

LANDLORD-TENANT HANDBOOK

for Rental Units subject to the
Rent Stabilization Ordinance



CITY OF LOS ANGELES
HOUSING DEPARTMENT
CUSTOMER SERVICE & INFORMATION



LOS ANGELES HOUSING DEPARTMENT

ANTONIO R. VILLARAIGOSA, MAYOR

MERCEDES M. MÁRQUEZ
GENERAL MANAGER

Telephone Hotline: (213) 808-8888
(866) 557-RENT Outside (213) area code
(213) 978-3231 TTY

Web page: www.lacity.org/lahd

The hotline and counter hours are from 9:00 am to 4:00 pm, Monday through Friday.

The City Council is the governing body of the City of Los Angeles and meets in regular session on Tuesdays, Wednesdays, and Fridays at 10:00 a.m. in the Council Chamber, Room 340, City Hall, 200 N. Spring Street, Los Angeles, California 90012-3710.

Those unable to attend regular Council sessions may dial one of the following numbers and listen to live coverage of the sessions.

From:	Downtown.....	(213) 621-2489
	West Los Angeles.....	(310) 471-2489
	San Pedro.....	(310) 547-2489
	San Fernando Valley.....	(818) 904-9450

Office Addresses: 3550 Wilshire Boulevard #1500
Los Angeles, California 90010-2314

6640 Van Nuys Boulevard
Van Nuys, California 91405-4617

3415 South Sepulveda Boulevard #150
Los Angeles, California 90034-6060

8475 South Vermont Avenue, 2nd Floor
Los Angeles, California 90044-3424

690 Knox Street, #125
Los Angeles, California 90502-1305

2215 North Broadway
Los Angeles, California 90031

This Handbook is offered free of charge to the general public.

As laws and guidelines are occasionally amended, it is recommended that you verify any recent information that may not be reflected in this handbook.

Revised: November 2006

TABLE OF CONTENTS

I. THE RENT STABILIZATION ORDINANCE (RSO)	1
A. Purpose	1
B. Scope	1
C. Qualifying Criteria	1
D. Exemptions	1
E. Rent Adjustment Commission	2
II. RENT STABILIZATION PROGRAM	3
A. Customer Service and Information	3
B. Billings Section	4
C. Rent Investigations Section	4
D. Case Analysis Section	4
E. Hearing Section	4
F. Rent Adjustment Commission (RAC)(LAMC 151.03)	4
G. Rent Escrow Account Program (REAP)	4
III. RENTAL UNIT REGISTRATION (LAMC 151.05, 151.15)	5
A. Rental Units Subject to the RSO	5
B. Exemptions (LAMC 151.02)	5
C. Registration Procedures	6
D. Registration of Rental Units by Mail	7
E. Registration Questions	8
IV. ALLOWABLE RENT INCREASES	10
A. Increases Requiring LAHD Approval/Declaration	10
1. Capital Improvement (LAMC 151.07 A1a)	10
2. Primary Renovation (LAMV 151.07 A 1d)	13
3. Rehabilitation Work (Cited)(LAMC 151.02)	17
4. Just and Reasonable (LAMC 151.07 B1)	18
B. Increases Not Requiring Approval/Declaration	19
1. Annual Allowable Rent Increase (LAMC 151.06 A)	19
2. Registration Fee Recoupment (LAMC 151.05 B)	21
3. Additional Tenant (LAMC 151.06 G)	21
4. Smoke Detectors (LAMC 151.06.1)	22
5. Managers as Tenants (LAMC 151.08 E)	23
6. Additional Services Contract (LAMC 151.18)	23
C. Rent Level After a Vacancy (LAMC 151.06 C)	24
V. PAYMENT OF INTEREST ON SECURITY DEPOSITS (Ord. 166368)	26

VI. EVICTIONS (LAMC 151.09)	28
A. Twelve Legal Reasons for Evictions (LAMC 151.09A)	29
B. Evictions Requiring the Filing of a Declaration	30
C. Evictions Not Requiring Prior Approval of a Declaration	31
D. Eviction Questions	31
VII. RELOCATION ASSISTANCE (LAMC 151.09G)	36
A. When is Relocation Assistance Required?	36
B. How Much is Required?	36
C. How and When Landlords Provide Payment	36
D. Exemptions (LAMC 151.09G4)	37
E. Relocation Assistance Questions	38
VIII. OCCUPANCY LIMITS (LAMC 151.05H)	39
IX. MOBILE HOME PARKS	40
X. TENANT RSO COMPLAINT PROCESS	42
A. Filing Procedures	42
B. The Investigation	43
C. Reduction in Housing Services	44
XI. SYSTEMATIC CODE ENFORCEMENT PROGRAM (SCEP)	46
A. What is the Systematic Code Enforcement Program?	46
B. How the Program Works	46
C. SCEP Questions	46
XII. RENT ESCROW ACCOUNT PROGRAM (REAP)	49
A. What is the Rent Escrow Account Program?	50
B. What is the Rent Reduction Determination?	50
C. How does REAP Work?	50
D. How does the Rent Reduction Work?	50
E. How is the Property Removed from REAP?	50
F. Tenant and Landlord Rights and Responsibilities	51
XIII. HEARINGS AND APPEALS	53
XIV. REFERRAL AGENCIES	55
XV. INDEX	65

I. THE RENT STABILIZATION ORDINANCE (RSO)

A. PURPOSE

The Rent Stabilization Ordinance (RSO), Chapter XV of the Los Angeles Municipal Code (LAMC) was enacted by City Council through Ordinance #152120 in 1978 and went into effect on May 1, 1979. The purpose of the RSO is to allow landlords a reasonable return on their investments while protecting tenants from excessive rent increases. The City Council is the legislative body with the authority to change or amend the RSO.

The Los Angeles Housing Department (LAHD) is responsible for administering the City's RSO. This function is funded entirely by the annual rental unit registration fees. As a result of this funding, administration of the RSO does not increase the City's tax base.

B. SCOPE

The Ordinance covers four broad categories:

1. Registration of rental units (LAMC 151.05);
2. Allowable rent increases (LAMC 151.06);
3. Legal reasons for eviction (LAMC 151.09);
4. Relocation assistance payable to the tenants for certain types of evictions (LAMC 151.09 G).

C. QUALIFYING CRITERIA

To be under the RSO of the City of Los Angeles, a property **must** meet the following three criteria:

1. The property must be in the City of Los Angeles;
2. There must be two (2) or more units on the lot;
3. The building must have a Certificate of Occupancy issued on or before October 1, 1978.

D. EXEMPTIONS

Properties exempt from the RSO are as follows:

1. Properties located in other municipalities or unincorporated areas within the County of Los Angeles;
2. Single family dwellings, used as such;
3. Properties with a Certificate of Occupancy issued after October 1, 1978 (new construction);

4. Government owned properties;
5. Units occupied by an owner or family member where no rents are collected;
6. Vacant units (10 days to register upon rental of the property);
7. Properties permanently removed from the rental market;
8. Luxury Housing Accommodations issued a Department Certificate;
9. Demolished RSO properties;
10. Schools/Hospitals;
11. Hotel/Motels - with tenancy under 30 days;
12. Non-profit owned units, with certain qualifications.

RENT ADJUSTMENT COMMISSION (RAC)

The RAC, consists of seven members who are neither landlords nor tenants of residential rental property and who are authorized by the RSO (Section 151.03 and 151.08) to issue orders and to promulgate policies, rules, and regulations which carry out the purpose of the Ordinance and other provisions of the Los Angeles Municipal Code to the extent that such provisions impact on rents.

