City of Pomona Urgency Ordinance No. 4320 and 4329 Frequently Asked Questions (FAQ)

What is Urgency Ordinance No. 4320?

The City of Pomona implemented rent stabilization measures and eviction protection provisions, through the City Council's adoption of Urgency Ordinance 4320 ("Ordinance") on August 1, 2022. The Ordinance protects tenants from unreasonable rent increases while ensuring that owners of residential real property receive a fair and reasonable return on their investment. The Ordinance limits rent increases to no more than 4% or the change in the Consumer Price Index (CPI), whichever is less, above the monthly rent in effect on August 1, 2022, or the initial rent charged for tenancies that began after August 1, 2022. The Ordinance allows no more than one rent increase in any 12-month period. The Ordinance also requires landlords to demonstrate that terminations of tenancy qualify as either For Cause or No Fault and requires landlords to pay a relocation fee for No Fault terminations.

What properties does the Ordinance apply to?

The Ordinance applies to all residential rental units unless the property is expressly exempt under the Ordinance, state, or federal law.

What types of properties are exempt from the Ordinance?

The Ordinance does not apply to: dwelling units with a certificate of occupancy or equivalent permit for residential occupancy issued after February 1, 1995; single family residences, condominiums, and townhomes; dwelling units that are a subdivided interest in a subdivision; and dwelling units for which

the landlord receives federal, state, or local housing subsidies.

How does the Tenant Protection Act, AB 1482, interact with the Ordinance?

The Tenant Protection Act, also referred to as AB 1482, with certain exceptions, prohibits an owner of residential property from terminating a tenancy without just cause and with certain exceptions, prohibits an owner of residential property from increasing the gross rental rate for a dwelling or unit by the lower of 10%, or 5% plus the percentage change in the Consumer Price Index (CPI), as defined in California Civil Code section 1946.2. AB 1482 provides that a local ordinance adopted after September 1, 2019, requiring just cause for termination of a residential tenancy shall supersede California Civil Code section 1946.2 only if the ordinance is "more protective" than this section.

To learn more about the Tenant Protection Act, please click <u>here</u>.

What is the Costa-Hawkins Act? How does it interact with the Ordinance?

The Costa-Hawkins Residential Housing Act is a state law that became effective January 1st, 1996. Costa-Hawkins sets limits on the kind of rent control policies cities are able to impose and exempts certain types of residential rental units from rent control ordinances. It also allows landlords to reset the rental rate on rent-controlled rental units when they become vacant or when the last rent-controlled tenant no longer permanently resides at the

unit.

To learn more about the Costa Hawkins Act, please click <u>here.</u>

As a tenant, what can I do if I think my landlord has increased rent more than what is allowed under the Ordinance?

Under the Ordinance, tenants can contest proposed or actual rent increases that are above what is allowed. Tenants may file a Petition for Noncompliance with the City to request a hearing. As part of the petition process, tenants must mail a copy of the petition by first class mail, postage prepaid, to the landlord within five (5) calendar days after the date the petition was filed. The tenant must also file a proof of service signed under penalty of perjury stating that a copy of the petition was mailed to the landlord within ten (10) calendar days after the date of the petition being filed. The tenant will be responsible for proving by a preponderance of evidence that the proposed rent increase is not in compliance with the Ordinance. Additional information can be found under Section 8(c) of the Ordinance.

What recourse is available for tenants who have been overcharged on their rent?

If a tenant has already paid rent in excess of a 4% increase above the rent in effect on August 1, 2022, the landlord must credit the tenant for the balance of overpayment. Landlords can either pay the tenant the balance of the overpayment in one lump sum or give the tenant a credit against the rent otherwise due from the tenant to the landlord over a six-month period.

My landlord has decreased housing services. Is this considered an increase in rent?

Under the Ordinance, a decrease in housing services, such as laundry or janitor services, would be considered an increase in rent.

Tenants may file a petition with the City for an adjustment in rent.

Additionally, tenants may petition for an adjustment in rent and reimbursement for overpayment of rent if the landlord's failure to maintain or repair the unit has caused the unit to be out of compliance with the implied warranty of habitability or untenantable pursuant to California Civil Code 1941.1.

What civil remedies are available to tenants who have been aggrieved by a violation of the Ordinance?

Tenants may bring a civil suit in the courts of the State alleging a violation of the Ordinance. If found in violation, landlords shall be liable to the aggrieved tenant and may be required to pay for attorneys' fees and costs.

As a landlord, what can I do if the rent increase limit is preventing me from receiving a fair return on my property?

