

NOTICE REGARDING CHANGES TO BEVERLY HILLS URGENCY ORDINANCE (Ordinance No. 20-O-2818) RELATING TO THE RESIDENTIAL EVICTION AND RENT INCREASE MORATORIUMS

The Beverly Hills City Council adopted Urgency Ordinance No. 20-O-2818 to address issues caused by the COVID-19 pandemic (Urgency Ordinance). On May 10, 2022, the City Council adopted Ordinance No. 22-O-2861 to amend the Urgency Ordinance relating to the residential eviction and rent increase moratoriums, as discussed below.

During their recent discussion on the issue, members of the City Council acknowledged the tremendous impacts felt by both tenants and landlords during the pandemic and plan to further examine the housing assistance program at the meeting of June 21, 2022.

What changes were made to the Urgency Ordinance?

1) The Urgency Ordinance imposes a moratorium during the period of local emergency on evictions for non-payment of rent by residential tenants who are substantially financially impacted by COVID-19 and who comply with the requirements of the Urgency Ordinance, and also provides that unpaid rent must be repaid within one year of the end of the local emergency.

The amended Ordinance ends the Beverly Hills eviction moratorium for non-payment of rent by residential tenants as a result of financial impacts due to COVID-19 on May 31, 2022 and provides that unpaid rent must be repaid by May 31, 2023, or a landlord may charge or collect a late fee or seek unpaid rent through eviction or other appropriate legal process.

2) The Urgency Ordinance imposes a moratorium during the period of local emergency on no-fault evictions for residential tenants, unless necessary for the health and safety of tenants, neighbors, or the landlord, other than based on illness of the tenant or any other occupant of the residential unit.

The amended Ordinance ends the Beverly Hills moratorium on no-fault evictions on May 31, 2022.

3) The Urgency Ordinance imposes a moratorium during the period of local emergency on annual rent increases authorized by Sections 4-5-303 (C) and 4-6-3 of the Beverly Hills Municipal Code (BHMC), provided, however, that the Urgency Ordinance does not alter the date of the annual rent increases in future years.



The amended Ordinance ends the Beverly Hills moratorium on annual rent increases on May 31, 2022. The amended Ordinance also authorizes a rent increase to be imposed during the period of June 1, 2022 through June 30, 2023, <u>but only</u> in cases where an allowable rent increase for the period of July 1, 2019 through June 30, 2020 was not imposed or was imposed at a rate less than 3.10%. The maximum rent increase for both Chapter 5 tenants and Chapter 6 tenants for the period of June 1, 2022 through June 30, 2023 is 3.10%, provided that the maximum increase shall be reduced by the percent rent increase, if any, imposed for the period of July 1, 2019 through June 30, 2020.

As stated above, no other rent increases are authorized at this time.

The following are illustrations of maximum allowable rent increases during the period of June 1, 2022 through June 30, 2023:

Tenants Subject to Title 4, Chapter 5 and 6 of the BHMC

- Andrea is a landlord with a tenant, in a unit subject to the Beverly Hills Rent Stabilization Ordinance (RSO), that would have normally been eligible for a rent increase on June 1, 2020. Andrea was not able to impose a rent increase on June 1, 2020, because of the Beverly Hills rent increase moratorium. Andrea is eligible to raise the rent by 3.10% for the period of June 1, 2022 through June 30, 2023.
 - Because Andrea missed the rent increase for the period of July 1, 2019 through June 30, 2020, and the tenant was eligible for a rent increase during that period, Andrea is eligible to raise the rent during the period of June 1, 2022 through June 30, 2023 by 3.10%.
- Jane is a landlord with a tenant, in a unit subject to the RSO, that would have normally been eligible for a rent increase on September 1, 2019. She chose to not raise the rent on September 1, 2019 for a reason not related to COVID-19. Jane is eligible to raise the rent during the period of June 1, 2022 through June 30, 2023 by 3.10%.
 - Because Jane missed the rent increase for the period of July 1, 2019 through June 30, 2020, and the tenant was eligible for a rent increase during that period, Jane is eligible to raise the rent during the period of June 1, 2022 through June 30, 2023 by 3.10%. It is not required for Jane to have missed the rent increase due to COVID-19.



