

City of
Gardena



**RENT
MEDIATION
and
ARBITRATION
PROCEDURES**

*1700 W. 162nd Street
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On April 10, 1987, an Ordinance of the City of Gardena became effective that established mandatory mediation and binding arbitration for residential rental units within the City of Gardena, California. Since that time, the original Ordinance has since been amended by the City Council to improve the efficiency and effectiveness of the mediation and arbitration process.

The purpose of this booklet is to provide an overview of Gardena's mediation and arbitration procedures. In addition, the full text of the most recent amended ordinance has been included for your information.

The Ordinance requires all owners of residential rental units to provide one booklet to each residential unit/tenant and to all new tenants thereafter. Section 14.04.280 of the ordinance also sets forth penalties for landlords who fail to provide booklets to tenants.

Should there be any questions pertaining to the Ordinance or regarding the mediation and arbitration procedures, please contact the City Manager's Office in Gardena City Hall.

Members of the
Gardena Rent Mediation Board

**CITY OF GARDENA
1700 West 162nd Street
Gardena, CA 90247**

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14.04.270 Enforcement.

A. Violations of the provisions of this chapter shall not constitute a crime.

B. A tenant at any time may bring an action in the courts of the state alleging a violation by an owner of any of the terms of this chapter and may seek a court order requiring compliance with the provisions of this chapter.

C. An owner at any time may file an action in the courts of the state alleging a violation by the tenant of the provisions of this chapter or may seek a court order directing compliance with the provisions of this chapter.

14.04.280 Notice of mediation and arbitration procedures.

The board shall prepare a booklet outlining the provisions of this chapter. Owners of residential rental units shall provide at least one booklet to the residents of each unit owned by them. New tenants shall be provided with a copy of the booklet at the time of occupancy. Notification of rent increases mailed on or after February 1, 1988, shall have no effect, and a tenant shall have a defense to any unlawful detainer action for failure to pay such increases in rent, if the tenant has not been provided with a booklet as required by this section. The burden of proof in disputes as to whether a booklet has been provided shall be on the landlord. Failure to provide a booklet may also be considered by the arbitrator in determining the distribution of costs pursuant to Section 14.04.200. A tenant's signed statement, which may be included in the rental agreement, acknowledging that the owner has provided the tenant the booklet required by this section shall constitute proof of the owner's compliance with this section.

14.04.290 Reports.

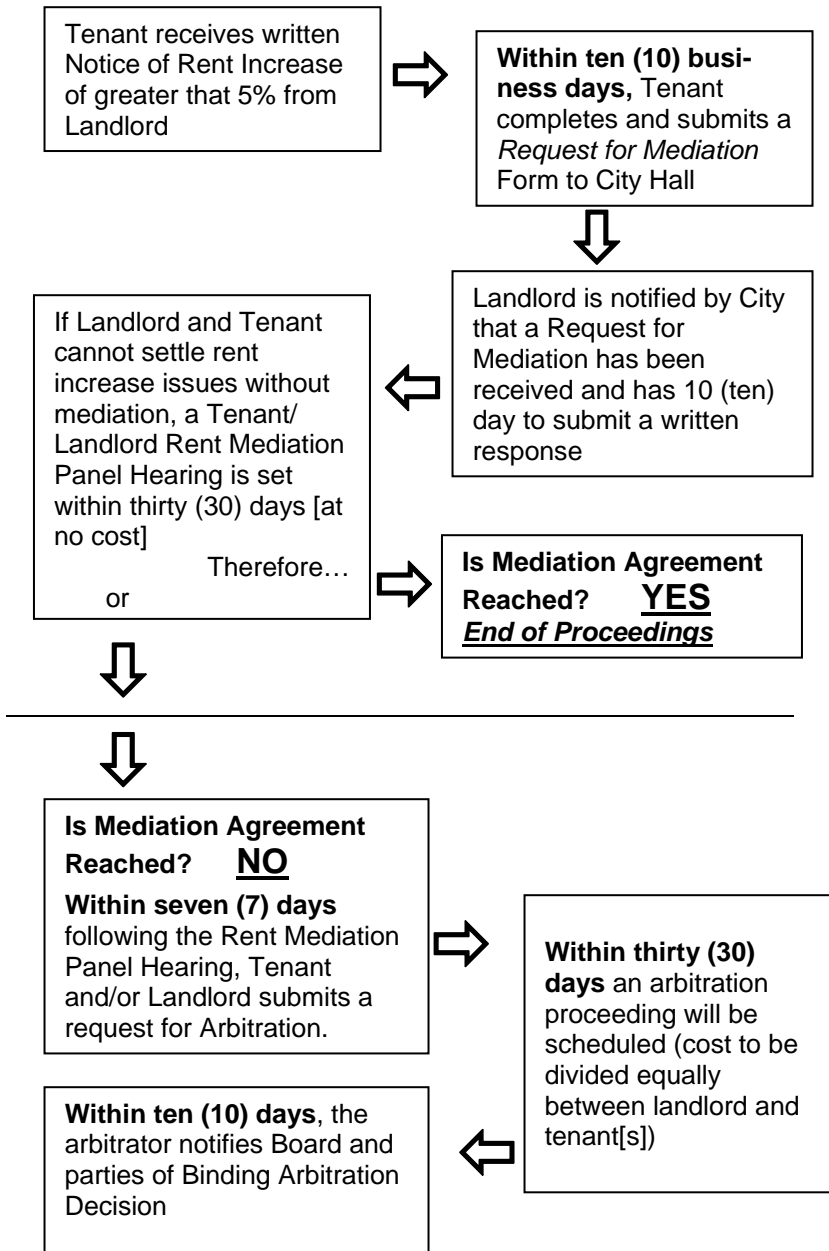
Reports of the results of all mediation and arbitration hearings shall be made to the board and transmitted to the council. All such reports and the petitions for hearings shall be public records. The board, in addition to such reports, shall provide copies of the minutes of all board meetings to the council.

