



Tenant Workshop: City of Bell Gardens Rent Stabilization and Tenant Eviction Protections Ordinance (RSTPO)

How did we get here?

- City Council
- Ad Hoc Committee
- Stakeholders and Public Input



Rent Control vs. Rent Stabilization: What's the Difference?

- Rent control freezes rent payments so they can't increase
- Rent stabilization only allows rent payments to increase by a small percentage each year
- There are strict regulations you need to meet in order to qualify for one of these types of apartments



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October 24, 2019

3 Minute Read

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Simply put, rent control and rent stabilization regulate apartment prices to protect tenants from unfair rent increases and to keep housing affordable for renters, while still allowing property owners to increase rent at a regulated, fair rate.

Bell Gardens Housing

- Housing Stock
 - Approximately 9,984 housing units
 - ~ 10% built after 1995
- 77.8% of units are renter-occupied
 - 21.6% of rental properties are owner-occupied
- Rents (HUD Metro and Small Area Fair Market Rents)
 - LA County FMR: \$1,384 to \$2,933
 - Bell Gardens FMR: \$1,240 to \$2,690

What is the City of Bell Gardens Rent Stabilization and Tenant Evictions Protections Ordinance (RSTPO)?

- Local law that sets maximum annual rent increases and provides tenant protections from evictions for certain properties and tenancies.
- Provides a process for property owners to seek relief if rent is below fair market rates, for capital improvements pass-through and to petition for fair return.
- Effective October 12, 2022

What types of properties are covered by rent stabilization?

- Applies to all residential rental properties in the City unless fall under one of exempt categories
- Does not apply to commercial properties
- Mostly applies to apartments and multi-family properties
- Does include mobile homes, mobile home park spaces, and ADUs



Which units are exempt from rent stabilization regulations?

- Specific Exemptions
 - Built after February 1, 1995
 - Single-family residence, condominium, townhomes – title separately alienable
 - Owner-occupied and up to three units
 - Affordable housing, care facilities, short-term accommodations (hotels, motels, etc.)
 - Must apply for and be approved for exemption

How much can rent be raised?

Annual Rent Increase Limit (RIL):

Landlords may not increase rent by more than fifty percent (50%) of the change in CPI, or four percent (4%), whichever is **less**.

No floor.

EXAMPLE:

CPI is 9% or higher, RIL = 4%

CPI is 8%, RIL = 4%

CPI is 6%, RIL = 3%

CPI is 4%, RIL = 2%

CPI is 2%, RIL = 1%

CPI is 0% or negative, RIL = 0%

How are rent increase limits (RIL) calculated?

Base Rent:

Rent in effect on April 11 2022, or new tenancy, plus RIL.

Consumer Price Index (CPI):

Percentage change in CPI for Los Angeles-Long Beach-Anaheim area over prior 12-month period ending April of each year.

CPI April 2022 = 7.9%

Current RIL = 4%

- 7.9% x 50% rounded to nearest tenth of a percent

Effective through October 31, 2023

Do other regulations apply to rent increases?

- Only one increase per year permitted
- Landlords cannot “bank” unused allowable increases
- Must receive 30-day notice from landlord prior to rent increase
- Landlord may set initial rent for new tenancies after unit vacated

What if rent is below market?

- Rent < 80% of “fair market rent” (FMR) for “comparable unit”, additional increase up to 3% may be allowed
- FMR based on most recently published HUD Small Area Fair Market Rents for 90201
- Example:
 - Two-bedroom unit base rent = \$1400
 - \$1880 FMR x 80% threshold = \$1,504
 - Total allowable increase:
 - \$1400 x 7% (4% plus 3% FMR increase) = \$98
 - New rent: \$1498 per month

The FY 2023 Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area Small Area FMRs for All Bedroom Sizes in ZIP Code 90201

FY2023 SAFMRs By Unit Bedrooms				
<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
\$1,300	\$1,480	\$1,880	\$2,440	\$2,680

Can capital improvement costs be passed through to tenants?