- John is a landlord with a tenant, in a unit subject to the RSO, that would have normally been eligible for a rent increase on August 1, 2019. He raised the rent on August 1, 2019 by 2.0%. John is eligible to raise the rent during the period of June 1, 2022 through June 30, 2023 by 1.10%.
 - Because John did not raise the rent by the maximum allowed percentage of 3.10% on August 1, 2019, he is eligible to raise the rent during the period of June 1, 2022 through June 30, 2023 by the balance of 1.10% to allow him the maximum allowed rent increase percentage of 3.10% (2.00% given on August 1, 2019 + 1.10% = 3.10% maximum allowed rent increase).
- Carl is a landlord with a tenant, in a unit subject to the RSO, that was eligible for a rent increase on January 1, 2020. He raised the rent on January 1, 2020 by 3.10%. Carl is **not** eligible to raise the rent during the period of June 1, 2022 through June 30, 2023.
 - Because Carl raised the rent by the maximum allowed on January 1, 2020, he did
 not miss a rent increase during the period of July 1, 2019 through June 30, 2020.
 He is not eligible to raise the rent during the period of June 1, 2022 through June
 30, 2023.
- Bill is a landlord with a tenant, in a unit subject to the RSO, that moved in on July 1, 2019.
 Bill is **not** eligible to raise the rent during the period of June 1, 2022 through June 30, 2023.
 - Because Bill's tenant moved in on July 1, 2019, the tenant was not eligible for a rent increase until July 1, 2020, one year after the move in date. Bill did not miss a rent increase during the period of July 1, 2019 through June 30, 2020. Bill is not eligible to raise the rent during the period of June 1, 2022 through June 30, 2023. Any tenant who moved into a unit on or after July 1, 2019 was not eligible for a rent increase during the period of July 1, 2019 through June 30, 2020 and therefore is not eligible for a rent increase during the period of June 1, 2022 through June 30, 2023.

Is a landlord required to impose a rent increase at this time?

A landlord that is eligible, per the above guidelines, to impose a rent increase during the period of June 1, 2022 through June 30, 2023 may choose to not impose a rent increase during this period.



As a residential tenant, do I have any other eviction protections after May 31, 2022, outside of the Beverly Hills Ordinance?

A residential tenant may continue to be protected through June 30, 2022, under the state regulations, if the tenant has a pending application with the state Housing is Key rent assistance program and meets the state requirements. A tenant may be protected under the County of Los Angeles regulations from July 1, 2022 through December 31, 2022, if the tenant meets the County requirements. Tenants are encouraged to obtain legal assistance. Qualified Beverly Hills tenants may receive free legal assistance by contacting Bet Tzedek at 323-939-0506. Tenants may also reach out to the Los Angeles County Department of Consumer and Business Affairs at 800-593-8222 for questions related to the Los Angeles County protections.

When can a landlord issue a 30-Day Notice of Rent Increase? When can the rent increase become effective?

A landlord may issue a 30-Day Notice of Rent Increase on or after June 1, 2022, for a rent increase effective date on or after July 1, 2022.

Why are these changes being implemented?

The local emergency is still ongoing. However, the City Council decided to amend the Urgency Ordinance to end the Beverly Hills moratoriums on evictions and rent increases on May 31, 2022, and to end the repayment period for unpaid rent on May 31, 2023, due to the availability of COVID-19 vaccines and the decline in COVID-19 positivity rates, death rates, and hospitalizations.

What if I have more questions?

Please contact the Rent Stabilization Division at 310-285-1031 or email bhrent@beverlyhills.org.

What should I do if I disagree with the Notice of Rent Increase?

