

Rent Stabilization Update

July 2017

ANNUAL ALLOWABLE RENT ADJUSTMENT

The annual allowable rent increase for rental units subject to the Rent Stabilization Ordinance (RSO) for the fiscal year from July 1, 2017 through June 30, 2018 is **3%**. (LAMC 151.07A.6)

INTEREST ON SECURITY DEPOSITS

The interest rate for tenant security deposits in 2017 is **.07%**. Alternatively, the landlord may provide the tenant a copy of the bank statement and pay the actual rate of interest earned.

PASSTHROUGH OF ANNUAL RENTAL UNIT REGISTRATION FEE

The Rent Stabilization Ordinance allows that fifty percent (50%) of the paid registration fee (\$12.25) can be passed on to the tenant. This fee can only be collected in the month of **August** provided a written 30-day notice has been given to the tenant. (Prior to 2017, this fee could only be collected in the month of June.)

TENANT RELOCATION ASSISTANCE AMOUNTS



No-fault evictions under the RSO require the payment of relocation assistance. The amount of relocation assistance depends on whether the tenant is an Eligible or Qualified tenant, the length of tenancy, and the tenant's income.

Relocation Assistance Amounts - July 1, 2017 through June 30, 2018

	Tenants with Less Than 3 Years	Tenants with 3 or More Years	Income Below 80% of Area Median Income*	Evictions for Owner Occupancy In "Mom & Pop" Properties
Eligible Tenant	\$ 8,050	\$ 10,550	\$ 10,550	\$ 7,750
Qualified Tenant	\$ 16,950	\$ 20,050	\$ 20,050	\$ 15,550

Note: "Qualified tenants" include senior citizens and disabled tenants as well as households with a minor dependent child. All other tenants are "Eligible" tenants.

2017 HUD Low Income Limits for Los Angeles

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$50,500	\$57,700	\$64,900	\$72,100	\$77,900	\$83,650	\$89,450	\$95,200

A lower relocation assistance payment is required for evictions for owner occupancy for “Mom and Pop” properties. “Mom and Pop” landlords may own no more than four residential units and a single-family house in the City of Los Angeles. (LAMC 151.30.E) These landlords may pay a lower amount in order to evict for occupancy by the landlord, or the landlord’s spouse, children, parents, grandparents, or grandchildren. Use of this provision is limited to once every three years. A landlord may appeal a tenant’s eligibility for higher levels of relocation assistance based on the tenant’s income, age, length of tenancy, family status or disability. The fee to file an appeal is \$200 per rental unit to cover the administrative costs of the appeal hearing. (Ordinance 181744)

SEISMIC RETROFIT PROGRAM



The Los Angeles Seismic Retrofit Work Ordinance became effective on February 12, 2016. This Ordinance limits the percentage of costs related to mandatory seismic retrofitting that can be passed from owners to their tenants to 50% of the total cost of the work required by the Earthquake Hazard Reduction Ordinance (EHRO) effective November 22, 2015. Since renovation work may result in temporary or permanent displacement of tenants, a Tenant Habitability Plan (THP) or THP Waiver is required. Landlords may apply to HCIDLA for cost recovery of up to 50% of the total seismic work cost, through a temporary monthly rent surcharge of up to \$38 per month for 120 months. Property owners are encouraged to attend the HCID workshops which will be held throughout the month of July 2017, to learn about the Seismic Retrofit Program and allowable rent adjustments. For additional information regarding the Seismic Retrofit Ordinance, please refer to:

	<p>For the necessary steps to obtain permits including clearances and required documentation to initiate the retrofit, contact the Los Angeles Department of Building & Safety:</p>	
	<p>Soft-Story Retrofit Unit 201 N. Figueroa St., Suite 890 (213) 482-SOFT (7638) Soft-storyretrofit@lacity.org</p>	<p>Office Hours 7:30 AM - 4:30 PM - Mon, Tues, Thu, Fri 9:00 AM - 4:30 PM - Wed http://ladbs.org/soft-story</p>
	<p>For Tenant Habitability Plan and cost recovery applications, contact the Housing and Community Investment Department (HCIDLA):</p>	
	<p>Tenant Habitability Program Unit (213) 252-1464 hcidla.code.seismic@lacity.org http://hcidla.lacity.org/tenant-habitability-program</p>	<p>Cost Recovery Applications & RSO Information: (866) 557-RENT (7368) hcidla.rso@lacity.org http://hcidla.lacity.org</p>

