

## **CHAPTER 5 RENT STABILIZATION, PART I**

### **ARTICLE 1. APPLICATION**

#### **4-5-101: APPLICATION:**

The provisions of this chapter shall apply to all dwelling units in the city designed for rental use or actually rented at any time on or after May 31, 1978, except as set forth in this article. (1962 Code § 11-1.01; amd. 1988 Code)

#### **4-5-102: EXEMPTIONS:**

Notwithstanding the provisions of section 4-5-101 of this article, the following dwelling units shall not be subject to any provision of this chapter:

- A. Single-family residences;
- B. Housing accommodations in hotels, motels, inns, and rooming houses which are rented primarily to transient guests for a period of thirty (30) consecutive days or less, except that this chapter shall apply to any unit which has been occupied by the same tenant for more than thirty (30) consecutive days;
- C. Condominiums existing as of March 27, 1979, and condominiums created thereafter by apartment unit conversion or redevelopment (including the demolition of an old building and the construction of a new one), provided the provisions of sections 4-5-511 and 4-5-513 of this chapter have been complied with;
- D. Dwelling units in nonprofit cooperatives owned and controlled by a majority of the residents;
- E. Dwelling units which a government unit, agency, or authority owns, operates, or manages or which are specifically exempted from municipal rent regulation by state or federal law or administrative regulation;
- F. Dwelling units located in a structure completed after September 20, 1978, other than those described in subsection C of this section; and
- G. Dwelling units for which validly existing apartment rental agreements provide for rents in excess of six hundred dollars (\$600.00) per month; provided however, this subsection exemption shall not be applicable to any dwelling unit that was at any time subject to the provisions of this chapter or any prior law of the city relating to rent stabilization, and the amount of rent validly imposed exceeds six hundred dollars (\$600.00) per month only because of rental increases validly imposed pursuant to the provisions of articles 3 and 4 of this chapter or any similar prior law of the city. (1962 Code § 11-1.02; amd. Ord. 89-O-2068, eff. 8-8-1989; Ord. 01-O-2371, eff. 3-30-2001)

#### **4-5-103: WAIVER OF PROVISIONS OF THIS CHAPTER; PROHIBITED:**

- A. Any provision of an apartment rental agreement or lease, or any other agreement between a landlord and a tenant, which waives any provision of this chapter for the benefit of a tenant, including, without limitation, any provision relating to the amount of rent to be paid for an apartment unit, shall be deemed to be against public policy and shall be void, unless expressly authorized by state law.
- B. This amended section is applicable to any apartment rental agreement, lease, amendment or extension, that is subject to the provisions of this chapter and that is executed on or after December 29, 2000. This section, as it existed on December 29, 2000, shall continue to govern any apartment rental agreement, lease, amendment or extension, that is subject to the provisions of this chapter, and that was executed prior to December 29, 2000. (1962 Code § 11-1.03; amd. Ord. 01-O-2371, eff. 3-30-2001)

#### **4-5-104: CIVIL CODE OBLIGATIONS:**

Nothing in this chapter is intended, nor shall it be deemed, to affect or relate to obligations of the landlord and tenant pursuant to sections 1941 and 1942, relating to tenantability of residential rental premises, of the Civil Code of the state. (1962 Code § 11-1.04)

## **ARTICLE 2. DEFINITIONS**

#### **4-5-201: SCOPE:**

- A. For the purposes of this chapter, the words and phrases shall be defined as set forth herein, unless the context clearly indicates a different meaning is intended.
- B. Words and phrases used in this chapter which are not specifically defined shall be construed according to their context and the customary usage of the language. (1962 Code § 11-2.01)

#### **4-5-202: WORDS DEFINED:**

**APARTMENT RENTAL AGREEMENT:** An agreement, verbal, written, or implied, between a landlord and tenant for the use or occupancy of an apartment unit and for housing services.

**APARTMENT UNIT:** Any dwelling unit in the city of Beverly Hills rented or offered for rent for human habitation, together with the land and accessory structures appurtenant thereto, and all housing services supplied in connection with the use or occupancy thereof, which is not exempted under section 4-5-102 of this chapter.

**BUILDING MANAGER:** A person who has been retained by a landlord as the landlord's agent or employee for the purpose of directing, controlling, or performing activities relating to a multiple-family residential building and who is entitled to monetary compensation or a reduction in the rent for an apartment unit in such building equal to at least fifty percent (50%) of the fair market rental value of such unit as all or a part of his or her compensation for such work or a person who has been retained by a landlord as a caretaker to comply with chapter 4, article 3 of this title. "Building manager" shall include any other person who occupies an apartment unit with the person who was retained as the agent or employee.

**HOUSING SERVICES:** All services connected with the use or occupancy of an apartment unit, including, but not limited to, repairs, replacement, maintenance, painting, light, heat, water, elevator service, laundry facilities and privileges, janitor service, refuse removal, furnishings, telephone, off street parking, and any other benefits, privileges, or facilities.

**LANDLORD:** An owner, lessor, sublessor, or any person, firm, corporation, partnership, or other entity entitled to receive rent for the use of any apartment unit or the agent, representative, or successor of any of the foregoing.

**RENT:** The consideration, including any bonus, benefits, or gratuity demanded or received, for or in connection with the use or occupancy of an apartment unit or the transfer of a lease for such a unit, including, but not limited to, monies demanded or paid for parking, for furnishings, for housing services of any kind, or for subletting.

**TENANT:** A tenant, subtenant, lessee, sublessee, or any other person entitled to the use or occupancy of any apartment unit.

**VACANCY:** The departure from an apartment unit of all of the tenants. For purposes of this definition, the term "tenant" shall not include persons who took possession of an apartment unit as sublessees or assignees after January 1, 1999, if the rental agreement restricts or prohibits subletting or assignment, and the restriction has not been satisfied or the prohibition has not been waived.

**VOLUNTARILY VACATED:** The vacancy of an apartment unit by all of the tenants. "Voluntarily vacated" does not include a vacancy: a) that is the result of a constructive eviction of the tenant, which was caused by the landlord; b) when the previous tenancy was terminated by the landlord by notice pursuant to Civil Code section 1946; or c) when the previous tenancy was terminated due to a change in the terms of the tenancy noticed pursuant to Civil Code section 827, except a change permitted by law in the amount of rent or fees. (1962 Code §§ 11-2.02, 11-2.03, 11-2.04, 11-2.05, 11-2.06, 11-2.07, 11-2.08, 11-2.09; amd. Ord. 89-O-2068, eff. 8-8-1989; Ord. 04-O-2449, eff. 6-18-2004)

## **ARTICLE 3. RENT LEVELS**

### **4-5-301: EXCESS RENTS UNLAWFUL:**

It shall be unlawful for a landlord to charge, demand, extract, accept, receive, or retain any rent in excess of the maximum amount which may be validly charged as computed in accordance with the provisions of this article and article 4 of this chapter. (1962 Code § 11-3.01)

### **4-5-302: BASE RENT:**

A landlord may charge for an apartment unit a "base rent" equal to that validly charged on May 31, 1978, or on any later date when the tenancy by a tenant begins of an apartment unit which has been voluntarily vacated. Such base rent may be recomputed annually after a full year has elapsed from May 31, 1978, the date of the commencement of the tenancy, or the date of the last recomputation, whichever is later, so as to increase it in accordance with the provisions of this chapter. (1962 Code § 11-3.02; amd. 1988 Code)

**4-5-303: ANNUAL INCREASES:**

- A. For annual increases effective on any date between May 31, 1979, and May 30, 1980, inclusive, no such increase shall exceed an amount computed in accordance with the latest published figure reflecting the increase for a twelve (12) month period in the urban all items consumer price index (CPI) for Los Angeles (or any successor equivalent), as published by the United States department of labor, bureau of labor statistics. The proper method for computing such an increase in the CPI shall be as follows: The latest published CPI figure shall be added along with such figures for the preceding eleven (11) individual months, and, from the sum reached, there shall be deducted the sum of such figures for the twelve (12) months further preceding the last such twelve (12) months. That remainder shall then be divided by the lower of the two (2) sums heretofore mentioned, and the resulting figure shall indicate the permissible maximum percentage by which the base rent may be increased by virtue of the rise in the CPI.
- B. For annual increases effective on any date between May 31, 1980, and December 14, 1981, inclusive, no such increase shall exceed a maximum of eight percent (8%).
- C. For annual increases effective on or after December 15, 1981, no such increase shall exceed eight percent (8%) or the CPI as of the date of the notice of increase, computed pursuant to subsection A of this section, whichever is less.
- D. Any security deposit lawfully imposed by the landlord on a tenant may be increased by the same percentage as the base rent may be increased, in accordance with the provisions of this section, at such time as the base rent is recomputed. (1962 Code § 11-3.03; amd. 1988 Code)

