



Code Enforcement Division • Rent Stabilization
Community Development Department

CHAPTER 5 RENT REGULATIONS

BACKGROUND

[ALL CODE SECTIONS REFER TO THE BEVERLY HILLS MUNICIPAL CODE UNLESS OTHERWISE NOTED.]

The Beverly Hills City Council adopted Chapter 5 regulations on September 19, 1978, in response to a critically low vacancy rate, which contributed to a substantial and rising number of exorbitant rental rate increases. It was the City Council's opinion that if the increases were allowed to continue, many people would be unable to pay their rent and displacements would occur. This would be detrimental to the public health and welfare by adversely affecting the lives of a substantial number of residents of Beverly Hills who reside in apartment units. It would create a hardship for senior citizens, persons with fixed/low incomes. In the public interest, the City Council deemed it necessary to protect the occupants of apartment units from unreasonable rent increases, while at the same time recognizing the landlord's need to have sufficient rental increases to cover maintenance and increased costs of operation, and to encourage capital improvements.

The following are not subject to rent control regulations:

- single-family dwellings
- condominium units
- business or commercial properties
- housing accommodations in hotels, motels, inns or boarding houses unless they have been rented to permanent residents for more than 30 consecutive days.

The following actions by a landlord require an application and review by the Code Enforcement Division:

- recovery of an occupied apartment unit for use as a personal residence by the property owner or by an immediate family member of the property owner
- a major remodel project
- conversion of the building to a Common Interest Development (CID) (condominiums)
- removal of an apartment building from the rental market
- request for a hardship adjustment to increase rent beyond the allowable amount.

The entire process is explained to the landlord before issuing the application form. The completed application form is reviewed with the landlord to assure completeness and

submittal of all required documents. The application is recorded at the City Clerk's office after which the process is initiated in compliance with Code requirements as to noticing time lines, tenant relocation fees, staff reports, hearings and final property inspections when the work is completed.

NOTE: As of January 25, 2017, Chapter 5 relocation fees have been modified; refer to the chart at the end of this document.

RENT INCREASES

The amount of increase shall be 8% or the average Consumer Price Index (CPI) figure, whichever is less at the time.

A property owner may impose an annual rent increase with a 30-day written notice [[Section 4-5-303\(a\)](#)] which must be sent by First Class Mail and have a five-day postmark. Therefore, the minimum notice time required is 35 days [[Section 4-6-3\(a\)\(c\)](#) and California Civil Code Section 827(b)(1)(B)(2),(3)].

FAQ

1. Can a property owner pass on additional surcharges?

Yes, utility surcharges as well as capital expenditure surcharges may be passed on as long as the Rent Control Ordinance formulas are followed. These surcharges are passed on at the time of the annual rent increase. Capital expenditure surcharges are amortized over a period of 60 months and cannot exceed 4% of the apartment resident's base rent. Utility surcharges are permitted; however, they are not considered part of the base rent. [[Section 4-5-304 & 4-5-306](#)]

2. Can a property owner and an apartment resident have a separate agreement regarding the tenancy and monthly base rent?

No; any agreement, which waives the benefit of a tenant relating to the amount of rent to be paid for an apartment unit, shall be deemed contrary to public policy and shall be void. [[Section 4-5-103](#)]

3. Can a property owner increase the tenant's security deposit?

The security deposit lawfully imposed by the landlord may be increased annually by the same percentage the base rent is increased. [[Section 4-5-303\(d\)](#)]

4. Can a property owner increase the rent for an additional person residing in the apartment unit if they are not listed on the tenancy or lease agreement?

Yes, the property owner has two options: the right to terminate tenancy or to raise the rent a maximum of 10% of the base rent for each additional tenant. [[Section 4-5-508](#)] A 30-day written Notice of Increase is required. [[Section 4-5-307](#)] If the increase notice is delivered by First Class Mail, then a minimum 35-day notice (30-day notice plus the five-day post mark) is required [[Section 4-6-3\(a\)\(c\)](#)] and California Civil Code Section 827(b)(1)(B)(2),(3)].

