

Rent Stabilization and Tenant Eviction Protections Ordinance (RSTPO)

Frequently Asked Questions

Q: What is the Rent Stabilization and Tenant Eviction Protections Ordinance?

A: The City of Bell Gardens Rent Stabilization and Tenant Eviction Protections Ordinance (RSTPO) No. 925 is a local law that limits rent increases above the allowable limit within a 12-month period and provides tenant eviction protections for certain residential rental units within the City boundaries.

Q: When did the RSTPO become effective?

A: The RSTPO went into effect on October 12, 2022.

Q: Which rental units are subject to the rent stabilization regulations?

A: All residential dwelling units in the jurisdictional boundaries of the City unless exempt.

Units exempt from rent restrictions include:

- Any rental unit with a certificate of occupancy or equivalent issued after February 1, 1995.
- Any unit separately alienable (i.e. single family residence, condominiums, townhomes).
- A rental unit on a property with a maximum of three units that is owner-occupied.

Q: What is the Maximum Allowable Rent (MAR) increase for covered rental units?

A: The annual rent increase limit is the lesser of 50% of the change in the Consumer Price Index (CPI) or one point nine percent (1.9%).

The current maximum allowable rent increase is one point nine percent (1.9%) through October 31, 2024.

Q: How is the MAR increase limit calculated?

A: The annual rent increase limit is based on the percentage change in the Consumer Price Index (CPI) for Los Angeles-Long Beach-Anaheim area over the prior 12-month period ending April of each year. The annual limit is published by the Department by September 30 of each year.

April 2023 CPI = 3.8%¹

Current rent increase limit = 1.9%

Calculation: $3.8\% \times 50\% = 1.9\%$ (rounded to nearest tenth of a percent)

Q: What is the Consumer Price Index (CPI)?

A: “Consumer Price Index” or “CPI” refers to inflation. Specifically, it means the Consumer Price Index for all urban consumers of the Los Angeles-Long Beach-Anaheim, California area, published by the U.S. Department of Labor, Bureau of Labor Statistics, or any successor. For purposes of establishing the permitted annual rent increases, “change in CPI” means the percentage change in CPI over the previous 12-month period ending in April of each year.

Q: Can a property owner “bank” unused rent increases?

A: No. Unused portions of the annual limit in any year may not be added to rent increases in future years.

Q: What is considered rent for purposes of the RSTPO?

A: Rent includes all payments paid by a tenant to a landlord for the use or occupancy of a rental unit, including housing services provided by landlord related to the use or occupancy of the unit.

¹ Source: <https://www.dir.ca.gov/OPRL/CPI/PresentCCPIchange.PDF>
https://www.bls.gov/regions/west/news-release/pdf/consumerpriceindex_losanageles.pdf

Q: Is my property exempt from the State of California Rent Control?

A: Please refer to Section (e) of Assembly Bill No. 1482 (Tenant Protection Act of 2019):

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1482

A list of exempt properties and units are listed.

Q: What is the State rent control?

A: 5% plus the percentage change in the cost of living, as defined, or 10%, whichever is lower.

Q Can utilities be charged separately from rent?

A: Yes, if utility charges are billed separately to a tenant by the utility company. Landlords may contact utility companies directly for inquiries regarding submetering.

Q: Can an owner raise rents by more than the annual limit if the current rent is below market?

A: Yes. If the current rent is less than 80% of Fair Market Rents (FMR), owners may increase rent by more than the allowable limit by an amount not to exceed three percent (3%). Landlords must file an application and obtain approval from the Community Development Department prior to imposing an FMR increase.

FMR is based on the most recently published HUD Small Area Fair Market Rents calculated for the Bell Gardens Zip Code for a comparable unit.

For example:

HUD Fair Market Rent for a two-bedroom unit = \$2,090.

FMR 80% threshold = \$2,090 x 80% = \$1,672

Current base rent = \$1,400

Total permitted increase = 4.9% (1.9% annual limit + 3% FMR adjustment) x
 \$1400 = \$69
 New rent = \$1,469

The current Small Area FMR for Bell Gardens is:

The FY 2024 Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area Small Area FMRs for All Bedroom Sizes in ZIP Code 90201

FY2024 SAFMRs By Unit Bedrooms				
Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
\$1,460	\$1,650	\$2,090	\$2,680	\$2,960

Q: What is a fair return petition?

A: Property owners may petition for a rent increase above the annual limit if they can demonstrate that they are not receiving a fair return on the property based on Department guidelines. There is a rebuttable presumption that net operating income (NOI) earned in the base year plus permitted annual increases provide a fair return.

