



RENT STABILIZATION PROGRAM

SUMMARY OF CITY OF BEVERLY HILLS RENT REGULATIONS (“CHAPTER 6”) Frequently Asked Questions

On January 24 and February 21, 2017, the City Council of the City of Beverly Hills adopted revised rent stabilization regulations (Beverly Hills Municipal Code - BHMC - Section 4-5-6), which affects most rental housing in the city. The following “Frequently Asked Questions” are intended to address key questions about the application of the ordinance. If you need more information, please see www.beverlyhills.org/BHrent or call 310-285-1031.

1. What units are governed by the ordinance?

The ordinance (often referred to as “Chapter 6”) applies to all multiple residential dwellings consisting of two (2) units or more, except the following:

- Hotels, motels, inns and boarding houses unless a unit has been rented to the same tenant for more than 30 consecutive days;
- Rental housing built with a certificate of occupancy issued after February 1, 1995; and
- Rental housing built before 1978 and initially occupied by the current tenant for a rent of less than \$600/month. This is referred to as “Chapter 5” rental housing, and a different set of regulations applies to this housing. For more information, see BHMC Section 4.5.

2. What is required of landlords?

- Unit registration. All landlords must register non-exempt units with the City within 30 days of receiving notice that registration is required. For registration forms or more information on the rental registration process, please see www.beverlyhills.org/BHrent. Units that may have been exempt from the ordinance that are now entering the market as rental housing must register the units within 30 days of the end of the exemption. A unit must also be re-registered after any change in the required registration information or within 30 days of being re-rented after a vacancy.

- Provide information to new tenants regarding their rights and responsibilities. Twenty four hours prior to executing a lease, a landlord must give a prospective tenant written notice regarding the provisions of the City's rent stabilization ordinance, and other information regarding the tenant's rights and responsibilities as set forth in Section 4-6-5 B. A brochure is available from the City (www.beverlyhills.org/BHrent or call 310-285-1031 to request a copy) that includes the required information. A tenant must acknowledge in writing receipt of this information, and the landlord must retain this acknowledgement through the duration of the tenancy.

3. What rent increase is permitted?

A landlord may increase the rent one time within any twelve (12) month period a maximum of 3% or the annual Consumer Price Index (CPI) for the Los Angeles Area whichever is greater (Section 4-6-1), with a minimum 30-day written notice served in accordance with State and local law. [Section 4-6-3 and California Civil Code Section 827(b)(1)(B)(2),(3)].

4. How do I properly serve a notice of a rent increase?

A landlord's notice to a tenant must be in writing and "served" properly to be legally effective. A notice may be served as follows:

- *Personal service
- * Posting and mailing.
- *Substituted service on another person
 - * For specific requirements related to each type of service, please visit California Department of Consumer Affairs: <http://www.dca.ca.gov/publications/landlordbook/catenant.pdf>

5. Are building managers covered under the Rent Control Ordinance?

Yes, unless they are fully employed by the landlord under an Employment Contract.

6. Can a landlord pass on a utility surcharge?

Yes, for water and refuse, subject to the requirements of Section 4-6-7 (water) and/or Section 4-6-8 (refuse) . In addition to the rent otherwise permitted, the landlord may pass through 90 percent of the cost of any water penalties and/or surcharges, with required

notice, and after installing specified water-saving devices [Section 4-6-7]. The landlord may also pass through the cost of a refuse fee after giving required notice [Section 4-6-8].

7. Can a landlord apply to the City for a rent adjustment that exceeds the 3 percent or CPI maximum adjustment?

Yes. A landlord may file a rent adjustment application with the City for all rental units in the landlord's building to achieve a just and reasonable return based on net operating income principles [Section 4-6-13]. The request will be noticed to the tenants and subject to a hearing before a hearing officer. Applications for a rent adjustment can be found at www.beverlyhills.org/BHrent.

8. Can a landlord and tenant agree to a higher rent increase than the permitted 3% or CPI?

No [Section 4-6-4(a)].

9. On what basis can tenants be evicted?

The ordinance sets forth essentially two bases for evicting tenants: "just cause evictions," and evictions for other or no cause (treated the same for purposes of the ordinance). The type of eviction affects whether a "relocation" fee is required to be paid to the tenant and the amount of rent that can be charged a subsequent tenant.

- Just Cause Evictions.

A "just cause" eviction is the termination of a tenancy by the landlord for one of the following reasons:

- failure to pay rent [Section 4-5-502]
- violation of an obligation of the tenancy [Section 4-5-503]
- maintenance of a nuisance or causing damage to a unit [Section 4-5-504]
- illegal use of the apartment unit [Section 4-5-505]
- refusal to execute leases [Section 4-5-506]
- refusal to provide access to the apartment unit to make repairs, inspections or to show the unit to a prospective purchaser after appropriate notice is given [Section 4-5-507]
- allowing an unapproved subtenant [Section 4-5-508]

The landlord must provide at least 60 days notice, and file a copy of the notice of eviction with the City (Rent Stabilization Office: 455 North Rexford Drive, Beverly Hills, CA 90210) within one week of filing the notice with the tenant. After a "just cause" eviction, tenants

are not due any relocation payment, and the subsequent rent can rise to whatever amount is agreed to between the landlord and the next tenant.

