RESOLUTION NO. 17-R- 13158

RESOLUTION OF THE COUNCIL OF THE CITY OF BEVERLY HILLS ADOPTING REGULATIONS IN CONNECTION WITH THE REGISTRATION OF RENTAL UNITS AND THE CERTIFICATION OF RENTS CHARGED FOR THOSE UNITS

WHEREAS, on January 24, 2017, the City Council of the City of Beverly Hills adopted Ordinance No. 2725 requiring landlords to register certain rental units within the City; and

WHEREAS, the City Council has directed that as part of the registration process, landlords shall provide the rent that is being charged for each rental unit; and

WHEREAS, state law (Civil Code Section 1947.7 et seq., "the Petris Act") imposes certain requirements on local governments that have adopted ordinances or regulations that require the registration of rents; and

WHEREAS, the City Council desires to adopt regulations and procedures for the registration of rental units and the certification of rents that are consistent with the Petris Act;

NOW THEREFORE, THE COUNCIL OF THE CITY OF BEVERLY HILLS DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council hereby adopts the Regulations regarding the registration and certification of rents that are set forth in Attachment A, attached hereto and incorporated herein by reference (the "Regulations").

Section 2. The City Clerk shall certify to the adoption of this resolution and shall cause this resolution and this certification to be entered in the Book of Resolutions of the City Council of this City.

Adopted: September 19, 2017

LILÎ BOSSE

Mayor of the City of Beverly Hills, California

ATTEST

BYRON POPE City Clerk (SEAL)

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

LAURENCE S. WIENER

Lance Wi

City Attorney

MANDI ALUZRI City Manager

CITY OF BEVERLY HILLS

REGULATIONS REGARDING THE REGISTRATION OF CERTAIN RENTAL UNITS WITHIN THE CITY OF BEVERLY HILLS AND THE CERTIFICATION OF RENTS BEING CHARGED FOR THOSE RENTAL UNITS

CHAPTER 1

REGISTRATION OF RENTAL UNITS

1. Purpose.

The purpose of the registration requirement is to enable the City to implement Sections 4-5-801 and Section 4-6-10 of the Beverly Hills Municipal Code.

- 2. <u>Times When Registration is Required.</u> Pursuant to Sections 4-5-801 and 4-6-10 of the Municipal Code, registration and/or re-registration of rental units that are subject to the requirements of Chapter 5 or Chapter 6 of Title 4 of the Beverly Hills Municipal Code is required at the following times:
 - a. <u>Registration</u>. Registration is required from the landlord within thirty days of the date of written notice from the City that registration is required, unless the rental unit is specifically exempt from the provisions of Chapter 5 and Chapter 6 of Title 4 of the Beverly Hills Municipal Code.
 - b. <u>Termination of Exemption</u>. When a rental unit that was exempt from the provisions of Chapter 5 and Chapter 6 of Title 4 of the Beverly Hills Municipal Code loses its exempt status due to termination of the conditions qualifying it for exemption, the landlord is required to file a registration form with the City within thirty (30) days after the exemption ends.
 - c. <u>Following a Vacancy.</u> When a rental unit is re-rented following a vacancy, the landlord shall re-register the unit with the City within thirty (30) days after the date of the re-rental of the unit.
 - d. <u>Change in Ownership.</u> Whenever a change in ownership occurs, the Seller shall provide the City with written notice of the change in ownership including the date of transfer, and the name and address of the new owner, within thirty days of the close of escrow. The new owner also is required to file a registration form with the City within thirty (30) days of the close of escrow. The new owner's registration form will only be accepted by the City if it is accompanied by a copy

of a written notification from the landlord to all tenants advising the tenants of the change of ownership of the building and setting forth the name, address and telephone number of the new owner and of the new owner's property manager or representative, and a declaration that the new owner served the written notification on all the tenants of the building.

- e. <u>Change in Building Management.</u> The landlord shall file registration amendments with the City within thirty (30) days of a change of the property manager or authorized agent or if the address or other contact information of the owner or authorized agent changes.
- f. <u>Payment of Registration or Re-registration fee.</u> The registration or re-registration form shall be accompanied by any fee established by Resolution of the City Council.

