



Frequently Asked Questions

What is rent stabilization and why is it needed?

The Beverly Hills City Council adopted the Rent Stabilization Ordinance (Ordinance) in 1978 when there existed a critically low vacancy rate for renter occupied units in the City. At that time, the number of apartments renting for \$400 per month or under was less than one percent. In addition, with the passage of Proposition 13, property owners were increasing rents significantly, thus affecting the lives of a considerable number of residents in Beverly Hills.

Additionally the City Council was aware through studies, hearings, surveys, investigations, common knowledge and numerous reports and complaints, that a substantial number of people renting apartments in the City were 65 years of age and older, many of whom lived on fixed incomes and expended a substantial portion of their incomes on rent.

How long has Rent Stabilization been in our City?

The Rent Stabilization Ordinance was first enacted in the City of Beverly Hills in 1978. The first ordinance was adopted on September 19, 1978.

What are the state and local regulations related to Rent Stabilization?

Assembly Bill 1482, or the Tenant Protection Act of 2019, became effective January 1, 2020 and is a state law intended to prevent egregious rent hikes across California. AB 1482 establishes a *Just Cause* eviction ordinance for all renters in the State of California. It provides that a property owner cannot terminate a lease at the end of its term or otherwise evict the tenant but for cause, including for occupancy by owner to allow a family to reside in the unit and other limited exemptions. AB 1482 imposes rent caps on some residential rental properties in California that do not already have an existing rent control ordinance. AB 1482 limits annual rent increases to no more than 5% plus the local CPI, or 10% whichever is lower. It is important to note, that AB 1482 does not affect the City of Beverly Hills Rent Stabilization Ordinance.

The City of Los Angeles enacted their program in 1979, which covers all rental units with a first certificate of occupancy on or before October 1, 1978. Santa Monica established their ordinance in 1979 and West Hollywood in 1985. Recently, Los Angeles County, Glendale, Inglewood and Culver City have all enacted some form of rent control legislation. With these additions, the State of California has approximately 19 governments that maintain a form of rent control legislation.

How was the Beverly Hills Rent Stabilization Ordinance developed and how has it changed?

The Rent Stabilization Ordinance, also known as the roll-back ordinance, was adopted September 19, 1978, and made effective on March 31, 1979. It required all property owners of apartment buildings and duplexes to roll-back rents to the May 31, 1978 level and freeze them until April 27, 1979. Restrictions regarding evictions were imposed and all those apartment units renting for \$600 or less as of May 31, 1978 were subject to the regulations. Those apartment units renting for more than \$600 per month were not subject to these regulations.

Numerous extensions and amendments were made to the Ordinance and on April 15, 1982, the Rent Stabilization Ordinance was amended and incorporated into the Beverly Hills Municipal Code as Title 11. The Ordinance, at that time, allowed for annual rental increases of 8% or the Consumer Price Index (CPI), whichever is less at the time, as long as a thirty day notice of rent increase is served. Title 11 (Chapter 5) did not provide for vacancy decontrol when an eviction is served for a just-cause reason. Apartment residents paying more than \$600 per month were not subject to these regulations, when the ordinance was enacted.

In 1986, the City Council began to receive complaints from non-rent stabilized tenants regarding exorbitant rent increases. These tenants requested that City Council adopt a regulation that would control their rents. On June 3, 1986, the City Council enacted a temporary moratorium, freezing rent increases on non-rent stabilized units while the matter was being studied. The City Council then appointed a committee to study the matter and offer their recommendation. Title 12 was then adopted on October 7, 1986. This Ordinance, then known as the “Luxury Unit” Ordinance, became effective November 7, 1986. It restricted annual rent increase to 10% and required a 60-Day notice of rent increase to be served by the property owner. The Ordinance allowed for just-cause and non just-cause or no-cause evictions and allowed for vacancy decontrol when evictions are served for a just-cause reason.

The Beverly Hills Municipal Code was re-codified on September 8, 1990. Title 11 and Title 12 were incorporated as Title 4, Chapter 5 and Chapter 6, respectively.

On January 24, 2017, an Ordinance was passed amending the Beverly Hills Municipal Code to establish the requirement to pay relocation fees to tenants who were evicted for no-cause or non-just cause from Chapter 6 units. This Ordinance also increased the amounts of the relocation fees that must be paid to tenants for Chapter 5, and established an annual increase in the relocation fees tied to the CPI to be conducted on July 1st of each year for both Chapter 5 and Chapter 6 units. The Ordinance decreased the 10% allowable rent increase for Chapter 6 to the greater of; 3% or the percentage equal to the percentage increase in the CPI. It also established a rent increase application process and the requirement for property owners to annually register their rental units.

On October 18, 2018, an Ordinance was passed that amended the Beverly Hills Municipal Code to eliminate no cause evictions from Chapter 6, Title 4 of the Municipal Code. In addition, it added a new ground for a just-cause eviction of a disruptive tenant and a new procedure pertaining to the termination of a tenancy of a disruptive tenant to Chapters 5 and 6.

What is the Rent Stabilization Commission and what are its primary functions?

On April 2, 2019, an Ordinance was adopted establishing the Rent Stabilization Commission. In accordance with the ordinance, the Commission is to be composed of the following: two (2) property owners who own one or more residential rental properties within the City; two (2) tenants who reside in the City; and two (2) at large members who are not property owners, tenants or managers of an apartment building and are residents of the City. The Commission will also have three alternates, one from each of the categories (1 property owner, 1 tenant and 1 at large member).

The Rent Stabilization Commission, as established by the Ordinance, has the power to: a) make recommendations to the City Council concerning amendments to Chapter 5 and 6 of Title 4 that have not been resolved by the City Council; and b) to perform any other functions that may be designated by resolution or motion of the City Council. The Rent Stabilization Commission held its first meeting in June 2020.