Please contact the Rent Stabilization Division at 310-285-1031 or email bhrent@beverlyhills.org.

What should I do if I am a landlord and I am not sure for which of my residential units I am eligible to raise rents?

Please contact the Rent Stabilization Division at 310-285-1031 or email bhrent@beverlyhills.org. A staff member will review the data you presented for the 2022 annual rent registration and review the last rent increase for each of your residential units to determine if you are eligible to issue a 30-Day Notice of Rent Increase for each of your rental units.

ORDINANCE NO. 22-O- 2861

AN ORDINANCE OF THE CITY OF BEVERLY HILLS AMENDING ORDINANCE NO. 20-O-2818 IN CONNECTION WITH EMERGENCY REGULATIONS RELATED TO RESIDENTIAL TENANT EVICTIONS AND PROTECTIONS

THE CITY COUNCIL OF THE CITY OF BEVERLY HILLS HEREBY ORDAINS AS FOLLOWS:

WHEREAS, on March 15, 2020, the City Manager, in his role as the Director of Emergency Services, proclaimed the existence of a local emergency pursuant to Section 2-4-107 of the Beverly Hills Municipal Code to ensure the availability of mutual aid and an effective City response to the novel coronavirus ("COVID-19") and that state of emergency was ratified by the City Council on March 16, 2020; and

WHEREAS, as a result of the COVID-19 pandemic, many tenants in Beverly Hills experienced economic impacts, leaving tenants vulnerable to eviction; and

WHEREAS, during the local emergency, and in the interest of protecting the public health and preventing transmission of COVID-19, it has been essential to avoid unnecessary housing displacement, to protect the City's affordable housing stock, and to prevent housed individuals from falling into homelessness; and

WHEREAS, in the interest of public peace, health and safety, as affected by the emergency caused by the spread of COVID-19, it has been necessary for the City Council to exercise its authority to issue regulations related to the protection of the public peace, health or safety; and

WHEREAS, pursuant to Ordinance No. 20-O-2805, as superseded from time to time, and the City's current Ordinance No. 20-O-2818 ("Ordinance"), the City Council imposed a temporary moratorium during the period of local emergency on (1) evictions for non-payment of rent by residential tenants substantially impacted by the COVID-19 crisis; (2) no-fault evictions, unless necessary for the health and safety of tenants, neighbors, or the landlord, other than based on illness of the tenant or any other occupant of the residential rental unit; and (3) the annual rent increases authorized by Sections 4-5-303(C) and 4-6-3 of the Beverly Hills Municipal Code with respect to any rent increase scheduled to take effect on or after March 15, 2020; provided that nothing in the Ordinance shall alter the date of annual rent increases in future years; and

WHEREAS, the Ordinance provides that nothing in the Ordinance relieves a tenant of liability for the unpaid rent, which the landlord may seek after the expiration of the local emergency, and which the tenant must pay in full within one year of the expiration of the local emergency; and

WHEREAS, the City Council requested the Rent Stabilization Commission to make recommendations to the City Council regarding possible amendments to the Ordinance related to the residential moratoriums and pursuant to motions made on August 4, 2021 and September 13, 2021, as memorialized its Resolution RSC 9, adopted on October 6, 2021, the Commission recommended that the City Council end the moratoriums on September 30, 2021 and require tenants to pay back rent in full within one year of the end of the moratoriums; and

WHEREAS, the City Council has determined to end the temporary moratoriums prior to the end of the local emergency due to the availability of COVID-19 vaccines and the decline in the COVID-19 positivity rates, death rates and hospitalizations.

