



**Beverly Hills City Council Liaison / Human Relations Commission  
Committee will conduct a Special Meeting, at the following time and place,  
and will address the agenda listed below:**

**CITY HALL  
455 North Rexford Drive  
4th Floor Conference Room A  
Beverly Hills, CA 90210**

**Thursday, January 12, 2017  
3:00 PM**

**AGENDA**

**1) Public Comment**

Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.

**2) Fiscal Year 2017 – 2018 Community Assistance Grant Fund Process**

**3) Tenant Landlord Policy Update**

**4) Adjournment**

  
Byron Pope, City Clerk

**Posted: January 11, 2017**



In accordance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call the City Manager's Office at (310) 285-1014. Please notify the City Manager's Office at least twenty-four hours prior to the meeting so that reasonable arrangements can be made to ensure accessibility.



**CITY OF BEVERLY HILLS**  
**HUMAN SERVICES DIVISION**  
**MEMORANDUM**

**TO:** Human Relations Commission Council Liaisons  
**FROM:** James R. Latta, L.C.S.W., Human Services Administrator  
**DATE:** January 12, 2017  
**SUBJECT:** FY 17/18 Community Assistance Grant Funding  
**ATTACHMENT:** 1. 2017-18 Community Assistance Grant Fund Application

A handwritten signature in black ink, appearing to read "J. R. Latta".

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The FY 17/18 Community Assistance Grant Funding Request for Proposal (RFP) has been announced and proposals will be accepted until 5:00pm Friday, February 3, 2017.

This year the City will also be accepting applications for cultural grants. These grants must still meet the same basic criteria, but must also be existing Beverly Hills organizations that have demonstrated a history of exemplary cultural opportunities which respond to community needs.

Promotion of the RFP and January deadline has occurred as follows:

- Ad placements in local newspaper during the month of December and January
  1. Beverly Hills Weekly – December 22, 2016
  2. Beverly Hills Courier – January 6, 2017
  3. Beverly Press – January 12, 2017
- Letter and email sent to FY 16/17 recipients
- Advisement placed in the January 2017 Community Services e-blast
- Press release to local papers

The Human Relations Commission ad-hoc will meet in early February to review program proposals. In parallel, the Charitable Solicitations Commission (CSC) ad-hoc will meet to review each organization's fiscal status.

In late February, the HRC ad-hoc will meet jointly with the CSC ad-hoc to review their reports and meet with any organizations regarding programing or financial information that requires further clarification. The joint ad-hoc will indicate if funding should remain the same, reduce or increase based on the program proposed and fiscal status of the organization.

From this meeting, a joint report will be produced for review by each commission during the month of March. In April the ad-hoc representatives from each commission will present the jointly-approved programmatic and funding recommendations to the Council Liaisons. Once approved by the Council Liaisons, staff will present recommendations to City Council.

For more information, to access the application and to view last year's CAGF recipients, please visit [www.beverlyhills.org/cagf](http://www.beverlyhills.org/cagf)

## Attachment 1



CITY OF BEVERLY HILLS  
COMMUNITY ASSISTANCE GRANT APPLICATION  
FY 2017-2018

AGENCY/PROJECT NAME:	
ADDRESS:	
CONTACT PERSON:	
PHONE:	
FAX:	
EMAIL:	

Please type your answers to the following questions:

1. Is your organization a 501c.3 or are you in partnership with a 501c.3 organization?  
☐ We are a 501c.3      ☐ We are in a partnership with a 501c.3  
☐ Documentation showing 501c.3 status or partnership with a 501c.3 is attached.
2. What services do you propose to provide the Beverly Hills community that local government is not currently providing?

3. Why are these services considered critical (e.g., enhance quality of life, improve public safety)?

4. What percentage of your total program service is utilized by members of the Beverly Hills community? If a new program, what percentage of users do you anticipate would be members of the Beverly Hills community?

5. The funding year is July 1, 2017 to June 30, 2018. What is the funding amount requested? Would you plan to reapply during future cycles?

6. What percentage of your annual funding would the City's contribution represent?

7. What is the ratio of your organization's administrative    operating costs?

8. Financial Statement:

- a. For grant requests up to \$74,999, please submit most recent balance sheet and operating budget OR tax return.
- b. For grant requests \$75,000 and over, please submit most recent financial statement reviewed by a Certified Public Accountant.

9. Provide any additional information that may be useful in evaluating your proposal.  
Cultural applicants, please describe your program here.


Submission of the following documents is required:

- ☐ Completed CAGF application,
- ☐ Documentation of 501c.3 status or proof of 501c.3 status through partnership,
- ☐ Copy of most recent Form 990 - Return of Organization Exempt from Income Tax,
- ☐ Copies of any current Charitable Solicitations Permits that have been obtained from the City of Beverly Hills.



**CITY OF BEVERLY HILLS**  
**HUMAN SERVICES DIVISION**  
**MEMORANDUM**

**TO:** Human Relations Commission Council Liaisons

**FROM:** James R. Latta, L.C.S.W., Human Services Administrator 

**DATE:** January 12, 2017

**SUBJECT:** Tenant Landlord Policy Update

**ATTACHMENT:**

1. Tenant Landlord Rights & Responsibilities Handbook
2. Informal Presentation on Proposed Seismic Retrofit Program for Existing Wood-Frame Buildings With Soft, Weak, or Open Front Walls (September 15, 2016)
3. Rental Registry Proposal Summary
4. Inspection Checklist Program (November 17, 2016)
5. Proposed Changes to No-Cause Eviction Ordinance

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**INTRODUCTION**

The Commission made significant progress in 2016 promoting the rights and responsibilities of tenants/landlords and providing a public forum where differences can be discussed. Their goals to increase tenant awareness of rights and responsibilities and assist tenants and landlords in navigating governmental and legal systems to resolve their issues have been met. The third goal of utilizing forum feedback to identify and recommend changes to the Municipal Code has been more difficult to complete. Today the Human Relations Commission is seeking direction from Council Liaisons on their recommendations and looking for next steps regarding the City's Tenant Landlord policy.

**DISCUSSION**

The new Tenant Landlord Rights & Responsibilities (TLRR) handbook (attachment 1) provides a common foundation for all parties to work from. The TLRR handbook has proven to be an excellent tool for the City to facilitate communication of tenant landlord rights and responsibilities to all involved parties. In addition, tenants and landlords now have direct access to staff via the online complaint form or phone to obtain information and/or to file a complaint with Code Enforcement.

Over the past year, the Human Relations Commission provided the open Tenant Landlord Forum at the beginning of their monthly meeting where tenants and/or landlords can express concerns and attempt to resolve differences. The Commission found the public forum helpful to tenants and landlords who are not clear about their rights and responsibilities or who wanted to express concerns publically. Conversely, staff regularly speaks to tenants and landlords prior to attending the Forum, and discusses the pros and cons of voicing their complaints publicly to the Commission. Once most tenants who are



on a month-to-month lease learn about the City's No-Cause Eviction Ordinance, they decline to speak at the Forum for fear of retaliation by their landlord.

Through the process of examining tenant and landlord feedback, three trends became apparent. First, tenants with a lease typically resolve maintenance and other concerns with their landlord without the City's involvement. Second, tenants on a month-to-month-lease paying market-rent, when subjected to poor living conditions, choose to move to another apartment or report the landlord to Code Enforcement. Finally, tenants on a month-to-month lease paying under market-rent endure poor living conditions and complain to the City, but do not open a case with Code Enforcement fearing landlord retaliation (eviction) per the City's No-Cause Eviction Ordinance and/or an annual ten percent rent increase. Month-to-month tenants paying market rent also complain of retaliation and poor living conditions, but they typically have the ability to move elsewhere in the City.

The most vulnerable tenants tend to be seniors on a limited income who have lived in the City for many years. They accept poor living conditions because they cannot afford to move to another apartment in the city. Less scrupulous landlords use their legal teams or other more subtle means to move these vulnerable tenants out, where other landlords offer a cash settlement to allow the vulnerable tenant to move voluntarily. In both scenarios, the landlord is seeking a means to achieve the appearance of a voluntary (legal) relocation by the tenant in order to raise the monthly rent to market and improve their investment.

The question is how or even whether the City should intervene to protect vulnerable tenants? The common tenant complaint is "I can't afford an annual 10% rent increase on a limited income." Some tenants are willing to pay the 10% increase, if their maintenance requests were addressed, but year after year these tenants report that their maintenance requests get ignored. The common landlord complaint is "this tenant has been fortunate to pay very low rent for years, but I can't afford to subsidize their rent anymore because I have a mortgage and increasing expenses to pay."

To understand some of the current dynamics impacting tenant landlord relations in Beverly Hills, there are some obvious and some not so obvious factors. The first and widely known element is the significant rent increases and rising cost of living in the Los Angeles area. Another element concerning Beverly Hills' landlords are the new seismic retrofit requirements. There are approximately 300 structures (1800 units) in Beverly Hills that owners need to retrofit at a cost of between \$5,000-\$10,000 per unit (attachment 2). One more factor that may or may not be unique to Beverly Hills is that many long term owners are selling their buildings to owners that are primarily investors. Investor landlords tend to professionally manage their properties which results in a less personal relationship with each tenant. The strategy is to obtain market rents verses a focus on the relationship and maintaining a long term tenant.

Keeping the above factors in mind, staff will provide a brief explanation of each of these recommendations. For additional information please see attachments. Based on direction and feedback from the Council Liaisons, the Human Relations Commission developed a range of options to address the ongoing tension between tenant and landlords. To date the Commission developed the following policy recommendations:

1. Increase administrative penalties from \$500-\$1,000 for violations of Beverly Hills Municipal Code 4-6-5C (page 2 of attachment 1)
2. Rental Registry Program (attachment 3)
3. Inspection Checklist Program (attachment 4)
4. Continue the No-Cause Eviction Ordinance, but establish relocation fees (attachment 5). In addition, staff recommends a deregulation of the unit rent for participating landlords.

