

# CHAPTER XV

## RENT STABILIZATION ORDINANCE

(Added by Ord. No. 152,120, Eff. 4/21/79, Oper. 5/1/79.)

### Article

- 1 Rent Stabilization Ordinance
- 2 Tenant Habitability Program
- 3 Habitability Enforcement Program
- 4 Property Management Training Program
- 5 Utility Maintenance Program

## ARTICLE 1

### RENT STABILIZATION ORDINANCE

### Section

- 151.00 Title.
- 151.01 Declaration of Purpose.
- 151.02 Definitions.
- 151.03 The Rent Adjustment Commission.
- 151.04 Restriction on Rents.
- 151.05 Registration, Notification of Tenants, Posting of Notice and Payment of Fees.
- 151.05.1 Passthrough of Surcharge for the Systematic Code Enforcement Fee.
- 151.06 Automatic Adjustments.
- 151.06.02 Payment of Interest on Security Deposits.
- 151.06.1 Smoke Detectors.
- 151.06.2 Surcharge for Water Conservation Assessment.
- 151.07 Authority of the Department and the Commission to Grant Individual Rent Adjustments.
- 151.08 Authority of Commission to Regulate by Class.
- 151.09 Evictions.
- 151.10 Remedies.
- 151.11 Refusal of a Tenant to Pay.
- 151.12 Operative Date.
- 151.13 Minor Errors in Payment.
- 151.14 Filing of Application for Rent Adjustments, Requests for Hearing, and Appeals.
- 151.15 Penalties for Late Registration and for Failure to Post Notice That Property Is Subject to the Rent Stabilization Ordinance.
- 151.16 Research Services.
- 151.18 Additional Services Contracts.
- 151.19 Review of Ordinance.
- 151.20 Temporary Eviction Controls and Rent Reductions for Mobile Homes Damaged in the January, 1994 Earthquake.
- 151.21 Hurricane Katrina and Hurricane Rita Temporary Relief Program.
- 151.22 Ellis Act Provisions - Statement of Purpose and Effect.
- 151.23 Ellis Act Provisions - Required Notice.
- 151.24 Ellis Act Provisions - Notification to Department of Intent to Re-Rent Unit.
- 151.25 Ellis Act Provisions - Civil Penalties for Offering Units for Rent Within Two Years of Withdrawal.
- 151.26 Ellis Act Provisions - Regulation of Property on Re-Offer for Rent or Lease after Withdrawal.
- 151.27 Ellis Act Provisions - Re-Rental Rights of Displaced Tenants.
- 151.28 Ellis Act Provisions - Rental of Replacement Units.
- 151.29 Regulation of Leases in Mobilehome Parks.
- 151.30 Evictions for Owner, Family, or Resident Manager Occupancy.

**SEC. 151.00. TITLE.**

This chapter shall be known as the Rent Stabilization Ordinance of the City of Los Angeles.

**SEC. 151.01. DECLARATION OF PURPOSE.**

There is a shortage of decent, safe and sanitary housing in the City of Los Angeles resulting in a critically low vacancy factor.

Tenants displaced as a result of their inability to pay increased rents must relocate but as a result of such housing shortage are unable to find decent, safe and sanitary housing at affordable rent levels. Aware of the difficulty in finding decent housing, some tenants attempt to pay requested rent increases, but as a consequence must expend less on other necessities of life. This situation has had a detrimental effect on substantial numbers of renters in the City, especially creating hardships on senior citizens, persons on fixed incomes and low and moderate income households. This problem reached crisis level in the summer of 1978 following the passage of Proposition 13.

At that time, the Council of the City of Los Angeles conducted hearings and caused studies to be made on the feasibility and desirability of various measures designed to address the problems created by the housing shortage.

In August, 1978, pending development and adoption of measures designed to alleviate the City’s housing crisis, Council adopted Ordinance No. 151,415 which temporarily rolled back recently imposed rent increases, and prohibited most rent increases on residential rental properties for six months. Ordinance No. 151,415 expires on April 30, 1979.

This ordinance has successfully reduced the rate of rent increases in the City, along with the concomitant hardships and displacements. However, a housing shortage still exists within the City of Los Angeles and total deregulation of rents at this time would immediately lead to widespread exorbitant rent increases, and recurrence of the crisis, problems and hardships which existed prior to the adoption of the moratorium measure.

Therefore, it is necessary and reasonable to regulate rents so as to safeguard tenants from excessive rent increases, while at the same time providing landlords with just and reasonable returns from their rental units. In order to assure compliance with the provisions of this chapter violations of any of the provisions of this chapter may be raised as affirmative defenses in unlawful detainer proceedings. **(Amended by Ord. No. 166,130, Eff. 9/16/90.)**

**SEC. 151.02. DEFINITIONS.**

**(Amended by Ord. No. 165,251, Eff. 11/20/89.)**

The following words and phrases, whenever used in this chapter, shall be construed as defined in this section. Words and phrases not defined herein shall be construed as defined in Sections 12.03 and 152.02 of this Code, if defined therein. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)**

**Average Per Unit Capital Improvement Cost.** An amount determined by dividing the cost of the capital improvement by the total number of dwellings in a complex with respect to which the cost was incurred, irrespective of whether all such dwellings are subject to this chapter.

**Average Per Unit Primary Renovation Work Cost.** An amount determined by dividing the costs associated with primary renovation work by the total number of all rental units in a complex with respect to which primary renovation costs were incurred, irrespective of whether all such dwellings are subject to this chapter. **(Added by Ord. No. 176,544, Eff. 5/2/05.)**

**Average Per Unit Rehabilitation Cost.** An amount determined by dividing the cost of the rehabilitation, less any offsetting insurance proceeds, by the total number of dwellings in a complex with respect to which the cost was incurred, irrespective of whether all such dwellings are subject to this chapter.

**Capital Improvement.** The addition or replacement of the following improvements to a rental unit or common areas of the housing complex containing the rental unit, providing such new improvement has a useful life of five (5) years or more: roofing, carpeting, draperies, stuccoing the outside of a building, air conditioning, security gates, swimming pool, sauna or hot tub, fencing, garbage disposal, washing machine or clothes dryer, dishwasher, children’s play equipment permanently installed on the premises, the complete exterior painting of a building, and other similar improvements as determined by the Commission. Provided, however, that the complete exterior painting of a building shall only be considered as an eligible capital improvement once every ten (10) years. **(Amended by Ord. No. 165,251, Eff. 11/20/89.)**

**Collateral Work.** **(Deleted by Ord. No. 176,544, Eff. 5/2/05.)**

**Commission.** The Rent Adjustment Commission of the City of Los Angeles.

**Department.** The Los Angeles Housing Department. **(Amended by Ord. No. 168,842, Eff. 7/24/93.)**

**Housing Services.** Services connected with the use or occupancy of a rental unit including, but not limited to, utilities (including light, heat, water and telephone), ordinary repairs or replacement, and maintenance, including painting. This term shall also include the provision of elevator service, laundry facilities and privileges, common recreational facilities, janitor service, resident manager, refuse removal, furnishings, food service, parking and any other benefits privileges or facilities. **(Amended by Ord. No. 154,808, Eff. 2/13/81.)**

**Landlord.** An owner, lessor, or sublessor, (including any person, firm, corporation, partnership, or other entity) who receives or is entitled to receive rent for the use of any rental unit, or the agent, representative or successor of any of the foregoing.