The RAC has prepared guidelines and regulations for the implementation of: Major Rehabilitation, Capital Improvements, Just and Reasonable Rent Increases, and establishing Relocation Escrow Accounts just to name a few. Copies of the guidelines and regulations are available to the public upon request and free of charge. They may also be accessed at the Housing Department's website at www.lacity.org/lahd.

II. RENT STABILIZATION PROGRAM

A. CUSTOMER SERVICE & INFORMATION SECTION

The Public Information and Outreach Section provides information to rental property owners, tenants, and interested citizens regarding the full scope of the Rent Stabilization Ordinance and its respective mandated rights, requirements and habitability programs. This information is available by calling the LAHD Hotline, visiting the public counters listed below, or accessing the Department's web page at www.lacity.org/lahd. Information may also be requested by e-mail at rso@lahd.lacity.org.

Telephone Hotline - This telephone information service is staffed each business day from 9:00 am to 4:00 pm. After regular business hours, a voice mail system will accept messages and information requests for follow up. The Information Hotline numbers are as follows:

(213) 808-8888
(866) 557-RENT outside (213) area code
(213) 978-3231 TTY

Public Information Counters - Citizens may register properties, file landlord declarations, verify rental property registration, pay registration and Systematic Code Enforcement (SCEP) fees, file both rent and habitability complaints, and receive brochures and applications regarding current LAHD programs. The counter hours are from 9:00 a.m. to 4:00 p.m., Monday through Friday. Staff from the Customer Service and Information Section is also available to make presentations to schools, business, and community groups upon written request.

The LAHD offices are located at:

3550 Wilshire Boulevard, #1500
Los Angeles, CA 90010-2314

6640 Van Nuys Boulevard
Van Nuys, CA 91405-4617

3415 South Sepulveda Boulevard, #150
Los Angeles, CA 90034-6060

8475 South Vermont Avenue, 2nd Floor
Los Angeles, CA 90044-3424

690 Knox Street, #125
Los Angeles, CA 90502-1305

2215 North Broadway Street
Los Angeles, CA 90031

B. BILLINGS SECTION

The Billings and Collections Section handles the registration of rental units and collection of rent stabilization and code enforcement program fees, including late registration fees; delinquent fees; verification of registration status; and processes permanent exemption applications.

C. RENT INVESTIGATIONS SECTION

The Rent Investigations Section receives and processes tenants' complaints concerning violations of the Rent Stabilization Ordinance. These complaints may cover five areas:

1. Unit(s) not registered;
2. Notice to quit based on false and deceptive grounds;
3. Non-payment of relocation assistance fees;
4. Illegal rent increases; and
5. Illegal reduction of services.

D. CASE ANALYSIS SECTION

The Case Analysis Section receives and processes landlord applications for Capital Improvement surcharges, Rehabilitation Work (cited) rent increases, Just and Reasonable rent increases, Luxury Exemptions, non-profit certifications, Landlord Declarations of Intent to Evict, and applications for Re-rental Certificates.

E. LANDLORD DECLARATION SECTION

The Landlord Declaration Section receives and processes Landlord Declarations of Intent to Evict and applications for non-profit exemptions.

F. HEARING SECTION

The Hearing Section coordinates General Manager hearings for code violations and habitability complaints. This section also coordinates hearings in response to landlord and tenant appeals of Departmental decisions regarding rent adjustment and exemption certificate applications.

G. RENT ADJUSTMENT COMMISSION (RAC) (LAMC 151.03 A)

The Rent Adjustment Commission adopts and revises regulations that carry out the purposes of the Rent Stabilization Ordinance and hears appeals of General Manager decisions for certain habitability and rent increase cases.

H. RENT ESCROW ACCOUNT PROGRAM (REAP)

This program provides for the reduction of rent and placement of reduced rents into Rent Escrow Accounts for those rental properties with habitability deficiencies and violations of the Los Angeles Housing Code when owners have failed to comply with enforcement agency notices and/or orders. Tenants may deposit their reduced rents with the Los Angeles Housing Department until the landlord corrects the cited deficiencies.

III. RENTAL UNIT REGISTRATION (LAMC 151.05)

A. RENTAL UNITS SUBJECT TO THE RSO (LAMC 151.02)

The RSO applies to the entire City of Los Angeles, including San Pedro and the San Fernando Valley. Residential rental units covered by the RSO include: apartments, condominiums, town homes, duplexes, two or more dwelling units on the same lot, mobile homes, mobile home pads, and rooms in a hotel, motel, rooming house or boarding house occupied by the same tenant for thirty (30) or more consecutive days (LAMC 151.02).

Unless specifically exempted from RSO registration, an owner cannot legally collect from a tenant unless the owner has paid the annual rent registration fee and provided a copy of a valid registration statement to the tenant. Tenants may raise the non-payment of RSO registration and/or Systematic Code Enforcement Program fees by the owner as an affirmative defense against eviction of the tenant.

B. EXEMPTIONS (LAMC 151.02)

Rental units that are **exempt** from the provisions of the RSO include:

- Housing accommodations located in a structure for which the first Certificate of Occupancy was issued after October 1, 1978;
- Single family residential dwellings where only one dwelling unit exists on the lot (exemption shall not apply to duplexes or condominiums);
- Government-owned housing;
- Non-profit housing accommodations specifically exempted by the LAHD;
- Artist-In-Residence units where the owner has obtained from the Department of Building and Safety a conditional use permit for a change of the Certificate of Occupancy and meets the requirements specified in *Los Angeles Municipal Code Section 91.8501*;
- Luxury units issued a LAHD Exemption certificate;
- Substantially Renovated units issued a Los Angeles Housing Department certificate. (As of October 4, 1989, this exemption is no longer granted).
- Units occupied by the landlord or family members where no rents are collected. **This exemption must be requested on a yearly basis.**

Luxury Exemption - Luxury Exemptions require that an application be filed with the Case Analysis Section and that a certificate be issued from LAHD before the landlord can claim the unit as exempt. For further information, prospective applicants should obtain and review the Luxury Exemption Regulations that are available at the LAHD Public Information Counters, by e-mail at rso@lahd.lacity.org, or by calling LAHD's Public Hotline at (213) 808-8888 or (866) 557-RENT.

Substantial Renovation - The Substantial Renovation exemption was eliminated effective October 4, 1989. The exemption is applicable to only those rental units for which the landlord submitted an application for a certificate of exemption on or before October 4, 1989, and which were issued a certificate from the LAHD.

C. REGISTRATION PROCEDURES

Under the City's RSO, landlords may not demand or accept rent without first obtaining a valid rental unit registration certificate from the LAHD. Registration of rental units requires payment of annual fees (\$18.71 per unit) and providing an emergency phone number.

Only the property owner or his/her designated agent may register the rental units subject to the Rent Stabilization Ordinance. In cases of new ownership or first time registrants, legal ownership must be established by providing a copy of one of the following documents:

- Recorded Trust Deed;
- Recorded Grant Deed;
- Recorded Quit Claim Deed;
- Recorded Corporation Deed;
- Court Receivership papers; or
- Final Escrow Closing Statement.

New Owners - New owners have forty-five (45) days from the close of escrow or recording of the ownership change with the Los Angeles County Recorder's Office to register the rental units. No penalties are incurred for a previous owner's non-registration; however, no rent may legally be collected unless the units are currently registered. If registration fees are current, a new owner will not have to pay additional fees for the calendar year, but must change legal ownership on the registration record.

Yearly Registration Renewals - Landlords are required to renew their registration annually ***by the last day in February***. Renewal applications are mailed during the last week of December to all landlords whose property has a registration record on file with the LAHD. **If a landlord does not receive a renewal application, it is the landlord's responsibility to make certain the annual registration fee is paid between January 1 and the end of February to avoid any penalties.**

Registration Certificates – Certificates are issued in April of each year. Registration certificates are good from April 30 of the year registered through April 30 of the following year.