**4-5-304: CAPITAL EXPENDITURE SURCHARGE:**

- A. At the time of the recomputation of the base rent, the landlord may further add to the apartment unit rent a surcharge for capital expenditures for which the landlord incurred expense after the date of the last preceding rent increase in accordance with the following criteria:
  - 1. If the capital expenditures benefited the entire building, they shall be prorated among all the tenants' rents on a square footage basis of the apartment units but annualized in accordance with the straight line depreciation schedules allowed under the federal income tax laws.
  - 2. If the capital expenditures inure solely to the benefit of one or more of the apartment units but to less than all, the surcharge shall be so annualized but shall be applied and/or prorated only with respect to the one or more units actually so benefited.
  - 3. No capital expenditure surcharge shall be allowed which exceeds four percent (4%) of the amount of the base rent level which validly existed prior to the latest allowable recomputation of the rent. For the purposes of such computation, the base rent level for any time period shall not include any capital expenditure surcharge but may include amounts expended for major remodeling permitted pursuant to this chapter.
  - 4. Except where capital expenditures are required by law, any capital expenditure to the

interior of any apartment unit shall only be performed with the written consent of the tenant, or the landlord shall not be entitled to add a surcharge for such expenditure. The tenant shall not unreasonably withhold such consent.

5. Upon a request by a tenant, the landlord shall provide such tenant with copies of documents utilized by the landlord in determining the amount of the capital expenditure surcharge to be paid by such tenant, and such surcharge shall be abated until such time as the landlord deposits in the mail such documentation addressed to the tenant with adequate postage.

- B. No landlord shall be entitled to any rental increase based upon any capital expenditure, the computation or representation of which has been arrived at collusively between the landlord and a contractor or other person.
- C. For the purposes of this section, "capital expenditure" shall mean a permanent improvement or renovation, being an allowable capital expenditure for internal revenue service purposes, and other than ordinary repairs or maintenance, the use of which will continue for at least five (5) years after the date of the completion of such capital expenditure. Painting or texturing the exterior of a building shall also be a capital expenditure for the purposes of this section. (1962 Code § 11-3.04)

#### **4-5-305: EXPENDITURES MANDATED BY LAW:**

In addition to any capital expenditure surcharge permitted by section 4-5-304 of this article, the landlord may pass through to the tenant of an apartment unit the cost of any improvement mandated by any government statute, rule, or regulation enacted after March 24, 1981, including interest or the value of capital up to eighteen percent (18%) per annum, allocated among all the dwelling units of the building in proportion to their size, determined in square feet, and annualized in accordance with the straight line depreciation schedules allowed under the federal income tax laws. (1962 Code § 11-3.05; amd. 1988 Code)

#### **4-5-306: UTILITY EXPENSE SURCHARGE:**

- A. When the base rent of an apartment unit includes one or more of the basic and essential utility services (for example, electricity, gas, or water, but not including such services as telephone or television cable service), at the time of the recomputation of the base rent the landlord may further add to such apartment unit rent a surcharge for the increased cost of any such utility service provided in accordance with the following criteria:
1. For recomputations done after March 1, 1980, but before February 28, 1981, such surcharge shall be computed by comparing the cost of each such utility incurred in the year March 1, 1979, to February 29, 1980, with the cost of such utility in the year March 1, 1980, to February 28, 1981. Any amount of the latter which is more than eight percent (8%) above the former may be passed through to the tenant, prorated among all the units whose base rent includes such utility service on a square footage basis, and payable one-twelfth (1/12) per month.
  2. For recomputations done after February 28, 1981, such surcharge shall be computed by comparing the utility costs for the year beginning March 1, and ending on the last day of February just ended, with those costs for the year preceding that year. If the utility costs

have increased by a percentage which is greater than the annual rent increase percentage which was last allowed by section 4-5-303 of this article, any amount of such utility costs which is in excess of that amount which would have been arrived at had the utility costs increased only by the same percentage as the annual rental increase may be passed through to the tenants in accordance with the provisions of subsection A1 of this section.

- B. Any notice of surcharge imposed pursuant to this section shall include an explanation of how such surcharge was calculated, including the base utility cost, the increased cost, and the proration calculation. Upon a request of the tenant, the actual utility billing shall be shown to the tenant, and the increase shall be abated pending such showing. (1962 Code § 11-3.06; amd. 1988 Code)

#### **4-5-307: SURCHARGE FOR ADDITIONAL TENANTS:**

If an apartment rental agreement specifies the maximum number of occupants in an apartment unit but does not contain any provision stating a specific dollar amount for an additional tenant occupying such apartment unit after the inception of the agreement, the landlord may exercise his or her rights under state laws or may raise the rent on such apartment unit a maximum of ten percent (10%) of the base rent for each additional tenant. If such additional tenant subsequently vacates the apartment unit, the rent shall be reduced by the amount that was imposed pursuant to the provisions of this section. This section shall apply only when there is a partial change in the occupancy of an apartment unit and one or more of the occupants of the apartment unit, pursuant to the rental agreement, still remains in lawful possession of the apartment unit. (1962 Code § 11-3.07; amd. Ord. 04-O-2449, eff. 6-18-2004)

#### **4-5-308: WATER SERVICE PENALTY SURCHARGE:**

- A. In addition to the rent otherwise permitted by this chapter, the landlord may pass through to the tenant of an apartment unit ninety percent (90%) of the cost of any water service penalties and/or surcharges imposed by the city pursuant to the water rate schedule established by resolution of the city council provided that the landlord installs water conservation plumbing fixtures in such unit in accordance with the requirements of title 9, chapter 4, article 1 of this code or voluntarily installs, at the landlord's expense, low flow toilets or such other water saving toilets approved by the director of public works, showerhead restrictors and faucet aerators in such unit. If the landlord does not install such water conservation plumbing fixtures, the landlord shall be liable for and pay without any pass through to the tenant all penalties and/or surcharges imposed by the city on the landlord's apartment units.
- B. In order to qualify for the pass through authorized by subsection A of this section, the landlord shall:
1. Notify all tenants, in a form required by the rent stabilization office, by registered or certified mail, of the provisions of this section and any other information required to be given by the rent stabilization office; and
  2. Provide all affected tenants with copies of the water bill for the applicable billing period and the basis for the calculation of the pass through. (Ord. 91-O-2118, eff. 5-24-1991)

**4-5-309: REFUSE FEE SURCHARGE:**

- A. In addition to the rent otherwise permitted by this chapter, the landlord may pass through to the tenant of an apartment unit the cost of any refuse fee imposed by the city pursuant to a resolution or ordinance of the city council.
- B. In order to qualify for the pass through authorized by subsection A of this section, the landlord shall:
  - 1. Provide written notice, by registered or certified mail, to all tenants thirty (30) days in advance of the imposition of the pass through, of the provisions of this section, that the pass through is not part of the base rent, that the refuse fee may be increased by the city, and any other information required to be given by the rent stabilization office.
  - 2. Provide all tenants with a copy of the landlord's utility bill which sets forth the appropriate refuse fee and the basis for the calculation of the pass through. (Ord. 91-O-2135, eff. 1-9-1992)

**4-5-310: APARTMENT UNITS SUBJECT TO LEASES:**

- A. If an apartment unit has been subject to a written apartment rental agreement for a time period longer than one year, and such agreement expires, and the annual rent increases during the period of the agreement have not at least equaled the total annual increases which would have been allowed pursuant to section 4-5-303 of this article, then, upon the expiration of such agreement, the landlord, at his or her option, may adjust the base rent of the apartment unit upward to a level not exceeding that which could have been imposed during the period of the agreement but for the existence of the agreement; provided, however, such period shall not be greater than three (3) years. Notice of the landlord's election to exercise such option shall be given to the tenant not less than thirty (30) days prior to the expiration of such agreement.
- B. If an apartment unit has been subject to a written apartment rental agreement for a time period longer than one year, and the landlord has made capital expenditures during the term of the agreement, then, upon the expiration of such agreement, the landlord, at his or her option, may add to the rent for such apartment unit a capital expenditure surcharge in an amount which could have been imposed pursuant to the provisions of section 4-5-304 of this article but for the existence of such agreement for capital expenditures incurred by the landlord during the period of the agreement; provided, however, such period shall not be greater than three (3) years. Notice of the landlord's election to exercise such option shall be given to the tenant not less than thirty (30) days prior to the expiration of such agreement.
- C. If an apartment unit has been subject to a written apartment rental agreement for a time period longer than one year, and the rent of such apartment unit included one or more of the basic and essential utility services, as defined in section 4-5-306 of this article, then, upon the expiration of such agreement, the landlord, at his option, may add to the rent for such apartment unit a surcharge for utility expense calculated pursuant to the provisions of said section 4-5-306 of this article by comparing the utility billings available for the year immediately prior to the expiration of such agreement, such year to end with the month which contains the latest utility billings available at the time of the computation, with the

next year immediately preceding such year. If the utility costs have increased by a percentage which is greater than the percentage of increase provided in the lease for the year just ended compared to the year immediately preceding, any amount of such utility costs which is in excess of that amount which would have been arrived at had the utility costs increased only by the same percentage as the annual rental increase may be passed through to the tenant, prorated among all the units whose base rent includes such utility service on a square footage basis, and payable one-twelfth (1/12) per month. Notice of the landlord's election to exercise such option shall be given to the tenant not less than thirty (30) days prior to the expiration of such agreement. (1962 Code § 11-3.09; amd. Ord. 91-O-2118, eff. 5-24-1991; Ord. 91-O-2135, eff. 1-9-1992)