- Landlord may pass-through 50% of CI costs to tenants
 - At least five years useful life
 - Excludes regular maintenance, wear & tear
- Department approval and notice required
- Cannot exceed 5% of rent (cost-amortization period may be extended)
- CI pass-through not considered rent. Listed as separate line item.

Can landlord increase rent above annual limit?

- Owner has right to fair and reasonable return.
- May petition for rent increase above RIL
- Department approval required per guidelines
- Max increase cannot exceed 10%

Can tenants be evicted for any reason?

- Landlord must have “Just Cause” grounds for eviction
 - At fault
 - No fault
- Eviction protections apply to all rental units in the City for any tenancies after 12 months

What are at-fault reasons for evictions?

- Failure to pay rent
- Violate material term of lease
- Waste, nuisance, illegal purpose
- Failure to sign substantially similar lease
- Assign or sublet in violation of lease
- Refuse access for necessary repairs after notice
- Failure to vacate after termination of employment
- Failure to vacate after notice of intent to terminate

What are no-fault reasons for evictions?

- Demolish unit
- Withdraw property permanently from rental market pursuant to state law (Ellis Act)
- Comply with government order
- Owner move-in: Landlord or family use as primary residence
 - Vulnerable groups (seniors, disabled, low-income, terminally ill) additional protections

Do landlords need to provide tenants relocation assistance?

- Tenant entitled to relocation assistance for no-fault evictions
- Permanent displacement
 - 3 x monthly rent
 - 4 x monthly rent if “qualified tenant”
- Temporary displacement (repairs, unit untenable)
 - per diem or comparable accommodations

Are buy-out agreements permitted?

- Owner can pay tenant to vacate unit
- Must provide disclosure notice of tenant rights:
 - Right not to enter into buyout negotiations/agreement
 - May consult with attorney
 - May rescind agreement up to 30 days after signing
 - May contact Department for information
- Must be in language tenant understands
- Copy of final agreement to tenant and City

Are tenants protected from retaliatory evictions and harassment?

- Retaliation and harassment is prohibited
 - Cannot evict because tenant exercises rights
- Landlord and agents **cannot**:
 - Fail to provide services that violate laws, lease
 - In bad faith, fail to do repairs, accept rent, ask for information that violates right to privacy
 - Abuse right of access
 - Try to influence tenant to vacate through misrepresentation, intimidation
 - Threaten tenant with physical harm or language to induce fear or provoke violence
 - Violate discrimination laws (race, gender, age)
 - Interfere with rights of tenants to organize

Do owners have to register their rental unit(s) with the City?:

- Owners must register all units by September 30, 2023
 - After initial registration, update after new tenancy or change in tenancy or ownership
- Information required
 - Property, unit, tenant - year built, # of units, rent, bedrooms, housing services, commencement date

Is there a fee to register rental unit(s) with the City?:

- Must pay annual fee for each registered unit
 - By September 30 each year
 - Fee set by Council resolution following fee study
 - Fee waived for owner-occupied property with up to four units
- May pass-through 50% of fee to tenant
- Other cities fees range \$28 - \$234/unit each year

How is the RSTPO enforced?

- Department oversight authority
 - Establish procedures and guidelines
 - Rent board
- Admin Review, Citations and Appeals
 - Appeal decisions to hearing officer
 - May seek judicial review
- Tenants may assert affirmative defense

Timeline/Key Dates

Effective Date ~ October 12, 2022 (30 days following adoption)

- Initial Implementation

- Available October 2022
 - Release of Frequently Asked Questions
 - Release of Petition Forms
 - Interim Registry
- Nov 2022 – Sept 2023
 - RFP fee study
 - Staffing
 - Policies and procedures, updated forms, website
 - Continue outreach and education (tenants and landlords)

- Administration

- Rent registry operational – by September 30, **2023**
- Rent fees established
- Ongoing administration and enforcement

Tips and Resources

- Know your rights
- Don't sign anything you don't understand
- Follow the lease agreement
- Maintain written records
- Reach out to City staff with any questions or concerns
- Seek legal counsel

Tips and Resources

NOW AVAILABLE! EVICTION LEGAL DEFENSE & RENTAL ASSISTANCE



Full legal representation is now available to Bell Gardens tenants if they have been threatened with eviction thanks to the Permanent Local Housing Allocation (PLHA) grants the City received in 2020 and 2021!