**IMPORTANT FEATURES
OF THE
RENT MEDIATION/ARBITRATION ORDINANCE**

1. For a rental increase to be considered for mediation by the Rent Mediation Board, the percent of increase must be greater than five percent (5%), within a 12-month period.
2. Landlords must provide tenants with a written rental increase notice prior to the effective date within the following time frame:

Increase of 10% or less:	30 days notice
Increase greater than 10%:	60 days notice
Mobile Home Parks tenants	
Increase of 10% or less:	90 days notice
Increase greater than 10%:	90 days notice
3. It is the responsibility of landlords to ensure that all of their occupied rental units receive a copy of this booklet.
4. To initiate the mediation/arbitration process, a tenant(s) must file a **Request for Mediation** in Gardena City Hall within ten (10) business days of receiving a Notice of Increase from a landlord.
5. Landlords are forbidden from taking any retaliatory actions against tenants who have lawfully initiated mediation/arbitration proceedings, and no rental increase shall go into effect until the mediation/arbitration process has been completed.
6. All mediation procedures shall be provided at no cost to those being served.
7. Should mediation fail to provide an agreement between the landlord and tenant(s), either party may request binding arbitration.
8. All costs for binding arbitration shall be paid for by dividing the costs equally between the landlord and the tenant(s). For an exception, please see Section 14.04.200, page 13.

**OVERVIEW OF MEDIATION / ARBITRATION
PROCEDURES AND TIME LINES**



However, any action brought by the owner within three months after the determination of a petition filed with the board shall be presumed to be retaliatory. This presumption affects the burden of proof and is rebuttable by the owner.

14.04.240 Lessors' rights.

Nothing in this chapter shall be construed as limiting in any way the exercise by the lessor of his rights under any lease or agreement or any law pertaining to the hiring of property or his right to do any of the acts described in Section 14.04.230 for any lawful cause. Any waiver by a lessee of his rights under this chapter shall be void as contrary to public policy.

14.04.250 Repossession of dwellings.

Notwithstanding the provisions of Sections 14.04.230 and 14.04.240, a lessor may recover the possession of a dwelling and do any of the other acts described in Section 14.04.230 if the notice of termination, rent increase, or other act and any pleading or statement of issues in an arbitration, if any, states the ground upon which the lessor, in good faith, seeks to recover possession, increase rent, or do any of the other acts described in Section 14.04.230. If such statement shall be controverted, the lessor shall establish its truth at the trial or other hearing.