“QUICK” GUIDE TO THE RSO

For a basic summary of your rights and responsibilities as a tenant or landlord of a rental property covered by the Los Angeles RSO, check out our Tenant and/or Landlord pocket guides, available online in both English and Spanish at <http://hcidla.lacity.org/home-for-renters>.

HCIDLA VALLEY (NORTH) REGIONAL OFFICE HAS RE-LOCATED

Please note that our Valley Regional office previously located on Van Nuys Blvd has re-located to 6400 Laurel Canyon Blvd., Suite #610, North Hollywood CA, 91606. Hours of operation continue to be the same, 9:00 AM to 4:00 PM, Monday thru Friday except during City holidays.

WEST REGIONAL OFFICE CHANGE OF SERVICE HOURS

Please note that our West Regional office located at 1645 Corinth Ave., Suite # 104, Los Angeles CA, 90025 is now open only Monday, Wednesday & Friday, 9:00 AM to 4:00 PM (Closed 12:00 PM to 1:00 PM).

TENANT BUYOUT AGREEMENTS “CASH FOR KEYS”

A “Cash for Keys” or Buyout Agreement is a written agreement where a landlord pays a tenant money or other consideration to voluntarily move out of their rent stabilized unit. Under the RSO, a landlord must provide the tenant with an RSO Disclosure Notice before the landlord and tenant sign the Buyout Agreement. Buyout Agreements are voluntary and a tenant is not required to accept a buyout offer. Refusing to sign a Buyout Agreement is not a legal reason for eviction under the RSO. All Buyout Agreements must be in the language of the tenant and must indicate the RSO relocation amounts and state that a tenant may rescind a Buyout Agreement within 30 days or at any time if requirements are not met and filed with HCIDLA. To learn more about the Tenant Notification Buyout Agreement Program, please visit hcidla.org/buyout-agreements.

ELLIS AMENDMENTS (Ordinance No. 184873)

Effective June 4, 2017, the City Council amended the RSO requirements for demolition or permanent withdrawal of RSO units from the rental housing market (“Ellis”). The amendments are designed to improve enforcement of the RSO provisions by clarifying that:

- The RSO provisions apply to all units, whether occupied or vacant;
- The withdrawal process must be re-started if withdrawn units are re-rented;
- All tenants who have lived in their rental units for one or more years are entitled to relocation services, even if the tenants waived relocation funds;
- Property owners must file annual status reports on withdrawn properties.

Additionally, the amendment strengthened the criteria for an exemption from the RSO for replacement units. Under the revised rules, landlords may qualify for an exemption on the newly constructed units where RSO units are demolished by providing affordable units in a number which is at least the number of units demolished or 20% of the newly constructed rental units, whichever is *greater*. Properties which have completed the Plan Check process and paid Plan Check fees by June 3, 2017, may apply under the prior criteria. Additionally, the RSO allows property owners to apply for a hardship exemption if they can document that they would incur an undue financial hardship arising from detrimental reliance on the prior ordinance provisions. Hardship exemptions must be filed within 90 days from the effective date of the Ordinance; therefore, hardship exemption applications must be filed with HCID by **September 3, 2017**.

RENT STABILIZATION ORDINANCE AMENDED

The City Council amended the RSO effective April 30, 2017 (Ordinance No. 184822). The changes address relocation assistance for unpermitted rental units. The amendment also requires that eviction notices must list one of the permitted RSO eviction reasons. A copy of the ordinance, which includes other technical changes, may be found at cityclerk.lacity.org and a more detailed overview can be found on the Fact Sheet on the next page of this document.