#### **4-5-311: NOTICES:**

- A. A landlord shall not be authorized to place into effect any apartment unit rent increase unless the landlord has given to the tenant(s) involved advance written notice of the proposed rent increase in accordance with the requirements of state law. The notice shall state the basis justifying the rent increase and shall advise the tenant that records and documentation verifying the increase will be made available for inspection by the tenant or the tenant's representative upon request.
- B. Any rent increase notice which specifies a future rent level higher than that permitted by the provisions of this chapter shall not be deemed void by reason of that fact alone, but shall be effective as a notice of rent increase to the permissible level, and the tenant may refuse to pay that portion of the increase which is in excess of the permissible level.
- C. No rent increase otherwise allowable under the provisions of this chapter shall be imposed unless the landlord has conspicuously posted and maintained in the lobby, hallway, or other similarly public location in the apartment building the name, address, and telephone number of either the owner of the building, or the owner's authorized agent, and has provided each tenant with a written statement of such information so that tenants can communicate readily with such owner or agent. (1962 Code § 11-3.09; amd. Ord. 91-O-2118, eff. 5-24-1991; Ord. 91-O-2135, eff. 1-9-1992; Ord. 04-O-2449, eff. 6-18-2004)

#### **4-5-312: RERENTING AFTER VOLUNTARY VACANCIES:**

- A. Whenever an apartment unit is voluntarily vacated by all the tenants occupying such apartment unit, the provisions of this chapter shall be of no force or effect with respect to the rerental of the apartment unit; provided, however, such unit shall again become subject to the provisions of this chapter upon rerental unless such unit is exempted by section 4-5-102 of this chapter. So long as such unit continues to be rented to one or more of those persons who rented such unit when it was subject to the provisions of this chapter or any prior law of the city relating to rent stabilization, such rent shall not exceed that allowable under the provisions of this chapter, nor shall the level of housing services be reduced.
- B. Notwithstanding any provision of subsection A of this section to the contrary, if an apartment unit has been vacated following a notice of eviction for the purpose of demolishing or moving the apartment building, converting the apartment unit to condominium use, or remodeling the apartment unit, and the apartment unit is subsequently rerented, such apartment unit shall be subject to the provisions of this chapter until such time as such subsequent tenant has occupied the apartment unit for at least one year. If such

subsequent tenant voluntarily vacates the apartment unit after the one year period, the provisions of subsection A of this section shall apply. (1962 Code § 11-3.10; amd. Ord. 91-O-2118, eff. 5-24-1991; Ord. 91-O-2135, eff. 1-9-1992)

#### **4-5-313: BASE RENT AFTER THE CESSATION OF EMPLOYMENT AS BUILDING MANAGER:**

If a building manager ceases to perform services as a building manager and, with the agreement of the landlord, remains in the apartment unit he or she occupied while a building manager, the landlord, at his or her option, may adjust the base rent of the apartment unit upward to a level not exceeding that which could have been imposed during the period when such tenant was acting as building manager but for the fact of such tenant's status as building manager. The landlord may also impose any capital expenditure surcharge and utility expense surcharge in amounts equal to those which have been validly imposed upon an apartment building which were not imposed on such tenant because of such tenant's status as building manager. (1962 Code § 11-3.11; amd. Ord. 91-O-2118, eff. 5-24-1991; Ord. 91-O-2135, eff. 1-9-1992)

#### **4-5-314: ROUNDING OFF:**

Any base rent and any rental increase permitted by any provision of this chapter may be rounded off by increasing the amount to the nearest whole dollar if it is fifty cents (\$0.50) or more or by decreasing the amount to the nearest whole dollar if it is forty nine cents (\$0.49) or less. (1962 Code § 11-3.12; amd. Ord. 91-O-2118, eff. 5-24-1991; Ord. 91-O-2135, eff. 1-9-1992)

### **ARTICLE 4. FUNCTIONS AND DUTIES OF THE HEARING OFFICER DESIGNATED BY THE CITY MANAGER WITH RESPECT TO CERTAIN RENT ADJUSTMENT ISSUES**

#### **4-5-401: DUTIES OF THE HEARING OFFICERS DESIGNATED BY THE CITY MANAGER:**

A. A hearing officer designated by the city manager ("hearing officer") shall have the power and authority to receive applications from landlords for special increases above those permitted by article 3 of this chapter based on hardship. To hear such matters (subject to the applicable rules and requirements of due process), and to render binding decisions in such matters, subject to the rights of appeal by aggrieved parties who have direct interests in particular decisions pursuant to the procedures prescribed by title 1, chapter 4 of this code. The hearing officer may grant any such application when the hearing officer determines that such relief is necessary in order to:

1. Implement the purposes of this chapter and to protect the public health and welfare, with particular reference to protecting the occupants of apartment units from unreasonable rent increases, while at the same time recognizing the landlord's need to have the rent be sufficient to cover maintenance and the costs of operation of the building, and encouraging capital improvements; or

2. Prevent the strict application of this chapter from imposing an undue economic hardship upon a landlord in a particular case of special circumstances; or
3. Prevent the provisions of this chapter from operating in an unreasonable or illegal manner in the particular circumstances of an applicant.

B. The hearing officer shall also have jurisdiction to hear and decide the following matters:

1. Should a dispute or disagreement arise from or concerning the status of any tenant as a building manager, the tenant or the landlord may apply to the hearing officer for the resolution of the dispute or disagreement, and the hearing officer shall have jurisdiction to decide the question. Any ruling of the hearing officer thereon shall be final insofar as administrative processes are concerned.
2. Should a dispute or disagreement arise concerning the validity or amount of any capital expenditure surcharge collected or proposed to be charged by the landlord pursuant to section 4-5-304 or 4-5-308 of this chapter, the tenant or the landlord may apply to the hearing officer for the resolution of the dispute or disagreement, and the hearing officer shall have jurisdiction to decide the question. Any ruling of the hearing officer thereon shall be final insofar as administrative processes are concerned. If the amount of the capital expenditure appears to be excessive, the hearing officer shall reduce the surcharge to a reasonable amount.
3. Should a dispute arise concerning the validity and/or amount of any utility surcharge collected or proposed to be charged by a landlord pursuant to section 4-5-306 or 4-5-308 of this chapter, the tenant or the landlord may apply to the hearing officer for the resolution of the dispute, and the hearing officer shall have jurisdiction to decide the question. Any ruling of the hearing officer thereon shall be final insofar as administrative processes are concerned.
4. If a tenant refuses to consent to a proposal by a landlord to make capital expenditures to the interior of such tenant's apartment unit, and the landlord believes such refusal is unreasonable, the landlord may apply to the hearing officer for permission to add a capital expenditure surcharge for such work, regardless of the tenant's refusal, and the hearing officer shall have jurisdiction to decide the issue. Any ruling of the hearing officer thereon shall be final insofar as administrative processes are concerned.
5. If a landlord, tenant, and/or other claimant has been unable to agree to the distribution of a relocation fee deposited into escrow pursuant to section 4-5-604 of this chapter, and more than thirty (30) days from the date the notice of deposit was given has passed, the division and distribution of the relocation fee shall be determined by the hearing officer following a hearing on the matter. The landlord and each person who received notice of the deposit shall be notified of the time and place of such hearing not less than ten (10) days prior to such hearing. The hearing officer's decision in such matter shall be final, subject to an appeal to the council pursuant to the procedures set forth in title 1, chapter 4 of this code.