14.04.260 Remedies for retaliatory evictions.

Any lessor or agent of a lessor who violates Section 14.04.230 shall be liable to the lessee in a civil action for all of the following:

- A. The actual damages sustained by the lessee;
- B. Punitive damages in an amount of not less than one hundred dollars nor more than one thousand dollars for each retaliatory act where the lessor or agent has been guilty of fraud, oppression or malice with respect to such act; and
- C. Reasonable attorneys' fees.

authorized agent, complies with the provisions of this chapter by meeting in good faith with the tenant or tenants requesting mediation at such hearing and by participating in the arbitration process.

B. The procedures of this chapter are intended to result in a final resolution of a dispute prior to the effective date of a rent increase. If Board action or arbitration does not result in a final decision by the effective date, any board recommendation or arbitrator's decision shall be retroactive to the noticed effective date.

C. Failure of the tenant to file a request for mediation or arbitration in a timely manner as provided in this chapter shall result in the imposition of the rent increase on the effective date specified in the owner's notice of such increase.

D. Nothing set forth in this chapter shall relieve a tenant of the obligation to pay the rent in effect prior to the notice of any increase.

14.04.220 Applicability.

The provisions of this chapter shall govern all disputes arising out of rent increases noticed on or after February 20, 1987. Rent increases for which notices were received on or after February 20, 1987, shall not take effect less than sixty days after the date such notice is received by the affected tenant or tenants.

14.04.230 Retaliatory acts.

The use of the rent mediation or arbitration process is declared to be a protected right pursuant to subsection (c) of Section 1942.5 of the Civil Code of the state. It is unlawful for a lessor to increase rent, decrease services, cause a lessee to quit involuntarily, bring an action to recover possession, or threaten to do any of such acts for the purpose of retaliating against the lessee because he has lawfully and peaceably exercised any right established by the city rent mediation and arbitration process as set forth in this chapter. In any action brought by or against the lessee, the lessee shall bear the burden of producing evidence that the lessor's conduct was, in fact, retaliatory.

Chapter 14.04 RESIDENTIAL RENT MEDIATION AND ARBITRATION

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14.04.010 Purpose.

The council finds and declares that there is presently within the city a shortage of residential rental units and a low vacancy rate resulting in a rapid increase in rents, thus causing an economic hardship to tenants residing in the community. The council is desirous of protecting such tenants from unreasonable rent increases while permitting the owners of such properties to receive rent allowing them to maintain the units as well as to receive a reasonable return on their property. The council has therefore determined that it is in the interests of the city to assist tenants and owners in resolving disputes which, from time to time, may arise.

14.04.020 Definitions.

For purposes of this chapter, unless otherwise apparent from the context, certain words and phrases used in this chapter are defined as follows:

“Arbitration” means a process conducted in accordance with the provisions relating to arbitration contained in Sections 1280, et seq. of the Code of Civil Procedure of the state.

“Arbitrator” means a neutral arbitrator selected in accordance with the provisions of this chapter.

“Board” means the Gardena rent mediation board.

“Owner” means the owner, lessor, sublessor, or any other person entitled to receive rent for the use and occupancy of any rental unit or an agent, representative or successor of any of such persons.

“Rent” means the consideration demanded or received in connection with the use and occupancy of any rental unit or for the transfer of a lease for occupancy.

“Tenant” means the lessee and/or any person entitled to occupy a rental unit under a rental or lease agreement with the owner of such rental unit.

14.04.030 Rent mediation board created—Composition.

The Gardena rent mediation board is created. The board shall consist of fifteen members comprised of five tenant

G. Changes in mortgage payments or rent paid by the owner for the rental unit or units or the lease of the land upon which such units are located;

H. Changes in the utility charges for the rental unit or units paid by the owner and the extent, if any, of reimbursement from the tenants;

I. Changes in reasonable operating and maintenance expenses, including, but not limited to, insurance, government assessments, materials and services;

J. The need for repairs caused by circumstances other than ordinary wear and tear;

K. The amount and quality of services provided by the owner to the affected tenant or tenants;

L. Changes in the size of the rental unit or units;

M. Compliance by the owner with applicable housing, health, and safety codes; and

N. Any existing written lease lawfully entered into between the owner and the affected tenant or tenants and any leasehold obligations of the landlord which affect the property.

