

## NO CAUSE EVICTION

**PROPOSAL:** The committee proposes to end no-just-cause tenancy termination entirely. There is simply no justifiable basis on which to allow landlords to terminate tenancies capriciously or for any reason other than for-cause (with due process) as described in California Civil Code section 1946.1.

### DISCUSSION

Beverly Hills Municipal Code (Chapter 6) devotes just 31 words to describing how a tenancy may be terminated for any reason or for no reason at all:

Written notice provided in accordance with state law shall be given to any tenant in order for a landlord to terminate the tenancy of a rental unit subject to this chapter.

Our Municipal Code simply points to state law, which allows tenancies to be terminated with only 30- or 60-day notice (regardless of length of tenure or whether the household includes any member of a protected class of tenant). As the term implies, no reason is necessary.

City officials themselves have described how the possibility of a no-just-cause termination creates an atmosphere of fear in the resident base. It has discouraged a high proportion of tenants with unsanitary or substandard unit conditions from reporting problems, they say. Also, no-just-cause tenancy termination contravenes the public interest by undermining residential stability (a stated City Council goal). Worst, the policy disproportionately harms families - and especially those with children in the schools - because those households find it more difficult to secure replacement housing.

There is also a sound policy reason to end no-just-cause involuntary terminations: the policy is being misused by landlords who want a convenient and cost-effective alternative to for-cause evictions (according to the landlords' own statements to City Council). Misusing the policy in this way deprives the tenant of due process as no tenant can contest an action if no reason is required for the termination. There are also civil rights implications. The federal government mandates that housing providers must not discriminate. It has promulgated bright-line rules to that effect. Yet there can be no effective oversight (federal or otherwise) when no reason is required of a landlord who terminates a tenancy.

**Addendum.** In a recent issue of the *Beverly Hills Weekly*, Kevin Davis, chair of the Beverly Hills Property Owners Association, was quoted as saying: "Our feeling is that we need apartment owners to speak up and try to get laws which adhere to economic principle *and don't have any moral component to them.*" (Emphasis added.)

By "economic principle" our Committee assumes that Davis is referring to free market economics - the standard fallback position of property owners. "Let the free market work its magic," they say. However rental housing is far from a free market. All housing, even rental housing, is the most important commodity to any consumer because it is *home*. Consider the special circumstances of a family with children in the schools: how free is that family to uproot itself when the 'free market' options are effectively limited to suitable apartments and only those in Beverly Hills? How about the disruption?

If an essential principle of the 'free market' is the ability to choose among alternative providers, few tenants are so free to choose *after the tenant signs a lease*. The landlord then becomes the tenant's sole-source provider of housing (in effect a monopoly provider). Recognizing that the monopoly provider has complete control over a vital service, the government may monitor service delivery and otherwise restrain the monopolist from gouging the consumer. With rental housing, too, the government has a legitimate interest to protect consumers from unlawful or exploitative business practices (like tenancy terminations).

The Committee respectfully submits that our laws should, and in fact do, have such a moral component to them. We feel that rent stabilization is the perfect tool to properly regulate the housing market.

Lastly, there is a presumption that the property owner has made a significant investment while a tenant has made little or no investment. This is nonsense. Many tenants are long-tenured precisely because they have invested in their local community and would suffer significant emotional and financial consequences if uprooted. In contrast, some property owners have comparatively little invested beyond a small down payment. Their primary interest in the property may be asset appreciation or cash flow. Are they more entitled to consideration? Should they be entitled to terminate a tenancy for no reason? *No*.