



STAFF REPORT

Meeting Date: August 20, 2019
To: Honorable Mayor & City Council
From: Huma Ahmed, City Clerk
Subject: Request for City Council Direction Regarding the Rent Stabilization Commission Interview Process
Attachment: 1. Beverly Hills Municipal Code Sections 2-2-501 and 2-2-502

INTRODUCTION

On Friday, July 19, 2019 two separate City Council panels interviewed applicants for the newly created Rent Stabilization Commission. Panel A consisted of Councilmember Julian A. Gold, M.D. and Councilmember Lili Bosse, while Panel B consisted of Mayor John A. Mirisch and Vice Mayor Lester J. Friedman. There were a total of 25 applicants interviewed for the categories of Tenant, Landlord and At Large.

This report seeks City Council clarification on the City's adopted Beverly Hills Municipal Code (BHMC) Section 2-2-501 B as it defines the At Large category. Once resolved, the Rent Stabilization Commission interview process can be completed.

DISCUSSION

The Rent Stabilization Commission as established is to be composed of two (2) residents in each category, Tenant, Landlord and At Large, with one alternate for each group, with nine (9) members in total.

Beverly Hills Municipal Code (Section 2-2-501 B) Establishment of the Commission states, "The commission shall be comprised of two (2) landlords who own one or more residential rental properties within the City, two (2) tenants, and **two (2) members who are not Landlords, Tenants or Managers of an apartment building (At Large member)**. One of the three (3) alternates shall be a Landlord, who owns one or more residential rental properties in the City; one alternate shall be a Tenant, and **one alternate shall not be a Landlord, Tenant or Manager of an apartment building...**"

Therefore, under the current code, an At Large Commissioner cannot be a Landlord, Tenant, or Manager of an apartment building, whether or not the apartment building is in the City.

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During the commission interviews it was found that all (with the exception of one) of the applicants for the At Large category had financial and/or personal interests in multi-residential buildings outside of Beverly Hills. There were seven (7) applicants for the At Large category. From the At Large applicants, six (6) had interests in multi-family residential properties outside of Beverly Hills.

A minimum of three (3) applicants are currently needed for this category. With that in mind, the City Council is requested to provide direction on **one** of the following:

1. Revise the current City ordinance to allow At Large applicants to be a Landlord or Manager of an apartment building **outside** the City, **or**
2. Revise the current City ordinance to **allow** At Large applicants with financial investments (financiers) outside of Beverly Hills who do not have an active role in the multi-residential property (Tenant, Landlord and/or Manager), **or**
3. Direct the City Clerk's office to **re-open the application process** for At Large candidates as defined under the current definition of the City ordinance, **or**
4. Revise the current City ordinance to require **only one** At Large candidate and **reopen the application process** to attract one more candidate as an alternate. *This would revise the City ordinance which currently states two (2) At Large, with one (1) alternate.*

RECOMMENDATION

City Council is requested to review the current Rent Stabilization ordinance and provide direction on which option to further pursue.

Huma Ahmed
Approved By





Beverly Hills Municipal Code (BHMC) Rent Stabilization Commission

2-2-501: ESTABLISHMENT OF COMMISSION:

There is hereby established the Rent Stabilization Commission.

- A. **Appointment And Qualifications:** The commission shall be composed of six (6) members and three (3) alternates appointed by the City Council, all of whom shall be residents of the City. Applicants for membership on the commission shall submit an application to the City. The application shall include a statement under penalty of perjury of the applicant's interests and dealings in multi-family residential real property including, but not limited to, ownership, trusteeship, sale, or management, including investment in or in association with partnerships, corporations, companies, joint ventures, and syndicates engaged in the ownership, rental, sale, or management of multi-family residential real property during the three (3) years immediately prior to the date of submission of the applicant's application to the City. This documentation shall be made available to the public.
- B. **Composition:** The commission shall be comprised of two (2) landlords who own one or more residential rental properties within the City, two (2) tenants, and two (2) members who are not landlords, tenants or managers of an apartment building ("at large member"). One of the three (3) alternates shall be a landlord who owns one or more residential rental properties in the City; one alternate shall be a tenant, and one alternate shall not be a landlord, tenant or manager of an apartment building. The landlord alternate shall serve in place of the landlord members of the commission; the tenant alternate shall serve in place of the tenant members, and the at large alternate shall serve in place of the at large members. Members of the commission shall have the duties and functions set forth in this article and in title 4, chapters 5 and 6 of this Code with respect to rent stabilization.
- C. **Term Of Office:** Commission members shall serve terms of four (4) years. Commission member terms shall be staggered. Therefore, one landlord member, one tenant member, and one at large member of the initially appointed Commissioners and the landlord alternate, the tenant alternate and the at large alternate shall be appointed for an initial term of four (4) years. The other three (3) Commissioners shall be appointed for an initial term of two (2) years. Each Commissioner and alternate shall thereafter have the opportunity for reappointment to an additional four-year term. An appointment to fill a vacancy on the commission shall be for the period of the unexpired term.
- D. **Secretary Of The Commission:** The Deputy Director of Rent Stabilization shall act as the Secretary of the commission. The Secretary shall attend commission meetings and keep a record of the proceedings and transactions of the commission, specifying the names of the Commissioners in attendance at each meeting and the ayes and noes upon all roll calls. The Secretary shall, among other duties, post and publish all orders, resolutions, and notices which the commission shall order to be posted and published.



Beverly Hills Municipal Code (BHMC) Rent Stabilization Commission

- E. Quorum And Actions Of The Commission: Notwithstanding section 2-2-107 of this chapter, to constitute a quorum of the commission, the following six (6) Commissioners must be present: two (2) Commissioners who are the landlord members or the landlord alternate; two (2) who are tenant members or the tenant alternate, and two (2) who are the at large members or the at large alternate. The powers conferred upon the commission shall be exercised by resolution or motion adopted by a majority vote of the members of the commission and recorded in the minutes with the ayes and noes. If one or more alternates are present at a meeting but are not serving in the place of an absent Commissioner, the alternate(s) may participate in the commission's discussions about policy issues but shall not be entitled to cast a vote. (Ord. 19-O-2776, eff. 5-3-2019)

2-2-502: POWERS AND DUTIES OF THE COMMISSION:

Unless otherwise specified herein, the duties of the Rent Stabilization Commission shall be as follows:

- A. Make recommendations to the City Council concerning amendments to title 4, chapters 5 and 6 of this Code that have not been resolved by the City Council; and
- B. Perform any other functions that may be designated by resolution or motion of the City Council. (Ord. 19-O-2776, eff. 5-3-2019)