



RENT STABILIZATION PROGRAM

Community Education Workshop

April 2018



Rent Stabilization Program

- Rent Stabilization Ordinance in effect since 1979

- Key Ordinance Amendments in 2017:
 - Establishes a rental registry requirement

 - Reduces the maximum annual rent increase from 10% to 3% or CPI whichever is greater for Chapter 6 Tenants

 - Establishes relocation fees for Chapter 6 Tenants and Updates Existing Relocation Fees for Chapter 5 Tenants



Rent Stabilization Program General Overview

- Annual Rental Unit Registration, Appeals & Certified Rents
- Maximum Allowable Annual Rent Increases
- Relocation Fees
- Next Steps: Analysis of the Rent Stabilization Ordinance
- Q&A



Annual Rental Unit Registration

- Properties are required to register by the landlord with the City:
 - All multi-family unit properties of two (2) units or more built before February 1, 1995, with certain exemptions.
 - What is registration process?
 - Landlords are required to report information for each rental unit annually
 - Next registration begins October 1, 2018
 - All units that are re-rented also have to be re-registered with the City within 30 days of re-rental



Requested Information for Each Rental Unit

Add Unit ✕

Site Address *
DR, BEVERLY HILLS, CA 90212 ▾

Unit * Occupied by *
Enter Unit No Tenant ▾

Site address is used in place of unit number

Square Feet Enter Square Feet ?	Move In Date * Select Move In date ?	Last Rental Increase * Last Rental Increase ?
Current Monthly Rent \$* Enter Monthly Rent ? <small>(Do not enter ' \$ ') Do not include temporary, one-time, or other surcharges or fees not identified on the lease agreement.</small>	Original Rent Amount \$* Enter Original Rent ? <small>(Do not enter ' \$ ') Do not include temporary, one-time, or other surcharges or fees not identified on the lease agreement.</small>	Number of Bedrooms * Enter No of Bedrooms ? <input type="checkbox"/> Not Required <small>(Number of Bedrooms Not Known.)</small>



Requested Information for Each Rental Unit

Number of Bathrooms*

Enter No of Bathrooms ?

Utility Paid by the Landlord

- Gas
- Water
- Power
- N/A

Occupants Include

- Over Age 62
- Under Age 18
- Disabled
- N/A
- Do Not Know

Per BHMC Section 4.6-.05

Included with Rent ?

- Parking
- N/A

Is the unit currently occupied by a tenant with a Section 8 voucher, or is the tenancy subject to contract with a government entity to non-profit with a government contract to provide rental housing?

No Yes

The owner/landlord has a signed original 'Tenant-Landlord Rights and Responsibilities Guide' and is on file for this tenant and is available upon the City's request?

No Yes

The fields marked with "*" are mandatory.

CANCEL

SUBMIT



Next Steps After Unit is Registered:

Notice To
Tenants

Tenants
verify rent
amounts

If rent
amount is
not
challenged

Rent
amount is
certified per
Petris Act

Tenant/Landlord
requests
Certificate

- Appeal of Certified Rent Amount
 - Tenants can file an appeal of the certified rent amount for their unit
 - Landlord can file an appeal of the certified rent amount for all units



Annual Rental Unit Registration

- Registration Status 2017
 - Registration period begun July 24, 2017
 - Registration period was continued to assist landlords comply with registration requirement

Registration Totals	Registered Units	Certified Units	Appeals/Hearings
<ul style="list-style-type: none">Registered Properties: 1,097	7,701	7,701	98 appeals 3 hearings
<ul style="list-style-type: none">Outstanding Properties: 1 (duplex)			

- New registration period expected to begin October 1, 2018



Maximum Allowable Rent Increases: Chapter 5 Tenants

➤ Who is a Chapter 5 Tenant?

