



CITY OF BEVERLY HILLS
RENT STABILIZATION COMMISSION

August 4, 2021

TO: Rent Stabilization Commission

FROM: Helen Morales, Deputy Director, Rent Stabilization, DPA

SUBJECT: POSSIBLE AMENDMENTS TO THE RENT STABILIZATION ORDINANCE (RSO) RE: RELOCATION FEES (CONT'D)

ATTACHMENTS: A. November 4, 2020, Staff Report
B. December 2, 2020, Staff Report
C. February 3, 2021, Staff Report
D. March 3, 2021, Staff Report

INTRODUCTION

Staff seeks recommendations from the Rent Stabilization Commission (Commission) to the City Council regarding possible amendments to the Rent Stabilization Ordinance (RSO) for both Chapter 5 and Chapter 6 of the Beverly Hills Municipal Code (BHMC) regarding relocation fees.

BACKGROUND

On November 4, 2020, the Commission was presented with a staff report (Attachment A) introducing the relocation fee topic and possible amendments to the RSO. At that meeting, staff presented the following:

- relocation fee requirements for no fault evictions;
- a history of prior facilitated sessions and City Council discussions;
- information from the HR&A Advisors, Inc. report on relocation fees;
- an explanation of how the relocation fees were established;
- an annual relocation fee increase schedule from 2017 to 2020; [should the schedule be updated, or not necessary?]
- a comparison of local area surrounding jurisdictions; and
- questions for discussion.

At the November 4, 2020, Commission meeting, the Commissioners asked that staff research specific questions and report back at the next regular meeting on December 2, 2020.

On December 2, 2020, staff presented a staff report as requested by the Commission (Attachment B) that included responses to the specific questions asked by the Commissioners. At the December 2, 2020, Commission meeting the Commissioners held discussions centered on the discussion questions presented in the staff report. The Chair requested that staff prepare a schedule of topics discussed through the December 2, 2020, Commission meeting and to include unresolved questions for further discussion at the next regular meeting. The item was continued to February 3, 2021.

On February 3, 2021, staff presented the Commission with a staff report (Attachment C) that included both the Table of Topics Discussed and Outstanding and the Monthly Rent Ranges by Unit Size from the Rent Registry. Staff presented the data for purposes of the Commissioners' continued discussion of a relocation fee structure, which would provide for relocation fees in the amount of 3 months of rent plus expenses (utilized in Culver City).

On March 3, 2021, staff presented the Commission with a staff report (Attachment D) that included research by staff related to moving costs. However, the meeting was canceled because of the lack of a quorum.

Next Steps

Staff encourages the Commission to discuss what, if any, revisions should be recommended to the City Council to be made to the RSO to modify the current relocation fee provisions for both Chapter 5 and Chapter 6 of the RSO.

Attachment A



CITY OF BEVERLY HILLS
RENT STABILIZATION COMMISSION

November 4, 2020

TO: Rent Stabilization Commission

FROM: Susan Healy Keene, Director of Community Development, AICP
Helen Morales, Deputy Director, Rent Stabilization, DPA

SUBJECT: POSSIBLE AMENDMENTS TO THE RENT STABILIZATION ORDINANCE (RSO) RE: RELOCATION FEES

ATTACHMENTS: A. Beverly Hills Municipal Code §§ 4-5-511, 4-5-512, 4-5-513, 4-5-601, 4-6-6 and 4-6-9 related to Relocation Fees for Chapter 5 and Chapter 6 Tenants
B. HR&A Data Brief
C. Extracted Public Comment Regarding Relocation Fees from the August 15, 2018 Facilitated Sessions
D. HR&A Issue Paper Regarding Relocation Fees
E. Local Jurisdiction Comparison

INTRODUCTION

Staff seeks recommendations from the Rent Stabilization Commission (Commission) to the City Council regarding possible amendments to the Rent Stabilization Ordinance (RSO) for both Chapter 5 and Chapter 6 of the Beverly Hills Municipal Code (BHMC) to amend provisions regarding relocation fees.

BACKGROUND

On January 24, 2017 and February 21, 2017, the City Council approved an urgency ordinance and conducted the first reading of a non-urgency ordinance to modify the Rent Stabilization Ordinance (BHMC Title 4 Chapter 5 and Chapter 6). The non-urgency Ordinance became effective on May 5, 2017. Among other provisions, the Ordinance established relocation fees for no fault evictions for Chapter 6 tenants. It also increased existing Chapter 5 relocation fees so they would be the same as Chapter 6 relocation fees (BHMC §§4-5-601 and 4-6-9).

Both BHMC §§4-5-601 and 4-6-9 require relocation fees for specific no-fault evictions. There are differences between Chapter 5 and Chapter 6 tenants' eligibility for relocation fees.

Only Chapter 6 tenants are eligible for relocation fees in the following instances:

- Refusal to execute a lease (BHMC § 4-6-6 (E))
- Change in Building Managers (BHMC §4-6-6 (I))

Both Chapter 5 and 6 tenants are eligible for relocation fees in the following instances:

- Use by Landlords (BHMC §§4-5-601 and §4-6-6 (H))
- Demolition or Condominium Conversion (BHMC §§4-5-511 and 4-6-6 (J))
- Major Remodeling (BHMC §§4-5-512 and 4-6-6 (K))

- Withdrawal of residential rent structure from the rental market (BHMC §§4-5-513 and 4-6-6 (L)) (BHMC Sections are included in Attachment A).

When the City Council met on September 5, 2017, they discussed several issues related to the RSO, including relocation fees. Council directed staff to contract with an economic consultant to address the questions that arose. On November 21, 2017, the City Council approved an agreement with HR&A Advisors, Inc. They provided a preliminary data brief comparing 14 rent stabilization ordinances in California (Attachment B). Among other things, they were specifically directed to answer the following question: should relocation fees be required or revised?

On August 7, 2018, City staff delivered to City Council a draft issue paper on relocation fees and other topics from consultant HR&A Advisors, Inc. On August 15, 2018, Rent Stabilization staff hosted a Facilitated Session for the public that invited feedback regarding proposed amendments to the RSO, including relocation fees (Attachment C). On October 11, 2018, HR&A Advisors, Inc. delivered the final issue paper, which included feedback from the August 15 Facilitated Session (Attachment D).

The HR&A report explained that, in general, relocation assistance programs seek to balance two competing objectives:

- 1) compensating tenants for replacement housing costs associated with involuntary, no-fault eviction, including out-of-pocket moving costs and for foregoing the financial benefit of remaining in a regulated unit, as compared with a replacement market-rate unit; and
- 2) protecting the housing provider's ownership rights, which include the right to self-occupancy, maintain and improve their property/and or go out of the rental business either through demolition or conversion to non-apartment residential uses.

The HR&A report reflected that tenants articulated the following positions regarding RSO amendments to relocation assistance payments:

- the amount of relocation fees should be adjusted annually at the same rate as the allowed annual rent increase (i.e., the greater of three percent or the applicable CPI) rather than based only on annual changes in the CPI);
- relocation fees should be paid by the housing provider at the time he or she notifies the City of an involuntary termination;
- in addition to the relocation fee structure for permanent eviction, a relocation fee structure should be established for temporary evictions on a per-diem basis;
- relocation fees should reflect estimated actual costs households will incur to relocate;
- 3-bedroom apartments should have its own relocation fee greater than a 2-bedroom unit;
- The additional relocation fees for protected classes should be increased \$3,000, and an additional \$1,500 should be awarded for each additional member of any protected tenant class;
- relocation fees should include lost wages and other accountable costs;
- families require at least one year's rent at the Beverly Hills rent level; and
- relocation fees should be tied to the unit size and length of tenancy.

The HR&A report reflected that housing providers articulated the following positions regarding RSO amendments to relocation assistance payments:

- the amount of the relocation fee should be limited to two times the current monthly rent, as opposed to three times; there should be a limit to the number of times an individual tenant can receive relocation fees, for example, one time every five years;
- relocation assistance eligibility should be based on tenant financial means; there should be an income cap on tenant eligibility for relocation assistance; and
- the City should accumulate data regarding the frequency of housing providers' relocation fee payments.

The HR&A report concluded with the following policy options:

- No policy change- the City could continue its relocation fee requirements as they currently exist;
- Alter fee amounts based on additional criteria- the City could add further variation to attempt to proportionally align fee amounts with the types of units and buildings being vacated, and the types of tenants being evicted, based on one or more specific criteria used by other cities with rent regulation, possibly including:
 - Tenant financial circumstances (e.g., fees could be stratified based on household income, with higher fees paid to lower income tenants like in West Hollywood and Los Angeles);
 - Duration of tenancy (e.g., fees could differ based on how long a tenant has occupied a unit); and/or
 - Type of evictions (e.g., fees could differ based on the circumstances under which tenancy is terminated, including potentially creating a separate fee structure for temporary repairs as a modest per diem payment for up to 30 days).
- Eliminate relocation requirements and fees
 - It is important to note that relocation fees for withdrawal of residential rent structure from the rental market are required under the Ellis Act and cannot be eliminated.

The HR&A report also reflected the following policy options from the 2018 facilitated dialogue sessions:

- tenants supported an additional policy option in which the current criteria for relocation fees are maintained, but the fee amounts are increased for qualified tenants (seniors, disabled persons and households with children).
 - HR&A suggested that this could be accomplished by updating the current fees to reflect current market costs on a tri-annual basis, with interim adjustments based on the CPI. They suggest that this would align the fees with market-rate local moving expenses, utility start-up costs, and three months of average monthly rents by type of unit every third year.
- housing providers supported an exemption for “bad actors” evicted for no stated cause.
 - HR&A suggested that this would be challenging to implement if the provision did not contain a just-cause eviction category (e.g. violating the terms of the lease,

nuisance behavior, or failure to pay rent). They further suggested that these types of just cause evictions already exist.

- It is important to note that subsequent to these meetings, effective December 18, 2018, the City Council amended the RSO to include a disruptive tenant eviction proceeding process. This process allows an owner to bring an action to recover possession of an apartment unit if: 1) the tenant repeatedly or continually disturbs the peaceful and quiet enjoyment of one or more tenants who occupy other rental units in the apartment building where the tenant resides; or 2) antagonizes, intimidates or bullies one or more tenants who reside at the apartment building (“disruptive tenant”) and the disruptive tenant does not cease the behavior when requested to do so by the other tenants or by the property owner or manager of the premises.
 - The owner may file an application requesting a subcommittee of the City Council to make a determination that a tenant is a disruptive tenant.
 - If the subcommittee determines that the tenant is a disruptive tenant, then the landlord or the landlord’s representative may serve the tenant with a written notice to terminate the tenancy in accordance with State law. Relocation fees are not required under this process.

The City Council continued their discussions on relocation fee amendments at City Council Study Session meetings on October 11, 2018, October 18, 2018, and November 20, 2018. The City Council discussed the following items relating to possible relocation fee amendments:

- Relocation fees should be determined by a mediation/rent board;
- Increasing relocation fee amounts;
- Escalating relocation fees based on tenure of tenancy;
- Requiring tenants to have occupied the unit for one-year; and
- Exemptions for property owners intending to occupy the unit.

Ultimately, staff sought direction on two specific points:

- 1) Whether to require relocation fees when evicting for use by landlords or the landlord’s relatives specified in the RSO?; and
- 2) Whether to change the relocation fee amounts or provide some form of tiered relocation fees tied to length of the tenant’s occupancy?

The City Council did not approve the submitted ordinance amending the RSO and planned to return with a new ordinance based on the discussion.

On December 18, 2018, staff returned to City Council with another proposed ordinance. It included an amendment that would base relocation fees on tenant tenure. It provided that a tenant would be eligible for 10% of the designated relocation fee amount for every year of occupancy. After ten years, the tenant would be eligible for full relocation fees. The amendment would reduce the amount of relocation fees for “owner occupancy,” use by landlords, and specified relatives. Staff noted that the reduction in the relocation fee for termination of tenancies due to owner occupancy would result in some tenants receiving less fees while costs for moving are the same

in all situations. The proposed amendment considered eviction for use by the owner to be involuntary. Therefore, rent would not go to market rate. A new tenant would pay the previous tenant's rent amount, plus maximum allowable rent adjustments. The City Council did not amend the RSO regarding relocation fees.

On February 5, 2019, staff returned to Council with an ordinance that would establish a hearing process for relocation fees. The housing provider could file an application based on owner hardship and seek to defer the payment of relocation fees. The ordinance would also require relocation fees be paid into an escrow account. The City Council did not make any changes to the RSO regarding relocation fees at that time.

Staff also reported how relocation fees were calculated. In 2017, the relocation fees were calculated by estimating the average rental market rate, by unit size, to cover first and last month's rent and a security deposit, moving expenses and utility start-up costs. Moving expenses were estimated based on five local area vendors within 20 to 30 miles of Beverly Hills. The total moving expense was calculated based on the average moving rate of \$124 per hour and an average of nine hours needed to move a 2-bedroom apartment. This resulted in a moving expense estimated at \$1,116.00. Utility start-up costs (Gas, Electricity, Phone, and TV/Internet) was estimated at \$277 as follows: \$132 for electricity service, \$45 for gas services, \$9.99 for basic phone service and \$89.99 for TV/Internet services. Staff contacted the Southern California Edison Gas Company by phone to obtain estimated start-up costs. It should be noted that those households that include a senior citizen (62+), disabled person, or a minor are entitled to an additional two thousand dollars (\$2,000) in relocation fees.

	2017 Relocation Fee Calculation			
	Studio	1 Bedroom	2+ Bedroom	3+ Bedroom*
Market Rate	1,600	2,585	3,667	n/a
First & Last Month's Rent +Security Deposit (3X Rent)	4,800	7,755	11,001	n/a
Local Moving Expenses **	1,116	1,116	1,116	n/a
Utility Start-up Costs***	277	277	277	n/a
Total Estimated Relocation	6,193	9,148	12,394	n/a

*2017 Analysis did not include 3+bedrooms

**20-30 miles

***Gas, Electricity, Phone, TV/Internet

The RSO provides that commencing on July 1, 2018, and on July 1 of each year thereafter, the amounts of the relocation fees shall be increased annually by a percentage equal to the percentage increase, if any, of the Consumer Price Index for the Los Angeles/Riverside/Orange County area, as published by the United States Department of Labor, Bureau of Labor Statistics between May 1 of the then current year and May 1 of the immediately preceding year. The following represents the annual relocation fees as recomputed effective July 1 of each year.

Annual Relocation Fee Comparison			
Relocation Period	Studio	1-Bedroom	2 + Bedroom
2017 Relocation Fees	6,193.00	9,148.00	12,394.00
2018 Relocation Fees (4.1% CPI Increase)	6,446.91	9,523.07	12,902.15
2019 Relocation Fees (3.1% CPI Increase)	6,646.77	9,818.28	13,302.12
2020 Relocation Fees (1.2% CPI Increase)	6,726.53	9,936.10	13,461.75

Relocation fees effective July 1 (May to May)

Although the City Council held many discussions on possible amendments to relocation fees, the City Council has not amended the RSO and requested that the Rent Stabilization Commission review the issue and make their recommendations to City Council.

DISCUSSION

All surrounding cities with rent stabilization ordinances require relocation fees as part of their rent stabilization ordinance. Culver City most recently adopted rent stabilization, passing an ordinance in 2020. In most cases, Beverly Hills' relocation amounts are less than neighboring jurisdictions. In each city the amount each tenant receives changes based on certain conditions. The most common conditions relate to unit size and household composition, with additional amounts provided for households with a senior, disabled person, or a minor child. Attachment E provides a comparison of local rent stabilization ordinance relocation fees.

Like Beverly Hills, Santa Monica and West Hollywood use rental unit size and household composition. Los Angeles uses length of tenancy, less than three years and greater than three years. Los Angeles also provides increased fees to those tenants that are qualified, meaning those with a household member that is a senior, disabled person, or a with a minor child and low-income households. Los Angeles also provides that those owners that meet that city's definition of "Mom and Pop" owners pay reduced relocation fees. Culver City has a blanket relocation fee amounting to three times the monthly rent plus \$1,000.

At the September 15, 2020 regular Council meeting, Councilmembers discussed the possibility of creating "Mom and Pop" carve outs with respect to COVID-19 relief. This may indicate that the City Council has an appetite to also adopt "Mom and Pop" considerations for relocation fees. If the Commission were to make such a recommendation, it would not be unprecedented. Los Angeles contains special considerations for "Mom and Pop" property owners. The Council

discussed defining “Mom and Pop” as owners who live on site and own 10 units or less of rental property.

The following are some considerations that the Rent Stabilization Commission may consider:

- Whether the current criteria for relocation fees should be maintained or modified and if so how?;
- Whether the relocation provisions of the RSO should be modified, and if so:
 - Should the relocation amount be modified and how?
 - Should the relocation amount for units over 2-bedrooms be increased?
 - Should the relocation fees be changed to be in line with other surrounding jurisdictions?
 - Should relocation amounts be tied to the tenant’s financial circumstances?
 - Should additional fees be required for low-income households?
- Whether to change the relocation fee amounts or provide some form of tiered relocation fees tied to length of the tenant’s occupancy?
 - Should relocation fees be required only after the tenant has resided in the unit for one year?
 - Should relocation amounts be based on 10% of relocation fees for every year of occupancy so that after ten years, the tenant would be eligible for full relocation fees?
- Whether to require relocation fees when evicting for use by landlords and the landlord’s relatives specified in the RSO?
 - Should there be reduced relocation fees for landlord use?
- Whether to add a “Mom and Pop” provision, like in Los Angeles, with reduced relocation fees?
 - Should “Mom and Pop” be defined as owners owning less than 10 units and residing at the property?;
- Whether relocation fees should be required to go to the Rent Stabilization Commission or a mediation board?; and
- Whether relocation fees should be established for temporary relocations?

Next Steps

Staff encourages the Commission to discuss what, if any, revisions should be recommended to the City Council to be made to the RSO to modify the current relocation fee provisions for both Chapter 5 and Chapter 6 of the RSO.

ATTACHMENT A

Beverly Hills Municipal Code Section, 4-5-511,

4-5-512, 4-5-513, 4-5-601, 4-6-6 and 4-6-9

4-5-511: DEMOLITION OR CONDOMINIUM CONVERSIONS:

A landlord may bring an action to recover possession of an apartment unit if the landlord seeks in good faith to recover possession so as to demolish or move the building or to convert apartment units into condominiums, stock cooperatives, or community apartments provided there is compliance with all of the following conditions:

A. The landlord has given the tenant not less than ninety (90) days' written notice, which has been approved by the city's rent stabilization office, that such tenancy shall terminate on a date after April 1, 1979. The notice shall state the specific reason for giving such notice and shall be deemed to include a representation and agreement by the landlord that the recovery of possession of the apartment unit is solely for a reason within the scope of this section and for no other reason. If payment of the relocation fees required by article 6 of this chapter does not accompany such notice, such notice shall also specify the amount of the relocation fees so required and that the tenant may collect such fees at the time the tenant vacates the unit. Such notice shall not be required if:

1. The demolition of the building has been mandated by law to be performed at an earlier date; or
2. Such notice has been given to a tenant who has vacated the apartment unit, the apartment unit has been rerented to a new tenant, and the new tenant has been advised by the landlord in writing that the notice of termination of tenancy had been given to the prior tenant. This exemption shall apply only if a copy of the written notice provided to such new tenant is filed with the city clerk within one week after such new tenant begins the occupancy of the apartment unit; or
3. A prior written notice which specified less than one year's notice has been given, and the tenant has been notified in writing, within thirty (30) days after August 21, 1979, that the prior written notice shall be considered an effective one year notice under this section.

B. The notice required by subsection A of this section shall not be given or served until such time as the landlord has:

1. Filed all necessary applications for the proposed project or development including, but not limited to, application for a demolition permit, moving permit or tentative map and paid all of the fees required by the city in connection with such applications;
2. Notified the city's rent stabilization department that an application to convert apartment units to condominiums or to move or demolish the building has been filed with any other department of the city so that notice of such filing may be given to the tenants at the property; and
3. That all permits or approvals necessary to commence demolition, removal or conversion have been issued.

C. No notice of tenancy termination given pursuant to this section after February 24, 1981, shall be effective unless all the applicable provisions of this chapter have been complied with, and a

copy of such notice has been placed on file with the city clerk prior to such notice being served on the tenant. A minimum fee of one hundred dollars (\$100.00) for each building for which notices of tenancy termination are to be filed with the city clerk shall be paid to the city for processing the notices prior to the filing of a notice with the city clerk. Where there are more than ten (10) apartment units in a building which are subject to this provision of this chapter, and for which notices of tenancy termination have been given, an additional fee of ten dollars (\$10.00) shall be paid to the city for each unit in excess of ten (10) units for which a notice of tenancy termination is given.

D. A relocation fee shall have been paid or deposited into escrow in accordance with the provisions of article 6 of this chapter. If an apartment unit vacated pursuant to this section has been rerented, the new tenant shall not be entitled to any relocation fee or other relocation benefit if he or she received the notices required by subsections A2 and E of this section.

E. Any apartment unit vacated pursuant to this section, if rerented, shall remain subject to the provisions of this chapter, and it shall be the responsibility of the landlord to notify any new tenant in writing of the controlled rents and the duration of the notice of termination. A copy of such notice shall be filed with the city clerk within one week after the new tenant begins occupancy of the apartment unit.

F. No writ or judgment restoring possession to the landlord shall be issued or entered unless and until the complaint for such writ or judgment filed by the landlord contains the landlord's declaration under penalty of perjury of the giving of notice to the tenant as required by this section, the expiration of any required notice period, the payment or deposit into escrow of the relocation fee specified in article 6 of this chapter, and that demolition or moving or the work of conversion into condominiums will commence within sixty (60) days after the filing of such complaint.

G. The provisions of this section shall not apply to a building manager who is entitled to the occupancy of an apartment unit solely because of his or her position as building manager. (1962 Code § 11-5.11; amd. Ord. 89-O-2068, eff. 8-8-1989)

4-5-512: MAJOR REMODELING:

A. A landlord may bring an action to recover possession of an apartment unit if the landlord seeks in good faith to recover possession so as to do alteration work on the building for the purposes of major remodeling provided that there is compliance with all of the following conditions:

1. The landlord has given the tenant not less than one year's written notice that such tenancy shall terminate. The notice shall state the specific reason for giving such notice and shall be deemed to include a representation and agreement by the landlord that the recovery of possession of the apartment unit is solely for a reason within the scope of this section and for no other reason. Such notice shall contain a statement of the rights of the tenants pursuant to this section and article 6 of this chapter and shall be approved by the city. Such notice shall not be required if:

- a. Major remodeling of the building has been mandated by law to be performed at an earlier date; or
 - b. Such notice has been given to a tenant who has vacated the apartment unit, the apartment unit has been re-rented to a new tenant, and the new tenant has been advised by the landlord in writing that the notice of termination of tenancy had been given to the prior tenant. This exemption shall apply only if a copy of the written notice provided to such new tenant is filed with the city clerk within one week after such new tenant begins the occupancy of the apartment unit.
2. The notice required by subsection A1 of this section shall not be given or served until such time as the landlord has received approval for the giving of such notice by the hearing officer. Such approval shall be given upon a showing by the landlord that written notice was received from the building official that the landlord has complied with all requirements, except for approval of final plans, for the issuance of a building permit for the purpose of major remodeling. The landlord shall file with the application for giving notice a copy of the final plans and specifications for the proposed remodeling. The hearing officer designated by the city manager ("hearing officer") shall establish the estimated new rent for the remodeled unit which shall not exceed one hundred fifty percent (150%) of the previous base rent. The notice required by subsection A1 of this section shall include such estimated new rent.
 3. No notice of tenancy termination given pursuant to this section after February 11, 1986, shall be effective unless all the applicable provisions of this chapter have been complied with and a copy of such notice has been placed on file with the city clerk prior to such notice being served on the tenant. A minimum fee of one hundred dollars (\$100.00) for each building for which notices of tenancy termination are to be filed with the city clerk shall be paid to the city for processing the notices prior to the filing of a notice with the city clerk. Where there are more than ten (10) apartment units in a building which are subject to this provision of this chapter, and for which notices of tenancy termination have been given, an additional minimum fee of ten dollars (\$10.00) shall be paid to the city for each unit in excess of ten (10) units for which a notice of tenancy termination is given.
 4. A relocation fee shall have been paid or deposited into escrow in accordance with the provisions of article 6 of this chapter. If an apartment unit vacated pursuant to this section has been re-rented the new tenant shall not be entitled to any relocation fee or other relocation benefit if he or she received the notices required by subsections A1a, A1b and A2 of this section.
- B. Any apartment unit vacated pursuant to this section if re-rented after eviction but prior to remodeling, shall remain subject to the provisions of this chapter, and it shall be the responsibility of the landlord to notify any new tenant in writing of the controlled rents and the duration of the notice of termination. A copy of such notice shall be filed with the city clerk within one week after the new tenant begins occupancy of the apartment unit.
 - C. Any provision of this chapter notwithstanding, in lieu of receiving a relocation fee or being relocated to a comparable unit, a tenant, within sixty (60) days after the service of the one year notice of tenancy termination required by subsection A of this section, may elect to relocate to a comparable unit in the building to be remodeled. The comparability of the replacement unit shall be determined by the city. For the purposes of this subsection, "comparability" shall mean a

unit with the same number of bedrooms as the unit vacated, and which is in a clean, functional, and secure state.

- D. Should a tenant elect to be relocated to a comparable unit in the building to be remodeled, he or she shall serve written notice of such election on the landlord and file a copy thereof with the city clerk. Such notice shall be served and filed within sixty (60) days after service of the one year notice of tenancy termination required by subsection A of this section. Upon the service and filing of the required notice of election within the time set forth herein, the notice of tenancy termination shall become null and void as to that tenant for the purposes of eviction. Upon the receipt of multiple notices required hereby, the landlord shall make an application to the hearing officer for a determination of the order of relocation. The hearing officer shall determine the order of relocation, taking into consideration the relative hardships relocation will place on the tenants electing to relocate hereunder.
- E. Upon the approval of the order of relocation as provided for in subsection D of this section, or if only one notice of election is received by the landlord, the landlord shall serve upon the tenant(s) and shall file a copy thereof with the city clerk notice of availability of the replacement unit. The tenant shall have thirty (30) days after the service and filing of the notice of availability to relocate to the replacement unit. The landlord shall pay the reasonable cost of such relocation. Any disagreement between the landlord and tenant regarding the reasonableness of the cost of relocation shall be submitted to the hearing officer for resolution. Should a tenant fail to relocate to the replacement unit within said thirty (30) days, the tenant shall vacate the unit within ninety (90) days after the date the notice of availability of the replacement unit was served and filed, and the landlord shall be relieved of the obligation of paying any further fees or costs provided for in this chapter.
- F. Upon the completion of the remodeling, the landlord shall serve upon tenant(s) and shall file a copy thereof with the city clerk notice of availability of the remodeled unit. The tenant shall have thirty (30) days after the service and filing of the notice of availability of the remodeled unit to relocate. The landlord shall pay the reasonable cost of such relocation. Any disagreement between the landlord and tenant regarding the reasonableness of the cost of relocation shall be submitted to the hearing officer for resolution. Should a tenant fail to relocate to the remodeled unit within said thirty (30) days, the tenant shall vacate the replacement unit within ninety (90) days after the date the notice of availability of the remodeled unit was served and filed, and the landlord shall be relieved of the obligation of paying any further fees or costs provided for in this chapter; provided, however, the landlord shall not be relieved of the obligation of paying fees or costs provided for in this chapter if the new base rent is in excess of the estimated base rent.
- G. If an apartment unit has been vacated for major remodeling, upon the completion of such remodeling the new allowable base rent for the apartment unit shall not exceed an amount equal to the previous base rent increased by the actual amount expended on such remodeling, including such items as interest or the value of capital up to eighteen percent (18%) per annum, and any fees or costs required to be paid to or on behalf of tenants pursuant to the provisions of this chapter, amortized in accordance with the straight line depreciation schedules allowed

under the federal income tax law, but in no case less than five (5) years. The tenant evicted for the purpose of such remodeling shall have a right of first refusal to rent the remodeled apartment unit provided such right is exercised within thirty (30) days after the landlord notifies the tenant when the apartment unit will be ready to be rented. If such tenant rerents the remodeled apartment unit, the landlord may increase the actual rent chargeable to such tenant at the time he or she actually occupies the unit to the new base rent allowed by this subsection or twenty percent (20%) above the estimated rent, whichever is less; provided, however, if a tenant elects to relocate as provided for in subsection C of this section, the new base rent shall not be applicable until one year after the notice of eviction required by subsection A of this section. The new base rent shall be established by the hearing officer within ninety (90) days after the tenant has reoccupied the unit or, if the tenant decides not to reoccupy the unit, within ninety (90) days after the unit is ready for occupancy, and the tenant has requested to be notified of the new base rent. The hearing officer shall be provided copies of documents by the landlord to be used to establish the new allowable base rent. If a tenant who was evicted pursuant to this section rerents the remodeled apartment unit, such tenant shall return the relocation fee to the landlord, less actual direct moving expenses and the amount by which such tenant's rent during the period when the tenant was out of the apartment exceeded the tenant's rent prior to such move, but not more than one hundred fifty dollars (\$150.00) per month.