3. Required Information.

- a. For the property: the street address; the APN; the number of units, and the year the building was constructed.
- b. For the owner: the name of the property owner; the type of ownership of the property (such as an individual, a trust or an LLC); the owner's contact information, including the telephone number, email address, mailing address, business license number, and business license expiration date.
- c. For a property manager: the name and contact information for the property manager, including the telephone number, email address, mailing address, and if there is an on-site property manager, the property manager's unit number.
- d. For the unit: the unit number; the number of bedrooms and bathrooms; whether utilities are provided by the landlord as part of the rent, and if so, which utilities are provided; whether parking is provided as housing service that is part of the rent for the unit; whether the unit is vacant or occupied; if occupied, current status of the occupant (tenant, owner, building manager); the current monthly rent for the unit, the original rent amount that was charged to the current tenant, and the date of the last rent increase; whether the unit was voluntarily vacated by the prior tenant, and if not, the reason for the termination of the tenancy.
- e. For the current tenant: the original occupancy date of the current tenant; whether the tenant is subject to Chapter 5 or Chapter 6 of Title 4 of the Municipal Code; whether the current tenant occupies the unit pursuant to a Section 8 voucher; whether the tenancy is subject to a contract with a governmental entity or a non-profit entity that governs the tenancy; whether the landlord provided a copy of the Tenant Landlord Rights and Responsibilities Handbook to the current tenant and, if so, if the landlord has a copy of the Handbook on file that displays the tenant's original signature acknowledging receipt of the Handbook.

CHAPTER 2

CERTIFICATION OF RENTS

1. <u>Notice of Rent.</u> Following the completion of the registration of the rental unit required by Chapter 1 above, the City will notify the tenant in writing of the amount of the rent that the landlord has provided to the City.

2. Objection to Rent Amount.

- a. The tenant(s) may contest the amount of the rent set forth in the Notice by filing an appeal with the City, on the City's form, within fifteen (15) days of the date of the mailing of the Notice. An extension for filing the appeal may be granted by the City upon a showing of exceptional circumstances making it impossible for the tenant to timely file the appeal, provided that the final certification has not yet been issued by the City.
- b. A tenant may object to the amount of the rent set forth in the Notice on the following grounds:
 - i. A mathematical or computational error, or the amount fails to properly reflect a decision issued by a hearing examiner affecting the rent for the unit;
 - ii. The amount of the rent for the unit is incorrect.
- c. A tenant may not object to the amount based upon housing services provided to a unit or any provision of the Rent Stabilization Ordinance that provides a basis for filing an application for a rent adjustment where no determination thereon has been issued.

3. Acceptance of Appeal.

- a. An appeal shall not be accepted as complete by the City when; i. the appeal is not made on the form prescribed by the City; or ii. the appeal form has not been substantially completed.
- b. Within ten (10) days after the date when the appeal is filed with the City, the City shall determine whether the appeal is complete.
- c. If the appeal is determined to be incomplete, the City shall notify the appellant in writing of the deficiency within the ten-day period. The appellant shall have ten days from the date of mailing of the notice to cure the defect(s).
- d. If a complete appeal objecting to the Notice of Rent is not timely filed, the rent set forth in the Notice shall become the certified rent for the unit and shall become final and cannot be changed except upon a showing of misrepresentation or fraud.

4. Action by City on Accepted Appeal.

a. If the ground(s) set forth in the appeal is an arithmetic calculation, which does not require the resolution of disputed evidence, the City may contact the appellant and may resolve the dispute. The City also may contact any affected party and may schedule a conference to resolve a dispute without a further hearing.

- b. If the City cannot resolve the dispute as provided in subparagraph a of this Paragraph 4, or if the appeal requires the resolution of factual issues or an issue concerning the application of the Ordinance and Regulations to the facts, the City shall schedule a hearing before a hearing examiner to resolve the issues raised by the appeal. Except as provided in these regulations, the procedures set forth in Section 4-6-11 A of the Municipal Code shall govern the hearing on the appeal.
 - i. As soon as practicable after the determination of the completeness of a appeal and in no event later than ten (10) days prior to the hearing, the City shall mail to the appellant and all affected parties a notice of the hearing on the appeal.
 - ii. Said notice shall state: a. the date, time and place of the hearing; b. a brief summary of the stated justification for the appeal; and c. that all submitted documents and materials as well as any report prepared by staff will be available for public review prior to the hearing.
 - iii. If the City determines that common issues may exist concerning other units in the same building, the City may schedule a joint hearing before the hearing examiner.
 - iv. Within thirty (30) days after an appeal is determined to be complete, the hearing examiner shall hold a hearing on the appeal, unless an administrative determination to dismiss the appeal has been made, the dispute has been resolved, or a continuance has been granted.
 - v. Any affected party wishing to respond to the appeal must submit his/her response to the City, within five (5) business days of the date of mailing of the notice. This paragraph shall not preclude parties from submitting written materials at the hearing.
 - vi. Within twenty (20) days after the close of the hearing, the Hearing Examiner shall make his/her determination with written findings of fact and conclusions of law in support thereof.
 - vii. Within five (5) business days after the making of the Hearing Examiner's determination, the City shall mail a notice of determination and the decision on the appeal to all affected parties. Said notice of determination shall notify the parties of the decision.
- c. Decisions of the hearing officer shall be final and shall be subject to judicial review, pursuant to Code of Civil Procedure Section 1094.5 and must be filed in accordance with the time periods specified therein
- d. When a final determination on appeal has been issued, the certified rent for the unit shall become final and cannot be changed except upon a showing of misrepresentation or fraud. However, nothing in these Regulations shall be construed to prohibit the subsequent lawful adjustment of the rent pursuant to rent increase applications and other procedures authorized by the Rent Stabilization Ordinance or to correct a computational or typographical error.

