation will be provided for such additional meetings.

Each member of the Rental Housing Oversight Commission shall be entitled to receive as compensation the sum of \$150 for each regular and special meeting of the Commission attended by that member, not to exceed \$7,800 in any one calendar year and shall be reimbursed for reasonable expenses incurred in performing duties in accordance with County policies regulating reimbursement to County of Los Angeles officers and employees.

Expenses

The Ordinance authorizes members of the Commission to be reimbursed for their actual and necessary traveling expenses when they are required to travel in the performance of their duties, including transportation, meals and lodging, in accordance with the provisions of Chapter 5.40 of the Los Angeles County Code.

Meetings

The Commission shall hold regularly scheduled meetings. Special meetings shall be called at the request of the chair or a majority of the Commission. Notice of meetings, agendas and conduct of meetings shall conform to the provisions of the Ralph M. Brown Act, Government Code Sections 54950 et seq.

Quorum

Quorum shall be the majority of those appointed but not less than four members.

Status

The Commission is not an agency or department of the County or LACDA, nor are Commission members employees or contractors of the County or LACDA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Adoption of this Ordinance will provide oversight to the implementation of certain policies meant to regulate rental property dealings.

ENVIRONMENTAL DOCUMENTATION

By adoption of this Ordinance, your Board finds that the adoption and implementation of this Rental Housing Oversight Commission Ordinance are exempt from the provisions of California Environmental Quality Act (CEQA), pursuant to State CEQA Guidelines 15061(b)(3) in that your Board finds there is no possibility that the implementation of this Rental Housing Oversight Commission Ordinance may have significant effects on the environment.

CONCLUSION

Upon Board approval, please return one adopted copy of this letter to the Department of Consumer and Business Affairs and the Los Angeles County Development Authority.

Respectfully submitted,



JOSEPH M. NICCHITTA
Director
Department of Consumer and Business
Affairs

JMN:DP:sl
Enclosures



⁶⁰⁷ MONIQUE KING-VIEHLAND
Executive Director
Los Angeles County Development
Authority

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