**Luxury Housing Accommodations.** Housing accommodations wherein as of May 31, 1978 the rent charged per month was at least \$302 for a unit with no bedrooms; \$420 for a unit with one bedroom; \$588 for a unit with two bedrooms; \$756 for a unit with three bedrooms; and \$823 for a unit with four bedrooms or more. This definition does not apply to mobile homes. **(Added by Ord. No. 154,237, Eff. 8/30/80, Oper. 9/1/80.)**

**Maximum Adjusted Rent. (Amended by Ord. No. 173,810, Eff. 4/16/01.)** The maximum rent plus any rent increases subsequently made or granted pursuant to Sections 151.06, 151.07, or 151.08 of this chapter and less any rent reductions required by regulations promulgated by the Commission pursuant to Section 151.08 of this chapter or imposed pursuant to Section 162.00 *et seq.* of this Code; provided, however, as used in Section 151.06 of this chapter, this term shall not include:

- (1) any increase for capital improvement work or rehabilitation work, if the rent increase was approved by the Department on or after January 1, 1981, and the work was begun prior to June 1, 1982; or
- (2) any increase for capital improvement work where the application for a rent increase is filed with the Department on or after October 1, 1989; or,
- (3) any increase for smoke detectors installed on or after January 1, 1981; or
- (4) any increase for rehabilitation work where the application for a rent increase is filed with the Department on or after January 1, 1999.

**Maximum Rent.** The highest legal monthly rate of rent which was in effect for the rental unit during any portion of the month of April, 1979. If a rental unit was not rented during said month, then it shall be the highest legal monthly rate of rent in effect between October 1, 1978 and March 31, 1979. If a rental unit was not rented during this period, then it shall be the rent legally in effect at the time the rental unit was or is first re-rented after the effective date of this chapter. Where a rental unit was exempt from the provisions of this chapter under Subdivision 5 of the definition of “**Rental Units**” in this section, the maximum rent shall be the amount of rent last charged for the rental unit while it was exempt. **(Amended by Ord. No. 166,320, Eff. 11/22/90.)**

**Mobilehome Owner.** A person who has a tenancy in a mobilehome park under a rental agreement. **(Added by Ord. No. 180,071, Eff. 8/30/08.)**

**Preceding Tenant.** The tenant who vacated the rental unit as the result of an eviction or termination of tenancy pursuant to Section 151.09 A.9. **(Added by Ord. No. 165,251, Eff. 11/20/89.)**

**Primary Renovation Work. (Added by Ord. No. 176,544, Eff. 5/2/05.)** Work performed either on a rental unit or on the building containing the rental unit that improves the property by prolonging its useful life or adding value, and involves either or both of the following:

1. Replacement or substantial modification of any structural, electrical, plumbing or mechanical system that requires a permit under the Los Angeles Municipal Code.
2. Abatement of hazardous materials, such as lead-based paint and asbestos, in accordance with applicable federal, state and local laws.

**Primary Work. (Deleted by Ord. No. 176,544 Eff. 5/2/05.)**

**Qualified Tenant.** Any tenant who satisfies any of the following criteria on the date of service of the written notice of termination described in California Civil Code Section 1946: has attained age 62; is handicapped as defined in Section 50072 of the California Health and Safe Code is disabled as defined in Title 42 United States Code § 423; or is a person residing with and on whom is legally dependent (as determined for federal income tax purposes) one or more minor children. **(Amended by Ord. No. 162,743, Eff. 9/24/87.)**

**Rehabilitation Work.** Any rehabilitation or repair work done on or in a rental unit or common area of the housing complex containing the rental unit and which work was done in order to comply with an order issued by the Department of Building and Safety, the Health Department, or the Fire Department due to changes in the housing code since January 1, 1979, or to repair damage resulting from fire, earthquake or other natural disaster. **(Amended by Ord. No. 165,251, Eff. 11/20/89.)**

**Related Work.** Improvements or repairs which, in and of themselves, do not constitute Primary Renovation Work but which are undertaken in conjunction with and are necessary to the initiation and/or completion of Primary Renovation Work. **(Added by Ord. No. 176,544, Eff. 5/2/05.)**

**Rent.** The consideration, including any bonus, benefits or gratuity, demanded or received by a landlord for or in connection with the use or occupancy of a rental unit, including but not limited to monies demanded or paid for the following: meals where required by the landlord as a condition of the tenancy; parking; furnishings; other housing services of any kind; subletting; or security deposits. **(Amended by Ord. No. 154,808, Eff. 2/13/81.)**

**Rent Increase.** An increase in rent or any reduction in housing services where there is not a corresponding reduction in the amount of rent received. The Rent Adjustment Commission shall promulgate regulations as to what constitutes such “**corresponding reduction**”.

**Rental Complex.** One or more buildings, used in whole or in part for residential purposes, located on a single lot, contiguous lots, or lots separated only by street or alley. **(Added by Ord. No. 160,791, Eff. 2/10/86.)**

**Rental Units. (Amended by Ord. No. 157,385, Eff. 1/24/83.)** All dwelling units, efficiency dwelling units, guest rooms, and suites, as defined in Section 12.03 of this Code, and all housing accommodations as defined in Government Code Section 12927, and duplexes and condominiums in the City of Los Angeles, rented or offered for rent for living or dwelling purposes, the land and buildings appurtenant thereto, and all housing services, privileges, furnishings and facilities supplied in connection with the use or occupancy thereof, including garage and parking facilities. **(Sentence Amended by Ord. No. 170,445, Eff. 5/6/95, Oper. 7/5/95.)** This term shall also include mobile homes, whether rent is paid for the mobile home and the land upon which the mobile home is located, or rent is paid for the land alone. Further, it shall include recreational vehicles, as defined in California Civil Code Section 799.29 if located in a mobile home park or recreational vehicle park, whether rent is paid for the recreational vehicle and the land upon which it is located, or rent is paid for the land alone. **(Sentence Amended by Ord. No. 181,744, Eff. 7/15/11.)** The term shall not include:

1. Dwellings, one family, except where two or more dwelling units are located on the same lot. This exception shall not apply to duplexes or condominiums. **(Amended by Ord. No. 170,445, Eff. 5/6/95, Oper. 7/5/95.)**

2. **(Amended by Ord. No. 176,472, Eff. 3/26/05.)** Housing accommodations in hotels, motels, inns, tourist homes and boarding and rooming houses, provided that at such time as an accommodation has been occupied as the primary residence of one or more of the same tenants for any period more than 30 days such accommodation shall become a rental unit subject to the provisions of this chapter. The computation of the 30 days shall include days in which the tenant was required to:

(a) move into a different guestroom or efficiency unit before the expiration of 30 days occupancy; or

(b) check out and re-register before the expiration of 30 days occupancy if a purpose was to avoid application of this chapter.