FREE LANDLORD/TENANT WORKSHOPS



Don't miss this year's FREE landlord/tenant workshops. A different topic is offered each month, and workshops are presented at several times and locations throughout the City. See our complete 2017 Workshop Schedule on the last page.



FACT SHEET

RSO TECHNICAL AMENDMENTS

Ordinance No. 184822 - Effective 4/30/2017

Rent Unit Definition (LAMC 151.02)

The RSO exempts dwellings, one family, except where two or more dwelling units are located on the same parcel. The amendment replaced “lot” with “parcel” since a lot can be split into multiple parcels owned by different property owners.

Housing Accommodations Subject to the RSO (LAMC 151.02)

This amendment affirms that a Temporary Certificate of Occupancy is the first Certificate of Occupancy issued for residential use. It also clarifies that post 10/1/1978 units may be subject to the RSO if they are replacement units demolished under the Ellis Act if offered for rent or lease within five years.

Eviction Due to Use of a Rental Unit for an Illegal Purpose (LAMC 151.09)

While the RSO does allow a landlord to evict when the tenant is using the rental unit for an illegal purpose such as drug or gang activity, the term illegal purpose does not include when a tenant is residing in an unpermitted rental unit, which the landlord himself has created and offered for rent.

Required Notice for RSO Evictions (LAMC 151.09)

All written notices to terminate a tenancy must indicate one of the permitted reasons to evict under the RSO and must be served in accordance with Code of Civil Procedure Section 1162.

Relocation Assistance (LAMC 151.09)

If an unpermitted rental unit is subject to a government order that requires the displacement of the tenant and the landlord has not corrected the violation within a reasonable time, the landlord must pay relocation assistance to the tenant of the affected rental unit within 15 days of receiving notice from the *tenant* of their intention to terminate tenancy.

Relocation Assistance Due to Events beyond the Control of the Landlord (LAMC 151.09)

In conformance with State law, if a rental unit becomes uninhabitable as a result of a fire, flood, earthquake, or other event beyond the control of the landlord, the payment of relocation assistance is not required.

Section 8 Tenancies (LAMC 151.04)

This section of the RSO has been repealed to be in conformance with State law. Although the cancellation of a Section 8 voucher is not a legal reason for eviction under the RSO, the tenant is not obligated to pay more than the tenant’s Section 8 portion of the rent until 90 days following receipt of the notice of termination of renewal of the Section 8 contract.

Central (Wilshire) Regional Office
3550 WILSHIRE BLVD., 15TH Floor
LOS ANGELES, CA 90010

East Regional Office
2215 N. BROADWAY
LOS ANGELES, CA 90031

South Regional Office
690 KNOX ST., Suite 125
LOS ANGELES, CA 90502



CD-8 Satellite Office
8475 S. VERMONT AVE., 2nd Floor
LOS ANGELES, CA 90044

West Regional Office
1645 CORINTH AVE., Suite 104
LOS ANGELES, CA 90025

North (Valley) Regional Office
6400 LAUREL CANYON BLVD., Suite 610
NORTH HOLLYWOOD, CA 91606

Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

FREE RENT STABILIZATION WORKSHOPS 2017

(REVISED MARCH 2017)

