



RENT STABILIZATION PROGRAM

CHAPTER 6 RENT STABILIZATION PART II

Frequently Asked Questions

1. When was the Rent Stabilization Ordinance adopted?

The creation of the “Chapter 6” type of tenancy was adopted by the Beverly Hills City Council on October 7, 1986 through a City Ordinance [Ord. 86-O-1981]. On January 24, 2017 and February 21, 2017, the Beverly Hills City Council adopted revised rent stabilization regulations, which affects most rental housing in the City [Ord. 86-O-1981; B.H.M.C. 4-6-1].

2. What units are not governed by the Rent Stabilization Ordinance and provisions of Chapter 6 of the Code?

The following are NOT subject to rent control regulations [B.H.M.C. 4-5-102; 4-6-1]:

- Single-family residences
- Housing accommodations in hotels, motels, inns, and boarding/rooming houses unless they have been rented to permanent residents for more than 30 consecutive days
- Condominium units
- Business or commercial properties
- Additionally, any rental housing built before 1978 and initially occupied by the current tenant for an initial move-in base rent of less than \$600 per month is referred to as a “Chapter 5” tenant. This type of tenancy is governed under a different set of housing regulations [B.H.M.C. 4-5-102(G)].

All other multiple residential dwellings under the Code consisting of two (2) units or more, are not on the list above, and have an initial move-in base rent of \$601 per month or more, will be considered a “Chapter 6” tenant [B.H.M.C. 4-5-102(G)].

3. Are there any topics or subject matters that go only to Code Enforcement?

All Code violations will be referred to the Code Enforcement office for further processing which might include an administrative citation process.



4. What is the permitted maximum allowable rent increase and notice?

Landlords may increase the base rent once within any twelve (12) month period. Such increase shall not exceed, the greater of either: 1) 3% or; 2) the percentage equal to the percentage increase, if any, of the annual Consumer Price Index (CPI) for the Los Angeles/Riverside/Orange County Area computed between May 1 of the then current year and May 1 of the immediately preceding year [B.H.M.C. 4-6-3]. Notice of such rental increase of the base rent to the tenant should be made with a minimum 30-day written notice served in accordance with State laws and the terms of any written lease or rental agreement applicable to the tenancy prior to the effective date of such increase. [B.H.M.C. 4-6-3; California Civil Code Section 827(b)(1)(B)(2),(3)]. More information about rent increases may be found at our website:

<http://www.beverlyhills.org/citygovernment/departments/communitydevelopment/codecompliance/bhrent/rentincreasesadjustments/>

5. When can a unit's rent go to market rate?

If a tenant voluntarily vacates the unit or if the tenant is evicted for-cause (just-cause eviction), then the unit may be re-rented to market rent or "may be subsequently rented at any amount mutually agreed upon by the landlord and the new tenant" [B.H.M.C. 4-5-6(A)].

6. Can a landlord and tenant agree to a higher rent increase than the permitted 3% or "the percentage equal to the percentage increase, if any, of the consumer Price Index"?

No, since both parties are not able to waive the provisions of this chapter according to the Code [B.H.M.C. 4-6-4].

7. Can a landlord pass on any surcharges to tenants?

Yes, the landlord may pass on surcharges as long as the Rent Stabilization Ordinance formulas and limitations are followed. These are the surcharges that may be passed on along with how much:

- Water Service Penalty Surcharge [B.H.M.C. 4-6-7]
 - 90% of the cost of any water service penalties
- Refuse Fee Surcharge [B.H.M.C. 4-6-8]
 - Any refuse fee imposed by the City

Please note that any surcharge passed on to the tenants must follow the notice requirements found in their respective Code sections.

8. Are building managers covered under the Rent Stabilization Ordinance?

Yes. Chapter 6 defines a tenant as follows: *A tenant, subtenant, lessee, sublessee, or any other person entitled to the use or occupancy of an apartment unit* [B.H.M.C 4-6-0].



9. On what basis can a tenant be evicted?

Termination of tenancy by a landlord can be for just-cause or for no-cause under the Chapter 6 Code [B.H.M.C. 4-6-5]. Pursuant to State law, a written eviction notice is required to terminate tenancy unless the timeframe for such notice is restricted by the particular Municipal Code [Civil Code Section 1946].