Evidence that an occupant was required to check out and re-register shall create a rebuttable presumption, which shall affect solely the burden of producing evidence, that the housing accommodation is a rental unit subject to the provisions of this chapter.

3. A dwelling unit in a nonprofit stock cooperative while occupied by a shareholder tenant of the nonprofit stock cooperative.

4. Housing accommodations in any hospital; state licensed community care facility; convent; monastery; extended medical care facility; asylum; fraternity or sorority house; or housing accommodations owned, operated or managed by an institution of higher education, a high school, or an elementary school for occupancy by its students.

5. Housing accommodations owned and operated by the Los Angeles City Housing Authority, or which a government unit, agency or authority owns, operates, or manages and which are specifically exempted from municipal rent regulation by state or federal law or administrative regulation, or housing accommodations specifically exempted from municipal rent regulation by state or federal law or administrative regulation. This exception shall not apply once the government ownership, operation, management, regulation or rental assistance is discontinued. This exception shall not apply to rental units for which rental assistance is paid pursuant to the Housing Choice Voucher Program codified at 24 CFR part 982, and those units are subject to the provisions of this article to the fullest extent allowed by law. **(Amended by Ord. No. 177,587, Eff. 7/5/06.)**

6. Housing accommodations, located in a structure for which the first Certificate of Occupancy was issued after October 1, 1978, are exempt from provisions of this Chapter. If the property was occupied for residential purposes prior to October 1, 1978 and a Certificate of Occupancy for the subject building was never issued or was not issued until after October 1, 1978, the housing accommodation shall be subject to the provisions of this Chapter if relevant documentation, such as a building permit, establishes that the building was first occupied for residential purposes prior to October 1, 1978. This exception shall not apply to individual mobile home coaches, mobile home parks, individual recreational vehicles or recreational vehicle parks. **(Amended by Ord. No. 181,744, Eff. 7/15/11.)**

7. **Luxury Housing Accommodations.** This exemption shall only apply to housing accommodations which have been issued a certificate from the Department indicating that it has been proven to the Department's satisfaction that the subject housing accommodations were rented at the requisite rent levels on May 31, 1978.

8. **Substantial Renovation.** Housing accommodations for which renovation work was started and completed on or after September 1, 1980 which work cost at least \$10,000 for a unit with no bedrooms; \$11,000 for a unit with one bedroom; \$13,000 for a unit with two bedrooms; \$15,000 for a unit with three bedrooms; and \$17,000 for a unit with four bedrooms or more. This exemption shall apply only to rental units which have submitted an application for a certification of exemption to the Department prior to October 4, 1989, and which have been issued a certificate from the Department indicating that it has been demonstrated to the satisfaction of the Department that the requisite renovation work has been completed. **(Amended by Ord. No. 165,251, Eff. 11/20/89.)**

9. **(Amended by Ord. No. 181,744, Eff. 7/15/11.) Affordable Housing Accommodations** are housing accommodations with a government imposed regulatory agreement that has been recorded with the Los Angeles County Recorder, or which shall be recorded within six months of the filing of an exemption pursuant to this Subdivision with the Department, guaranteeing that the subject housing accommodations will be affordable to either lower income or very low income households for a period of at least 55 years, with units affordable only to households with an income at 60 percent of the Area Medium Income or less. None of the subject housing accommodations shall be affordable only to households with incomes greater than 60 percent of the Area Medium Income, as these terms are defined by the U.S. Department of Housing and Urban

Development. "Lower Income or very low income households" is defined in accordance with California Health and Safety Code Sections 50079.5 and 50105.

This exemption shall apply only to housing accommodations which have been issued an affordable housing exemption by the Department indicating satisfaction of the following conditions:

- (1) the subject housing accommodations are only available to lower income or very low income households with none of the subject accommodations affordable only to households with income greater than 60% of Area Median Income;
- (2) rent levels conform to the amounts set by the U.S. Department of Housing and Urban Development, or the California Department of Housing and Community Development, as applicable, based on the public funding source for the subject accommodations; except as follows:

Annual rent increases shall be in accordance with LAMC Section 151.06 D. for any tenancies established prior to the recording of the government imposed regulatory agreement where the tenant household has not received permanent relocation assistance in accordance with the Uniform Relocation Act, the California Relocation Assistance Act or LAMC Section 151.09 G., whichever is applicable;

- (3) actions to recover possession of housing accommodations from a tenant shall be limited to the grounds set forth in LAMC Section 151.09 A.;
- (4) the landlord shall comply with the provisions of the Tenant Habitability Program, pursuant to Article 2 of this Chapter, if applicable;
- (5) relocation assistance shall be provided to an eligible tenant household based on the applicable provisions of the Uniform Relocation Act or the California Relocation Assistance Act; or the amount set forth in LAMC Section 151.09 G., whichever is greater.

The Department shall have the authority to revoke an exemption issued pursuant to this Subdivision for failure to adhere to any of the conditions for an exemption set forth in this Subdivision.

10. Recreational vehicles which are not occupied by a tenant who has continuously resided in the park for nine or more months. This exception shall not apply to a lot or space which becomes vacant as a result of the park operator's terminating the tenancy on grounds other than those specified in Section 151.09 A. of this chapter.