The State recently notified recipients that the funding has been approved for legal aid and is now available. Please contact the hotlines in **red** below or contact the Community Development Department at (562) 806-7724 if you cannot reach someone at Stay Housed LA.

Eligibility Requirements:

Tenants seeking free limited or full-scope legal representation and/or short-term rental assistance must meet the following criteria:

- Have received a Notice to Terminate Tenancy, a formal Unlawful Detainer (UD) complaint, or a Notice to Vacate (lockout notice); experienced harassment or retaliation from their landlord for exercising their rights; be experiencing a COVID-19 dispute with their landlord; and/or be experiencing a housing issue that could lead to displacement.
- Reside within the boundaries of Los Angeles County.
- Have a household income at or below 50% Area Median Income (AMI), defined as \$59,100 a year for a family of four or \$41,400 a year for a single person household, and/or receive public benefits, such as Medi-Cal, CalFRESH, CalWORKs, General Assistance (GA)/General Relief (GR), Supplemental Security Income (SSI), etc.

Resources:

Stay Housed L.A. County website: www.stayhousedla.org
Stay Housed L.A. County hotline: (888) 694-0040
Department of Consumer & Business Affairs (DCBA), Housing & Tenant Protections website: rent.lacounty.gov
DCBA Housing & Tenant Protections email: rent@dcbalacounty.gov
DCBA tenant & landlord hotline: (833) 223-RENT (7368)



¡YA DISPONIBLE! DEFENSA LEGAL DE DESALOJO Y ASISTENCIA DE ALQUILER



¡La representación legal completa ahora está disponible para los inquilinos de Bell Gardens si han sido amenazados con desalojo gracias a las subvenciones de Asignación de Vivienda Local Permanente (PLHA) que la Ciudad recibió en 2020 y 2021!

El Estado notificó recientemente a los beneficiarios que la financiación ha sido aprobada para asistencia legal y ahora está disponible. Comuníquese con las líneas directas en **rojo** a continuación o comuníquese con el Departamento de Desarrollo Comunitario al (562) 806-7724 si no puede comunicarse con alguien en Stay Housed LA.

Requisitos de elegibilidad:

Inquilinos que busquen representación legal gratuita limitada o completa y/o asistencia de alquiler a corto plazo deben cumplir con los siguientes criterios:

- Haber recibido un Aviso para rescindir el arrendamiento, una queja formal por retención ilícita (UD) o un Aviso para desalojar (aviso de cierre patronal); experimentó acoso o represalias por parte de su arrendador por ejercer sus derechos; estar experimentando una disputa de COVID-19 con su arrendador; y/o estar experimentando un problema de vivienda que podría conducir al desplazamiento.
- Residir dentro de los límites del condado de Los Ángeles.
- Tener un ingreso familiar igual o inferior al 50% del ingreso medio del área (AMI), definido como \$59,100 al año para una familia de cuatro o \$41,400 al año para un hogar de una sola persona, y/o recibir beneficios públicos, como Medi-Cal, CalFRESH, CaWORKs, Asistencia General (GA)/Ayuda General (GR), Seguridad de Ingreso Suplementario (SSI), etc.

Recursos:

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Tips and Resources (cont.)

- Fair Market Rent Documentation may be accessed through the HUD website:
https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2023_code/2023zip_code_calc.odn?zcta=90201&metro_code=METRO31080M4480&year=2023&hypo=hypo
- CPI documentation can be found at:
https://www.bls.gov/regions/west/news-release/consumerpriceindex_losanjeles.htm
- Legal Aid Foundation of Los Angeles (LAFLA) <https://lafla.org/>
- Stayhoused LA – <https://www.stayhousedla.org/>
- City website www.BellGardens.org

Q & A