Payment Due Date and Penalties for Late Registration - *Both Systematic Code Enforcement Program and Rental Registration fees are due yearly and may be paid between January 1 to the last day in February.*

Beginning March 1st, the City assesses late charges of \$14.00 per rental unit for RSO registration and \$17.76 per rental unit for SCEP, which are added to the basic fees due. After July 1, the City sends out delinquent bills to landlords who have unpaid annual fees and assess additional penalties of \$14.00 for RSO registration and \$35.52 for SCEP which are added to the basic fees and the earlier late charge. Failure to pay the required fees may result in the additional collection efforts, including referral to a private collection agency which reports to credit bureaus and/or the filing of a legal action against the landlord by the City.

D. REGISTRATION OF RENTAL UNITS BY MAIL

Landlords who receive an annual Rental Unit Registration Application form are encouraged to register by mail. Each application includes an instruction sheet and a self-addressed return envelope. The landlord must complete the application form if there are any changes. Any changes regarding ownership, owner's address, telephone number and related information should be made to the pre-printed information on the form.

Exemptions are not automatically "carried over" from the previous year. If any of the exemptions listed on the application form apply, the required information should be provided and the number of units to be registered modified accordingly. Landlords who do not receive an application form may register their rental property by mail. The landlord must include the following information when registering *without* a preprinted application notice:

1. Exact street address of the property (use lowest house number on the lot –the Rent Stabilization Ordinance records are set up by the lowest number on county records);
2. Name and mailing address of the owner or owner's agent (include telephone number if available);
3. Number of units on the lot (total number of units before exemptions);
4. Number of units to be registered (may be less than the total units on the property due to exemptions);
5. Specific units to be exempted and the reason for exemption;
6. Exact dates of ownership. If property was purchased within 45 days, you must provide a copy of the document reflecting legal ownership; and check or money order payable to: City of Los Angeles-LAHD
7. Registration is not complete without the furnishing of an emergency phone number as required in Section 151.05B of the RSO. Please provide this information on your invoice when you submit your payment.

D. CLAIMING AN EXEMPTION FROM RSO REGISTRATION AND/OR SCEP FEES

Annual bills reflect the Los Angeles Housing Department's record of any permanent exemption, along with a temporary exemption for owner-occupancy if a Homeowner's Exemption is on file with the County Assessor. However, other exemptions must be re-asserted annually. To claim an exemption which is not

indicated on the annual bill, the landlord should follow the instructions provided with the annual bill.

Registration Questions

- ***What are the registration fees and penalties per unit?***

- **Regular Registration fee:** \$18.71 per unit
- **Late fee:** \$14.00 per unit plus the \$18.71 per unit regular fee if paid on or after March 1st.
(\$14.00 + \$18.71 = \$32.71)
- **Delinquent fee:** \$28.00 per unit plus \$18.71 per unit regular fee, due upon LAHD notification.
(\$28.00 + \$18.71 = \$46.71)

- ***Why must landlords register?***

The Los Angeles Municipal Code requires all owners of rental units who are subject to the Rent Stabilization Ordinance to register the units on a yearly basis **before** the owners can legally demand or accept rent (LAMC 151.05).

- ***Does a landlord pay a registration fee for every unit rented?***

No. There are exemptions if the unit qualifies and proof of qualification is given. The exemptions are listed on page 6.

- ***How can I find out if a unit is registered?***

Contact the Billings and Collections Section by telephone at (877) 614-6873 or (213) 808-8900, or by e-mail at Billing@lahd.lacity.org.

- ***Is a landlord allowed to pass through part of the registration fee to the tenant?***

Yes, the landlord may pass through \$9.35 of the \$18.71 annual rental unit registration fee to the tenant(s), as a lump sum surcharge payable during the month of June, provided the landlord has paid the fee and given a 30-day written notice.

- ***Are registration fees the only fees due for my rent-stabilized units?***

No. The annual Systematic Code Enforcement Program (SCEP) fee is also billed annually on the same bill as the annual rental unit registration fees. (See page 40.) Other fees which may be collected include: additional inspection fees, substandard fees, Rent Escrow Account Program (REAP) fees, and legal fees. You may call the number above if you have any questions about a bill.

- ***What part of the Systematic Code Enforcement Program fee may the pass through to the tenant(s)?***

A landlord may pass through 100% of the annual \$35.52 SCEP fee per rental unit in the form of a monthly surcharge of \$2.96, provided that the landlord has paid the SCEP fee and given the tenant a thirty-day notice.

- ***I did not receive a bill. Does that mean I do not have to pay?***

Annual bills are provided as a courtesy. However, the property owner is responsible for timely payment regardless of whether or not a bill is received.

- ***What do I do if I do not receive an annual rental unit registration/SCEP bill from the Los Angeles Housing Department?***

If you own rental property in the City of Los Angeles for which you did not receive an annual bill, call the Housing Department at (213) 808-8900.

- ***What should I do if the information on the annual bill is incorrect?***

The information on property owner and number of units is obtained from the County Assessor. Should the information on the annual bill be incorrect, or if you wish to use a different billing address in the future, please provide updated information on the front of the payment coupon. The Department encourages you to ensure that the information on file with the County Assessor for your property is current.

IV. ALLOWABLE RENT INCREASES (LAMC 151.07)

A. INCREASES REQUIRING PRIOR LAHD APPROVAL/DECLARATION

There are four types of rent increases that require either an application to be approved by or a declaration form be filed with the LAHD's Rent Stabilization Division. Department approval is required before the landlord can pass through any of these types of rent increase to the tenant. It is strongly recommended that landlords applying for Capital Improvement, Primary Renovation, Rehabilitation or Just and Reasonable rent increases obtain and read the applicable guidelines prior to filing. Incomplete or incorrect applications will be returned to the landlord.

The information may be obtained at LAHD's Public Information Counter, by calling the Public Information Hotline at (866) 557-RENT or (213) 808-8888, or by e-mail at rso@lahd.lacity.org, and requesting that this information be mailed.

NOTE - Once a rent increase is approved by LAHD, the landlord must serve a thirty (30) day written notice to the tenants, as required by California Law (Civil Code Section 827(2)(3)). If the rent is increased by more than 10% in a twelve (12) month period, a sixty (60) day written notice must be served.

1. CAPITAL IMPROVEMENT

A Capital Improvement is the addition or replacement of an item in the rental unit or common areas of the housing complex containing the rental units. A Capital Improvement must meet the following minimum criteria:

- a. The improvement must primarily benefit the tenant rather than the landlord;
- b. The improvement must have a life expectancy of five years or more;
- c. The improvement must be permanently fixed in place or relatively immobile;
- d. The application must be submitted within 12 months of the completion of the work;
- e. Normal routine maintenance is not a Capital Improvement.

Examples of Capital Improvements are: roofing; carpeting; stuccoing or painting the exterior of a building; garbage disposals; hot water heaters; meter conversions; smoke detectors; etc. (Refer to LAMC Chapter XV, Section 151.02, Definitions.)