- H. No writ or judgment restoring possession to the landlord shall be issued or entered unless and until the complaint for such writ or judgment filed by the landlord contains the landlord's declaration under penalty of perjury of the giving of notice to the tenant as required by this section, the expiration of the one year notice period, the payment or deposit into escrow of the relocation fee specified in article 6 of this chapter, and that the major remodeling work will commence within sixty (60) days after the filing of such complaint.
- I. The landlord shall file true copies of rental agreements for the rerented apartment units after major remodeling has been completed with the city clerk within one week after the new tenant begins occupancy of the apartment unit.
- J. The city manager or his designee shall issue guidelines for the implementation of the foregoing requirements, and all applicants for major remodeling pursuant to this section shall comply therewith.
- K. The provisions of this section shall not apply to a building manager who is entitled to occupancy of an apartment unit solely because of his or her position as building manager.
- L. For the purposes of this section, "major remodeling" shall mean the remodeling or reconstruction of more than one apartment unit subject to the provisions of this chapter in an existing building and a minimum amount per remodeled unit is expended on such work as follows:

Bachelor/single	\$ 7,000.00
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1 bedroom	10,000.00
2 bedrooms	15,000.00
3 or more bedrooms or 2 bedrooms and den	20,000.00

- M. The landlord shall obtain the building permit to perform the major remodeling within ninety (90) days after the date when the affected unit becomes vacant. The major remodeling shall be completed within one year of the date of issuance of the building permit. However, the building and safety department may extend the one year completion period upon a showing by the landlord of good cause for the failure to complete the repairs within the one year period and diligent efforts to complete the work timely. If the major remodeling work is not completed within the time period established by this subsection, including any extensions thereof approved by the city, the landlord shall be liable in a civil action, if commenced within two (2) years of the displacement, to any tenant who is evicted from an apartment unit as a result of a notice issued pursuant to subsection A1 of this section for the actual damages that were the proximate result of the displacement. (1962 Code § 11-5.12; amd. Ord. 98-O-2299, eff. 6-5-1998; Ord. 04-O-2449, eff. 6-18-2004)

4-5-513: WITHDRAWAL OF RESIDENTIAL RENTAL STRUCTURE FROM THE RENTAL MARKET:

A landlord may bring an action to recover possession of an apartment unit if the landlord intends to withdraw all apartment units in a building or structure on a parcel of land from the rental market, subject to the following conditions and requirements:

A. This section shall only apply to and shall only be exercised for the concurrent withdrawal of all apartment units in all buildings or structures on a parcel of land from the rental market, except where there is more than one building on a parcel and all buildings contain four (4) or more apartment units, in which case the landlord may withdraw all of the units in one or more of the buildings.

B. Not less than one hundred twenty (120) days from the date the landlord intends to withdraw the apartment units in a building or structure from the rental market, the landlord shall:

1. Provide written notice under penalty of perjury to the city of such intent, which notice shall contain the following information: address and legal description of the subject property, number of rental units being removed, the names of all tenants residing in the units being removed, the year the tenant(s) moved into the unit, the base rent for the unit and the current lawful rent applicable to each such unit.

2. Record with the Los Angeles County registrar-recorder a written notice prepared by and containing such information as is prescribed by the city summarizing the landlord's notice of intent and certifying that evictions have been commenced or will commence in accordance with applicable law.

3. Provide to the city's rent stabilization office copies of the notice recorded with the county and the notice(s) which were provided to the affected tenants.

4. If the tenant or lessee is at least sixty two (62) years of age or is disabled, and has lived in his or her apartment unit for at least one year prior to the date of delivery to the city of the notice required by subsection B1 of this section, then the date of withdrawal of that apartment unit shall be extended to one year from the date of delivery of the notice to the city, provided that the tenant or lessee has given the landlord written notice of his or her entitlement to the extension within sixty (60) days of delivery to the public entity of the notice of intent to withdraw the apartment unit from the rental market. In this situation, the following provisions shall apply:

a. The tenancy shall be continued on the same terms and conditions as existed on the date of delivery to the city of the notice of intent to withdraw, subject to any adjustments otherwise available under this title;

b. No party shall be relieved of the duty to perform any obligation under the lease or rental agreement;

c. The landlord may elect to extend the date of withdrawal on any other accommodation within the same building up to one year after the date of delivery to the city of the notice of intent to withdraw, subject to subsections B4a and B4b of this section;

d. Within thirty (30) days of the notification by the tenant or lessee to the landlord of his or her entitlement to an extension, the landlord shall give written notice to the city of the claim that the tenant or lessee is entitled to stay in his or her apartment unit for one year after the date of delivery to the city of the notice of intent to withdraw;

e. Within ninety (90) days of the date of delivery to the city of the notice of intent to withdraw, the landlord shall give written notice to the city and the affected tenant(s) or lessee(s) of the landlord's election to extend the date of withdrawal and the new date of withdrawal under subsection B4c of this section.

C. The landlord shall provide written notice of termination of tenancy to all affected tenants at least thirty (30) days prior to the service of and recordation of the notices in subsection B of this section which has been approved by the city's rent stabilization office and filed with the city clerk's office and which notice shall contain the following information:

1. That the landlord is evicting the tenant pursuant to this section and will provide the city with written notice required in subsection B of this section;

2. A summary of the specific information to be provided to the city in that notice regarding the tenant's unit;

3. That within thirty (30) days of receipt of notice to terminate, the tenant may notify the landlord in writing that the tenant would be interested in rerenting the unit if it is reoffered for rent at a future time and advising the tenant to notify the landlord and rent stabilization office of all future address changes;

4. A description of the tenant's rights as set forth in subsections E, F and G of this section;

5. That the landlord will provide a relocation fee in accordance with the provisions of article 6 of this chapter and that such fee may not be waived by the tenant, except as specifically provided in section 4-5-607 of this chapter; and

6. That if the tenant or lessee is at least sixty two (62) years of age or is disabled, and has lived in his or her apartment unit for at least one year prior to the date of delivery to the city of the notice required by subsection B1 of this section, then the tenancy shall be extended to one year after the delivery of the notice to the city, provided that the tenant gives written notice of his or her entitlement to the extension to the landlord within sixty (60) days of the date of delivery to the city of the notice of intent to withdraw. The notice shall further state that if these circumstances exist, the extended tenancy shall be continued on the same terms and conditions that existed on the date of delivery of the notice of withdrawal to the city, subject to any rent increases that are allowed by this chapter, and that no party shall be relieved of the duty to perform any obligation under the lease or rental agreement during the extended tenancy.

D. At the time when the tenant(s) vacate the unit, the landlord shall pay a relocation fee in accordance with the provisions of article 6 of this chapter.

E. In the event the withdrawn units are reoffered for rent by the landlord within two (2) years from the effective date of withdrawal, the landlord shall:

1. Provide written notice of such action to the city not less than thirty (30) days prior to rerenting the units;

2. Offer the units at the same rent level as of the date of withdrawal plus any annual rent increases permitted by this chapter that would have applied had the units not been withdrawn;

3. Provide those tenants who provided a notice of interest in rerenting pursuant to subsection C3 of this section the right of first refusal to rerent the unit by certified or registered mail, postage prepaid, to the last address provided by the tenant, in which case the tenant shall have no less than thirty (30) days within which to accept the offer, by personal service or certified or registered mail. Copies of these notices and the mail receipts shall be filed with the city's rent stabilization office within one week of mailing;

4. Be liable in a civil action if commenced within three (3) years of displacement to any tenant evicted due to withdrawal of a unit pursuant to this section for actual damages which were the proximate result of the displacement, in accordance with the principles enunciated in sections 7262 and 7264 of the California Government Code, and punitive damages;

5. Be liable in a civil action if commenced within three (3) years of displacement to the City for exemplary damages for displacement of tenants or lessees.

F. In the event the withdrawn units are reoffered for rent by the landlord within five (5) years after any notice of intent to withdraw the apartment unit is filed with the City, or within five (5) years after the effective date of the withdrawal of the apartment unit, whichever is later, the landlord shall provide not less than thirty (30) days' prior written notice of such action to the City prior to rerenting the units and shall offer the units at the same rent level as of the date of withdrawal, plus annual rent increases permitted by this chapter that would have applied had the units not been withdrawn.

G. Moreover, if the units are reoffered for rent within ten (10) years from the effective date of removal, the landlord shall provide those tenants who provided notice of interest in rerenting pursuant to subsection C3 of this section the right of first refusal to rerent the unit, by certified or registered mail, postage prepaid, to the last address provided by the tenant, in which case the tenant shall have no less than thirty (30) days within which to accept the offer by personal service or certified or registered mail. Copies of these notices and the mail receipts shall be filed with the City's Rent Stabilization Office within one week of mailing. Failure of the landlord to provide the tenant with this right of first refusal shall render the landlord liable in a civil action to the tenant in punitive damages in an amount not to exceed six (6) months' rent.

H. This section shall in no respect relieve a landlord from complying with the requirements of any applicable State law or of any lease or rental agreement.

I. The remedies provided for in this section shall not be exclusive and shall not preclude a tenant from pursuing any alternative remedy available under law. Failure by any landlord to comply with the requirements of this section shall constitute a defense in any unlawful detainer action brought to evict a tenant under this section.

J. For the purpose of this section, the term "landlord" shall be interpreted to include any and all successors in interest of any landlord, and the term "disabled" shall mean a person with a disability, as defined in section 12955.3 of the California Government Code.

K. The notice to the City provided for in this section shall be accompanied by a processing fee in an amount determined by resolution of the City Council.

L. This section is intended to implement the requirements of sections 7060 through 7060.7 of the California Government Code, and shall be interpreted so as to provide the City with the broadest range of authority permitted under these provisions and to intrude the least into the City's authority in all other applications of its power.

M. This section shall apply to any apartment units that are being removed from the rental market, if the notice of termination of tenancy required by State law or by a lease agreement has not been given at the time of adoption hereof or if such notice has been given, the notice period has not expired at the time of adoption hereof. (1988 Code; amd. Ord. 04-O-2449, eff. 6-18-2004)

4-5-601: FEES REQUIRED:

Any landlord who serves a notice of eviction on a tenant pursuant to section 4-5-509 or 4-5-511 of this chapter shall pay to such tenant a relocation fee in accordance with the provisions of this article. Such fee shall be due and payable to such tenant whether or not such landlord actually utilizes the apartment unit for the purposes stated in the notice of eviction, unless such landlord notifies such tenant in writing of the withdrawal of the notice of eviction prior to such time as the tenant has given the landlord notice of his or her last date of occupancy, or has vacated if such notice of the last date of occupancy is not given by the tenant, and files a copy of such notice with the City Clerk within one week after serving such notice on the tenant. (1962 Code § 11-6.01)

4-6-6: EVICTIONS:

It is unlawful for a landlord to bring an action to recover the possession of an apartment unit except upon a ground specified in this section.

A. **Failure To Pay Rent:** A landlord may bring an action to recover the possession of an apartment unit if the tenant has failed to pay the rent to which the landlord is entitled or any surcharge which has been lawfully imposed.

B. **Violations Of Obligations:** A landlord may bring an action to recover the possession of an apartment unit if the tenant has violated an obligation or covenant of the tenancy, including, but not limited to, any obligation in a written apartment rental agreement, other than the obligation to render possession upon proper notice, and has failed to cure such violation after having received written notice thereof from the landlord.

C. **Maintenance Of Nuisances:** A landlord may bring an action to recover the possession of an apartment unit if the tenant is committing or permitting to exist a nuisance in, or is causing damage to, the apartment unit or to the appurtenances thereof, or to the common areas of the complex containing the apartment unit, or is creating an unreasonable interference with the comfort, safety, or enjoyment of any of the other residents of the same or any adjacent building.

D. **Illegal Uses:**

1. A landlord may bring any action to recover the possession of an apartment unit if the tenant is using or permitting an apartment unit to be used for an illegal purpose.

2. For the purposes of this section, "illegal purpose" shall mean and include, but not be limited to, the occupancy of the apartment unit by a number of persons in excess of the following numbers:

Bachelor/single	3 persons
1 bedroom of 1,200 square feet or less	4 persons
1 bedroom in excess of 1,200 square feet	5 persons
2 bedrooms of 1,500 square feet or less	5 persons
2 bedrooms in excess of 1,500 square feet	6 persons
3 bedrooms of 2,100 square feet or less	7 persons
3 or more bedrooms in excess of 2,100 square feet	8 persons

E. **Refusal To Execute Leases:** A landlord may bring an action to recover the possession of an apartment unit following the expiration of a written apartment rental agreement, or any written renewal or extension thereof, if a tenant who had such an agreement has refused to execute a written renewal or extension thereof provided all of the following conditions are met:

1. The landlord made a written request or demand for such renewal or extension at least thirty (30) days prior to the date such agreement expired;

2. The proposed renewal or extension was for a term of the same duration as the agreement which expired; and

3. The proposed renewal or extension contained the same terms and conditions as the agreement which expired provided the rent level in such proposed renewal or extension has been determined in accordance with the requirements of section 4-6-3 of this chapter.

F. **Refusal To Provide Access:** A landlord may bring an action to recover the possession of an apartment unit if the tenant has refused the landlord reasonable access to the unit for the purpose of making repairs or improvements, or for the purpose of inspection as permitted or required by an apartment rental agreement or by law, or for the purpose of showing the apartment unit to any prospective purchaser or mortgagee.

G. **Unapproved Subtenants:** A landlord may bring an action to recover the possession of an apartment unit if the person in possession of the apartment unit at the end of the term of any apartment rental agreement is a subtenant who was not approved by the landlord. This section shall not be deemed to invalidate any provision in any written apartment rental agreement pertaining to the assignment or subleasing of an apartment unit.

H. Use By Landlords:

1. A landlord may recover the possession of an apartment unit if the landlord seeks in good faith to recover such possession for use and occupancy by the landlord or the landlord's spouse, children, or parents provided all of the following conditions are met:

a. The landlord has provided not less than ninety (90) days' written notice of tenancy termination to the tenant, which notice specifies the name and then current address of the proposed occupant, and has filed a copy of such notice with the City's rent stabilization program prior to serving such notice upon the tenant;

b. The tenant is paid a relocation fee in accordance with the provisions of section 4-6-9 of this chapter; and

c. At no time during the ninety (90) day notice period is there a vacant apartment unit in the building comparable to the one sought by the landlord; and

d. The unit to be recovered by the landlord is occupied by the most recent tenant(s) to occupy a unit comparable to the type of unit sought by the landlord or relative described in this subsection H1.

Notwithstanding the foregoing, no senior citizen or handicapped tenant shall be evicted unless there is no other unit on the parcel of land comparable to the type of unit sought by the landlord or relative. If there are one or more comparable units in such case, the landlord shall recover the comparable unit occupied by the most recent tenant who is not a senior citizen or handicapped person. For the purposes of this section, "senior citizen" shall mean a person sixty five (65) years of age or older. Whether a unit is comparable to the type of unit sought by the landlord or relative shall be determined by the City.

2. A landlord may recover the possession of only one apartment unit located on the same parcel of land for the purposes set forth in this section, regardless of the number of buildings on such parcel.

3. If the landlord or the landlord's relative, as defined in subsection H1 of this section, occupies an apartment unit obtained pursuant to the provisions of this section for at least one year, such apartment unit shall be deemed to be exempt from the provisions of this chapter; provided, however, if such apartment unit is subsequently re-rented to a person who is not the landlord or such relative of the landlord, such apartment unit shall again be subject to the provisions of this chapter.

4. For the purposes of this section only, "landlord" shall mean only such natural persons as have the largest ownership interest in the building or in the entity owning the building.

5. There shall be a rebuttable presumption that the landlord has not acted in good faith if the owner or relative for whom the tenant was evicted does not move into the apartment unit within thirty (30) days and occupy said unit for a minimum of twelve (12) continuous months thereafter. In situations when the apartment unit is being remodeled pursuant to a building permit issued by the City, the thirty (30) day period shall commence when the final inspection of the remodeling work is performed and approved by the City's Department of Building and Safety.

I. Change Of Building Managers: A landlord may bring an action to recover the possession of an apartment unit if the landlord seeks in good faith to recover the possession of an apartment unit then occupied by an apartment building manager whose employment as such has been, or is to be, terminated, and such possession is needed for the sole purpose of occupancy by a new manager.

J. Demolition Or Condominium Conversions: A landlord may bring an action to recover possession of an apartment unit if the landlord seeks in good faith to recover possession so as to demolish or move the building or to convert apartment units into condominiums, stock cooperatives, or community apartments provided there is compliance with all of the following conditions:

1. The landlord has given the tenant not less than ninety (90) days' written notice, which has been approved by the City's rent stabilization program, that such tenancy shall terminate on a date after October 18, 2018. The notice shall state the specific reason for giving such notice and shall be deemed to include a representation and agreement by the landlord that the recovery of possession of the apartment unit is solely for a reason within the scope of this section and for no other reason. If payment of the relocation fees required by section 4-6-9 of this chapter does not accompany such notice, such notice shall also specify the amount of the relocation fees so required and that the tenant may collect such fees at the time the tenant vacates the unit. Such notice shall not be required if:

a. The demolition of the building has been mandated by law to be performed at an earlier date; or

b. Such notice has been given to a tenant who has vacated the apartment unit, the apartment unit has been re-rented to a new tenant, and the new tenant has been advised by the landlord in writing that the notice of termination of tenancy had been given to the prior tenant. This exemption shall apply only if a copy of the written notice provided to such new tenant is filed with the City's rent stabilization program within one week after such new tenant begins the occupancy of the apartment unit; or

c. A prior written notice which specified less than one year's notice has been given, and the tenant has been notified in writing, within thirty (30) days after October 18, 2018, that prior written notice shall be considered an effective one year notice under this section.

2. The notice required by subsection J1 of this section shall not be given or served until such time as the landlord has:

a. Filed all necessary applications for the proposed project or development including, but not limited to, application for a demolition permit, moving permit or tentative map and paid all of the fees required by the City in connection with such applications;

b. Notified the City's rent stabilization program that an application to convert apartment units to condominiums or to move or demolish the building has been filed with any other department of the City so that notice of such filing may be given to the tenants at the property; and

c. That all permits or approvals necessary to commence demolition, removal or conversion have been issued.

3. No notice of tenancy termination given pursuant to this section after October 18, 2018, shall be effective unless all the applicable provisions of this chapter have been complied with, and a copy of such notice has been placed on file with the City's rent stabilization program prior to such notice being served on the tenant. A minimum fee of one hundred dollars (\$100.00) for each building for which notices of tenancy termination are to be filed with the City's rent stabilization program shall be paid to the City for processing the notices prior to the filing of a notice with the rent stabilization program. Where there are more than ten (10) apartment units in a building which are subject to this provision of this chapter, and for which notices of tenancy termination have been given, an additional fee of ten dollars (\$10.00) shall be paid to the City for each unit in excess of ten (10) units for which a notice of tenancy termination is given.

4. A relocation fee shall have been paid or deposited into escrow in accordance with the provisions of section 4-6-9 of this chapter. If an apartment unit vacated pursuant to this section has been re-rented, the new tenant shall not be entitled to any relocation fee or other relocation benefit if he or she received the notices required by subsections J1b and J5 of this section.

5. Any apartment unit vacated pursuant to this section, if re-rented, shall remain subject to the provisions of this chapter, and it shall be the responsibility of the landlord to notify any new tenant in writing of the controlled rents and the duration of the notice of termination. A copy of such notice shall be filed with the rent stabilization program within one week after the new tenant begins occupancy of the apartment unit.

6. No writ or judgment restoring possession to the landlord shall be issued or entered unless and until the complaint for such writ or judgment filed by the landlord contains the landlord's declaration under penalty of perjury of the giving of notice to the tenant as required by this section, the expiration of any required notice period, the payment or deposit into escrow of the relocation fee specified in section 4-6-9 of this chapter, and that demolition or moving or the work of conversion into condominiums will commence within sixty (60) days after the filing of such complaint.

7. The provisions of this section shall not apply to a building manager who is entitled to the occupancy of an apartment unit solely because of his or her position as building manager.

K. Major Remodeling:

1. A landlord may bring an action to recover possession of an apartment unit if the landlord seeks in good faith to recover possession so as to do alteration work on the building for the purposes of major remodeling provided that there is compliance with all of the following conditions:

a. The landlord has given the tenant not less than one year's written notice that such tenancy shall terminate. The notice shall state the specific reason for giving such notice and shall be deemed to include a representation and agreement by the landlord that the recovery of possession of the apartment unit is solely for a reason within the scope of this section and for no other reason. Such notice shall contain a statement of the

rights of the tenants pursuant to this section and section 4-6-9 of this chapter and shall be approved by the City's rent stabilization program. Such notice shall not be required if:

(1) Major remodeling of the building has been mandated by law to be performed at an earlier date; or

(2) Such notice has been given to a tenant who has vacated the apartment unit, the apartment unit has been re-rented to a new tenant, and the new tenant has been advised by the landlord in writing that the notice of termination of tenancy had been given to the prior tenant. This exemption shall apply only if a copy of the written notice provided to such new tenant is filed with the City rent stabilization program within one week after such new tenant begins the occupancy of the apartment unit.

b. The notice required by subsection K1a of this section shall not be given or served until such time as the landlord has received approval for the giving of such notice by the Hearing Officer. Such approval shall be given upon a showing by the landlord that written notice was received from the building official that the landlord has complied with all requirements, except for approval of final plans, for the issuance of a building permit for the purpose of major remodeling. The landlord shall file with the application for giving notice a copy of the final plans and specifications for the proposed remodeling. A Hearing Officer designated by the City Manager ("Hearing Officer") shall establish the estimated new rent for the remodeled unit which shall not exceed one hundred fifty percent (150%) of the previous base rent. The notice required by subsection K1a of this section shall include such estimated new rent.

c. No notice of tenancy termination given pursuant to this section after October 18, 2018, shall be effective unless all the applicable provisions of this chapter have been complied with and a copy of such notice has been placed on file with the rent stabilization program prior to such notice being served on the tenant. A minimum fee of one hundred dollars (\$100.00) for each building for which notices of tenancy termination are to be filed with the rent stabilization program shall be paid to the City for processing the notices prior to the filing of a notice with the rent stabilization program. Where there are more than ten (10) apartment units in a building which are subject to this provision of this chapter, and for which notices of tenancy termination have been given, an additional minimum fee of ten dollars (\$10.00) shall be paid to the City for each unit in excess of ten (10) units for which a notice of tenancy termination is given.

d. A relocation fee shall have been paid or deposited into escrow in accordance with the provisions of section 4-6-9 of this chapter. If an apartment unit vacated pursuant to this section has been re-rented the new tenant shall not be entitled to any relocation fee or other relocation benefit if he or she received the notices required by subsections K1a, and K1a(2) of this section.

2. Any apartment unit vacated pursuant to this section if re-rented after eviction but prior to remodeling, shall remain subject to the provisions of this chapter, and it shall be the responsibility of the landlord to notify any new tenant in writing of the controlled rents and the duration of the notice of termination. A copy of such notice shall be filed with the rent stabilization program within one week after the new tenant begins occupancy of the apartment unit.

3. Any provision of this chapter notwithstanding, in lieu of receiving a relocation fee or being relocated to a comparable unit, a tenant, within sixty (60) days after the service of the one year notice of tenancy termination required by subsection K1 of this section, may elect to relocate to a comparable unit in the building to be remodeled. The comparability of the replacement unit shall be determined by the rent stabilization program. For the purposes of this subsection, "comparability" shall mean a unit with the same number of bedrooms as the unit vacated, and which is in a clean, functional, and secure state.

4. Should a tenant elect to be relocated to a comparable unit in the building to be remodeled, he or she shall serve written notice of such election on the landlord and file a copy thereof with the rent stabilization program. Such notice shall be served and filed within sixty (60) days after service of the one year notice of tenancy termination required by subsection K1 of this section. Upon the service and filing of the required notice of election within the time set forth herein, the notice of tenancy termination shall become null and void as to that tenant for the purposes of eviction. Upon the receipt of multiple notices required hereby, the landlord shall make an application to the Hearing Officer for a determination of the order of relocation. The Hearing Officer shall determine the order of relocation, taking into consideration the relative hardships relocation will place on the tenants electing to relocate hereunder.

5. Upon the approval of the order of relocation as provided for in subsection K4 of this section, or if only one notice of election is received by the landlord, the landlord shall serve upon the tenant(s) and shall file a copy thereof with the rent stabilization program notice of availability of the replacement unit. The tenant shall have thirty (30) days after the service and filing of the notice of availability to relocate to the replacement unit.

The landlord shall pay the reasonable cost of such relocation. Any disagreement between the landlord and tenant regarding the reasonableness of the cost of relocation shall be submitted to the Hearing Officer for resolution. Should a tenant fail to relocate to the replacement unit within said thirty (30) days, the tenant shall vacate the unit within ninety (90) days after the date the notice of availability of the replacement unit was served and filed, and the landlord shall be relieved of the obligation of paying any further fees or costs provided for in this chapter.

6. Upon the completion of the remodeling, the landlord shall serve upon tenant(s) and shall file a copy thereof with the rent stabilization program notice of availability of the remodeled unit. The tenant shall have thirty (30) days after the service and filing of the notice of availability of the remodeled unit to relocate. The landlord shall pay the reasonable cost of such relocation. Any disagreement between the landlord and tenant regarding the reasonableness of the cost of relocation shall be submitted to the Hearing Officer for resolution. Should a tenant fail to relocate to the remodeled unit within said thirty (30) days, the tenant shall vacate the replacement unit within ninety (90) days after the date the notice of availability of the remodeled unit was served and filed, and the landlord shall be relieved of the obligation of paying any further fees or costs provided for in this chapter; provided, however, the landlord shall not be relieved of the obligation of paying fees or costs provided for in this chapter if the new base rent is in excess of the estimated base rent.

7. If an apartment unit has been vacated for major remodeling, upon the completion of such remodeling the new allowable base rent for the apartment unit shall not exceed an amount equal to the previous base rent increased by the actual amount expended on such remodeling, including such items as interest or the value of capital up to eighteen percent (18%) per annum, and any fees or costs required to be paid to or on behalf of tenants pursuant to the provisions of this chapter, amortized in accordance with the straight line depreciation schedules allowed under the Federal Income Tax Law, but in no case less than five (5) years. The tenant evicted for the purpose of such remodeling shall have a right of first refusal to rent the remodeled apartment unit provided such right is exercised within thirty (30) days after the landlord notifies the tenant when the apartment unit will be ready to be rented. If such tenant re-rents the remodeled apartment unit, the landlord may increase the actual rent chargeable to such tenant at the time he or she actually occupies the unit to the new base rent allowed by this subsection or twenty percent (20%) above the estimated rent, whichever is less; provided, however, if a tenant elects to relocate as provided for in subsection K3 of this section, the new base rent shall not be applicable until one year after the notice of eviction required by subsection A of this section. The new base rent shall be established by the Hearing Officer within ninety (90) days after the tenant has reoccupied the unit or, if the tenant decides not to reoccupy the unit, within ninety (90) days after the unit is ready for occupancy, and the tenant has requested to be notified of the new base rent. The Hearing Officer shall be provided copies of documents by the landlord to be used to establish the new allowable base rent. If a tenant who was evicted pursuant to this section re-rents the remodeled apartment unit, such tenant shall return the relocation fee to the landlord, less actual direct moving expenses and the amount by which such tenant's rent during the period when the tenant was out of the apartment exceeded the tenant's rent prior to such move, but not more than one hundred fifty dollars (\$150.00) per month.

8. No writ or judgment restoring possession to the landlord shall be issued or entered unless and until the complaint for such writ or judgment filed by the landlord contains the landlord's declaration under penalty of perjury of the giving of notice to the tenant as required by this section, the expiration of the one year notice period, the payment or deposit into escrow of the relocation fee specified in section 4-6-9 of this chapter, and that the major remodeling work will commence within sixty (60) days after the filing of such complaint.

9. The landlord shall file true copies of rental agreements for the re-rented apartment units after major remodeling has been completed with the rent stabilization program within one week after the new tenant begins occupancy of the apartment unit.

10. The City Manager or his designee shall issue guidelines for the implementation of the foregoing requirements, and all applicants for major remodeling pursuant to this section shall comply therewith.

11. The provisions of this section shall not apply to a building manager who is entitled to occupancy of an apartment unit solely because of his or her position as building manager.

12. For the purposes of this section, "major remodeling" shall mean the remodeling or reconstruction of more than one apartment unit subject to the provisions of this chapter in an existing building and a minimum amount per remodeled unit is expended on such work as follows:

Bachelor/single

\$ 7,000.00

1 bedroom	10,000.00
2 bedrooms	15,000.00
3 or more bedrooms or 2 bedrooms and den	20,000.00

13. The landlord shall obtain the building permit to perform the major remodeling within ninety (90) days after the date when the affected unit becomes vacant. The major remodeling shall be completed within one year of the date of issuance of the building permit. However, the Building and Safety Department may extend the one year completion period upon a showing by the landlord of good cause for the failure to complete the repairs within the one year period and diligent efforts to complete the work timely. If the major remodeling work is not completed within the time period established by this subsection, including any extensions thereof approved by the City, the landlord shall be liable in a civil action, if commenced within two (2) years of the displacement, to any tenant who is evicted from an apartment unit as a result of a notice issued pursuant to subsection K1a of this section for the actual damages that were the proximate result of the displacement.

L. **Withdrawal Of Residential Rental Structure From The Rental Market:** A landlord may bring an action to recover possession of an apartment unit if the landlord intends to withdraw all apartment units in a building or structure on a parcel of land from the rental market, subject to the following conditions and requirements:

1. This section shall only apply to and shall only be exercised for the concurrent withdrawal of all apartment units in all buildings or structures on a parcel of land from the rental market, except where there is more than one building on a parcel and all buildings contain four (4) or more apartment units, in which case the landlord may withdraw all of the units in one or more of the buildings.

