Rent Control Ordinance Guideline/Rule No. 2023-RC-05 (Reduction of Housing Services) Page 1 of 7



# CITY OF CULVER CITY

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### RENT CONTROL (ORDINANCE NO. 2020-014) GUIDELINE/RULE NO. 2023-RC05

## Petition for Reduced Housing Services

#### Background and Summary:

CCMC Section 15.09.235 allows Tenants to file a "Tenant Petition for Non-Compliance" through which the Housing and Human Services Department may order a rent reduction if the Tenant can demonstrate with evidence, that there has been a proposed or actual reduction in services provided by the Landlord without a commensurate decrease in rent.

#### Guideline/Rule: RC-05 will be administered by the City as follows:

#### **Reduced Housing Services Petition Form**

- 1. Background information surrounding the Reduced Housing Service shall be filled out by the Tenant on the **Tenant Petition for Noncompliance Form.** This includes:
  - Day, month, and year that Reduction in Housing Services began (Petition should be submitted within 180 days of date Reduction in Housing Services began);
  - The amount of rent paid by Tenant;
  - Whether the Reduction in Housing Services is ongoing, and if not, the approximate dates it occurred;
  - Whether Tenant ever withheld rent in response to the reduction;
  - Number of Tenancies (separate leases) in the unit;
  - Whether the Tenant ever received compensation to offset the Reduced Services;
  - Proof of written Landlord notification regarding the Reduction in Housing Services
- 2. Additional details to be filled out by the Tenant include:
  - All months for which the Tenant can provide evidence of Reduced Housing Services
  - The type of Housing Services claimed by the Tenant to be reduced;
  - The type of evidence being provided by the Tenant

- 3. Evidence to be provided may include:
  - Lease or Rental Agreement;
  - Correspondence with the Landlord
  - Receipts and/or cancelled checks demonstrating payment of services
  - Photos, videos; etc.

Eligible Housing Services need not have been stipulated in the lease agreement itself to be considered. "Past practice" evidence may be considered as well.

#### Eligibility and Application Evaluation

4. "Housing Services" that may be eligible for a rent reduction are defined in CCMC 15.09.205 as the following:

"All services provided by the landlord related to the use or occupancy of a rental unit, including, but not limited to, insurance, repairs, replacement, maintenance, painting, utilities, heat, water, elevator service, laundry facilities, recreational areas and/or pools, janitorial service, refuse removal, furnishings, parking, storage, and security services."

- 5. Eligibility to qualify for a rent reduction based on a Reduction in Housing Services shall be guided by the following:
  - The period during which the Reduction in Services occurred may not exceed 180 days from the Petition filing date.
  - The period during which the Reduction in Services occurred may not have preceded the effective date of the Ordinance.
  - Reduced Housing Services generally do not correspond to the habitability of a dwelling under California Health & Safety Code <u>17920.3</u> or <u>17920.10</u>.
  - Mitigation for Temporary Untenantable conditions, such as those resulting from activities described in CCMC 15.09.330, should instead be guided first by the required mitigation measures as outlined the Ordinance subchapter.
- 6. Eligible Reductions in Housing Services will be categorized in one of the following ways:
  - Past Reduction: Impact has ended;
  - Ongoing Reduction: Impact has a finite duration;
  - Permanent Reduction: Impact will be permanent
- 7. Rent reductions associated with a Reduction in Housing Services will not be eligible under the following circumstances:
  - The Reduction in Housing Services stems from a government mandate, unless mitigation measures as outlined in CCMC 15.09.330 cannot be performed otherwise.
  - "Reasonableness" Standard: If a landlord restores the reduced housing service within

a reasonable time after written notification to the Landlord by the Tenant, the Director may decide against a corresponding reduction in rent.

#### 8. Monthly Valuation Guidelines

Monthly housing service valuations shall be within the following limits, unless the evidence presented indicates otherwise. For Housing Services not listed below, evidence may be presented to assist City Staff in arriving at a reasonable valuation.

Monthly Valuation Guidelines	(a) Minimum	Maximum
Parking Space (Secured)	\$300.00	\$350.00
Parking Space (Unsecured)	\$75.00	\$100.00
Washer/Dryer (In Unit or CoinOp)	\$27.00 (b)	
Storage Unit (10 x 10)	\$200.00	\$400.00
Storage Unit (5 x 5)	\$100.00	\$150.00
Gates and Fences (Security)	\$21.00	\$142.00
Pool	\$4.00	\$88.00
Fitness Center	\$34.00	\$80.00
Yards, Patios, Play Areas	\$13.50	\$157.00
Loss of Access / Egress (stairs, walkways, hallways)	\$15.00	\$175.00
Gardening and Landscape	\$8.50	\$57.00
Loss of Air Conditioning	\$36.00	\$167.00
Elevator Service	\$36.50	\$102.50

Notes: Compiled based on local market and comparison jurisdiction data collected in July 2022.