Initial rent \$600 or less in building built prior 1978

➤ Rent increases:

- Calculated CPI or up to 8% whichever is less within any 12 month period
- Annual rent increase rate is calculated monthly based on change in the CPI
- Landlord required to provide minimum 30-day notice

➤ Other allowable surcharges:

- Capital Expenditure Surcharge
- Utility Expense Surcharges
- Surcharge for Additional Tenants
- Water Service Penalty Surcharge
- Refuse Fee Surcharge

	January	February	March	April	May
Maximum Allowable Rent Increases for 2018	1.7%	1.7%	1.8%	1.7%	1.7%



Maximum Allowable Rent Increases: Chapter 6 Tenants

➤ Who is a Chapter 6 Tenant? Initial rent over \$600

➤ Rent increases:

- Based on CPI¹ published in May or up to 3% which ever is higher
- 12 months must have elapsed before the rent can be increased again
- Landlord required to provide minimum 30-day notice

➤ Other allowable surcharges:

- Water Service Penalty Surcharge
- Refuse Fee Surcharge
- Based on Landlord Rent Adjustments Application

¹ CPI: Consumer Price Index for the Los Angeles/Riverside/Orange County area, as published between May 1st of the current year and May 1st of the prior year by the US Department of Labor, Bureau of Labor Statistics



Evictions, Noticing, and Relocation Fees

Vacancy Type: Chapter 5 & Chapter 6 Tenants	Landlord Noticing Requirements to Tenant & City	Relocation Fees Due?
Involuntary Eviction: <ol style="list-style-type: none"> 1. Use by landlord 2. Demolition or condo conversion 3. Major remodel 	Noticing following submittal of an application: <ol style="list-style-type: none"> 1. Use by landlord - 90 day 2. Demolition or condo conversion – 90 day 3. Major remodel – one (1) year <ul style="list-style-type: none"> • Landlord follows appropriate application procedures with City 	Yes
Just-Cause: <ul style="list-style-type: none"> • Failure to pay rent • Violation of an obligation • Maintenance of nuisances/damage unit • Illegal uses • Refusal to execute a lease • Refusal to provide access • Unapproved subtenants 	<ul style="list-style-type: none"> • 30 days if tenant occupied unit less than 12 months • 60 Days if tenant occupied unit more than 12 months • Landlord files copy of eviction notice with City within 7 days of issuance of the notice 	No



Evictions, Noticing, and Relocation Fees

Vacancy Type: Chapter 6 Tenant Only	Landlord Noticing Requirements to Tenant & City	Relocation Fees Due?
No-Cause Eviction	<ul style="list-style-type: none">• 30 days if tenant occupied unit less than 12 months• 60 Days if tenant occupied unit more than 12 months• Landlord files copy of eviction notice with City within 7 days of issuance of the notice	Yes



Key Facts About Relocation Fees

- Intended to offset expenditures for future housing such as:
 - First and last month's rent
 - Security deposit
 - Moving expenses
 - Utility start-up costs

- Adjusted annually by percentage increase to CPI¹ that is published in May

- Due at the time the unit is vacated:
 - Tenant removes all personal items & turns in keys
 - Landlord pays relocation fees

- Paid to a tenant who is the only tenant in unit; *or*

- Prorated among the tenants where a unit is occupied by two (2) or more tenants as concurred by all adult tenants

- Same amounts for Chapter 5 and Chapter 6 Tenants



Current Relocation Fees

- Adjusted Annually by the CPI Commencing July 1, 2018, and on July 1st of each year thereafter

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

¹ CPI: Commencing July 1, 2018, and on July 1st of each year thereafter Consumer Price Index for the Los Angeles/Riverside/Orange County area, as published between May 1st of the current year and May 1st of the prior year by the US Department of Labor, Bureau of Labor Statistics



Timeline of Program Implementation: 2017

January - May

- Council adopts urgency ordinance implementing new code provisions to Chapter 5 and Chapter 6
- Hired consultants to develop online registration system and to provide program assessment
- Ad Hoc interviews Facilitators
- Selected Facilitator

June

- Held 2 community workshops
- 1st facilitated dialogue session
- Prepare to Send Registry Notices to Landlords

July – August

- Facilitated Dialogues Sessions Continued
- Management Partners presents program assessment report to City Council
- Registry period opened
- Hired temporary staff