2. Not less than one hundred twenty (120) days from the date the landlord intends to withdraw the apartment units in a building or structure from the rental market, the landlord shall:

a. Provide written notice under penalty of perjury to the City's rent stabilization program of such intent, which notice shall contain the following information: address and legal description of the subject property, number of rental units being removed, the names of all tenants residing in the units being removed, the year the tenant(s) moved into the unit, the base rent for the unit and the current lawful rent applicable to each such unit.

b. Record with the Los Angeles County Registrar-Recorder a written notice prepared by and containing such information as is prescribed by the City summarizing the landlord's notice of intent and certifying that evictions have been commenced or will commence in accordance with applicable law.

c. Provide to the City's rent stabilization program copies of the notice recorded with the County and the notice(s) which were provided to the affected tenants.

d. If the tenant or lessee is at least sixty two (62) years of age or is disabled, and has lived in his or her apartment unit for at least one year prior to the date of delivery to the City of the notice required by subsection L2a of this section, then the date of withdrawal of that apartment unit shall be extended to one year from the date of delivery of the notice to the City, provided that the tenant or lessee has given the landlord written notice of his or her entitlement to the extension within sixty (60) days of delivery to the public entity of the notice of intent to withdraw the apartment unit from the rental market. In this situation, the following provisions shall apply:

(1) The tenancy shall be continued on the same terms and conditions as existed on the date of delivery to the City of the notice of intent to withdraw, subject to any adjustments otherwise available under this title;

(2) No party shall be relieved of the duty to perform any obligation under the lease or rental agreement;

(3) The landlord may elect to extend the date of withdrawal on any other accommodation within the same building up to one year after the date of delivery to the City of the notice of intent to withdraw, subject to subsections L2d(1) and L2d(2) of this section;

(4) Within thirty (30) days of the notification by the tenant or lessee to the landlord of his or her entitlement to an extension, the landlord shall give written notice to the City's rent stabilization program of the claim that the tenant or lessee is entitled to stay in his or her apartment unit for one year after the date of delivery to the City of the notice of intent to withdraw;

(5) Within ninety (90) days of the date of delivery to the City of the notice of intent to withdraw, the landlord shall give written notice to the City's rent stabilization program and the affected tenant(s) or lessee(s) of the landlord's election to extend the date of withdrawal and the new date of withdrawal under subsection L2d(3) of this section.

3. The landlord shall provide written notice of termination of tenancy to all affected tenants at least thirty (30) days prior to the service of and recordation of the notices in subsection L2 of this section which has been approved by the City's rent stabilization program and filed therewith and which notice shall contain the following information:

a. That the landlord is evicting the tenant pursuant to this section and will provide the City with written notice required in subsection L2 of this section;

b. A summary of the specific information to be provided to the City in that notice regarding the tenant's unit;

c. That within thirty (30) days of receipt of notice to terminate, the tenant may notify the landlord in writing that the tenant would be interested in re-renting the unit if it is reoffered for rent at a future time and advising the tenant to notify the landlord and rent stabilization program of all future address changes;

d. A description of the tenant's rights as set forth in subsections L5, L6 and L7 of this section;

e. That the landlord will provide a relocation fee in accordance with the provisions of section 4-6-9 of this chapter and that such fee may not be waived by the tenant, except as specifically provided in subsection 4-6-9G of this chapter; and

f. That if the tenant or lessee is at least sixty two (62) years of age or is disabled, and has lived in his or her apartment unit for at least one year prior to the date of delivery to the City of the notice required by subsection L2a of this section, then the tenancy shall be extended to one year after the delivery of the notice to the City, provided that the tenant gives written notice of his or her entitlement to the extension to the landlord within sixty (60) days of the date of delivery to the City of the notice of intent to withdraw. The notice shall further state that if these circumstances exist, the extended tenancy shall be continued on the same terms and conditions that existed on the date of delivery of the notice of withdrawal to the City, subject to any rent increases that are allowed by this chapter, and that no party shall be relieved of the duty to perform any obligation under the lease or rental agreement during the extended tenancy.

4. At the time when the tenant(s) vacate the unit, the landlord shall pay a relocation fee in accordance with the provisions of section 4-6-9 of this chapter.

5. In the event the withdrawn units are reoffered for rent by the landlord within two (2) years from the effective date of withdrawal, the landlord shall:

a. Provide written notice of such action to the City's rent stabilization program not less than thirty (30) days prior to re-renting the units;

b. Offer the units at the same rent level as of the date of withdrawal plus any annual rent increases permitted by this chapter that would have applied had the units not been withdrawn;

c. Provide those tenants who provided a notice of interest in re-renting pursuant to subsection L3c of this section the right of first refusal to re-rent the unit by certified or registered mail, postage prepaid, to the last address provided by the tenant, in which case the tenant shall have no less than thirty (30) days within which to accept the offer, by personal service or certified or registered mail. Copies of these notices and the mail receipts shall be filed with the City's rent stabilization program within one week of mailing;

d. Be liable in a civil action if commenced within three (3) years of displacement to any tenant evicted due to withdrawal of a unit pursuant to this section for actual damages which were the proximate result of the displacement, in accordance with the principles enunciated in sections 7262 and 7264 of the California Government Code, and punitive damages;

e. Be liable in a civil action if commenced within three (3) years of displacement to the City for exemplary damages for displacement of tenants or lessees.

6. In the event the withdrawn units are reoffered for rent by the landlord within five (5) years after any notice of intent to withdraw the apartment unit is filed with the City, or within five (5) years after the effective date of the withdrawal of the apartment unit, whichever is later, the landlord shall provide not less than thirty

(30) days' prior written notice of such action to the City's rent stabilization program prior to re-renting the units and shall offer the units at the same rent level as of the date of withdrawal, plus annual rent increases permitted by this chapter that would have applied had the units not been withdrawn.

7. Moreover, if the units are reoffered for rent within ten (10) years from the effective date of removal, the landlord shall provide those tenants who provided notice of interest in re-renting pursuant to subsection L3c of this section the right of first refusal to re-rent the unit, by certified or registered mail, postage prepaid, to the last address provided by the tenant, in which case the tenant shall have no less than thirty (30) days within which to accept the offer by personal service or certified or registered mail. Copies of these notices and the mail receipts shall be filed with the City's rent stabilization program within one week of mailing. Failure of the landlord to provide the tenant with this right of first refusal shall render the landlord liable in a civil action to the tenant in punitive damages in an amount not to exceed six (6) months' rent.

8. This section shall in no respect relieve a landlord from complying with the requirements of any applicable State law or of any lease or rental agreement.

9. The remedies provided for in this section shall not be exclusive and shall not preclude a tenant from pursuing any alternative remedy available under law. Failure by any landlord to comply with the requirements of this section shall constitute a defense in any unlawful detainer action brought to evict a tenant under this section.

10. For the purpose of this section, the term "landlord" shall be interpreted to include any and all successors in interest of any landlord, and the term "disabled" shall mean a person with a disability, as defined in section 12955.3 of the California Government Code.

11. The notice to the City provided for in this section shall be accompanied by a processing fee in an amount determined by resolution of the City Council.

12. This section is intended to implement the requirements of sections 7060 through 7060.7 of the California Government Code, and shall be interpreted so as to provide the City with the broadest range of authority permitted under these provisions and to intrude the least into the City's authority in all other applications of its power.

13. This section shall apply to any apartment units that are being removed from the rental market, if the notice of termination of tenancy required by State law or by a lease agreement has not been given at the time of adoption hereof or if such notice has been given, the notice period has not expired at the time of adoption hereof.

M. Disruptive Tenant:

1. A landlord may bring an action to recover possession of an apartment unit if: a) the tenant repeatedly or continually disturbs the peaceful and quiet enjoyment of one or more tenants who occupy other rental units in the apartment building where the tenant resides or b) antagonizes, intimidates or bullies one or more tenants who reside at that apartment building ("disruptive tenant") and the disruptive tenant does not cease the behavior when requested to do so by the other tenant(s) or by the property owner or manager of the premises.

2. The landlord or the landlord's representative may, at the sole option of the landlord, file an application with the City and request that a subcommittee of the City Council make a determination that a tenant is a disruptive tenant, as defined in subsection M1 of this section. If the subcommittee determines that the tenant is a disruptive tenant, then the landlord or the landlord's representative may serve the tenant with a written notice to terminate the tenancy in accordance with State law.

a. The subcommittee of the City Council shall be composed of two (2) members of the City Council. Council members shall be appointed by the Mayor and serve on the subcommittee for a two (2) month term. At the end of the term the Mayor may reappoint one or both Council members or may appoint new Council members to the subcommittee.

b. If a landlord or the landlord's representative files an application with the City's rent stabilization program for the subcommittee to make a determination whether a tenant is a disruptive tenant whose tenancy can be terminated with notice, the landlord first shall have given the disruptive tenant at least one written notice describing the disruptive conduct and requiring the tenant to discontinue the conduct. The landlord either shall deliver the notice to the tenant personally, send it by certified mail, or shall post it on the door of the tenant's unit. Prior to filing the application with the City's rent stabilization program, the landlord also shall have served the tenant with a copy of the application either by personally delivering the application to the tenant or by

posting the application on the door of the tenant's unit. Proof of service of the application on the tenant shall be filed with the City concurrently with the application. The application shall be submitted either on a form supplied by the City or shall substantially comply with the requirements of the City's form.

c. The application shall set forth the name, address and unit number of the tenant and shall describe specifically the tenant's conduct that the landlord contends is disruptive, the dates when the conduct described in the application occurred, and the dates when the landlord requested that the tenant cease the disruptive conduct, including the written notice described in subsection M2b of this section. The application also may include the names of any individuals who observed the tenant's conduct and may include written statements by the witnesses describing the conduct.

d. The City shall schedule a hearing (but need not hold the hearing) within ten (10) days of the filing of a complete application with the City. If one or both members of the subcommittee is/are not available to attend a hearing on an application filed pursuant to this section, the City rent stabilization program shall contact other members of the City Council to determine if another Council member is available to attend the hearing. The City rent stabilization program shall send written notice of the hearing to the landlord and the affected tenant by certified mail at least fifteen (15) days prior to the date of the hearing.

e. The subcommittee shall control the conduct of the hearing and rule on procedural requests. The hearing shall be conducted in the manner deemed by the subcommittee to be most suitable to secure the information and documentation that is necessary to render an informed decision, and to result in a fair decision without unnecessary delay.

(1) At the hearing, the parties may offer any documents, testimony, written declarations, or other evidence that is relevant to the application. Formal rules of evidence shall not be applicable to such proceedings.

(2) There shall be no oral communication outside the hearing between the members of the subcommittee and any party or witness, or the substance of such communication shall be disclosed at the beginning of the hearing. All discussion during the hearing shall be recorded.

(3) The hearing shall ordinarily proceed in the following manner, unless the subcommittee determines that some other order of proceedings would better facilitate the hearing:

(A) A brief presentation by or on behalf of landlord, including testimony by any other affected parties and witnesses in support of the application.

(B) A brief presentation by or on behalf of the tenant, including testimony by any other affected parties and witnesses in opposition to the application.

(C) A brief rebuttal by the landlord.

(4) The subcommittee shall establish equitable time limits for presentations at a hearing, with a minimum length of ten (10) minutes each for the landlord and the tenant, subject to adjustments for translation and reasonable accommodation.

(5) City staff shall maintain an official hearing record, which shall constitute the exclusive record of the decision.

(6) All parties to a hearing shall have the right to seek assistance in developing their positions, preparing their statements, and presenting evidence from an attorney, tenant organization representative, landlord association representative, translator, or any other person. If the representative will be speaking on behalf of the party at the hearing, the party shall so advise the subcommittee.

(7) To prevail on the application, the landlord must carry the burden of demonstrating that the tenant has been a disruptive tenant, as defined in subsection M1 of this section.

(8) Two (2) votes are required to approve an application. The vote shall be taken after the conclusion of the presentations by the landlord and the tenant and any deliberations by the members of the subcommittee. If two (2) votes are not cast in favor of approving the application, the application is deemed to be denied.

(9) Within five (5) business days after the hearing record is closed, the subcommittee shall reconvene and issue a written determination setting forth its decision approving or denying the application, with written findings in support thereof.

f. A written notice of the decision shall be mailed by the City to the applicant and the affected tenant within two (2) days of the issuance of the decision by the subcommittee. Such notice shall be accompanied by a copy of the hearing decision.

g. If the subcommittee determines that the tenant is a disruptive tenant, the landlord may serve the tenant with written notice provided in accordance with State law to terminate the tenancy. The landlord is not required to pay relocation fees to the tenant. When the disruptive tenant vacates the unit in response to the notice, the landlord may not increase the rent that will be charged for the unit above the amount that was being charged to the disruptive tenant, other than any adjustments otherwise available under this chapter.

h. Any final decision of the subcommittee is subject to judicial review pursuant to California Code of Civil Procedure section 1094.5 and must be filed in accordance with the time periods specified therein. (Ord. 18-O-2766, eff. 12-21-2018)

4-6-9: RELOCATION FEE:

A. When Fee Is Required: If a landlord brings an action to recover the possession of an apartment unit that is subject to the provisions of this chapter for any of the reasons set forth in subsection 4-6-6A, B, C, D, F, G or M of this chapter, the landlord is not required to pay a relocation fee to the tenant residing in the unit. However, if a landlord serves a notice of eviction on a tenant for any other reason, the landlord shall pay to such tenant a relocation fee in accordance with the provisions of this section. The relocation fee shall be due and payable to the tenant, regardless of whether the landlord actually utilizes the apartment unit for the purposes stated in the notice of eviction, unless the landlord notifies the tenant in writing of the withdrawal of the notice of eviction prior to such time as the tenant has given the landlord notice of his or her last date of occupancy, or has vacated the unit, if a notice of the last date of occupancy is not given by the tenant. The landlord also shall file a copy of the notice of eviction with the rent stabilization program within one week after serving the notice on the tenant.

B. Payment Upon Vacation: The relocation fee or pro rata share thereof shall be paid to any tenant who vacates the apartment unit at the time he or she vacates it. If the landlord cannot in good faith determine if the tenant is entitled to receive the relocation fee, it shall be deposited in escrow in accordance with subsection D of this section.

C. To Whom Paid: The entire fee shall be paid to a tenant who is the only tenant in an apartment unit. Where an apartment unit is occupied by two (2) or more tenants, payment may be prorated among the tenants, or payment may be made to one tenant, provided all the adult occupants of the apartment unit concur with the allocation or have signed a stipulation to judgment as described in subsection D of this section. In no event shall a landlord be liable to pay a total amount that exceeds the fee required by subsection E of this section.

D. Deposit Of Relocation Fee Into Escrow:

1. When the apartment unit has not been vacated, the relocation fee shall be deposited in escrow if the tenant has furnished the landlord with the tenant's notarized stipulation to judgment in favor of the landlord for the repossession of the apartment unit by the landlord within sixty (60) days after the payment of the relocation fee to such tenant. The fee shall be released from escrow to the tenant on the day the tenant vacates the apartment unit. Nothing in this subsection shall be deemed to require any tenant to vacate any apartment unit before the expiration of the full notice time to which such tenant is entitled. The sixty (60) day period referred to in this subsection D1 shall not apply to any eviction where the eviction notice was given by the landlord to the tenant on or before January 20, 2017.

2. If the landlord in good faith is unable to determine which persons are entitled to receive the relocation fee, the landlord shall deposit the relocation fee into escrow. The landlord shall give written notice of such deposit to each person, including the tenant and any occupant other than the tenant, who in the landlord's good faith judgment may be entitled to receive the relocation fee. Upon agreement by all persons so notified, the escrow holder may distribute the relocation fee in the manner agreed upon. If such parties cannot reach agreement within thirty (30) days after the date the notice of deposit is given, the division and distribution of the relocation fee shall be determined by the Hearing Officer following a hearing on the matter. No distribution from an escrow may occur until the tenant who is to receive the relocation fee has signed a notarized stipulation to judgment pursuant to subsection D1 of this section if the tenant still occupies the apartment unit.

3. All the costs of an escrow opened pursuant to the provisions of this section shall be borne by the landlord.

E. Amount Of Relocation Fees: The amount of the relocation fee payable to a tenant entitled to such fee pursuant to the provisions of this section shall be determined as follows:

Apartment Size	Relocation Fee
Studio	\$ 6,193.00
1 bedroom	9,148.00
2 or more bedrooms	12,394.00

Provided further, those households that include a senior, disabled person, or a minor shall be entitled to an additional relocation fee in the amount of two thousand dollars (\$2,000.00).

Any tenant whose occupancy of the apartment unit began after the date when the required notice of termination was given shall not be entitled to any relocation fee.

Commencing July 1, 2018, and on July 1 of each year thereafter, the amounts of the relocation fees set forth above shall be increased annually by a percentage equal to the percentage increase, if any, of the Consumer Price Index for the Los Angeles/Riverside/Orange County area, as published by the United States Department of Labor, Bureau of Labor Statistics between May 1 of the then current year and May 1 of the immediately preceding year.

F. Relocation Of Tenant: In lieu of the relocation fee required by subsection E of this section, the landlord, at his or her option, may relocate the tenant into a comparable replacement apartment unit satisfactory to the tenant, in which event the landlord shall be liable only for the actual costs of relocating the tenant, up to the maximum as set forth in subsection E of this section per apartment unit. A tenant shall not unreasonably withhold the approval of a replacement apartment unit offered by the landlord. For the purposes of this paragraph only, comparability shall be determined from the following factors: size, price, location, proximity to medical and recreational facilities, parks, community centers, shops, transportation, schools, churches, and synagogues, amenities, and, if the tenant desires, the location of the apartment unit in the City.

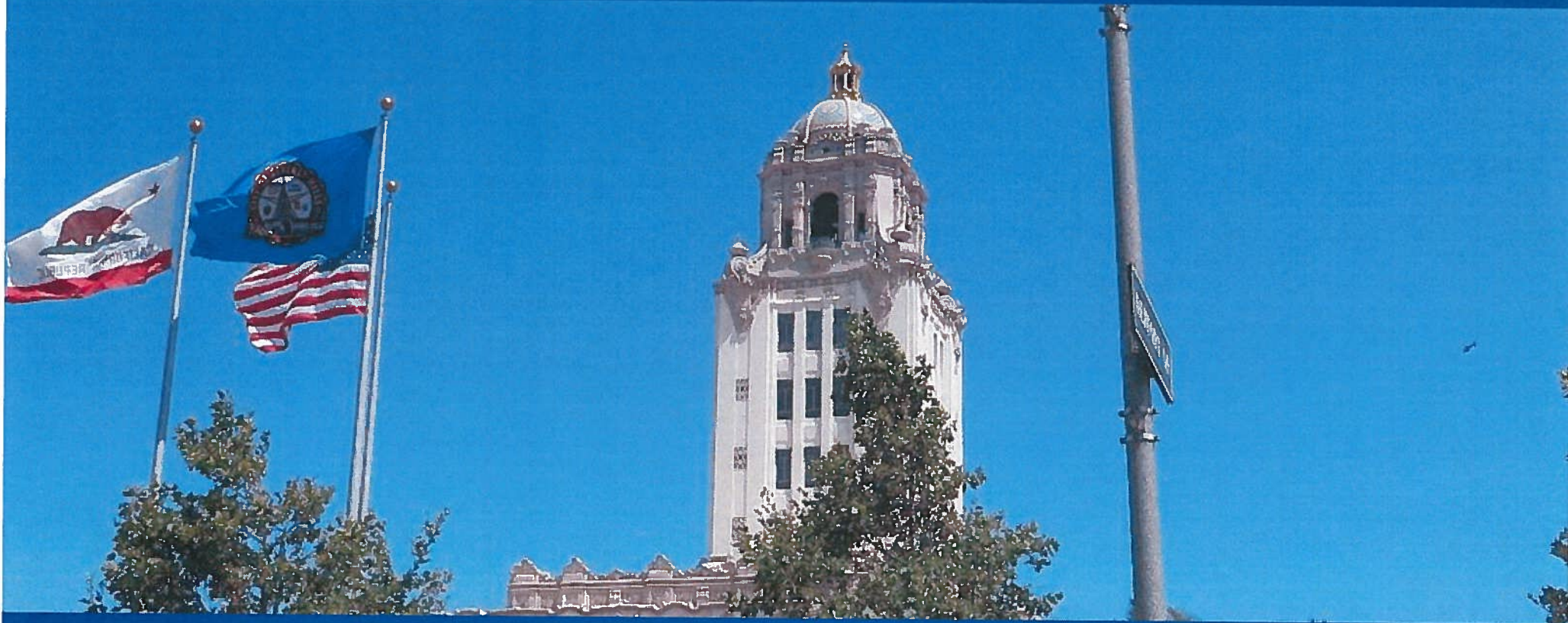
G. Waiver Of Relocation Fee:

1. If a tenant who has received a thirty (30) day notice to vacate premises does not vacate the apartment unit within such time, and the landlord thereafter files a complaint for writ or judgment restoring possession, and the court orders such tenant to vacate the apartment unit, such tenant shall be deemed to have waived all rights to any relocation benefit to which he or she is otherwise entitled pursuant to this section and shall return to the landlord any relocation fee or other benefit so received, plus interest at the rate allowed by law.

2. After the required notice period has passed, if a tenant has signed a stipulation for judgment and received a relocation fee, whether directly or as the result of the distribution of a deposit, and does not vacate the apartment unit within sixty (60) days after such receipt, the tenant shall be deemed to have waived all rights to any relocation benefits to which he or she is otherwise entitled pursuant to this section, and the tenant shall be obligated to return to the landlord any relocation fee or other benefit so received, plus interest at the rate allowed by law. (Ord. 17-O-2729, eff. 5-5-2017; amd. Ord. 18-O-2766, eff. 12-21-2018)

ATTACHMENT B
HR&A Data Brief

PREPARED FOR THE CITY OF BEVERLY HILLS



RENT STABILIZATION ANALYSIS DATA BRIEF

OCTOBER 3, 2018

HR&A
Analyze. Advise. Act.



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INTRODUCTION

BACKGROUND

The City of Beverly Hills (the “City” or “Beverly Hills”) adopted Chapter 5 of Title 4 of the City’s Municipal Code (“Chapter 5”) in 1978, implementing a Rent Stabilization Ordinance (“RSO”) that caps the amount by which housing providers can increase rents annually for tenants with original rent contracts of \$600 or less per month and who live in buildings constructed prior to September 21, 1978. For tenancies that are covered by Chapter 5, housing providers may increase rents by the lesser of eight percent or the annual percent change in the Consumer Price Index (“CPI”) for the Los Angeles area.

In 1986, the City adopted Chapter 6 of Title 4 of the City’s Municipal Code (“Chapter 6”), establishing a second RSO provision that applies to tenants with original rent contracts that exceed \$600 per month and live in residential buildings with two or more units built prior to February 1, 1995. Under the original provisions of Chapter 6, housing providers were permitted to increase rents by up to 10 percent annually.

In 1995, the State of California adopted the Costa Hawkins Rental Housing Act (“Costa Hawkins”), precluding the ability for California cities to impose rent control on single-family residential buildings and condominiums, and any building built after February 1995. Costa Hawkins also enables housing providers to raise rents to market rate levels once a tenant voluntarily moves out of a unit, although rent increases may be capped annually thereafter until the next tenant moves out, a regulatory mechanism

known as “vacancy decontrol.” However, Costa Hawkins does not prevent cities from imposing requirements for the payment of relocation fees or “just cause” eviction requirements.

In light of Costa Hawkins, the City’s RSO only practically applies to rental residential buildings with two or more units built prior to March 1995. However, at the time of this writing, Proposition 10 on the November 2018 statewide ballot seeks to repeal Costa Hawkins.¹ Passage would enable cities throughout California with rent regulations to reconsider the limitations imposed by Costa Hawkins.

The Beverly Hills City Council modified certain provisions of the RSO in 2017, in response to concerns raised by City residents that the existing regulations were ineffective and that rapid rent increases were leading to resident displacement. The changes made pursuant to ordinances 17-0-2729 and 17-0-2745 (the “RSO Amendments”) include:

- Limiting rent increases to the greater of three percent per year or the annual percent change in the CPI for the Los Angeles area under Chapter 6, a shift from the previously allowable 10 percent per year;
- Imposing new relocation fees for “no just-cause” evictions (any eviction besides those due to tenant failure to pay rent, maintenance of a nuisance, illegal uses, failure to execute a lease, refusal to provide unit access to housing provider, or presence of unapproved subtenants) for Chapter 6 tenants;
- Setting uniform relocation fees for Chapter 5 and Chapter 6;

¹ <https://www.oag.ca.gov/system/files/initiatives/pdfs/17-0041%20%28Affordable%20Housing%29%200.pdf>

- Requiring multifamily rental housing providers to register all rental units with a City database (the “RSO Registry”) that may be updated annually and monitored;
- Requiring that housing providers comply with RSO Registry requirements before being permitted to increase rents;
- Exempting Chapter 5 units that are not a tenant’s primary residence from the RSO;
- Defining a number of key terms for both Chapter 5 and Chapter 6; and
- Creating a rent increase application process for housing providers under Chapter 6;

PURPOSE OF THE DATA BRIEF

Following the 2017 RSO changes, the City retained HR&A Advisors, Inc. (“HR&A”) to provide independent analysis of certain policy issues that emerged during professionally-facilitated dialogue sessions between housing providers and tenants, as well as public testimony before the City Council, following adoption of the RSO Amendments. These issues include:

- The formula for the maximum allowable annual rent increase;
- Amounts and beneficiaries of relocation fees that housing providers must pay in cases of no-cause evictions;
- Whether to exempt two- to four-unit buildings from RSO regulation;
- The procedures and remedies for “no just-cause” evictions not already addressed by the Beverly Hills Municipal Code;
- Whether to allow housing providers to “bank” unused portions of the annual general adjustment for use in future years;

- The process available to housing providers to seek rent increases; and
- Implications of the Ellis Act.

As part of its work to help the City consider these issues, HR&A prepared this Data Brief to assemble and analyze a variety of household, multifamily housing stock, and apartment building financial data as a factual foundation for addressing the issues listed above, and subsequent public discussion about them.

DATA BRIEF STRUCTURE AND SOURCES

This Data Brief provides a profile of the following:

1. The City’s housing stock subject to the RSO (“RSO Buildings” or “RSO Units”);
2. Renters and households residing in Beverly Hills and in units subject to the RSO (“RSO Tenants”); and
3. The financial characteristics of apartment buildings subject to the RSO.

HR&A used a variety of data sources to prepare these three subject area profiles. Specifically, HR&A relied on data available from the City’s RSO Registry; the U.S. Census Bureau, including the decennial census and the annual American Community Survey (“ACS”); CoStar Group, Inc. (“CoStar”) real estate data; and apartment building financial data assembled by the Institute of Real Estate Management (“IREM”) and the National Apartment Association (“NAA”).

A brief overview of each source used in this Data Brief follows.

RSO REGISTRY DATA

As required by the 2017 RSO amendments, the City created a mandatory registration system for multifamily residential

buildings within Beverly Hills subject to the RSO (the “RSO Registry”). The City provided HR&A with data from the RSO Registry that offers an array of building stock, tenant, and building operations characteristics for the current year, but without linking those data to specific buildings or owners. The RSO Registry data reflects 2017 information and was provided to HR&A on March 21, 2018.

The RSO Registry file provided to HR&A has data for 1,096 buildings containing 7,698 units. However, the file includes three properties containing a total of 17 units that are recorded as having been built after 1995. Properties built after 1995 cannot legally be subject to rent restrictions pursuant to Costa Hawkins, and HR&A therefore excluded these three properties and their 17 units from the analysis contained in this report. The three properties and 17 units that were excluded represent less than one percent of all RSO properties and units, and their exclusion from the analysis is therefore assumed have a *de minimis* impact on the reported general characteristics of buildings subject to the RSO. HR&A’s analysis therefore reflects data for 1,093 properties containing 7,681 units.

For ease of data presentation, HR&A grouped 2.5-bedroom unit data (four total units) with three-bedroom units, and grouped five-bedroom unit data (one total unit) with four-bedroom units into a four or more bedrooms category.

U.S. CENSUS BUREAU DATA

The U.S. Census Bureau is a federal agency that regularly collects and records various detailed data about the nation’s people, housing and economy. U.S. Census Bureau data do not provide the level of customization necessary to analyze RSO Buildings and RSO Tenants exclusively, but reasonable inferences about RSO

Buildings and Tenants can be drawn from the more generalized categories within U.S. Census Bureau data for Beverly Hills.

This Data Brief utilizes the detailed and robust 2012-2016 5-Year ACS as a primary source of U.S. census data about population and households subject to the City’s RSO. The full array of post-2000 annual ACS data are only produced for cities with a population of at least 65,000 and therefore are not available for Beverly hills. Although a limited set of “supplemental” annual ACS data are available for Beverly Hills for 2014 through 2016, this is a much more limited set of annual data, and therefore less suitable for analysis of the RSO Issue Paper topics. The 5-Year ACS Public Use Microdata Sample (PUMS) data which allows for cross-tabulation and a close, multi-layered examination of populations and households, is only available for specified areas with a population of at least 100,000, and therefore cannot be used for analysis in Beverly Hills.

For selected housing stock information, HR&A separated out applicable RSO building data by evaluating census data on tenure by units in structure by year built corresponding to rental multifamily buildings constructed prior to 2000 in Beverly Hills. Based on a review of CoStar (see below) data, HR&A determined that no new multifamily buildings were built in the City between 1995 and 2000, indicating that it can be assumed that multifamily rental units built prior to 2000 are equivalent to RSO Units. Using this method, HR&A determined that the U.S. Census Bureau’s 2012-2016 5-Year ACS data (the most recent year for which data are available) for Beverly Hills counted 7,580 RSO Units.

Furthermore, the ACS shows a total of 8,563 renter households in all building types in Beverly Hills. Because the RSO Registry documents that there are 7,580 RSO Units, and this number

accounts for 88 percent of all renter households in the City (and is equal to 99 percent of the adjusted RSO Registry inventory), HR&A assumed that census data available for all rental households in Beverly Hills can reasonably be relied on to describe the general characteristics of RSO tenants and their households.

HR&A drew comparisons between Beverly Hills and other nearby cities including Los Angeles, Santa Monica, and West Hollywood, as well as Los Angeles County (the “County”) as a whole, for select data points, but it should be noted that the data for these comparative areas includes all renter households and is not limited to those subject to rent stabilization within their respective jurisdictions (i.e., there are greater differences between the number of rent-stabilized units and all rental units in these other areas than is the case for Beverly Hills).