5. If, after receiving annual rent increase, a rent exceeds \$600 per month, is the apartment unit still subject to Chapter 5 rent control regulations?

Yes; since the tenancy at one time was \$600 or less per month, it continues to be controlled by Chapter 5 regulations. [[Section 4-5-102\(l\)](#)]

6. Are units and rent levels registered with the City?

No; the City does not require that rent controlled units and rent amounts be registered nor does the City maintain a list of rent controlled units and rent amounts.

7. How often can rent be increased?

A rent increase may be imposed a maximum of once in a twelve-month period at the maximum allowable base rent increase rate as calculated for the month the increase is effective [[Section 4-5-303\(a\)](#)].

8. Are the provisions of the rent control guidelines effective when there is a voluntary vacancy?

No; the apartment unit becomes decontrolled and may be re-rented for more than \$600 per month [[Section 4-5-102\(g\)](#)] after which the annual increase is subject to the applicable Chapter 6 rent control guidelines. [[Section 4-6-3](#)]

9. Is a resident building manager covered by rent control regulations?

If the building manager's compensation or reduction in rent is equal to at least 50% of the current fair market rental value of such unit, the building manager is considered a manager and is not covered by rent control regulations. However, if the compensation is less than 50%, the building manager is considered a tenant and is subject to the rent control guidelines. [[Section 4-5-202](#)]

10. If the building is purchased by a new owner is the new owner allowed to automatically make rent adjustments?

No; allowable rental increases are stipulated by the Ordinance. [[Section 4-5-303 thru 309](#)]

11. Is there an option available for property owners who may want to increase rents on units renting well below market rates?

The property owner has the option of filing a Hardship Adjustment Petition and having the Hearing Officer review the case to determine if an increase beyond the permissible amount would be allowable. [\[Section 4-5-401\(a\)\]](#)

12. On what grounds can a landlord terminate tenancy?

Tenancy can be terminated for the reasons listed below. Per State law, a Three-Day Perform or Quit Notice (eviction notice) is required to terminate tenancy for any of these just-cause reasons (no relocation fee required).

- failure to pay rent [\[Section 4-5-502\]](#)
- violation of obligation [\[Section 4-5-503\]](#)
- maintenance of nuisances [\[Section 4-5-504\]](#)
- illegal uses [\[Section 4-5-505\]](#)
- refusal to execute a lease [\[Section 4-5-506\]](#)
- refusal to provide access [\[Section 4-5-507\]](#)
- unapproved subtenants [\[Section 4-5-508\]](#)

The following are also considered just-cause reasons for tenancy termination and have varying notice requirements:

- change of building manager [\[Section 4-5-510\]](#) 60-day notice
- withdrawal of the unit from rental market [\[Section 4-5-513\]](#) 60-day notice
- use by landlords [\[Section 4-5-509\]](#) 90-day notice
- demolition or condominium conversion [\[Section 4-5-511\]](#) 90-day notice
- major remodel / Ellis Act [\[Section 4-5-512\]](#) One-year notice

13. If tenancy is terminated for a just-cause reason, is the tenant entitled to a relocation fee and, if so, how much?

Relocation fees will be paid to apartment residents evicted for major remodel, use by landlord, demolition, condominium conversion, or Ellis Act as long as the tenancy has existed for two and one-half (2½) years, or more, prior to the date of the vacation of the apartment unit. When the tenancy has existed for less than two and one-half (2½) years but more than one year prior to the date of the vacation of the apartment unit, the relocation fee shall be one-half (½) of the following amounts:

Unit Type	Relocation Fee	If tenant is a Senior Citizen (62+ yrs), Disabled Person, or Minor
Bachelor or Single	\$ 6,193	\$ 8,193
One Bedroom	\$ 9,148	\$ 11,148
Two or More Bedrooms	\$ 12,394	\$ 14,394