14.04.190 Determination of arbitrator.

The arbitrator shall make a decision and notify the board and the parties in writing within ten (10) calendar days after the conclusion of the hearing. The decision of the arbitrator shall be binding on all parties and reviewable only by a court of competent jurisdiction pursuant to Sections 1280, et seq. of the Code of Civil Procedure of the State.

14.04.200 Costs of arbitration.

The costs of arbitration shall be paid one-half by the owner and one-half by the tenants. In cases where either party has proceeded in bad faith or in an unfair manner, or where the submissions of the party as to the proper rent are totally at odds with the facts, the arbitrator may alter the distribution of costs in any manner whatsoever.

14.04.210 Effective date of rent increases.

A. No rent increase shall be effective unless or until the owner or manager of the rental unit, or the owner’s duly

public. The hearing shall be conducted in accordance with the procedures of Sections 1280, et seq. of the Code of Civil Procedure of the State.

B. The parties may be represented at the hearing by an attorney or other agent.

C. The parties may present any relevant evidence to the arbitrator.

D. The complete file, including the recommendation and all correspondence to and from the board relating to the case shall be made available to the arbitrator.

E. Such hearings may be consolidated by the arbitrator pursuant to Section 14.04.110.

F. The arbitrator shall have the power to subpoena witnesses and documents.

14.04.180 Standards for review.

In making a decision based on a petition for rent review, the arbitrator shall consider the purposes of this chapter and shall specifically consider all relevant factors to determine whether the proposed rent increase is just, fair and reasonable, including, but not limited to, the following:

A. Changes in the current series of the "Urban Wage Earners and Clerical Workers: Los Angeles-Riverside-Orange Counties, CA" which is maintained by the Bureau of Labor Statistics; (Ord. 1626, § 6, 2003)

B. Any lawfully established state or federal government wage and price guideline;

C. The rent lawfully charged for comparable rental units in the city;

D. The length of time since the last increase for the rental unit or units for which the owner seeks a rent increase;

E. The completion of any capital improvement or rehabilitation work related to the rental units, as distinguished from normal repair, replacement or maintenance, and the cost thereof, including such items of cost as materials, labor, construction interest, permit fees and other items as the arbitrator deems appropriate;

F. Changes in property taxes, other taxes, or fees, related to the subject rental unit or units;

members, five owner/manager/real estate professional members, and five members-at-large.

14.04.040 Appointment of members—Terms—Removal.

A. Each councilmember shall appoint one member from each of the three member groups set forth in Section 14.04.030.

B. The term of office for each member of the board shall be coterminus with the expiration of the actual tenure of the member of the council who appointed the member.

C. Each member shall serve at the pleasure of the council, and any member may be removed from office with or without cause by a majority vote of the membership of the council.

D. All members shall serve until their respective successors are appointed.

E. Members may be reappointed.

F. Vacancies existing due to removal, resignation, death or changed status as to a membership group shall be filled for the unexpired portion of the term by the councilmember originally appointing the vacating member.

14.04.045 Forfeiture of office.

Notwithstanding any other provision of this chapter, any member of the board (excepting a nonvoting member) who is absent from any three consecutive regular meetings of the board or who is absent from a total of six regular meetings of the board in any twelve-month period shall thereby automatically forfeit the position or office as a member of the board and the name of such person shall be automatically removed from the membership of the board immediately after the adjournment of any such third consecutive regular meeting or of any such six regular meetings in any such twelve month period, as the case may be, at which such member has not appeared.

The secretary of the board shall thereupon promptly notify the council of such fact, whereupon the vacancy so created shall be filled by appointment as set forth in Section 14.04.040 for the remainder of the unexpired term.

14.04.050 Qualifications.

A. All tenant members shall be tenants of residential rental property within the city, and neither the tenant member, spouse, nor dependents shall have any financial interest in residential income-producing property either in the city or elsewhere.

B. All owner/manager/real estate professional members shall own, manage, or have a residential income-producing property interest within the city and preferably shall be residents of the city.