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT DATA

The U.S. Department of Housing and Urban Development (“HUD”) is a federal agency that, among its many responsibilities, records and prepares data related housing. In particular, HR&A assessed HUD’s Comprehensive Housing Affordability Strategy (“CHAS”) data, which documents jurisdiction-specific housing problems and housing needs based on custom tabulations of ACS data received from the U.S. Census Bureau. HR&A used CHAS data to assemble information on the physical condition of the City’s rental building stock relative to comparative surrounding areas. As with the HR&A’s application of the ACS, Beverly Hills data is based on all renters and multifamily buildings in the City, the majority of which are subject to the RSO; data for comparative areas also include all renter households.

COSTAR GROUP, INC. DATA

CoStar is a well-respected and regularly cited third-party real estate data source. CoStar generates and maintains its data by researching individual property records and conducting interviews with property owners and real estate brokers. CoStar’s multifamily rental data is detailed for buildings with more than four units, although data for buildings with four or fewer units is more limited. Here again, CoStar data for comparative areas includes all rental housing units and not just those that are rent stabilized in other cities and the County.

Among the ways in which CoStar data can be analyzed is its building quality rating system. Properties are evaluated and rated using a standard “5 Star” scale based on the characteristics of each property type, including: architectural attributes, structural and systems specifications, amenities, site and landscaping treatments, third party certifications and detailed property type specifics. Each building in the CoStar data base is listed as a one, two, three, four, or five-star building. The vast majority of buildings subject to the Beverly Hills RSO are rated as one, two, or three star buildings. Only three RSO buildings are rated by CoStar as four-star buildings, and no RSO buildings have a five-star rating.

INSTITUTE OF REAL ESTATE MANAGEMENT DATA

IREM is a professional real estate management organization that produces research and analysis on numerous real estate industry issues, including apartment income and expense trends. IREM does not provide data for individual properties or customized criteria. Although operating expense data are available for metro areas rather than individual cities, HR&A utilized IREM apartment building operations data for the Los Angeles Metropolitan Area

as a general benchmark for trends in components of Net Operating Income ("NOI"). IREM provides NOI data for apartment properties that are low-rise (three stories or less) with 12 to 24 units, low-rise with more than 24 units, and high-rise (four or more stories with an elevator).

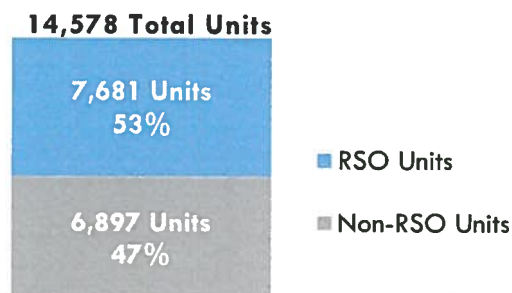
NATIONAL APARTMENT ASSOCIATION DATA

NAA is a professional apartment industry trade organization that, like IREM, assembles data, conducts research and prepares annual surveys of apartment income and operating expenses. NAA also provides data only for metro areas rather than individual cities. HR&A evaluated NAA data for the Los Angeles Metropolitan Area for 2017, again to benchmark general NOI characteristics of apartment buildings. NAA distinguishes apartment properties as garden, mid-rise and high-rise.

RSO BUILDING STOCK CHARACTERISTICS

According to the RSO Registry, after removing the few properties recorded as having been built after 1995, there are 7,681 RSO Units in 1,093 RSO Buildings in the City. As shown in Figure 1, RSO Units recorded in the RSO Registry make up over half of the City's approximately 14,578 total housing units reported by the ACS. Moreover, RSO Units make up 88 percent of the nearly

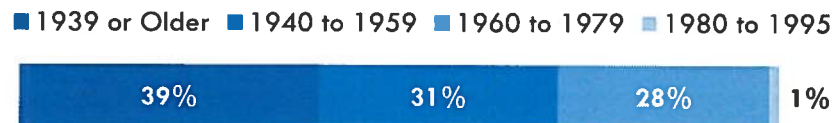
Figure 1: RSO Share of Total Beverly Hills Housing Units, 2017



Source: RSO Registry; 2012-2016 ACS

Note: "Non-RSO Units" include all multifamily units that are not subject to the RSO (i.e. condominiums and apartments built after February 1995) and single-family units.

Figure 2: Beverly Hills RSO Units by Year Built, 2017



Source: RSO Registry (obtained March 21, 2018)

8,563 rental housing units in the City reported by the ACS, which includes single-family rental units.

As shown in Figure 2, nearly all of the City's RSO Units were constructed prior to 1980. More than one-third of RSO Units were built before 1940, and more than half were built between 1940 and 1979.

Most buildings subject to the RSO have less than 10 units, as shown in Figure 3. Slightly more than 40 percent of RSO Buildings are duplexes, triplexes, and quadplexes, and 40 percent have between five and nine units. Less than 20 percent of RSO Buildings have 10 or more units. However, as shown in Figure 4, less than 20 percent of RSO Units are contained in duplexes, triplexes, and quadplexes, and most units are contained within buildings that have five or more units.

Figure 3: Beverly Hills RSO Buildings by Number of Units in Structure, 2017



Source: RSO Registry

Figure 4: Beverly Hills RSO Units by Number of Units in Structure, 2017

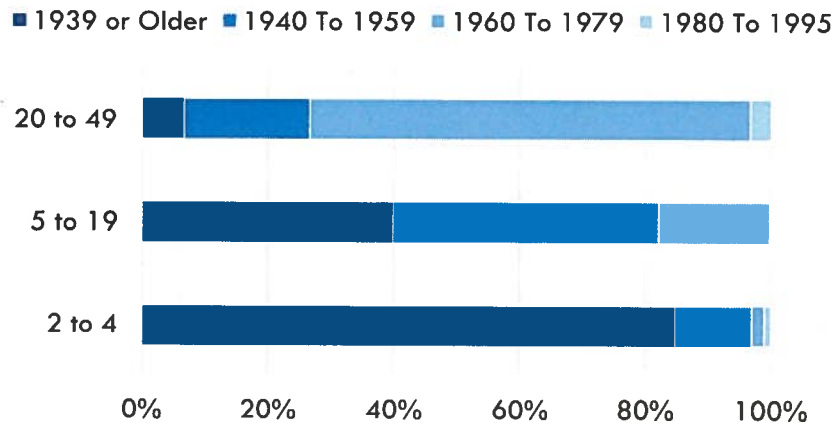


Source: RSO Registry (obtained March 21, 2018)

As shown in Figure 5, smaller RSO Buildings are generally older than larger RSO Buildings. Approximately 97 percent of buildings with two to four units were built prior to 1960, and nearly three quarters of buildings with 20 or more units were built between 1960 and 1995.

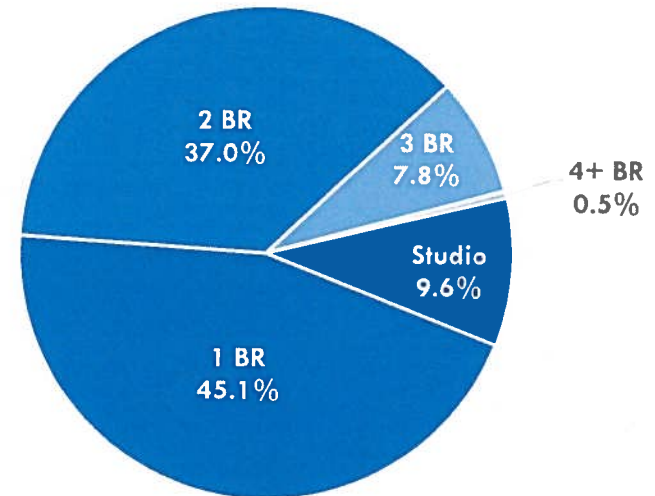
As shown in Figure 6, one- and two-bedroom units make up the majority of RSO Units, followed by a smaller share of studios and three-bedroom units, and very few units with four or more bedrooms. Smaller RSO Buildings generally have units with more bedrooms than larger buildings, as shown in Figure 7. Three-bedroom units make up more than three quarters of units within duplexes, while they account for only four percent of units within buildings of five or more units. Conversely, studio and one-bedroom units make up little more than one percent of units within duplexes, but they compose nearly two-thirds of units within building of five or more units.

Figure 5: Beverly Hills RSO Buildings by Number of Units in Structure by Year Built, 2017



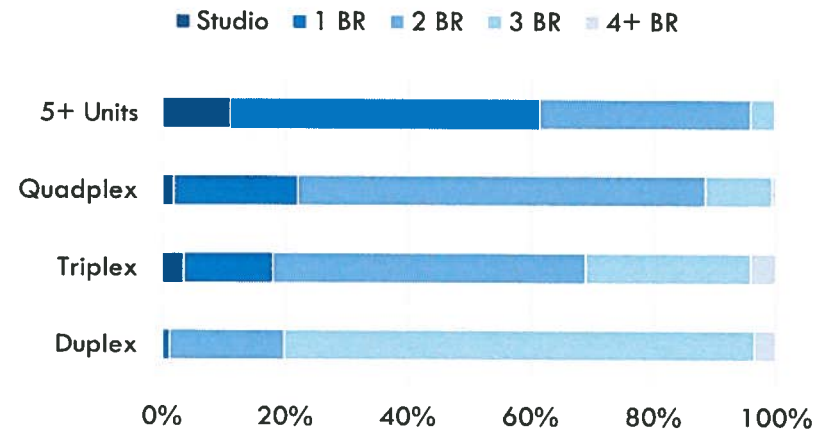
Source: RSO Registry (obtained March 21, 2018)

Figure 6: Beverly Hills RSO Unit Type Distribution, 2017



Source: RSO Registry (obtained March 21, 2018)

Figure 7: Beverly Hills RSO Unit Type Distribution by Number of Units in Structure, 2017

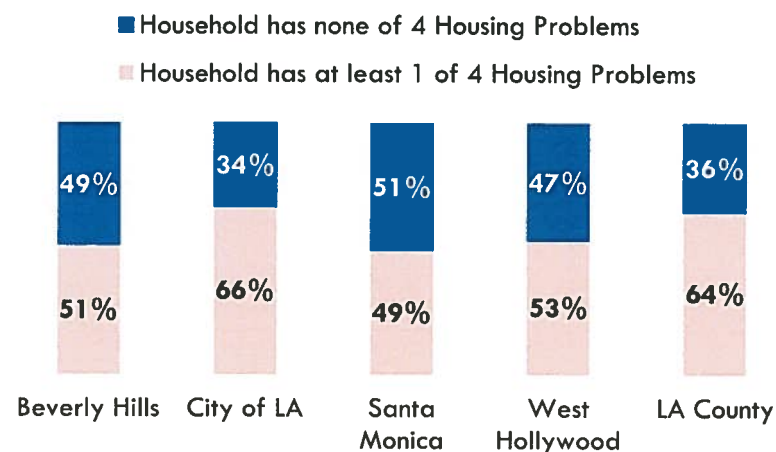


Source: RSO Registry (obtained March 21, 2018)

HUD identifies four classifications of housing problems in its CHAS data: 1) housing unit lacks complete kitchen facilities; 2) housing unit lacks complete plumbing facilities; 3) household is overcrowded; and 4) household is “rent burdened.” HUD defines rent burden, or “cost burden,” as households that pay more than 30 percent of household income on housing costs, and defines households that pay more than 50 percent of household income on housing costs as “severely rent burdened” or “severely cost burdened.”² A household is said to have a housing “problem” if it has any one or more of these four problems. These data serve as an indicator of the general physical conditions of the rental housing stock, as well as the economic conditions of the tenants who live in it. The issues of overcrowding and rent burden are discussed in greater detail in the next section.

As shown in Figure 8, over half of Beverly Hills renter households have at least one of the four housing problems, according to the CHAS data. This is a low percentage compared with nearby cities and the County; only Santa Monica has a lower share of households with at least one housing problem and a correspondingly higher share of renter households without any of these housing problems.

Figure 8: Renter Household Physical and Economic Conditions, 2014



Source: HUD CHAS (based on 2010-2014 ACS data)

² https://www.huduser.gov/portal/datasets/cp/CHAS/bq_chas.html

BEVERLY HILLS RENTER AND RSO TENANT HOUSEHOLD CHARACTERISTICS

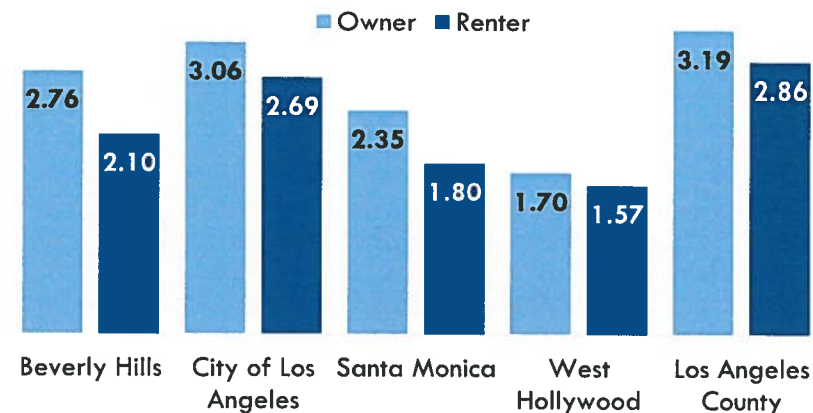
HOUSEHOLD SIZE & COMPOSITION

Nearly 60 percent of all households, including apartments, condominiums, and single-family homes, in the City are renter-occupied. Renter households are smaller on average than owner-occupied households in Beverly Hills, which is consistent with the characteristics of nearby cities and the County as a whole, as shown in Figure 9. Among these comparative geographies, Beverly Hills renter households are in the middle of the household size (i.e., the number of residents per dwelling unit) range. As shown in Figure 10, a small share of Beverly Hills renter households is overcrowded³: two percent of Beverly Hills renter households are overcrowded (i.e. have 1.01 to 1.50 occupants per room), and one percent are severely overcrowded (i.e. have more than 1.50 occupants per room).

The majority of Beverly Hills renters are generally considered “working age,” as over three quarters are younger than 65 years old, as shown in Figure 11. Over half of renter households are between 35 and 64 years old. As shown in Figure 12, approximately one quarter of both Beverly Hills homeowners and renters have children under the age of 18, which is lower than in

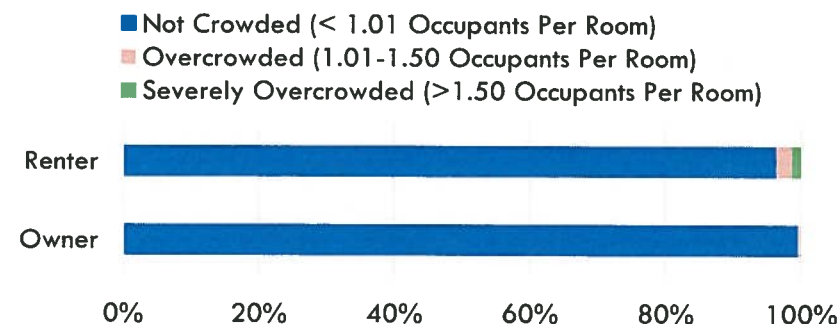
the City and County of Los Angeles, but much higher than renter households in West Hollywood and Santa Monica, according to the American Community Survey 5-Year Estimates for 2012-2016.

Figure 9: Average Household Size (Residents per Dwelling Unit) by Tenure, 2016



Source: 2012-2016 ACS

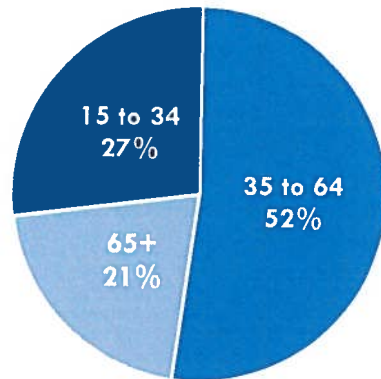
Figure 10: Beverly Hills Average Occupants per Room by Tenure, 2016



Source: 2012-2016 ACS

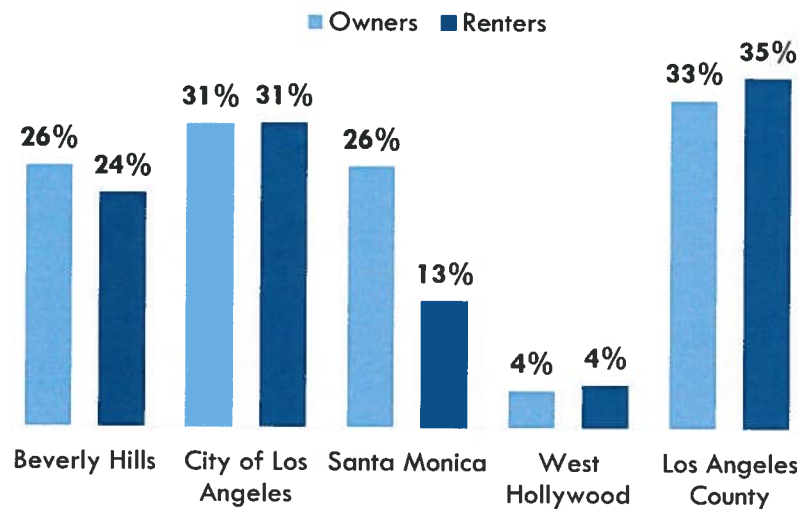
³ As defined by the US Department of Housing and Urban Development: https://www.huduser.gov/portal/datasets/cp/CHAS/bq_chas.html

Figure 11: Age of Householder in All Beverly Hills Rental Households, 2016



Source: 2012-2016 ACS

Figure 12: All Households with Children Under 18 Years Old by Tenure, 2016

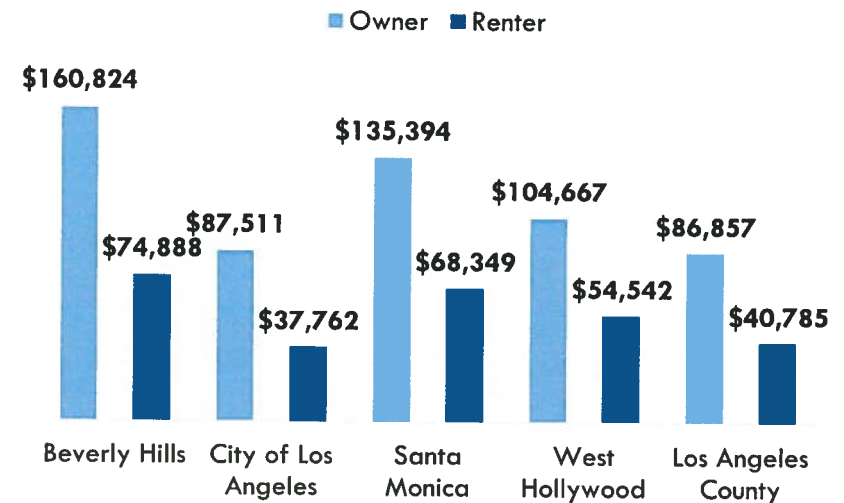


Source: 2012-2016 ACS

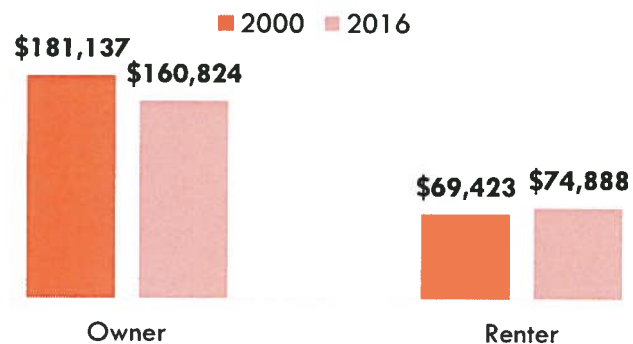
HOUSEHOLD INCOME

Also in line with nearby cities and the County, the median household income for City homeowners exceeds that of renter households, as shown in Figure 13. However, renter households in Beverly Hills have higher median (i.e., exact midpoint of the range) incomes than in nearby cities and the County. While median household income for homeowners in Beverly Hills is approximately \$160,000 per year, and more than double that of renter households (nearly \$75,000 per year), renter household incomes have risen somewhat between 2000 and 2016, while homeowner median incomes have declined (adjusted for inflation), as shown in Figure 14.

Figure 13: Median Household Income for All Household Types by Tenure (in 2016 \$)



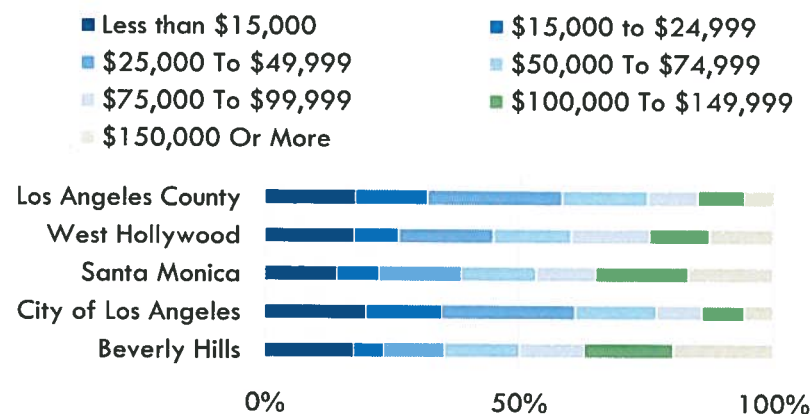
Source: 2012-2016 ACS

Figure 14: Beverly Hills Median Household Income by Tenure by Year for All Household Types (in 2016 \$)

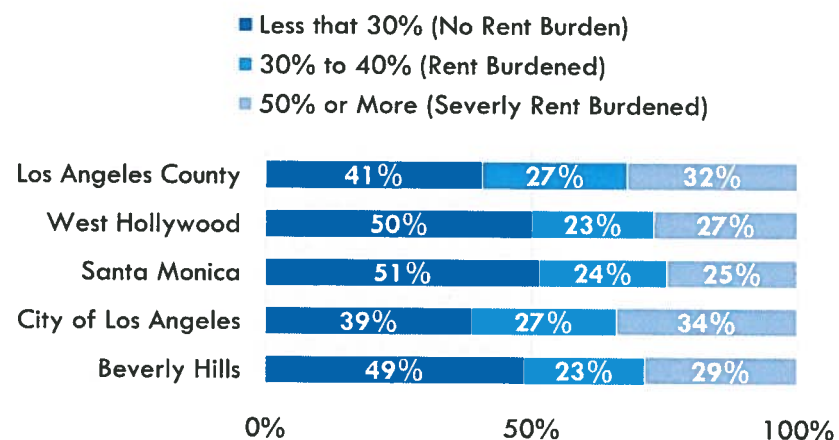
Source: 2012-2016 ACS

Among comparative areas, Beverly Hills has the highest share of renter households with median incomes of \$100,000 or more per year, and the lowest share of renter households with median incomes of less than \$50,000 per year, as shown in Figure 15. Half of the city's renters have median household incomes of at least \$75,000 per year.

Although renter household incomes in Beverly Hills are generally higher than in nearby cities and the County, over half of the City's renter households are rent burdened, as illustrated in Figure 16. Moreover, nearly 30 percent of the City's renter households (a higher share than in both Santa Monica and West Hollywood), pay more than half of their income on housing costs and are considered severely rent burdened.

Figure 15: Distribution of Renter Median Household Income for All Household Types (in 2016 \$)

Source: 2012-2016 ACS

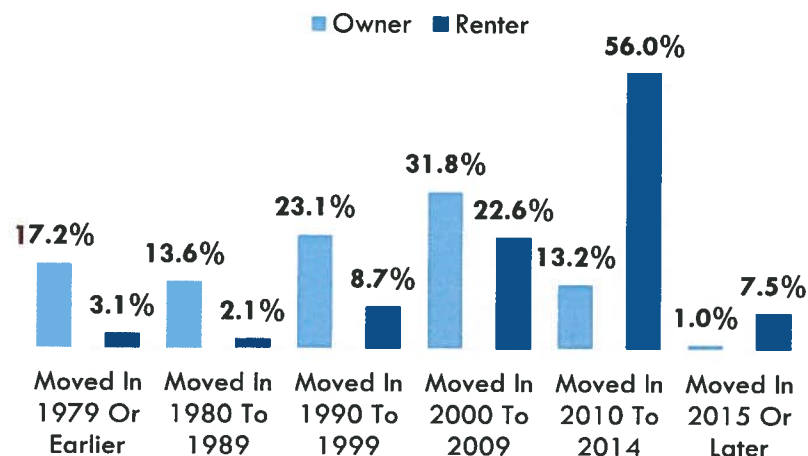
Figure 16: Rent Share of Household Income for All Households Types, 2016

Source: 2012-2016 ACS

HOUSEHOLD TURNOVER

The frequency with which renters move out of units, or the “turnover” rate, is important in the context of the RSO because housing providers can reset rents to current market rates for new tenants when prior tenants move out voluntarily. As shown in Figure 17, Beverly Hills homeowners have largely lived in their units longer than renters. More than half of owners moved into their units prior to 2000, compared with only 14 percent of renters. Nearly two-thirds of the City’s renter households moved into their units later than 2009, compared with 14 percent of owners. Among renters of multifamily units in the City, renters in smaller buildings have generally moved into their units more recently than those in larger buildings, as shown in Figure 18. However, the majority of renter households moved into their units after 1999, regardless of building size.

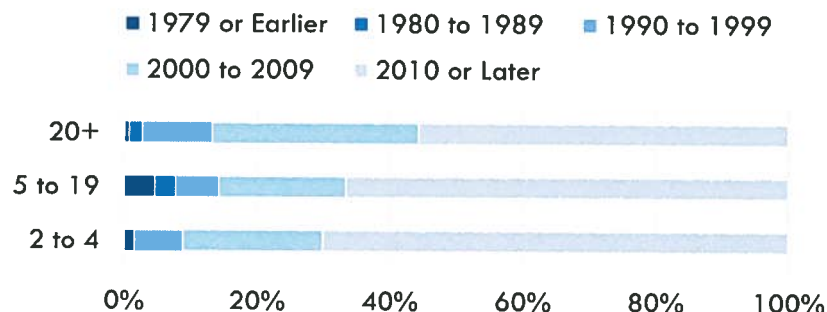
Figure 17: Year Beverly Hills Householder Moved into Unit by Tenure, 2016



Source: 2012-2016 ACS

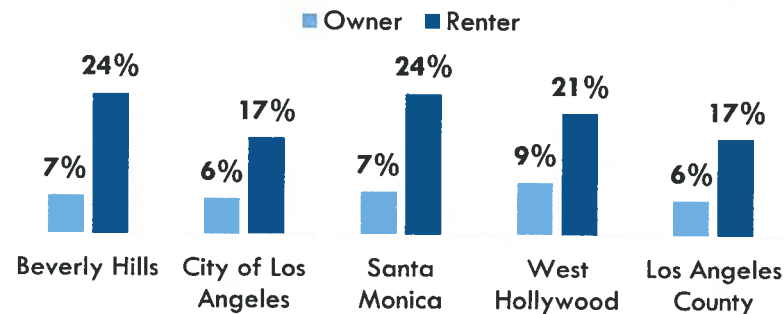
The tendency for homeowners to stay in their homes longer than renters is also reflected in resident turnover rates, or the share of the households that move in a given year. As shown in Figure 19, nearly a quarter of renter households in Beverly Hills move out of their units in a given year, as compared with seven percent of homeowners. Also illustrated in Figure 19, Beverly Hills’ renter turnover rate is the highest among most comparative areas, and matches the rate in Santa Monica.

Figure 18: Year Beverly Hills Renter Householder Moved into Unit by Number of Units in Structure, 2016



Source: 2012-2016 ACS

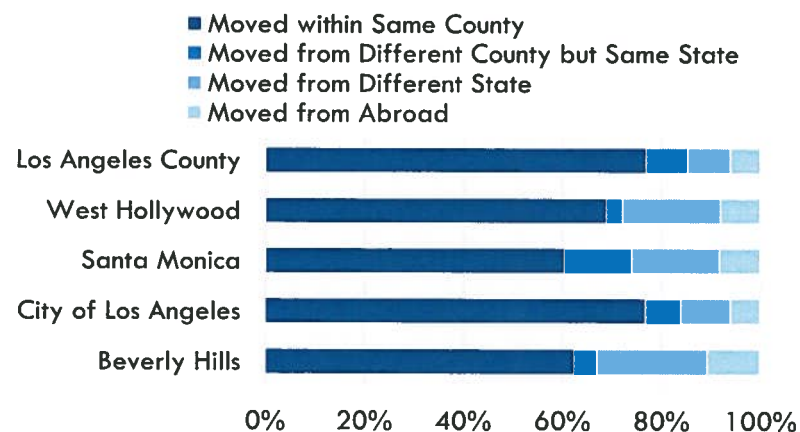
Figure 19: 2016 Household Turnover Rate by Tenure



Source: 2012-2016 ACS

As shown in Figure 20, among renter households that moved to Beverly Hills, nearly two-thirds moved from within Los Angeles County, and a comparatively high share moved from different states (22%) and internationally (11%). In fact, Beverly Hills had the highest share of both out-of-state and international newcomers among comparative areas

Figure 20: Location from Which Renters Moved, 2016



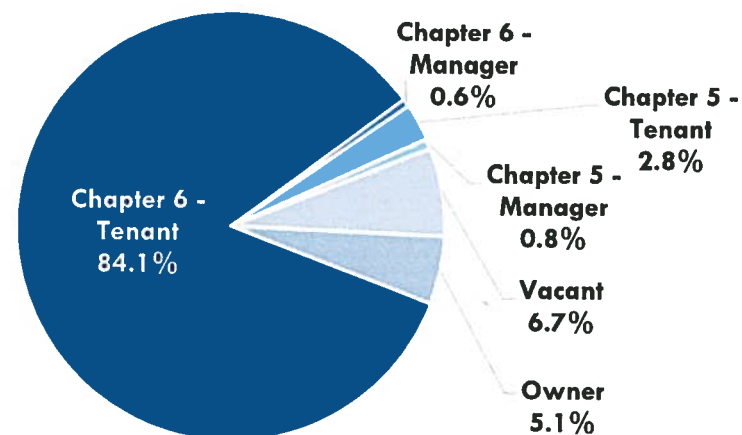
Source: 2012-2016 ACS

RSO TENANT CHARACTERISTICS

As shown in Figure 21, the majority of RSO Units are occupied by Chapter 6 tenants, and only three percent are occupied by Chapter 5 tenants. Seven percent of units in RSO Buildings are vacant, and six percent are occupied by building owners and managers.