11. Housing accommodations in limited-equity housing cooperatives, as defined in Health and Safety Code Section 33007.5, when occupied by a member tenant of the limited-equity housing cooperative. However, if the cooperative acquired the property pursuant to Government Code Section 54237(d), then all dwellings in the limited-equity housing cooperative shall be excepted from this chapter. **(Added by Ord. No. 157,723, Eff. 7/1/83.)**

12. Any mobilehome park for which a permit to operate is defined in Chapter 4 of Part 2.1 of Division 13 of the California Health and Safety Code was first issued on or after the effective date of this amendment (hereafter "**existing park**"). If acreage is added to a mobilehome park which park obtained a permit to operate prior to the effective date of this amendment, then any site located on such additional acreage shall be exempt from the provisions of this chapter. Any new home sites created within the boundaries of an existing park through increased density or elimination of open space shall not be subject to this exception. **(Added by Ord. No. 160,791, Eff. 2/10/86.)**

**Seismic Work. (Deleted by Ord. No. 181,744, Eff. 7/15/11.)**

**Tenant.** A tenant, subtenant, lessee, sublessee or any other person entitled to use or occupancy of a rental unit.

**Tenant Habitability Plan.** A document, submitted by a landlord to the Department, identifying any impact Primary Renovation Work and Related Work will have on the habitability of a tenant's permanent place of residence and the steps the landlord will take to mitigate the impact on the tenant and the tenant's personal property during the period Primary Renovation Work and Related Work are undertaken. **(Added by Ord. No. 176,544, Eff. 5/2/05.)**

**Unsafe Building or Structure. (Added by Ord. No. 170,445, Eff. 5/6/95, Oper. 7/5/95.)** For the purposes of this chapter, the term "**unsafe building or structure**" shall be as defined in the California Building Code (Title 24, Part 2 California Code of Regulations, Section 203). It is defined as follows:

**"Sec. 203.**

**"(a) General.** All buildings or structures regulated by this code which are structurally unsafe or not provided with adequate egress, or which constitute a fire hazard, or are otherwise dangerous to human life are, for the purpose of this section, unsafe. Any use of buildings or structures constituting a hazard to safety, health or public welfare by reason of inadequate maintenance, dilapidation, obsolescence, fire hazard, disaster, damage or abandonment is, for the purpose of this section, an unsafe use. Parapet walls, cornices, spires, towers, tanks, statuary and other appendages or structural members which are supported by, attached to, or a part of a building and which are in deteriorated condition or otherwise unable to sustain the design loads which are specified in this code are hereby designated as unsafe building appendages.

“All such unsafe buildings, structures or appendages are hereby declared to be public nuisances and shall be abated by repair, rehabilitation, demolition or removal in accordance with the procedures set forth in the Dangerous Buildings Code or such alternate procedures as may have been or as may be adopted by this jurisdiction. As an alternative, the building official, or other employee or official of this jurisdiction as designated by the governing body, may institute any other appropriate action to prevent, restrain, correct or abate the violation.

“(b) **Fire Hazard.** No person, including but not limited to the state and its political subdivisions, operating any occupancy subject to these regulations shall permit any fire hazard, as defined in this section, to exist on premises under their control, or fail to take immediate action or abate a fire hazard when requested to do so by the enforcing agency.

“**NOTE:**

“**Fire hazard**” as used in these regulations means any condition, arrangement or act which will increase, or may cause an increase of the hazard or menace of fire to a greater degree than customarily recognized as normal by persons in the public service of preventing, suppressing or extinguishing fire; or which may obstruct, delay or hinder, or may become the cause of obstruction, delay or hindrance to the prevention, suppression or extinguishment of fire.”

### **SEC. 151.03. THE RENT ADJUSTMENT COMMISSION.**

A. **Creation and Organization of the Rent Adjustment Commission.** (Amended by Ord. No. 154,237, Eff. 8/30/80, Oper. 9/1/80.) There is hereby created and established a commission to be known as the “**Rent Adjustment Commission of the City of Los Angeles**”. The Commission shall consist of seven members comprised of individuals who are neither landlords nor tenants of residential rental property. Each member shall be appointed and may be removed in accordance with Charter Section 502. If at any time during the term of a Commission member, such member should become a landlord or tenant of residential rental property, the office of that member shall immediately become vacant and a new appointment be made thereto. (Para. Amended by Ord. No. 173,035, Eff. 2/24/00, Oper. 7/1/00.)

The term of office of each member of the Commission shall be four years. The Commission shall elect one of its members chairperson and vice-chair, which officers shall hold office one year and until their successors are elected. (Amended by Ord. No. 156,597, Eff. 5/20/82.)

All members of the Commission shall be entitled to vote. Four members shall constitute a quorum for purposes of conducting a meeting. The decisions of the Commission shall be determined by a majority vote of the members present. Every three months the Commission shall render to the City Council a written report of its activities pursuant to the provisions of this chapter along with such comments and recommendations as it may choose to make. The Commission shall meet as often as necessary to perform its duties. Each member shall be paid \$50 per Commission meeting attended, and \$50 per day for each day the member sits as a member of an appeals board, not to exceed \$750 per month, and may receive reimbursement for actual expenses incurred in the course and scope of the member’s duties to the extent that the City Council has appropriated funds for such purpose. Compensation shall not be paid for more than one meeting per day.

B. **Responsibilities of the Commission.** The Commission shall be responsible for carrying out the provisions of this chapter.

It shall have the authority to issue orders and promulgate policies, rules and regulations to effectuate the purposes of this chapter. All such rules and regulations shall be published once in a daily newspaper of general circulation in the City of Los Angeles, and shall take effect upon such publication.

It may make such studies and investigations, conduct such hearings, and obtain such information as it deems necessary to promulgate, administer and enforce any regulation, rule or order adopted pursuant to this chapter.

C. The General Manager of the Los Angeles Housing Department shall designate Department employees to furnish staff support to the Commission. (Amended by Ord. No. 168,842, Eff. 7/24/93.)

### **SEC. 151.04. RESTRICTION ON RENTS.**

(Amended by Ord. No. 174,501, Eff. 4/11/02.)

A. It shall be unlawful for any landlord to demand, accept or retain more than the maximum adjusted rent permitted pursuant to this chapter or regulation or orders adopted pursuant to this chapter.

B. It shall be 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.

C. It shall be unlawful for any landlord or landlord’s agent to demand or require an electronic funds transfer or online internet payment as the exclusive method of payment of rent, security deposits, surcharges or other housing service fees. (Added by Ord. No. 182,359, Eff. 1/26/13.)

### **SEC. 151.05. REGISTRATION, NOTIFICATION OF TENANTS, POSTING OF NOTICE AND PAYMENT OF FEES.**

(Title Amended by Ord. No. 180,769, Eff. 8/16/09.)

A. **(Amended by Ord. No. 157,572, Eff. 4/1/83.)** On or after July, 1979, no landlord shall demand or accept rent for a rental unit without first procuring and serving on the tenant or displaying in a conspicuous place a valid written registration statement from the Department or its designee. On or after April 30, 1983, no landlord shall demand or accept rent for a rental unit without first serving a copy of a valid registration or annual registration renewal statement on the tenant of that rental unit.

1. Every rental unit registration and registration statement issued on or before April 29, 1980 shall expire at midnight April 30, 1980. Applications for registration renewal for a previously registered unit shall be made to the Department or its designee no later than June 15, 1980. However, a landlord may continue to accept or demand rent for a previously registered unit without a current registration statement until July 1, 1980.

2. For a rental unit which first becomes subject to this chapter between May 1, 1980 and December 31, 1980, inclusive, the landlord shall procure a registration statement.

