

The following initiative ordinance of the city of Glendale is hereby proposed to be submitted for approval by a majority of the qualified voters for the city of Glendale at the next municipal election, or at a Special Election to be called and consolidated with the State General Election on November 6, 2018, if the Glendale City Council so decides:

The people of the City of Glendale do ordain as follows:

SECTION 1: Title and Purpose.

This ordinance shall be known as the Glendale Community Stabilization and Fair Rent Act. The purpose of this ordinance is to promote neighborhood and community stability, healthy housing, and affordability for renters in the City of Glendale by regulating excessive rent increases to the maximum extent permitted under California law, while ensuring Landlords a fair return on their investment and guaranteeing fair protections for renters, homeowners, and businesses.

SECTION 2: Findings.

The People of Glendale find and declare as follows:

- A. There is a shortage of decent, safe, affordable, and sanitary housing in the City of Glendale resulting in a quickly gentrifying city that is pushing out valuable, long-term residents. As a result of this shortage of moderately priced rental space, freedom of contract and the ability of tenants to bargain in the setting of rents have become illusory.
- B. Tenants desire to be free from the fear of eviction motivated by a rental property owner’s desire to dramatically increase rents in a hot housing market, and to live in a stable and healthy community.
- C. According to a May 2017 report by California Housing Partnership Corporation, median rent in Los Angeles County, which includes the city of Glendale, has increased thirty-two percent (32%) since 2000 while the median renter household income has fallen by three percent (3%).
- D. A household is considered rent burdened if it spends more than thirty percent (30%) of its gross income on housing costs. According to Glendale’s 2014–2021 Housing Element, approximately fifty-nine percent (59%) of all renter households are cost burdened.
- E. According to Glendale’s 2014–2021 Housing Element, almost sixty-two percent (62%) of Glendale households are renter occupied, and thus, residents are vulnerable to soaring rental prices and are in danger of being displaced from their homes.

F. The rental housing situation has a detrimental effect on the health, safety, and welfare of substantial numbers of renters in the City, creating particular hardship for senior citizens, persons with disabilities, persons on fixed incomes and other vulnerable tenants.

G. Evictions and displacement impose an especially high burden on school-aged children and their families, including increased absences from school and other educational disruption that can have long-lasting effects.

H. High rental costs also make it increasingly difficult, if not impossible, for rental households to become first time homeowners, a fact recognized by the California Legislature. According to national studies, Los Angeles County has the second lowest homeowner rates in the country. According to the Southern California Association of Governments' 2017 Profile of Glendale, the city of Glendale has a homeownership rate of just under thirty-eight percent (38%), compared to a homeownership rate of over fifty-four percent (54%) percent in Los Angeles County generally in 2016.

I. Coupled with high student debt and a lack of new affordable housing construction, potential new homeowners are being priced out of the homeowners' market in Glendale altogether. Instead of welcoming back young professionals and new families into the Glendale community, they are increasingly priced out of the community from which they came and to which they hope to contribute again.

J. Landlords have greater incentives to induce tenants in rent-stabilized units to move out. In jurisdictions with rent stabilization ordinances, many landlords offer cash buyouts in exchange for tenants vacating rental units. Many of these buyout negotiations are not conducted at arms-length and landlords sometimes employ high-pressure tactics or intimidation to induce tenants to sign agreements. Legislation is needed to promote fairness in buyout negotiations and agreements by requiring landlords to provide tenants with a statement of rights and allowing tenants to rescind a buyout agreement within 30 days to provide tenants sufficient time to seek advice.

K. Residents of the City of Glendale began expressing their concerns to the City Council regarding rising rents and displacement in March 2017. Community groups in Glendale also began hosting educational forums on rent control in June 2017. It was foreseeable that rent control was being considered in Glendale, thus making it reasonable to conclude that landlords would increase rents to levels they otherwise would not have in anticipation of imminent regulation.

L. The City of Glendale currently does not regulate rental amounts or rent increases for residential housing.

M. This ordinance is intended to align the existing municipal code on just cause evictions (Glendale Municipal Code Chapter 9.30, Just Cause and Retaliatory Evictions) with the rent stabilization policies proscribed herein, including consistency between exempted rental units.

SECTION 3. Title 9 of the Glendale Municipal Code, 1995, to read as follows:

Chapter 9.29

GLENDALE COMMUNITY STABILIZATION AND FAIR RENT ACT

SECTION 4: Section 9.29.010 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.010 Definitions.

Unless further defined elsewhere in this Chapter the following words or phrases as used in this Chapter shall have the following meanings:

A. Annual General Adjustment. The Annual General Adjustment is the percentage by which the Rent for existing tenancies in Rental Units may be increased each year, subject to the limitations of this Chapter.

B. Base Rent. The Base Rent is the reference point from which the lawful Rent shall be determined and adjusted in accordance with this Chapter.

1. **Tenancies commencing on or before November 5th, 2017.** The Base Rent for tenancies that commenced on or before November 5th, 2017 shall be the Rent in effect on November 5th, 2017.

2. **Tenancies commencing after November 5th, 2017.** The Base Rent for tenancies that commenced after November 5th, 2017 shall be the initial rental rate charged upon initial occupancy, provided that amount is not a violation of this Chapter or any provision of state law. The term “initial rental rate” means only the amount of Rent actually paid by the Tenant for the initial term of the tenancy.

C. Buyout Agreement. A written agreement where a Landlord pays a Tenant money or offers other consideration to voluntarily vacate a Rental Unit covered by this Chapter.

D. Buyout Offer. An offer, written or oral, by a Landlord to a Tenant to pay money or other consideration to vacate a Rental Unit covered by this Chapter.

E. City Council. The term “City Council” refers to the City Council of the City of Glendale.

F. Disabled. A person with a disability. The term “disability” is defined in California Government Code Section 12955.3.

G. Fair Return. A Fair Return shall be determined by using the maintenance of net operating income (MNOI) standard as outlined in Section 9.29.090 herein.

H. Hearing Officer. An official appointed by the Rent Board to conduct an investigation or administrative hearing pursuant to this Chapter.

I. Housing Services. Housing Services include, but are not limited to, repairs, maintenance, painting, providing light, hot and cold water, elevator service, window shades and screens, storage, kitchen, bath and laundry facilities and privileges, janitor services, Utility Charges that are paid by the Landlord, refuse removal, furnishings, telephone, parking, the right to have a specified number of occupants, and any other benefit, privilege, arrangement or facility provided or contracted for in connection with the use or occupancy of any Rental Unit. Housing Services to a Rental Unit shall include a proportionate part of services provided to common facilities of the building in which the Rental Unit is contained.

J. Individual Rent Adjustment. An adjustment to the otherwise lawful Rent that is authorized by a Hearing Officer or the Rent Board pursuant to this Chapter.

K. Landlord. An owner, lessor, sublessor or any other person entitled to receive Rent for the use and occupancy of any Rental Unit, or an agent, representative, predecessor, or successor of any of the foregoing.