(a) Guidelines for pro-rating partial months can be found in the Staff Analysis section.

(b) Laundry service valuation guidelines are calculated on a per household member or registered tenant basis.

## Staff Analysis

When evaluating Petitions, Staff will weigh the extent to which the Reduction in Housing Services has affected the rent paid by the Tenant(s) for the Covered Unit(s). Factors may include:

- Prevailing market value of the Housing Service in question as a rental amenity;
- Relative significance of the reduced service in relation to the safety, health, convenience and comfort of the Tenant(s);
- Extent to which the Tenant(s) was led to rely upon the fact that the service would be provided
- Extent to which the Tenant(s) caused the Reduction in Housing Services
- 9. Staff will determine whether there is any ongoing Petition on behalf of the Tenant that is presently pending before the Director.

- 10. Staff will determine that proper documentation was provided for each line item on page 7 of the Tenant Petition for Noncompliance.
- 11. Staff will determine whether the Reduced Housing Services are eligible for a Rent Adjustment according to #5, #6 and #7.
- 12. Common Areas: When Petitions filed concerning common areas or conditions common to two or more units of the subject property, Staff may, when appropriate, revise the Petition to include rent levels of all affected units on the property as to which no petition has previously been filed.
- 13. Staff will not deem the Petition complete until all required evidence has been submitted, including proof of written notice to the Landlord.

#### 14. Calculating and Applying the Credit and/or Rent Reduction

Staff will utilize the following steps to calculate the eligible rent reduction:

- <u>A. Determine Value of Eligible Service</u> Staff will reference the Valuation Guidelines for the reduced service(s) as described in #8 if applicable, as well as any additional evidence provided.
- <u>B. Determine Number of Eligible Months by Reduced Service</u> Staff will determine the number of months that the reduced housing service was eligible based on written Landlord notification by the Tenant in Section V of the "Petition". Guidelines for prorating partial months are defined in #16.
- <u>C. Determine the Allowable Credit</u> Staff will determine the allowable credit by multiplying the monthly value of the eligible service by the number of months that the reduced service was in effect.
- D. Applying the Credit

Rent reductions resulting from a Reduction in Housing Services will reference one of the categories defined in #6, and applied as illustrated in the following examples:

#### Example: Past Reduction

The Eligible Housing Service was a temporary loss of the communal laundry facility due to basement repairs (not related to seismic retrofitting). The service is valued at \$13 per month per registered Tenant according to the most current Valuation Guidelines. The service was interrupted in January 2021 and resumed in May 2021. The number of eligible months is 4 (four). The allowable credit for a household of 3 is \$156. A \$156 credit will be applied to the first rent due date after which the Notice of Decision was issued.

If the tenant has since vacated the unit, the Landlord will issue a refund to the Tenant immediately, and no later than 5 days of the Director's decision.

#### **Example: Ongoing Reduction**

The Eligible Housing Service is a temporary loss of an outdoor, unsecured parking space due to ongoing construction work in a neighboring building. The service is valued at \$100 per month according to the most current Valuation Guidelines. The parking space was removed in May 2021, and the Landlord does not have an estimate as to when the construction will end. If the Notice of Decision is granted in July 2021, the number of eligible months is three (3), and the allowable credit is \$300.

A \$300 credit will be applied to the first rent due date after which the Notice of Decision was issued. On the first rent due date, the Rent will be reduced by \$100 per month until the Eligible Housing Service has been restored.

#### **Example: Permanent Reduction**

The Eligible Housing Service is a permanent loss of an onsite storage unit due to the move-in of a relative in an adjacent unit. While the use of a storage unit was not specified in the lease, the Tenant had been using the storage unit as "past practice". The service is valued at \$100 per month according to the most current Valuation Guidelines. The storage unit was removed in December 2020. If the Notice of Decision is granted in June 2021, the number of eligible months is seven (7), and the allowable credit is \$700.

A \$700 credit will be applied to the first rent due date after which the Notice of Decision was issued. On the first rent due date, the Rent will be reduced by \$100 per month for the duration of the lease term.

In the latter two examples, the entirety of the allowable rent decrease (minus any withheld rent) will be applied on the first rent due date after which the Director's decision was applied. If the amount of the decrease for past reduction is greater than the amount of rent that would otherwise be due, the balance is applied in the subsequent month or months.

- 15. Rounding Dollar Amounts: Credits and rent reductions shall be expressed in whole dollars. Rounding shall occur by calculating the amount to two decimal places. Any fraction of a dollar equal to or less than 49 cents shall be dropped off and any fraction of a dollar equal to or more than 50 cents shall be rounded up to the next dollar.
- 16. Prorating Partial Months: Prorating partial months shall occur by calculating the number of days the service was reduced during the subject month by the number of days in the subject month, and rounding to two decimal places.

17. The Director retains the discretion to adjust the final calculation based on the evidence provided.

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Housing and Human Services Director