2017 LANDLORD-TENANT INFORMATIONAL WORKSHOP SCHEDULE & TOPICS PLEASE CALL (213) 928-9075 TO RSVP	WILSHIRE 3550 WILSHIRE BLVD. 15 TH FLR 2 ND WEDNESDAY 2:00 PM	SOUTH 690 KNOX ST. 2 ND TUESDAY 10:00 AM	GARLAND 1200 W. 7 TH ST. 3 RD WEDNESDAY 6:30 PM	VALLEY 6400 LAUREL CANYON BLVD 3 RD THURSDAY 10:30 AM	WEST L.A. 1645 CORINTH AV. 4 TH WEDNESDAY 10:30 AM	EN ESPAÑOL GARLAND 1200 W. 7 TH ST. LAST THURSDAY 6:30 PM
JANUARY: THE RENT REGISTRY PROGRAM LANDLORD RESPONSIBILITIES UNDER THE RSO	JAN. 11	JAN. 10	JAN. 18	JAN. 19	JAN. 25	JAN. 26
FEBRUARY: EVICTIONS & THE BUYOUT NOTIFICATION PROGRAM - "CASH FOR KEYS"	FEB. 8	FEB. 14	FEB. 15	FEB. 16	FEB. 22	FEB. 23
MARCH: RENT INCREASES ALLOWED IN RSO RENTAL UNITS	MARCH 8	MARCH 14	MARCH 15	MARCH 16	MARCH 22	MARCH 30
APRIL: ELLIS/PERMANENT REMOVAL FROM THE RENTAL HOUSING MARKET – TENANT PROTECTIONS	APRIL 12	APRIL 11	APRIL 19	APRIL 20	APRIL 26	APRIL 27
MAY: SYSTEMATIC CODE ENFORCEMENT PROGRAM (SCEP)	MAY 10	MAY 9	MAY 17	MAY 18	MAY 24	MAY 25
JUNE: ELLIS/PERMANENT REMOVAL FROM THE RENTAL HOUSING MARKET - REQUIREMENTS FOR LANDLORDS & PROPERTY OWNERS	JUNE 14	JUNE 13	JUNE 21	JUNE 15	JUNE 28	JUNE 29
JULY: SEISMIC RETROFIT PASSTHROUGHS & TENANT HABITABILITY PLANS (THP'S)	JULY 12	JULY 11	JULY 19	JULY 20	JULY 26	JULY 27
AUGUST: RSO BASICS & UPDATES	AUG. 9	AUG. 8	AUG. 16	AUG. 17	AUG. 23	AUG. 31
SEPTEMBER: FAIR HOUSING & SMOKE-FREE RENTAL HOUSING	SEPT. 13	SEPT. 12	SEPT. 20	SEPT. 21	SEPT. 27	SEPT. 28
OCTOBER: BE AN INFORMED L.A. RENTER	OCT. 11	OCT. 10	OCT. 18	OCT. 19	OCT. 25	OCT. 26
NOVEMBER: TENANT PROTECTIONS DURING FORECLOSURE/FORECLOSURE REGISTRY	Nov. 8	Nov. 14	Nov. 15	Nov. 16	Nov. 22	Nov. 30
DECEMBER: PETS IN RENTAL HOUSING	SPECIAL DECEMBER SCHEDULE TIMES & SCHEDULE TO BE ANNOUNCED					

YEAR-ROUND DROP IN SESSIONS

ASSISTANCE WITH RSO & APPLICATIONS – HELP WITH CALCULATING ANNUAL ALLOWABLE RENT INCREASE, CAPITAL IMPROVEMENT, PRIMARY RENOVATION, & JUST & REASONABLE RENT INCREASE APPLICATIONS, DECLARATIONS OF INTENT TO EVICT, & FILING TENANT COMPLAINTS.

1ST TUESDAY OF THE MONTH: 2:00 P.M. – 4:00 P.M.

NOTE: MUST RESERVE IN ADVANCE. SESSION WILL NOT BE HELD IF RESERVATIONS ARE NOT RECEIVED ONE DAY PRIOR TO WORKSHOP. CALL (213) 928-9075 FOR A RESERVATION.

FAIR HOUSING RIGHTS CLINICS SPONSORED BY SOUTHERN CALIFORNIA HOUSING RIGHTS CENTER:

**CD 9 FIELD OFFICE: 4301 SOUTH CENTRAL AVE. L.A. 90011
EVERY TUESDAY & THURSDAY FROM 9:00 A.M. TO 12:00 NOON**

EVERY TUESDAY & THURSDAY @ CD 9 FIELD OFFICE FROM 9:00 A.M. TO 12:00 NOON

WEST L.A. REGIONAL OFFICE - 1645 CORINTH AVE. L.A. 90025, ROOM 104 – 2ND TUESDAY OF THE MONTH

2ND WEDNESDAY OF THE MONTH @ WEST L.A. REGIONAL OFFICE FROM 10:00 A.M. TO 12:00 NOON

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