L. Petition. A petition for an Individual Rent Adjustment pursuant to this Chapter.

M. Primary Residence. The occupant's usual place of return. To classify a unit as an occupant's Primary Residence does not require that the occupant be physically present in the unit at all times or continuously, but does require that the unit be the occupant's usual place of return. Factors that are indicative of Primary Residence include but are not limited to:

1. The occupant carries on basic living activities at the subject premises for extended periods;
2. The subject premises are listed with public agencies, including but not limited to federal, state and local taxing authorities, as the occupant's primary residence;
3. Utility Charges and other charges and fees associated with usage of the structure are billed to and paid by the occupant at the subject premises;
4. The occupant does not file for a homeowner's tax exemption for any different property;
5. The occupant is not registered to vote at any other location; and
6. Ownership is held in the name of the occupant claiming Primary Residence and not held by a Limited Liability Corporation or other corporate or business entity structure.

N. Property. All Rental Units on a parcel or lot or contiguous parcels or contiguous lots under common ownership.

O. Recognized Tenant Organization. Any group of Tenants residing in Rental Units in the same building or in different buildings operated by the same management company, agent or Landlord, who choose to be so designated. This shall also include any other at-large organization that represents the interest of Tenants.

P. Rent. All periodic payments and all nonmonetary consideration including, but not limited to, the fair market value of goods, labor performed or services rendered to or for the benefit of the Landlord under a Rental Housing Agreement concerning the use or occupancy of a Rental Unit and premises and attendant Housing Services, including all payment and consideration demanded or paid for parking, Utility Charges, pets, furniture, and/or subletting.

Q. Rent Board. The term "Rent Board" refers to the Glendale Rental Housing Board established by this Chapter.

R. Rental Housing Agreement. An agreement, oral, written, or implied, between a Landlord and Tenant for use or occupancy of a Rental Unit and for Housing

Services. For the purpose of this Chapter, the terms “Rental Housing Agreement” and “Lease” are interchangeable.

S. Rental Unit. Any building, structure, or part thereof, or land appurtenant thereto, or any other rental property rented or offered for rent for residential purposes, whether or not such units possess a valid Certificate of Occupancy for use as rental housing, together with all Housing Services connected with use or occupancy of such Property, such as common areas and recreational facilities held out for use by the Tenant; which is not specifically exempted under Section 9.29.020 or Section 9.29.030 herein.

T. Security Deposit. Any payment, fee, deposit, or charge as defined in Section 1950.5 of the California Civil Code.

U. Single-Family Home. A detached building containing a single residential dwelling unit separately alienable from any other dwelling unit.

V. Tenant. A Tenant, subtenant, lessee, sublessee or any other person entitled under the terms of a Rental Housing Agreement or this Chapter to the use or occupancy of any Rental Unit.

W. Utility Charges. Any charges for gas, electricity, water, garbage, sewer, telephone, cable, internet, or other service relating to the use and occupancy of a Rental Unit.

SECTION 5. Section 9.29.020 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.020 Exemptions.

The following rental units are exempt from all provisions of this Chapter:

A. Units in hotels, motels, inns, tourist homes and rooming and boarding houses which are rented primarily to transient guests for a period of fewer than thirty (30) days;

B. Rental units in any hospital, convent, monastery, extended medical care facility, asylum, non-profit home for the aged, or dormitory owned and operated by an accredited institution of higher education;

C. Rental units owned or operated or managed by a not-for-profit organization pursuant to a tax credit program;

D. Rental units which a government unit, agency or authority owns, operates, or manages, or in which government-subsidized Tenants reside, if applicable federal or state law or administrative regulation specifically exempt such units from municipal rent control;

E. Any rental unit exempt from regulation of rental rates pursuant to state law, including the Costa-Hawkins Rental Housing Act (California Civil Code 1954.52) so long as it is effective and applicable, or any other applicable housing law currently in effect.

F. Rental units additionally exempted pursuant to Section 9.29.030 (Additional Homeowner Protections).

SECTION 6. Section 9.29.030 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.030 Additional homeowner protections.

Homeownership is of great importance to the residents of the City of Glendale. In addition to the rental units exempted in Section 29.020 of this Chapter, the following rental units are also exempt from all provisions of this Chapter:

A. **Temporary Rentals Allowed.** A homeowner who is the Primary Resident of a Single-Family Home may create a temporary tenancy. The temporary Tenant must be provided, in writing at the inception of the tenancy, the length of the tenancy and a statement that the tenancy may be terminated at the end of the temporary tenancy and relocation shall not be provided. This subsection only applies to tenancies that last no more than twelve consecutive months.

B. **Renting of a Room Unregulated.** The tenancy where the Tenant shares a bathroom or kitchen with the homeowner shall be exempt from this Chapter if the home is the Primary Residence of the homeowner.

SECTION 7. Section 9.29.040 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.040 Stabilization of rents.

A. Rents Stabilized. Upon the effective date of this ordinance, no Landlord shall charge Rent for a Rental Unit in an amount that exceeds the sum of the Base Rent plus any lawful Rent increases actually implemented pursuant to this Chapter.

B. Rent Increases Regulated. No Landlord shall increase Rent for a Rental Unit except as authorized by this Chapter. Rent increases shall be limited to those permitted by Section 9.29.050 (Rent Increases Pursuant to Annual General Adjustment) and Section 9.29.090 (Petition for Individual Rent Adjustment - Bases). A Landlord may set the initial Rent for a new tenancy pursuant to Section 9.29.060 (Initial Rents for New Tenancies).

C. Notice of the Existence of this Chapter Required at Commencement of Tenancy. The Landlord of any Rental Units is required to comply with the following notice requirements at the commencement of any tenancy:

1. On or before the date of commencement of a tenancy, the Landlord must give the Tenant a written notice in a form prescribed by the Rent Board which must include the following information:

- a. The existence and scope of this Chapter; and
- b. The Tenant's right to Petition against certain Rent increases.

2. The Landlord must give the initial notice to the Tenant in the language that was used to negotiate the terms of the tenancy.

D. Posting of Notice. For every Property containing Rental Units subject to this Chapter, the Landlord shall post a notice on a form prepared and authorized by the Rent Board, providing information about the existence of this Chapter. Notice must be posted in a conspicuous location in the lobby of the Property, near a mailbox used by all Tenants, or in or near a public entrance to the Property. The notice shall be written in English, and in any other languages as required by the Rent Board.

SECTION 8. Section 9.29.050 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.050 Rent increases pursuant to annual general adjustment.

A. Annual General Adjustment. No later than June 30th each year, the Rent Board shall announce the amount of the Annual General Adjustment, which shall be effective as of September 1st of that year. The Annual General Adjustment is the percentage by which

the Rent for existing tenancies in Rental Units may be increased each year, subject to the limitations of this Chapter.

1. The Annual General Adjustment shall be equal to one hundred percent (100%) of the percentage increase in the Consumer Price Index (CPI) (All Items, All Urban Consumers, Los Angeles – Riverside – Orange County region, or any successor designation of that index that may later be adopted by the U.S. Bureau of Labor Statistics) as reported and published by the U.S. Department of Labor, Bureau of Labor Statistics, for the twelve-month period ending as of March of the current year. The Annual General Adjustment shall be rounded to the nearest one-quarter of a percent. The first Annual General Adjustment shall be in accordance with Subparagraph 3 of this subsection.

2. Subparagraph 1 of this subsection notwithstanding, in no event shall the Annual General Adjustment be less than zero percent (0%) or more than four percent (4%).