C. Any decision of the hearing officer referred to in subsections B1, B2, B3 and B4 of this section, which cannot be appealed to the city council, may be reconsidered by the hearing officer if the decision was based on incorrect information or erroneous data provided to the

hearing officer at the hearing on the matter. In order for the hearing officer to reconsider a decision pursuant to this subsection C:

1. A written request for reconsideration must be filed with the department of building and safety within one year after the date of adoption of the hearing officer's resolution regarding the particular case; and

2. After reviewing the reconsideration request, the city's file concerning the matter, and any other relevant information, the department of building and safety concurs that the hearing officer's decision was based on incorrect information or erroneous data and recommends that the hearing officer modify his or her prior decision. Only that portion of the hearing officer's decision which was based upon the incorrect information or erroneous data may be reconsidered by the hearing officer pursuant to this subsection.

D. Any decision of the hearing officer referred to in subsections B1, B2, B3 and B4 of this section, which cannot be appealed to the city council or reconsidered by the hearing officer pursuant to subsection C of this section, is a final decision that is subject to judicial review pursuant to California Code of Civil Procedure section 1094.5 and must be filed in accordance with the time periods specified therein. (1962 Code § 11-4.02; amd. Ord. 94-O-2200, eff. 7-8-1994; Ord. 98-O-2299, eff. 6-5-1998; Ord. 04-O-2449, eff. 6-18-2004)

#### **4-5-402: ADJUSTMENTS FOR TAX INCREASES:**

A. If a landlord seeks a special hardship rent increase because of an increase in the amount of property taxes assessed against an apartment building, a hearing officer designated by the city manager ("hearing officer") may grant such an increase in accordance with the criteria set forth in subsection 4-5-401A1 of this article and the following criteria:

1. A determination will be made of each apartment unit's share of the increased property tax by comparing the square footage of the apartment unit to all dwelling units in the building.

2. A maximum of five percent (5%) of the base rent of an apartment unit may be added to the rent of such apartment unit, divided into twelve (12) equal monthly payments per year. In determining the amount of increase to impose under this section, the hearing officer shall consider the apartment unit's share of the increased property tax and the rent levels of all dwelling units in the building.

B. The hearing officer shall determine the period of time when any special hardship rent increase granted pursuant to subsection A of this section shall be valid; provided, however, such period shall not exceed three (3) years. At the end of such time, a landlord may apply to the hearing officer for a continuation of the increase. The hearing officer may grant such continuation if it meets the criteria set forth in subsection A of this section.

C. Notwithstanding the provisions of subsection B of this section, if any ownership interest in an apartment building is transferred, any special hardship rent increase granted pursuant to this section shall become null and void as of the date of such transfer. A new owner may apply for a special hardship rent increase pursuant to the provisions of this article.

D. Any decision of the hearing officer referred to in subsection A of this section is a final

decision that is subject to judicial review pursuant to California Code of Civil Procedure section 1094.5 and must be filed in accordance with the time periods specified therein. (1962 Code § 11-4.03; amd. Ord. 98-O-2299, eff. 6-5-1998; Ord. 04-O-2449, eff. 6-18-2004)

**4-5-403: FEES:**

The council shall establish by ordinance or resolution the charges and fees to be paid by any applicant to defray the expenses of the city in processing any application made pursuant to any provision of this chapter. (1962 Code § 11-4.04; amd. Ord. 98-O-2299, eff. 6-5-1998)

**ARTICLE 5. EVICTIONS**

**4-5-501: EVICTIONS:**

It is unlawful for a landlord to bring an action to recover the possession of an apartment unit except upon a ground specified in this article. (1962 Code § 11-5.01)

**4-5-502: FAILURE TO PAY RENT:**

A landlord may bring an action to recover the possession of an apartment unit if the tenant has failed to pay the rent to which the landlord is entitled or any surcharge which has been lawfully imposed. (1962 Code § 11-5.02; amd. Ord. 91-O-2135, eff. 1-9-1992)

**4-5-503: VIOLATIONS OF OBLIGATIONS:**

A landlord may bring an action to recover the possession of an apartment unit if the tenant has violated an obligation or covenant of the tenancy, including, but not limited to, any obligation in a written apartment rental agreement, other than the obligation to render possession upon proper notice, and has failed to cure such violation after having received written notice thereof from the landlord. (1962 Code § 11-5.03)

**4-5-504: MAINTENANCE OF NUISANCES:**

A landlord may bring an action to recover the possession of an apartment unit if the tenant is committing or permitting to exist a nuisance in, or is causing damage to, the apartment unit or to the appurtenances thereof, or to the common areas of the complex containing the apartment unit, or is creating an unreasonable interference with the comfort, safety, or enjoyment of any of the other residents of the same or any adjacent building. (1962 Code § 11-5.04)

**4-5-505: ILLEGAL USES:**

- A. A landlord may bring any action to recover the possession of an apartment unit if the tenant is using or permitting an apartment unit to be used for an illegal purpose.
- B. For the purposes of this section, "illegal purpose" shall mean and include, but not be limited to, the occupancy of the apartment unit by a number of persons in excess of the following numbers:

Bachelor/single	3 persons
1 bedroom of 1,200 square feet or less	4 persons
1 bedroom in excess of 1,200 square feet	5 persons
2 bedrooms of 1,500 square feet or less	5 persons
2 bedrooms in excess of 1,500 square feet	6 persons
3 bedrooms of 2,100 square feet or less	7 persons
3 or more bedrooms in excess of 2,100 square feet	8 persons

(1962 Code § 11-5.05)

#### **4-5-506: REFUSAL TO EXECUTE LEASES:**

A landlord may bring an action to recover the possession of an apartment unit following the expiration of a written apartment rental agreement, or any written renewal or extension thereof, if a tenant who had such an agreement has refused to execute a written renewal or extension thereof provided all of the following conditions are met:

- A. The landlord made a written request or demand for such renewal or extension at least thirty (30) days prior to the date such agreement expired;
- B. The proposed renewal or extension was for a term of the same duration as the agreement which expired; and
- C. The proposed renewal or extension contained the same terms and conditions as the agreement which expired provided the rent level in such proposed renewal or extension has been determined in accordance with the requirements of article 3 of this chapter. (1962 Code § 11-5.06)

#### **4-5-507: REFUSAL TO PROVIDE ACCESS:**

A landlord may bring an action to recover the possession of an apartment unit if the tenant has refused the landlord reasonable access to the unit for the purpose of making repairs or improvements, or for the purpose of inspection as permitted or required by an apartment rental agreement or by law, or for the purpose of showing the apartment unit to any prospective purchaser or mortgagee. (1962 Code § 11-5.07)

#### **4-5-508: UNAPPROVED SUBTENANTS:**

A landlord may bring an action to recover the possession of an apartment unit if the person in possession of the apartment unit at the end of the term of any apartment rental agreement is a subtenant who was not approved by the landlord. This section shall not be deemed to invalidate any provision in any written apartment rental agreement pertaining to the assignment or subleasing of an apartment unit. (1962 Code § 11-5.08)

#### **4-5-509: USE BY LANDLORDS:**

- A. A landlord may recover the possession of an apartment unit if the landlord seeks in good faith to recover such possession for use and occupancy by the landlord or the landlord's spouse, children, or parents provided all of the following conditions are met:
1. The landlord has provided not less than ninety (90) days' written notice of tenancy termination to the tenant, which notice specifies the name and then current address of the proposed occupant, and has filed a copy of such notice with the city clerk prior to serving such notice upon the tenant;
  2. The tenant is paid a relocation fee in accordance with the provisions of article 6 of this chapter; and
  3. At no time during the ninety (90) day notice period is there a vacant apartment unit in the building comparable to the one sought by the landlord; and
  4. The unit to be recovered by the landlord is occupied by the most recent tenant(s) to occupy a unit comparable to the type of unit sought by the landlord or relative described in subsection A of this section. Notwithstanding the foregoing, no senior citizen or handicapped tenant shall be evicted unless there is no other unit on the parcel of land comparable to the type of unit sought by the landlord or relative. If there are one or more comparable units in such case, the landlord shall recover the comparable unit occupied by the most recent tenant who is not a senior citizen or handicapped person. For the purposes of this section, "senior citizen" shall mean a person sixty five (65) years of age or older. Whether a unit is comparable to the type of unit sought by the landlord or relative shall be determined by the city.
- B. A landlord may recover the possession of only one apartment unit located on the same parcel of land for the purposes set forth in this section, regardless of the number of buildings on such parcel.
- C. If the landlord or the landlord's relative, as defined in subsection A of this section, occupies an apartment unit obtained pursuant to the provisions of this section for at least one year, such apartment unit shall be deemed to be exempt from the provisions of this chapter; provided, however, if such apartment unit is subsequently re-rented to a person who is not the landlord or such relative of the landlord for a rental amount less than that set forth in subsection 4-5-102G of this chapter, such apartment unit shall again be subject to the provisions of this chapter.
- D. For the purposes of this section only, "landlord" shall mean only such natural persons as have the largest ownership interest in the building or in the entity owning the building.
- E. There shall be a rebuttable presumption that the landlord has not acted in good faith if the owner or relative for whom the tenant was evicted does not move into the apartment unit within thirty (30) days and occupy said unit for a minimum of twelve (12) continuous months thereafter. In situations when the apartment unit is being remodeled pursuant to a building permit issued by the city, the thirty (30) day period shall commence when the final inspection of the remodeling work is performed and approved by the city's department of building and safety. (1962 Code § 11-5.09; amd. Ord. 04-0-2449, eff. 6-18-2004)