As mentioned previously, the most vulnerable tenants in the City of Beverly Hills tend to be long term residents, who are seniors on a fixed limited income, and who are paying under market rent. Trends show that either the tenants pay the ten percent increase annually and do not complain, or they may be subject to a no-cause eviction. This process typically has three potential outcomes. First, the tenant refuses to leave the unit after the termination date, which results in the landlord taking the tenant to court, and leads to an eviction on tenant's record. This scenario is costly for the owner and is also very costly for the tenant who may not have funds to afford legal counsel. The second scenario is the tenant informs the City about the no-cause eviction notice and the City reminds the landlord that if the tenant is terminated through no-cause, then the unit may not be rented to a new tenant for a monthly rent that is more than the evicted tenant was paying when evicted. The third scenario which is best for all involved, including the City, is that the owner and tenant come to a mutual agreement that the tenant receive compensation to voluntarily move-out. Under this scenario, with the current Municipal Codes, the owner is able to rent the unit per their investment goals.

Mandatory relocation fees may deter landlords from serving no-cause eviction notices, but without deregulation of the unit, these fees will not improve the housing stock. Landlords would not have any incentive to improve the property, since they would not be able to raise rent for the incoming tenant per the existing Municipal Code. One unintended consequence of the relocation fees could result in extra pressure on tenants to leave their unit "voluntarily". If the tenant leaves voluntarily, the landlord can raise the rent for the next tenant and renovate if it makes sense to maximize their income.

### **FISCAL IMPACT**

Should the Council Liaisons wish to pursue a Rental Registry Program and respond to the anticipated increase in volume of Code Enforcement cases, a budget enhancement would be necessary. Staff required includes; 1FTE administrative assistant, 2 FTE Code Enforcement Officers and an increased budget for the City Prosecutor. Projected costs are between \$600,000 - \$800,000 range. This proposal would only improve the housing stock and not have a significant impact on the rent control.

Should the Council Liaisons wish to pursue the Inspection Checklist Program, it is anticipated that one dedicated part-time Code Enforcement Officer and one clerk will be needed to respond to public inquiries, conduct field investigations and apply the necessary enforcement measures, including processing reports for enforcement hearings. The fiscal impact including ongoing program and staff costs is expected to be approximately \$200,000.

### **RECOMMENDATIONS**

Staff is recommending the lower cost Inspection Checklist Program in combination with changes to the No-Cause Eviction Ordinance. The Inspection Checklist Program would be included in the TLRR handbook and be utilized to further enhance awareness for tenants

and landlords 24 hours prior to signing the lease. Per the current No-Cause Eviction Ordinance, a landlord may still terminate a tenancy for no-cause with either a 30-day or 60-day written notice in accordance with the State law.

The Commission recommends that if terminated by a no-cause eviction, the tenant must receive a relocation fee following the terms of escrow. Relocation fees can be determined by unit size, a ratio of monthly rent, vulnerability of tenant or even within the range of what neighboring cities require. In addition, to mutually serve both the tenant who is being evicted, and also the landlord, staff recommends that in addition to the relocation fee, the rental unit must be deregulated, allowing the landlord to determine the new rent.

A sufficient relocation fee will allow a vulnerable tenant who has been given a no-cause eviction enough compensation to cover moving costs, funds to put down for a security deposit, and also enough funds to help supplement some of the fees to cover the cost of another unit. The relocation fee should also deter landlords from issuing a no-cause eviction to the tenant unless the cost fiscally makes sense and they can improve their investment.

# **Attachment 1**



## **CITY OF BEVERLY HILLS**

Community Development Department  
Community Preservation Division  
Rent Stabilization | Code Enforcement

# **Tenant Landlord Rights & Responsibilities**



***Required notice from landlord to all prospective tenants who will be renting an apartment unit in Beverly Hills. This notice is in addition to other disclosures required by the state.***



To Prospective Tenant and Landlord,

On May 18, 2004, the City of Beverly Hills City Council adopted revisions to the Beverly Hills Municipal Code (BHMC 4-6-5) relating to rent stabilization regulations which became effective December 18, 2004. The Code requires that at least twenty four (24) hours prior to the execution of a lease or rental agreement by a tenant, the landlord shall provide written notice to the prospective tenant advising of certain rights of the tenant and landlord or an administrative penalty in the amount of \$500 may be imposed (BHMC 4-6-5C). Distribution of this document does not imply, guarantee or substitute a commitment for lease or rental agreement.

The document of compliance for the signatures of the landlord and prospective tenant is included and the form is available in English, Spanish, Farsi, and Korean online at [www.beverlyhills.org/rent](http://www.beverlyhills.org/rent). Copies may also be obtained in the Community Development Department, Community Preservation Division, Community Services Department in City Hall at 455 North Rexford Drive, the Library, or through a telephone request at 310-285-1119.

Sincerely,  
Community Preservation Division  
Community Development Department

## LANDLORD OR LANDLORD'S AGENT

\_\_\_\_\_  
(Print first and last name)

Beverly Hills Municipal Code Section 4-6-5(B), requires that at least twenty-four hours prior to the execution of a lease or rental agreement by a Tenant, the Landlord shall provide written notice to the prospective Tenant of the information set forth above, and that the Landlord shall retain documentation that this notice was provided for the duration of the tenancy.

I affirm that I am the Landlord or the Landlord's agent of the subject property, and that I provided a copy of this information to the prospective Tenant in accordance with the requirements of Beverly Hills Municipal Code Section 4-6-5(B) on the date and time below:

\_\_\_\_\_ at \_\_\_\_\_ AM PM  
(Date) (Time)

By \_\_\_\_\_  
(Landlord or Landlord's Agent's Signature)

## PARKING INFORMATION

The following are the parking restrictions on the public streets in the area adjacent to the subject building and the building's on-site parking restrictions (for information and permitting cost see page 7):

\_\_\_\_\_  
\_\_\_\_\_

## PROSPECTIVE TENANT

\_\_\_\_\_  
(Print first and last name)

I affirm that I am a prospective Tenant with an application to rent an apartment unit located at:

\_\_\_\_\_ (Address) \_\_\_\_\_ (Apartment number)

I affirm that the Landlord or Landlord's Agent provided me with a copy of the information set forth herein at least twenty-four hours prior to my execution of a lease or rental agreement for this apartment unit on the date and time below:

\_\_\_\_\_ at \_\_\_\_\_ AM PM  
(Date) (Time)

By \_\_\_\_\_  
(Prospective Tenant's Signature)

Signing this document does not imply, guarantee or substitute a commitment for lease or rental agreement. 3

**Beverly Hills Municipal Code Section 4-6-5(B) requires that the Landlord provide the prospective Tenant with written notice containing all the following information at least 24 hours prior to the execution of a lease or rental agreement:**

**The following are Beverly Hills Municipal Codes, some of which may be California State Codes:**

1. The Landlord and Tenant may not enter into an agreement to waive any provision of the Beverly Hills Municipal Code (BHMC) relating to rent increases. BHMC 4-6-4(A)
2. The Landlord may increase the monthly rent no more than 10% with no more than one increase in a twelve month period. The Tenant shall be given a 30-day written notice of each annual rent increase, as required by State law. BHMC 4-6-3(C)
3. If an apartment unit is voluntarily vacated by the Tenant, or the Tenant is evicted for any of the following reasons (just cause evictions), the unit may be re-rented for any amount:
  - Failure to pay rent;
  - Breach of rental agreement;
  - Maintenance of nuisances;
  - Excessive number of tenants;
  - Refusal to provide access to make repairs or improvements; or
  - Unapproved subtenants. BHMC 4-6-5
4. The Landlord also may terminate a tenancy for no reason (no-cause eviction) with either a 30-day or 60-day written notice in accordance with state law. However, the unit may not be re-rented to a new tenant for a monthly rent that is more than what the evicted Tenant was paying when they were evicted. BHMC 4-6-6 [Any Tenant who receives a 60-day notice for a no-cause eviction (Involuntary Termination of Tenancy) should contact Code Enforcement at 310-285-1119].
5. Under certain conditions, the Landlord may charge a Tenant a monthly water service penalty and a refuse fee surcharge, in addition to the monthly rent. BHMC 4-6-7 & 4-6-8.
6. At the termination of a lease or rental agreement the Landlord and the Tenant can agree to extend the agreement or they can enter into a new lease or rental agreement. If the agreement is not extended or a new one put in place, a month-to-month tenancy will be created as long as the Tenant continues to live in the unit and the Landlord accepts rent from the Tenant. A month-to-month tenancy can be terminated at any time if the Landlord provides written notice to the Tenant in accordance with state law (60-day written notice required).

**Rent  
Increase**

**Just-cause  
Eviction**

**No-cause  
Eviction**

**Month-to-  
Month  
Tenancy**

prospective  
tenant initials



## SUMMARY OF A TENANT'S BASIC RIGHTS UNDER STATE LAW

### Security Deposits

Security deposits are refundable and must be returned at the end of the tenancy [California Civil Code Section 1950.5(m)]. The Landlord may retain part, or all, of the security deposit if there was rent due, the vacated unit is left in a dirty or damaged condition (other than normal wear and tear), or personal property of the Landlord is missing from the vacated unit [California Civil Code Section 1950.5(b)], otherwise the full amount must be returned to the Tenant. Within 21 days after the unit is vacated, the Landlord must refund the security deposit in full, or mail or personally deliver to the Tenant an itemized statement that lists the amounts of any deductions and the reasons for those deductions from the security deposit, along with a refund of any amounts not deducted [California Civil Code Section 1950.5(g)].

### Entry by the Landlord

Under State law, the Landlord can enter a rental unit in the following circumstances only:

- An emergency;
- When the Tenant has moved out or has abandoned the unit;
- To make necessary or agreed-upon repairs, decorations, alterations, or improvements;
- To show the unit to prospective tenants, purchasers, contractors, or lenders;
- To provide entry to contractors or workers who are to perform work on the unit;
- To conduct an initial inspection before the end of tenancy;
- Pursuant to a court order;
- To inspect the installation of a waterbed when the installation has been completed, and periodically thereafter to assure that the installation meets the requirements of state law and the manufacturer's specifications [California Civil Code Section 1940.5(f)].