5. Completion of Initial Certification of Rents. By January 24, 2018, the City will complete the initial process to certify rents set forth in paragraphs 1 through 4 of this Chapter 2 and certify the amount of the rent that may be charged for each rental unit that has been registered with the City, including conducting any related appeals in connection with the certification process, unless the delay in completing the certification process was willfully and intentionally caused by the property owner or is a result of court proceedings or further administrative proceedings ordered by a court.

6. Issuance of Certificate After Initial Certification.

- a. Request for Certificate. After January 24, 2018, the landlord or the tenant may request from the City a certificate setting forth the rent for the unit.
- b. <u>Issuance of Certificate</u>. The City shall issue the certificate to the landlord or tenant(s) within five (5) business days after the request is filed with the City provided that: i. the request was submitted in writing to the City on a form prescribed by the City; and ii. the request is accompanied by the payment in full to the City of the applicable fee.
- c. Objection to Amount in Certificate. The landlord or the tenant(s) may contest the amount of the rent set forth in the certificate by filing an appeal with the City, on the City's form, within fifteen (15) days of the date when the certificate was issued by the City. The ground(s) for objection are limited to: 1. fraud; 2. misrepresentation; or 3. a computational or typographical error. The landlord or tenant(s) may not appeal the amount in the certificate based upon housing services provided to a unit; any provision of the Rent Stabilization Ordinance that provides a basis for filing an application for a rent adjustment where no determination thereon has been issued; or upon any issue which could have been raised prior to the final determination of the rent for the unit conducted pursuant to the provisions of Paragraphs 1 through 5 of this Chapter 2.
- d. Acceptance of Appeal. Within five (5) days after the date when the appeal is filed with the City, the City shall determine whether the appeal is complete. An appeal shall not be accepted as complete by the City when: i. the appeal is not made on the form prescribed by the City; ii. the appeal form has not been substantially completed; or iii. the appeal form is not accompanied by the payment in full of the applicable fee. If the appeal is determined to be incomplete, the City shall notify the appellant in writing of the deficiency within the five-day period. The appellant shall have ten (10) days from the date of mailing of the notice to cure the defect(s). If a complete appeal is not timely filed, the rent set forth in the Certificate shall become final and cannot be changed.

e. Action by City on Accepted Appeal.

- i. If the ground(s) set forth in the appeal is an arithmetic calculation, which does not require the resolution of disputed evidence, the City may contact the appellant and may resolve the dispute. The City also may contact any affected party and may schedule a conference to resolve a dispute without a further hearing.
- ii. If the City cannot resolve the dispute as provided in subparagraph i of this Paragraph e, or if the appeal requires the resolution of factual issues or an

- issue concerning the application of the Ordinance and Regulations to the facts, the City shall schedule a hearing before a hearing examiner to resolve the issues raised by the appeal. Except as provided in these regulations, the procedures set forth in Section 4-6-11 A of the Municipal Code shall govern the hearing on the appeal.
- iii. As soon as practicable after the determination of the completeness of a appeal and in no event later than ten (10) days prior to the hearing, the City shall mail to the appellant and all affected parties a notice of the hearing on the appeal.
- iv. Said notice shall state: a. the date, time and place of the hearing; b. a brief summary of the stated justification for the appeal; and c. that all submitted documents and materials as well as any report prepared by staff will be available for public review prior to the hearing.
- v. Any affected party wishing to respond to the appeal must submit his/her response to the City, within five (5) days of the date of mailing of the notice. This paragraph shall not preclude parties from submitting written materials at the hearing.
- vi. Within twenty (20) days after notice of hearing if given, the hearing examiner shall hold a hearing on the appeal, unless an administrative determination to dismiss the appeal has been made, the dispute has been resolved, or a continuance has been granted.
- vii. Within twenty (20) days after the close of the hearing, the Hearing Examiner shall make his/her determination with written findings of fact and conclusions of law in support thereof.
- viii. Within five (5) day after the making of the Hearing Examiner's determination, the City shall mail a notice of determination and the decision on the appeal to all affected parties. In any event, and notwithstanding any other time limit, the notice and the decision shall be mailed not later than sixty (60) days after the appeal is filed with the City, unless such time limit has been waived all affected parties.
- f. <u>Final Decision</u>. Decisions of the hearing officer shall be final and shall be subject to judicial review, pursuant to Code of Civil Procedure Section 1094.5 and must be filed in accordance with the time periods specified therein.