- <u>Section 1</u>. The City Council of the City of Beverly Hills does adopt the recitals and the following amendments to the Ordinance:
 - A. Section 1 of Ordinance No. 20-O-2818 is hereby amended to read as follows:
- "1. A temporary moratorium on eviction for non-payment of rent by residential tenants substantially impacted by the COVID-19 crisis is imposed as follows:
- During the period March 15, 2020 through May 31, 2022, no landlord shall endeavor to evict a tenant in either of the following situations: (1) for nonpayment of rent if the tenant demonstrates that the tenant is unable to pay rent due to substantial financial impacts related to COVID-19, or (2) for a no-fault eviction, unless necessary for the health and safety of tenants, neighbors, or the landlord, other than based on illness of the tenant or any other occupant of the residential rental unit. A landlord who receives notice that a tenant cannot pay some or all of the rent temporarily for the reasons set forth above shall not serve a notice pursuant to Code of Civil Procedure Section 1161(2), file or prosecute an unlawful detainer action based on a 3-day pay or quit notice, or otherwise seek to evict for nonpayment of rent. A landlord receives notice of a tenant's inability to pay rent within the meaning of this Ordinance if the tenant, within seven (7) days after the date that rent is due, notifies the landlord in writing, of lost income or extraordinary expenses related to COVID-19 and inability to pay full rent due to substantial financial impacts related to COVID-19, and within thirty (30) days after the date the rent is due, provides written documentation to the landlord to support the claim, using the form provided by the City. A copy of both the seven-day notice and the documentation to support the claim shall also be provided by email (or if email is not feasible by mail along with notification by telephone) to the City's Rent Stabilization office. For purposes of this Ordinance, "in writing" includes email or text communications to a landlord or the landlord's representative if that is the method of written communication that has been used previously, or correspondence by regular mail, if that is the method of written communication that has been used previously and the parties have not agreed to use email or text messaging. Any medical or financial information provided to the landlord shall be held in confidence, and shall be used only for evaluating the tenant's claim.
- b. Nothing in this Ordinance shall relieve the tenant of liability for the unpaid rent, which the tenant must pay in full by May 31, 2023. After May 31, 2023, unless if the rent is paid in full, a landlord may charge or collect a late fee for rent that is delayed for the reasons stated in this Ordinance; or a landlord may seek rent that is delayed for the reasons stated in this Ordinance through the eviction or other appropriate legal process. No fee for the late payment of such unpaid rent shall be charged by a landlord during the period March 15, 2020 through May 31, 2023. If a landlord makes an accommodation with respect to rent forbearance from a tenant pursuant to subsection 1. a, and the tenant is in conformance with the tenant's obligations under that subsection, then the landlord shall not make a negative report to a credit bureau so long as the tenant remains in compliance with those obligations.
- c. For purposes of this Section 1, "financial impacts related to COVID-19" include, but are not limited to, lost household income or extraordinary expenses as a result of any of the following: (1) being sick with COVID-19, or caring for a household or family member who is sick with COVID-19; (2) lay-off, loss of hours, or other substantial income reduction resulting from business closure or other economic or employer impacts of COVID-19 including for tenants who are salaried employees or self-employed; (3) compliance with a recommendation from a government

health authority to stay home, self-quarantine, or avoid congregating with others during the state of emergency; (4) extraordinary out-of-pocket medical expenses related to COVID-19; or (5) child care needs arising from school closures related to COVID-19.