Unless the Tenant is present and consents at the time of entry, the Landlord must give the Tenant 24-hour advance written notice before entering the unit, except when the Tenant has moved out of the unit, abandoned the unit, or in an emergency, and the Landlord can enter the unit only during normal business hours (generally, 8 a.m. to 5 p.m. weekdays). The Landlord must give written notice by personal delivery or leave the notice at the unit with a person of suitable age and discretion; or leave the notice on, near, or under the Tenant's usual entry door in such a way that it is likely to be found; or mail the notice to the Tenant [California Civil Code Section 1954].

### Repair of Substandard Conditions Remedy

A Tenant may deduct money from the rent, up to the amount of one month's rent to pay for the repairs of defects in the rental unit [California Civil Code Section 1942]. Defects that qualify for this remedy must be substandard conditions that affect the Tenant's health and safety and substantially breach the implied warranty of habitability. The repairs cannot cost more than one month's rent. The deduction remedy cannot be used more than twice in any 12-month period. The Tenant must not have caused the defects that require the repairs. The Tenant must have informed the Landlord of the need for repairs and must have given the Landlord a reasonable period of time to make the repairs. Because this remedy can lead to an eviction for failure to pay rent, it is recommended that the Tenant consult with an attorney prior to deducting any amount from the required rent.

prospective  
tenant initials

### Retaliatory Eviction

California State law provides tenants' rights information if a retaliatory eviction has occurred; contingent on the following circumstances:

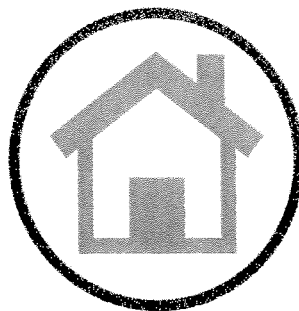
- Within six months after the Tenant has exercised rights under the repair of serious defects remedy;
- After the Tenant has complained about the condition of the rental unit to the Landlord or to an appropriate public agency;
- After giving the Landlord notice;
- After the Tenant has filed a lawsuit or commenced arbitration based on the condition of the unit or has caused an appropriate public agency to inspect the unit or to issue a citation to the Landlord [California Civil Code Section 1942.5(c)1945.2].

### Housing & Health Code Standards

The Uniform Housing Code and the California Health and Safety Code require that an apartment unit be equipped with proper ventilation, window screens, smoke detectors, carbon monoxide detector, kitchen sinks, hot and cold running water, a functional bathroom, and an operational heating unit. All apartment units must be free of any structural hazards, faulty electrical wiring and plumbing defects. Any such violations should be reported immediately to the Landlord. If the Landlord fails to make repairs within a reasonable time period the Tenant may report the violation(s) to Community Preservation at 310-285-1119.

### Home Occupation

The Beverly Hills Municipal Code (Article 43 of Chapter 3 of Title 10 - Zoning) allows certain home-based businesses under specified conditions. Prior to operating a home occupation the operator shall provide a signed affidavit of compliance as conditioned in the code. The following types of home occupations are prohibited: automotive repair, transient lodging, restaurants, rental of a residence for events, any activity requiring a regulatory permit issued by the City, any activity producing biohazardous or medical waste, manufacturing, and any use that is prohibited or requires a Conditional Use Permit in a Commercial Zone. For more details, contact the Planning Division at 310-285-1123. In addition, the Landlord may prohibit or otherwise regulate a Tenant's ability to engage in a home occupation in an apartment unit as part of the lease or rental agreement.



prospective  
tenant initials

## RESOURCES FOR LANDLORDS AND TENANTS

**Resources are available in the community and through the City of Beverly Hills. Get the information and services you need to ensure your rights as a tenant and/or landlord are protected.**

### COMMUNITY RESOURCES

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#### ➤ **Mediation Services**

Center for Civic Mediation  
Main: 877-4RESOLV (877-473-7658)  
Web: [centerforcivicmediation.org](http://centerforcivicmediation.org)

#### ➤ **Tenant/Landlord Counseling and Housing Rights Information**

Housing Rights Center  
Main: (800) 477-5977  
Counseling hotline: (800) 477-5977  
Web: [hrc-la.org](http://hrc-la.org)

### CITY RESOURCES

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#### ➤ **Municipal Code Information**

Community Preservation Division - Rent Stabilization & Code Enforcement  
Community Development Department  
Hotline: (310) 285-1119  
Web: [beverlyhills.org/rent](http://beverlyhills.org/rent)

#### ➤ **Parking Permit Information**

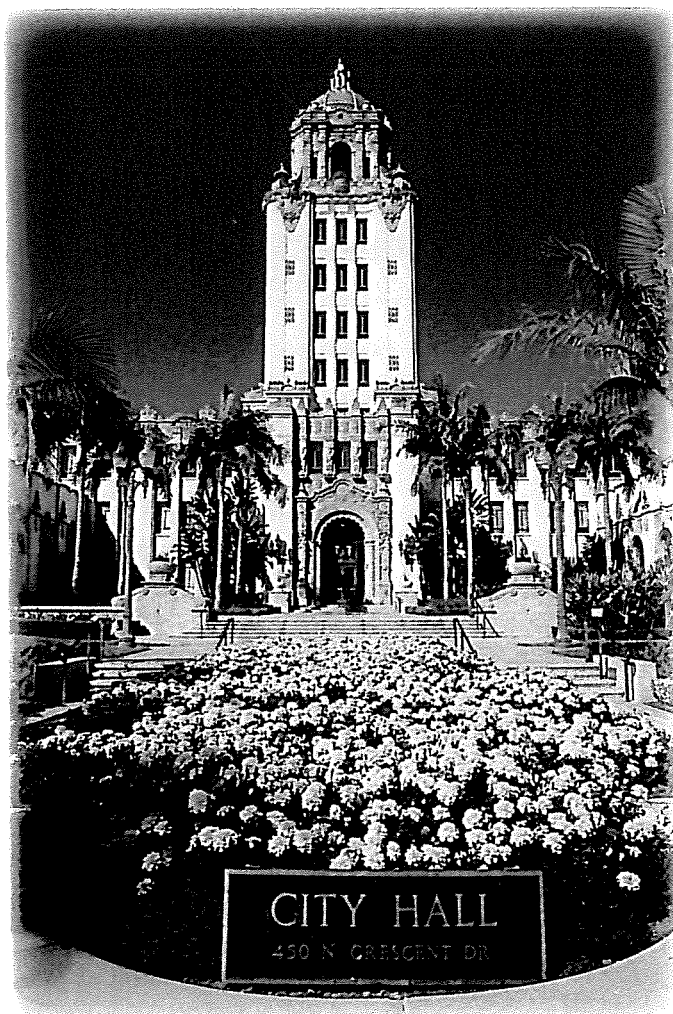
Public Works Services  
Main: (310) 285-2500  
Web: [beverlyhills.org/parkingpermits](http://beverlyhills.org/parkingpermits)

#### ➤ **Tenant Landlord Forum**

Human Relations Commission  
Community Services Department  
Main: 310-285-1006  
Web: [beverlyhills.org/hrc](http://beverlyhills.org/hrc)  
Email: [humanservices@beverlyhills.org](mailto:humanservices@beverlyhills.org)

In support of Tenants and Landlords  
The Commission can assess your situation  
and advise on a plan for resolution.





## **CITY OF BEVERLY HILLS**

455 N. Rexford Drive  
Beverly Hills, CA 90210  
[www.beverlyhills.org](http://www.beverlyhills.org)

## **Attachment 2**



**CITY OF BEVERLY HILLS**  
**COMMUNITY DEVELOPMENT DEPARTMENT**

**MEMORANDUM**

**TO:** Human Relations Commission

**FROM:** Arlen Eskandari, Senior Plan Review Engineer / Raj Patel, City Building Official, Assistant Director of Community Development

**DATE:** September 15, 2016

**SUBJECT:** Informational Presentation on Proposed Seismic Retrofit Program for Existing Wood-Frame Buildings With Soft, Weak, or Open Front Walls

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**INTRODUCTION**

The Beverly Hills City Council requested the Community Development Department to provide recommendations to strengthen buildings that are potentially vulnerable to significant damage in the event of an earthquake. The Community Development Department is proposing an ordinance requiring mandatory retrofit of existing structures known as soft-story buildings. Open front, soft-story buildings are typically wood-frame, low-rise buildings with multi-family living space above parking on the first story. During an earthquake, these soft-story buildings perform poorly and are vulnerable to collapse.

As a part of the public outreach process, in addition to the Human Relations Commission, Community Development staff will be presenting this ordinance to the Planning Commission and the Health and Safety Commission. Each of these commissions has a unique perspective on the needs of the community and can provide valuable feedback that can be incorporated prior to presentation to the City Council. The schedule for presentations is as follows:

<b>Commission</b>	<b>Date</b>
Human Relations Commission	9/15/2016
Planning Commission	9/19/2016
Health and Safety Commission	9/26/2016

**BACKGROUND**

The Community Development Department originally retained the services of Degenkolb Engineering to help develop a soft-story retrofit ordinance. Established in 1940, Degenkolb Engineering is the nation's oldest and largest earthquake engineering firm, specializing in identifying and retrofitting vulnerable buildings. Structural engineers from Degenkolb initially conducted a field survey of the city, followed by a review of building permit records to identify and develop an inventory of soft-story buildings.

The current inventory identifies approximately 300 structures categorized as having a soft-story deficiency. It is estimated that there is approximately 1,800 living units that make up these 300

structures. The results of the survey were presented to the City Council in January 2016. At that time, the City Council instructed staff to begin the development of a seismic retrofit ordinance for existing soft-story buildings.