Capital Improvement Surcharge

The following Capital Improvement provisions have been effective since October 1, 1989 (LAMC 151.07 A1a):

- A Capital Improvement increase is a temporary monthly surcharge, which must be removed from the rent after the allowable amount of time, normally 72 months.
- The Capital Improvement rent surcharge is 1/60th of fifty percent (50%) of the average per unit cost.
- Except as indicated below, Capital Improvement surcharges terminate after 72 months or six (6) years.
- **\$55 per month maximum surcharge.** The temporary monthly Capital Improvement surcharge is limited to \$55 per unit unless otherwise agreed upon in writing by the landlord and the tenant. If the surcharge as calculated (1/60 of 50%) exceeds \$55 per month, then the surcharge period of six (6) years may be extended until the allowable Capital Improvement expenses are recovered.
- The surcharge may be terminated if the Capital Improvement fails. The temporary surcharge will terminate if the Department determines there has been a complete failure of a Capital Improvement.
- A Capital Improvement surcharge for complete exterior painting is eligible only once every ten (10) years (LAMC 151.02 Definitions).
- There is no charge for the first application for a property in a calendar year. Subsequent applications for the same property in the same calendar year must be accompanied by a \$25 filing fee (LAMC 151.07 A2a).

Capital Improvement Questions

- ***Does the landlord need the tenant's permission to do a Capital Improvement?***

No. The landlord is required to give the tenant a 24-hour notice that he or she intends to enter the unit to make improvements. If the tenant does not provide the landlord reasonable access to the unit, the tenant runs the risk of being evicted under Section 151.09 A6 of the Ordinance. (Refer to Section VI – Evictions.)

- ***Can a tenant object to the proposed rent increase?***

Yes. After the landlord files an application with the Department, the tenants are mailed a "Notice of Proposed Rent Increase." Tenants have ten (10) days (from the postmark on the envelope) to submit a written letter of objection (LAMC 151.07A2b). The objection cannot be based on the fact that the tenant did not want the improvement. Objections can be made if the improvement was not completed, if the facts were inaccurate, if the tenant moved in after the work was completed, or if more than one year elapsed since the completion of the work (LAMC 151.07 A1a).

- ***What can a landlord do if the tenant refuses to pay the approved monthly surcharge?***

The landlord can evict the tenant for failure to pay the approved monthly surcharge in addition to the rent under Section 151.09 A1 of the Ordinance. (See Section VI – Evictions.)

- ***Can the approved surcharge be added to the security deposit?***

No.

- ***Is there an appeal process?***

Yes. (Please refer to Section XIII – Hearings and Appeals.)

- ***How long after the completion of the work does the landlord have to apply for the increase?***

The landlord must file the application within one (1) year (twelve months) after the completion of the work (LAMC 151.07A2a).

2. PRIMARY RENOVATION WORK

The City of Los Angeles adopted the Primary Renovation Program to encourage landlords to reinvest in the infrastructure of their properties through primary renovation work. At the same time, the program enacts safeguards to protect tenants both from unsafe living conditions while renovation work is undertaken and from extreme rent increases following the completion of such renovation work.

The amendment to the RSO implementing the Primary Renovation Program became effective on May 2, 2005, and replaced the major rehabilitation provisions of the RSO.

The Primary Renovation Program:

- eliminates major rehabilitation as a ground for eviction;
- creates a new cost recovery program allowing landlords to increase rents to pay for improvements to major building systems and the abatement of hazardous materials, such as lead-based paint and asbestos; and
- imposes tenant habitability requirements, including temporary relocation, when improvements to major building systems or the abatement of hazardous materials is likely to temporarily affect the habitability of occupied units.

Before a landlord may obtain a permit to undertake primary renovation work that affects an occupied rental unit, the landlord must file a Tenant Habitability Plan with the Housing Department. This plan must mitigate conditions related to the primary renovation work that could make occupied rental units temporarily uninhabitable, either through precautions to ensure that tenants can safely remain in place during construction, or through the temporary relocation of tenants to replacement housing. The Rent Adjustment Commission has adopted regulations with specific requirements for tenant habitability plans.

Once the Housing Department accepts a Tenant habitability Plan, the landlord must notify affected tenants about the work that will be done and the option available to the tenants.

Primary Renovation Questions

- ***What is primary renovation work?***

Construction work that involves repairing or replacing major building systems, such as central heating/air conditioning, water and sewage piping, wiring inside walls, elevators, or reinforcement of the building structure. It

also includes work which is undertaken to abate hazardous materials, such as lead-based paint or asbestos.

- ***What is a Tenant Habitability Plan?***

It is a plan that describes the kind of work the landlord is planning to do, how the work will affect then tenants and their units, and how long the work will take. The Plan should describe the safe work practices the landlord plans to use. For example, lead safe practices must be used to minimize the spread of lead dust, paint chips, soil, and debris during construction. The landlord must submit this plan to the Housing Department before any work begins.

- ***What if the tenant disagrees with the plan?***

If the tenant objects to the temporary housing arrangements made by the landlord, the tenant has fifteen (15) days from receipt of the 60-day Notice of Primary Renovation Work to file an appeal of the Plan with the Housing Department.

- ***How soon can the renovation work begin?***

The work may begin no sooner than sixty (60) days after the landlord has served the tenant with (1) a copy of the Plan; (2) a Notice of Primary Renovation Work; (3) a summary of the provisions of the Tenant Habitability Program; and (4) a permanent relocation form if the work will last thirty (30) days or more.

- ***Can the tenant remain in their rental unit while the renovation work is done?***

Yes, if the work does not make the rental unit uninhabitable outside construction hours and will not expose tenants to toxic or hazardous materials.

- ***Are there restrictions on hours when work may take place?***

The landlord is permitted to do construction work from Monday through Friday between the hours of 8 am and 5 pm and must restore all housing services such as utilities by 5 pm.

- ***When can the tenant choose permanent relocation?***

If the work will take thirty (30) days or more, the tenant can choose permanent relocation. The tenant may also choose permanent relocation if the work continues 30 days longer than the completion date stated in the Plan, or 30 days longer than any later Plan modification accepted by the Housing Department.

- ***If the tenant chooses permanent relocation, what is the amount of assistance required?***

A qualified tenant may receive \$8,550 per household. All others will receive \$3,450 per household. (On July 1, 2007, these amounts change to \$8,950 and \$3,600.) A “qualified tenant” is someone who is age 62 or older; is disabled; or has at least one dependent child under 18. If you choose permanent relocation and receive the money, you must move out. If you do not, eviction proceedings may be brought against you.

- ***When is a tenant required to temporarily relocate?***

When the unit will not be habitable outside of construction hours or the tenants will be exposed to hazardous materials at any time.

- ***What are the options for temporary relocation if the relocation lasts less than thirty (30) days?***

If temporary relocation will last less than thirty (30) days, the landlord may:

- Move the tenant(s) to another “habitable” unit in the same building or another building; or
- Move the tenant(s) to a motel or other housing; or
- Offer the tenant a daily dollar amount to find temporary housing.

- ***What are the options if temporary relocation lasts thirty (30) days or more?***

If temporary relocation will last (thirty) 30 days or more, the landlord may:

- Move the tenant to another “comparable” unit in the same building or another building; or
- Offer the tenant a daily dollar amount to find temporary housing; or
- The tenant may choose to vacate the unit and get permanent relocation money.

- ***What if the tenant fails to temporarily relocate ?***

If the tenant fails to temporarily relocate in accordance with an accepted Tenant Habitability Plan, eviction proceedings may be commenced.

- ***What if the tenant fails to pay rent while they are living in temporary housing ?***

While living in temporary housing, the tenant must continue to pay rent to your landlord as usual. Otherwise, eviction proceedings may be commenced.

- ***Who is responsible for the cost of temporary housing?***

The landlord must pay for all temporary housing costs.

- ***What happens to the tenants' personal belongings while they are temporarily relocated?***

The landlord must take steps to secure and protect the tenants' property from damage or loss and the Tenant Habitability Plan should describe what precautions will be taken to safeguard the tenants' belongings. The tenant and landlord may agree to a payment to allow the tenant to move or store their own belongings.