3. Pursuant to Subsection A herein, the Rent Board's first announcement of an Annual General Adjustment shall be made no later than June 30, 2019. Accordingly, the first Rent increase that a Landlord may impose pursuant to this Chapter shall not take effect prior to September 1, 2019. The amount of the first Annual General Adjustment, which shall be effective on September 1, 2019, shall be equal to the percentage increase in the CPI from November 2017 through March 2019.

B. One Rent Increase Per Year. No more than one Rent increase per twelve-month period may be imposed on a Tenant.

C. Notice of Rent Increase Required. Allowable Rent increases pursuant to the Annual General Adjustment shall become effective only after the Landlord provides written notice to the Tenant in the manner prescribed by law, with at least thirty (30) days advance written notice.

D. Notice Required to Increase Rent or Change Other Terms of Tenancy. As part of any notice to increase Rent or change any terms of tenancy, a Landlord must include:

1. Notice of the existence of this Chapter; and
2. The right to Petition against any Rent increase in excess of the Annual Rent Adjustment unless such Rent increase is pursuant to an approved Petition.

3. No Rent Increase shall take effect until the requirements of this subsection have been met.

E. Conditions Under Which Rent Increase Not Permitted. No Rent increase shall be effective if the Landlord:

1. Has failed to substantially comply with all provisions of this Chapter and all rules and regulations promulgated by the Rent Board; or

2. Has failed to maintain the Rental Unit in compliance with California Civil Code Sections 1941.1 *et seq.* and California Health and Safety Code Sections 17920.3 and 17920.10; or

3. Has failed to make repairs ordered by a Hearing Officer, the Rent Board, or the City of Glendale.

SECTION 9. Section 9.29.060 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.060 Initial rents for new tenancies.

A. Setting of Initial Rents Without Restriction. To the extent required by state law, Landlords may set the initial Rent for new Tenants without regulation by this Chapter.

B. Restrictions on Initial Rent for New Tenancies. To the maximum extent permitted by state law, the initial Rent for new tenancies shall be subject to the restrictions of this Chapter. The Rent Board shall issue rules and regulations to govern the restrictions on the initial Rent for new tenancies where such restrictions are permitted by state law.

C. Rent Increases After Setting an Initial Rent. After the Landlord sets an initial Rent pursuant to this section, the Landlord may only increase the Rent in accordance with this Chapter. The Landlord may not increase Rent based on cost increases, capital improvements, or other circumstances that arose before the new tenancy began.

SECTION 10. Section 9.29.070 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.070 Tenant buyout notification program.

A. Purpose. The Tenant Buyout Notification Program provides for regulation, monitoring and enforcement of voluntary vacancies of Rental Units subject to this Chapter occurring pursuant to a Buyout Agreement. To promote fairness during buyout negotiations and agreements, this section requires Tenants be informed of their rights under this Chapter before executing a Buyout Agreement. The Rent Board may promulgate regulations to implement this section.

B. Disclosure Notice. Before making a Buyout Offer, the Landlord shall provide the Tenant(s) with a notice, which shall be written in the primary language of the Tenant on a form prepared and authorized by the Rent Board; and which shall be dated and signed by the Landlord and the Tenant(s).

C. Buyout Agreement Requirements.

1. Every Buyout Agreement shall be written in the primary language of the Tenant and state in a minimum of 12-point bold type above the Tenant signature line as follows:

“You, (Tenant name), may cancel this Buyout Agreement any time up to 30 days after all parties have signed this Agreement without any obligation or penalty.”

2. Every Buyout Agreement shall advise the Tenant that he/she/they have the right:

a. Not to enter into a Buyout Agreement;

b. To consult an attorney and/or the Rent Board before signing the Buyout Agreement; and

c. To cancel the Buyout Agreement at any time up to 30 days after all parties have signed it.

3. Every Buyout Agreement shall be signed and dated by the Landlord and Tenant.

4. A copy of the fully executed Buyout Agreement shall be given to the Tenant.

D. Cancellation of Buyout Agreement.

1. A Tenant shall have the right to cancel a Buyout Agreement for any reason for up to 30 days after execution by the Landlord and the Tenant without any financial obligation or penalty.

2. Whenever the notice required pursuant to this section and/or the Buyout Agreement does not conform to the requirements of this section or Rent Board Regulations, the Tenant shall have the right to cancel the Buyout Agreement through the applicable statute of limitations period.

E. Filing Executed Disclosure Notice and Buyout Agreement. The Landlord shall file with the Rent Board copies of the notice required pursuant to this section signed by the Tenant and the Landlord and the Buyout Agreement within 60 days of the Buyout Agreement execution.

F. Affirmative Defense. A violation of this section may be asserted as an affirmative defense in an unlawful detainer action.

G. Private Right of Action. A Tenant may bring a private right of action against a Landlord who violates a provision of this section and recover damages and a penalty of \$1,000.

SECTION 11. Section 9.29.080 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.080 Glendale Rental Housing Board.

A. Composition. There shall be in the City of Glendale an appointed Rental Housing Board comprised of Glendale residents as set forth in this section. The Rent Board shall consist of five (5) commissioners, appointed by the City Council, and an alternate commissioner. The alternate commissioner shall be permitted to attend all Rent Board meetings and to speak, but not be authorized to vote unless a regular member of the Rent Board is absent at that meeting or is recused from voting on an agenda item. The Board will be comprised of no fewer than two (2) Tenants and no more than two (2) residential rental Property owners. Of the commissioners who represent residential rental Property owners, no more than one (1) member may be a Property manager or developer of market rate housing. Of the members who represent Tenants, at least one must occupy a unit whose rent is below the median for the city of Glendale. Anyone nominated to this Rent Board must be in compliance with this Chapter and all other local, state and federal laws regulating the

provision of housing. Annually, the Rent Board shall elect one of its members to serve as chairperson.

B. Eligibility and Appointment. Rent Board members shall be appointed by the City Council at a public meeting within 60 days of the effective date of this Chapter. Applicants for membership on the Rent Board shall submit an application to the City Council. The application shall include a verified statement under penalty of perjury on a form provided by the City Manager or designee of the applicant’s interests and dealings in real Property, including but not limited to, ownership, trusteeship, sale, or management, and investment in and association with partnerships, corporations, joint ventures, and syndicates engaged in ownership, sale, or management of real Property during the three (3) years immediately prior to the applicant’s application. This documentation shall be made available to the public.

C. Full Disclosure of Holdings. When filing nomination papers, candidates for the position of Commissioner shall submit a verified statement under penalty of perjury on a form provided by the City Manager or designee listing all of their interests and dealings in real Property, including but not limited to its ownership, sale or management, during the previous three (3) years. This documentation shall be made available to the public.

D. Term of Office. Commissioners shall be appointed to serve terms of four years. Commissioners shall serve a maximum of three full terms.

E. Removal of Members. Whenever, in the sole discretion of the City Council, the City Council believes that the best interests of the city shall be served, any member of the Rent Board may be removed by a majority vote of the City Council.

F. Powers and Duties. The Rent Board shall have the following powers and duties:

1. Set rents at fair and equitable levels to achieve the purposes of this Chapter. Notwithstanding any other provision of this Chapter, the Rent Board shall have the authority to adopt regulations authorizing Rent increases or adjustments required by state or federal law.
2. Establish rules and regulations for administration and enforcement of this Chapter.
3. Determine and publicize the Annual General Adjustment pursuant to this Chapter.