The proposed ordinance would improve public safety by reducing the risk of collapse and subsequent death or injury in an earthquake. However, the ordinance would also protect the public welfare by reducing the loss of wood frame apartment buildings which are currently the city's most affordable housing stock. In the 1994 Northridge earthquake, soft-story buildings made up two-thirds of the 49,000 housing units that were made uninhabitable and accounted for more damage and injury than any other type of building damaged during the earthquake. The surrounding cities of Los Angeles, Santa Monica, and West Hollywood suffered extensive damage to soft-story buildings during the Northridge earthquake.

The loss of 1500 apartment units (5% of their total housing units) as a result of the Northridge earthquake was the impetus for the City of Santa Monica to adopt a soft-story retrofit ordinance in 1996. In 2015, the City of Los Angeles adopted an ordinance requiring retrofit of an anticipated 13,500 soft-story buildings and the City of West Hollywood recently identified 780 soft-story buildings and is expected to adopt a retrofit ordinance later this year.

## DISCUSSION

The proposed ordinance applies to soft-story buildings built prior to 1978. The ordinance would require strengthening of the first floor of the building through the addition of steel moment frame, shear walls and bracing of the opening(s). The scope of work is not expected to reduce the amount of first floor parking area or change the aesthetics of the exterior of the building. It is anticipated that the retrofit work would take approximately between one to two months. The ordinance provides specific time limits for building owners to submit an engineering report verifying whether their building has structural vulnerabilities and to submit plans, obtain permits, and commence and complete the retrofit work. This is similar to the retrofit process identified in ordinances adopted or being considered by neighboring cities.

Required Action by Owner	Submit Screening Form	Submit Retrofit Plans	Obtain Building Permit	Commence Construction	Complete Construction
Beverly Hills	180 Days	365 Days	1.5 Years	2 Years	2.5 Years
Los Angeles	365 Days		2 Years	7 Years	
Santa Monica	Currently Updating Building Inventory and Existing Mandatory Ordinances				
West Hollywood	365 Days	2 Years	4 Years		5 Years
From date the notice is served to owner					

The cities of Los Angeles and San Francisco have developed cost estimates for completing seismic retrofits of soft-story buildings. It is estimated the cost of retrofit is between \$5,000 to \$10,000 per dwelling unit (the cost for retrofit of a four unit building would be between \$20,000 and \$40,000). A primary consideration of the city's retrofit program is the ability for building owners to pass along the related retrofit costs to their tenants. It is anticipated that all of the affected buildings are subject to the City's rent stabilization ordinance. The current recommendation is not to allow the costs of retrofit to be passed on directly to tenants. Instead, costs could be passed along in accordance with rental rate increases as regulated by the current Chapter 5 and 6 rent stabilization ordinances. The table below displays the annual



allowable rent increase and retrofit cost pass-through to tenants in the City of Beverly Hills as well as those cities that have a seismic retrofit program in place:

City	Allowable Annual Rent Increases		Retrofit Costs Pass-through to Tenant
<b>Beverly Hills</b>	<b>Chapter 5:</b> Allows up to 8% or the average Consumer Price Index once every 12 months (Whichever is lower)	<b>Chapter 6:</b> Allows a not-to-exceed 10% increase within any 12 month period	No. Annual rent increase allowances are sufficient for landlord to recover the seismic retrofit cost.
<b>City of Los Angeles</b>	3% of Los Angeles-area Yearly CPI Increase, up to 8% (whichever is higher)		Share 50% of retrofit costs with maximum of \$38/month for 10 years
<b>Santa Monica</b>	75% of the Yearly Los Angeles-area CPI Increase		Currently Updating Existing Mandatory Ordinances
<b>West Hollywood</b>	75% of Yearly Los Angeles-area CPI Increase		A consultant was hired to review options for an equitable cost sharing plan
<b>San Francisco</b>	60% of Yearly San Francisco-area CPI Increase		Share 100% of retrofit costs over 20 years

The City is also collaborating with neighboring cities to determine other methods of assisting building owners with financing retrofit work. One example is the Property Assessed Clean Energy (PACE) program, which can arrange a loan directly between the lender and the building owner that is paid back through property tax assessments for a time period of up to twenty years. The PACE program eliminates the need for up-front payments and allows for transferring of the remaining balance to a new property owner.

**Potential future costs to the city include the following:**

- (1) Upgrades to the City's existing permitting system to include enhancements to assist with tracking the progress and issue notices for those properties required to comply with the seismic retrofit program.
- (2) Extending the current Agreement with the City's Consultants, Degenkolb Engineers, to include assistance with implementation of the ordinance. The scope of work would include any additional community outreach, internal staff training, development of Design Guidelines to assist the public with the retrofit of their buildings, and plan review consultation.
- (3) Staff will also be exploring the options of providing incentives such as waiving plan check, permit, and planning fees associated with seismic retrofit work



## **Attachment 3**

## City of Beverly Hills Rental Registry

### Introduction

Key Rental Registry program elements include:

- Self-certification that building and units meet minimum health, safety and livability standards.
- Follow up enforcement and scheduled inspections to verify self-certification.
- Systematic inspection for problem properties.

The Commission's purpose in recommending the Rental Registry is to preserve the rental housing stock in Beverly Hills and protect the welfare of tenants.

### Discussion

The City's Community Development Department first investigated the idea of a Rental Registry program in 2006 and presented to City Council, in November of that year, a proposed systematic Rental Housing Inspection Program. Following the meeting, staff conducted multiple public outreach presentations and received the following feedback:

- Concerns with cost
- Equity (good buildings should not need systematic inspections)
- Tenant's privacy
- Added bureaucracy
- Negative experience with other programs
- Positive nature of Self Assessments
- Education for landlords and Managers

Staff considered these comments and produced a program framework that focuses resources on problem buildings instead of systematically inspecting the interior and exterior of all buildings. This new proposal includes six steps as described below and depicted in the diagram that follows:

**Outreach and Notification** - Staff will conduct necessary outreach and inform the community about the program prior to implementation. The information and outreach efforts will include, but not be limited to, working with rental housing industry stakeholders, neighborhood and homeowner associations, and providing presentations, printed materials, and website information. Owners and managers will be provided information about program expectations along with information about State and Municipal Housing, Health and Safety Codes.

**Self-Assessment** - Owners and managers will complete a self-assessment checklist and submit it to Community Development on an annual basis and prior to a new tenant occupancy. Included on this checklist are questions related to the interior and exterior of the building including fire department requirements.

**Exterior Inspections** - Staff will inspect the exterior of all multi-family properties and verify conditions submitted on the checklists. (The fire department currently inspects apartment buildings with 3 or more units).

**Random Interior Inspections of Self Certified Properties** - A small percentage of units City-wide will be inspected to verify the interior conditions stated on the checklists. Upon

## City of Beverly Hills Rental Registry

request, the greater of 1(one) or 20% of an apartment building may be inspected by the City. As a result of the inspection, if hazardous condition(s) is observed, the City may require full inspection of each unit on the property. Interior inspections typically focus on verification that the exterior of the building is watertight and secure, the electrical systems function with no exposed wiring and working ground fault circuit interrupters (GCFIs), the plumbing systems are installed safely and not leaking or clogged, stairways and handrails are secured, heaters are properly functioning, and smoke detectors, carbon monoxide sensors and fire extinguishers are in place.

**Complaint Driven Inspections** - Staff will continue to respond to tenant complaints.

**Systematic Inspections** - If a building is verified to be substandard and is not repaired in a reasonable amount of time, the City may issue an Administrative Citation and will place the property on a mandatory systematic inspection program (this is a 2016 iteration noted on Attachment 2). This measure includes a process to allow a property owner the opportunity to appeal their case to an independent hearing officer. In an effort to reduce ongoing costs, workload associated with enforcement in these cases will be endured by the owner of the problem property.

## **Attachment 4**



**CITY OF BEVERLY HILLS**  
**HUMAN SERVICES DIVISION**  
**MEMORANDUM**

**TO:** Human Relations Commission

**FROM:** Nestor Otazu, Code Enforcement Manager

**DATE:** November 17, 2016

**SUBJECT:** Inspection Checklist Program

**ATTACHMENT:**

1. Inspection Checklist
2. Administrative Citation
3. Administrative Enforcement Process
4. Inspection Checklist Flow Chart

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Action is requested.

Current Challenges:

Background

There are approximately 8,600 apartment units within the City of Beverly Hills. State and municipal laws provide regulation to various property and building code standards. Common tenant complaints are typically concentrated and related to substandard building maintenance complaints involving common areas with a higher concentration of complaints related to interior living spaces.

Housing Stock

The quality of the City's rental housing stock is aging and in some cases, approaching its life expectancy. Many properties are in need of significant improvements and maintenance which affect the interior and exterior of buildings. There has been a significant increase in complaints and confirmed violations related to substandard violations. In many cases, repeat violations occur as result of substandard repairs or insufficient property maintenance. Furthermore, it is well documented that many tenants choose not to make requests for repairs or complaints for fear of retaliation by the landlord, resulting in further deteriorating of the quality of the housing stock, particularly as it affects the interior of rental units.

Rent Stabilization

The City's Rent Stabilization Ordinance applies to all apartment units within the City. Under the current rent stabilization codes, a property owner may choose to terminate a tenant currently renting on a month-to-month periodic agreement for "no-cause". The Code currently requires that if termination is desired, the property owner issues a 60-day notice (in advance of vacancy) to the tenant in order to vacate the unit. Under the current provisions, the next tenant's rent must not exceed the prior tenant's rental amount. City staff has experienced a rising number of tenants whose tenancies are being terminated through a "no-cause eviction". The exact reasons are unknown, however, they vary from a tenant not being the "right fit" for the unit, to

tenant/landlord disputes, to property owners wanting to charge a greater amount of rent than the current maximum rent increase codes allow.

In many cases where tenants receive a 60-day notice, tenants report that 60 days is not sufficient time to find another rental unit due to various reasons including rental unit availability, children in the school system, work related issues, and financial or physical limitations.