September -
December

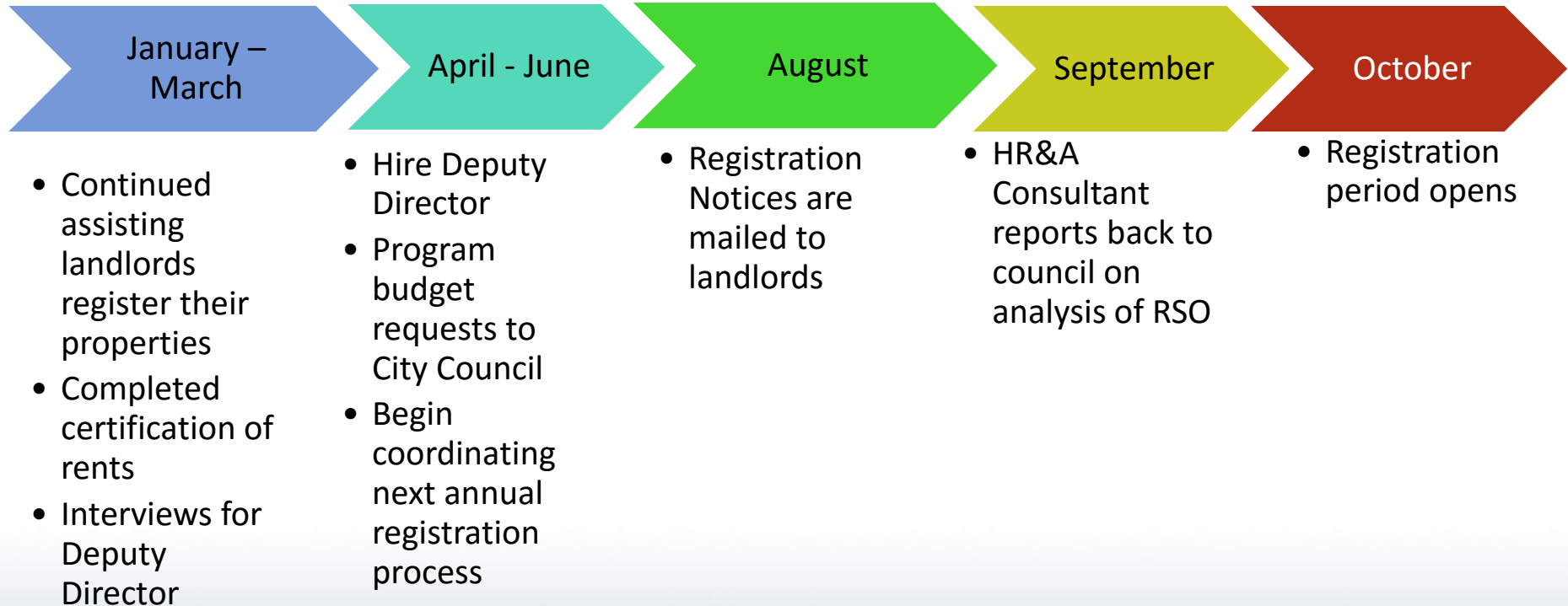
- Registry period continues
- Tenants verify rents
- Facilitator presents report to City Council
- Processed appeals/hearings
- Begin recruitment of Deputy Director

September -
December

- Certify Rents
- Council adopts Ordinance to prohibit landlords with outstanding registrations to raise rents
- Hired Consultant to conduct RSO Analysis
- Follow-up on outstanding registrations



Timeline of Program Implementation: 2018





Next Steps: RSO Analysis

- What is part of the RSO analysis?
 - Analysis of the data submitted through the registration process
 - Other Methods for Maximum Allowable Rent Increases
 - Relocation Fees
 - RSO Exemption of Duplex-Fourplex Buildings
 - No Just Cause Evictions
 - “Banking” of the Annual Allowable Rent Increase for one or future years
 - Ellis Act impact to Beverly Hills
 - Fair Return Standard based on Rent Adjustment Applications filed by landlords

- Consultant will report back to City Council in September 2018



Rent Stabilization Program

Q&A



Rent Stabilization Program – Stay Informed

Rent Stabilization Program

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Beverly Hills, CA 90210

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Monday – Thursday 7:30am to 5:30pm

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