3. The registration or registration renewal statement issued pursuant to Subdivision 1. or 2. above shall expire on March 31, 1981. A landlord who accepts or demands rent for a rental unit on or after January 1, 1981 shall procure a valid registration statement. Application for such registration statement shall be made to the Department or its designee no later than February 14, 1981.

4. The registration or registration statement issued pursuant to Subdivision 3. above shall expire on March 31, 1982. A landlord who accepts or demands rent for a rental unit on or after January 1, 1982 shall procure a valid registration statement. Applications for such registration statement shall be made to the Department or its designee no later than February 14, 1982 and any statement so issued shall expire on April 30, 1983.

5. On or after June 1, 1982, a landlord who accepts or demands rent for a rental unit on or after the first day of January of each year shall procure a valid registration or annual registration renewal statement. Application for a registration or annual registration renewal statement shall be made to the Department or its designee no later than the last day of February of each year, and the statement so issued shall expire on the last day of April of the following year, except that the 1996 registration statement shall expire on June 30, 1997. **(Amended by Ord. No. 171,648, Eff. 8/3/97.)**

B. The Department or its designee shall, upon the payment of all outstanding fees imposed pursuant to this Chapter and furnishing of an emergency contact, including the contact's name, address and phone number, register or renew the registration of a rental unit. For any rental unit for which a registration or annual registration renewal statement is required, a registration or annual registration renewal fee shall be paid. This fee shall be due and payable on the first day of January of each year, and shall be deemed delinquent if not paid on or before the last day of the month of February of each year. The fees required hereunder shall be as follows: **(Amended by Ord. No. 181,744, Eff. 7/15/11.)**

1. For a rental unit for which a landlord accepts or demands rent between May 1, 1979 and April 30, 1980, inclusive, there shall be an initial registration fee of three dollars, and if rent for such rental unit is accepted or demanded between May 1, 1980 and December 31, 1980 inclusive, there shall also be paid a registration renewal fee of three dollars.

2. For a rental unit which first becomes subject to this chapter between May 1, 1980 and December 31, 1980 inclusive, there shall be an initial registration fee of three dollars; and

3. For any rental unit for which a landlord accepts or demands rent on or after January 1, 1981, there shall be a registration or registration renewal fee of four dollars.

4. For any rental unit for which a landlord accepts or demands rent between January 1, 1982 and December 31, 1982 inclusive, there shall be a registration or registration renewal fee of seven dollars. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

5. For any rental unit for which a registration or annual registration renewal statement is required, a registration or annual registration renewal fee shall be paid. This fee shall be due and payable on the first day of January of each year, and shall be deemed delinquent if not paid on or before the last day of the following month. The amount of this fee shall be twenty-four dollars and fifty-one cents (\$24.51). **(Amended by Ord. No. 181,966, Eff. 12/20/11.)**

C. The landlord shall maintain records setting forth the maximum rent for each rental unit. Each landlord who demands or accepts a higher rent than said maximum rent shall inform the tenant or any prospective tenant of the rental unit in writing of the factual justification for the difference between said maximum rent and the rent which the landlord is currently charging or proposes to charge. **(Amended by Ord. No. 154,237, Eff. 8/30/80, Oper. 9/1/80.)**

D. For a rental unit for which a four dollar fee has been paid pursuant to Subdivision 3. of Subsection B. of this section, the landlord, for the month of April, 1981, and on a one time basis only, may demand and collect a total of four dollars per rental unit from the tenant of the rental unit after serving the tenant with a thirty days written notice on a form provided by the Department explaining the nature of the onetime charge. **(Amended by Ord. No. 154,237, Eff. 8/30/80, Oper. 9/1/80.)**

E. For a rental unit for which a registration or registration renewal fee has been paid pursuant to Subdivision 4. of Subsection B. of this section, the landlord, for the month of June, 1982, and on a one-time basis only may demand and collect a total of four dollars per rental unit from the tenant of the rental unit after serving the tenant with a thirty days written notice on a form provided by the Department explaining the nature of the one-time charge. **(Added by Ord. No. 155,561, Eff. 8/9/81.)**

F. For a rental unit for which the registration or annual registration renewal fee has been paid pursuant to Subdivision 5. of Subsection B. of this section,

the landlord may demand and collect a rental surcharge of \$9.35 (nine dollars and 35 cents) from the tenant of the rental unit after serving the tenant with a 30-day written notice in a form prescribed by the Department. **(First Paragraph Amended by Ord. No. 177,107, Eff. 12/18/05, Oper. 1/1/06.)**

The rental surcharge may only be collected in June of the year in which the registration or annual registration fee became due and payable, provided that the landlord is not delinquent in the payment of the registration or annual registration renewal fee. Except that, during the 1997 registration cycle, the tenant surcharge may be collected during any month prior to December 31, 1997 subject to the notification requirement described above and provided that the landlord is not delinquent in the payment of the registration or annual registration renewal fee. **(Second Para. Amended by Ord. No. 171,648, Eff. 8/3/97.)**

G. The landlord of a rental unit which is not registered with the Department shall provide the Department, on the form approved by the Department and accompanied by supporting documentation, a written declaration stating the facts upon which the landlord bases a claim of exclusion from the provisions of this Chapter. If a landlord fails to submit a written declaration and supporting documents by the last day of the month of January of each year, the unit shall be deemed to be subject to the provisions of this Chapter and any fees collected shall be non-refundable. If a landlord declares that the rental unit is not subject to the registration requirements of this Subsection because the rental unit is vacant, the landlord shall provide the Department with a copy of a notice recorded against the property declaring that the unit is and shall remain vacant, and the unit shall be secured against unauthorized entry. **(Amended by Ord. No. 181,744, Eff. 7/15/11.)**

H. **(Repealed by Ord. No. 181,744, Eff. 7/15/11.)**

I. For every property for which a landlord is required to procure a written registration statement pursuant to the provisions of Subsection A. of this Section, the landlord shall post a notice on a form prescribed by the Department, providing information about the Rent Stabilization Ordinance and Department contact information. Notices must be posted in a conspicuous location in the lobby of the property, near a mailbox used by all residents on the property, or in or near a public entrance to the property. The notice shall be written in English and Spanish, and in any other languages as required by the Department. **(Added by Ord. No. 180,769, Eff. 8/16/09.)**

#### **SEC. 151.05.1. PASSTHROUGH OF SURCHARGE FOR THE SYSTEMATIC CODE ENFORCEMENT FEE.**

**(Amended by Ord. No. 175,940, Eff. 6/7/04.)**

For a rental unit for which the Systematic Code Enforcement Fee has been paid pursuant to Section 161.352 of the Los Angeles Municipal Code, the landlord may demand and collect a rental surcharge from the tenant of the rental unit as follows:

- A. For the period from January 1, 2004 until May 31, 2004, a landlord may collect one dollar per month from the tenant of the rental unit.
- B. For the period from June 1, 2004 until June 30, 2004, a landlord may collect \$3.16 per month from the tenant of the rental unit.
- C. For the period from July 1, 2004 until December 31, 2004, a landlord may collect \$3.18 per month from the tenant of the rental unit.
- D. As of January 1, 2005, and all subsequent years, a landlord may collect 1/12 of the annual Systematic Code Enforcement Fee from the tenant of the rental unit per month.