#### Program Goals:

The main focus of the proposed Inspection Checklist Program is to improve and maintain the quality of the City's rental housing stock through the implementation of an Inspection Checklist Program (Attachment 1). This program is designed to ensure that minimum housing code standards are maintained, resulting in safe, code compliant apartment units. The proposed Inspection Checklist will be included as a part of the current "Tenant Landlord Rights and Responsibilities" (TLRR) notice. The Inspection Checklist will be disclosed to the tenant prior to tenant occupancy, and to the City upon request. Currently, the Code requires property owners to keep a signed copy (landlord and tenant signatures) on file, and provides a \$500 fine (proposed to increase to \$1000) to the property owner in the event that a signed copy cannot be produced (upon City request). By receiving and reviewing the Inspection Checklist from the property owner, it is expected that an incoming tenant will receive a greater level of assurance of the quality of the unit.

Additionally, complaints received by the City, which at any time result in violations that breach the minimum standards outlined in the self-inspection report, may result in the City issuing a Compliance Order or an Administrative Citation (Attachment 2) per the administrative enforcement process (Attachment 3). Staff recommends immediately issuing an Administrative Citation, and bypassing the Compliance Order. It is anticipated that there will be a significant reduction in landlord/tenant retaliation if this program is implemented.

#### Scope of the program:

The scope of this program is to require an Inspection Checklist report (completed by the landlord and signed by tenant and landlord), integrated into the current TLRR which is already required by Code (BHMC 4-6-5) to be given to a prospective tenant prior to signing a rental agreement.

The TLRR will state the requirement for the landlord to maintain (at all times and upon request by tenant) the unit to minimum code standards. In the event a repair becomes necessary to keep the unit up to minimum standards, the tenant will be expected to notify the landlord in writing. If within 14 days the repair is not completed nor a response is not received, the tenant may then file a complaint with the City, provided the necessary documentation is provided. The City will respond by performing a site inspection to verify the violation, and apply enforcement through the issuance of an Administration Citation which carries incremental fine amounts for repeated violations. The 2016 citation amounts are as follows: the first citation \$106.90, the second citation \$214.10, and the third citation \$535.10. The citation amounts are subject to change each year per the consumer price index annual increase.

#### Fiscal Impact:

It is anticipated that one dedicated part-time code enforcement officer and one clerk will be needed to respond to public inquires, conduct field investigations and to apply the necessary enforcement measures, including processing reports for appeal hearings. The fiscal impact including ongoing program and staff costs is expected to be around \$200,000.

Program mechanics:

This program relies in part on the following:

- Inclusion of the Inspection Checklist (with landlord/tenant signatures) integrated within the TLRR notice
- Increased public awareness, outreach and notification pertaining to BHMC 4-6-5, related to the TLRR notice requirement.
- Increased fine amount from \$500 to \$1000 for failure to serve signed notice to the tenant or failure to submit signed notice to the City

Proposed Model:

- See Program Flow Chart (Attachment 4)

Benefits of the Program:

Tenants:

- Greater assurance of a safe, code compliant rental unit
- Potential for reduced landlord/tenant retaliation
- Decreased potential for tenant/landlord disputes

Landlord:

- Greater clarity in tenant agreements and understanding
- Decrease potential for tenant/landlord disputes
- Provides for safer building/property conditions

City:

- Anticipated decrease in substandard building complaints
- Increased maintenance in rental housing stock
- Anticipated decrease in tenant/landlord civil disputes

# **Attachment 1**



**DRAFT**

## Apartment Rental Unit Checklist

Note: This checklist is intended for use as a record for the condition of the rental unit.

### Living/Dining Room

Item	Condition Prior to move in	Comments
Paint/Walls		
Ceiling		
Carpet/Floors		
Windows/Doors		
Curtains/Blinds		
Light Fixtures		
Electrical Outlets		
Fireplace		
Other		

### Kitchen

Item	Condition Prior to move in	Comments
Refrigerator		
Oven		
Stove/Range		
Cabinets		
Paint/Walls		
Ceiling		
Floors		
Light Fixtures		
Electrical Outlets		
Sink/drain		
Faucets/Water Dispensers		
Garbage Disposal		
Dishwasher		
Counter Surfaces		
Exhaust Fan		
Windows/Doors		
Other		

*DRAFT*

### Bedroom1

Item	Condition Prior to move in	Comments
Paint/Walls		
Ceiling		
Carpet/Floors		
Closet		
Windows/Doors		
Curtains/Blinds		
Light Fixtures		
Electrical Outlets		
Other		

### Bedroom2

Item	Condition Prior to move in	Comments
Paint/Walls		
Ceiling		
Carpet/Floors		
Closet		
Windows/Doors		
Curtains/Blinds		
Light Fixtures		
Electrical Outlets		
Other		

### Bedroom3

Item	Condition Prior to move in	Comments
Paint/Walls		
Ceiling		
Carpet/Floors		
Closet		
Windows/Doors		
Curtains/Blinds		
Light Fixtures		
Electrical Outlets		
Other		

### Bedroom4

Item	Condition Prior to move in	Comments
Paint/Walls		
Ceiling		

*DRAFT*

Carpet/Floors		
Closet		
Windows/Doors		
Curtains/Blinds		
Light Fixtures		
Electrical Outlets		
Other		

### Other Rooms

Item	Condition Prior to move in	Comments
Paint/Walls		
Ceiling		
Carpet/Floors		
Closet/Storage		
Windows/Doors		
Curtains/Blinds		
Light Fixtures		
Electrical Outlets		
Other		

### Bathroom1

Item	Condition Prior to move in	Comments
Cabinets		
Paint/Walls		
Ceiling		
Carpet/Floors		
Light Fixtures		
Electrical Outlets		
Faucets		
Toilet		
Sink/drain		
Counter Surfaces		
Fan		
Windows		
Bath/Shower		
Other		

*DRAFT*

### Bathroom2

Item	Condition Prior to move in	Comments
Cabinets		
Paint/Walls		
Ceiling		
Carpet/Floors		
Light Fixtures		
Electrical Outlets		
Faucets		
Toilet		
Sink/drain		
Counter Surfaces		
Fan		
Windows		
Bath/Shower		
Other		

### Bathroom3

Item	Condition Prior to move in	Comments
Cabinets		
Paint/Walls		
Ceiling		
Carpet/Floors		
Light Fixtures		
Electrical Outlets		
Faucets		
Toilet		
Sink/drain		
Counter Surfaces		
Fan		
Windows		
Bath/Shower		
Other		

### Garage/Parking

Item	Condition Prior to move in	Comments
Cabinets		
Paint/Walls		
Ceiling		

*DRAFT*

Floors		
Electrical Outlets		
Windows/Doors		
Other		

### Exterior Private Areas

Item	Condition Prior to move in	Comments
Cabinets		
Paint/Walls		
Ceiling		
Floors		
Electrical Outlets		
Windows/Doors		
Other		

### Other Equipment

Item	Condition Prior to move in	Comments—
Air conditioning		
Heating		
Other		
Security devices		
Other Storage Space		

### Tenant Move In

Date: \_\_\_\_\_

Landlord: \_\_\_\_\_ Tenant: \_\_\_\_\_

Provided as a public service by the City of Beverly Hills Department of Community Development.

Revised October 2016

## **Attachment 2**



**CITY OF BEVERLY HILLS**  
COMMUNITY DEVELOPMENT DEPARTMENT - CODE ENFORCEMENT DIVISION  
455 North Rexford Drive      TEL: 310.285.1119  
Beverly Hills, CA 90210      FAX: 310.273.0972

## ADMINISTRATIVE CITATION

Violation Date \_\_\_\_\_ Time: \_\_\_\_\_ Case No.: CE \_\_\_\_\_

LOCATION

PROPERTY OWNER/RESPONSIBLE PERSON


Municipal Code Violation:


Description:


**BY THE ISSUANCE OF THIS ADMINISTRATIVE CITATION YOU ARE HEREBY ORDERED TO IMMEDIATELY CEASE THE COMMISSION OF THE MUNICIPAL CODE VIOLATION LISTED ABOVE.**

**CITATION AMOUNT:**

☐ FIRST VIOLATION \$ \_\_\_\_\_ ☐ SECOND VIOLATION \$ \_\_\_\_\_ ☐ THIRD VIOLATION \$ \_\_\_\_\_

**PAYMENT OF THIS FINE SHALL BE MADE WITHIN 20 DAYS OF THE DATE OF THIS ADMINISTRATIVE CITATION. IMPORTANT - SUBMIT THE PINK COPY OF THIS CITATION WITH YOUR PAYMENT.**

Make all checks, cashier's checks or money orders payable to "CITY OF BEVERLY HILLS" for the total amount due. You may pay your citation by mail or in person at:

City of Beverly Hills  
Community Development Department  
455 N. Rexford Drive, Room G10  
Beverly Hills, CA 90210

For questions regarding this citation, please call \_\_\_\_\_. The failure of any person to pay the fine within the time specified will result in penalty and interest charges in addition to the fine amount. See the back of this citation for information on late payment charges.