4. Appoint Hearing Officers to conduct hearings on Petitions for Individual Rent Adjustment pursuant to this Chapter.
5. Adjudicate Petitions pursuant to this Chapter and issue decisions with orders for appropriate relief pursuant to this Chapter.
6. Establish procedures and timelines for hearings on Petitions, including determining the timelines and procedures for appeals to the Rent Board.
7. Administer oaths and affirmations and subpoena witnesses and relevant documents.
8. Establish a budget for the reasonable and necessary implementation of the provisions of this Chapter, including without limitation the hiring of necessary staff. The budget may include expenditures to advance the policies herein.
9. Administer the withdrawal process for the removal of Rental Units from the rental housing market.
10. Establish and set forth the procedures for determining the amount of a relocation fee provided under Glendale Municipal Code Section 9.30.035. In no event shall the amount of a relocation fee be less than the amounts provided for in Glendale Municipal Code Subsection 9.30.035 (A).
11. Hold public hearings.
12. Conduct studies, surveys, investigations, and hearings, and obtain information to further the purposes of this Chapter.
13. Report annually to the City Council on the status of Rental Units subject to this Chapter. Reports shall be made available to the public and include, but not be limited to: (a) a summary of the numbers of written notices of termination served pursuant to Glendale Municipal Code Section 9.30.040, including the bases upon which they were served, (b) a summary of any and all Petitions submitted to and/or decided by a Hearing Officer and/or the Rent Board pursuant to this Chapter, including the bases on which the Petitions were submitted and the determinations on the Petitions and (c) Buyout Agreements pursuant to Section 9.29.070.

14. Publicize through reasonable and appropriate means the provisions of this Chapter, including without limitation the rights and responsibilities of Landlords and Tenants.

15. Establish a schedule of penalties that may be imposed for noncompliance with this Chapter or with rules and regulations promulgated under this Chapter.

16. Pursue civil remedies as provided by this Chapter in courts of appropriate jurisdiction.

17. Intervene as an interested party in any litigation brought before a court of appropriate jurisdiction by a Landlord or Tenant with respect to Rental Units subject to this Chapter.

18. Any other duties necessary to administer and enforce this Chapter.

G. Rules and Regulations. The Rent Board shall issue and follow such rules and regulations as will further the purposes of the Chapter.

H. Meetings. The Rent Board shall hold regularly scheduled meetings as necessary to ensure the performance of its duties under this Chapter. All regular and special meetings shall be called and conducted in accordance with state law.

I. Quorum. Three (3) commissioners shall constitute a quorum for the Rent board.

J. Voting. The affirmative vote of three (3) commissioners of the Rent Board is required for a decision, including on all motions, regulations, and orders of the Rent Board.

K. Compensation. Each commissioner shall receive for every meeting attended one hundred dollars (\$100). In no event shall any commissioner receive over a twelve (12) month period more than three thousand, six hundred dollars (\$3,600) for services rendered. The City Council may, from time to time, increase the rent board's compensation.

L. Financing. The Rent Board shall finance its reasonable and necessary expenses, including without limitation engaging any staff as necessary to ensure implementation of this Chapter, by charging Landlords an annual Rental Housing Fee as set forth herein, in amounts deemed reasonable by the Rent Board in accordance with applicable law. The Rent Board is also empowered to request and receive funding when and if necessary from any available source including the City for its reasonable and necessary expenses.

M. Rental Housing Fee. All Landlords shall pay a Rental Housing Fee on an annual basis. The first Rent Board convened after the effective date of this Chapter shall determine the amount of the Rental Housing Fee. The Rent Board may adjust the amount of the Rental Housing Fee at its discretion to ensure full funding of its reasonable and necessary expenses, in accordance with all applicable law.

1. **Pass-Through to Tenants.** The amount of the Rental Housing Fee, if any that a Landlord may pass through to a Tenant is determined by the Rental Board. If the Rental Board determines that part of the Rental Housing Fee may be passed through to Tenants, the pass-through must be in the form of a Rent surcharge prorated over a twelve-month period. The portion of the Rental Housing Fee that may be passed through to a Tenant shall not exceed fifty percent (50%). No fee may be passed through if it has not actually been paid by the owner, and the fee may not be passed through until the owner completes the registration requirements. Penalty or late fees for failure to register may not be passed through to Tenants. The registration fee may be waived by regulation.

2. **No Pass-Through for Section 8 Tenants.** No portion of the Rental Housing Fee may be passed through to Tenants whose tenancy is governed by a Section 8 Housing Choice Voucher Program contract. The Landlord does not have to pay the Rental Board the portion of registration fees that the Landlord could pass through to the Tenant but for this subparagraph.

N. City to Advance Initial Funds. During the initial implementation of this Chapter, the City shall advance all necessary funds to ensure the effective implementation of this Chapter, until the Rent Board has collected Rental Housing Fees sufficient to support the implementation of this Chapter. The City may seek a reimbursement of any advanced funds from the Rent Board after the Rental Housing Fee has been collected.

O. Integrity and Autonomy of Rent Board. The Rent Board shall be an integral part of the government of the City, but shall exercise its powers and duties under this Chapter independent from the City Council, City Manager, and City Attorney, except by request of the Rent Board. The Rent Board may request the services of the City Attorney, who shall provide them pursuant to the lawful duties of the office in Article 8 of the Glendale City Charter.

P. Board Legal Work. The Rent Board may, in its sole discretion, and without approval of the City Council, retain private attorneys to furnish legal advice or representation in particular matters, actions, or proceedings.

Q. Conforming Regulations. If any portion of this Chapter is declared invalid or unenforceable by decision of a court of competent jurisdiction or rendered invalid or unenforceable by state or federal legislation, the Rent Board and not the City Council shall have authority to enact replacement regulations consistent with the intent and purpose of the invalidated provision and applicable law. Such replacement regulations shall supersede invalidated or unenforceable provisions of this Chapter to the extent necessary to resolve any inconsistency. The subject matter of such replacement regulations shall be limited to the matters addressed in this Chapter.

R. Vacancy Due to Change in Qualification. If at any time during the term of a commissioner, such commissioner's residential housing situation changes or such commissioner becomes a Landlord of residential rental Property and this would result in a violation of Section 9.29.080 (A), the office of that commissioner shall immediately become vacant and a new appointment be made thereto.

S. Conflict of Interest. The Rent Board commissioners shall not necessarily be disqualified from exercising any of their powers and duties on the grounds of a conflict of interest solely on the basis of their status as a Landlord, realtor, developer, or Tenant. However, a commissioner shall be disqualified from ruling on a Petition if the commissioner is either the Landlord of the Property or a Tenant residing in the Property that is involved in the Petition. The provisions of the Political Reform Act, California Government Code Sections 87100 *et seq.* shall apply.

T. Interim Authority for Implementation. During the period of time from the effective date of this Chapter until the appointment of the commissioners and establishment of the Rent Board, the City Council shall enforce the terms of this Chapter, assuming the powers and duties of the Rent Board on an interim basis and making available public guidance to those affected by its provisions.

SECTION 12. Section 9.29.090 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.090 Petitions for individual rent adjustment – bases.