This Section shall only apply to landlords who have paid all outstanding Systematic Code Enforcement Fees and charges imposed pursuant to Section 161.903.2 of this Code. **(Amended by Ord. No. 181,744, Eff. 7/21/11.)**

The Rent Adjustment Commission shall have the authority to adopt any regulations necessary to implement this section.

#### **SEC. 151.06. AUTOMATIC ADJUSTMENTS.**

**(Title Amended by Ord. No. 153,552, Eff. 5/1/80; Section Amended by Ord. No. 154,237, Eff. 8/30/80, Oper. 9/1/80.)**

The maximum rent or maximum adjusted rent for a rental unit may be increased without permission of the Rent Adjustment Commission or the Department, as follows:

- A. For a rental unit which has not had a rent increase since May 31, 1976 (other than one imposed pursuant to Section 3B(5) or (6) of Ordinance No. 151,415, as amended and/or Section 151.07 of this chapter:

Prior to any increase pursuant to Subsection D. of the section, a landlord may increase the maximum rent by an amount not to exceed 19%, but if the landlord pays all the costs of electricity and/or gas services for a rental unit, then the maximum or maximum adjusted rent may be increased an additional 1% for each such service paid by the landlord. Thereafter, the rent may be adjusted automatically only in accordance with Subsections C. and D.

- B. For a rental unit which has not had a rent increase since May 31, 1977 (other than one imposed pursuant to Section 3B(5) or (6) of Ordinance No. 151,415, as amended, and/or Section 151.07 of this chapter) but which did have a rent increase within one year prior to that date:

Prior to an increase pursuant to Subsection D. of this section, a landlord may increase the maximum rent by an amount not to exceed 13%, but if the landlord pays all the costs of electricity and/or gas services for a rental unit, then the maximum or maximum adjusted rent may be increased an



additional 1% for each such service paid by the landlord. Thereafter, the rent may be adjusted automatically only in accordance with Subsections C. and D. below.

C. **(Amended by Ord. No. 181,744, Eff. 7/15/11.)** Where all of the tenants have vacated a rental unit subject to the provisions of this Article, the following provisions apply:

1. The landlord may increase the maximum rent or maximum adjusted rent to any amount upon re-rental of the unit in any of the following circumstances:

(a) the rental unit was vacated voluntarily.

(b) the rental unit was vacated as a result of the landlord's termination of tenancy pursuant to Subdivisions 1., 2., 9. or 13. of Subsection A. of Section 151.09 of this Code.

(c) the rental unit was vacated as a result of the landlord's termination of tenancy pursuant to Subdivisions 3. or 4. of Subsection A. of Section 151.09 of this Code, and

i. The landlord served a written notice required to terminate tenancy on the tenant prior to the City Attorney commencing a court action against the tenant pursuant to Section 47.50 of this Code; and

ii. The eviction or termination of tenancy is based upon information provided by a law enforcement or prosecution agency that the tenant is committing or permitting to exist any gang-related crime, violent crime, unlawful weapon or ammunition crime, threat of violent crime, illegal drug activity or drug-related nuisance as those terms are defined in Section 47.50 of this Code. Thereafter, so long as the rental unit continues to be rented to one or more of the same persons, no other rent increase shall be imposed pursuant to this Subsection.

2. The landlord may only offer and rent the rental unit at the lawful rent in effect at the time of the most recent termination of tenancy plus annual adjustments available under Section 151.06 of this Article in any of the following circumstances:

(a) The rental unit is vacated as a result of the termination of the Housing Assistance Payment Contract between the landlord and the Housing Authority of the City of Los Angeles because of the landlord's failure to comply with the contractual obligations required by law.

(b) The rental unit was vacated as a result of the landlord's termination of tenancy pursuant to Subdivision 5., 6., 7., 8., 10., 11. or 12. of Subsection A. of Section 151.09 of this Code, or pursuant to Subdivisions 3. or 4. of Subsection A. of Section 151.09 of this Code except as otherwise provided under Subparagraph c. of Subdivision 1. of Subsection C. of this Section;

(c) The rental unit was vacated as a result of the landlord creating an unreasonable interference with the tenant's comfort, safety or enjoyment of the rental unit;

(d) The rental unit is vacated voluntarily by a tenant who was the next tenant after an eviction pursuant to Subdivision 8. of Subsection A. of Section 151.09 of this Code;

(e) The rental unit is vacated as a result of the termination of the regulation of the rental unit under any local, state or federal program;

(f) The rental unit is the subject of a notice of noncompliance sent to the Franchise Tax Board pursuant to Section 17274 of the Revenue and Taxation Code, and the violations that were the subject of the notice have not been corrected;

(g) The rental unit is the subject of a notice of acceptance into the Rent Escrow Account Program issued pursuant to Section 162.00 et seq. of this Code, and the conditions that caused the issuance of the notice have not been corrected;

(h) The rental unit is the subject of a criminal conviction related to the landlord's failure to comply with a citation or order issued by the Los Angeles Housing Department, Los Angeles Department of Building and Safety, Los Angeles Fire Department, or Department of Health with respect to the subject rental unit, and the conditions that caused the conviction have not been corrected.

3. If the rental unit is vacated as a result of a removal of the rental unit from rental housing use pursuant to Subdivision 10. of Subsection A. of Section 151.09 of this Code, the landlord must comply with the requirements of Sections 151.22 through 151.28 of this Code, including applicable limitations on the amount of rent.

D. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)** For a rental unit which at any time on or after the operative date of this chapter has not had a rent increase for a period of twelve consecutive months or more (other than one lawfully imposed pursuant to Section 3B(5) or (6) of Ordinance No. 151,415, as amended, and/or pursuant to Subsection E. of this section and/or pursuant to Section 151.07 of this chapter:

The maximum rent or maximum adjusted rent may be increased in an amount based on the Consumer Price Index – All Urban Consumers

averaged for the twelve (12) month period ending September 30, of each year, as determined and published by the Department on or before May 30, of each year, pursuant to Section 151.07 A.6. of this chapter. This annual adjustment may be applied to any annual rent increase which first becomes effective on or before July 1, through June 30, of each year. If the landlord pays all the costs of electricity and/or gas services for a rental unit then the maximum rent or maximum adjusted rent may be increased an additional one percent (1%) for each such service paid by the landlord, not to exceed a total of two percent (2%). If a rent increase had been imposed pursuant to Subsection A., B., C. or F.1., of this section, then no rent increase may be imposed pursuant to this subsection until twelve (12) consecutive months or more have elapsed since such rent increase. **(Amended by Ord. No. 159,908, Eff. 6/30/85 Oper. 7/1/85.)**

**EXCEPTION: (Amended by Ord. No. 170,445, Eff. 5/6/95, Oper. 7/5/95.)**

This subsection shall not apply in the following circumstances:

If the rental unit is the subject of a notice of noncompliance sent to the Franchise Tax Board pursuant to Section 17274 of the Revenue and Taxation Code, and the violations that were the subject of the Notice have not been corrected; or

If the rental unit is the subject of a notice of rent reduction or a Notice of Acceptance issued pursuant to this chapter, and the conditions that caused the placement have not been corrected; or

If the rental unit is the subject of a criminal conviction related to the landlord's failure to comply with a citation or order issued by the Department of Building and Safety, Fire Department, or Department of Health with respect to the subject rental unit, and the conditions that caused the conviction have not been corrected.

E. **(Amended by Ord. No. 154,808, Eff. 2/13/81.)** For a rental unit which had an automatic rent adjustment between May 1, 1980 and August 31, 1980, inclusive, and for which the landlord pays all the costs of electricity and/or gas services for a rental unit:

The maximum rent or maximum adjusted rent may be increased 1% for each such service paid by the landlord. A landlord may not increase rent pursuant to this subsection on or after May 1, 1981.

F. **(Added by Ord. No. 158,891, Eff. 6/4/84.)** For a rental unit, which is the site within a mobilehome park (hereafter "site") on which a mobilehome is located and is vacated by all the tenants after the operative date of this subsection;

1. Except as otherwise provided in this subsection, if the mobilehome on the site is vacated voluntarily or as a result of an eviction or termination of tenancy based on one or more of the grounds described in Section 151.09 A.1., A.2. or A.9., and the mobilehome is permanently removed from the site, then the maximum rent or maximum adjusted rent may be increased to any amount upon the re-rental of the site. Thereafter, as long as the site continues to be rented to one or more of the same persons, no other rent increase shall be imposed pursuant to this subdivision.

However, this subdivision shall not apply in the following circumstances:

- a. If the mobilehome has been temporarily removed for repairs; or
- b. If the mobilehome has been replaced with a new mobilehome that one or more of the same tenants will occupy.

2. If the site is voluntarily vacated by all the tenants as a result of a sale of the mobilehome, and the mobilehome is not removed from the site, then the maximum rent or maximum adjusted rent may be increased by an amount not to exceed the rent on any existing comparable site in the park, or ten percent (10%), whichever is the lower. A comparable site for the purposes of this subdivision shall be a site within the same park which has a mobilehome located on it which is substantially the same size (single, double or triple wide) as the mobilehome that was sold. Thereafter, as long as the site continues to be rented to one or more of the same persons, no other rent increase shall be imposed pursuant to this subdivision. The rent may only be increased pursuant to this subdivision once in any twelve consecutive month period.

G. **(Amended by Ord. No. 181,744, Eff. 7/15/11.)** For a rental unit which has an additional tenant joining the occupants of the rental unit thereby resulting in an increase in the number of tenants existing at the inception of the tenancy:

(a) The landlord may increase the maximum rent or maximum adjusted rent by an amount not to exceed 10% for each additional tenant that joins the occupants of the rental unit, except as follows:

(i) This Subsection shall not apply if the landlord had actual or constructive knowledge of the additional tenant's occupancy of the rental unit for more than 60 days and has failed to notify the tenant of the increase pursuant to this Subsection;

(ii) If the additional tenant joined the occupants of the rental unit prior to the effective date of this amendment and the landlord had actual or constructive knowledge of the additional tenant's occupancy of the rental unit prior to the effective date of this amendment, the landlord shall not be able to increase the rent pursuant to this Subsection unless the landlord had notified the tenant of the increase within 60 days of the effective date of this amendment;

(iii) This Subsection shall not apply for the first minor dependent child (or first minor dependent children of a multiple birth) added

to an existing tenancy.

(b) The rental unit shall not be eligible for a rent increase until the additional tenant has maintained residence in the rental unit for a minimum of thirty consecutive days.

#### **SEC. 151.06.02. PAYMENT OF INTEREST ON SECURITY DEPOSITS.**

**(Added by Ord. No. 166,368, Eff. 12/6/90.)**

A. Security deposit is defined in Section 1950.5 of the California Civil Code.

B. **(Amended by Ord. No. 174,017, Eff. 7/16/01.)** A landlord who is subject to the provisions of Section 1950.5 of the California Civil Code shall pay annually interest on all security deposits held for at least one year for his or her tenants as follows:

1. **(Amended by Ord. No. 175,020, Eff. 2/1/03.)** Beginning January 1, 2003, the landlord may determine the annual rate of interest by either of the following methods:

(a) Using the annual rate of interest established by the Rent Adjustment Commission (RAC). That rate shall be based on the average of the interest rates on savings accounts paid on September 1 of the previous year, by at least five Federal Deposit Insurance Corporation (FDIC) insured banks with branches in Los Angeles. RAC shall adopt the rate by November 30 of each year and shall publish that rate in a newspaper of general circulation within one week after it is established each year. The interest rate established by the RAC shall be the rate in effect from January 1 through December 31 of the subsequent year.

(b) Using the actual interest earned on each security deposit account each year. If the landlord chooses this method of determining the amount of interest due at the time of payment of the security deposit interest, the landlord shall provide the tenant with bank statements indicating the amount of interest earned on the security deposit for that year. In the event the landlord fails to provide that information to the tenant at the time it transmits payment of the interest to the tenant, the interest rate required to be paid, shall be the rate set by RAC.

(c) No interest shall accrue on security deposits for the period of January 1, 2002 through December 31, 2002.

2. The annual interest rate shall be 2% simple interest per annum for tenants' security deposits held during the period of January 1, 2001, through December 31, 2001.

3. The annual interest rate shall be 5% simple interest per annum for tenants' security deposits held during the period of November 1, 1990, through December 31, 2000.

4. The Los Angeles Housing Department (LAHD) shall identify the established interest rate in the annual rental unit registration billings mailed to landlords. LAHD shall publish the established interest rate in a newspaper of general circulation.

C. **(Amended by Ord. No. 174,017, Eff. 7/16/01.)** Interest shall begin accruing on November 1, 1990, on a monthly basis. A tenant shall be given the unpaid accrued interest in the form of either a direct payment or a credit against the tenant's rent. The landlord shall choose between these two methods of payment and notify the tenant in writing of his or her choice. The landlord may elect to pay the accrued interest on a monthly or yearly basis.