Type of Service ☐ Personal ☐ U.S. Mail ☐ Posting ☐ Publication \_\_\_\_\_

Issuing Official: \_\_\_\_\_ Phone: \_\_\_\_\_

Official's Signature: \_\_\_\_\_ Issuance Date: \_\_\_\_\_

Property Owner/Responsible Person: \_\_\_\_\_ Date \_\_\_\_\_

**SEE REVERSE SIDE FOR INSTRUCTIONS ON CONTESTING THIS CITATION**

ORIGINAL - CASE FILE

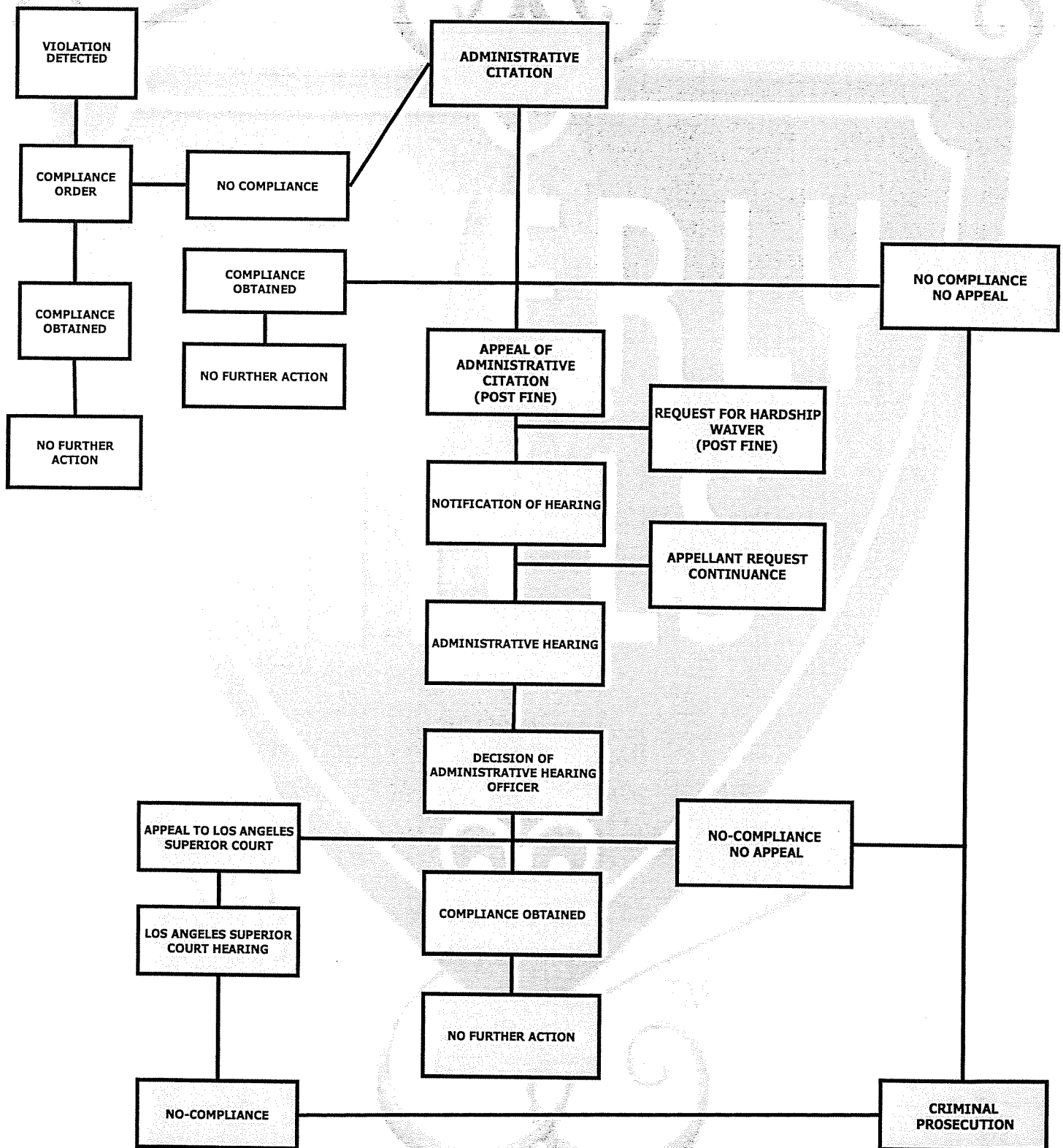
PINK - VIOLATOR

YELLOW-VIOLATOR

## **Attachment 3**



# ADMINISTRATIVE ENFORCEMENT PROCESS

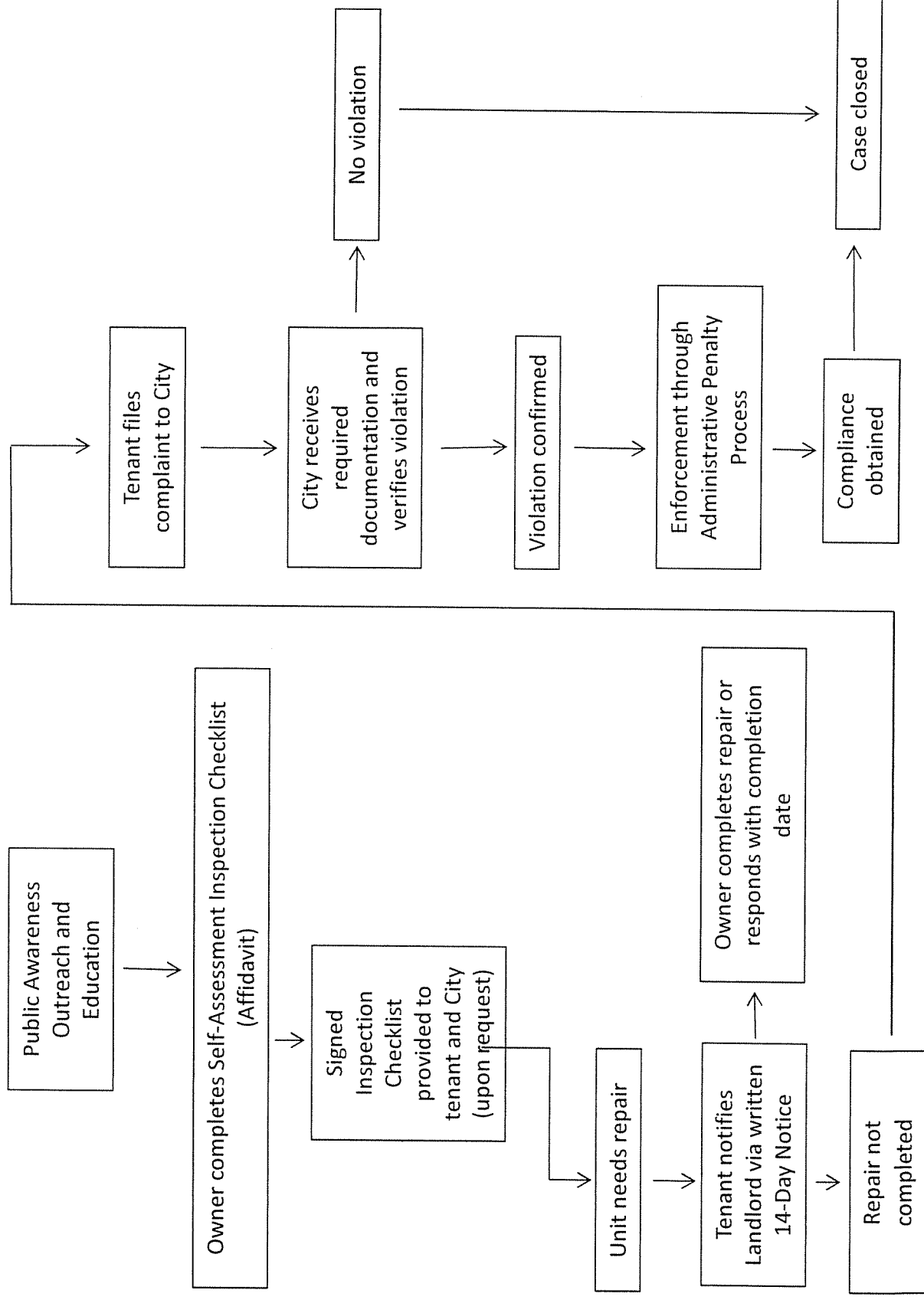


## **Attachment 4**

# Inspection Checklist Program

## Proactive

## Targeting the Problem





## **Attachment 5**

### Policy Options Regarding 60-day Notice

<b>1</b>	No Change	<p>Continue to rely on CA State law which authorizes landlords to issue either a 30 or 60 day notice for no-cause termination.</p> <p>Hypothesized impact: Tenant and landlord dynamic does not change. Tenants remain at risk of termination; landlords retain their rights as defined by the State.</p> <p>If ordinance remains, recommended to establish mechanism to report and monitor notices and continuity of rent between exiting and entering tenant.</p>
<b>2</b>	Extend length of termination notice requirements (supersede state ordinance with local municipal code)	<p>Extend noticing requirements from 30/60 days to 3mo/6mo.</p> <p>Hypothesized impact: Allow tenants more time to (1) assess legality of their termination (determine if termination is retaliatory), (2) secure new housing. For landlords, they will have a longer wait period prior to the unit being available.</p>
<b>3</b>	Eliminate no-cause termination (supersede state ordinance with local municipal code)	<p>Eliminate no-cause termination; only allow evictions based on just cause and other scenarios like owner re-occupancy or demolition of the building.</p> <p>Hypothesized impact: Increase tenants' rights and ability to remain in the community. Decrease owners' ability to remove tenants from units without just cause.</p>
<b>4*</b>	Maintain current no-cause termination law AND add relocation fees	<p>Continue to rely on CA State law which authorizes landlords to issue either a 30 or 60 day notice for no-cause termination AND require landlords to issue relocation fees.</p> <p>Hypothesized impact: Tenant and landlord dynamic related to termination does not change - tenants remain at risk of termination; landlords retain their right to terminate as defined by the state. However, with the addition of required relocation fees, tenants will have funds to utilize in establishing their next housing situation. Landlords will face increased costs when terminating tenants. Amount of relocation fee is yet to be determined.</p>

\* On 5/19/16 the Commission voted 5-0 in favor of recommending this policy to City Council.