A Landlord or a Tenant may file a Petition with the Rent Board seeking adjustment, either upward or downward, of the Rent for any given tenancy in accordance with the standards set forth in this section, and using the procedures set forth in Section 9.29.100 herein and implementing regulations. A Petition shall be on a form provided by the Rent Board and, if

made by the Landlord, shall include a declaration by the Landlord that the Rental Unit complies with all requirements of this Chapter.

A. **Petition for Upward Adjustment – Fair Return.** To effectuate the purposes of this Chapter and the requirements of law, a Landlord may file a Petition for an upward adjustment of the Rent to ensure a Fair Return. It is the intent of this Chapter that individual upward adjustments in Rent be granted only when the Landlord demonstrates that such adjustments are necessary to provide the Landlord with a Fair Return. The Rent Board may promulgate regulations to further govern Petitions filed pursuant to this subsection in accordance with law and the purposes of this Chapter.

1. **Prerequisites.** No upward adjustment of Rent shall be authorized by a Hearing Officer or the Rent Board under this subsection if the Landlord:

a. Has continued to fail to comply, after order of the Rent Board or other authority, with any provisions of this Chapter or orders or regulations issued thereunder; or

b. Has failed to maintain the Rental Unit in compliance with California Civil Code Sections 1941.1 *et seq.* and California Health and Safety Code Sections 17920.3 and 17920.10.

B. **Fair Return Standard.**

1. **Presumption of Fair Base Year Net Operating Income.** It shall be presumed that the net operating income received by the Landlord in the base year provided a fair return.

2. **Fair Return.** A Landlord has the right to obtain a net operating income equal to the base year net operating income adjusted by one hundred percent (100%) of the Consumer Price Index (CPI), as defined in Section 29.050 (A)(1) herein, since the base year. It shall be presumed this standard provides a fair return. The Base Year CPI shall be the annual CPI for calendar year 2016. The “current year” CPI shall be the annual CPI for calendar year preceding the calendar year application is filed.

3. **Base Year.**

a. For the purposes of making fair return determinations pursuant to this section, the base year means the 2016 calendar year.

b. In the event that a determination of the allowable Rent is made pursuant to this section, if a subsequent petition is filed the base year shall be the year that was considered as the "current year" in the prior petition.

4. **Adjustment of Base Year Net Operating Income.** The Landlord may present evidence to rebut the presumption of fair return based upon the base year net operating income as set forth in Subsection (B)(1) of this section based on at least one of the following findings:

a. **Exceptional Expenses in the Base Year.** The Landlord's operating expenses in the base year were unusually high or low in comparison to other years. In such instances, adjustments may be made in calculating operating expenses so the base year operating expenses reflect average expenses for the property over a reasonable period of time. The following factors shall be considered in making such a finding:

- i. Extraordinary amounts were expended for necessary maintenance and repairs.
- ii. Maintenance and repair was below accepted standards so as to cause significant deterioration in the quality of services provided.
- iii. Other expenses were unreasonably high or low notwithstanding the application of prudent business practices.

b. **Exceptional Circumstances in the Base Year.** The gross income during the base year was disproportionately low due to exceptional circumstances. In such instances, adjustments may be made in calculating base year gross rental income consistent with the purposes of this Chapter. The following factors shall be considered in making such a finding:

- i. If the gross income during the base year was lower than it might have been because some residents were charged reduced Rent.
- ii. If the gross income during the base year was significantly lower than normal because of the destruction of the premises and/or temporary eviction for construction or repairs.

- iii. The pattern of Rent increases in the years prior to the base year and whether those increases reflected increases in the CPI.
- iv. Base period Rents were disproportionately low in comparison to the base period Rents of other Rental Units in the City.
- v. Other exceptional circumstances.

5. **Calculation of Net Operating Income.**

a. **Net Operating Income.** Net operating income shall be calculated by subtracting operating expenses from gross rental income.

b. **Gross Rental Income.**

i. Gross rental income shall include:

I Gross Rents calculated as gross rental income at one hundred percent (100%) occupancy, adjusted for uncollected Rents due to vacancy and bad debts to the extent such vacancies or bad debt are beyond the control of the Landlord. Uncollected Rents in excess of three percent (3%) of gross Rent shall be presumed to be unreasonable unless established otherwise by the Landlord and shall not be included in computing gross income.

II All other income or consideration received or receivable in connection with the use or occupancy of the Rental Unit, except as provided in Clause (ii) of this section.

ii. Gross rental income shall not include:

I Utility Charges for charges for sub-metered gas, electricity or water.

II Charges for refuse disposal, sewer service, and, or other services which are either provided and solely on a cost pass-through basis and/or are regulated by state or

local law or the utility income is not considered because it is collected on a cost pass-through basis.

III Charges for laundry services.

IV Storage charges.

6. **Operating Expenses.**

a. **Included in Operating Expenses.** Operating expenses shall include the following:

- i. Reasonable costs of operation and maintenance.
- ii. Management Expenses. It shall be presumed that management expenses have increased by the percentage increase in Rents or the CPI, whichever is greater, between the base year and the current year unless the level of management services has either increased or decreased significantly between the base year and the current year.
- iii. Utility Costs. Utility Costs except utility where the consideration of the income associated with the provision of the utility service is regulated by state law and consideration of the costs associated with the provision of the utility service is preempted by state law.
- iv. Real Property Taxes. Property taxes are an allowable expense, subject to the limitation that property taxes attributable to an assessment in a year other than the base year or current year shall not be considered in calculating base year and/or current year operating expenses.
- v. License and registration fees. License and registration fees required by law to the extent these expenses are not otherwise paid or reimbursed by tenants.
- vi. Landlord-performed labor. Landlord-performed labor compensated at reasonable hourly rates. However, no Landlord-performed labor shall be included as an operating expense unless

the Landlord submits documentation showing the date, time, and nature of the work performed. There shall be a maximum allowed under this provision of five percent (5%) of gross income unless the Landlord shows greater services were performed for the benefit of the residents.

vii. Costs of Capital Replacements. Costs of capital replacements plus an interest allowance to cover the amortization of those costs where all of the following conditions are met:

I The costs, less any insurance proceeds or other applicable recovery, are averaged on a per unit basis for each Rental Unit actually benefited by the improvement.

II The costs are amortized over a period of not less than thirty-six (36) months.

III The costs do not include any additional costs incurred for property damage or deterioration that result from any unreasonable delay in undertaking or completing any repair or improvement.

IV The costs do not include costs incurred to bring the Rental Unit into compliance with a provision of the Glendale Municipal Code or state law where the original installation of the improvement was not in compliance with code requirements.

V At the end of the amortization period, the allowable monthly Rent is decreased by any amount it was increased because of the application of this provision.