- ***Can the landlord raise the rent for the unit after doing the primary renovation work?***

Maybe. Within twelve (12) months after finishing the work, the landlord may file an application for rent increase with the Housing Department.

- ***How much can the rent be raised for primary renovation work?***

If the landlord's application for a rent increase is approved, the rent may be increased by 10% divided equally over two years. This increase is in addition to any regular yearly rent adjustment (e.g. 3%-5% a year).

- ***How much can my rent be raised for a low-income tenant?***

A 10% increase for primary renovation work can be imposed no more than once during the lifetime of a tenancy for a low-income tenant whose annual household income is at or below 80% of the HUD area median income for the Los Angeles area.

- ***What if the landlord does not follow the Tenant Habitability Plan?***

If the landlord fails to follow the Plan, the Housing Department will deny the landlord's application for a rent increase. If the landlord does not provide permanent relocation assistance, the tenant can sue the landlord for damages, in the amount of the unpaid relocation assistance, attorney's fees and costs. If a landlord fails to carry out his or her obligations under a temporary relocation plan, the tenant can sue the landlord for all actual damages, special damages (twice actual damages or \$5,000, whichever is

greater), punitive damages (if the failure was intentional), attorney's fees and court costs.

- ***Where can I find the additional information, forms, and the Tenant Habitability regulations?***

Both the Primary Renovation Program Ordinance and the Rent Adjustment Commission's Tenant Habitability Program Regulations may be found at the Housing Department's website: <http://www.lacity.org/lahd/> .

3. REHABILITATION WORK (CITED)

Temporary rent surcharges are allowed for cited rehabilitation work required by the Dorothy Mae Ordinance (requires all pre-1943 residential buildings or R-1 occupancy, three or more stories in height, to meet certain specified retroactive fire safety requirements. Ordinance No. 158,963, effective 6/20/84), impact hazard glazing and any other code requirement passed after January 1, 1979 (LAMC 151.02), as well as for work performed in order to repair damage resulting from fire, earthquake, or natural disaster. However, if the landlord has obtained a rehabilitation loan, the landlord shall only be entitled to a temporary monthly rent increase amortized over the life of the loan which is calculated based only on the loan's principal.

This temporary monthly surcharge shall not exceed \$75.00 per month or 10% of the Maximum Adjusted Rent; whichever is less, for each rental unit unless agreed upon in writing by the landlord and the tenant. If the surcharge, as calculated under the above formula, would exceed \$75.00 per month or 10% of the Maximum Adjusted Rent, whichever is less, then the surcharge period of five years may be extended until the allowable rehabilitation expenses are covered.

The total allowable cost is amortized over a five-year period. The total allowable cost is divided by 60, and then divided by the number of units benefiting from the work.

The landlord has one (1) year from the completion date of the work to file an application with LAHD. The first application for a building in a calendar year is free. A \$25 filing fee must accompany subsequent applications for the same building in the same calendar year (LAMC 151.07 A2a).

4. **JUST AND REASONABLE (LAMC 151.07 B & RAC Regs. 240.00)**

A Just and Reasonable rent increase is an increase which may be authorized by a hearing officer in situations where the landlord may have incurred reasonable operating expenses which have exceeded the rent increases allowed by the Ordinance (RAC Regulations 240.03). Landlords should be able to maintain the same level of net operating income as they experienced in 1977, prior to the adoption of the Rent Stabilization Ordinance, with a price level percentage adjustment. A landlord is required to submit a completed application with copies of all supporting documentation and a \$25 filing fee (LAMC 151.07 B3). LAHD staff reviews the application and documentation and prepares an analysis for the hearing officer. A public hearing is held after which the hearing officer renders a decision to grant, modify or deny a requested rental increase (RAC Regulations 240.02).

Just and Reasonable Questions

What kinds of items are considered in an application for a Just and Reasonable rent increase?

- Actual rental income (RAC Regulations 241.03)
- Management and administrative expenses (RAC Regulations 241.09A)
- Landlord performed services (RAC Regulations 241.09 B)
- Operating expenses (such as electricity, water and sewer, gas and other building services) (RAC Regulations 241.09C)
- Maintenance expenses (such as security, grounds maintenance, building maintenance and repairs and painting) (RAC Regulations 241.09 D)
- Taxes and insurance expenses (including real estate taxes) (RAC Regulations 241.09 E).

Examples of Items Not Considered:

- Penalties and late fees imposed by Ordinance (RAC Regulation 241.13B1)
 - Debt service (mortgage and interest payment)
 - Depreciation
 - Increased costs which are prohibited from being passed through to tenants by the City or State (RAC Regulation 241.13B3)
 - Costs for which a landlord has already received a rent increase based on the Capital Improvement Regulations or other RAC regulations (RAC Regulation 241.13B5)
 - Reimbursed expenses.
- ***Is there an appeal process if the landlord and/or tenant objects to the hearing officer's decision?***
Yes, the Hearing Officer's decision may be appealed to the Rent Adjustment Commission. See Section XIII, Hearings and Appeals (LAMC 151.07 B4a).

B. INCREASES NOT REQUIRING LAHD APPROVAL

1. ANNUAL ALLOWABLE RENT INCREASE

The annual allowable rent increase is based on the Consumer Price Index (CPI) average for the Los Angeles - Long Beach - Anaheim areas for a twelve (12) month period ending September 30 of each year (LAMC 151.07 A6). Under the RSO, the percentage can be no lower than three percent (3%) and no higher than eight percent (8%). The percentage is published on or before May 30 of each year for the following twelve (12) month period beginning on July 1st and ending on June 30. The chart below indicates the chronology of allowable rent increases:

<u>DATE</u>	<u>PERCENTAGE ALLOWED</u>
5/1/79 - 6/30/85	7%
7/1/85 - 6/30/86	4%
7/1/86 - 6/30/87	5%
7/1/87 - 6/30/88	4%
7/1/88 - 6/30/89	4%
7/1/89 - 6/30/90	5%
7/1/90 - 6/30/91	5%
7/1/91 - 6/30/92	5%
7/1/92 - 6/30/93	5%
7/1/93 - 6/30/94	3%
7/1/94 - 6/30/95	3%
7/1/95 - 6/30/96	3%
7/1/96 - 6/30/97	3%
7/1/97 - 6/30/98	3%
7/1/98 - 6/30/99	3%
7/1/99 - 6/30/00	3%
7/1/00 - 6/30/01	3%
7/1/01 - 6/30/02	3%
7/1/02 - 6/30/03	3%
7/1/03 - 6/30/04	3%
7/1/04 - 6/30/05	3%
7/1/05- 6/30/06	3 %
7/1/06- 6/30/07	4 %
7/1/07- 6/30/08	5 %

The annual increase may be imposed only if twelve (12) months or more have elapsed since the last such rent increase. The increase is neither cumulative nor retroactive. Landlords are required to serve tenants with a written 30-day notice before the increase may be collected (RAC Regulations 360.00 and California State Civil Code).

Allowable Rent Increases Questions

- ***Can the landlord charge for utility services?***

Yes. The landlord may increase the annual percentage by one percent (1%) for gas and/or another one percent (1%) for electric service that is available in the unit when the landlord pays for such service (LAMC 151.06 D).

- ***Does the one percent (1%) increase apply to hot water or gas used to heat water in a common boiler?***

No. Neither cost can be passed through to the tenant.

- ***When can the increase percentage exceed the annual allowable increase?***

If the rental unit has not had an increase since May 31, 1976, then the landlord can increase the rent by an amount not to exceed nineteen percent (19%) (LAMC 151.06 A), or if the unit has not had an increase since May 31, 1977, then the increase can be thirteen percent (13%) (LAMC 151.06 B). The one percent (1%) for each utility also applies. (Also, see Managers as Tenants, Section IV B5.)