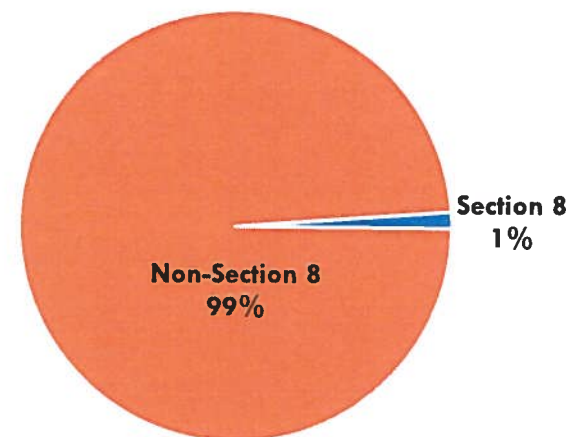
As shown in Figure 22, only one percent of RSO Tenants use Section 8 vouchers, a government housing subsidy. Almost all RSO Tenants that use Section 8 vouchers are Chapter 6 tenants, with the exception of five Chapter 5 tenants.

Figure 21: Beverly Hills RSO Units by Tenant Type, 2017



Source: RSO Registry (obtained March 21, 2018)

Figure 22: Beverly Hills RSO Tenants by Section 8 Status, 2017



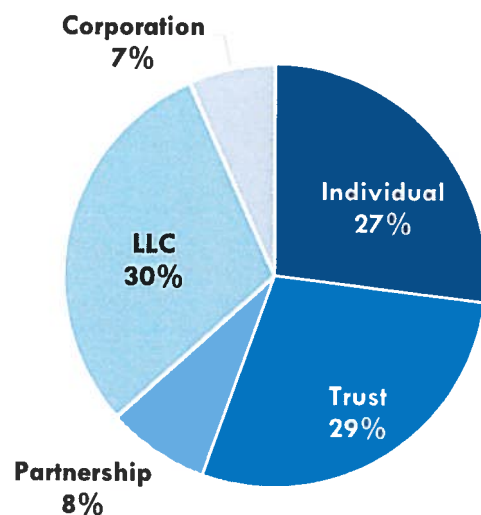
Source: RSO Registry (obtained March 21, 2018)

CHARACTERISTICS OF RSO BUILDING OPERATIONS

OWNERSHIP

RSO Buildings in the City are owned by a mix of professional corporate real estate companies, and individuals with personal investments. As shown in Figure 23, a little more than one quarter of RSO Buildings are owned by individuals; seven percent are owned by corporations; and approximately two-thirds are owned by trusts, partnerships, and Limited Liability Companies ("LLCs"), which may be individuals or subsidiaries of larger companies, but not discernable from the available data.

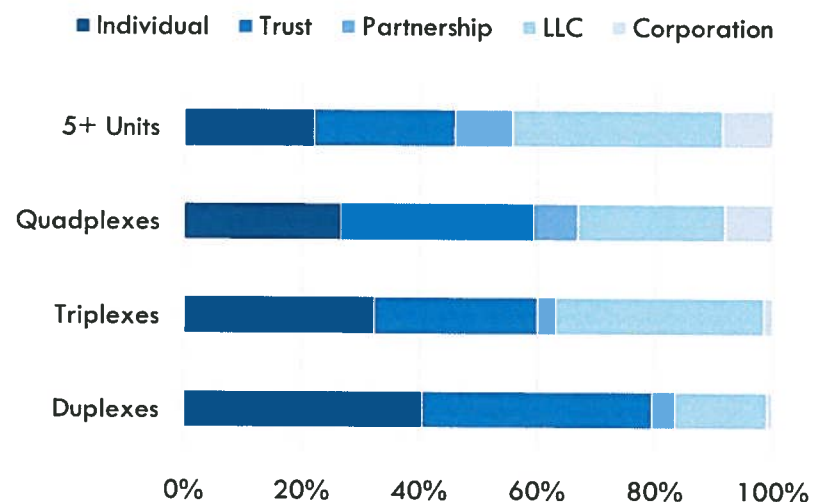
Figure 23: Beverly Hills RSO Building Ownership by Type of Entity, 2017



Source: RSO Registry (obtained March 21, 2018)

Individuals own a larger share of two- to four-unit RSO buildings than RSO Buildings with five or more units, which have a broader distribution of ownership types, as shown in Figure 24. This characteristic reflects broader real estate investment dynamics in which medium to large real estate companies and investors generally have greater access to investment capital allowing them to acquire larger apartment buildings that tend to be more expensive than smaller buildings in the same market. Conversely, individuals and small companies generally have more limited access to investment capital, and commensurately seek smaller, less expensive buildings.

Figure 24: Beverly Hills RSO Building Ownership by Type of Entity by Number of Units in Structure, 2017



Source: RSO Registry (obtained March 21, 2018)

RENTS

The CoStar rental trend and other real estate data that HR&A reports for Beverly Hills is based on only those buildings subject to the RSO. HR&A did not include the seven buildings with a total of 179 units that were built after 1995 in analysis of the Beverly Hills building stock.

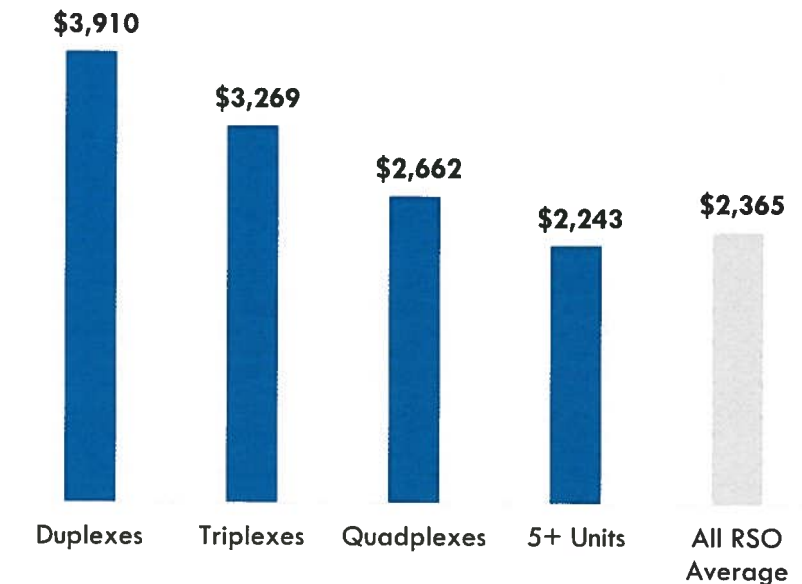
CoStar assembles rent data for apartment buildings in a number of ways. These include direct feeds from properties advertising on the Apartments.com, Apartment Finder, and Apartment Home Living networks with rent and availability information from owners' and property managers' inventory management systems. CoStar also has software that scans over 30,000 property websites daily for rents and availabilities. In addition, CoStar has field research representatives canvassing markets for rental data, and a team of economists analyzing all of these data.

As shown in Figure 25, average monthly rent for RSO Units is \$2,365 per unit, and average rents inversely correlate with the number of units in a building: duplexes achieve the highest average rents of approximately \$3,900 per unit per month, while buildings with five or more units achieve average rents of approximately \$2,240 per unit per month. Duplexes also have higher proportions of three-bedroom units compared with other RSO Buildings types, suggesting that they tend to have larger units. As shown in Figure 26, the directional trend of average monthly rent in RSO Units has paralleled the trend for all multifamily rental units in nearby cities and the County for nearly the past two decades, but average rent in Beverly Hills has historically been higher than in those comparative areas.

More specifically, between 2000 and 2018, average Beverly Hills RSO unit rents have fluctuated year to year, increasing as much as 7.5 percent and decreasing as much as 9.1 percent, as

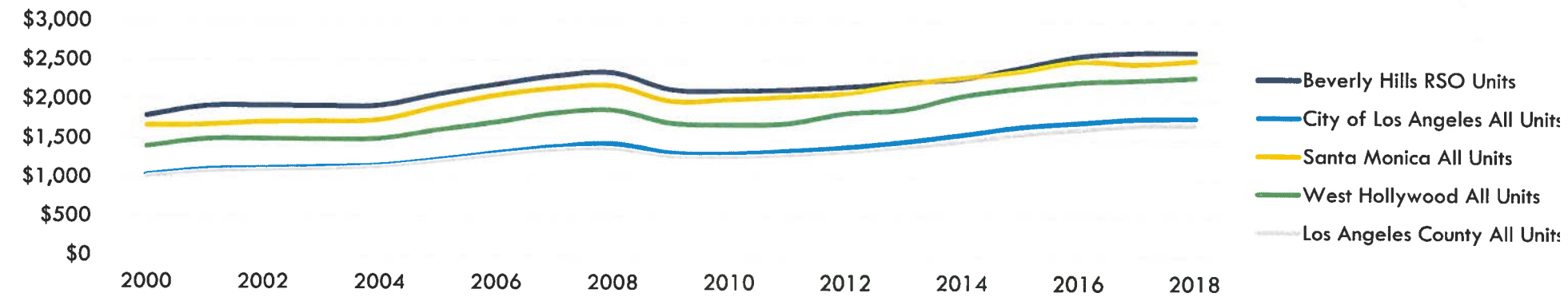
shown in Figure 27. On average, RSO unit rents increased a little more than two percent annually over that time. This analysis is based on full year-to-full year change in average rent, which reflects a more stable and complete set of data than comparisons on a calendar quarter-to-quarter basis.

Figure 25: Beverly Hills Average Monthly Rents per RSO Unit by Number of Units in Structure, 2017

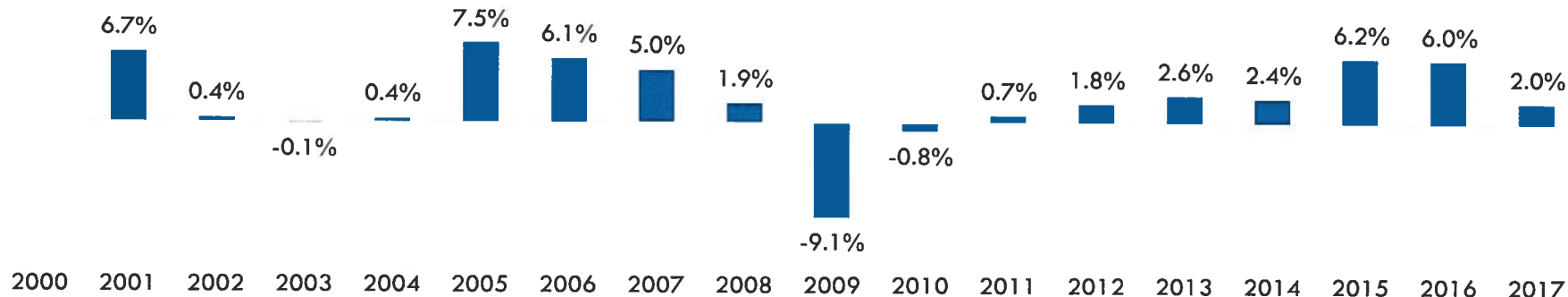


Source: RSO Registry (obtained March 21, 2018)

Figure 26: Apartment Rents per Unit, 2000-2018



Source: CoStar

Figure 27: Annual Change in Beverly Hills RSO Rents Per Unit, 2000-2017

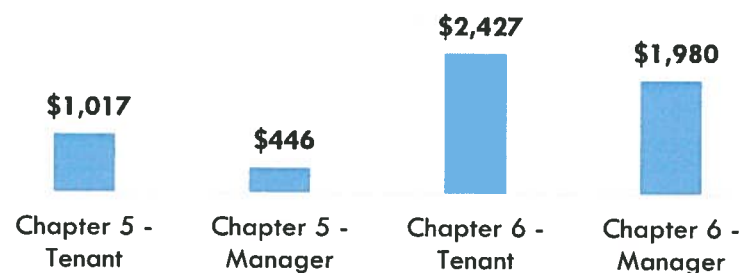
Source: CoStar

Beverly Hills RSO Units rents positively correlate with the number of bedrooms per unit, as shown in Figure 28. Studios are on the lowest end of the range and rent for \$1,389 per month on average, while on the highest end of the range units with four or more bedrooms rent for an average of \$4,936. As shown in Figure 29, Chapter 6 tenants pay an average of \$2,427 per unit per month, which more than double the \$1,017 per unit per month that Chapter 5 tenants pay on average, although Chapter 5 tenants make up only three percent of all RSO tenants, as noted previously.

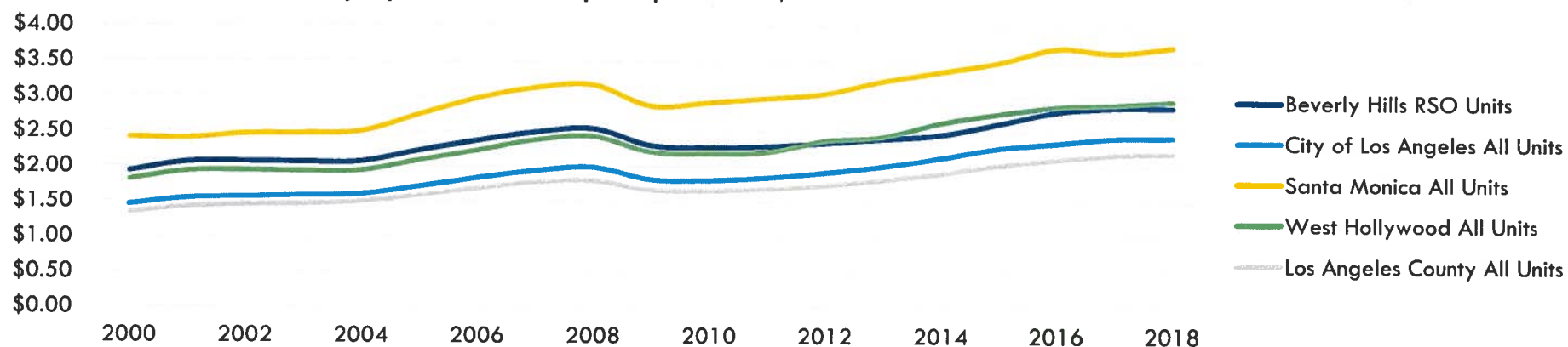
Despite Beverly Hills having historically higher rents per RSO unit among comparative areas, the City's RSO Units fall in the middle of the range among comparative areas, and very similar to West Hollywood, in terms of rents per square foot over time, as shown in Figure 30. Average rents per square foot for RSO Units in Beverly Hills are currently \$2.85 and are highest in Santa Monica at \$3.70, which has experienced much more new non-regulated apartment construction.

Figure 28: Beverly Hills RSO Average Monthly Rent Per Unit by Unit Type, 2017

Source: RSO Registry (obtained March 21, 2018)

Figure 29: Beverly Hills RSO Average Monthly Rent Per Unit by Tenant Type, 2017

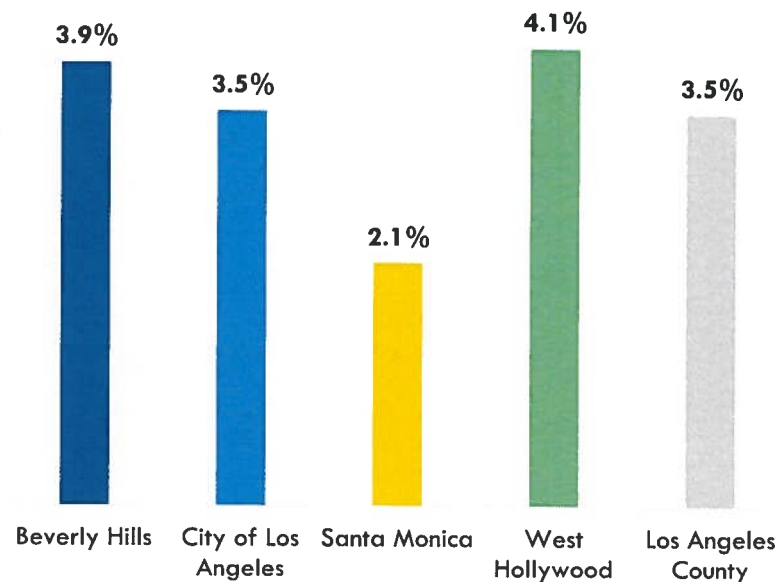
Source: RSO Registry (obtained March 21, 2018)

Figure 30: Average Monthly Apartment Rents per Square Foot, 2000-2018

Source: CoStar

VACANCY RATES

As shown in Figure 31, the vacancy rate for all rental units in Beverly Hills is approximately 3.9 percent, which was higher than that in the County as a whole and nearby cities, except for West Hollywood, according to the 2012-2016 ACS. RSO Registry data, which reflects a snapshot at the point in time properties registered, shows that 6.6 percent of total RSO Units were vacant at the time the data were recorded. Buildings with five or more units were slightly below this average (6.4%), while buildings with less than five units were above it (7.8%). However, vacancy rates in smaller buildings are necessarily more impacted by a vacant unit than larger buildings. For example, a duplex with one vacant unit is 50 percent vacant, while a 10-unit building with one vacant unit is 10 percent vacant.

Figure 31: Vacancy Rate for All Rental Units, 2016

Source: 2012-2016 ACS

OPERATING EXPENSES

There is currently no available and authoritative source for apartment operating expense data specific to Beverly Hills. HR&A attempted to obtain operating expense data for an analytically robust and representative sample of local housing providers, but HR&A's request to the Apartment Association of Greater Los Angeles for necessary assistance in doing so was declined. In lieu of data specific to Beverly Hills apartment buildings, HR&A analyzed annual apartment income and expense data collected by the National Apartment Association ("NAA") and Institute of Real Estate Management ("IREM") for the Los Angeles Metropolitan area.

According to the NAA's 2017 income and expense profile for the Los Angeles Metropolitan Area, which includes a total of 50 properties containing 13,842 units, operating expenses for apartments are approximately one third of gross potential rent ("Gross Potential Rent"), and equal approximately \$8.60 per square foot and \$7,600 per unit on average, as shown in Figure 32. Taxes make up the largest share of operating expenses, followed by salaries and personnel and contract services.

While the NAA data represents the operating profile for buildings with an average of 277 units per buildings and is therefore not a strong analog for apartment buildings in Beverly Hills, which generally have between two to 44 units per building, it is useful for understanding the composition of apartment building operating budgets and provides a frame of reference for current operating expenses on a per square foot basis and in terms of the ratio of expenses to revenues.

According to IREM's expense data for apartments in the Los Angeles Metro Area⁴, as shown in Figure 33, operating expenses per square foot for all apartment building types increased between 1999 and 2016, while the ratio of operating expenses to effective gross income ("EGI") has varied from year to year, but has primarily been

within the range of 30 to 40 percent. Although it may vary in a given year, operating expenses are generally higher for larger buildings. Between 1999 and 2016, operating expenses per square foot averaged approximately \$7.60 for high-rise buildings, \$6.70 for low-rise buildings with 25 or more units, and \$5.20 for low-rise buildings with 12 to 24 units. In terms of the ratio of operating expenses to EGI over the same time period, high-rise buildings had an average of 40 percent, low-rise buildings with 25 or more units had an average of 37 percent, and low-rise buildings with 12 to 24 units had an average of 33 percent.

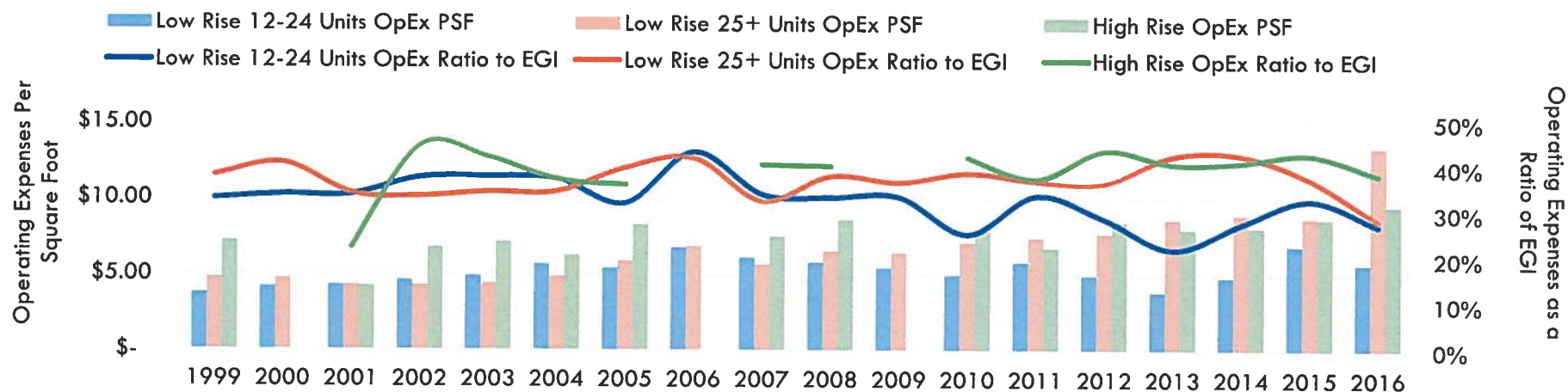
Figure 32: 2017 Los Angeles Metro Area Average Apartment Annual Income and Expense Profile, 2017

	Per Unit	Per SF	% of GPR
Revenues			
Gross Potential Rent	\$23,561	\$26.49	100.0%
Rent Revenue Collected	\$22,277	\$25.04	94.5%
Losses to Vacancy	\$1,047	\$1.18	4.4%
Collection Losses	\$138	\$0.16	0.6%
Losses to Concessions	\$100	\$0.11	0.4%
Other Revenue	\$1,063	\$1.20	4.5%
Total Revenue	\$23,340	\$26.24	99.1%
Operating Expenses			
Salaries and Personnel	\$1,521	\$1.71	6.5%
Insurance	\$359	\$0.40	1.5%
Taxes	\$2,236	\$2.51	9.5%
Utilities	\$686	\$0.77	2.9%
Management Fees	\$620	\$0.70	2.6%
Administrative	\$411	\$0.46	1.7%
Marketing	\$184	\$0.21	0.8%
Contract Services	\$1,153	\$1.30	4.9%
Repair and Maintenance	\$491	\$0.55	2.1%
Total Operating Expenses	\$7,662	\$8.61	32.5%

Source: NAA

⁴ IREM data does not include high-rise buildings for years 2000, 2006, and 2009.

Figure 33: Los Angeles Metro Area Apartment Operating Expenses Per Square Foot and as a Ratio of Effective Gross Income ("EGI"), 1999-2016



NET OPERATING INCOME

According to IREM data, NOI has increased for all building types between 1999 and 2016, as shown in Figure 34. Similar to operating expenses, NOI tends to positively correlate with building size. Between 1999 and 2016, NOI per square foot averaged approximately \$11.80 for high-rise buildings, \$12.15 for low-rise buildings with 25 or more units, and \$10.80 for low-rise buildings with 12 to 24 units. Low-rise buildings with 25 or more units have the highest average NOI per square foot over that time period due to a spike in 2016, but would otherwise fall in the middle of the three apartment building types. Over the same time period, year-to-year percent changes in NOI per square foot averaged 9 percent for high-rise buildings, 11 percent for low-rise buildings with 25 or more units, and 9 percent for low-rise buildings with 12 to 24 units.

Figure 34: Los Angeles Metro Area Apartment Average Net Operating Income Per Square Foot, 1999-2016

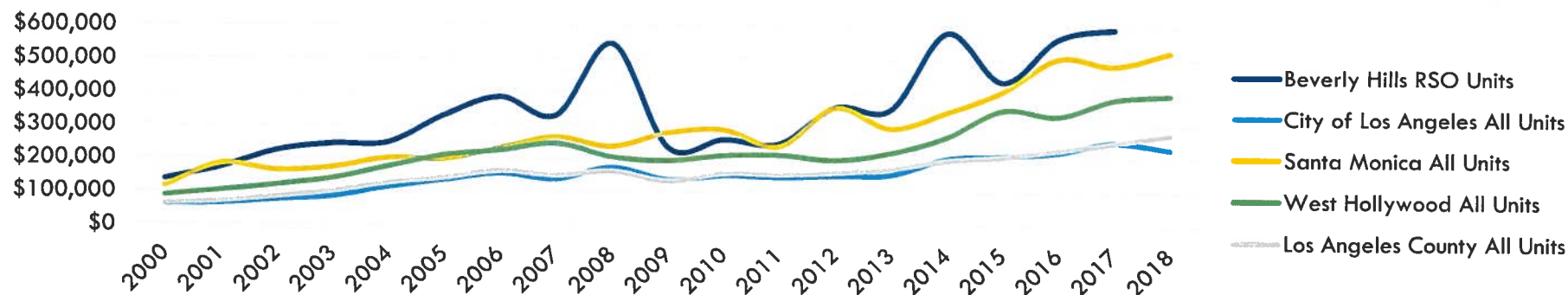


APARTMENT BUILDING SALES

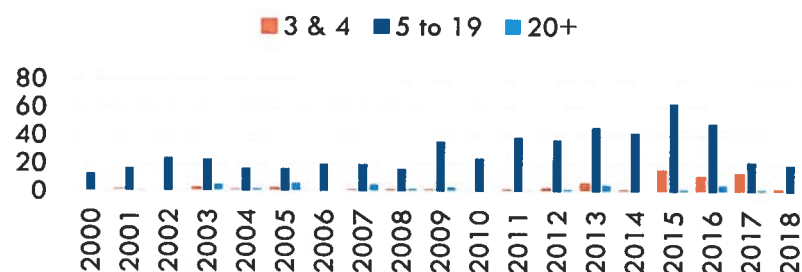
Despite rent restrictions, Beverly Hills RSO Buildings have historically sold for higher average prices per unit than all apartment buildings in comparative areas, according to data obtained from CoStar, as shown in Figure 35. The building sales data from CoStar for Beverly Hills include multifamily rental properties with three or more units that were built prior to 1995 (i.e., RSO Buildings) and include all multifamily rental properties for comparative cities. While prices per Beverly Hills RSO units have fluctuated over time, some years dipping below prices for all apartment buildings in Santa Monica, they have generally increased, and in 2017 (the most recent year for which data are available for Beverly Hills) sold for an average of \$590,000 per unit, approximately \$110,000 more than average per unit apartment prices in Santa Monica in the same year. The data suggest that the RSO has not hampered property value growth, and Beverly Hills RSO Buildings have generally sold at higher prices on average than all apartment buildings in nearby cities, which include more unregulated new construction apartment buildings, at least through 2017. It will take several more years of sales data to determine whether the RSO Amendments have caused any changes to these relationships.

Within the City, the number of annual apartment building sales (particularly for duplexes and triplexes), remained at very modest levels between 2000 and through the Great Recession (2007-2009), as shown in Figure 36. The annual volume of multifamily sales increased for all scales of buildings beginning with the end of the recession, peaked in 2015, and has since then tailed off to levels more like the beginning of the decade. This trend also generally holds for triplexes and quadplexes, but still at much lower volumes than for buildings with more units. More specifically, there have been 546 total sales for buildings with 5 to 19 units since 2000 compared with 60 total sales for three- and four-unit buildings and 41 total sales for 20-plus unit buildings over the same period.

Figure 35: Average Price per Apartment Unit Derived from Apartment Building Sales, 2000-2018



Source: CoStar

Figure 36: RSO Multifamily Property Sales by Number of Units in Structure in Beverly Hills, 2000-2018

Source: CoStar

CONSUMER PRICE INDEX

The Consumer Price Index ("CPI") is the benchmark for allowable annual rent increases in Beverly Hills under the RSO and the RSOs of many other California cities, typically tethered to the average annual percent change within a respective metropolitan area on a year-by-year basis. The U.S. Bureau of Labor Statistics ("BLS") defines the CPI as "a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services."⁵ The BLS categorizes the complete market basket that the CPI measures as "All Items" that includes subcategories for its various household cost components including "Rent of primary residence." However, the rent of primary residence subcategory necessarily only accounts for housing costs to the consumer (i.e. tenant) and does not include apartment operating costs that would be incurred by the housing provider.

⁵ United States Bureau of Labor Statistics, "Consumer Price Index," <https://www.bls.gov/cpi/>

⁶ United States Bureau of Labor Statistics, "Consumer Price Indexes Overview," <https://www.bls.gov/cpi/overview.htm>

All California cities that use CPI as a method for determining allowable annual rent increases refer to the CPI for Urban Consumers ("CPI-U") for All-Items for their respective metropolitan areas. According to the BLS, The CPI-U "includes expenditures by urban wage earners and clerical workers, professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, retirees and others not in the labor force."⁶

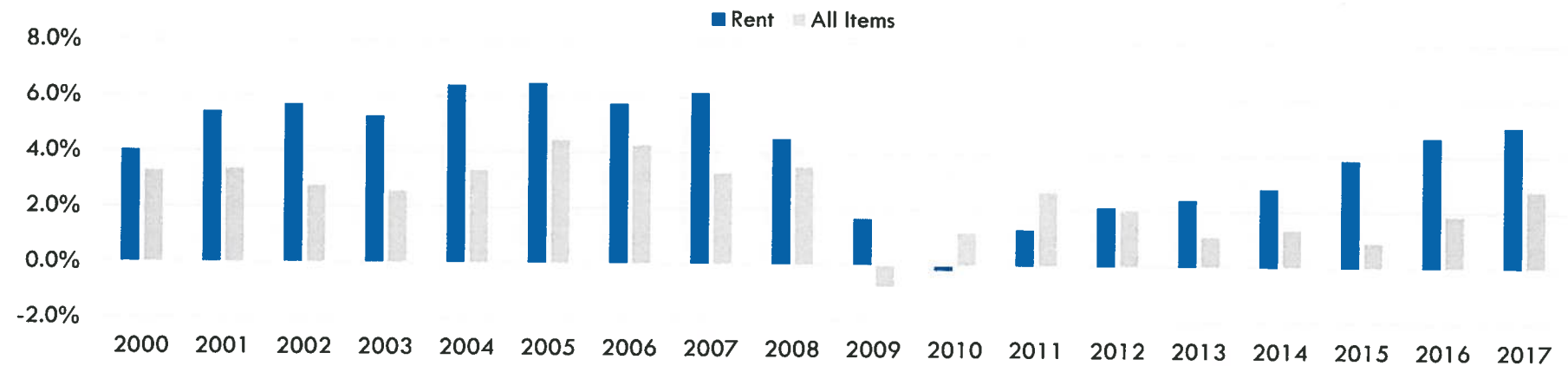
The premise for using the CPI to calibrate allowable rent increases is that it is the most widely used and accepted, most frequently updated (monthly) and most readily available measures of general price inflation.⁷ Combined with the ability for housing providers to raise rents to market rates upon vacancy and income from allowed pass-throughs, maintaining rents commensurate with changes in the CPI theoretically allows for housing providers to achieve levels of net operating income that are consistent with trends in general price inflation over time, while also preserving the incentive for housing providers to maintain their properties to adequate standards.⁸

As shown in Figure 37, increases in the CPI-U for household rent have historically been higher than changes in the CPI-U for all items in the Los Angeles area, except for in 2010 and 2011 immediately following the end of the Great Recession. Between 2000 and 2017, annual percent changes in CPI-U for rent average 4.1 percent, and 2.4 percent for all items.