- **No or Other Cause Eviction**

An eviction for any reason other than “just cause,” is treated the same under the City’s ordinance. For example, a landlord may evict a tenant so the owner (or close-relative) can occupy a unit, or to convert a unit to a condominium, to demolish it or withdraw it from the rental market (“Ellis Act”). Under these or other circumstances, or when a landlord evicts for no stated reason, the following applies:

- A relocation fee is required (see Question #15 below) for more information
- The rent charged to the subsequent tenant must be the same amount as the rent charged to the evicted tenant at the time of eviction (subject to any permitted annual adjustment as discussed in Question 3).
- More information concerning eviction procedures and tenant rights under State law is available in the “Tenants Handbook” at <http://www.dca.ca.gov/publications/landlordbook/index.shtml>

10. Can a landlord terminate a tenancy for no cause?

Yes, see #9. [Section 4-6-5(a)]

11. How much notice must the landlord give for an involuntary (no cause) termination of tenancy?

A minimum of 60 days as stipulated in the California Civil Code 2007 Update http://www.dca.ca.gov/publications/landlordbook/2007_update.shtml and the property owner must file copy of the notice with the City within one week after serving the notice on the tenant.

12. If an apartment unit is voluntarily vacated by the tenant how much rent can be charged?

The apartment unit may be re-rented for whatever amount the landlord and new tenant agree upon. [Section 4-6-5(a)]

13. Is a major remodel considered a just-cause for termination of tenancy?

No. A major remodel is not considered a just-cause for eviction and the apartment unit does not become decontrolled. A sixty (60) day written notice, served in accordance with State and local law, is required for termination of tenancy and after the remodel is completed, and the apartment unit may not be rented for more than the amount that was being paid by the resident whose tenancy was terminated for the remodel. [Section 4-6-6 and 4-6-5(a)]

14. If the lease or rental agreement allows for only a certain number of renters and more move in, can the landlord increase the rent and/or terminate tenancy?

Rent increases are restricted to once every 12 months, but if an additional person moves in to the unit, the landlord may terminate the tenancy, or a new rental agreement may be negotiated. You may consult the State of California's "California Tenants" at this link: <http://www.dca.ca.gov/publications/landlordbook/index.shtml>

15. Is the landlord required to pay a relocation fee?

Yes, a relocation fee is required (see chart below) when a tenancy is terminated for any reasons other than those set forth as "just cause" terminations (see #9). The relocation fee is to be paid to any tenant who vacates the apartment unit at the time he or she vacates it (assuming it is vacated in a timely manner – see Section 4-6-9 G). Filing a copy of the eviction notice with the City is required within one week after serving the notice on the tenant; the notice shall be filed with the Community Development Department at 455 North Rexford Drive, Beverly Hills, CA 90210 [Section 4-6-9]

Unit Type	Relocation Fee	If any tenant is a Senior Citizen (62+ yrs), Disabled Person, or Minor (under 18)
Studio	\$ 6,193	\$ 8,193
One Bedroom	\$ 9,148	\$ 11,148
Two or More Bedrooms	\$ 12,394	\$ 14,394

- 16. If there is more than one senior, disabled person and/or minor living in the unit, is an additional \$2000 required to be paid for each person who qualifies?**

No; the additional \$2000 is required to be paid when at least one qualifying person is living in the unit as an approved tenant.

- 17. What if there is a dispute about who is supposed to receive the relocation fee or over how much each tenant is supposed to get?**

If there is a dispute regarding the distribution of the relocation fee, the landlord must place the relocation fee in an escrow account until the dispute can be resolved (Section 4-6-9 D). If agreement cannot be reached among the parties, the matter is subject to a hearing by the City's hearing officer who will make the determination.

- 18. To whom do I report violations of the Rent Ordinance?**

It is highly recommended that you first contact your property owner, management company or responsible person in charge of your building. Alternatively, you may contact the Beverly Hills Community Preservation Office by email at codeenforcement@beverlyhills.org, or by phone at (310) 285-1119, or by submitting an online request at AskBev <https://clients.comcate.com/newrequest.php?id=31>

- 19. Where can I find more information on Beverly Hills Rent Control and/or tenant and landlord rights and responsibilities?**

More information is available online at www.beverlyhills.org/BHrent or call 310-285-1031. Also see: <http://www.dca.ca.gov/publications/landlordbook/index.shtml>.

- 20. Is a landlord required to pay relocation fees to a tenant when a lease with a fixed term expires and the landlord is not willing either to extend the tenancy or enter into a new lease agreement with the tenant?**

Yes. A landlord is required to pay relocation fees to a tenant who must vacate a unit following the expiration of a fixed term lease. (See Section 4-6-9.) A landlord is required to give written notice to any Chapter 6 tenant in order to terminate the tenancy and to provide a copy of the notice to the City within one week after serving the notice on the tenant. (See Section 4-6-6 and Section 4-6-9.)