- ***Are there any exceptions to the annual increase?***

Yes, an increase may not be imposed for a substandard housing unit for which a notice of noncompliance has been sent to the State Franchise Tax Board, if the violations that were the subject of the notice have not been corrected (LAMC 151.06 D Exception). Rent increases are also not allowed for units in the REAP or rent reduction program.

- ***Can a security deposit, last month's rent, etc. be increased?***

Yes, only by the annual allowable percentage and only at the same time that the percentage is applied. A new landlord cannot ask for an additional security deposit. Security Deposits are defined under **California Civil Code 1950.5** (LAMC 151.02 Definitions – Rent).

- ***Can the landlord request the annual allowable increase if the tenant has a two-year lease?***

It depends on whether or not the increase violates the terms of the lease. Any increase must be addressed in the terms of the lease agreement.

- ***Can a late fee be charged if a tenant is late with the rent?***

Yes, but only if the late fee amount is included in the original rental agreement/contract (California State Civil Code Section 1812.626). Otherwise, addition of a late fee amount would violate the maximum allowable rent allowed under the RSO.

- ***When is rent considered late?***

Rent is due on the day specified by the landlord or the lease agreement. The Ordinance does not provide for a grace period. A grace period and its specified duration exist only if it is a part of the original rental agreement/contract.

2. RECOVERY OF REGISTRATION FEE (LAMC 151.05 F)

Rental property owners may recover \$9.35 of the \$18.71 Registration fee from the tenant **only during the month of June** of the year in which the registration fee was paid. The property owner must serve the tenant with a 30-day written notice before collecting this annual surcharge.

3. RECOVERY OF SYSTEMATIC CODE ENFORCEMENT PROGRAM (SCEP) FEE

Rental property owners may recover \$100% of the annual \$35.52 SCEP fee per rental unit in the form of monthly surcharge of \$2.96, provided that the landlord has paid the SCEP fee and given the tenant a thirty-day notice of the increase from the previous monthly surcharge amount.

4. ADDITIONAL TENANT (LAMC 151.06 G)

The maximum rent or maximum adjusted rent may be increased by an amount not to exceed ten percent (10%) for each additional tenant who joins the occupants of the rental unit. **However, the rent may not be increased for the first minor dependant child added to a tenancy.** When the additional tenant(s) vacate(s) the unit, the remaining tenant(s) must notify the landlord in writing, and the rent shall be reduced by a dollar amount equal to the increase.

Additional Tenant Questions

- ***Can the landlord increase the rent for a newborn baby?***

Not if the baby is the first minor dependent child added to the tenancy after December 8, 1990. Multiple births (twins, etc.) shall be considered as one child added to an existing tenancy.

- ***Is the amount of the additional tenant increase subject to the annual increase?***

Yes. However, it should be noted that once the additional tenant has left the unit or has been removed from the unit, the ten percent (10%) increase must be removed from the rent amount. The yearly allowable increase remains as part of the rent.

- ***Is a replacement roommate considered an additional tenant?***

No. For example, when two (2) tenants occupy a unit and one of the tenants vacates the unit and the remaining tenant gets a replacement roommate, the replacement roommate does not constitute an additional tenant. However, the landlord does have the right to approve the new tenant. Approval cannot be unreasonably withheld.

4. SMOKE DETECTORS (RAC Regulations 340.00)

All landlords are required by law to have installed permanently wired smoke detectors in all dwelling units in the City of Los Angeles by August 1, 1983 (LAMC 151.06.1).

The landlord can assess a \$3 per detector per month surcharge until the cost, including installation of the detectors, is recovered. If a landlord adds an automatic surcharge, the landlord may add an interest charge to the actual cost of materials and labor to compensate the landlord for the use of the money in making the installation. The interest charge that may be added to the cost is 19.6%. The landlord must serve a tenant with a written 30-day notice, within two (2) months after installation, showing the actual purchase and installation cost and the month and year the surcharge will terminate. Eligible costs are detailed in the Smoke Detector Guidelines (RAC Regulations 343.02).

Smoke Detectors Question

- ***When can the cost of a smoke detector be recovered? Can the cost be recovered if the landlord fails to notify the tenant within the two (2) month deadline?***

Yes. The landlord can apply for a Capital Improvement rent increase within 12 months of installation of new smoke detectors (LAMC 151.07A).

5. MANAGERS AS TENANTS

The landlord-manager relationship is an employer-employee business arrangement (RAC Regulations 920.00). Managers having concerns over termination procedures of their services are advised to seek legal advice.

Rental Level after Termination of Manager's Services

The establishment of the rent level and applicable rent increases when a manager's services are terminated depends upon a variety of situations:

- a. Whether the manager received paid compensation in addition to housing accommodations.
- b. Whether the manager was a previous tenant and became a manager before or after May 31, 1978.

Managers as Tenants Questions

- ***Which guideline provides information on the subject of apartment managers?***

The RAC Guidelines (Section 920.00) and the bulletin titled, "Managers as Tenants," may be obtained at LAHD's Public Counter or by calling LAHD's Public Information Hotline at (213) 808-8888 or (866) 557-RENT.

- ***Which agency administers the City law that requires that a manager be on the premises of a building having 16 or more units?***

The City of Los Angeles Fire Department administers the Responsible Resident Required law (LAMC 57.112.04, amended by Ordinance 170954, effective 4/16/96). For questions regarding this Ordinance, contact the Fire Safety & Education Program at (213) 978-3600 or (818) 756-9675. Local fire stations enforce this Ordinance. The property owner needs to register at the properties nearest fire station or go on line at <http://www.lafd.org/>.

6. ADDITIONAL SERVICES CONTRACT (LAMC 151.18)

A landlord and tenant may enter into a contract for a housing service that was not part of the original terms of tenancy. A valid additional services contract must:

- a. Be written;
- b. Describe the additional service(s);
- c. Specify the length of the service(s);
- d. Specify the monthly charge for the service(s).

Monies paid for an additional service are not considered rent. Additional services contracts are voluntary, and neither the refusal of a tenant to enter into such agreement, nor the breach of such a contract by the tenant shall be grounds for eviction.

C. RENT LEVEL AFTER A VACANCY

The allowable rent level after a vacancy depends on the reason for the vacancy. The Rent Stabilization Ordinance provides that the rent levels be decontrolled on a rental if the vacancy is due to any of the following reasons:

- The tenant voluntarily vacated the unit.
- The tenant was evicted for non-payment of legal rent.
- The tenant was evicted for violating the terms of the rental agreement and failing to cure the violation.

The Ordinance requires the rent for a new tenant to remain the same if the vacancy occurred for any other reason.

Examples of circumstances under which the landlord may NOT raise the rent upon re-rental:

- The landlord evicted the previous tenant to recover the unit for the occupancy by the landlord or the landlord's spouse, parent(s) or children.
- Following an eviction for occupancy by the landlord or a member of his immediate family, and the landlord or his family member subsequently vacated the rental unit.
- The tenant was evicted for using or permitting the rental unit to be used for an illegal purpose.
- The tenant was evicted for refusing to enter into a new written rental agreement, of like terms and duration.
- The tenant was evicted for refusing the landlord reasonable access to the rental unit.
- The landlord evicted a tenant for the purpose of performing major rehabilitation work and failed to perform the work.
- Rental assistance was terminated when the landlord canceled or failed to renew a Section 8 Housing Assistance Payments contract. (City Ordinance 174,501 in effect as of April 9, 2002, makes it "unlawful for any landlord to terminate or fail to renew a rental

assistance contract with the Housing Authority of the City of Los Angeles (HACLA), and then demand that the tenant pay rent in excess of the tenant's portion of the rent under the rental assistance contract." This ordinance is intended to prohibit landlords from terminating Section 8 rental assistance payments as a means of forcing a tenant, who could not otherwise be evicted, to voluntarily vacate the unit or evict them on the grounds of nonpayment of rent.