**4-5-510: CHANGE OF BUILDING MANAGERS:**

A landlord may bring an action to recover the possession of an apartment unit if the landlord seeks in good faith to recover the possession of an apartment unit then occupied by an apartment building manager whose employment as such has been, or is to be, terminated, and such possession is needed for the sole purpose of occupancy by a new manager. (1962 Code § 11-5.10)

#### **4-5-511: DEMOLITION OR CONDOMINIUM CONVERSIONS:**

A landlord may bring an action to recover possession of an apartment unit if the landlord seeks in good faith to recover possession so as to demolish or move the building or to convert apartment units into condominiums, stock cooperatives, or community apartments provided there is compliance with all of the following conditions:

- A. The landlord has given the tenant not less than ninety (90) days' written notice, which has been approved by the city's rent stabilization office, that such tenancy shall terminate on a date after April 1, 1979. The notice shall state the specific reason for giving such notice and shall be deemed to include a representation and agreement by the landlord that the recovery of possession of the apartment unit is solely for a reason within the scope of this section and for no other reason. If payment of the relocation fees required by article 6 of this chapter does not accompany such notice, such notice shall also specify the amount of the relocation fees so required and that the tenant may collect such fees at the time the tenant vacates the unit. Such notice shall not be required if:
1. The demolition of the building has been mandated by law to be performed at an earlier date; or
  2. Such notice has been given to a tenant who has vacated the apartment unit, the apartment unit has been re-rented to a new tenant, and the new tenant has been advised by the landlord in writing that the notice of termination of tenancy had been given to the prior tenant. This exemption shall apply only if a copy of the written notice provided to such new tenant is filed with the city clerk within one week after such new tenant begins the occupancy of the apartment unit; or
  3. A prior written notice which specified less than one year's notice has been given, and the tenant has been notified in writing, within thirty (30) days after August 21, 1979, that the prior written notice shall be considered an effective one year notice under this section.
- B. The notice required by subsection A of this section shall not be given or served until such time as the landlord has:
1. Filed all necessary applications for the proposed project or development including, but not limited to, application for a demolition permit, moving permit or tentative map and paid all of the fees required by the city in connection with such applications;
  2. Notified the city's rent stabilization department that an application to convert apartment units to condominiums or to move or demolish the building has been filed with any other department of the city so that notice of such filing may be given to the tenants at the property; and
  3. That all permits or approvals necessary to commence demolition, removal or conversion

have been issued.

- C. No notice of tenancy termination given pursuant to this section after February 24, 1981, shall be effective unless all the applicable provisions of this chapter have been complied with, and a copy of such notice has been placed on file with the city clerk prior to such notice being served on the tenant. A minimum fee of one hundred dollars (\$100.00) for each building for which notices of tenancy termination are to be filed with the city clerk shall be paid to the city for processing the notices prior to the filing of a notice with the city clerk. Where there are more than ten (10) apartment units in a building which are subject to this provision of this chapter, and for which notices of tenancy termination have been given, an additional fee of ten dollars (\$10.00) shall be paid to the city for each unit in excess of ten (10) units for which a notice of tenancy termination is given.
- D. A relocation fee shall have been paid or deposited into escrow in accordance with the provisions of article 6 of this chapter. If an apartment unit vacated pursuant to this section has been re-rented, the new tenant shall not be entitled to any relocation fee or other relocation benefit if he or she received the notices required by subsections A2 and E of this section.
- E. Any apartment unit vacated pursuant to this section, if re-rented, shall remain subject to the provisions of this chapter, and it shall be the responsibility of the landlord to notify any new tenant in writing of the controlled rents and the duration of the notice of termination. A copy of such notice shall be filed with the city clerk within one week after the new tenant begins occupancy of the apartment unit.
- F. No writ or judgment restoring possession to the landlord shall be issued or entered unless and until the complaint for such writ or judgment filed by the landlord contains the landlord's declaration under penalty of perjury of the giving of notice to the tenant as required by this section, the expiration of any required notice period, the payment or deposit into escrow of the relocation fee specified in article 6 of this chapter, and that demolition or moving or the work of conversion into condominiums will commence within sixty (60) days after the filing of such complaint.
- G. The provisions of this section shall not apply to a building manager who is entitled to the occupancy of an apartment unit solely because of his or her position as building manager. (1962 Code § 11-5.11; amd. Ord. 89-O-2068, eff. 8-8-1989)

#### **4-5-512: MAJOR REMODELING:**

- A. A landlord may bring an action to recover possession of an apartment unit if the landlord seeks in good faith to recover possession so as to do alteration work on the building for the purposes of major remodeling provided that there is compliance with all of the following conditions:
  - 1. The landlord has given the tenant not less than one year's written notice that such tenancy shall terminate. The notice shall state the specific reason for giving such notice and shall be deemed to include a representation and agreement by the landlord that the recovery of possession of the apartment unit is solely for a reason within the scope of this section and for no other reason. Such notice shall contain a statement of the rights of the tenants pursuant to this section and article 6 of this chapter and shall be approved by the

city. Such notice shall not be required if:

a. Major remodeling of the building has been mandated by law to be performed at an earlier date; or

b. Such notice has been given to a tenant who has vacated the apartment unit, the apartment unit has been rerented to a new tenant, and the new tenant has been advised by the landlord in writing that the notice of termination of tenancy had been given to the prior tenant. This exemption shall apply only if a copy of the written notice provided to such new tenant is filed with the city clerk within one week after such new tenant begins the occupancy of the apartment unit.

2. The notice required by subsection A1 of this section shall not be given or served until such time as the landlord has received approval for the giving of such notice by the hearing officer. Such approval shall be given upon a showing by the landlord that written notice was received from the building official that the landlord has complied with all requirements, except for approval of final plans, for the issuance of a building permit for the purpose of major remodeling. The landlord shall file with the application for giving notice a copy of the final plans and specifications for the proposed remodeling. The hearing officer designated by the city manager ("hearing officer") shall establish the estimated new rent for the remodeled unit which shall not exceed one hundred fifty percent (150%) of the previous base rent. The notice required by subsection A1 of this section shall include such estimated new rent.

3. No notice of tenancy termination given pursuant to this section after February 11, 1986, shall be effective unless all the applicable provisions of this chapter have been complied with and a copy of such notice has been placed on file with the city clerk prior to such notice being served on the tenant. A minimum fee of one hundred dollars (\$100.00) for each building for which notices of tenancy termination are to be filed with the city clerk shall be paid to the city for processing the notices prior to the filing of a notice with the city clerk. Where there are more than ten (10) apartment units in a building which are subject to this provision of this chapter, and for which notices of tenancy termination have been given, an additional minimum fee of ten dollars (\$10.00) shall be paid to the city for each unit in excess of ten (10) units for which a notice of tenancy termination is given.

4. A relocation fee shall have been paid or deposited into escrow in accordance with the provisions of article 6 of this chapter. If an apartment unit vacated pursuant to this section has been rerented the new tenant shall not be entitled to any relocation fee or other relocation benefit if he or she received the notices required by subsections A1a, A1b and A2 of this section.

B. Any apartment unit vacated pursuant to this section if rerented after eviction but prior to remodeling, shall remain subject to the provisions of this chapter, and it shall be the responsibility of the landlord to notify any new tenant in writing of the controlled rents and the duration of the notice of termination. A copy of such notice shall be filed with the city clerk within one week after the new tenant begins occupancy of the apartment unit.