C. Members-at-large shall not be tenants, nor shall they have an ownership interest in any residential income-producing property in the city. It is preferable that neither members-at-large nor their spouses or dependents shall have any direct business or financial relationship with either landlords, property managers or real estate professionals within the city or elsewhere. (Prior code § 12-1.105)

14.04.055 Ex officio member.

To aid and assist the board in its deliberations, the city manager, or the city manager's designated representative, shall serve as an ex officio member of the board and shall have no voting power.

14.04.060 Compensation.

The members of the board shall receive such compensation as determined by resolution of the city council.

14.04.070 Meetings—Quorum—Rules of procedure.

The board shall meet regularly once each month at a time and place within the city to be decided upon by the board. A majority of the board members, to include at least one member from each membership category, shall constitute a quorum. All regular board meetings shall be open to the public. The board shall establish rules of procedure for its regular meetings and for mediations conducted by the board. Such rules and all changes and additions thereto shall be submitted to and subject to approval by the council prior to taking effect.

14.04.140 Acceptance or modification of recommendations.

If the parties accept the recommendations of the board, they shall affix their signatures in the space provided thereon, which shall indicate that the rent for such unit shall be that contained in the recommendation, or any other amount mutually agreed upon by the parties, and shall remain the same for a period of no less than six months. It is the intent of the council that such document shall constitute a binding contract between the parties and shall be enforceable by each party in a court of law.

14.04.150 Failure to accept recommendations.

If the parties do not accept the recommendation of the board or agree upon another rental amount, either party, within seven calendar days after the mailing of the recommendation of the board, may file with the board a request to submit the matter to an arbitrator whose decision shall be binding on the parties.

14.04.160 Arbitration—Procedure.

Upon the receipt of a request for arbitration, the board shall notify the parties of the request and shall submit to them the name of an arbitrator, accompanied by his resume and fee. If the parties agree upon the arbitrator, they shall notify the board in writing of such acceptance. If either party fails to agree upon an arbitrator, a new name shall be submitted until such time as both parties agree upon an arbitrator. If, after three names are submitted, both parties are unable to agree on an arbitrator, the board will unilaterally assign an arbitrator to hear the case. Failure to notify the board within three days after the receipt of the name shall constitute acceptance of the arbitrator.

14.04.170 Arbitration—Hearings.

A. The City shall notify both parties of the time and place for the hearing. Such time shall be not less than seven (7) or more than thirty (30) calendar days after the date of the notice of arbitration was sent to the parties by the board. The hearing shall take place in the City or any other mutually agreeable location and shall not be open to the

14.04.120 Role of attorneys.

A. No attorney shall take part in any mediation hearing unless:

1. The attorney is the owner, manager, or tenant of the dwelling unit which is involved in the mediation; or

2. The owner, manager, or tenant of the dwelling unit involved in the mediation is a partnership in which the attorney is a general partner and in which all the partners are attorneys; or

3. The owner, manager, or tenant of the dwelling unit is a corporation, and the attorney is an officer or director of the corporation, and all of the officers and directors of the corporation are attorneys.

B. Nothing set forth in this section shall prevent an attorney from rendering advice to a party participating in a mediation hearing, either before or after commencing the mediation process; nor shall anything set forth in this section prevent an attorney from testifying to facts of which he has personal knowledge and about which he is competent to testify. Nothing set forth in this section shall prevent the city attorney or his designee from advising the board or its members as to any matter relating to the performance of the duties of the board or its members.

C. Any person may be represented by an agent other than an attorney in the mediation hearing provided such agent is granted authorization to do so in writing, and the authorization includes authority to enter into a binding settlement of the dispute being mediated.

D. Attorneys may be appointed board members and may sit on a mediation panel.

14.04.130 Recommendations.

Within seven business days after the conclusion of a rent mediation hearing, the board shall issue its recommendation and mail a copy of such recommendation to the owner and tenant or tenants affected by or subject to the recommendation.

14.04.075 Secretary and minutes.

A. The city manager, or the city manager's designee, shall serve as secretary to the board and to any of its committees, and accurate minutes of the activities of the board shall be maintained by the secretary. Minutes shall include the following subject matter:

1. The time and place of each meeting of the board;
2. The names of the members present;
3. All official acts of the board;
4. The votes given by the members, except when the action is unanimous; and
5. A summary of all proceedings before the board.