V. PAYMENT OF INTEREST ON SECURITY DEPOSITS

The Los Angeles City Council amended the Rent Stabilization ordinance effective December 6, 1990, requiring rental property owners subject to the provisions of Section 1950 of the California Civil Code, to pay interest on security deposits. The Ordinance was further amended on June 7, 2001 (Ordinance Number 174017), which revised the interest rates accrued to security deposits.

- ***What is a security deposit?***

A security deposit is essentially any money paid by a tenant to a landlord, which is subsequently held by the landlord for the purposes of providing compensation for a tenant's failure to pay rent. Additionally, the deposit may be used for repairing damages to the premises (exclusive of ordinary wear and tear), caused by the tenant or a guest or licensee of the tenant; for cleaning the premises upon termination of the tenancy; and for remedying any future defaults by the tenant in complying with any term under the rental agreement to restore, replace, or return personal property or appurtenances, exclusive of ordinary wear and tear, should the rental agreement authorize the security deposit for this use. For an expanded discussion of what a security deposit is, please refer to Subsection (b) of Section 1950.5 of the California Civil Code.

- ***Under what conditions must landlords pay interest on security deposits?***

Landlords of rental units covered by the Los Angeles City RSO, which includes dwelling units, suites, condominiums, duplexes, guest rooms, and rooms in a hotel, motel, rooming house or boarding house occupied by the same tenant for more than 30 consecutive days, with a certificate of occupancy first issued before October 1, 1978, for units which are subject to the provisions of Section 1950.5 of the California Civil Code, must pay annually interest on all security deposits held for at least one (1) year for their tenants. This provision does not cover mobile home parks.

- ***What is the interest which must be paid on tenants' security deposits?***

Under the current provisions of the Rent Stabilization Ordinance, landlords may pay either the actual rate of interest earned or by percentage established each year by the Rent Adjustment Commission. The following are the interest rates adopted by the Commission:

- November 1, 1990 through December 31, 2000: 5%
- January 1, 2001 through December 31, 2001: 2%
- January 1, 2002 through December 31, 2002: 0%*
- January 1, 2003 through December 31, 2003: 1%.
- January 1, 2004 through December 31, 2004: 0.26%
- January 1, 2005 through December 31, 2005: 1.21%.
- January 1, 2006 through December 31, 2006 1.74%

- January 1, 2007 through December 31, 2007 2.39%

*No interest was required on security deposits for the period of January 1, 2002, through December 31, 2002 by Council action (Ordinance 175020).

- ***How and when is payment of interest on security deposits to be made?***

- a. During the Tenancy - A tenant is to be given the unpaid accrued interest on security deposit in the form of either a direct payment or a credit against rent. The landlord must choose between the two (2) methods of payment and must notify the tenant in writing of his/her choice. The landlord may choose to pay the accrued interest on a monthly or yearly basis.
- b. Upon Termination of the Tenancy - Payment of any unpaid accumulated interest on the tenant's security deposit must be made at the same time and in the same manner as required for return of security deposits in California Civil Code Section 1950.5(f).
- c. Upon Termination of a Landlord's Interest in a Property - All accumulated interest on security deposits must be disposed of in the same manner as required for security deposits by California Civil Code Sections 1950.5(g) and 1950.5(h).

- ***May landlords still exercise their own discretion in investing security deposits?***

Yes. Nothing in the Ordinance prevents landlords from exercising their own discretion rights in investing deposits (LAMC No. 151.06 .02F).

- ***What happens if a tenant who is entitled to interest on a security deposit, as provided for in Ordinance No. 174017, is not paid the interest, and what action may the tenant take to recover the amount owed?***

The tenant may bring an action in a court of appropriate jurisdiction including, but not limited to, Small Claims Court to recover the amount owed, as per LAMC 151.06.02G.

The Rent Stabilization Division of the City of Los Angeles will not investigate complaints concerning non-payment of interest on security deposits as the Ordinance provides only a civil remedy. For more information on Section 1950.5 of the California Civil Code, you may contact:

1. The Los Angeles County, Department of Consumer Affairs
500 W. Temple Street, Room B-96, Los Angeles, CA 90012
(213) 974-1452 <http://consumer-affairs.co.la.ca.us>
2. The California Department of Consumer Affairs Website:

VI. EVICTIONS (LAMC 151.09)

A. TWELVE LEGAL REASONS FOR EVICTIONS

A landlord may bring an action to recover possession of a rental unit only upon one of the following grounds (LAMC 151.09):

1. The tenant has failed to pay the rent to which the landlord is entitled including amounts due under Subsection D of Section 151.06.
2. The tenant has violated a lawful obligation or covenant of the tenancy other than the obligation to surrender possession, upon proper notice and has failed to cure such violation after having received written notice thereof from the landlord.
3. The tenant is committing or permitting to exist a *nuisance* in or is causing damage to the rental unit, or to the appurtenances thereof, or to the common areas of the complex containing the rental unit, or is creating an unreasonable interference with the comfort, safety, or enjoyment of any of the other residents of the rental complex or within a 1,000 foot radius extending from the boundary line of the rental complex.
4. The tenant is using, or permitting a rental unit, the common areas of the rental complex containing the rental unit, or an area within a 1,000 foot radius from the boundary line of the rental complex to be used for any *illegal purpose*.
5. The tenant, who had a written lease or rental agreement which terminated on or after the effective date of this Chapter, has refused, after a written request or demand by the landlord to execute a written extension or renewal **for a further term of like duration with similar provisions** and in such terms as are not inconsistent with or violate of any provision of this Chapter or any other provision of law.
6. 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 the lease or by law, or for the purpose of showing the rental unit to any prospective purchaser or mortgagee.
7. The person in possession of the rental unit at the end of a lease term is a subtenant not approved by the landlord.

8. The landlord seeks in good faith to recover possession of the rental unit for use and occupancy by:
 - a. The landlord, or the landlord's spouse, children, or parents, provided the landlord is a natural person (not a corporation or partnership). However, a landlord may use this ground to recover possession for use and occupancy by the landlord, landlord's spouse, child or parent only once for that person in each rental complex of the landlord; or
 - b. A resident manager, provided that no alternative vacant unit is available for occupancy by the resident manager; except that where a building has an existing resident manager, the owner may only evict the existing resident manager in order to replace him/her with a new manager.
9. The landlord, having complied with all applicable notices and advisements required by law, seeks in good faith to recover possession so as to undertake Primary Renovation Work of the rental unit or the building housing the rental unit, in accordance with a Tenant Habitability Plan accepted by the Department, and the tenant is unreasonably interfering with the landlord's ability to implement the requirements of the Tenant Habitability Plan by engaging in any of the following actions:
 - a. The tenant has failed to temporarily relocate as required by the accepted Tenant Habitability Plan; or
 - b. The tenant has failed to honor a permanent relocation agreement with the landlord pursuant to Section 152.05 of the RSO.
(Amended by Ordinance no. 176544, effective May 2, 2005.)
10. The landlord seeks in good faith to recover possession of the rental units under either of the following circumstances:
 - a. to demolish the rental unit or
 - b. to remove the rental unit permanently from rental housing use.
(Amended by Ordinance no. 176544, effective May 2, 2005.)
11. The landlord seeks in good faith to recover possession of the rental unit in order to comply with a governmental agency's order to vacate the building housing the rental unit as a result of a violation of the Los Angeles Municipal Code or any other provision of law.
12. The Secretary of Housing and Urban Development is both the owner and plaintiff and seeks to recover possession in order to vacate the property prior to the sale and has complied with all tenant notification requirements under federal law and administrative regulations.