⁷ Other plausible inflation indices that lack these multiple benefits include the Implicit Price Deflator, Producer Price Index and Personal Consumption Expenditure Deflator.

⁸ Hamilton, Rabinovitz & Alschuler, *The 1994 Los Angeles Rental Housing Study: Technical Report on Issues and Policy Options*, p. 245.

Figure 37: Average Annual Percent Changes in the Los Angeles-Riverside-Orange County CPI-U, 2000-2017



Source: U.S. Bureau of Labor Statistics

ATTACHMENT C

Extracted Public Comment Re: Relocation Fees

Summary Comments on Relocation Fees:

Public comments in support of retaining relocation fees argued that:

- Relocation fees are necessary to pay for the cost of moving. They rejected any qualifying conditions such as being tied to income or the size of the unit.
- Relocation fees need to be increased because they do not cover the true cost of moving. They also supported increasing fees for specific vulnerable groups: long term tenants, adding a three-bedroom tier, senior citizens, disabled, low income, families, and children attending BHUSD. Relocation fees should cover at least one year's rent at the Beverly Hills level. This would discourage investors and developers from removing families from their home.
- The difference in percentage of payment of relocation fees for "qualified" and "low income" tenants is less in Beverly Hills than surrounding cities. For example, in Los Angeles they're double; Beverly Hills fees need to be increased.

Public comments opposing relocation fees claim that:

- There is no evidence for a need for an RSO Ordinance. Relocation Fees should not have been implemented for Chapter 6 tenants;
- Relocation Fees discourage owners from evicting problem tenants, adversely affecting the safety, health, and quality of life of tenants. Housing providers should have the ability to remove nuisance tenants without payment of relocation fees because they disrupt the community;
- Relocation fees put an undue burden on housing providers. They reduce property values. Tenants should use the security deposit to move;
- Exemptions should be allowed, such as for properties with four units or less and housing providers who are moving in family;
- The disagreed with identifying families with children enrolled in BHUSD as a qualified group;
- Relocation fees lead to tenants gaming the system, such as becoming "professional tenants", and encourage bad actors to act worse in order to extract relocation fees. In response, they said tenants should be limited to the number of times they can receive relocation fees. Relocation fees should only apply to protected classes and based on income levels;
- Relocation fees create perverse incentives for housing providers;
- A three-person committee, consisting of a tenant, housing provider, and code enforcement officer should hear disputes for relocation cases.

**RELOCATION FEES
COMMENTS, CONCERNS & SUGGESTIONS**

Policy Option	Comments	Name	Tenant/HP
No Policy Change			
1	No policy change. Do not complicate what is now simple.		
1	I feel that the best option is #1: "No Policy Change." Option #2 will add too much complexity to the concept of having relocation fees. I don't like option #3 at all. That would just be a huge negative step backwards.		
1	No. 1, No Policy Change; though I believe the amounts are not representative of costs of moving I think the fees are effective and the fact that no one is happy - is good. This should be rarer if no-fault is eliminated, thus it is less important.		
1	What is temporary eviction vs permanent eviction?! Leave as is. No change.		
1	No policy change except raise the fee for seniors and the disabled. Many seniors live and enjoy Beverly Hills. Many would suffer financially if they were forced to move.		
1	No Comment		
1	Issue #1 Relocation Fees: Retain Option #1 with an addendum: relocation fees should be adjusted to compensate (make whole) tenant in finding rental units commensurate to location and rental amount being vacated.		
1	I support option #1. And please add a three-bedroom tier to the schedule of fees, which is where many of us families are.	Steven Heller	Tenant
1	No Policy Change – relocation fees are important to keep landlords from bad actions.	Will Rack	Tenant
1	Relocation fees policy: I support option #1. Beverly Hills should retain the current relocation fee framework, however relocation fees need to be revisited within the context of a no-change option. The fee schedule should fairly include: 1) a three-bedroom fee tier; 2) payment of a supplement for any and every eligible occupant; and 3) reflect the realistic and current costs to relocate -- not identify a figure that is inflation-adjusted to our current base year.	Mark Elliot	Tenant
1	Relocation Fees preferred option #1: The City should keep the current relocation fees in place.	Daniel Bradford	Tenant
1	Relocation Fees preferred option #:1	Glen	Tenant
1	Relocation fees policy: Renters Alliance supports option #1.	Jay Newman	Tenant
1	Relocation fees -- I support option #1.	Benjamin Bryant	Tenant
1	Relocation fees: I support option #1 .	Erik Kelley	Tenant
1	Relocation Fees preferred option #1.	Constance Meyer	Tenant
1	Relocation fees policy: Prefer option #1. We should retain the current relocation fee framework, however the fee schedule should include: 1) a 3-bedroom fee tier; 2) supplement payment for any and every eligible occupant; and 3) reflect the realistic and current costs to relocate - rather than a figure that is inflation-adjusted to our current base year.	Jennifer Jones	Tenant

**RELOCATION FEES
COMMENTS, CONCERNS & SUGGESTIONS**

Policy Option	Comments	Name	Tenant/HP
1	Relocation fees policy: Option #1. Beverly Hills should retain the current relocation fee framework. But relocation fees need to be revisited within the context of a no-change option. The fee schedule should fairly include: 1) a 3-bedroom fee tier; 2) payment of a supplement for any and every eligible occupant; and 3) reflect the realistic and current costs to relocate -- not identify a figure that is inflation-adjusted to our current base year.	Sandy	Tenant
1	Ladies/Gentlemen: My family has been renting the same residence in the City of Beverly Hills since November 2012. My children attend school in the Beverly Hills Unified School District. I am an assistant soccer coach for girls under 12 in Beverly Hills AYSO Region 76. I am an attorney, and my spouse is an entertainment manager. Please consider my responses to the issues below: Session No. 1 (Aug. 15, 2018), Issue No. 1: Relocation Fees, Correct Policy Option is No. 1: Relocation fee requirements should continue as they currently exist. Policy No. 2 does not fit because the existing criteria already make sense. Policy Option No. 3 is unacceptable and contrary to the health of the RSO and the City's residents who depend upon it.	R. C. Little	Tenant
1	Relocation Fees preferred option #1	James Spottiswoode	Tenant
1	Relocation fees: I support option #1. I support the Renters Alliance position.	Judy Horowitz	Tenant
1	I support option #1. Relocation fees assist the tenant in securing replacement housing and should be paid at the time the landlord issues an involuntary termination.	Karen Guerrieri	Tenant
1	Relocation Fees Policy: I support option #1	Mireille Bertagna	Tenant
1	We support #1. The relocation fee needs to be higher. I believe we would get \$14,000 because we live in a 2 bed, 1 bath and we have two kids (8 year old & 10 year old). Of course \$14,000 is some help, but not enough if you look at the big picture, especially since we may have to move out of Beverly Hills. If we had to do so then we would need to put our two sons in private school. We can't afford that.	Jess Bendixen	Tenant
1	I am a retired senior citizen and have lived in Beverly Hills as a Chapter 6 tenant for almost 12 years in the same large apartment complex. Here are my thoughts on some of the topics discussed at the Facilitated Dialogue Sessions held in August and September which I attended. For your reference, I have indicated which option(s) suggested by HR&A Advisors that I am supporting. I support option #1 of no change in the existing Ordinance. The existing Ordinance and the amounts specified therein seem fair and equitable.	Tom Vogt-Nilson	Tenant
1	No Comment		Tenant
1	Relocation Fees preferred option #: 1 – I also support additional provisions for seniors, minors, or disabled residents in household		Tenant
1	Relocation fees policy: option #1.		Tenant

**RELOCATION FEES
COMMENTS, CONCERNS & SUGGESTIONS**

Policy Option	Comments	Name	Tenant/HP
1	I support #1 but many 3 bedroom apartments exist here, mostly in old beautiful classics with fine craftsmanship. Please don't make it cheap/easy to demolish these treasures. Relocation fees should be much more. Like actual moving expenses to an equally desirable 3 bedroom in Beverly Hills, plus at least 1 year rent (not in Lancaster or Barstow). Existing relocation fees are but small pocket change to a building owners value of over 20 times the gross annual income. Our kind council can "disincentive" investors and developers from kicking our beloved locals to the curb (literally). Seniors won't last much longer, so give them a break in their final years, please?	Tom Thompson	Tenant
1	No Policy Change. I support this option.		Tenant
1	The elimination of relocation fees is unfair and unjust. This would completely disregard for tenants in Beverly Hills. What if the landowners would be asked to leave their home in matter of days? Evictions are very different than relocation fees. According to today's rental rate hikes, the relocation fee would be an understated assistance in order to preserve a somewhat similar standard of living. Relocation fees should stand as they are regardless of someone's income. Hardship is hardship, emotional distress/moving boxes/leaving your home is as equally stressful for a human being regardless of income.		
1	Adopt fair mandatory relocation payments and include an additional \$2000 for any senior, disabled person, or minor forced to relocate.	Ruth Greene	Tenant
Alter Fee Amounts to Account for Additional Criteria			
2	Offering relocation fees to people who problems encourages bad actors to act worse in order to receive fees for relocation. Couldn't you have a mediation procedure similar to what Culver City once had?		
2	Remove fees for just-cause evictions. Only have relocation fees for no-cause evictions. We should not reward disruptive, opportunistic or illegal behavior. Have a flat fee for no-cause evictions based on size of apartment and tenancy after 5 years. Opportunistic tenants will then be deterred. This also avoids discrimination when deciding to rent to people who are over 62 or have children.		
2	There should be a human element. For example a 3 person committee or board comprised of a tenant, housing provider and code enforcement officer to hear disputed relocation fee cases. - Earl Goldstein, Housing Provider.		
2	No comment		
2	Relocation fees should be (illegible) tested a tenant living in a luxury apt. Chapter 6 should not be eligible for any relocation, for cause or no cause eviction, unless as in a protected class, such as seniors, handicapped or a single parent with children going to Beverly Hills schools. Chapter 5 does spell out issues of displacement where a building needs to be refurbished or an individual apartment needs rehabilitation.		

**RELOCATION FEES
COMMENTS, CONCERNS & SUGGESTIONS**

Policy Option	Comments	Name	Tenant/HP
2	Relocation fees should be based on a combination of size of units and duration of tenancy. A person that has been in a unit for 1 year should not get the same amount as someone that has lived there for 20 years, and is a senior and has thought that they had a home for the rest of their life. This would eliminate the landlord's argument about "professional tenants" make a living by relocation fees. Why is Beverly Hills lower than West Hollywood and Santa Monica?		
2	No comment		
2	First of all, thank you to all in the B.H. City Council, the Rent Stabilization area of Community Services, and everyone in City Hall for the commitment to see this Ordinance through to the end and trying to listen to all sides of the argument, and be fair to everyone. No protections regarding relocation fees have been discussed for longtime tenants, 20 years or more, and are living on a limited income, or are elderly and/or disabled? We know Chapter 6 is the majority of the renters in Beverly Hills, and there is a portion of Chapter 6 that is made up by that tenant category. No, if you think that those people are all included in Chapter 5, that's not the case! We should start by finding out what percentage of Beverly Hills' Chapter 6 tenants fall into this category, because right now, as far as our rent control ordinance is concerned, these people don't exist. I asked Paul, at the last meeting, and he said the City has a way of finding this out. Obviously a tenant that is elderly, and disabled and/or low income, should logically require more than a \$2,000 relocation fee, and they deserve more. So let's set up realistic relocation fees that are not totally based on the size of the unit. If it were based partially on the length of tenancy, no renter could "make a living" from relocation fees as the Landlord's have suggested. People who have lived in their units for 20 to 30 years should NOT get the same amount as people who moved in 1 to 3 years ago. And tenants who have tenure, and are elderly, disabled, and/or low income need to be a protected class within Chapter 6, either "qualified" or "low Income". Lilli Bosse, at a City Council meeting last Fall, when she overheard some of us discussing this in the hallway, promised us that this would be addressed. And even some of the landlords, who have gotten up to speak at various Meetings, seem to agree that there should be protection for this category of renters. So look at the relocation fees in our surrounding cities, West Hollywood and Santa Monica who took the time to think about these tenants, Beverly Hills' relocation fee for "qualified" is 32% more than regular tenants, whereas the other 2 cities listed are anywhere from 15% to 164% more for "qualified", and from 72% to 233% for "low income". We need to establish a realistic amount for elderly and disabled, and add an amount for "low income". These are the people that will suffer the most from some of the unscrupulous landlords. The relocation fee for this class must be one that could logically move a tenant into a like unit, in a nearby city, if not Beverly Hills. And it doesn't have to be a complicated calculation. I recommend Option 2 Alter fee amounts to Account for Additional Criteria, and take into account duration of tenancy and financial circumstances.	Lynda Goar	Tenant
2	Agree that relocation fees should have different amounts for different issues. A "bad citizen" (noisy, substance abusing, Air BnBing the unit) should not get as much as the little old lady forced to move so that landlords daughter can move in.		

**RELOCATION FEES
COMMENTS, CONCERNS & SUGGESTIONS**

Policy Option	Comments	Name	Tenant/HP
<i>Eliminate Relocation Requirements and Fees</i>			
3	I believe we should eliminate the requirements and fees for all tenants and housing providers. There does not appear to be a statistically greater number of evictions in Beverly Hills over the years, when no such fees existed. Thus why spend more money on this new infrastructure, when it is shown that relocation fees have no impact on reducing evictions?		
3	Remove fees for just-cause evictions. Only have relocation fees for no-cause evictions. We should not reward disruptive, opportunistic or illegal behavior. Have a flat fee for no-cause evictions based on size of apartment and tenancy after 5 years. Opportunistic tenants will then be deterred. This also avoids discrimination when deciding to rent to people who are over 62 or have children.		
3	As a landlord, I am glad to have qualified tenants who stay for an extended period. However, I believe that relocation fees incentivize tenants who might otherwise have thought of moving to stay in a unit in the belief that they might be paid a relocation fee for holding out. In addition, landlords might hesitate to ask a "trouble" tenant to leave in order to avoid paying a relocation fee. The fee is onerous; however I might approve of a fee to relocate tenants when an owner wants to take a property off the market as a rental completely (under Ellis Act).		
3	If a housing provider evicts for personal use or condo conversion, yes on relocation fees. If 60 day no cause - continue policy of no rental increase for next tenant. No relocation fee in this case.		
3	Landlord - Because I own the building and should be able to do what I choose.		
3	No comment		
3	There is no financial advantage to ask a tenant to leave because the apartment has to be rented at the same amount. It is used when it is imperative to get a problem tenant out of the building. Relocation fees are a second penalty to landlords who will lose money when the unit is vacant.		
3	Eliminate relocation requirements and fees.		
3	Please eliminate relocation fee provisions for both Chapter 5 and Chapter 6 tenants. In other words, reinstate the "no cause - no fault eviction" laws enabling Beverly Hills landlords to only be required to give tenants a 60 day move out notice at our discretion but without having to pay a single penny in relocation fees!		
3	"I support policy option no. 3 (eliminate relocation requirements and fee provisions from chapter 5 and chapter 6 tenants) for the following reasons: a housing provider's arguments: there is no need and there should be no relocation fees. Relocation fees might justifiably be required if there were substantial data that tenants were being evicted for no cause. In light of these figures, we submit that there is absolutely no basis and no justification for relocation fees of any kind.		
3	Comments I Concerns I Suggestions: Please eliminate relocation fees. Provisions for both chapter 5 and chapter 6 tenants - In other words, reinstate the "no cause - no fault eviction" laws enabling Beverly Hills landlords to only be required to give tenants a 60 day move out notice at our discretion but without having to pay a single penny in relocation fees!		

**RELOCATION FEES
COMMENTS, CONCERNS & SUGGESTIONS**

Policy Option	Comments	Name	Tenant/HP
No Policy Change & Eliminate Relocation Requirements and Fees			
1 & 3	#2 - Will open city/landlords to tremendous Fair Housing lawsuits. Combination of #1 & #3 - Landlords need opportunity to remove nuisance tenants w/o relocation fees. It will perpetuate bad behavior tenants that disrupt our community.		
No Policy Choice			
	Not enough money to relocate, it has to be at present rent rates not what the tenants are paying.		
	Chapter 5 long time tenant - over 30 years. As a long time rent control tenant - over 30 years - prior to RSO 1979 - my dear landlord Don Isaacs assured me this was my home and I would always have a roof over my head. He said if I ever could not pay my rent to let him know. He would "carry" me. Don Isaacs passed away. Unfortunately I have had no new carpeting - no new painting. My landlady's daughter has suggested I move into City housing -hint, hint. *I think the fees for a senior should be based on the length of time the tenant lived in the unit. * Rationale - costs go up annually. I would not be able to afford an apartment in Beverly Hills - or in WEHO either...or Santa Monica. *Why are BH fees lower than the other cities relocation fees? There is a drastic difference! The relocation fees are too low for qualified tenants! *When the landlords had to pay fees based on the time the tenant lived in their unit. That was an incentive for the landlord not to evict - even just cause - it was a deterrent and we need it back. The relocation formula based on length of time lived in the unit. Please out back the relocation fees to length of years lived in the unit. Why are WeHO - Santa Monica's fees doubled when BH Rents are higher than those cities? I can't afford to go elsewhere. Protect your seniors!		
	To answer your question, what you requested of us, no policy change is obviously stagnation. To have an elimination of relocation requirements and fees is taking a giant step backwards. What we're hoping that when you address, and just as the prior speaker Hal pointed out very clearly is your bolded comment as to additional criteria. We're looking for the City Council to look at the City of Beverly Hills and look at those criteria. We've had in this city for many years criteria and things along the lines of, that from the owner's side in relocation there were written or unwritten rules that said that when an owner of a duplex, triplex or fourplexes, small units were able to move in their elderly mother or whatever, at points when they needed to take care of these things. These criteria, and the criteria of whether that eviction is going on. Hal brings up an important point that the imbalance, and that's my comment, involved in criteria in Option #2, is that there isn't balance. And in order to balance the situation, obviously other things come into play, like Hal's bringing up nuisance laws and the control. Tenants want landlords to take responsibility for things that current code doesn't take into account and those are the comments as far as criteria that we should be considering. Thank you.		

**RELOCATION FEES
COMMENTS, CONCERNS & SUGGESTIONS**

Policy Option	Comments	Name	Tenant/HP
	Let me preface my answer by stating that I was previously a landlord tenant attorney and I represented many tenants being evicted by their landlords and helped many landlords evict their tenants. I truly believe that the relocation fees in Beverly Hills would extremely hurt the property values and affect the Landlords who are individuals and trusts, causing many of them to have to sell to major corporations. By doing so, we will see what is happening in West Hollywood, occur in Beverly Hills. Which is major corporations coming and purchasing these properties and then building major residential buildings. Although this may be deemed as benefit to our city, it would be a detriment to many families who purchase duplexes, triplexes and fourplexes. Many of these homeowners purchase these properties as means to be able to afford their mortgage and at one time pass on this property to their children, so that they may in turn have somewhere to live with their future family. Having to pay a relocation fee in order to have your family member move in to your property can be very costly and negates the intent of owning an income producing property for the individual owner or trust. I do believe relocation fees should be enacted for properties that have 4 or more units, however I believe it is punitive to the smaller buildings.		
	Students /School Officials Living in Apartments. If Council is considering complicated Rent Stabilization Ordinance, consider the definition of a student and school official. Whether a student is somebody that attends one of the B.H.U.S.D. schools or just attends any school, including on line, private, out of district schools. Consider if the school official is part time, full time, substitute, etc.		
	Rent Increase Considerations. I am a certified public accountant by training, and I had trouble following the rent increase form that was being proposed by the City. In most cases, these requests are not approved, and the criteria is set so high that it is nearly impossible to ever gain approval. Council should evaluate the proposed form and look at it from a lay person's perspective to see if it makes sense. I suggest that the requested financial information be in the same format as a Form 1040, which housing providers are already used to preparing.		
	RSO Exemptions. Council should make the following exemptions under the RSO: Compensation should not be required when displacing tenants for an owner/occupier. Housing providers should have an option to move into their own property without being encumbered by relocation fees. Buildings that are four or fewer units should be exempted. These buildings are typically owned by smaller, "mom and pop" owners that do not have the sophistication or time to abide by the complexities of the Rent Stabilization Ordinance. The operation of these buildings closely resembles single-family homes and, in many cases, are occupied by owners (as is my case). Apartment units housing tenants that can afford to pay \$3,000 or more per month for a one or two-bedroom apartment should be exempt under the Rent Stabilization ordinance. Right now, Beverly Hills has price controls on apartment units charging as much as \$10,000 per month, which makes no sense whatsoever. In this context, the City may consider updating and adjusting the concept of Chapter 5 and Chapter 6 to better protect tenants paying lower rents and by eliminating protections on wealthier tenants (or leaving Chapter 6 increases at 10%).		
	Banking Rent Increases. Housing providers should not feel compelled to consistently increase rents by the maximum allowable percentage each year. Like any business, they should be given the flexibility to respond to changes in operating costs and market conditions. Accordingly, the Council should allow the "banking" of forgone rent increases without a maximum limitation.		

RELOCATION FEES
COMMENTS, CONCERNS & SUGGESTIONS

Policy Option	Comments	Name	Tenant/HP
	<p>Other Comments. Council needs to study the cost of rent stabilization ordinances in cities such as Santa Monica, West Hollywood and other like cities. The cost of managing these ordinances have ballooned, headcounts have risen, and legal fees defending these ordinances are ever increasing. Already with what will surely be more than a \$1.5 million budget, Beverly Hills' tax dollars would be far better spent targeting tenants in the City that need rental assistance rather than implementing an ordinance that benefits tenants that are not in need of assistance, that often earn more money than the housing provider themselves, and that in some cases are very wealthy individuals. All rent control does is benefit the lucky few that just so happened to be in place at the very time the ordinance was enacted. As one "mom and pop" owner has characterized the ordinance, rather than making a targeted "strike" to help those in need, the City has decided to set off a nuclear bomb to deal with a purported housing issue within the City. Be careful, because the costs associated with such a complicated ordinance like this one could easily balloon. Unfortunately, the City chose to select a consultant that is a former City of Santa Monica planning official, and one that is obviously pro-tenant. The City could have only made a worse choice in selecting experts had it selected someone from the City of Berkeley or from San Francisco to help guide it on modifying the various aspects of the rent stabilization ordinance. The fundamental flaw of rent control - renters' self-interests and greed. While pretending to stand in solidarity with those less fortunate, most renters are just really trying to preserve their own comfortable living situations.</p>		
	<p>Two questions and then a statement. First question is: Does the City have any idea or does HR&A have any data about the prevalence of relocation payments or how often they are awarded or how often they are not awarded? In other words a tenant that has been entitled and has not received a fee? Second question is: Why is there not a policy option like #1.5? Would stay with the same relocation framework but adjust the fees. Option 2 currently includes the adjustments but that opens the door to other ways to perhaps limit or scope down the fees. So that's the second question, where is option 1.5, just changing the fee schedule? I believe the relocation fees went into effect in January of 2017. 18 months. I'm sorry option #1.5 adjust the fee schedule, there's no other aspects of the current fee policy. Option #1 is no change. That implies no change to the framework, no change to the fee schedule. Option 2 is change in the policy in some fashion which could include a change in the fee schedule and other changes. Perhaps changing eligibility? Option 1.5 would be keeping the relocation framework as it is, change in the amounts to the actual relocation fees. I think in my view and I think tenants share this view, the current relocation fees don't make a tenant feel whole for being involuntarily terminated. I think in particular they don't reflect asking rents today. If we base a fee schedule on prior rents that's not where the market is today. With regard to the supplement, the \$2,000 supplement for eligible classes of tenants, not only is it too little, but it's a one-time fee now if you have 3 kids and you're involuntarily terminated, you get the one \$2,000. It's not enough, it only applies one time not multiple and that fee is not adjust with CPI.</p>	Mark Elliot	Tenant

**RELOCATION FEES
COMMENTS, CONCERNS & SUGGESTIONS**

<i>Policy Option</i>	<i>Comments</i>	<i>Name</i>	<i>Tenant/HP</i>
	I've been living in the City of Beverly Hills for over 30 years now. There's a couple of comments I would like to make as a tenant. The first one that really caught my attention was, I was worried about the no cause clause landlords may be forced to create a cause to evict a tenant, one that would be difficult for a tenant to fight, even though it's an issue that has been accepted for over several years in their tenant circumstances. That would go on a tenant's record and a tenant would not be able to rent for a long time. So that was one of my issues, so it's not for or against. It's just a concern that I've had for the tenant. Also included in the relocation fees, I believe that it's important for the idea of replacement cost to be included. So in that fee for example if someone has been living in Beverly Hills their whole life and now they're being asked to move, then the whole concept of what is it going to take to move in to another place that's the same type of place in Beverly Hills. I think that's also important. Also what wasn't clear to me and I guess this is a question, is the part where it says that, I think it was option 2, to include the financial circumstances of the tenant as part of the relocation fees. I wasn't clear whether it was if you made more, you get more, or if you made less you would get more, or what the terms of that would be.	Juan David de Jesus	Tenant
	If we eliminate costs of moving people from the apartment how many are going to be coming up? Most of us that are over 70 are located in this city, for example me, I'm close to 90. Where am I going to go? I have to live with my income that I have left.		
	Also adding on, I wanted to remind everyone that this is the whole idea of being in Beverly Hills is stabilization. You have so many people that have been here for so long and I think this must be taken into consideration since so many of my neighbors who have been elderly are forced out and then become homeless. It saddens my heart to see one of my neighbors, I see them walking down the street, to Bristol Farms and she doesn't have a place to go as she was forced out and she didn't have any recourse. I think the key here is stabilization and I think we all have to remember that.	Juan David de Jesus	Tenant
	I just wanted to say that even though someone is making a certain salary I don't believe that even if they are making that certain salary that those relocation fees should be taken away from them because they're making a certain amount of money. One day that might change. One day we might lose our house. You might lose your job or might keep your job.		

