

Bond Case Briefs

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MUNICIPAL ORDINANCE - CALIFORNIA

1300 N. Curson Investors, LLC v. Drumea

Court of Appeal, Second District, Division 8, California - April 4, 2014 - Cal.Rptr.3d - 2014 WL 1338659

Landlord brought action against tenants for declaratory relief, ejectment, and damages. The Superior Court denied summary judgment for landlord and entered stipulated judgment for tenants. Landlord appealed.

The Court of Appeal held that landlord properly imposed cumulative rent increases on tenant for years when tenant was resident manager.

Under rent stabilization ordinance providing that if a “resident manager was already a tenant in the unit before being appointed resident manager, the rent charged to the resident manager upon termination of managerial services shall not exceed the rent the tenant had already been paying plus annual adjustments,” a landlord was authorized to charge a former manager tenant with all of the annual adjustments authorized under the ordinance for the years when tenant lived in her apartment rent-free in exchange for acting as resident manager, even though the building’s former landlords did not serve tenant with annual registration statements and notices of rent increases during the time that tenant did not pay rent, and notwithstanding ordinance providing that a landlord may not “demand or accept rent” without first giving each tenant a copy of the annual registration statements and notices of rent increases.

Under rent stabilization ordinance providing that when a resident manager pays partial rent “only the partial rent payments shall be subject to the annual adjustments authorized,” it logically follows from the requirement that the landlord must give notice of increases in partial rent payments that the landlord has no obligation to give notice of what the increase would have been if the manager were paying the full rental value of the unit.