



CITY OF BEVERLY HILLS

COMMUNITY DEVELOPMENT DEPARTMENT

MEMORANDUM

TO: Commission Standardization Ad Hoc Committee Liaisons

FROM: Michael Forbes, Director of Community Development
Nestor Otazu, Deputy Director of Rent Stabilization
Cameron Kesinger, Senior Management Analyst

DATE: May 14, 2024

SUBJECT: Overview of Rent Stabilization Commission

INTRODUCTION

This report is intended to provide a brief overview of the Rent Stabilization Commission (RSC) and its activities since its inception in 2019.

BACKGROUND

Between 2016 and 2019, Community Development Department staff and community partners conducted studies, outreach events, and facilitated sessions to seek feedback from the community on potential revisions to the Rent Stabilization Ordinance.

This outreach resulted in a variety of recommendations for revisions to the ordinance. Several of the recommended revisions were approved by the City Council through a series of ordinances, including extending Just Cause Eviction protections for Chapter 6 tenants and revising the calculations for allowable rent increases. The City Council determined that some of the recommended ordinance revisions were best discussed and resolved with the assistance and feedback of a commission that represented the interests of various community stakeholders.

On April 2, 2019, the City Council adopted an ordinance establishing the RSC, comprised of an equal number of landlords, tenants, and at-large residents, to act as an advisory body to the Council on all matters related to the Rent Stabilization Ordinance. Per the Beverly Hills Municipal Code, the RSC has the authority to 1) make recommendations to the City Council concerning amendments to Chapter 5 and 6 of Title 5 that have not been resolved by the City Council and 2) perform any other functions that may be designated by resolution or motion of the City Council.

The City Council charged the RSC with discussing the following topics related to the Rent Stabilization Ordinance:

1. Modification to the Major Remodel eviction category, which permitted tenants to be evicted for certain major remodeling projects meeting a minimum dollar threshold

2. Regulations regarding the Cash for Keys process, through which landlords attempt to negotiate with tenants for a voluntary vacancy arrangement
3. Evaluation of relocation fee amounts where tenants are evicted for any No Fault reason
4. Review of habitability standards and the implementation of a proactive inspection program for every rental unit
5. Review of allowable pass-through surcharges for Chapter 5 and 6 tenants, through which landlords are able to charge tenants for various items including refuse fees and the Rent Stabilization Administration Fee
6. Review of the Landlord Tenant Handbook, which landlords are required to provide to every new tenant at least 24 hours prior to the tenant's execution of the lease

DISCUSSION

The RSC held its first meeting in June 2020. Over the past four years, the Commission has thoughtfully discussed each of the topics as charged by the Council and has approved resolutions to memorialize its recommendations. One of these recommendations, the modification of the Major Remodel eviction category, was ultimately adopted by the City Council. The Landlord Tenant Handbook was reviewed and revised per the RSC's recommendations. RSC resolutions that reflect the RSC's recommendations for the remaining topics have been completed, and the RSC's recommendations on these topics are pending further consideration by the Liaisons and City Council.

With consideration of these topics as originally directed by the City Council completed, the RSC does not currently have specific matters to discuss or business to conduct. The RSC does not serve as a hearing body for any applications, appeals, or processes of the Rent Stabilization Ordinance. The Municipal Code charges a hearing officer with the authority to consider Registered Rent Appeals, Certified Rent Appeals, and Landlord Rent Adjustment Applications; while a City Council subcommittee appointed by the Mayor is charged with considering Disruptive Tenant Applications.

FISCAL IMPACT

Staff resources are required to support the RSC and its monthly meetings including administering and broadcasting meetings, and preparing meeting agendas and minutes, staff reports, and resolutions.

RECOMMENDATION

Staff recommends the Commission Standardization Liaison Committee provide direction regarding the RSC.