**RELOCATION FEES
COMMENTS, CONCERNS & SUGGESTIONS**

Policy Option	Comments	Name	Tenant/HP
	<p>I am a housing provider, I own a duplex in Beverly Hills, I'm also a resident in Beverly Hills, and I also participated in 6 or 7 of the facilitated dialogues last year with Professor Singh. I'd like to make 2 observations and then comment about the whole relocation fee. The first comment is that Susan Healy Keane started off and I wrote this, it's verbatim, she said "We didn't have enough data." That question was raised by several of the council members during the course of meetings last year. So that's the first observation, Ms. Keane said "We didn't have enough data" and I agree with that 100%. The second observation is in respect to the HR&A analysis. It's extraordinary to me and anyone who bothered to read the data brief that none of the comparators considered by HR&A were communities that do not have a form of rent control or rent stabilization or cities like Cambridge, Massachusetts and South Pasadena to some extent once did. So we're starting off with an assumption by HR&A and the city council that we need to have rent control or rent stabilization. So let's look at the data that Ms. Keane was talking about. Couple of us asked the city in September of 2017 for the data that supported for the enactment of the emergency ordinance as well as the final ordinance. If you go on the website, the city says there were 3 reasons why the RSO was enacted. First was that the laws were inadequate. Second was that there was a rapid rise in rents and the third was there was a rapid rise in evictions. We analyzed the data and I spent hundreds of hours doing so, we're talking about almost 2,000 pages of material gleaned from Beverly Hills Code Enforcement. Not one of the reasons that the city said were the reasons for the rent stabilization ordinance was true. I'm going to repeat what I just said. Not one of the reasons given was true. I'm going to give you in summary fashion what we discovered. For 4 years for 2013 to 2017, in fairness I think Mr. Silvern had more than 2 1/2 minutes and I think we ought to as well, in 4 years, prior to the enactment of the RSO, 3 or 4 complaints filed with Beverly Hills Code Enforcement relating to rent rises. 3 or 4. The same number approximately 3 or 4 complaints in 4 years 2013-2017 relating to evictions. Now I would be the first one to concede that if we had hundreds or even tens of evictions or even rent rises in 4 years. I heard you in the city council and I heard what you said and what you said is absolutely not true and I'm not going to get into an argument.</p>	Hon. Judge Elliott Weinbach	HP
	<p>My name is Michael Newman. I have received an apartment in Beverly Hills and for 16 years I've been a custodian/owner of an apartment complex in Silverlake, Los Angeles. I'm kind of baffled by all the subjects that you're going to be dealing with so I'm just going to stick with this subject. I've been there 16 years managing my property and I've never had to deploy any of these tools. I don't understand why Los Angeles's fees are double in each category as they are now in Beverly Hills. If the rents in Beverly Hills are higher per capita than the average rents in Los Angeles then I don't understand why we're not double here as opposed to Los Angeles. Second is a question that has to deal with these issues and it might be a CPA's advice to advise us but isn't a charge for relocation a business expense and tax deductible? That should be considered as a ratio.</p>	Michael Newman	

**RELOCATION FEES
COMMENTS, CONCERNS & SUGGESTIONS**

Policy Option	Comments	Name	Tenant/HP
	This is just going to take 30 seconds. I just want to address the gentleman in the sunglasses comment. I wanted to let him know that I'm living data. I've been living in my apartment since 2013 and I've never come to any of these meetings yet my rent is always getting raised. I pay and my rent has been raised up to \$600 from when I first moved in and I've had enough. So to this gentleman's point, I don't know his name but the data's been unrecorded because of people like me are too busy living life, too busy trying to make a living, too busy trying to spend time with my family that it's hard to make it to these meetings. Even today I have to leave early because I have something after. This is the first time I'm here. I'm actually going to be a lot more present because I care after \$600 but I just wanted to let them know that I'm living data there is undocumented recordings out there of people that have had enough.		
	Hi my name is Gerry. I agree with you. Too many of us were scared. I was evicted for no reason, that's how I got involved. But how many times have we gone to reissue the subject. How many more times do we come to these meetings? How many more times are we going to have to go through the whole thing over and over again? At this point I'm worried that the council is going to say well we now have to raise it again. Let's do it once and for all. Make us happy. The renters as well. The owners they didn't give us anything when they were getting 10%. They didn't do it for free. They didn't paint. They didn't fix anything. And now they're screaming and of course they're screaming from 10 to 3 they're going to scream. So I'm helping, hoping that they let us be that we don't have these meetings over and over again that are difficult to come to and that we hear over and over again the same problems. They won't go away but let us live in peace and know that our rents will only be raised 3 or 4%. And not the 10%. The owners are going to cry all the time.	Gerry	
	Good evening. My name is Hal Lifson. I'm a tenant at an apartment at Olympic and Roxbury. My wife and I have lived there now, fifteen years, been very happy. I wanted to make just one singular comment about the relocation fees, that's really more or less a concern that I have, that if the owners of buildings such as ours are forced or imposed this fee that they might be more apt or willing to allow tenants to remain in the building that really shouldn't be there for the greater good of the building as a whole. Our particular building only has six units, so there are only five units other than ours. Over the fifteen years that we've lived there, there have been a few problem tenants. One gentleman was an alcoholic. He was sleeping in front of his door, literally in front of our door as well. He really didn't fit in the building; he was removed, so to speak, gently. We also had a problem, a tenant who was bothering other tenants. Hearing things, imagining things that were proven to be untrue. And again, the landlord was able to expedite the situation without this hefty fee whereas if the fee was involved, I worry as a tenant, that landlords will just let it go. So in conclusion with two young daughters at El Rodeo School, we still have many years to go here in the community, and we're planning to stay, but I worry about the relocation fee because I think that it really becomes a deterrent to keeping the community of each building safe and healthy for everyone involved.	Hal Lifson	Tenant

ATTACHMENT D
HR&A Issue Paper Regarding Relocation Fees



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MEMORANDUM

To: Honorable Mayor and City Council, City of Beverly Hills

From: HR&A Advisors, Inc.

Date: October 3, 2018

Re: Relocation Requirements and Fees in the Beverly Hills Rent Stabilization Context

The City of Beverly Hills (the "City" or "Beverly Hills") retained HR&A Advisors, Inc. ("HR&A") to provide independent research and analysis about seven policy issues related to recently enacted changes to the City's Rent Stabilization Ordinance (the "RSO").¹ This Issue Paper addresses whether, and if so how, the City Council might consider amending the RSO to adjust the circumstances under which relocation fees are due to tenants, and the relocation fee amounts.

The Issue Paper begins with a general statement about the issue, describes the City's current relocation fee regulations, summarizes positions about this issue that have been mentioned in public discussions about the RSO, and describes how this issue is addressed by 13 other California cities with rent regulation, based on a review of their ordinances and regulations and through discussions with several city representatives. Based on the information provided on this topic, the Issue Paper concludes with a set of plausible policy options for City Council, City staff, and public consideration.

Statement of the Issue

Following adoption of the RSO Amendments, the City Council and City stakeholders are evaluating the RSO requirements on relocation fees, a form of assistance for Chapter 5 and Chapter 6 Tenants facing certain evictions. The City requires housing providers to pay relocation fees for certain types of evictions in which the tenant is not culpable, including "no-cause" evictions and certain "no-fault" evictions specified by Chapter 5 and Chapter 6. These terms are defined for use in this analysis as follows:

- "No-cause" evictions are involuntary terminations of tenancies for which no reason for eviction is stated by the housing provider.²
- In contrast, "just-cause" evictions are involuntary terminations of tenancies for reasons established under California Code of Civil Procedure³ or the terms of the RSO. Just-cause evictions include both "at-fault" evictions and "no-fault" evictions.

¹ Ordinance Number 17-O-2729, adopted in April of 2017 (the "RSO Amendments"). The City's Rent Stabilization Ordinance (the "RSO") regulations are included in Beverly Hills Municipal Code ("BHMC") Title 4, Chapter 5 ("Chapter 5") and Chapter 6 ("Chapter 6"). Tenants residing in RSO units subject to regulation under Chapter 5 are hereinafter referred to as "Chapter 5 Tenants;" and Tenants residing in RSO units subject to regulation under Chapter 6 are hereinafter referred to as "Chapter 6 Tenants."

² No-cause evictions are prohibited for Chapter 5 Tenants, and Chapter 6 generally does not address no-cause evictions in detail, other than requiring housing providers to pay relocation fees to evicted tenants and requiring housing providers to file a copy of the eviction notice with the City.

³ Calif. Code of Civil Procedure, Sec. 1161.

- "At-fault" evictions are evictions for which the tenant is culpable and a specific reason is provided (e.g., failure to pay rent, maintenance of a nuisance, illegal uses, failure to execute lease, refusal to provide unit access, or unapproved subtenants).⁴ The RSO does not require relocation fees for any type of at-fault eviction.
- "No-fault" evictions are evictions for which the tenant is not culpable and a specific reason is provided (e.g., a decision by owners to move themselves and/or an immediate family member into a given rental unit, the withdrawal of units from the rental market pursuant to the Ellis Act,⁵ conversion of apartment units to condominiums, or relocation necessitated by building renovation or demolition.)⁶

Prior to the RSO Amendments, the City required relocation fees only for certain types of no-fault Chapter 5 Tenant evictions, including use of the rental unit by a housing provider, demolition or condominium conversions, major remodeling, and Ellis Act withdrawals. Additionally, relocation fee amounts were contingent upon a certain duration of tenancy, and did not increase annually by any inflation factor.

The City did not previously require relocation fees for Chapter 6 Tenant evictions. Among the more significant changes enacted by the RSO Amendments was a new requirement that housing providers pay relocation fees for specified categories of no-fault evictions and no-cause evictions to Chapter 6 Tenants. The RSO Amendments also added identical schedules of relocation fees to both Chapter 5 and Chapter 6 that are adjusted annually based on annual percentage increase in the Consumer Price Index ("CPI").

There is a long history of requiring compensation for involuntary tenant evictions associated with governmental actions under federal⁷ and state⁸ law, and while these laws are not applicable to the RSO, this general type of relocation assistance requirement was extended to certain categories of private eviction actions with the enactment of local rent regulations and other tenant protection ordinances adopted in many California jurisdictions since the late 1970s. In general, relocation assistance requirements seek to balance two competing objectives: (1) compensating tenants for replacement housing costs associated with involuntary, no-fault evictions, including out-of-pocket moving costs and for the foregone financial benefit of remaining in a regulated unit, as compared with a replacement market-rate unit; and (2) protecting the housing provider's ownership rights, which include the right to self-occupy a unit, maintain and improve their property and/or go out of the rental business either through demolition or conversion to non-residential uses.⁹

During a series of professionally-facilitated dialogue sessions between Beverly Hills housing providers and tenants living in buildings subject to the RSO, following adoption of the 2017 RSO Amendments, tenants articulated several positions regarding the RSO Amendment relocation assistance payment changes, including the following:

⁴ Beverly Hills Municipal Code ("BHMC"), Title 4, Chapter 5, Article 5, Section 4-5-501 through Section 4-5-508.

⁵ BHMC, Title 4, Chapter 5, Article 5, Sec. 4-5-513. The Ellis Act is the subject of a separate HR&A Issue Paper.

⁶ BHMC, Title 4, Chapter 5, Article 5, Sec. 4-5-509; Sec. 4-5-511; and Sec. 4-5-512; and Chapter 6, Sec. 4-6-9.

⁷ Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and the Housing and Community Development Act of 1974, as amended.

⁸ California Uniform Relocation and Assistance and Real Property Acquisition Act of 1969, as amended.

⁹ Hamilton, Rabinovitz & Alschuler, *The 1994 Los Angeles Rental Housing Study: Technical Report on Issues and Policy Options*, prepared for the City of Los Angeles Housing Dept., Dec. 1994, at p. 287-288.

- The amount of relocation fees should be adjusted annually at the same amount as the allowed annual rent increase (i.e., the greater of three percent or the applicable CPI), rather than based on only on annual changes in the CPI;
- Relocation fees should be paid by the housing provider at the time he or she notifies the City of an involuntary termination;
- In addition to the relocation fee structure for permanent evictions, a relocation fee structure should be established for temporary evictions on a per-diem basis;
- Relocation fees should reflect estimated actual costs households will incur to relocate;
- Relocation fees should extend compensation to households in 3-bedroom apartments;
- Relocation fees should be increased for protected classes of tenants to \$3,000, and an additional \$1,500 should be awarded for each additional member of any protected tenant class;
- Relocation fees should include lost wages and other accountable costs;¹⁰
- Families require at least one year's rent at the Beverly Hills rent level; and
- Relocation fees should be tied to the unit size and the length of tenancy.

Housing providers in Beverly Hills articulated the need to have adequate safeguards and limits to protect both tenants and housing providers. Housing providers positions on relocation fees included the following:

- The amount of the relocation fee should be limited to two times the current monthly rent, as opposed to three times;
- There should be a limit to the number of times an individual tenant can receive relocation fees, for example, one time every five years;
- Relocation assistance eligibility should be based on tenant financial means; there should be an income cap on tenant eligibility for relocation assistance; and
- The City should accumulate data regarding the frequency of housing providers' relocation fee payments.¹¹

During the 2018 Facilitated Dialogue sessions, tenants and housing providers provided further comments and positions on the issue of relocation requirements and fees. These comments are summarized in the City staff report for the October 11, 2018 City Council study session, which also includes a listing of all oral and written comments on the issue.

Beverly Hills Context

Under the RSO Amendments, housing providers in Beverly Hills are required to pay relocation fees to Chapter 5 and Chapter 6 Tenants under circumstances specified in each Chapter, but these circumstances differ based on the type of involuntary termination of tenancy. Chapter 6 requires relocation fees for no-fault and no-cause evictions, and Chapter 5 requires relocation fees specifically for evictions for dwelling use by a housing provider, demolition or condominium conversion, major remodeling, and Ellis Act withdrawals. The different circumstances under which Chapter 5 and Chapter 6 Tenants receive relocation fees are based primarily on the different eviction protections for Chapter 5 and Chapter 6; therefore,

¹⁰ Tenants Positions, Relocation Fees, Beverly Hills Renters Alliance, <http://bhrentersalliance.org/wp-content/uploads/2017/09/RELOCATION-FEES-2017-8-31.pdf>

¹¹ Beverly Hills City Council Agenda Report, September 5, 2017.

changes to the relocation fee requirements would need to be based on changes to the eviction protections for each chapter.

Chapters 5 and 6 refer to the same schedule of relocation fees based on the number of bedrooms in the unit from which a tenant is evicted and whether there is a senior citizen, disabled person, or minor present in the evicted household, as shown in Figure 1.¹² These fee amounts are adjusted annually based on the percentage increase in the CPI for Los Angeles-Riverside-Orange County area.

Figure 1: Chapter 5 and Chapter 6 Relocation Fees, 2018

Unit Type	Base Relocation Fee ("Eligible Tenants") ¹	Relocation Fees for Household with a Senior Citizen, Disabled Person, and/or a Minor ("Qualified Tenants")
Studio	\$6,447	\$9,447
One Bedroom	\$9,253	\$11,523
Two+ Bedrooms	\$12,902	\$14,902

Source: BHMC Title 4, Chapter 5, Sec. 4-6-9; and Chapter 6, Sec. 4-5-605.

Comparison with Other California Cities with Rent Regulation

Including Beverly Hills, 11 of 14 (i.e. 79%) California cities with residential rent regulation programs require some form of relocation assistance for tenants who experience no-fault evictions, as shown in Figure 2.

Notably, only Mountain View restricts tenant eligibility for relocation assistance based on household income. Relocation fees are available to all tenant households subject to that city's rent regulation system whose income does not exceed 120 percent of the median household income for the County as adjusted for household size according to the United States Department of Housing and Urban Development.

¹² In Chapter 5, a tenant is a "senior" if he or she is over 62 years, a "minor" if he or she is less than 18 years old, and "disabled" if receiving benefits from a federal, state, or local government, or from a private entity due to a permanent disability that prevents the person from engaging in regular, full time employment. Chapter 6 utilizes the same definitions for minor and disabled, but does not include a definition for a senior.

Figure 2: Summary of California Rent Stabilization Programs with Relocation Fee Requirements for No-Fault Evictions, 2018

City	Requires Relocation Fees
Beverly Hills	✓
Berkeley	✓
East Palo Alto	✓
Hayward	
Los Angeles	✓
Los Gatos	
Mountain View ¹	✓
Oakland	✓
Palm Springs	
Richmond	✓
San Jose	✓
San Francisco	✓
Santa Monica	✓
West Hollywood	✓
Percentage	79%

¹ Limits eligibility for relocation assistance to households that earn 120% or less of the applicable Area Median Income.

Source: HR&A Advisors, Inc. and the individual cities

Relocation Fee Variables

As shown Figure 3, like Beverly Hills, the relocation fee requirements in most of these cities vary based on tenant types and the number of bedrooms in a unit from which a tenant is evicted, and adjust relocation fee amounts based on annual CPI changes. A minority of these cities vary relocation fee amounts based on type of eviction, duration of tenancy, or the nature of apartment building ownership. In summary:

- All 10 of the other cities in California that require relocation fees provide some difference in fees for "Eligible Tenants" (i.e. all tenants eligible to receive relocation assistance) versus "Qualified Tenants" (i.e. generally refers to senior citizens, disabled people, or tenant households with minors, but sometimes also includes tenants of specified low-income levels);
- All the other cities adjust relocation fees annually by changes in the applicable CPI;
- A majority (64%) of cities, including Beverly Hills, differentiate fee amounts by the number of bedrooms in a unit;
- Just over one-third (36%) of cities, not including Beverly Hills, vary relocation fee amounts by type of eviction, and typically do so by differing fees between temporary and permanent relocation. Richmond also provides a separate fee schedule for evictions due to owner move-in and San Francisco provides a separate fee schedule for evictions due to the Ellis Act;
- A few (27%) cities vary the amount of relocation fees by duration of tenancy; and
- One city (Los Angeles) has differing relocation fees based on the nature of property ownership, with one schedule for housing providers who own no more than four residential units and a single-

family home (defined as “Mom and Pop Landlords”) and a different schedule for owners of buildings with more than four units.¹³

Figure 3: Relocation Fee Amount Variables, 2018

City	Number of Bedrooms in Unit	Qualified vs. Eligible Tenants	Type of Eviction	Duration of Tenancy	Nature of Ownership	Adjusted by CPI
Beverly Hills Chapter 5	✓	✓				✓
Beverly Hills Chapter 6	✓	✓				✓
Berkeley		✓	✓			✓
East Palo Alto ¹		✓		✓		✓
Los Angeles		✓		✓	✓	✓
Mountain View ²	✓	✓				✓
Oakland	✓	✓				✓
Richmond	✓	✓	✓			✓
San Jose	✓	✓				✓
San Francisco		✓	✓			✓
Santa Monica	✓	✓	✓			✓
West Hollywood	✓	✓				✓
Percentage	64%	100%	36%	18%	9%	100%

¹ In addition to a base relocation fee, tenant's duration of tenancy, and whether the tenant is qualified or eligible, East Palo Alto also requires the owner to pay actual moving costs up to \$2,500.

² Mountain View's relocation fees vary case by case. A housing provider is required to provide a full refund of a tenant's security deposit, a 60-day subscription to a rental agency, the cash equivalent of three months' rent, based on the average monthly rent for a similarly-sized unit in Mountain View, and an additional \$3,000 per unit if the household has Qualified Tenants.

Source: HR&A Advisors, Inc. and the individual cities

Definition of “Qualified” Tenants

Although all California cities that require relocation assistance for no-fault evictions differentiate fee amounts for “qualified” tenants versus “eligible” tenants, the definition of qualified tenant varies by city. All cities include senior, disabled, and minor tenants in their definition of a qualified tenant, but some cities (36%) also include lower-income tenants in this definition, as shown in Figure 4.¹⁴

Furthermore, among the eight cities that do not define lower-income tenants as Qualified Tenants, two cities (Los Angeles and West Hollywood), have separate fee amounts for lower-income tenants, defined as tenants whose household income is 80% of the Area Median Income (AMI) or less. West Hollywood, for example,

¹³ City of Los Angeles Relocation Information. <http://hcidla.lacity.org/Relocation-Assistance>

¹⁴ In the cities of Berkeley, East Palo Alto, Oakland, and San Jose, a “lower-income” tenant is as defined by Health & Safety Code Section 50079.5.

has a flat fee for low-income tenants regardless other factors, such as the number of bedrooms in the unit. The fee amount for low-income tenants is \$21,517, about 33% higher than the fee amount for non-low-income tenants residing in 3+ bedroom units.

Figure 4: Definition of Qualified Tenants, 2018

City	Does Not Include Lower-Income Tenants	Includes Lower-Income Tenants
Beverly Hills	✓	
Berkeley		✓
East Palo Alto		✓
Los Angeles	✓	
Mountain View	✓	
Oakland		✓
Richmond	✓	
San Jose		✓
San Francisco	✓	
Santa Monica	✓	
West Hollywood	✓	
Percentage	64%	36%

Source: HR&A Advisors, Inc. and the individual cities

Relocation Fee Calculation

When updating the relocation fee amounts under the RSO Amendments, Beverly Hills based its fee calculation on methods employed by Los Angeles, Santa Monica, and West Hollywood, which incorporate local moving costs, potential differences in rents incurred by moving out of a regulated unit, and other start-up costs experienced when moving to a new residence. Accordingly, City staff included three factors in its calculation of relocation fees for the RSO Amendments: average local moving expenses, utility start-up costs, and three months of average monthly rents by type of unit, to account for first and last month's rent and a security deposit.¹⁵

Berkeley uses a similar fee calculation formula, but includes the cost of one month of storage space, and does not include utility costs.¹⁶ Mountain View's relocation fee amounts include the cost of a 60-day subscription to a rental agency, in addition to the equivalent of three months median market rent for a similarly sized unit and a full refund of a tenant's security deposit.

¹⁵ Beverly Hills City Council Agenda Report, February 21, 2017, Item G-2;
http://beverlyhills.granicus.com/MapView.php?view_id=49&clip_id=5472&meta_id=322948

¹⁶ City of Berkeley Request for Relocation Payment from Property Owner;
[https://www.cityofberkeley.info/uploadedFiles/Housing/Level_3_-_General/ReolcationPaymentRequest_30daysOrMore%202018\(1\).pdf](https://www.cityofberkeley.info/uploadedFiles/Housing/Level_3_-_General/ReolcationPaymentRequest_30daysOrMore%202018(1).pdf)

Relocation Fee Amount Comparisons

As shown in Figure 5, the City's adopted relocation fee amounts are roughly aligned with those in West Hollywood, which is located immediately adjacent to Beverly Hills and has a similar housing market, utility start-up costs, and moving costs. Fees in both Beverly Hills and West Hollywood are lower than in Santa Monica, due primarily to a larger difference between rent-stabilized rents and market-rate rents in that city.

Figure 5: Relocation Fee Amounts of Nearby Cities with Comparable Housing Markets, 2017

Beverly Hills		West Hollywood		Santa Monica	
<i>Eligible</i>		<i>Eligible</i>		<i>Eligible</i>	
Studio	\$6,193	Studio	\$6,455	Studio	\$8,650
1 Bed	\$9,148	1 Bed	\$9,114	1 Bed	\$13,300
2+ Beds	\$12,394	2 Beds	\$12,277	2+ Beds	\$18,050
		3+ beds	\$16,202		
<i>Qualified</i>		<i>Qualified</i>		<i>Qualified</i>	
Studio	\$8,193	Lower-Income	\$17,087	Studio	\$16,359
1 Bed	\$11,148		\$21,517	1 Bed	\$15,350
2+ Beds	\$14,394			2+ Beds	\$20,750

Source: Beverly Hills City Council Agenda Report, February 21, 2017.

Policy Options

Based on the foregoing information and data calculations, HR&A suggests that there are at least three plausible policy options that the City Council, City staff, and the public could consider when determining how to treat relocation fees in the RSO:

- 1. No Policy Change:** In this case, the City would continue its relocation fee requirements as they exist currently, both in terms of the eviction categories for which relocation fees are required (including different application of the requirements to Chapter 5 versus Chapter 6 Tenants), and the amounts of the fees.
 - **Advantages to housing providers:** There would be little or no advantages to housing providers.
 - **Disadvantages to housing providers:** Housing providers would continue to be required to pay relocation fees for no-fault evictions, including higher fees for evicted households in which a senior citizen, disabled person, or minor live. There would be no opportunity for reduced relocation fees in future years, should fee components decline over time (e.g., reductions in rents or moving and utility start-up costs).
 - **Advantages to tenants:** The existence of relocation fees may discourage housing providers from carrying out no-cause and no-fault evictions. But for those that do occur, tenants would continue to be compensated. Evicted households containing a senior citizen, disabled person, or minor, as well as tenants in units with more bedrooms, would continue to be compensated with a higher fee.
 - **Disadvantages to tenants:** There would be little or no disadvantages to tenants.

Administrative Considerations: This option maintains current requirements, and therefore would not require any additional City staff time or other resources.

2. **Alter Fee Amounts to Account for Additional Criteria:** The City could add further variation in required relocation fee amounts to attempt to proportionally align fee amounts with the types of units and buildings being vacated, and the types of tenants being evicted, based on one or more specific criteria used by other cities with rent regulation, possibly including:
- a. Tenant financial circumstances (e.g., fees could be stratified based on household income, with higher fees paid to lower income tenants like in West Hollywood);
 - b. Duration of tenancy (e.g., fees could differ based on how long a tenant has occupied a unit); and/or
 - c. Type of evictions (e.g., fees could differ based on the circumstances under which tenancy is terminated, including potentially creating a separate fee structure for temporary repairs as a modest per diem payment for up to 30 days).
- **Advantages to housing providers:** Varying the relocation fee further by specific tenant and eviction characteristics could benefit housing providers by more closely aligning relocation fees with actual relocation expenses.
 - **Disadvantages to housing providers:** A more complex relocation fee system could involve more management time and could result in higher fees for some tenant categories.
 - **Advantages to tenants:** Varying relocation fees by detailing the criteria further by nature of eviction and type of tenant could allow tenants subject to all types of evictions to receive payments better aligned with household circumstances, type of eviction, and moving expenses.
 - **Disadvantages to tenants:** Changes to the relocation fee regime may incentivize housing providers to prefer certain tenants over others. For example, if housing providers are required to provide higher relocation fees for long-term, low-income tenants, they may instead seek higher earning tenants who are more likely to move voluntarily.

Administrative Considerations: This option would require additional City staff time or other resources to research and prepare new fee schedules, and draft and assist in enacting the required RSO amendments. There may also be additional costs associated with monitoring and enforcing a more complex fee schedule, and mediating any related disputes.

3. **Eliminate Relocation Requirements and Fees:** In this case, the City would remove its relocation fee provision for Chapter 5 and/or Chapter 6 Tenants.
- **Advantages to housing providers:** Housing providers would be able to conduct no-cause and no-fault evictions without paying any relocation fees, and more readily take advantage of vacancy decontrol.
 - **Disadvantages to housing providers:** There are little to no direct disadvantages to housing providers, but removal of the fees after they were enacted by the RSO Amendments could result in new housing provider-tenant tensions and conflict.
 - **Advantages to tenants:** There are no advantages to tenants.
 - **Disadvantages to tenants:** Absent some alternative form of tenant protections from no-fault evictions, this could encourage more no-fault evictions and potentially cause increased

housing instability and dislocation for tenants, particularly under a combination of RSO Amendment rent increases and continuation of vacancy decontrol.

Administrative Considerations: This option would require modest additional City staff time or other resources to draft and assist in enacting the required RSO amendments. There may also be some cost savings because City staff would no longer have to monitor or enforce the relocation requirements and fees, or update the fees annually. However, any cost savings may be offset by the need for increased staff response to address tenant concerns.

In addition to these policy options, during public comments received during the 2018 Facilitated Dialogue sessions, tenants supported an additional policy option in which the current criteria for relocation fees are maintained, but the fee amounts are increased. This option could be accomplished, for example, by updating the current fees on a tri-annual basis, with interim adjustments based on CPI. This approach would align the fees with market-rate local moving expenses, utility start-up costs, and three months of average monthly rents by type of unit every third year. Tenants also requested higher fee amounts for qualified tenants, particularly for seniors, than are currently required.

Housing providers supported an exemption to relocation fee requirements for “bad actors” evicted for no stated cause. This suggestion would be challenging to implement if the “bad behavior” did not also include a just-cause eviction category (e.g., violating the terms of the lease, nuisance behavior, or failure to pay rent). These types of just-cause evictions do not require relocation fees, but housing providers argue that the process costs them time and money just the same, and that they should not be punished for a tenant’s “bad behavior.” One potential option to respond to this position would be to offer mediation services to housing providers and tenants. This is discussed in the context of the Rent Increase Application Process Issue Paper.

ATTACHMENT E
Local Jurisdiction Comparison

Local Jurisdiction Comparison

	Beverly Hills		Santa Monica		West Hollywood			Los Angeles				Culver City
	Relocation Fees	Senior/Disabled/Minor	Relocation Fees	Senior/Disabled/Minor	Relocation Fees	Qualified	Low Income Tenant		Less than 3 years	3 or more years and Low-Income	Mom Pops	
Studio	6,726.53	8,726.53	16,500.00	17,200.00	7,506.00	19,869.00*	25,020.00**	Eligible	8,500.00	11,150.00	8,200.00	3X Rent + 1,000
1 Bedroom	9,936.10	11,936.10	22,700.00	24,250.00	10,598.00			Qualified	17,950.00	21,200.00	16,500.00	
2 Bedroom	13,461.75	15,461.75	31,550.00	33,650.00	14,275.00							
3+ Bedroom	13,461.75	15,461.75	31,550.00	33,650.00	18,840.00							

*58,451-87,677

**Up to 58,450

Attachment B



CITY OF BEVERLY HILLS
RENT STABILIZATION COMMISSION

December 2, 2020

TO: Rent Stabilization Commission

FROM: Helen Morales, Deputy Director, Rent Stabilization, DPA

SUBJECT: POSSIBLE AMENDMENTS TO THE RENT STABILIZATION ORDINANCE (RSO) RE: RELOCATION FEES (CONT'D)

ATTACHMENTS: A. Local Jurisdiction Comparison
B. Commissioner Responses

INTRODUCTION

Staff seeks recommendations from the Rent Stabilization Commission (Commission) to the City Council regarding possible amendments to the Rent Stabilization Ordinance (RSO) for both Chapter 5 and Chapter 6 of the Beverly Hills Municipal Code (BHMC) regarding relocation fees.

BACKGROUND

On November 4, 2020, the Commission was presented with a staff report introducing the Relocation Fee topic and possible amendments to the RSO. At that meeting staff presented the following:

- relocation fees requirements for no fault evictions;
- a history of prior facilitated sessions and City Council discussions;
- information from the HR&A Advisors, Inc. report on relocation fees;
- an explanation of how the relocation fees were established;
- an annual relocation fee increase schedule from 2017 to 2020;
- a comparison of local area surrounding jurisdictions; and
- questions for discussion.

The Commission requested additional information and requested that the meeting be continued, and staff report back at its next regular meeting.

DISCUSSION

Report on Additional Information Requested

The following is staff's response to the Commissioner's questions:

What is the frequency of relocation fee cases?

The following table lists the frequency of relocation fees cases from 2017 through 2020:

Relocation Fee Frequency	
Year	Relocation Fee Cases
2017	10
2018	55
2019	7
2020	2

What is the City's stock of RSO properties with 3-bedroom units?

The following represents the number of properties, number of units and the percentage of all units in the Beverly Hills RSO Stock:

Properties w/3-bedroom units	No. of Units	Percentage of RSO Units
65	195	2.5%

What are a tenant's prospects of getting into senior subsidized housing?

The City has one senior affordable housing development which is operated by Menorah Housing Foundation. This property has 40 studio units and 110 one-bedroom units. The City of Beverly Hills residents compete with other applicants that are not Beverly Hills residents for housing in this affordable housing development. The prospects of a tenant obtaining housing in this development are extremely low. If an opening becomes available, prospective applicants are notified of the opening. Applicants are placed on a waiting list and are randomly selected in a lottery for the unit.

The City has six other affordable units and one that is in development stage. The units that are restricted for occupancy by households with eligible incomes are currently occupied. When a unit becomes available, Beverly Hills tenants who have been displaced by other development receive priority. The next priority are households with a member who is a senior.

Is there a difference between Chapter 5 and Chapter 6 relative to relocation fees?