(Amended by Ordinance No. 173224, effective May 11, 2000.)

B. EVICTIONS REQUIRING THE FILING OF A DECLARATION

The following reasons for eviction require that a landlord file a "*Landlord Declaration of Intent to Evict*" form with the LAHD:

- #3 - Nuisance, related to illegal drug or gang activity
- #4 - Illegal purpose, related to illegal drug or gang activity
- #8 - Owner, family member, or resident manager's occupancy
- #10 - Permanent removal & Demolition
- #11 - To comply with a governmental order
- #12 - HUD eviction.

The landlord must attach a copy of the processed declaration to the written eviction form.

For evictions for reason #8 (owner or family occupancy or for installation of a resident manager), a copy of the filed Declaration must be served upon the tenant on the date in which the tenant is served a written Thirty (30) Day Notice to Quit as required by State law. As of January 1, 2007, the required notice time is 60 days.

For evictions for reason #10, demolition or permanent removal, a copy of the filed Declaration must be served upon the tenant on the date on which the tenant is served a written 120-day notice, and

- a. Tenants who are at least 62 years of age or disabled and have lived in the property for one year or more when the units are to be withdrawn from the rental market (amended by Ordinance Number 173868), are entitled to an extension of up to one year from the date of service to the tenant. The landlord must disclose this entitlement on the original 120-day notice.
- b. Qualified tenants have the first 60 days of the 120-day notice to respond in writing to the owner requesting the entitlement of up to one year.

For evictions for reason #11, to comply with a governmental order, a copy of the governmental order must be attached to the declaration and must be served to the tenant in the manner prescribed by Section 1162 of the California Code of Civil Procedure instead of simply attaching the standard written notice to quit.

All of these evictions (#8, 9, 10, 11 and 12) require that Relocation Assistance defined in Section VII) be paid by the landlord within the first fifteen (15) days of the service of the Notice to Quit. This can either be done by direct payment to the tenant or by an escrow account. However, when utilizing the eleventh (11th) legal reason for eviction, should the hazardous conditions resulting in the governmental agency's order to vacate be due to a natural disaster or act of God, no relocation assistance is required (LAMC 151.09G).

C. EVICTIONS NOT REQUIRING PRIOR APPROVAL OF A DECLARATION

Landlords must file a Landlord Declaration of Intent to Evict for reasons #3 and #4 when evicting for illegal drug activity, but this eviction does not require the LAHD's prior approval. No relocation assistance is required.

The evictions numbered 1, 2, 5, 6, and 7 of Section A above do not require a Declaration or any additional forms to be filed with the LAHD.

Eviction Questions

- ***What steps follow a Three (3) Day Notice to Pay or Quit?***

If the obligation demanded (i.e., payment of rent) has not been satisfied within three (3) days after the notice was served, the landlord may then file suit against the tenant in Municipal Court to have the tenant evicted. This legal document is known as an Unlawful Detainer. The purpose of this process is for the landlord to recover the possession of the rental unit from the tenant.

- ***How can I learn more about the Unlawful Detainer process?***

State law regulates the Unlawful Detainer process. Further questions should be directed either to:

Los Angeles County Consumer Affairs at:
(213) 974-1452

Los Angeles Superior Court General Information line at:
(213) 974-6135
<http://www.lasuperiorcourt.org>

Los Angeles Superior Court -Unlawful Detainer Section at:
(213) 974-6140 or (213) 974-7802

See also the Legal Services in Referral Section on Page 59.

- ***What if the tenant pays part of this rent?***

The landlord is legally entitled to the full amount of rent when it is due. If only partial rent is paid, the landlord is entitled to file a 3-Day Notice to Pay or Quit.

- ***What if the landlord refuses to accept timely rent?***

It is illegal for a landlord to refuse to accept rent when it is due. However, such refusal is not covered under the Rent Stabilization Ordinance. Please call Los Angeles County Consumer Affairs at (213) 974-1452 for relevant State laws. The tenant may wish to send the rent due to the landlord via Registered or Certified Mail with a return receipt requested.

- ***Is there a grace period for late rent?***

Rent is due on the day stated in the rental agreement. If that date has passed, the landlord is entitled to file a 3-Day Notice to Pay or Quit. The landlord may allow a grace period in a written rental agreement, which may include late fees. **The law does not mandate a grace period.**

- ***How long can a tenant remain in the dwelling without paying rent if he is moving out or he is being evicted?***

The tenant is responsible for rent for every day he remains in the unit. The landlord may sue the tenant in court for any unpaid rent.

- ***Can a security deposit be used for the last month's rent?***

No. If a tenant has not specifically paid the last month's rent when he moved in, he must pay his regular rent during his last month of tenancy. However, a landlord may use the security deposit if the tenant defaults by not paying all of his rent before he moves out (Civil Code Section 1950.5 (b)(1). (See *California Law for further information on the collection and use of the security deposit.*)

- ***May a tenant be evicted for keeping a dog when his contract has a no pet clause?***

Yes. Keeping a pet when the rental agreement specifically forbids a pet is a violation of the written rental agreement. The landlord can give a 3 or 30-Day Notice to Cure or Quit to remedy the situation. Failing to "cure" the problem can result in an Unlawful Detainer action filed legally against the tenant. (See Eviction Section, Reason #2.)

- **Can a landlord change the terms of tenancy to prohibit a pet in order to evict a tenant?**

No. A landlord may not change the terms of a tenancy to prohibit a pet(s) in order to evict the tenant for keeping a pet, which was kept and allowed prior to the change, unless the landlord can establish that the pet constitutes a nuisance and the nuisance has not been abated upon proper notice to the tenant.

- **Can a tenant be evicted for violation of his rental agreement?**

Yes. Violation of a rental agreement is one of the twelve legal reasons for eviction. The landlord must serve the tenant with a **3-Day Notice to Cure or Quit**. This notice gives the tenant a written statement as to what he must “cure” to be in compliance with the Rental Agreement. (See Eviction Section, Reason #2.)

- **Can a tenant be evicted for playing loud music during the night and if other tenants are complaining?**

Loud music is covered under the Noise Ordinance (Los Angeles Municipal Code 112.01 Section C). If the noise level is excessive, *regardless of the hour*, the landlord or tenant should contact the Police Department. Tenants who become a *nuisance* may be subject to eviction. (See Eviction Section, Reason #3.)

- **Can a tenant be evicted for selling drugs?**

Yes. Allowing the rental unit to be used for any illegal purpose is legal grounds for eviction. (See Eviction Section, Reason #4.)

- **Is a tenant entitled to notification before a landlord may enter the apartment?**

Generally, a 24-hour notice is required. This notification can be either verbal or written. Written notification protects all parties involved, but is not required. However, *in case of an emergency*, the notice requirement may be waived.

- **May a tenant be evicted for not giving reasonable access to the landlord?**

Yes. Refusal to grant the landlord *reasonable access* to the rental unit (after 24-hour notice or in the case of an emergency) for making repairs or improvements; inspecting the unit as permitted or required by the lease or by law; or showing the rental unit to any prospective purchaser or mortgagee is a reason for eviction. (See Eviction Section, Reason #6.)

* * * Free PDF Preview End * * *

Purchase Required To Gain Total Access

Visit www.propmgmtforms.com To Purchase *Property Management Forms* Package