



Date: July 6, 2021

To: Honorable Mayor and Council

From: Councilwoman Cindy Allen, Second District  
Councilwoman Suely Saro, Sixth District  
Vice Mayor Rex Richardson, Ninth District  
Councilwoman Mary Zendejas, First District

Subject: Recommendation to Establish a Temporary Prohibition on Substantial Remodel Lease Termination Notices and Evictions, and to Explore the Feasibility and Costs of Establishing a Renovation Administration Program

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**RECOMMENDATION:**

Recommendation to direct the City Attorney to draft an urgency ordinance establishing a temporary prohibition on substantial remodel lease termination notices and evictions, effective immediately. The urgency ordinance shall state that violation of the ordinance shall constitute an affirmative defense to an eviction. The prohibition shall remain in effect until the City Council has considered and taken final action with respect to the proposed renovation administration program, as discussed in more detail below; and,

Direct the City Manager and City Attorney to work with the California Apartment Association, the Apartment Association of Southern California Cities, Long Beach Residents Empowered, the Legal Aid Foundation of Los Angeles, and other appropriate stakeholders and experts to prepare a report and return to City Council within 90 days (i) exploring the feasibility and costs associated with establishing a renovation administration program to ensure landlords can invest in renovation work without subjecting tenants to either untenable housing conditions during renovation work or forced permanent displacement, and (ii) removing substantial remodels from the list of no-fault just cause evictions in connection with the establishment of such program.

**DISCUSSION:**

In 2019, to address the statewide housing crisis and rising rental costs, California legislators passed AB 1482, the Tenant Protection Act. This landmark tenant protections



bill placed limits on residential rent increases and requires landlords to show just cause when seeking to terminate residential tenancies. The bill enumerates many just cause reasons, which are categorized as “at-fault” and “no-fault.” The bill lists substantially remodeling a unit as a no-fault just cause, allowing for landlords to cite unit remodeling as the basis for terminating tenancies. In February 2020, the Long Beach City Council moved to protect vulnerable renters by requiring landlords to acquire construction permits from the City before notifying tenants of the renovation and issuing termination notices.

Despite these protections, residents and advocates argue the status of substantial remodels continues to be a major flaw in our local housing policy. Currently, landlords are able to cite unit remodeling as a basis for terminating any tenancy. After they acquire the proper permits, effectively any tenant or family residing in an older building is at risk of eviction. Advocates contend that our City’s low-income and working families are most affected by this shortcoming in our housing policy.

The City has a responsibility to keep families and communities together and protect our most vulnerable groups. Further, as we recover from the pandemic, which we know has disproportionately impacted the City’s low-income residents and communities of color, the City must ensure residents and working families are able to stay in their homes and rebuild for the future.

AB 1482 permits local jurisdictions to modify or expand their just cause ordinances. City Council action in 2020 required landlords to acquire construction permits and strengthened a tenant’s ability to be informed about the remodel process. The recommendations below build on prior Council action and seek to create a more fair and equitable renovation process:

#### *Temporary Moratoria on Remodel Permits, Notices, & Evictions*

A temporary prohibition on issuing lease termination notices for occupied units provides immediate protection for our residents. Until there is a clear path forward for renovation projects, all tenancy terminations and evictions resulting from substantial remodels must be temporarily on hold.

#### *Establishing a Renovation Administration Program*

As it is vital, landlords continue to have the opportunity to renovate their properties and improve the quality and lifespan of local housing units. Establishing a Renovation Administration Program ensures they are able to undertake and invest in major renovation



work without subjecting tenants to either untenable housing conditions during renovation work or forced permanent displacement.

The program will require all renovation plans to be evaluated by the City. Should a proposed plan involve repairing or replacing major building systems such as central heating/air conditioning, water and sewage piping, wiring inside walls, elevators, reinforcement of the building structure, and abatement of hazardous materials, the landlord would be required to submit a “renovation plan.” This “renovation plan” is a document identifying any impact the renovation will have on the habitability of a tenant’s permanent place of residence and the steps the landlord will take to mitigate the impact on the tenant during the work period. The document must clearly state what kind of assistance options are available (based on the scope of work). The tenant maintains the right to select their assistance option.

All unit upgrade and renovation plans are subject to the Renovation Administration Program and would require approval by the City prior to the issuance of construction permits and any work beginning. Landlords will not be permitted to raise rent on returning tenants until 6 months after the renovation’s completion, after which all rent increases must follow the policies outlined in the Tenant Protections Act.

After establishment of a Renovation Administration Program, removing substantial remodels from the list of no-fault just cause evictions ensures that no resident is permanently displaced because of a remodeling or renovation project.

#### **FISCAL IMPACT:**

This recommendation requests that the City Attorney prepares an ordinance establishing a temporary prohibition on substantial remodel notices and evictions, and requests the City Manager to prepare a report exploring removing substantial remodels from the just cause ordinance and the feasibility of adopting a Renovation Administration Program. The requested actions are anticipated to have a moderate impact on staff hours beyond the budgeted scope of duties and is expected to have minimal impact on existing City Council Priorities. It is unknown, however, what the fiscal impact is from the support of this item with regards to its impact on current City taxes and revenue generation.

This matter has been reviewed by Budget Manager Grace H. Yoon on June 28, 2021.