The Ordinance allows for landlords to file a Petition for Relief with the City to request a hearing if landlords contend that limitations on a rent increase will prevent them from receiving a fair and reasonable return with respect to operation of the property. As part of the petition process, landlords must mail a copy of the petition to all tenants whose rents are the subject of the petition within five (5) calendar days after the date the petition is filed with the City. Within ten (10) calendar days after the date the petition is filed, landlords shall file a proof of service signed under penalty of perjury stating that a copy of the petition was mailed to all such tenants. Landlords bear the burden of proving by a preponderance of the evidence at the hearing that the limit is preventing them from

receiving fair and reasonable return on their property and are responsible for all costs with the City's review of the petition.

Where should landlords and tenants submit petitions and correspondence with the Rent Stabilization Program?

Please submit petition documents and any questions or concerns to the City of Pomona at: 505 South Garey Avenue, Pomona, CA 91766, Attention: Rent Stabilization Neighborhood Services Department, Housing Division

For additional assistance, please email us at RentStabilization@pomonaca.gov or call 909-620-3777.

Does the Ordinance's rent increase limit apply to rental units that have been vacated?

The Ordinance allows landlords to set a new initial rent without restriction at the commencement of a new tenancy. However, after a new initial rent has been set when a new tenant moves in, subsequent rent increases are subject to the Ordinance until the tenant vacates.

What is a For Cause termination?

For Cause termination refers to the termination of a lease by the landlord due to actions taken by the tenant. Circumstances that qualify as For Cause include: failure to pay rent; violation of a material rental agreement term; continuous refusal, after the landlord has provided a written request, to allow reasonable access to the unit; creating or maintaining a nuisance in, or causing damage to, the rental unit or to the common areas of the rental complex, or creating an unreasonable interference with the comfort, safety, or enjoyment of any other residents of

the building; and use of the rental unit for any illegal purposes by the tenant, tenant's guest, or invitee. When citing one of these reasons in terminating a tenancy, landlords are *not* required to provide relocation assistance. Please refer to the Ordinance for additional details.

What is No Fault termination?

No Fault termination refers to landlords recovering possession of a unit in order to: demolish the rental unit; remove the rental unit permanently from rental housing use; perform substantial work on the building or buildings housing the rental unit; use for the occupancy of a resident manager; use for primary place of residence of the owner or an immediate family member; recovering possession of a unit where the tenant requires an occupancy agreement and intake, case management, or counseling as part of the tenancy; or comply with a government agency's order to vacate and contractual agreements relating to the qualifications of tenancy with a governmental entity. Please refer to the Ordinance for additional details.

How does an owner notify the tenant of the termination of a tenancy?

To initiate a termination of tenancy, a landlord must demonstrate that the termination is a For Cause or No Fault termination. Landlords must serve a Notice of Termination to the tenant in accordance with the California Code of Civil Procedure Section 1162. The landlord must also submit to the City of Pomona at 505 South Garey Avenue, Pomona, CA 91766, Attention: Rent Stabilization Neighborhood Services Department, Housing Division, via certified mail within five (5) calendar days after service on the tenant a true and accurate copy of the Notice of Termination with proof of service on the tenant attached. Proof of service on the tenant includes receipt of

delivery of the notice by the tenant or a sworn statement by the landlord under penalty of perjury that confirms service of the Notice of Termination.

Do landlords need to pay tenants a relocation fee after terminating a tenancy?

Depending on whether the termination of tenancy is due to For Cause or No Fault, the landlord may need to provide financial relocation assistance to the tenant. Landlords are required to provide such assistance if the reason for the termination is categorized as No Fault. For No Fault terminations of tenancy, landlords are required to pay up to \$15,377 to the tenant to assist with relocation costs.

Landlords may deduct from the relocation costs any and all past due rent owed by the tenant during the prior 12 months and may deduct from the fee any amount paid by the landlord to pay for wear and tear or damage caused, cleaning, or other purposes served by a security deposit.

Relocation fees do not apply if: the tenant received written notice, prior to entering into a lease, that an application to subdivide the property for condominium, stock cooperative, or community apartment project was on file with the City or had already been approved; the tenant received written notice, prior to entering into a lease, that an application to convert the building to a condominium, stock cooperative, or community apartment project was on file with the City or had already been approved; the landlord seeks to recover possession of the unit for use and occupancy by a resident manager; the landlord seeks to recover possession to comply with a government agency's order to vacate due to hazardous conditions; or if the tenant receives relocation assistance from another

government agency and such amount is equal to or greater than the amount provided in the Ordinance.

How much relocation assistance are landlords required to pay tenants when terminating a tenancy under No Fault?

