



Date: April 25, 2018

To: Patrick H. West, City Manager *PW*

From: Tom Modica, Interim Director of Development Services *T.M.*
Richard Anthony, Deputy City Attorney /s/

For: Mayor and Members of the City Council

Subject: **Rent Control in Long Beach - Addendum**

On April 19, 2018, City staff and the City Attorney's Office jointly prepared and distributed a memorandum regarding rent control to the Mayor and Members of the City Council ("Rent Control Memo"). Staff have thereafter received requests to clarify and provide more information regarding two statements made in the Rent Control Memo. The purpose of this additional memorandum is to provide clarification on said statements.

Firstly, the Rent Control Memo states that the proponents of the Proposed Ordinance are gathering signatures to place the rent control initiative on either the November 2018 ballot or the general City election in the spring of 2020. While technically that is correct, it is also possible that the initiative could be placed on a ballot for a special election. Such a special election would only be held if (i) a sufficient number of signatures are obtained, and (ii) authorized by the City Council acting in its own discretion.

Secondly, the Rent Control Memo generally states that certain provisions of the Proposed Ordinance would likely violate the City Charter. City staff has so far identified six instances where the Proposed Ordinance likely violates the City Charter.

1. Section 11(d)(8) of the Proposed Ordinance gives the Rental Housing Board the authority to establish its own budget, and the Proposed Ordinance does not otherwise condition that budget on subsequent approval by the City Council. Section 205 of the City Charter requires that all powers of the City be vested in the City Council. Sections 1702 and 1705 of the City Charter further require that the City Manager prepare a budget for consideration by the City Council, and adoption pursuant to an Appropriation Ordinance. Section 11(d)(8) of the Proposed Ordinance appears to grant the Rental Housing Board powers outside of the limits placed on it by the City Charter.
2. Section 11(k) of the Proposed Ordinance states that the Rental Housing Board shall exercise its powers and duties independent from the City Council. As stated above, Section 205 of the City Charter clearly states that all powers of the City be vested in the City Council.

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3. Section 11(k) of the Proposed Ordinance states that the Rental Housing Board shall exercise its powers and duties independent from the City Manager. Sections 102 and 300 of the City Charter require that the municipal government shall be a Council-Manager form of government, and that the City Manager shall be the chief administrator for the City and all of its departments, unless otherwise expressly exempted by the City Charter.
4. Section 11(k) of the Proposed Ordinance states that the Rental Housing Board shall exercise its powers and duties independent from the City Attorney. Section 603(a) of the City Charter clearly states that the City Attorney shall be the sole and exclusive legal advisor of the City, and all of its commissions, committees, officers and employees.
5. Section 11(l) of the Proposed Ordinance states that the Rental Housing Board may, in its discretion and without the approval of the City Council, retain private attorneys to provide representation and legal advice. As stated above, such a right on the part of the Rental Housing Board violates Section 603(a) of the City Charter.
6. Section 11(m) of the Proposed Ordinance states that, if any portion of the Proposed Ordinance is found unenforceable, the Rental Housing Board, and not the City Council, shall have the exclusive authority to enact replacement regulations in keeping with the purpose of the invalidated portion of the Proposed Ordinance. As stated above, Section 205 of the City Charter prohibits the Rental Housing Board from exercising such powers.

As stated in the Rental Control Memo, it is staff's opinion that if the Proposed Ordinance were to pass, litigation would necessarily follow to address these significant inconsistencies, and possibly others.

For more information on Rent Control and Just Cause Eviction policies, please contact Alejandro Sanchez-Lopez, Management Assistant, at (562) 570-7018 or Alejandro.Sanchez-Lopez@longbeach.gov

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