VI The amortization period shall be in conformance a schedule adopted by the Rent Board unless it is determined that an alternate period is justified based on the evidence presented in the hearing.

viii. Legal Expenses. Attorneys' fees and costs incurred in connection with successful good faith attempts to recover Rents owing, successful good faith unlawful detainer actions not in

derogation of applicable law, and legal expenses necessarily incurred in dealings with respect to the normal operation of the Property. Reasonable fees, expenses, and other costs incurred in the course of successfully pursuing rights under or in relationship to this Chapter and regulations adopted pursuant to the Chapter including costs incurred in the course of pursuing successful Petitions. Said expenses shall be amortized over a five-year period, unless the Rent Board concludes that a different period is more reasonable. Allowable legal expenses which are of a nature that does not recur annually shall be amortized over a reasonable period of time. At the end of the amortization period, the allowable monthly Rent shall be decreased by any amount it was increased because of the application of this provision.

ix. **Interest Allowance for Expenses that Are Amortized.** An interest allowance shall be allowed on the cost of amortized expenses; the allowance shall be the interest rate on the cost of the amortized expense equal to the "average rate" for thirty-year fixed rate on home mortgages plus two percent. The "average rate" shall be the rate Freddie Mac last published in its weekly Primary Mortgage Market Survey (PMMS) as of the date of the initial submission of the petition. In the event that this rate is no longer published, the Rent Board shall designate by regulations an index which is most comparable to the PMMS index which shall be used.

b. **Exclusions from Operating Expenses.** Operating expenses shall not include the following:

i. Mortgage principal or interest payments or other debt service costs.

ii. Any penalties, fees or interest assessed or awarded for violation of any provision of this chapter or of any other provision of law.

iii. Land lease expenses.

iv. Political contributions and payments to organizations which are substantially devoted to legislative lobbying purposes.

- v. Depreciation.
- vi. Any expenses for which the Landlord has been reimbursed by any utility rebate or discount, Security Deposit, insurance settlement, judgment for damages, settlement or any other method or device.
- vii. Unreasonable increases in expenses since the base year.
- viii. Expenses associated with the provision of master-metered gas and electricity services.
- ix. Expenses which are attributable to unreasonable delays in performing necessary maintenance or repair work or the failure to complete necessary replacements (e.g., a roof replacement may be a reasonable expense, but if water damage occurred as a result of unreasonable delays in repairing or replacing the roof, it would not be reasonable to pass through the cost of repairing the water damage).

c. **Adjustments to Operating Expenses.** Base year and/or current operating expenses may be averaged with other expense levels for other years or amortized or adjusted by the CPI or may otherwise be adjusted, in order to establish an expense amount for that item which most reasonably serves the objectives of obtaining a reasonable comparison of base year and current year expenses. Grounds for such adjustments include, but are not limited to:

- i. An expense item for a particular year that is not representative.
- ii. The base year expense is not a reasonable projection of average past expenditures for that item in the years immediately preceding or following the base year.
- iii. The current year expense is not a reasonable projection of expenditures for that item in recent years or of future expenditures for that item.

iv. A particular expense exceeds the normal industry or other comparable standard for the area, the Landlord shall bear the burden of proving the reasonableness of the expense. To the extent that it is found that the expense is unreasonable it may be adjusted to reflect the normal industry standard.

v. A base year expense is exceptionally low by industry standards and/or on an inflation adjusted basis is exceptionally low relative to current year expenses although the level or type of service has not changed significantly.

vi. An increase in maintenance or management expenses is disproportionate to the percentage increase in the CPI, while the level of services has not changed significantly and/or is not justified by special circumstances.

7. **Rent Increases for Periods Preceding Date that a Landlord Implemented Rent Increases Pursuant to this Section.** In the event that the period for determining the allowable Rent increase pursuant to this section exceeds 120 days, the Landlord may recover increases that would have been permitted if the Rent increase decision had been made within 120 days. The allowance for these increases may be amortized or may be factored into the prospective allowable increase in order to avoid undue hardship on the Tenants.

8. **Assurance of a Fair Return.** It shall be presumed that the MNOI standard provides a fair return. Nothing in this Chapter shall preclude the Rent Board or Hearing Officer from granting an increase that is necessary in order to meet constitutional fair return requirements.

9. **Effective Date of Individual Rent Adjustment.** Rent increases authorized pursuant to this subsection shall become effective only after the Landlord provides the Tenant written notice of such Rent increase pursuant to state law.

C. **Petition for Downward Adjustment – Failure to Maintain Habitable Premises.**

1. Failure to maintain a Rental Unit in compliance with governing health and safety and building codes, including but not limited to California Civil Code Sections 1941.1 *et seq.* and California Health and Safety Code Sections 17920.3 and 17920.10, constitutes an increase in Rent. A Tenant may file a Petition with the Rent

Board to adjust the Rent downward based on a loss in rental value attributable to the Landlord's failure to maintain the Rental Unit in habitable condition.

2. A Tenant Petition filed pursuant to this subsection must specify the conditions alleged to constitute the failure to maintain the Rental Unit in habitable condition and demonstrate that the Landlord was provided with reasonable notice and opportunity to correct the conditions that form the basis of the petition.

D. **Petition for Downward Adjustment – Decrease in Housing Services or Maintenance.** A decrease in Housing Services or maintenance, or deterioration of a Rental Unit beyond ordinary wear and tear, without a corresponding reduction in Rent, is considered an increase in Rent. A Tenant may file a Petition to adjust the Rent downward based on a loss in rental value attributable to a decrease in Housing Services or maintenance or deterioration of the Rental Unit. The Petition must specify the circumstances alleged to constitute a decrease in Housing Services or maintenance, and demonstrate that the Landlord was provided with reasonable notice and an opportunity to correct in like manner to Petitions filed pursuant to Subparagraph (C)(2) herein.

E. **Petition for Downward Adjustment – Unlawful Rent.** If a Landlord demands or retains Rent in excess of the lawful Rent pursuant to this Chapter, a Tenant may file a Petition to adjust the Rent to its lawful level. If such a Petition is granted, the Landlord shall be ordered to return any excessive Rent charged to the Tenant in violation of this Chapter.

SECTION 13. Section 9.29.100 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.100₀ Petitions for individual rent adjustments – procedures.

The Rent Board shall promulgate regulations regarding procedures for Petitions filed under this Chapter. Petitions shall be governed by such regulations and by the provisions of this section.

A. **Hearing Officer.** A Hearing Officer appointed by the Rent Board shall conduct a hearing to act upon the Petition, and shall have the power to administer oaths and affirmations, and to render a final decision on the merits of the Petition, subject to the provisions of this Chapter.

B. Notice. The Rent Board shall notify the Landlord, if the Petition was filed by the Tenant, or the Tenant, if the Petition was filed by the Landlord, of the receipt of such a Petition and provide a copy thereof.

C. Time of Hearing. Each party to a Petition shall receive sufficient advance notice of the bases, theories, and relevant documents to be presented by the other party(ies), and of the time, date, and place of any hearing regarding the Petition.

D. Developing the Record. The Hearing Officer may require either party to a Petition to provide any books, records, and papers deemed pertinent. If the Hearing Officer finds good cause to believe that a building or other inspection would assist in resolving the issues raised by the Petition, the Hearing Officer may conduct an inspection and/or request the City to conduct an inspection. The Tenant may request the Hearing Officer to order such an inspection prior to the date of the hearing. All documents required under this subsection shall be made available to the parties involved prior to the hearing. The parties to the hearing may be present during the inspection.

E. Open Hearings. All hearings conducted pursuant to this section shall be open to the public unless prohibited by state or federal law.

F. Right of Assistance. All parties to a hearing conducted pursuant to this section may have assistance in presenting evidence and developing their position from attorneys, legal workers, Recognized Tenant Organization representatives, or any other persons designated by said parties.

G. Hearing Record. The Rent Board shall make available for inspection and copying any official record that shall constitute the exclusive record for decision on the issues at the hearing. The record of the hearing, or any part of one, shall be obtainable for the reasonable cost of copying. All hearings shall be audio or video recorded, as ordered by the Hearing Officer, and any party to the Petition may receive a copy of the recording upon payment of a reasonable cost.