B. All minutes shall be reduced to writing and shall be presented to the board at the earliest reasonable time for approval, amendment, or correction. The minutes, or true copies thereof, shall be open to public inspection. Copies of the minutes shall be furnished to the council, members of the board, and any other public official upon request.

14.04.080 Matters subject to mediation.

The board shall provide mediation services regarding claims that rent increases greater than five percent within a twelve-month period are excessive or unjustified. No other matter shall be within the jurisdiction of the board.

14.04.090 Notification of rent increases.

A. An owner shall provide written notice to tenants of an increase of ten percent or less of the rent charged during the twelve months prior to the effective date of the increase at least thirty days prior to the effective date of the increase.

B. If the proposed rent increase is greater than the amount described in subsection A of this section, the owner shall provide written notice of the increase to tenants at least sixty days prior to the effective date of the increase.

C. Notwithstanding subsection A or B of this section, mobile home park management shall provide homeowners written notice of any rent increase at least ninety days prior to the effective date of the increase.

D. Notice of any rent increase exceeding five percent of the rent charged during the twelve months prior to the

effective date of the increase shall include a notice to the tenant of the right to mediation/arbitration and that the tenant has ten business days following receipt of the notice to file a mediation petition in order to exercise the tenant's rights under this chapter.

14.04.100 Mediation of rent increases—Hearings.

A. If, within ten business days after the receipt of a notice of an increase in rent, a petition for mediation is filed by a tenant of a dwelling unit subject to the rental increase, then a mediation hearing shall be set within thirty days after such filing.

B. The hearing shall be conducted by a panel composed of three board members, one from each membership group. The member-at-large shall act as chairperson. If both parties consent in writing, the composition of the panel as set forth in this subsection may be waived.

C. The panel may require the landlord to provide specific documents and information in order to determine whether the proposed rent is reasonable and fair. If the landlord fails to submit documents and information within ten business days of the mailing of the panel's notice to provide such documents and information, the mediation hearing shall be cancelled and the notice of increase of rent shall be void for all purposes. The documents may include, but are not limited to, the following:

1. The actual operating expenses by category for the rental unit for a two-year period ending no more than four months before the proposed effective date of the increase;
2. The anticipated expenses for the rental unit for the twelve-month period of the proposed increase, including details of changes in any cost element;
3. The current and proposed rent schedule for the controlled rental unit;
4. A schedule of other fees and income from the rental unit;
5. The vacancy rate of each rental unit during the preceding two-year period;
6. The schedule of current leases for rental units affected by the proposed increase extending beyond the

effective date of the increase, showing the number of leases expiring each month; and

7. The details of any other factor affecting the need for the proposed rent increase.

D. A notice setting the time and place of the mediation hearing and a list of any materials requested by the panel shall be prepared by the board and served upon all parties. A copy of the petition initiating the mediation shall be served with such notice. Such service shall be made by mail to the addresses provided in the petition not less than ten days prior to the hearing. Service of the notice upon the resident manager on the premises or upon the person named in notices posted pursuant to Section 1962 of the Civil Code of the state shall be deemed to be service upon the landlord.

E. The mediation hearing shall not be open to the public.

F. If the tenant who petitioned for mediation, or the spokespersons designated pursuant to Section 14.04.110, fail to appear at the time and place of the hearing, the rent increase shall be deemed approved and shall take effect as provided in Section 14.04.210(C). If the landlord fails to appear at the time and place of the hearing, the rent increase shall be void, subject to the landlord's issuance of a new notice of rent increase pursuant to Section 14.04.090, which shall be subject to all rent mediation and arbitration procedures set forth in this chapter.

14.04.110 Consolidated hearings.

A. Whenever more than one petition for mediation has been filed with respect to rental units which are under common ownership or management and which are operated as a single housing complex, including a mobile home park, such requests, on order of the city or chairperson, may be consolidated for hearing.

B. Whenever two or more petitioners have joined in a consolidated hearing, they may elect up to three spokespersons to represent their interests during the hearing and to enter into a binding agreement.