C. Any provision of this chapter notwithstanding, in lieu of receiving a relocation fee or being relocated to a comparable unit, a tenant, within sixty (60) days after the service of the one year notice of tenancy termination required by subsection A of this section, may elect to

relocate to a comparable unit in the building to be remodeled. The comparability of the replacement unit shall be determined by the city. For the purposes of this subsection, "comparability" shall mean a unit with the same number of bedrooms as the unit vacated, and which is in a clean, functional, and secure state.

- D. Should a tenant elect to be relocated to a comparable unit in the building to be remodeled, he or she shall serve written notice of such election on the landlord and file a copy thereof with the city clerk. Such notice shall be served and filed within sixty (60) days after service of the one year notice of tenancy termination required by subsection A of this section. Upon the service and filing of the required notice of election within the time set forth herein, the notice of tenancy termination shall become null and void as to that tenant for the purposes of eviction. Upon the receipt of multiple notices required hereby, the landlord shall make an application to the hearing officer for a determination of the order of relocation. The hearing officer shall determine the order of relocation, taking into consideration the relative hardships relocation will place on the tenants electing to relocate hereunder.
- E. Upon the approval of the order of relocation as provided for in subsection D of this section, or if only one notice of election is received by the landlord, the landlord shall serve upon the tenant(s) and shall file a copy thereof with the city clerk notice of availability of the replacement unit. The tenant shall have thirty (30) days after the service and filing of the notice of availability to relocate to the replacement unit. The landlord shall pay the reasonable cost of such relocation. Any disagreement between the landlord and tenant regarding the reasonableness of the cost of relocation shall be submitted to the hearing officer for resolution. Should a tenant fail to relocate to the replacement unit within said thirty (30) days, the tenant shall vacate the unit within ninety (90) days after the date the notice of availability of the replacement unit was served and filed, and the landlord shall be relieved of the obligation of paying any further fees or costs provided for in this chapter.
- F. Upon the completion of the remodeling, the landlord shall serve upon tenant(s) and shall file a copy thereof with the city clerk notice of availability of the remodeled unit. The tenant shall have thirty (30) days after the service and filing of the notice of availability of the remodeled unit to relocate. The landlord shall pay the reasonable cost of such relocation. Any disagreement between the landlord and tenant regarding the reasonableness of the cost of relocation shall be submitted to the hearing officer for resolution. Should a tenant fail to relocate to the remodeled unit within said thirty (30) days, the tenant shall vacate the replacement unit within ninety (90) days after the date the notice of availability of the remodeled unit was served and filed, and the landlord shall be relieved of the obligation of paying any further fees or costs provided for in this chapter; provided, however, the landlord shall not be relieved of the obligation of paying fees or costs provided for in this chapter if the new base rent is in excess of the estimated base rent.
- G. If an apartment unit has been vacated for major remodeling, upon the completion of such remodeling the new allowable base rent for the apartment unit shall not exceed an amount equal to the previous base rent increased by the actual amount expended on such remodeling, including such items as interest or the value of capital up to eighteen percent (18%) per annum, and any fees or costs required to be paid to or on behalf of tenants pursuant to the provisions of this chapter, amortized in accordance with the straight line depreciation schedules allowed under the federal income tax law, but in no case less than five (5) years. The tenant evicted for the purpose of such remodeling shall have a right of first refusal to rent the remodeled apartment unit provided such right is exercised within

thirty (30) days after the landlord notifies the tenant when the apartment unit will be ready to be rented. If such tenant rerents the remodeled apartment unit, the landlord may increase the actual rent chargeable to such tenant at the time he or she actually occupies the unit to the new base rent allowed by this subsection or twenty percent (20%) above the estimated rent, whichever is less; provided, however, if a tenant elects to relocate as provided for in subsection C of this section, the new base rent shall not be applicable until one year after the notice of eviction required by subsection A of this section. The new base rent shall be established by the hearing officer within ninety (90) days after the tenant has reoccupied the unit or, if the tenant decides not to reoccupy the unit, within ninety (90) days after the unit is ready for occupancy, and the tenant has requested to be notified of the new base rent. The hearing officer shall be provided copies of documents by the landlord to be used to establish the new allowable base rent. If a tenant who was evicted pursuant to this section rerents the remodeled apartment unit, such tenant shall return the relocation fee to the landlord, less actual direct moving expenses and the amount by which such tenant's rent during the period when the tenant was out of the apartment exceeded the tenant's rent prior to such move, but not more than one hundred fifty dollars (\$150.00) per month.

- H. No writ or judgment restoring possession to the landlord shall be issued or entered unless and until the complaint for such writ or judgment filed by the landlord contains the landlord's declaration under penalty of perjury of the giving of notice to the tenant as required by this section, the expiration of the one year notice period, the payment or deposit into escrow of the relocation fee specified in article 6 of this chapter, and that the major remodeling work will commence within sixty (60) days after the filing of such complaint.
- I. The landlord shall file true copies of rental agreements for the rerented apartment units after major remodeling has been completed with the city clerk within one week after the new tenant begins occupancy of the apartment unit.
- J. The city manager or his designee shall issue guidelines for the implementation of the foregoing requirements, and all applicants for major remodeling pursuant to this section shall comply therewith.
- K. The provisions of this section shall not apply to a building manager who is entitled to occupancy of an apartment unit solely because of his or her position as building manager.
- L. For the purposes of this section, "major remodeling" shall mean the remodeling or reconstruction of more than one apartment unit subject to the provisions of this chapter in an existing building and a minimum amount per remodeled unit is expended on such work as follows:

Bachelor/single	\$ 7,000.00
1 bedroom	10,000.00
2 bedrooms	15,000.00
3 or more bedrooms or 2 bedrooms and den	20,000.00

- M. The landlord shall obtain the building permit to perform the major remodeling within ninety (90) days after the date when the affected unit becomes vacant. The major remodeling shall be completed within one year of the date of issuance of the building permit. However,

the building and safety department may extend the one year completion period upon a showing by the landlord of good cause for the failure to complete the repairs within the one year period and diligent efforts to complete the work timely. If the major remodeling work is not completed within the time period established by this subsection, including any extensions thereof approved by the city, the landlord shall be liable in a civil action, if commenced within two (2) years of the displacement, to any tenant who is evicted from an apartment unit as a result of a notice issued pursuant to subsection A1 of this section for the actual damages that were the proximate result of the displacement. (1962 Code § 11-5.12; amd. Ord. 98-O-2299, eff. 6-5-1998; Ord. 04-O-2449, eff. 6-18-2004)

#### **4-5-513: WITHDRAWAL OF RESIDENTIAL RENTAL STRUCTURE FROM THE RENTAL MARKET:**

A landlord may bring an action to recover possession of an apartment unit if the landlord intends to withdraw all apartment units in a building or structure on a parcel of land from the rental market, subject to the following conditions and requirements:

- A. This section shall only apply to and shall only be exercised for the concurrent withdrawal of all apartment units in all buildings or structures on a parcel of land from the rental market, except where there is more than one building on a parcel and all buildings contain four (4) or more apartment units, in which case the landlord may withdraw all of the units in one or more of the buildings.
- B. Not less than one hundred twenty (120) days from the date the landlord intends to withdraw the apartment units in a building or structure from the rental market, the landlord shall:
  1. Provide written notice under penalty of perjury to the city of such intent, which notice shall contain the following information: address and legal description of the subject property, number of rental units being removed, the names of all tenants residing in the units being removed, the year the tenant(s) moved into the unit, the base rent for the unit and the current lawful rent applicable to each such unit.
  2. Record with the Los Angeles County registrar-recorder a written notice prepared by and containing such information as is prescribed by the city summarizing the landlord's notice of intent and certifying that evictions have been commenced or will commence in accordance with applicable law.
  3. Provide to the city's rent stabilization office copies of the notice recorded with the county and the notice(s) which were provided to the affected tenants.
  4. If the tenant or lessee is at least sixty two (62) years of age or is disabled, and has lived in his or her apartment unit for at least one year prior to the date of delivery to the city of the notice required by subsection B1 of this section, then the date of withdrawal of that apartment unit shall be extended to one year from the date of delivery of the notice to the city, provided that the tenant or lessee has given the landlord written notice of his or her entitlement to the extension within sixty (60) days of delivery to the public entity of the notice of intent to withdraw the apartment unit from the rental market. In this situation, the following provisions shall apply:
    - a. The tenancy shall be continued on the same terms and conditions as existed on the

date of delivery to the city of the notice of intent to withdraw, subject to any adjustments otherwise available under this title;

b. No party shall be relieved of the duty to perform any obligation under the lease or rental agreement;

c. The landlord may elect to extend the date of withdrawal on any other accommodation within the same building up to one year after the date of delivery to the city of the notice of intent to withdraw, subject to subsections B4a and B4b of this section;

d. Within thirty (30) days of the notification by the tenant or lessee to the landlord of his or her entitlement to an extension, the landlord shall give written notice to the city of the claim that the tenant or lessee is entitled to stay in his or her apartment unit for one year after the date of delivery to the city of the notice of intent to withdraw;

e. Within ninety (90) days of the date of delivery to the city of the notice of intent to withdraw, the landlord shall give written notice to the city and the affected tenant(s) or lessee(s) of the landlord's election to extend the date of withdrawal and the new date of withdrawal under subsection B4c of this section.