H. Quantum of Proof and Notice of Decision. No Petition for Individual Rent Adjustment, whether upward or downward, shall be granted unless supported by the preponderance of the evidence submitted prior to and at the hearing. All parties to a hearing shall be sent a notice of the decision and a copy of the findings of fact and law upon which said decision is based. At the same time, parties to the proceeding shall also be notified of their right to appeal to the Rent Board and/or to judicial review.

I. Consolidation. Whether submitted by a Landlord or Tenant(s), all Petitions pertaining to Rental Units at the same Property may be consolidated for hearing upon a showing of good cause.

J. Appeal. Any person aggrieved by the decision of the Hearing Officer may appeal to the full Rent Board for review. On appeal, the Rent Board shall affirm, reverse, or modify the decision of the Hearing Officer. The decision on appeal shall be based on the hearing record, and the Rent Board may hear and/or find facts in addition to those presented to the Hearing Officer.

K. Finality of Decision. The decision of the Hearing Officer shall be the final decision of the Rent Board, unless an aggrieved party has timely sought an appeal to the Rent Board. The decision of the Rent Board on appeal shall be final unless an aggrieved party has timely sought judicial review pursuant to law.

L. Time for Decision. A final decision on any Petition shall be made within a reasonable time. Decisions decreasing Rent shall remain in effect until the Landlord has corrected the defect warranting the decrease. The Rent Board shall, by regulation, establish procedures for making prompt compliance determinations.

M. Fair Return Guaranteed. No provision of this Chapter shall be applied so as to prohibit the Rent Board from granting an Individual Rent Adjustment that is demonstrated by the Landlord to be necessary to provide the Landlord with a Fair Return.

SECTION 14. Section 9.29.110 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.110 Judicial review.

A Landlord or Tenant aggrieved by any action or decision of the Rent Board may seek judicial review pursuant to state law and this Chapter and its implementing regulations. No action or decision by the Rent Board shall go into effect until any statutory time period for such review has expired.

SECTION 15. Section 9.29.120 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.120 Non-waivability.

Any provision of a Rental Housing Agreement, whether oral or written, which purports to waive any provision of this Chapter established for the benefit of the Tenant, shall be deemed to be against public policy and shall be void.

SECTION 16. Section 9.29.130 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.130 Remedies.

In addition to any other remedies provided by law, Landlords and Tenants covered by this Chapter shall have the following remedies for violations of this Chapter.

A. Landlord's Demand for or Retention of Excessive Rent. When a Landlord demands, accepts, receives, or retains any payment or payments in excess of the lawful Rent pursuant to this Chapter and the regulations promulgated hereunder, including in violation of the provisions ensuring compliance with habitability standards and maintenance of Housing Services, the Tenant may file a Petition pursuant to Sections 9.29.090 and 9.29.100 (Petitions for Individual Rent Adjustments) or file a civil suit against the Landlord. A Landlord who demands, accepts, receives, or retains any payment of Rent in excess of the lawful Rent shall be liable to the Tenant in the amount by which the payment or payments have exceeded the lawful Rent. In such a case, the Rent shall be adjusted to reflect the lawful Rent pursuant to this Chapter and its implementing regulations.

B. Civil Remedies. A Tenant may bring a civil suit in the courts of the state alleging that a Landlord has violated any of the provisions of this Chapter or the regulations promulgated hereunder, including that the Landlord has demanded, accepted, received, or retained a payment or payments in excess of the lawful Rent. In a civil suit, a Landlord found to violate this Chapter shall be liable to the Tenant for all actual damages, including but not limited to the damages described in Subsection A herein. A prevailing Tenant in a civil action brought to enforce this Chapter shall be awarded reasonable attorneys fees and costs as determined by the court. Additionally, upon a showing that the Landlord has acted willfully or with oppression, fraud, or malice, the Tenant shall be awarded treble damages. No administrative remedy need be exhausted prior to filing suit pursuant to this subsection.

C. Defense to Action to Recover Possession. A Landlord's failure to comply with any of the provisions of this Chapter or regulations promulgated hereunder may be raised as an affirmative defense in an unlawful detainer or other action brought by the Landlord to recover possession of the Rental Unit. Any and all violations of this Chapter by the Landlord shall constitute such an affirmative defense, including but not limited to the demand or retention of payment in excess of the lawful Rent, failure to serve any of the

notices required pursuant to this Chapter on the Tenant or the Rent Board, or failure to conform such notices to the requirements of this Chapter, failure to pay the Rental Housing Fee, failure to pay any required relocation fee, or a decrease in Housing Services or maintenance without a corresponding reduction in Rent. It is the intent of this Chapter to construe this subsection to the broadest extent permissible under the law to ensure maximum compliance with this Chapter.

D. Rent Board or City Attorney Enforcement Action. If the Tenant fails to bring a civil or administrative action to enforce the Tenant's rights under this Chapter, the Rent Board or the City Attorney may bring such an action or settle the claim on the Tenant's behalf. If the Rent Board or City Attorney brings such an action, the Tenant shall be provided the right to opt in or out of the action. In the case of an opt-in, the Tenant on whose behalf the Rent Board acted is barred from bringing a separate action against the Landlord in regard to the same violation, and the Rent Board or City Attorney shall be entitled to recuperate the costs it incurred from any monetary recovery from the Landlord, with the remainder to go to the Tenant against whom the violation has been committed. In the case of an opt-out, the Tenant shall retain all rights relating to his or her right to private action. The Rent Board or City Attorney may take other such enforcement action as necessary to ensure compliance with this Chapter.

E. Remedies Not Exclusive. The remedies available in this Chapter are not exclusive and may be used cumulatively with any other remedies in this Chapter or otherwise available at law.

F. Jurisdiction. The appropriate court in the jurisdiction in which the Rental Unit is located shall have jurisdiction over all actions brought under this Chapter.

SECTION 17. Section 9.29.140 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.140 Injunctive and other civil relief.

The Rent Board, Tenants, and Landlords may seek relief from the appropriate court in the jurisdiction where the affected Rental Unit is located to enforce any provision of this Chapter or its implementing regulations or to restrain or enjoin any violation of this Chapter and of the rules, regulations, orders, and decisions of the Rent Board.

SECTION 18. Section 9.30.020 of the Glendale Municipal Code is amended to read as follows:

[New provisions or language added to the existing section are shown in underline. Words and figures deleted from the existing section are shown in Strikethrough type.]

9.30.020 Definitions.

Unless the context otherwise requires, the terms defined in this chapter shall have the following meanings and govern the construction of this chapter.

“Eviction” means any action taken by the landlord to remove a tenant involuntarily from a rental unit and terminate the tenancy, whether pursuant to a notice to quit, or by judicial proceedings, or otherwise.

“Landlord” means any person, partnership, corporation, family trust or other business entity offering for rent or lease any residential property in this city.

“Rental complex” means one or more buildings used in whole or in part for residential purposes, located on a single lot, contiguous lots, or lots separated only by a street or alley.

“Rental unit” means a dwelling unit available for rent in the city of Glendale together with the land and appurtenant buildings thereto and all housing services, privileges and facilities provided in connection with the use or occupancy thereof, which unit is located in the structure or complex containing a multiple dwelling, boarding house or lodging house.