## Policy Options Regarding Relocation Fees

1	No Change	Chapter 5 tenants are eligible for relocation assistance if evicted for major remodel, use by landlord, demolition, condominium conversion or Ellis Act. Bachelor unit \$2,000, Single unit \$2,250, one or more bedrooms \$3000, Senior citizens, handicapped or terminally ill \$5,000  Chapter 6 tenants – no relocation fee structure
2	Establish relocation fees according to unit size	Update Chapter 5 and Chapter 6; establish relocation amounts based on unit size  West Hollywood: Bachelor Unit \$5,100 One bedroom Unit \$7,200 Two-bedroom Unit \$9,700
3	Establish relocation fees according to unit size and vulnerability of occupant	Update Chapter 5 and Chapter 6; establish relocation amounts based on unit size and additional considerations for a defined priority population: senior 62+, disabled, terminally ill or a minor.  West Hollywood: Qualified Tenant in Household \$13,500 - If any tenant in the household is 62 years of age or older, disabled, living with one or more dependent minors, terminally ill or are moderate income (120% AMI). Lower Income Tenant in Household \$17,000  Santa Monica: Single: \$8,650 or \$9,900 (if member of household is 62+, disabled or minor). One bedroom: \$13,300 or \$15,350. Two or more bedrooms: \$18,050 or \$20,750.  Los Angeles: Amounts range from \$7,700 minimum to \$19,300 maximum

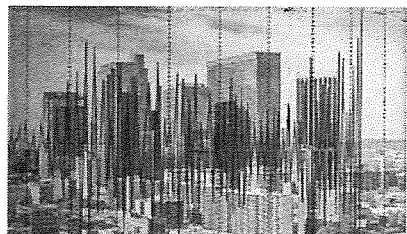
**Additional housing retention strategy to assist existing tenants:** Redirect a portion of the City's Affordable Housing Trust Fund to support qualified tenant households in reducing rental burden.

**Suggested definition of qualified tenant household:** The head of household is 62yo or older; AND, head of household's tenancy in unit is 15 years+; AND their monthly rental amount is 40% or more of their monthly income.



# Rent Stabilization Division Update

**JULY 2016**



## SEISMIC RETROFIT PROGRAM

The Los Angeles City Council adopted the Seismic Retrofit Work Ordinance which became effective on February 12, 2016. This Ordinance limits the proportion of costs related to mandatory seismic retrofitting that can be passed from owners to their tenants to 50% of the total cost of the work required by the Earthquake Hazard Reduction Ordinance (EHRO) effective November 22, 2015.

Since renovation work may result in temporary or permanent displacement of tenants, the Los Angeles Department of Building & Safety's plan check process requires a Tenant Habitability Plan (THP). A THP or THP Waiver is required to file an application for cost recovery of up to 50% of the total seismic retrofit work cost. Landlords may increase tenant rent up to \$38 per month for 120 months upon approval by the Los Angeles Housing + Community Investment Department (HCIDLA).

Additional information regarding the Seismic Retrofit Ordinance:

	<b>For the necessary steps to obtain permits including clearances and required documentation to initiate the retrofit, contact the Los Angeles Department of Building &amp; Safety:</b>	
	<b>Soft-Story Retrofit Unit</b> 201 N. Figueroa St., Suite 890 (213) 482-SOFT (7638) <a href="mailto:Soft-storyretrofit@lacity.org">Soft-storyretrofit@lacity.org</a>	<b>Office Hours</b> 7:30 AM - 4:30 PM - Mon, Tues, Thu, Fri 9:00 AM - 4:30 PM - Wed <a href="http://ladbs.org/soft-story">http://ladbs.org/soft-story</a>
	<b>For Tenant Habitability Plan and cost recovery applications, contact the Housing and Community Investment Department (HCIDLA):</b>	
	<b>Tenant Habitability Program Unit</b> (213) 252-1464 <a href="mailto:hcidla.code.seismic@lacity.org">hcidla.code.seismic@lacity.org</a> <a href="http://hcidla.lacity.org/tenant-habitability-program">http://hcidla.lacity.org/tenant-habitability-program</a>	<b>Cost Recovery Applications &amp; RSO Information:</b> (866) 557-RENT (7368) <a href="mailto:hcidla.rso@lacity.org">hcidla.rso@lacity.org</a> <a href="http://hcidla.lacity.org">http://hcidla.lacity.org</a>

## ANNUAL ALLOWABLE RENT ADJUSTMENT

The annual allowable rent increase for rental units subject to the Rent Stabilization Ordinance (RSO) for fiscal year from July 1, 2016 through June 30, 2017 is 3%. (LAMC 151.07A.6)

## TENANT RELOCATION ASSISTANCE AMOUNTS

No-fault evictions under the RSO require the payment of relocation assistance. The amount of relocation assistance depends on whether the tenant is an Eligible or Qualified tenant, the length of tenancy, and the tenant's income.

### **Relocation Assistance Amounts - July 1, 2016 through June 30, 2017**

	Tenants with Less Than 3 Years	Tenants with 3 or More Years	Income Below 80% of Area Median Income*	Evictions for Owner Occupancy In "Mom & Pop" Properties
<b>Eligible Tenant</b>	<b>\$ 7,900</b>	<b>\$ 10,400</b>	<b>\$ 10,400</b>	<b>\$ 7,600</b>
<b>Qualified Tenant</b>	<b>\$ 16,650</b>	<b>\$ 19,700</b>	<b>\$ 19,700</b>	<b>\$ 15,300</b>

Note: "Qualified tenants" include senior citizens and disabled tenants as well as households with a minor dependent child. All other tenants are "Eligible" tenants.



### 2016 HUD Low Income Limits for Los Angeles

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$48,650	\$55,600	\$62,550	\$69,450	\$75,050	\$80,600	\$86,150	\$91,700



A lower relocation assistance payment is required for evictions for owner occupancy for “Mom and Pop” properties. “Mom and Pop” landlords may own no more than four residential units and a single-family house in the City of Los Angeles. (LAMC 151.30 E.) These landlords may pay a lower amount in order to evict for occupancy by the landlord, or the landlord’s spouse, children, parents, grandparents, or grandchildren. Use of this provision is limited to once every three years.

A landlord may appeal a tenant’s eligibility for higher levels of relocation assistance based on the tenant’s income, age, length of tenancy, family status or disability. The fee to file an appeal is \$200 per rental unit to cover the administrative costs of the appeal hearing. (Ordinance 181744)

### TENANT RELOCATION ASSISTANCE FEES

The following fees must be paid by landlords seeking to evict tenants from RSO units for no-fault reasons, as well as landlords who issue a Notice to Terminate Tenancy for any rental unit in the City of Los Angeles for a condo conversion or demolition. Through the Tenant Relocation Assistance Program, the HCIDLA contracts with a relocation services consultant to assist displaced tenants in relocating to new housing. No-fault evictions in RSO units also require the filing of a Landlord Declaration of Intent to Evict with the HCIDLA.

TENANT RELOCATION ASSISTANCE PROGRAM FEES EFFECTIVE JULY 1, 2016			
TYPE OF FEE	AMOUNT PER UNIT	REQUIRED FOR	TYPE OF EVICTION
Relocation Services Application Fee (\$447)	\$447 + \$62 = <b>\$509</b>	Mandatory Relocation Services in Order to evict an “Eligible” tenant for no-fault reasons.	No-fault evictions in RSO units.
Administrative Fee (\$62)			Evictions from ANY Los Angeles rental unit for condo conversions or demolitions, regardless of the rental unit’s RSO status.
Relocation Services Application Fee (\$718)	\$718 + \$62 = <b>\$780</b>	Mandatory Relocation Services in order to evict a “Qualified” tenant for no-fault reasons.	No-fault evictions in RSO units.
Administrative Fee (\$62)			Evictions from ANY Los Angeles rental unit for condo conversions or demolitions, regardless of the rental unit’s RSO status.
Demolition Monitoring Administrative Fee	\$45	Clearance of a demolition permit.	Evictions from ANY Los Angeles rental unit for condo conversions or demolitions, regardless of the rental unit’s RSO status or whether the unit is occupied.
Relocation Assistance Dispute Resolution Fee	\$200	Appeal of tenant relocation amount in order to have the matter adjudicated by a Hearing Officer.	No-fault evictions in RSO units.
			Evictions from ANY Los Angeles rental unit for condo conversions or demolitions, regardless of the rental unit’s RSO status.
Owner Occupancy and Resident Manager Eviction Administrative Fee	\$75	Filing Landlord Declaration in order to evict tenants in RSO units.	Eviction for occupancy by owner, family or a resident manager in RSO units.



## FREE LANDLORD/TENANT WORKSHOPS

Don't miss this year's FREE landlord/tenant workshops. A different topic is offered each month, and workshops are presented at several times and locations throughout the City.

2016 LANDLORD-TENANT INFORMATIONAL WORKSHOP SCHEDULE & TOPICS PLEASE CALL (213) 928-9075 TO RSVP.	WILSHIRE 3550 WILSHIRE BL. 15 <sup>TH</sup> FLOOR 2 <sup>ND</sup> WEDNESDAY 2:00 PM	SOUTH 690 KNOX ST. 2 <sup>ND</sup> TUESDAY 10:00 AM	GARLAND 1200 W. 7 <sup>TH</sup> ST. 3 <sup>RD</sup> WEDNESDAY 6:30 PM	VALLEY 6640 VAN NUYS BL. 3 <sup>RD</sup> THURSDAY 10:30 AM	WEST L.A. 1645 CORINTH AV. ROOM 200 4 <sup>TH</sup> TUESDAY 10:30 AM	EN ESPAÑOL GARLAND 1200 W. 7 <sup>TH</sup> ST. LAST THURSDAY 6:30 PM
JULY: RSO BASICS & UPDATES	JULY 13	JULY 12	JULY 20	JULY 21	JULY 26	JULY 28
AUGUST: OVERVIEW OF RSO ALLOWABLE RENT INCREASES & ADJUSTING LOW RENTS	AUG. 10	AUG. 9	AUG. 17	AUG. 18	AUG. 23	AUG. 25
SEPTEMBER: "ELLIS" EVICTIONS & REQUIREMENTS FOR REMOVING RENTAL UNITS FROM THE HOUSING MARKET	SEPT. 14	SEPT. 13	SEPT. 21	SEPT. 15	SEPT. 27	SEPT. 29
OCTOBER: SEMINAR ON FAIR HOUSING & PETS IN RENTAL HOUSING	OCT. 12	OCT. 11	OCT. 19	OCT. 20	OCT. 25	OCT. 27
NOVEMBER: SEISMIC RETROFIT PASS-TROUGHS	Nov. 9	Nov. 8	Nov. 16	Nov. 17	Nov. 22	-----
SPECIAL DECEMBER SCHEDULE	WILSHIRE 3550 WILSHIRE BL. 15 <sup>TH</sup> FLOOR 2 <sup>ND</sup> THURSDAY 2:00 PM	SOUTH 690 KNOX ST. 1 <sup>ST</sup> TUESDAY 10:30 AM	GARLAND 1200 W. 7 <sup>TH</sup> ST. 1 <sup>ST</sup> THURSDAY 6:30 PM	VALLEY 6640 VAN NUYS BL. 2 <sup>ND</sup> TUESDAY 10:30 AM	-----	-----
DECEMBER: RSO & SCEP EXEMPTIONS	DEC. 8	DEC. 6	DEC 1	DEC. 13	-----	-----

### "DROP-IN" SESSIONS OFFERED MONTHLY

"Drop-In" sessions to help landlords and tenants with applications and RSO questions are offered on the first Tuesday of the month, assisting with questions such as calculating the annual allowable rent increase, interest on tenants' security deposits, filing Declarations of Intent to Evict, removing properties from the rental housing market, or filing complaints. To reserve, please call (213) 928-9075 at least one day in advance and let us know the issue you need help with.