Just-cause terminations may be made for any of the following reasons and would not require the landlord to pay relocation fees:

- Failure to Pay Rent [B.H.M.C. 4-5-502]
- Violations of Obligations [B.H.M.C. 4-5-503]
- Maintenance of Nuisances [B.H.M.C. 4-5-504]
- Illegal Uses [B.H.M.C. 4-5-505]
- Refusal to Provide Access [B.H.M.C. 4-5-507]
- Unapproved Subtenants [B.H.M.C. 4-5-508]

No-cause termination of tenancy may be exercised by the landlord for no reason with either a 30-day or 60-day written notice, as required by State law and the Municipal Code [B.H.M.C. 4-6-5; 4-6-6; 4-6-9]. However, a unit that has been evicted for no-cause may not be rented to a new tenant for a rent exceeding the amount that the evicted tenant had paid. Also, the landlord must file a copy of the written notice served to the tenant with the City of Beverly Hills Community Development Department within one week (seven calendar days) of providing notice to the evicted tenant. Please note that a no-cause eviction requires the landlord to pay the tenant a relocation fee.

10. How much notice must the landlord give for a termination of tenancy?

Any involuntary termination (just-cause or no-cause) of a periodic tenancy by the landlord requires written notice according to State Law [B.H.M.C. 4-6-6].

- A 30-day advance written notice by the landlord may be served to the tenant if the tenant has lived in the rental unit less than one year [Civil Code Section 1946.1(c)].
- A 60-day advance written notice by the landlord may be served to the tenant if the tenant has lived in the rental unit for a year or more [Civil Code Section 1946.1(b)].

11. When are relocation fees required by the landlord?

Relocation fees are required when a landlord terminates a tenancy for no-cause [B.H.M.C. 4-6-9]. Below are the relocation fee amounts that shall be paid to the tenants if triggered by a section of the Code and “[c]ommencing 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” [B.H.M.C. 4-5-605]:

Unit Type	Relocation Fee	If tenant is a Senior Citizen (62+ yrs), Disabled Person, or Minor
Bachelor or Single	\$ 6,446.91	\$ 8,446.91
One Bedroom	\$ 9,523.07	\$ 11,523.07
Two or More Bedrooms	\$ 12,902.15	\$ 14,902.15



12. Can a landlord terminate a tenancy for no cause?

Yes, see #9. [B.H.M.C. 4-6-5(a)]

13. If an apartment unit is voluntarily vacated by the tenant how much rent can be charged?

The apartment unit is “de-controlled” when the unit is “voluntarily vacated” as defined under B.H.M.C. 4-6-0 and may be re-rented for whatever amount the landlord and new tenant agree upon

[B.H.M.C. 4-6-0 and 4-6-5(a)].

14. Is a major remodel considered a just-cause for termination of tenancy?

No. A major remodel is not considered a just-cause for eviction and the apartment unit does not become “de-controlled”. A sixty (60) day written notice, served in accordance with State and local law, is required for termination of tenancy and after the remodel is completed, and the apartment unit may not be rented for more than the amount that was being paid by the resident whose tenancy was terminated for the remodel [B.H.M.C. 4-6-6 and 4-6-5(a)].

15. If the lease or rental agreement allows for only a certain number of renters and more move in, can the landlord increase the rent and/or terminate tenancy?

Rent increases are restricted to once every 12 months [B.H.M.C. 4-6-3]. It is unlawful to demand, accept, receive or retain payment of rent in excess of maximum allowable rents [B.H.M.C. 4-6-12]. Remedies for failure to comply with this requirement are provided at [B.H.M.C. 4-6-12].

Termination of Tenancy in Chapter 6 is not exclusively a “Just Cause” ordinance, therefore a landlord may evict for “Just Cause” or “No Cause.” However, relocation fees may be required if an owner elects to evict for “No Cause.” Relocation fees are not required for “Just Cause.” **If a “Just Cause” Notice is for a violation of the lease obligations, due to the unauthorized tenant, prior to the issuance of the Notice the owner is required to issue a Notice to Cure or Quit in compliance with State law providing the tenant with an opportunity to cure (California Civil Code 1962 11-5.03) [B.H.M.C. 4-5-503].**

In any event, it is always wise to seek legal advice. You may also seek to contact the Los Angeles County Department of Consumer Affairs at 1-800-593-822 or online at <http://dcba.lacounty.gov>.