The term “rental unit” shall not include the following: rooms or accommodations in hotels, boarding houses or lodging houses which are rented to transient guests for a period of less than sixty (60) days; housing accommodations in a hospital, convent, monastery, church, religious facility, extended care facility, asylum, non-profit home for the aged; dormitories owned and operated by an institution of higher education, or a high school or elementary school; ~~rental units located on a parcel containing two or fewer dwelling units~~; rental units owned or operated by any government agency or whose rent is subsidized by any government agency, including but not limited to Section 8 housing subsidies; rental units that require intake, case management or counseling as part of the occupation, and an occupancy agreement; or when the landlord complies with Section 9.30.032 of this chapter.

“Tenant” means a person entitled by a written or oral agreement or by sufferance to occupy a rental unit to the exclusion of others, and actually occupy said rental unit. (Ord. 5340 § 1, 2003; Ord. 5326, 2002)

SECTION 19. Section 9.30.032 relating to exemptions from just cause and retaliatory evictions is hereby deleted from the Glendale Municipal Code, 1995.

[New provisions or language added to the existing section are shown in underline. Words and figures deleted from the existing section are shown in Strikethrough type.]

9.30.032 Exemption:

~~A. — Offering One (1) Year Written Lease. A rental unit shall be exempt from this chapter, if a landlord, willing to rent a rental unit to a tenant or prospective tenant, offers in good faith in writing to the tenant or prospective tenant a written lease which has a minimum term of one (1) year, and:~~

~~1. — The tenant or prospective tenant accepts in writing the offer of a written lease which has a minimum term of one (1) year. Signing the lease will be considered an acceptance; or~~

~~2. — The tenant or prospective tenant rejects the offer for a written lease either in writing, or by his or her failure to accept the offer of the lease within thirty (30) days of the offer, provided that a lease with a term of one (1) year has been offered to the tenant. The landlord and tenant or prospective tenant may then enter into a written rental agreement that provides for rental terms substantially similar to the lease which has a minimum term of one (1) year, but for a period of less than one (1) year. Every written rental agreement shall contain the following notice, in at least eight (8) point bold face type and circumscribed by a box, immediately above the space for tenant's signature: "This rental unit is exempt from Chapter 9.30 of the Glendale Municipal Code, Just Cause Eviction, because of the landlord's offer of a written lease which has a term of one (1) year."~~

~~3. — In the event of an existing tenant, the terms of the written lease shall be substantially similar to the then existing rental terms.~~

~~B. — Rent. If the landlord and tenant enter into a written lease which has a minimum term of one (1) year, such lease must set the rent for the rental unit at a rate or rates certain and these rates shall not be otherwise modified during the term of such lease, unless agreed upon by mutual written agreement.~~

~~C. — Renewal of Leases. If the landlord wishes to continue the landlord/tenant relationship, then at least ninety (90) days prior to the expiration of the written lease, the landlord shall notify those tenants identified in the lease or in a separate writing provided to the landlord of such expiration and offer in good faith in writing to the tenants a written lease which has a minimum term of one (1) year. Within thirty (30) days of receipt of such written offer, tenant shall either notify landlord in writing of his or her acceptance of the offer of a written lease, as set forth in subsection (A)(1) of this section or reject the offer. If tenant rejects the offer of a written lease which has a minimum term of one (1) year, the landlord and tenant may then enter into an agreement, oral or written, that provides for a rental term of less than one (1) year, which rental unit shall continue to be an exempt rental unit. If the landlord wishes to continue the landlord/tenant relationship, but without offering a written lease which has a minimum term of one (1) year, then that rental unit shall be subject to the provisions of this chapter.~~

~~———— D. ——— Termination. If the landlord wishes to terminate the rental relationship, then at least ninety (90) days prior to the expiration of the written lease, the landlord shall notify tenant in writing of his or her intent not to renew. Such notice shall be set forth in a writing separate from the lease.~~

~~———— E. ——— Good Faith. The good faith requirement in this section shall mean honestly and without fraud, collusion or deceit. It shall further mean that the written lease is not being utilized as a method of circumventing any of the provisions of this chapter. An example of good faith is when the landlord offers in writing a lease which has a minimum term of one (1) year, that lease is substantially similar to the written rental agreement for a period of less than one (1) year.~~

~~———— F. ——— Notice. The notice herein required shall be given in the manner prescribed in Section 1162 of the Code of Civil Procedure or by sending a copy by certified or registered mail addressed to the other party. In addition, the tenant may give such notice by sending a copy by certified or registered mail addressed to the agent of the landlord to whom the tenant has paid the rent for the month prior to the date of such notice or by delivering a copy to the agent personally.~~

~~———— G. ——— Nonwaiver. Any waiver or purported waiver by a tenant of rights under this title prior to the time when such rights may be exercised, except a rejection of a one (1) year lease offered in accordance with this section, shall be void as contrary to public policy. (Ord. 5383, 2004; Ord. 5340 § 3, 2003)~~

SECTION 20. Section 9.29.150 is added to the Glendale Municipal Code, 1995, to read as follows:

9.29.150 Partial invalidity.

If any provision of this ordinance or application thereof to any person or circumstances is held invalid, this invalidity shall not affect other provisions or applications of this ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable. This ordinance shall be liberally construed to achieve the purposes of this ordinance and to preserve its validity.

SECTION 21. Supersedes.

A. This ordinance supersedes any conflicting provisions of a municipal ordinance covering the area of rents, evictions, relocation assistance, or other matters addressed herein. However, nothing in this subsection shall be construed to alter Chapter 9.30 of the Glendale Municipal Code, except as expressly provided by this ordinance. Nothing in this subsection

shall be construed to restrict the authority of the City Council to enact complimentary or non-conflicting ordinances or take other such actions within its powers, where such ordinances or actions are designed to comply with or further the terms and purposes of this ordinance.

B. In the event any other ballot initiative addressing in whole or in part the same subject matter as this ordinance is approved by a majority of the voters voting thereon at the same election, the following provisions shall apply:

1. If this ordinance receives a greater number of affirmative votes than any other such proposed ordinance, including one that would provide that property owners have the right to set the price at which they rent residential property, then this Chapter shall control in its entirety and the other proposed ordinance shall be rendered void and without any legal effect; and

2. If this ordinance receives fewer affirmative votes than any other such proposed ordinance, including one that would provide that property owners have the right to set the prices at which they rent residential property, all provisions of this ordinance which are not directly contradicted by the initiative receiving a greater number of affirmative votes will apply to the extent permitted by law.

SECTION 22. Codification.

The City Clerk and the City Attorney shall take all steps necessary to ensure the proper and efficient codification of this ordinance into the Glendale Municipal Code. This authority shall include making any necessary revisions to numbering, revising or substituting any references herein to other provisions of Glendale or State law, and similar non-substantive items. In exercising this authority, the City Clerk and City Attorney shall not alter the substantive provisions of this ordinance nor take any action that contradicts express terms and purpose of this ordinance.

SECTION 23. Duty to defend.

The City Attorney shall take all steps necessary to zealously defend against any legal challenges to the validity of this ordinance. If the City Attorney is unable or unwilling to defend, an interested third party may intervene to defend. Any third party that defends this ordinance shall be entitled to court awarded attorney's fees and costs.