C. The landlord shall provide written notice of termination of tenancy to all affected tenants at least thirty (30) days prior to the service of and recordation of the notices in subsection B of this section which has been approved by the city's rent stabilization office and filed with the city clerk's office and which notice shall contain the following information:

1. That the landlord is evicting the tenant pursuant to this section and will provide the city with written notice required in subsection B of this section;

2. A summary of the specific information to be provided to the city in that notice regarding the tenant's unit;

3. That within thirty (30) days of receipt of notice to terminate, the tenant may notify the landlord in writing that the tenant would be interested in rerenting the unit if it is reoffered for rent at a future time and advising the tenant to notify the landlord and rent stabilization office of all future address changes;

4. A description of the tenant's rights as set forth in subsections E, F and G of this section;

5. That the landlord will provide a relocation fee in accordance with the provisions of article 6 of this chapter and that such fee may not be waived by the tenant, except as specifically provided in section 4-5-607 of this chapter; and

6. That if the tenant or lessee is at least sixty two (62) years of age or is disabled, and has lived in his or her apartment unit for at least one year prior to the date of delivery to the city of the notice required by subsection B1 of this section, then the tenancy shall be extended to one year after the delivery of the notice to the city, provided that the tenant gives written notice of his or her entitlement to the extension to the landlord within sixty (60) days of the date of delivery to the city of the notice of intent to withdraw. The notice shall further state that if these circumstances exist, the extended tenancy shall be continued on the same terms and conditions that existed on the date of delivery of the notice of withdrawal to the

city, subject to any rent increases that are allowed by this chapter, and that no party shall be relieved of the duty to perform any obligation under the lease or rental agreement during the extended tenancy.

- D. At the time when the tenant(s) vacate the unit, the landlord shall pay a relocation fee in accordance with the provisions of article 6 of this chapter.
- E. In the event the withdrawn units are reoffered for rent by the landlord within two (2) years from the effective date of withdrawal, the landlord shall:
1. Provide written notice of such action to the city not less than thirty (30) days prior to rerenting the units;
  2. Offer the units at the same rent level as of the date of withdrawal plus any annual rent increases permitted by this chapter that would have applied had the units not been withdrawn;
  3. Provide those tenants who provided a notice of interest in rerenting pursuant to subsection C3 of this section the right of first refusal to rerent the unit by certified or registered mail, postage prepaid, to the last address provided by the tenant, in which case the tenant shall have no less than thirty (30) days within which to accept the offer, by personal service or certified or registered mail. Copies of these notices and the mail receipts shall be filed with the city's rent stabilization office within one week of mailing;
  4. Be liable in a civil action if commenced within three (3) years of displacement to any tenant evicted due to withdrawal of a unit pursuant to this section for actual damages which were the proximate result of the displacement, in accordance with the principles enunciated in sections 7262 and 7264 of the California Government Code, and punitive damages;
  5. Be liable in a civil action if commenced within three (3) years of displacement to the city for exemplary damages for displacement of tenants or lessees.
- F. In the event the withdrawn units are reoffered for rent by the landlord within five (5) years after any notice of intent to withdraw the apartment unit is filed with the city, or within five (5) years after the effective date of the withdrawal of the apartment unit, whichever is later, the landlord shall provide not less than thirty (30) days' prior written notice of such action to the city prior to rerenting the units and shall offer the units at the same rent level as of the date of withdrawal, plus annual rent increases permitted by this chapter that would have applied had the units not been withdrawn.
- G. Moreover, if the units are reoffered for rent within ten (10) years from the effective date of removal, the landlord shall provide those tenants who provided notice of interest in rerenting pursuant to subsection C3 of this section the right of first refusal to rerent the unit, by certified or registered mail, postage prepaid, to the last address provided by the tenant, in which case the tenant shall have no less than thirty (30) days within which to accept the offer by personal service or certified or registered mail. Copies of these notices and the mail receipts shall be filed with the city's rent stabilization office within one week of mailing. Failure of the landlord to provide the tenant with this right of first refusal shall render the landlord liable in a civil action to the tenant in punitive damages in an amount not to exceed six (6) months' rent.

- H. This section shall in no respect relieve a landlord from complying with the requirements of any applicable state law or of any lease or rental agreement.
- I. The remedies provided for in this section shall not be exclusive and shall not preclude a tenant from pursuing any alternative remedy available under law. Failure by any landlord to comply with the requirements of this section shall constitute a defense in any unlawful detainer action brought to evict a tenant under this section.
- J. For the purpose of this section, the term "landlord" shall be interpreted to include any and all successors in interest of any landlord, and the term "disabled" shall mean a person with a disability, as defined in section 12955.3 of the California Government Code.
- K. The notice to the city provided for in this section shall be accompanied by a processing fee in an amount determined by resolution of the city council.
- L. This section is intended to implement the requirements of sections 7060 through 7060.7 of the California Government Code, and shall be interpreted so as to provide the city with the broadest range of authority permitted under these provisions and to intrude the least into the city's authority in all other applications of its power.
- M. This section shall apply to any apartment units that are being removed from the rental market, if the notice of termination of tenancy required by state law or by a lease agreement has not been given at the time of adoption hereof or if such notice has been given, the notice period has not expired at the time of adoption hereof. (1988 Code; amd. Ord. 04-O-2449, eff. 6-18-2004)

## **ARTICLE 6. RELOCATION FEES**

### **4-5-601: FEES REQUIRED:**

Any landlord who serves a notice of eviction on a tenant pursuant to section 4-5-509 or 4-5-511 of this chapter shall pay to such tenant a relocation fee in accordance with the provisions of this article. Such fee shall be due and payable to such tenant whether or not such landlord actually utilizes the apartment unit for the purposes stated in the notice of eviction, unless such landlord notifies such tenant in writing of the withdrawal of the notice of eviction prior to such time as the tenant has given the landlord notice of his or her last date of occupancy, or has vacated if such notice of the last date of occupancy is not given by the tenant, and files a copy of such notice with the city clerk within one week after serving such notice on the tenant. (1962 Code § 11-6.01)

### **4-5-602: TIME OF PAYMENT:**

The relocation fee or pro rata share thereof shall be paid to any tenant who vacates the apartment unit at the time he or she vacates it. If the landlord cannot in good faith determine if such tenant is entitled to receive the relocation fee, it shall be deposited in escrow in accordance with section 4-5-604 of this article. (1962 Code § 11-6.02)

### **4-5-603: PAYMENT TO EACH TENANT:**

The entire fee shall be paid to a tenant who is the only such tenant in an apartment unit. Where an apartment unit is occupied by two (2) or more tenants, payment may be prorated among such tenants, or payment may be made to one tenant, provided all the adult occupants of the apartment unit have signed a stipulation to judgment as described in subsection 4-5-604A of this article. In no event shall a landlord be liable to pay a total amount more than the fee required by section 4-5-605 of this article for one apartment unit to all the tenants in any one apartment unit. (1962 Code § 11-6.03)

#### **4-5-604: DEPOSIT INTO ESCROW:**

- A. Where the apartment unit has not been vacated, the relocation fee shall be deposited in escrow if the tenant has furnished the landlord with the tenant's notarized stipulation to judgment in favor of the landlord for the repossession of the apartment unit by the landlord within sixty (60) days after the payment of the relocation fee to such tenant. The fee shall be released from escrow to the tenant on the day the tenant vacates the apartment unit. Nothing in this subsection shall be deemed to require any tenant to vacate any apartment unit before the expiration of the full notice time to which such tenant is entitled.
- B. If the landlord in good faith is unable to determine who are the persons entitled to receive the relocation fee, the landlord shall deposit the relocation fee into escrow. The landlord shall give written notice of such deposit to each person, including the tenant and any occupant other than the tenant, who in the landlord's good faith judgment may be entitled to receive the relocation fee. Upon agreement by all persons so notified, the escrow holder may distribute the relocation fee in the manner agreed upon. If such parties cannot reach agreement within thirty (30) days after the date the notice of deposit is given, the division and distribution of the relocation fee shall be determined by the hearing officer following a hearing on the matter. No distribution from an escrow may occur until the tenant who is to receive the relocation fee has signed a notarized stipulation to judgment pursuant to subsection A of this section if the tenant still occupies the apartment unit.
- C. All the costs of an escrow opened pursuant to the provisions of this section shall be borne by the landlord. (1962 Code § 11-6.04; amd. Ord. 04-O-2449, eff. 6-18-2004)