Landlords are required to pay the following amounts for "eligible" tenants:

- Tenant has been residing in the unit for less than 3 years: \$6,164
- Tenant has been residing in the unit for 3 years or more: \$8,074
- Tenant qualifies under HUD Low Income limits: \$8,074
- Tenants renting units from landlords who qualify to pay reduced relocation fees: \$5.926

Landlords are required to pay the following amounts for "qualified" tenants:

- Tenant has been residing in the unit for less than 3 years: \$12,998
- Tenant has been residing in the unit for 3 years or more: \$15,377
- Tenant qualifies under HUD Low Income limits: \$15,377
- Tenants renting units from landlords who qualify to pay reduced relocation fees: \$11,960

What determines if a tenant is "eligible" or "qualified"?

"Eligible" tenants are tenants who are entitled to receive relocation assistance.

"Qualified" tenants are tenants who on the date of service of the written notice of termination are: (1) 62 years of age or older; (2) handicapped as defined in Section 50072 of the California Health and Safety Code, or disabled as defined in Title 42 of the United

States Code, Section 423; or (3) have one or more minor dependent children (as determined for federal income tax purposes).

What landlords qualify for reduced relocation fees?

Per Section 4(c) of Urgency Ordinance 4329:

- (1) The building containing the unit contains four or fewer rental units.
- (2) Within the previous three years, the landlord has not paid a reduced relocation fee authorized by Subsection 4(c) to any tenant who resided in the building.
- (3) The Landlord owns, in the City, no more than four units of residential property and a single-family home on a separate lot.
- (4) Any eligible relative for whom the Landlord is recovering possession of the rental unit does not own any residential property in the City.
- (5) If Subsection (c)(1)-(4) are met, then the Landlord shall pay a reduced relocation fee of \$11,960 to any Qualified Tenant and a fee of \$5,926 to all other tenants.

What happens if a landlord does not comply with the Ordinance?

The City is authorized to take appropriate steps to enforce the Ordinance, including

conducting investigations of possible violations by a landlord. The City, in its sole discretion, may choose to enforce the provisions of the Ordinance through the administrative citation process set forth in Section 2-1181 et. seq. of the Pomona Municipal Code. Each violation of any provision of the 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 the Ordinance occurs or continues, constitutes a separate violation. The City's decision to pursue or not pursue enforcement of any kind shall not affect a tenant's rights to pursue civil remedies.

Any person who receives an administrative citation may request an administrative hearing before a Hearing Officer in accordance with Section 2-1181 et. seq. of the Pomona Municipal Code. Additionally, any responsible person may seek judicial review of a Hearing Officer's decision pertaining to the imposition of an administrative fine in accordance with Section 2-1181 et. seq. of the Pomona Municipal Code.

Additionally, any tenant aggrieved by a violation of the Ordinance may bring a civil suit in the courts of the State alleging a violation of the Ordinance. In a civil suit, a landlord found to be in violation of the Ordinance shall be liable to the aggrieved tenant. A prevailing tenant in a civil action shall be awarded attorney's fees and costs.

Definitions:

Who is the "Landlord"?

The owner, lessor, or sublessor who receives or is entitled to receive rent for the use and occupancy of any rental unit or portion thereof, and the representative, agent, or successor of such owner, lessor, or sublessor.

Who is the "Tenant"?

The person entitled by rental agreement, sufferance, Code or State or federal law to the use or occupancy of any rental unit.

What is a "Rental Unit"?

Any dwelling unit as defined in California Civil Code Section 1940(c), including joint living and work quarters, located within the jurisdictional boundaries of the City of Pomona and used for human habitation in consideration of payment of rent, whether or not such use is legally permitted, including accessory dwelling units.

What are "Housing Services"?

Services that are connected with the use or occupancy of a rental unit such as utilities, ordinary repairs or replacements, maintenance, elevator service, laundry facilities and privileges, common recreational facilities, janitor service, resident manager, refuse removal, furnishings, food service, parking, and any other benefits, privileges, or facilities.

What is a "Notice of Termination"?

A written notice from a landlord to a tenant that is in the form required by State law to terminate a residential tenancy and that is served in accordance with State law.

What are "Alienable separate"?

A standalone property that is transferred separate from other title of the property. An example would be a single-family home, condominium, or townhome leased out as a single unit.

What is an "Eligible" tenant?

A tenant who is eligible to receive a relocation assistance amount that depends on length of time in the unit and income.

What is a "Qualified" tenant?

A tenant who on the date of service of the written notice of termination: (1) is 62 years of age or older; (2) is handicapped as defined in Section 50072 of the California Health and Safety Code, or disabled as defined in Title 42 of the United States Code, Section 423; or (3) has one or more minor dependent children (as determined for federal income tax purposes).

Ouestions?

Please email us at <u>RentStabilization@pomonaca.gov</u> or call 909-620-3777. More information can also be found on our website.