- d. For purposes of this Ordinance, "no-fault eviction" refers to any eviction for which the notice to terminate tenancy is not based on alleged fault by the tenant, including but not limited to, eviction notices served pursuant to Code of Civil Procedure sections 1161(1), 1161(5), or 1161b, use by landlord or relatives as specified in Beverly Hills Municipal Code Chapters 5 and 6, demolition or condominium conversion, major remodeling, and the Ellis Act, which is called withdrawal of residential rental structure from the rental market in the Beverly Hills Municipal Code.
- e. During the period March 15, 2020 through May 31, 2022, any notice served by a landlord on a tenant under Section 4-5-513 or Section 4-6-6 L of the Beverly Hills Municipal Code is hereby tolled.
- f. This Ordinance applies to nonpayment eviction notices, no-fault eviction notices, and unlawful detainer actions based on such notices, served or filed on or after the date on which a local emergency was proclaimed on March 15, 2020.
- g. For purposes of this Section 1, "substantial" shall be defined as a material decrease of monthly income, the incurring of extraordinary expenses related to COVID-19, or any other circumstance which causes an unusual and significant financial impact on the tenant.
- h. Because some tenants may not be aware of this Ordinance's provisions, the Deputy Director of the Rent Stabilization may extend the seven (7) day deadline for notifying the landlord for up to thirty (30) days.
- If a landlord disagrees with the residential tenant's assertion regarding: (1) whether a substantial financial impact exists; (2) whether the substantial financial impact is related to COVID-19; or (3) the amount of rent that the tenant will pay, then the landlord shall notify the tenant of the disagreement in writing within ten (10) days of receipt of the written documentation from the tenant. The residential tenant may file a written appeal to the City, on a form provided by the City, within ten (10) days of receipt of the landlord's written determination and shall provide a copy of the appeal to the landlord. Appeals will be heard by the Standing Committee of the City Council appointed to hear disruptive tenant hearings or other Members of the City Council as designated by the Mayor, to make a final determination of the dispute, until fifteen (15) days after the Rent Stabilization Commission is appointed and sworn into office, in which case the Rent Stabilization Commission shall make a final determination of the dispute. If the Rent Stabilization Commission cannot render a decision by a majority vote, then the Standing Committee or other Members of the City Council, as designated by the Mayor, will make a final determination of the dispute. Final Decisions of the Subcommittee, Council Members designated by the Mayor, or the Rent Stabilization Commission are subject to judicial review filed pursuant to Section 1094.6 of the California Code of Civil Procedure. The hearing procedures shall be established by the City Attorney."
 - B. Section 4 of Ordinance No. 20-O-2818 is hereby amended to read as follows:

"Section 4. During the period March 15, 2020 through May 31, 2022 a temporary moratorium is hereby imposed on the annual rent increases authorized by Sections 4-5-303 (C) and 4-6-3 of the Beverly Hills Municipal Code. Nothing in this Ordinance shall alter the date of annual rent increases in future years; provided, however, that notwithstanding the provisions of Sections 4-5-303 (C) and 4-6-3, for an allowable rent increase, that for any reason, was not imposed or was imposed at a rate of less than 3.10% for the period July 1, 2019 through June 30, 2020, the maximum allowable rent

increase allowed pursuant to Section 4-5-303 (C) and 4-6-3 from June 1, 2022 through June 30, 2023 is 3.10%. Provided, further, if the rent increase was imposed at a rate of less than 3.10%, then the maximum allowable rent increase from June 1, 2022 through June 30, 2023 shall be reduced by the percent increase that was imposed."

Section 2. Uncodified. This Ordinance shall not be codified.

<u>Section 3</u>. <u>Severability</u>. If any provision of this Ordinance is held invalid by a court of competent jurisdiction, such provision shall be considered a separate, distinct and independent provision and such holding shall not affect the validity and enforceability of the other provisions of this Ordinance.

Section 4. <u>Publication</u>. The City Clerk shall cause this Ordinance to be published at least once in a newspaper of general circulation published and circulated in the City within fifteen(15) days after its passage in accordance with Section 36933 of the Government Code, shall certify to the adoption of this Ordinance and shall cause this Ordinance and the City Clerk's certification, together with proof of publication, to be entered in the Book of Ordinances of the Council of this City.

Section 5. Effective Date. This Ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the thirty-first (31st) day after its passage.

/// /// Section 6. <u>Duration</u>. This Ordinance shall remain in effect until it is superseded by another Ordinance adopted by the City Council.

Adopted:

May 10, 2022

Effective:

June 10, 2022

LILI BOSSE

Mayor of the City of Beverly Hills, California

ATTEST:

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(SEAL)

HUMA AHMED City Clerk

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APPROVED AS TO CONTENT:

LAURENCE S. WIENER

APPROVED AS TO FORM:

City Attorney

GEORGE CHAVEZ

City Manager