Q: Can capital improvement costs be passed through to tenants?

A: Yes. Landlords may pass through 50% of costs related to certain capital improvements with Department approval. Allowable pass-throughs are not considered rent and should be listed as a separate line item and cannot exceed five percent (5%) of rent.

Q: Can an owner increase rent to market rate or higher following a vacancy?

A: Yes. An owner may set the initial rent for new tenancies after a unit has been vacated.

Q: Do all rent increases need to be approved by the City?

A: No. Annual allowable rent increases and rents set for new tenancies for vacant units do not require City approval.

Q: Is notice required before increasing rent?

A: Yes. A landlord must provide a tenant with at least thirty (30) days written notice before imposing a rent increase.

Q: Can a landlord increase the security deposit?

A: Yes. A landlord may increase a security deposit at the time of the annual rent increase. Any increase to the security deposit must be clearly stated in the notice of increase and cannot exceed the maximum amount authorized by State law.

Q: Which rental units are subject to the tenant eviction protections regulations?

A: All residential rental units in the City with a lawful tenancy of twelve (12) months or more.

Q: Can a tenant be evicted for any reason.

A: If the rental unit is subject to the tenant eviction protections regulations, tenants can only be evicted for “Just Cause” reasons listed below, which are broken into two categories: At-fault and No-fault.

At-fault: Landlords may evict a tenant for the following “for cause” or “at fault” reasons:

- Failure to pay rent within three days of receiving notice from landlord demanding payment
- Material breach of the lease agreement
- Creating waste or nuisance, or using unit for illegal purposes
- Failure to sign a substantially similar lease
- Assign or sublet in violation of lease agreement
- Refuse reasonable access to landlord for necessary repairs after notice
- Failure to vacate after termination of employment
- Failure to move out after providing landlord notice of intent to terminate

No-Fault: Landlords may evict a tenant for the following “no-fault” reasons:

- Landlord or their immediate family wishes to move into the rental unit for use as their primary residence
- To demolish the unit
- To remove the property permanently from the rental housing market per State law (Ellis Act)
- To comply with a government order

Q: Does a landlord need to provide relocation assistance for “no-fault” evictions?

A: Yes. If a tenant is evicted for a “No-Fault” reason, landlords are required to pay relocation assistance for permanent displacement in an amount equal to three (3) times the tenant's monthly rent. Certain “qualified tenants” (seniors, families with children, low-income households and tenancies of five years or more) are entitled to four (4) times the monthly rent. If a tenant is temporarily displaced to complete repairs that cannot be done while the tenant remains in the unit, landlords are required to provide a per-diem payment or comparable accommodations.

Q: Are buy-out agreements permitted?

A: Yes. Property owners may pay a tenant to vacate a unit, so long as they provide the following disclosures of tenant rights:

- Has 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

All noticing must be in a language the tenant understands.

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

A: Yes. All rental units, including exempt rentals, will be required to be registered. The interim registry will be available October 17, 2022. Landlords are required to register all rental units, on or before September 30, 2023. After initial registration, landlords must update the registration following changes in tenancy or ownership.

NOTE: The Department is currently accepting interim registration forms from landlords who wish to submit petitions for a Fair Market Rent adjustment or a Capital Improvement pass-through. Please check our website for updates regarding the Rental Unit Registry.

Q: Are landlords required to pay a fee for rental units registered with the City?

A: Yes. Landlords are required to pay an annual fee for each rental unit registered with the City commencing September 30, 2023. The fee will be set by Council resolution following a fee study. Landlords can pass-through half of the fee to tenants. The fee will be waived if the property is owner-occupied and has four (4) or fewer rental units.

Q: Are tenants protected from retaliatory evictions and landlord harassment?

A: Yes. Retaliation and harassment is prohibited. Property owners cannot evict because tenants exercise their rights. In addition, landlords and agents cannot:

- Fail to provide services that violate laws or the lease
- In bad faith, fail to do repairs, accept rent, or ask for information that violates right to privacy
- Abuse the owner's right of access
- Try to influence a tenant to vacate through misrepresentation or intimidation
- Threaten a 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

Q: If I sell my property, do the new owners have to maintain the same rent?

A: Yes, the new owners are subject to the existing lease/rental agreement but may enter into a new agreement provided it is substantially similar.

Q: What if a landlord or tenant has violated the RSTPO?

A: Contact the Department at 562-806-7700 to speak with a staff member and learn more about what steps can be taken.

Q: Where can I get more information?

A: Visit the City website at www.BellGardens.org or email Housing@BellGardens.org.