### FAIR HOUSING RIGHTS CLINICS

Clinics to assist with questions regarding disability and housing discrimination in rental property are held at HCIDLA's West Regional Office on the 2<sup>nd</sup> Tuesday of every month from 10:00 a.m. to 12:00 noon and at the CD-9 Office located at 4301 Central Ave., Los Angeles 90011 every Tuesday and Thursday from 9:00 a.m. to 12:00 noon.

### JOIN OUR E-MAIL LIST

To sign up for our e-newsletter mailing list, enter your email address at <http://hcidla.lacity.org/newsletter/signup>. A variety of RSO bulletins and are available for download at <http://hcidla.lacity.org>.

**Central (Wilshire) Regional Office**  
3550 WILSHIRE BLVD., 15<sup>TH</sup> Floor  
LOS ANGELES, CA 90010

**East Regional Office**  
2215 N. BROADWAY  
LOS ANGELES, CA 90031

**South Regional Office**  
690 KNOX ST., Suite 125  
LOS ANGELES, CA 90502

**CD-8 Satellite Office**  
8475 S. VERMONT AVE., 2<sup>ND</sup> Floor  
LOS ANGELES, CA 90044

**West Regional Office**  
1645 Corinth Ave., Suite 104  
LOS ANGELES, CA 90025

**North (Valley) Regional Office**  
6640 VAN NUYS BLVD.  
VAN NUYS, CA 91406



Eric Garcetti, Mayor  
Rushmore D. Cervantes, General Manager

P.O. BOX 17280. LOS ANGELES. CA 90017-0280 - (866) 557-RENT - (866) 557-7368 - [HTTP://HCIDLA.LACITY.ORG](http://HCIDLA.LACITY.ORG)



# ALLOWABLE RENT INCREASES

## Rent Stabilization Bulletin

The Rent Stabilization Ordinance (RSO) which became effective May 1, 1979, was designed to protect tenants from excessive rent increases while allowing landlords a reasonable return on their investments. The following information reviews the allowable rent increases for those rental units subject to the Ordinance.

### AUTOMATIC ADJUSTMENTS

The rent for a rental unit may be increased without the permission of the Rent Adjustment Commission (RAC) or the Rent Stabilization Division under the following circumstances by:

1. Three percent (3%) to eight percent (8%) every 12 months in accordance with the annual rent increase percentage, which is based on the Consumer Price Index (CPI) average for the twelve (12) month period ending September 30 of each year. The annual adjustment may be applied once each year. The 3% to 8% annual increase is NOT cumulative or retro-active. **THE CALCULATED ANNUAL INCREASE PERCENTAGE EFFECTIVE JULY 1, 2015 THROUGH JUNE 30, 2016 IS THREE PERCENT (3%).** For allowable rent increase amounts in previous years, refer to the table on the next page. This annual increase may be imposed only if twelve (12) months or more have elapsed since the last such rent increase.
2. An increase of 3% to 8% of the security deposit is allowed at the same time and by the same percentage as the annual rent increase.
3. An additional 1% for gas and 1% for electric service into the dwelling unit when service is provided by the landlord.
4. Nineteen percent (19%), plus 2% if the landlord provides the gas and electricity, for a rental unit which has not had a rent increase since May 31, 1976.
5. Thirteen percent (13%), plus 2% if the landlord provides the gas and electricity, for a rental unit which has not had a rent increase since May 31, 1977.
6. Ten percent (10%) for each additional tenant exceeding the number of tenants allowed by the original rental agreement. Owners must notify the tenant/s of the rent increase within 60 days of having obtained actual or constructive knowledge of the new tenant. A cor-

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responding reduction in rent is required when the additional tenant vacates the unit. Security deposits may also be increased by 10% for the additional tenant/s.

7. A landlord may collect a monthly surcharge of \$3.61 from the tenant to recover the paid Systematic Code Enforcement fee.
8. A \$12.25 surcharge may only be collected in the month of June with advance notice to recover half of the \$24.51 paid registration fee. Landlords are required to serve tenants with a written 30-day notice for rent increases that are less than 10% of the tenant's rent, or a 60-day notice for rent increases over 10% of the tenant's rent within a 12-month period.

CHRONOLOGY OF ALLOWABLE RENT INCREASES SINCE 1979			
DATE	PERCENTAGE ALLOWED	DATE	PERCENTAGE ALLOWED
5/1/79 - 6/30/85	7%	7/1/00 - 6/30/01	3%
7/1/85 - 6/30/86	4%	7/1/01 - 6/30/02	3%
7/1/86 - 6/30/87	5%	7/1/02 - 6/30/03	3%
7/1/87 - 6/30/88	4%	7/1/03 - 6/30/04	3%
7/1/88 - 6/30/89	4%	7/1/04 - 6/30/05	3%
7/1/89 - 6/30/90	5%	7/1/05 - 6/30/06	3%
7/1/90 - 6/30/91	5%	7/1/06 - 6/30/07	4%
7/1/91 - 6/30/92	5%	7/1/07 - 6/30/08	5%
7/1/92 - 6/30/93	5%	7/1/08 - 6/30/09	3%
7/1/93 - 6/30/94	3%	7/1/09 - 6/30/10	4%
7/1/94 - 6/30/95	3%	7/1/10 - 6/30/11	3%
7/1/95 - 6/30/96	3%	7/1/11 - 6/30/12	3%
7/1/96 - 6/30/97	3%	7/1/12 - 6/30/13	3%
7/1/97 - 6/30/98	3%	7/1/13 - 6/30/14	3%
7/1/98 - 6/30/99	3%	7/1/14 - 6/30/15	3%
7/1/99 - 6/30/00	3%	7/1/15 - 6/30/16	3%



# ALLOWABLE RENT INCREASES

## Rent Stabilization Bulletin

### RENT ADJUSTMENTS THAT REQUIRE APPROVAL BY THE RENT STABILIZATION DIVISION

The rent for a rental unit may also be increased through the proper submission to and approval of an appropriate cost recovery application to the Rent Stabilization Division for:

1. Capital Improvement - Additions or replacements to the rental unit or to the property's common areas, provided that the improvement has a useful life of five years or more.
2. Rehabilitation Work – Work or repairs done by the landlord due to changes in the housing code since January 1, 1979, or to repair damage resulting from fire, earthquake or other natural disasters.
3. Just and Reasonable Rent Increase – Based on a financial review of the Net Operating Income (NOI) for a property when the automatic adjustment prescribed by the RSO does not provide a just and reasonable return on the rental unit or units. (Refer to the Just and Reasonable Regulations issued by the Rent Adjustment Commission.)
4. Primary Renovation – Upgrades to major building systems which require a permit such as, but not limited to, central heating/air conditioning, water and sewage piping, wiring inside walls, elevators, or reinforcement of the building structure. It also includes work that is undertaken to abate hazardous materials such as lead-based paint or asbestos. Requires a Tenant Habitability Plan (THP) accepted by the Department in advance of commencement of work.

### RENT LEVEL AFTER A VACANCY

The allowable rent level after a vacancy depends on the reason for the vacancy. The RSO provides that the rent may be raised to any amount upon re-rental if the vacancy resulted because:

- ♦ The tenant voluntarily vacated the unit.
- ♦ The tenant was evicted for non-payment of legal rent.
- ♦ The tenant was evicted for violating the terms of the rental agreement and failing to cure the violation.

The RSO requires the rent to a new tenant to remain the same, if the vacancy occurred for any other reason. Examples of circumstances under which the landlord MAY NOT raise the rent upon re-rental include the following:



# ALLOWABLE RENT INCREASES

## Rent Stabilization Bulletin

- ♦ An eviction of the previous tenant to recover the unit for the use of the landlord, his immediate family or resident manager.
- ♦ An eviction for occupancy by the landlord, his immediate family or resident manager, where the landlord, his family member or resident manager subsequently vacated the rental unit.
- ♦ An eviction for using or permitting the rental unit to be used for an illegal purpose, unless the eviction is based upon information provided by a law enforcement agency.
- ♦ An eviction based on the tenants refusal to enter into a new written rental agreement, with similar provisions, and terms which are not inconsistent with the Ordinance.
- ♦ An eviction based on the tenant's refusal to allow the landlord reasonable access to the rental unit.
- ♦ The rental unit is the land upon which a mobile home is located and it is a new tenant renting a mobile home already in place at a mobile home park. (Rent increase limited to 10 percent or the highest rent of a comparable unit whichever is lower.)

### THIS INFORMATION IS OFFERED FREE OF CHARGE TO THE GENERAL PUBLIC.

While this publication is designed to provide accurate and current information about the law, readers should consult an attorney or other expert for advice in particular cases, and should also read the relevant statutes and court decisions when relying on cited material. Laws and guidelines are frequently amended. The HCIDLA recommends that you verify information in the event that new changes are not yet reflected in this publication. The HCIDLA does not assume and hereby disclaims any liability to any party for any loss, damage, or disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident, or any other cause.

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