ORDINANCE NO. 17-O-2725

AN URGENCY ORDINANCE OF THE CITY OF BEVERLY HILLS AMENDING THE BEVERLY HILLS MUNICIPAL CODE TO ESTABLISH THE REQUIREMENT TO PAY RELOCATION FEES TO TENANTS WHO ARE EVICTED FROM APARTMENT UNITS, TO ESTABLISH A NOT TO EXCEED 3% RENT INCREASE, TO REQUIRE A REGISTRATION OF TENANCY, AMENDING THE BEVERLY HILLS MUNICIPAL CODE AND DECLARING THE URGENCY THEREOF

THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS HEREBY ORDAINS AS FOLLOWS:

Section 1. The City Council hereby amends Section 4-5-202 to add the following definitions in alphabetical order:

DISABLED PERSON. Any person who is receiving benefits from a Federal, State, or local government, or from a private entity on account of a permanent disability that prevents the person from engaging in regular, full-time employment.

MINOR. Any person younger than eighteen years of age.

SENIOR. Any person sixty-two years of age or older.

Section 2. The City Council hereby amends the amounts of the relocation fees set forth in Section 4-5-605 of the Beverly Hills Municipal Code as follows:

4-5-605: AMOUNT OF RELOCATION FEES: The amount of the relocation fee payable to a tenant entitled to such fee pursuant to the provisions of this chapter shall be determined as follows:

	Apartment Size	Relocation Fee
A.	Bachelor	$9,050
B.	Single	$9,050
C.	1 bedroom	$13,900
D.	2 or more bedrooms	$18,850

Provided further, those households that included a senior, disabled person, or a minor shall be entitled to a relocation fee in the following amounts:

	Apartment Size	Relocation Fee
A.	Bachelor	$10,350
B.	Single	$10,350

C. 1 bedroom $16,000

D. 2 or more bedrooms $21,650

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.

Section 3. Paragraph B of Section 4-6-3 ("Rental Increase") of the Beverly Hills Municipal Code is hereby amended to read as follows:

B. Such increases shall not exceed a maximum amount of three percent (3%) of the rental then in effect.

Section 4. The amendment to Section 3 shall expire after 30 days.

Section 5. The City Council hereby amends Chapter 6 of Title 4 of the Beverly Hills Municipal Code to add new Section 4-6-9 thereto to read as follows:

4-6-9: RELOCATION FEE:

A. If a landlord brings an action to recover the possession of an apartment unit that is subject to the provisions of this Chapter 6 for any of the reasons set forth in Section 4-5-502, 4-5-503, 4-5-504, 4-5-505, 4-5-507 or 4-5-508 of this Title, 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, or for no specified 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, and files a copy of the notice with the city clerk within one week after serving the notice on the tenant.

B. 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 Paragraph D of this section.

C. 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 have signed a stipulation to judgment as described in Paragraph D of this section. In no event shall a landlord be liable to pay a total amount that exceeds the fee required by paragraph E of this section for one apartment unit to all the tenants in any one apartment unit.

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 day period referred to in this paragraph 1 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 A 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.

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: 4-5-605: AMOUNT OF RELOCATION FEES: The amount of the relocation fee payable to a tenant entitled to such fee pursuant to the provisions of this chapter shall be determined as follows:

	Apartment Size	Relocation Fee
E.	Bachelor	$9,050
F.	Single	$9,050
G.	1 bedroom	$13,900
H.	2 or more bedrooms	$18,850

Provided further, those households that included a senior, disabled person, or a minor shall be entitled to a relocation fee in the following amounts:

	Apartment Size	Relocation Fee
E.	Bachelor	$10,350
F.	Single	$10,350
G.	1 bedroom	$16,000
H.	2 or more bedrooms	$21,650

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.

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F. In lieu of the relocation fee required by paragraph 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 paragraph 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.

H. Registration of Tenancy

Landlords shall be required to annually fill out a form similar to the Los Angeles Registry, as modified by the City. The form shall be returned to the City within 30 days after the landlord has received the form from the City.

Section 6. Urgency Findings. The City Council finds as follows:

(a) Currently, there is a shortage of affordable housing that is available to all segments of the community both within the County of Los Angeles and specifically within the City of Beverly Hills. The increased cost of constructing and purchasing housing within the Southern California region has caused an increase in the rents that are being charged for apartment units. Studies, which were presented to the City Council and are part of the record regarding the adoption of this ordinance, have shown that there is a shortage of the number of apartment units that are available for rent and that the rents that are being charged for apartment units are increasing dramatically, especially within Southern California and within the City of Beverly Hills. Because of the state Costa Hawkins statute (Civil Code Section 1954.50, et seq.), rents often are increased substantially following a vacancy. The ability to increase rents following a vacancy is an incentive for a landlord to evict an existing tenant so the unit can be re-rented for a rent that is significantly higher. In the City of Beverly Hills, apartment units that are subject to Chapter 6 of Title 4 of the Beverly Hills Municipal Code are not subject to "just cause" eviction constraints and the tenant can receive rent increases of 10%. Accordingly, tenants living in those units may be given notice by their landlords that their tenancy is being terminated for no specified reason, and they must vacate their units and find a different apartment unit within which to live or they can have their rent increased by 10%. This ordinance is designed to address this situation by requiring landlords who are evicting a tenant without "just cause," as defined herein, to pay relocation fees to the tenant, which will assist the tenant with the cost of obtaining and moving into a different rental unit and will limit rent increases to 3% annually.

(b) Therefore, the City Council finds and determines that the immediate preservation of the public peace, health, and safety requires that this ordinance be enacted as an urgency ordinance pursuant to Government Code Section 36937(b) and take effect immediately upon adoption. If this Ordinance does not become effective immediately, but instead becomes effective thirty days after its second reading, an increased number of tenants, including seniors and disabled tenants, will have their rents raised by 10%, or who are evicted without cause, will be unable to bear the cost of finding another unit and moving into the unit. At a minimum, the expense of moving to a new unit or having a rent increase of 10% will potentially cause the tenant to cut back on spending for health care, food, or medicine. Therefore, this Ordinance is necessary for the immediate preservation of the public peace, health and safety and its urgency is hereby declared.

Section 7. CEQA. This ordinance is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) which is the general rule that CEQA applies only to projects which have the

potential for causing a significant effect on the environment, and CEQA does not apply where it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment. It can be seen with certainty that requiring landlords who evict tenants without cause to pay relocation fees to the tenants who are evicted from their units without cause will not cause a significant effect on the environment.

Section 8. Publication. The City Clerk shall cause this Ordinance to be published at least once in a newspaper of general circulation published and circulated in the city within fifteen (15) days after its passage in accordance with Section 36933 of the Government Code, shall certify to the adoption of this Ordinance and shall cause this Ordinance and the city Clerk's certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this city.

Section 9. Effective Date. This Ordinance is adopted as an urgency ordinance for the immediate preservation of the public peace, health and safety within the meaning of Government Code Section 36937(b), and therefore shall be passed immediately upon its introduction and shall become effective immediately upon its adoption by a minimum 4/5 vote of the City Council.

Section 10. Certification. The City Clerk shall certify to the adoption of this Ordinance.

Adopted: January 24, 2017
Effective: January 24, 2017

JOHN A. MIRISCH
Mayor of the City of Beverly Hills, California

ATTEST:

BYRON POPE
City Clerk

APPROVED AS TO FORM:

LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT

MAHDI ALUZRI
City Manager