The following are differences between Chapter 5 and Chapter 6 tenants' eligibility for relocation fees;

Only Chapter 6 tenants are eligible for relocation fees in the following instances:

- Refusal to execute a lease (BHMC § 4-6-6 (E))
- Change in Building Managers (BHMC §4-6-6 (I))

What are the current vacancy rates based on the rent registry?

The current registration data, obtained on November 22, 2020, lists 545 vacant units, representing a 7% vacancy rate up from 6.8% in September 2020. Although the rent registry maintains occupancy data, the information may not be accurate because the owners are not required to report vacancies and are only required to report new occupancies.

What is the oversight for landlords to submit rental agreements?

The City does not require the landlord to submit a rental agreement upon a new occupancy. The owner is required to register all new occupancies with the Beverly Hills rent registry within 30 days of the new tenancy. Registration is conducted online.

How are no fault evictions monitored?

For each notice to quit or terminate tenancy, a case is created, and a Rent Stabilization Division staff member is assigned to the case. Staff obtains all required documentation, collaborates with the tenant and the landlord and or landlord's representative, confirms that the tenant has vacated the unit and that the relocation fees have been paid.

What is the consequence to the tenant if the tenant fails to vacate the unit?

The RSO provides that *if a tenant who has received a thirty (30) day notice to vacate premises does not vacate the apartment unit within such time, and the landlord thereafter files a complaint for writ or judgment restoring possession, and the court orders such tenant to vacate the apartment unit, such tenant shall be deemed to have waived all rights to any relocation benefit to which he or she is otherwise entitled pursuant to this section and shall return to the landlord any relocation fee or other benefit so received, plus interest at the rate allowed by law* (BHMC Sections 4-5-607 & 4-6-9 G). It is important to note, that relocation fees are required when a tenant is displaced at the request of the owner. The tenant is not necessarily requesting the relocation fees. The relocation fees are required as a result of the owner's intent to have the unit vacated for a no-fault reason.

What are the real costs of relocation?

This is difficult to determine as each household may have different costs. None of the surrounding jurisdictions pay relocation fees based on actual costs as it would be difficult to determine.

If minors are involved and must move, can the student maintain that academic year, especially a special needs family?

On March 5, 2019, the City Council decided to provide protections for Beverly Hills teachers and families with students enrolled in the Beverly Hills Unified School District during the academic year. The provision they discussed would ensure that the tenant not be evicted during the academic year. This would avoid displacement of the child or teacher during the school year. The City Council will consider this amendment when they consider all amendments to the RSO.

The Beverly Hills Unified School District allows for inter-district attendance under specific circumstances. The two that are relevant when a household moves are: 1) to complete a school year when parents or guardians have moved out of the district during second semester of that year; and 2) to allow students who are currently in eighth grade (elementary) or twelve grade (high school) to graduate with their class.

What is fair?

Some jurisdictions, like Los Angeles, when estimating their relocation fees, took into consideration the replacement unit costs. In most instances, the new rent would be greater than the current rent since the tenant was occupying an RSO unit with stabilized rents. As a result, Los Angeles and some other jurisdictions take this into account which is reflected in their relocation fees (Attachment A).

Commissioners requested a chart comparing relocation fees based on current market rate rents against the current relocation fees that have been adjusted annually by the CPI.

The following is a chart that calculates relocation fees using the same original factors updated to reflect the current market rents and costs:

	2020 Market Rate Analysis			
	Studio	1 Bedroom	2 Bedroom	3 Bedroom*
Average Market Rate	\$ 1,799.00	\$ 2,400.00	\$ 3,800.00	\$ 5,850.00
Three Months' Rent	\$ 5,397.00	\$ 7,200.00	\$ 11,400.00	\$ 17,550.00
Local Moving Expenses **	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00	\$ 1,300.00
Utility Start-up Costs***	\$ 285.00	\$ 285.00	\$ 285.00	\$ 285.00
Total Estimated Relocation	\$ 6,982.00	\$ 8,785.00	\$ 12,985.00	\$ 19,135.00

*2017 Analysis did not include

3+bedrooms

**20-30 miles

***Gas, Electricity, Phone, TV/Internet

The following is a chart of the current relocation fees that have been adjusted annually by the Consumer Price Index (CPI):

Annual Relocation Fee Comparison			
Relocation Period	Studio	1-Bedroom	2 + Bedroom
2017 Relocation Fees	\$6,193.00	\$9,148.00	\$12,394.00
2018 Relocation Fees (4.1% CPI Increase)	\$6,446.91	\$9,523.07	\$12,902.15
2019 Relocation Fees (3.1% CPI Increase)	\$6,646.77	\$9,818.28	\$13,302.12
2020 Relocation Fees (1.2% CPI Increase)	\$6,726.53	\$9,936.10	\$13,461.75

Relocation fees effective July 1 (May to May)

How are qualified tenants and the \$2,000 additional fee established when the household has multiple qualified members?

Only one additional fee of \$2,000 is awarded per household for qualified members. The RSO provides that *those households that include a senior, disabled person, or a minor shall be entitled to an additional relocation fee in the amount of two thousand dollars (\$2,000)* (BHMC Section 4-5-605 and 4-6-9 E).

Discussion Points

Chair Milkowski requested that staff send the questions, referenced below, to all Commissioners so that they could provide input for the staff report and for further discussion at the next regular meeting. The Commissioners' responses are included on Attachment B.

The following are the questions disseminated to all Commissioners and may be used as a point of discussion:

- Whether the current criteria for relocation fees should be maintained or modified and if so how?
- Whether the relocation provisions of the RSO should be modified, and if so:
 - Should the relocation amount be modified and how?
 - Should the relocation amount for units over 2-bedrooms be increased?
 - Should the relocation fees be changed to be in line with other surrounding jurisdictions?
 - Should relocation amounts be tied to the tenant's financial circumstances?
 - Should additional fees be required for low-income households?
- Whether to change the relocation fee amounts or provide some form of tiered relocation fees tied to length of the tenant's occupancy?
 - Should relocation fees be required only after the tenant has resided in the unit for one year?
 - Should relocation amounts be based on 10% of relocation fees for every year of occupancy so that after ten years, the tenant would be eligible for full relocation fees?
- Whether to require relocation fees when evicting for use by landlords and the landlord's relatives specified in the RSO?
 - Should there be reduced relocation fees for landlord use?
- Whether to add a "Mom and Pop" provision, like in Los Angeles, with reduced relocation fees?
 - Should "Mom and Pop" be defined as owners owning less than 10 units and residing at the property?
- Whether relocation fees should be required to go to the Rent Stabilization Commission or a mediation board? and
- Whether relocation fees should be established for temporary relocations?

Commissioners also requested a list for discussion of each of the possible amendments to the relocation fee provisions of the RSO.

The following is a list of possible amendments to the RSO relating to relocation fees that may be considered for discussion:

- Amount of Relocation fees and eligibility:
 - continue with current relocation fees with annual increase by the CPI
 - adjust the relocation fees to the market rate as identified by the average rental amounts by unit size, from the 2021 rent registration cycle
 - determine the relocation fee as the current monthly rent times three
 - increase the relocation fee to be consistent with the surrounding area jurisdictions
 - determine the relocation fee to be dependent upon length of occupancy
 - require income qualifications
 - provide a mom and pop reduction in relocation fees for landlord occupancy
 - tie relocation fees to the tenant's income
 - tie relocation fees to the actual costs of relocation
 - provide additional fees for low-income households
 - amend/increase the additional \$2,000 for households with a senior, disabled person or minor children
- Three Bedroom
 - Add a new relocation fee amount specifically for three-bedroom units
- Escrow Accounts
 - Establish escrow accounts for tenants to draw down against
- Relocation fee determinations by the Rent Stabilization Commission
 - Should the relocation fees be determined by the Commission on a case by case basis? or
 - Should the current process be continued?
- Relocation fee structure for temporary relocation
 - Establish a relocation fee amount for temporary relocations

Next Steps

Staff encourages the Commission to discuss what, if any, revisions should be recommended to the City Council to be made to the RSO to modify the current relocation fee provisions for both Chapter 5 and Chapter 6 of the RSO.

ATTACHMENT A
Local Jurisdiction Comparison

Local Jurisdiction Comparison

	Beverly Hills		Santa Monica		West Hollywood			Los Angeles				Culver City
	Relocation Fees	Senior/Disabled/Minor	Relocation Fees	Senior/Disabled/Minor	Relocation Fees	Qualified	Low Income Tenant		Less than 3 years	3 or more years and Low-Income	Mom Pops	
Studio	6,726.53	8,726.53	16,500.00	17,200.00	7,506.00	19,869.00*	25,020.00**	Eligible	8,500.00	11,150.00	8,200.00	3X Rent + 1,000
1 Bedroom	9,936.10	11,936.10	22,700.00	24,250.00	10,598.00			Qualified	17,950.00	21,200.00	16,500.00	
2 Bedroom	13,461.75	15,461.75	31,550.00	33,650.00	14,275.00							
3+ Bedroom	13,461.75	15,461.75	31,550.00	33,650.00	18,840.00							

*58,451-87,677

**Up to 58,450

Attachment B
Commissioner Responses

**Rent Stabilization Commission
Relocation Fee Discussion Questions
December 2, 2020**

Discussion Questions	Comments
Whether the current criteria for relocation fees should be maintained or modified and if so how?	
Whether the relocation provisions of the RSO should be modified?	I believe that the provisions of the RSO need to be revised to account for changes in the marketplace.
Should the relocation amount be modified and how?	We either need a rolling average monthly rental amount for each type of unit to be able to calculate an appropriate, up-to-date relocation amount for each specific situation for which a relocation fee is warranted or we need to change the provisions to base the relocation amount on the actual rent payable for the unit and tenant in question.
Should the relocation amount for units over 2-bedroom be increased?	
Should the relocation fee be changed to be in line with other surrounding jurisdictions?	
Should relocation amounts be tied to the tenant's financial circumstances?	
Should additional fees be required for low-income households?	
Whether to change the relocation fee amounts or provide some form of tiered relocation fees tied to length of the tenant's occupancy?	
Should relocation fees be required only after the tenant has resided in the unit for one year?	Any forced relocation is a burden on the tenant so I'm not sure there should be any exceptions to the required payment of relocation fee for limited tenancies or the like. However, I need to review the relocation provisions from our neighboring cities to see if they provide for exceptions before finalizing my position on this issue.
Should relocation amounts be based on 10% of relocation fees for every year of occupancy so that after ten years the tenant would be eligible for full relocation fees?	
Whether to require relocation fees when evicting for use by landlords and the landlord's relative specified in the RSO? Or should there be a reduced relocation fee for landlord use?	
Whether to add a "Mom and Pop" provision, like Los Angeles, with reduced relocation fees for "Mom and Pop" owners? And if so, should "Mom and Pops" be defined as owners owning less than 10 units and residing at the property?	
Whether relocation fees be required to go to the Rent Stabilization Commission or a mediation board for determinations?	
Whether relocation fees should be established for temporary relocations?	
Other	

**Rent Stabilization Commission
Relocation Fee Discussion Questions
December 2, 2020**

Discussion Questions	Comments
Whether the current criteria for relocation fees should be maintained or modified and if so how?	It should be reviewed to see if it should be updated or change. The population/needs of tenants/landlords might have changed over the years.
Whether the relocation provisions of the RSO should be modified?	reviewed to see if it needs to be updated. Look at surrounding areas to see if we are similar
Should the relocation amount be modified and how?	see above
Should the relocation amount for units over 2-bedroom be increased?	yes....families and/or seniors struggle to stay in the city if they have a larger apt....even if they are downsizing. Eg. A family with two children would have a difficult time finding a 3 bdrm apt for the same rent. There needs to be compensation to help them...even if it is nominal.
Should the relocation fee be changed to be in line with other surrounding jurisdictions?	?? Possibly but also based on the average rents in the city as BH rents are higher than some surrounding areas
Should relocation amounts be tied to the tenant's financial circumstances?	current or during covid?? It might be difficult to determine
Should additional fees be required for low-income households?	not sure???
Whether to change the relocation fee amounts or provide some form of tiered relocation fees tied to length of the tenant's occupancy?	yes. If an tenant has been in an apt for 20 years and they need to find a similar living situation....the cost could be double. Each circumstance can be unique (which would cause a lot of extra work)
Should relocation fees be required only after the tenant has resided in the unit for one year?	not sure??? I would like to hear other's thoughts
Should relocation amounts be based on 10% of relocation fees for every year of occupancy so that after ten years the tenant would be eligible for full relocation fees?	no
Whether to require relocation fees when evicting for use by landlords and the landlord's relative specified in the RSO? Or should there be a reduced relocation fee for landlord use?	yesthen no. An eviction still displaces a tenant who is losing a home.
Whether to add a "Mom and Pop" provision, like Los Angeles, with reduced relocation fees for "Mom and Pop" owners? And if so, should "Mom and Pops" be defined as owners owning less than 10 units and residing at the property?	less than 10 units "at the property" or in total??? Just clarification.
Whether relocation fees be required to go to the Rent Stabilization Commission or a mediation board for determinations?	this could be a large number??? Is it a big burden. Can it be done timely/fairly through the RSO
Whether relocation fees should be established for temporary relocations?	no
Other	

**Rent Stabilization Commission
Relocation Fee Discussion Questions
December 2, 2020**

Discussion Questions	Comments
Whether the current criteria for relocation fees should be maintained or modified and if so how?	I believe that the fees should be simplified. This will make it easier for city staff, landlords and the tenants. Changing the fees often makes a lot of confusion for landlords to make sure they are in compliance and needless work for staff.
Whether the relocation provisions of the RSO should be modified?	yes I think they are too complicated.
Should the relocation amount be modified and how?	I like the simple math of Culver City. It takes into effect the actual rent, so it is fair.
Should the relocation amount for units over 2-bedroom be increased?	Again I believe that the relocation amounts should be based on rent, not the number of bedrooms. Bedroom count may or may not be not an accurate measure of the calibre of the apartment.
Should the relocation fee be changed to be in line with other surrounding jurisdictions?	I believe that Beverly Hills is unique. We shouldn't just carbon copy what other municipalities are doing. We have the opportunity to customize our policies to our own identity.
Should relocation amounts be tied to the tenant's financial circumstances?	No it should be based on their current rent and market conditions
Should additional fees be required for low-income households?	No It is not the landlords responsibility to subsidize low income households.
Whether to change the relocation fee amounts or provide some form of tiered relocation fees tied to length of the tenant's occupancy?	No n it must be indexed to the cost of replacement housing, based on the current rental markets.
Should relocation fees be required only after the tenant has resided in the unit for one year?	absolutly
Should relocation amounts be based on 10% of relocation fees for every year of occupancy so that after ten years the tenant would be eligible for full relocation fees?	No its way to complicated.
Whether to require relocation fees when evicting for use by landlords and the landlord's relative specified in the RSO? Or should there be a reduced relocation fee for landlord use?	Yes. Reducted fee for landlord use.
Whether to add a "Mom and Pop" provision, like Los Angeles, with reduced relocation fees for "Mom and Pop" owners? And if so, should "Mom and Pops" be defined as owners owning less than 10 units and residing at the property?	Yes. It seems fair
Whether relocation fees be required to go to the Rent Stabilization Commission or a mediation board for determinations?	No, once we figure out a fair and equitable policy, we need to free the commission for more important matters
Whether relocation fees should be established for temporary relocations?	Not sure what this means. If for instance the tenant must vacate temporarily for termite work, the landlord has the obligation to move the tenant to a suitable place during the work.
Other	

**Rent Stabilization Commission
Relocation Fee Discussion Questions
December 2, 2020**

Discussion Questions	Comments
Whether the current criteria for relocation fees should be maintained or modified and if so how?	Current criteria
Whether the relocation provisions of the RSO should be modified?	Yes, we must amend to be in line with surrounding jurisdictions.
Should the relocation amount be modified and how?	Relocation fee should be in line with surrounding jurisdictions.
Should the relocation amount for units over 2-bedroom be increased?	Yes, if there are more people living in the unit than in a normal two bedroom. Considerations for physical and mental disabilities should be considered.
Should the relocation fee be changed to be in line with other surrounding jurisdictions?	Yes.
Should relocation amounts be tied to the tenant's financial circumstances?	No.
Should additional fees be required for low-income households?	No.
Whether to change the relocation fee amounts or provide some form of tiered relocation fees tied to length of the tenant's occupancy?	Yes.
Should relocation fees be required only after the tenant has resided in the unit for one year?	Yes.
Should relocation amounts be based on 10% of relocation fees for every year of occupancy so that after ten years the tenant would be eligible for full relocation fees?	No.
Whether to require relocation fees when evicting for use by landlords and the landlord's relative specified in the RSO? Or should there be a reduced relocation fee for landlord use?	No.
Whether to add a "Mom and Pop" provision, like Los Angeles, with reduced relocation fees for "Mom and Pop" owners? And if so, should "Mom and Pops" be defined as owners owning less than 10 units and residing at the property?	Yes.
Whether relocation fees be required to go to the Rent Stabilization Commission or a mediation board for determinations?	Stay with RSC.
Whether relocation fees should be established for temporary relocations?	No.
Other	

Attachment C



CITY OF BEVERLY HILLS
RENT STABILIZATION COMMISSION

February 3, 2021

TO: Rent Stabilization Commission

FROM: Helen Morales, Deputy Director, Rent Stabilization, DPA

SUBJECT: POSSIBLE AMENDMENTS TO THE RENT STABILIZATION ORDINANCE (RSO) RE: RELOCATION FEES (CONT'D)

ATTACHMENTS: A. Table of Topics Discussed and Outstanding
B. Monthly Rent Ranges by Unit Size

INTRODUCTION

Staff seeks recommendations from the Rent Stabilization Commission (Commission) to the City Council regarding possible amendments to the Rent Stabilization Ordinance (RSO) for both Chapter 5 and Chapter 6 of the Beverly Hills Municipal Code (BHMC) regarding relocation fees.

BACKGROUND

On November 4, 2020, the Commission was presented with a staff report introducing the Relocation Fee topic and possible amendments to the RSO. At that meeting staff presented the following:

- relocation fees requirements for no fault evictions;
- a history of prior facilitated sessions and City Council discussions;
- information from the HR&A Advisors, Inc. report on relocation fees;
- an explanation of how the relocation fees were established;
- an annual relocation fee increase schedule from 2017 to 2020;
- a comparison of local area surrounding jurisdictions; and
- questions for discussion.

On November 4, 2020, the Commission discussed numerous topics related to possible amendments to the RSO related to Relocation Fees. The Commissioners asked that staff research specific questions and report back. Staff provided a report back with responses to the questions requested by the Commission at its next regular meeting on December 2, 2020.

At the December 2, 2020 Commission meeting the Commissioners held discussions centered on the discussion questions presented in the Staff Report related to Relocation Fees. The Chair requested that staff prepare a schedule of topics discussed as of the completion of the December 2, 2020 Commission meeting and to include those questions that are outstanding for further discussion at the next regular Commission meeting. The Table of Topics Discussed and Outstanding is provided as Attachment A.

The Commission discussed the Culver City relocation fee structure that allows for relocation fees in the amount of 3 months of rent plus expenses. For purposes of the Commissions further discussions, staff has researched the monthly rental data from Rent Registry. A report that lists Monthly Rent Ranges by Unit Size is provided as Attachment B.

Next Steps

Staff encourages the Commission to discuss what, if any, revisions should be recommended to the City Council to be made to the RSO to modify the current relocation fee provisions for both Chapter 5 and Chapter 6 of the RSO.

Attachment A

Rent Stabilization Commission Relocation Fee Discussion Questions December 2, 2020	Date Discussed
Discussion Questions	
Whether the current criteria for relocation fees should be maintained or modified and if so how?	12/2/2020
Whether the relocation provisions of the RSO should be modified?	12/2/2020
Should the relocation amount be modified and how?	12/2/2020
Should the relocation amount for units over 2-bedroom be increased?	12/2/2020
Should the relocation fee be changed to be in line with other surrounding jurisdictions?	12/2/2020
Should relocation amounts be tied to the tenant's financial circumstances?	Outstanding
Should additional fees be required for low-income households?	Outstanding
Whether to change the relocation fee amounts or provide some form of tiered relocation fees tied to length of the tenant's occupancy?	12/2/2020
Should relocation fees be required only after the tenant has resided in the unit for one year?	12/2/2020
Should relocation amounts be based on 10% of relocation fees for every year of occupancy so that after ten years the tenant would be eligible for full relocation fees?	Outstanding
Whether to require relocation fees when evicting for use by landlords and the landlord's relative specified in the RSO? Or should there be a reduced relocation fee for landlord use?	Outstanding
Whether to add a "Mom and Pop" provision, like Los Angeles, with reduced relocation fees for "Mom and Pop" owners? And if so, should "Mom and Pops" be defined as owners owning less than 10 units and residing at the property?	12/2/2020
Whether relocation fees be required to go to the Rent Stabilization Commission or a mediation board for determinations?	Outstanding
Whether relocation fees should be established for temporary relocations?	Outstanding
Other	12/2/2020

Attachment B

2020 Monthly Rent Ranges by Bedroom Size

Monthly Rent	0 Bedroom	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom	Total	Percentage of Total
0-100	3	25	28	5	1		62	0.90%
100-500	5	4	2				11	0.16%
500-1,000	49	50	13	1			113	1.65%
1,000-2,000	514	1167	171	12			1864	27.16%
2,000-3,000	91	1555	1098	39			2783	40.55%
3,000-4,000	3	221	898	188	1		1311	19.10%
4,000-5,000	1	38	225	173	9	1	447	6.51%
5,000-6,000		9	87	72	8		176	2.56%
6,000-7,000			21	20	8		49	0.71%
7,000-8,000		1	7	14	1		23	0.34%
8,000-9,000			8	4			12	0.17%
9,000-10,000			1	1	1	1	4	0.06%
10,000-11,000			2	4			6	0.09%
11,000-12,000							0	0.00%
12,000-13,000				1			1	0.01%
13,000-16,000				1			1	0.01%
Total	666	3070	2561	535	29	2	6863	
Percentage of Total	9.70%	44.73%	37.32%	7.80%	0.42%	0.03%		100.00%

Attachment D



CITY OF BEVERLY HILLS
RENT STABILIZATION COMMISSION

March 3, 2021

TO: Rent Stabilization Commission

FROM: Helen Morales, Deputy Director, Rent Stabilization, DPA

SUBJECT: POSSIBLE AMENDMENTS TO THE RENT STABILIZATION ORDINANCE (RSO) RE: RELOCATION FEES (CONT'D)

ATTACHMENTS: A. Local Jurisdiction Comparison
B. Table of Topics Discussed and Outstanding
C. Monthly Rent Ranges by Unit Size

INTRODUCTION

Staff seeks recommendations from the Rent Stabilization Commission (Commission) to the City Council regarding possible amendments to the Rent Stabilization Ordinance (RSO) for both Chapter 5 and Chapter 6 of the Beverly Hills Municipal Code (BHMC) regarding relocation fees.

BACKGROUND

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- information from the HR&A Advisors, Inc. report on relocation fees;
- an explanation of how the relocation fees were established;
- an annual relocation fee increase schedule from 2017 to 2020;
- a comparison of local area surrounding jurisdictions, provided as Attachment A; and
- questions for discussion.

On November 4, 2020, the Commission discussed numerous topics related to possible amendments to the RSO related to Relocation Fees including a comparison of surrounding local jurisdictions (Attachment A). The Commissioners asked that staff research specific questions and report back. Staff provided a report back with responses to the questions requested by the Commission at its next regular meeting on December 2, 2020.

At the December 2, 2020 Commission meeting the Commissioners held discussions centered on the discussion questions presented in the Staff Report related to Relocation Fees. The Chair requested that staff prepare a schedule of topics discussed as of the completion of the December 2, 2020 Commission meeting and to include unresolved questions for further discussion at the next regular meeting. The Table of Topics Discussed and Outstanding is provided as Attachment B.

On February 3, 2021, staff presented the Commission with a staff report that included both the Table of Topics Discussed and Outstanding and the Monthly Rent Ranges by Unit Size from the Rent Registry. Staff presented the data for purposes of the Commissioners continued Relocation Fee discussion specifically as it relates to the Culver City model, which fee structure allows for relocation fees in the amount of 3 months of rent plus expenses. A report that lists Monthly Rent Ranges by Unit Size from the City's Rent Registry data for Year 2020 is provided as Attachment C.

DISCUSSION

In line with the Commission directive to research the cost of moving in Beverly Hills, staff contacted 13 moving companies who advertised serving the Los Angeles region. Ten companies responded. The request was to obtain moving costs specific to unit size. Staff specified the cost would include a move from a Beverly Hills apartment to another Beverly Hills Apartment.

Of the ten companies who responded, three gave a concrete estimate for each apartment type. Four companies were unable to provide estimates for each apartment type, but could provide information on other aspects of moving, such as the cost per hour based on the number of movers and time required to move. Two companies declined to provide estimates because they said each move was unique.

Below is a table of the estimates for the three companies who provided single number ranges for each apartment type. Please note, when the high and low estimates are the same, it indicates the company provided only one estimate:

	Studio		1-bedroom		2-bedroom		3-bedroom	
	Low	High	Low	High	Low	High	Low	High
Company #1	\$600	\$900	\$900	\$1,000	\$1,300	\$1,500	\$1,500	\$2,500
Company #2	\$300	\$600	\$600	\$600	\$800	\$900	\$800	\$1,000
Company #3	\$460	\$460	\$570	\$570	\$850	\$850	\$1,100	\$1,400
Median	\$460	\$600	\$600	\$600	\$850	\$900	\$1,100	\$1,400

When companies could not provide a single range that represented the total cost of moving, staff took the other information (how many movers would be required based on the size of the apartment, etc.) to generate a range. These estimates are captured in the table below:

	Studio		One Bedroom		2 Bedroom		3 Bedroom	
	Low	High	Low	High	Low	High	Low	High
Movers Required	2	2	2	3	3	4	4	4
Median Hourly Rate	\$112	\$112	\$112	\$139	\$139	\$169	\$169	\$169
Number of Hours	3	6	3	7	4	7	6	10
Total Cost	\$672	\$1,344	\$672	\$2,919	\$1,668	\$4,732	\$4,056	\$6,760

Next Steps

Staff encourages the Commission to discuss what, if any, revisions should be recommended to the City Council to be made to the RSO to modify the current Relocation Fee provisions for both Chapter 5 and Chapter 6 of the RSO.

Attachment A

Local Jurisdiction Comparison

	Beverly Hills		Santa Monica		West Hollywood			Los Angeles				Culver City
	Relocation Fees	Senior/Disabled/Minor	Relocation Fees	Senior/Disabled/Minor	Relocation Fees	Qualified	Low Income Tenant		Less than 3 years	3 or more years and Low-Income	Mom Pops	
Studio	6,726.53	8,726.53	16,500.00	17,200.00	7,506.00	19,869.00*	25,020.00**	Eligible	8,500.00	11,150.00	8,200.00	3X Rent + 1,000
1 Bedroom	9,936.10	11,936.10	22,700.00	24,250.00	10,598.00			Qualified	17,950.00	21,200.00	16,500.00	
2 Bedroom	13,461.75	15,461.75	31,550.00	33,650.00	14,275.00							
3+ Bedroom	13,461.75	15,461.75	31,550.00	33,650.00	18,840.00							

*58,451-87,677

**Up to 58,450

Attachment B

Rent Stabilization Commission Relocation Fee Discussion Questions December 2, 2020	Date Discussed
Discussion Questions	
Whether the current criteria for relocation fees should be maintained or modified and if so how?	12/2/2020
Whether the relocation provisions of the RSO should be modified?	12/2/2020
Should the relocation amount be modified and how?	12/2/2020
Should the relocation amount for units over 2-bedroom be increased?	12/2/2020
Should the relocation fee be changed to be in line with other surrounding jurisdictions?	12/2/2020
Should relocation amounts be tied to the tenant's financial circumstances?	Outstanding
Should additional fees be required for low-income households?	Outstanding
Whether to change the relocation fee amounts or provide some form of tiered relocation fees tied to length of the tenant's occupancy?	12/2/2020
Should relocation fees be required only after the tenant has resided in the unit for one year?	12/2/2020
Should relocation amounts be based on 10% of relocation fees for every year of occupancy so that after ten years the tenant would be eligible for full relocation fees?	Outstanding
Whether to require relocation fees when evicting for use by landlords and the landlord's relative specified in the RSO? Or should there be a reduced relocation fee for landlord use?	Outstanding
Whether to add a "Mom and Pop" provision, like Los Angeles, with reduced relocation fees for "Mom and Pop" owners? And if so, should "Mom and Pops" be defined as owners owning less than 10 units and residing at the property?	12/2/2020
Whether relocation fees be required to go to the Rent Stabilization Commission or a mediation board for determinations?	Outstanding
Whether relocation fees should be established for temporary relocations?	Outstanding
Other	12/2/2020

Attachment C

2020 Monthly Rent Ranges by Bedroom Size

Monthly Rent	0 Bedroom	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom	Total	Percentage of Total
0-100	3	25	28	5	1		62	0.90%
100-500	5	4	2				11	0.16%
500-1,000	49	50	13	1			113	1.65%
1,000-2,000	514	1167	171	12			1864	27.16%
2,000-3,000	91	1555	1098	39			2783	40.55%
3,000-4,000	3	221	898	188	1		1311	19.10%
4,000-5,000	1	38	225	173	9	1	447	6.51%
5,000-6,000		9	87	72	8		176	2.56%
6,000-7,000			21	20	8		49	0.71%
7,000-8,000		1	7	14	1		23	0.34%
8,000-9,000			8	4			12	0.17%
9,000-10,000			1	1	1	1	4	0.06%
10,000-11,000			2	4			6	0.09%
11,000-12,000							0	0.00%
12,000-13,000				1			1	0.01%
13,000-16,000				1			1	0.01%
Total	666	3070	2561	535	29	2	6863	
Percentage of Total	9.70%	44.73%	37.32%	7.80%	0.42%	0.03%		100.00%