#### **4-5-605: AMOUNT OF RELOCATION FEES:**

The amount of the relocation fee payable to a tenant entitled to such fee pursuant to the provisions of this chapter shall be determined as follows where the tenancy has existed for two and one-half (2 1/2) years or longer prior to the date of the vacation of the apartment unit:

Apartment Size	Relocation Fee
A. Bachelor	\$2,000.00
B. Single	2,250.00
C. 1 or more bedrooms	3,000.00
D. Senior citizen, handicapped tenant or a tenant who is terminally ill (as certified by a licensed physician)	5,000.00

E. An eviction from a unit due to either a proposed demolition or conversion

to condominium Either the number of years of tenancy, including any portion of a year or rounded off to the nearest month and the 90 day notice period, multiplied by the current monthly rent, not to exceed \$15,000 per unit, or the relevant amount in subsections A through D of this section, whichever is greater. This section shall not apply to any unit where the 90 day notice of eviction was served upon the tenant and filed with the city prior to January 15, 1991.

Where the tenancy has existed for less than two and one-half (2 1/2) years but more than one year prior to the date of the vacation of the apartment unit, the relocation fee shall be one-half (1/2) of the amounts set forth in this section. Any tenant whose occupancy of the apartment unit began after the date when the required notice of termination was given shall not be entitled to any relocation fee. (1962 Code § 11-6.05; amd. Ord. 89-O-2068, eff. 8-8-1989; Ord. 91-O-2110, eff. 2-15-1991; Ord. 91-O-2117, eff. 5-24-1991)

#### **4-5-606: PHYSICAL RELOCATION IN LIEU OF FEE:**

In lieu of the relocation fee required by section 4-5-605 of this article, the landlord, at his option, may relocate the tenant into a comparable replacement apartment unit satisfactory to the tenant, in which event the landlord shall be liable only for the actual costs of relocating the tenant, up to the maximum as set forth in section 4-5-605 of this article per apartment unit. A tenant shall not unreasonably withhold the approval of a replacement apartment unit offered by the landlord. For the purposes of this section only, comparability shall be determined from the following factors: size, price, location, proximity to medical and recreational facilities, parks, community centers, shops, transportation, schools, churches, and synagogues, amenities, and, if the tenant desires, the location of the apartment unit in the city. (1962 Code § 11-6.06)

#### **4-5-607: WAIVER OF RELOCATION RIGHTS:**

- A. If a tenant who has received a thirty (30) day notice to vacate premises does not vacate the apartment unit within such time, and the landlord thereafter files a complaint for writ or judgment restoring possession which meets all the requirements of this chapter, and the court orders such tenant to vacate the apartment unit, such tenant shall be deemed to have waived all rights to any relocation benefit to which he or she is otherwise entitled pursuant to this chapter and shall return to the landlord any relocation fee or other benefit so received, plus interest at the rate allowed by law.
- B. After the required notice period has passed, if a tenant has signed a stipulation for judgment and received a relocation fee, whether directly or as the result of the distribution of a deposit, and does not vacate the apartment unit within sixty (60) days after such receipt, such tenant shall be deemed to have waived all rights to any relocation benefits to which he or she is otherwise entitled pursuant to this chapter, and such tenant shall be obligated to return to the landlord any relocation fee or other benefit so received, plus interest at the rate allowed by law. (1962 Code § 11-6.07; amd. Ord. 89-O-2068, eff. 8-8-1989)

## **ARTICLE 7. REMEDIES**

#### **4-5-701: ILLEGAL RENT OR WITHHOLDING OF RELOCATION FEES:**

- A. It shall be unlawful for any landlord wilfully to demand, accept, receive, or retain any payment of rent in excess of the maximum lawful rent permitted for an apartment unit by this chapter after receiving written notice from the city that such payment does or will exceed such allowable maximum.
- B. It shall be unlawful for any landlord wilfully to fail to provide any tenant with any relocation benefit to which such tenant is entitled after receiving written notice from the city that such relocation benefit is due and owing to such tenant. (1962 Code § 11-7.01)

#### **4-5-702: REDUCTION OF HOUSING SERVICES:**

It shall be unlawful for any landlord to reduce housing services with the intent, or for the purpose, of circumventing substantially the requirements and/or provisions or spirit of this chapter. A violation of this section shall be deemed an increase in rent to the extent of the monetary advantage achieved thereby for the landlord or to the extent necessary for the tenant to incur expenses to gain equivalent housing services by other means, whichever is greater. Any such violation shall accordingly be subject to the tenants' remedies prescribed in sections 4-5-704 and/or 4-5-705 of this article. (1962 Code § 11-7.02)

#### **4-5-703: UNLAWFUL EVICTIONS:**

- A. A landlord shall not issue or cause to be issued a notice of termination of tenancy in order to circumvent the application of this chapter. For the purposes of this section, a notice of termination of tenancy shall include any notice, oral or written, given to a tenant for the purpose of having the tenant vacate an apartment unit. The failure of a landlord to withdraw any such notice of termination of tenancy after the landlord has been given written notice by the city manager or his designee or by the city attorney that such notice of termination of tenancy is in violation of the provisions of this chapter shall constitute prima facie evidence of the intent of the landlord to circumvent the application of this chapter and shall be unlawful.
- B. It shall be unlawful for a landlord to evict, or to attempt to evict, a tenant or to regain, or attempt to regain, the possession of an apartment unit upon a pretext that the landlord desires occupancy for himself or herself or some relative in order to circumvent the application of this chapter. A tenant in such circumstances may refuse to deliver possession of the apartment unit and may establish the landlord's subterfuge as a defense in any action brought by the landlord to recover the possession of the apartment unit. Additionally, in the event a violation of this section is discovered by the tenant after the possession of an apartment unit has been regained by the landlord, such landlord shall be liable to the dispossessed tenant in a civil action for treble the amount of the rent which would have been payable by the tenant had the tenant not been dispossessed, and for the entire period of the dispossession, not exceeding six (6) months; and in any such action the tenant shall also be entitled to payment by the landlord of the tenant's reasonable attorney fees and costs as determined by the court. (1962 Code § 11-7.03)

#### **4-5-704: REFUSAL TO COMPLY WITH ILLLEGAL REQUESTS:**

- A. A tenant may refuse to pay any increase in rent which is in violation of the provisions of this chapter, and such violation shall be a defense in any action brought to recover the possession of an apartment unit or to collect rent.
- B. In addition to the remedies set forth in subsection A of this section, in any action brought to recover the possession of an apartment unit, the court may consider as grounds for denial any violation of any provision of this chapter. In addition, a court determination that the action was brought in retaliation for the exercise of any right conferred by this chapter shall also be grounds for denial. (1962 Code § 11-7.04)

#### **4-5-705: CIVIL REMEDIES:**

Whenever it is necessary for any tenant to file a court action to recover the payment of rent which was in excess of the maximum lawful rent allowed by the provisions of this chapter, or to collect any relocation fee provided for in this chapter, or whenever it is necessary for the tenant to defend against any wrongful action filed in court against the tenant by the landlord to recover the possession of the tenant's apartment unit, the landlord shall be liable to the tenant for damages in the amount of five hundred dollars (\$500.00) or not more than three (3) times the amount by which the payment or payments demanded, accepted, received, or retained exceed the lawful amount of rent or relocation fees due to the tenant, whichever is greater. The prevailing party in any such suit shall be entitled to reasonable attorney fees and costs as determined by the court. (1962 Code § 11-7.05)

#### **4-5-706: PENALTIES:**

Any person violating any of the provisions, or failing to comply with any of the requirements, of this chapter shall be subject to the penalties and punishment of title 1, chapter 3 of this code. (1962 Code § 11-7.06)

#### **4-5-707: ADMINISTRATIVE PENALTIES:**

No building, demolition, or moving permit shall be issued unless the applicant therefor has complied with all the provisions of this chapter applicable to the apartment unit or units on which the proposed work is to be done. No final map shall be approved unless it is found that the subdivider has complied with all the provisions of this chapter or any prior law of the city relating to rent stabilization applicable to the subdivision at the time the tentative map was approved. (1962 Code § 11-7.07)