D. Upon termination of tenancy, only the tenant whose security deposit has been held for one year or more shall be entitled to payment of any unpaid accumulated interest on the security deposit. Such payment shall 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).

E. Upon termination of a landlord's interest in a property, all accumulated interest on security deposits shall be disposed of in the same manner as required for security deposits by California Civil Code Sections 1950.5(g) and (h).

F. Nothing herein shall preclude a landlord from exercising his or her discretion in investing security deposits.

G. In the event the landlord fails to pay interest on the security deposit as provided in this section, the tenant may bring an action for recovery of the amount owed in a court of the appropriate jurisdiction including, but not limited to, small claims court.

H. The provisions of this section shall not govern mobile home parks.

#### **SEC. 151.06.1. SMOKE DETECTORS.**

**(Added by Ord. No. 154,808, Eff. 2/1/81.)**

A. For a rental unit in which the landlord installs smoke detectors pursuant to Section 91.8603.1.1 or Section 91.8603.1.2 or Section 91.8603.2.1 or Section 91.8603.2.2 of this Code: **(Amended by Ord. No. 181,744, Eff. 7/15/11.)**

The rent may be increased 50 cents (\$.50) per month for each battery operated smoke detector installed in the rental unit, or three dollars (\$3) per month for each permanently installed smoke detector in the rental unit, or the landlord may apply for a rent adjustment pursuant to Subsection A of Section 151.07 of this chapter. This surcharge shall not constitute a rent increase for purposes of Section 151.06 of this chapter.

B. This rent surcharge may be collected at the above rate until the actual cost to the landlord of purchase and installation has been recovered. This subsection shall not apply to a rental unit which becomes eligible for a rent increase pursuant to Section 151.06 C. of this chapter subsequent to the installation of the smoke detector. The Commission shall promulgate regulations on what constitutes eligible expenses in computing such actual cost.

C. Within two months after installation, or by May 31, 1981, whichever is later, the landlord must give written notice to the tenant paying the surcharge of the actual purchase and installation costs of the smoke detector and the month and year when said costs will have been completely amortized.

#### **SEC. 151.06.2. SURCHARGE FOR WATER CONSERVATION ASSESSMENT.**

**(Added by Ord. No. 166,707, Eff. 4/1/91.)**

If a landlord is assessed financial penalties pursuant to the Emergency Water Conservation Plan of the City of Los Angeles, the landlord is entitled to partially pass through those penalties to tenants in the form of a temporary rent surcharge. This surcharge shall not constitute a rent increase for purposes of Section 151.06 of this chapter.

A. A landlord may partially pass through the financial penalties assessed by the Department of Water and Power under the Emergency Water Conservation Plan in the following amount and manner, and in accordance with the regulations adopted by the Rent Adjustment Commission.

1. The landlord shall be entitled to a rent increase in the form of a surcharge of fifty percent (50%) of the penalties assessed.

2. For mobilehome parks that are not separately submetered, the owner of the mobilehome park shall be entitled to pass through seventy-five percent (75%) of the assessed penalties. For mobilehome parks that are submetered, the owner of the park may apportion any assessed penalties in accordance with Rent Adjustment Commission regulations.

B. A landlord shall not close on-premises coin operated laundry facilities during the duration of the Emergency Water Conservation Plan.

#### **SEC. 151.06.5. REDUCTIONS IN RENT.**

**(Repealed by Ord. No. 173,810, Eff. 4/16/01.)**

#### **SEC. 151.07. AUTHORITY OF THE DEPARTMENT AND THE COMMISSION TO GRANT INDIVIDUAL RENT ADJUSTMENTS.**

##### **A. Authority of the Department.**

1. The Department, in accordance with such regulations and guidelines as the Commission may establish, shall have the authority to grant adjustments in the rent for a rental unit or units located in the same housing complex upon receipt of an application for an adjustment filed by the landlord of the unit or units if it finds that one or more of the grounds set forth in this Subdivision exist. Nothing in this Section shall prevent the Department from granting rent adjustments under more than one provision of this Section, provided the rent adjustments are for different work or improvements. The Department shall not grant a rent adjustment for a rental unit under more than one provision of this Section for the same work or improvement. The Department shall not process any applications for rent adjustments under this Section if the landlord has not paid all outstanding fees imposed pursuant to Section 151.05, Section 161.352 and Section 161.901 of this Code. **(Amended by Ord. No. 181,744, Eff. 7/15/11.)**

a. **(Amended by Ord. No. 165,251, Eff. 11/20/89.)** That on or after April 1, 1978, the landlord has completed a capital improvement with respect to a rental unit and has not increased the rent to reflect the cost of such improvement. If the Department so finds, the landlord shall be entitled to a permanent monthly rent increase of 1/60th the average per unit capital improvement cost; provided, however, any rent adjustment for a capital improvement granted by the Department between February 13, 1981, and May 31, 1982, shall terminate after five (5) years.

Except that, for any capital improvement work for which a rent increase application is filed with the Department on or after October 1, 1989 the landlord shall only be entitled to a temporary monthly rent increase of 1/60th of fifty percent (50%) of the average per unit capital improvement cost for a period not to exceed six (6) years.

This temporary monthly surcharge shall not exceed \$55.00 per month for each rental unit unless agreed upon in writing by a landlord and a tenant. If the surcharge, as calculated under the above formula, would exceed \$55.00 per month, then the surcharge period of six (6) years may be extended until the allowable capital improvement expenses are recovered. This surcharge shall not be included as part of the Maximum Adjusted Rent for purposes of calculating the automatic rent adjustment pursuant to Section 151.06 D.

Any capital improvement rent increase or surcharge approved by the Department shall terminate if the Department determines that there has been a complete failure of a capital improvement. The Commission may adopt regulations to implement this provision.

For the purposes of this provision, seismic work shall not be eligible as a capital improvement. **(Added by Ord. No. 165,501, Eff. 3/23/90.)**

**EXCEPTION: (Added by Ord. No. 170,445, Eff. 5/6/95, Oper. 7/5/95.)**

This paragraph shall not apply in the following circumstances:

If the rental unit is the subject of a notice of noncompliance sent to the Franchise Tax Board pursuant to Section 17274 of the Revenue and Taxation Code, and the work is to correct the violations that were the subject of the Notice.

If the rental unit is the subject of a notice of rent reduction or a notice of acceptance into the Rent Escrow Account Program issued pursuant to Section 162.00 *et seq.* of this Code, and the work is to correct the conditions that caused the placement. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)**

If the rental unit is the subject of a criminal conviction related to the landlord's failure to comply with a citation or order issued by the Department, the Department of Building and Safety, Fire Department, or Department of Health with respect to the subject rental unit, and the work is to correct the conditions that caused the conviction. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)**

b. **(Amended by Ord. No. 172,410, Eff. 2/20/99.)** That on or after April 1, 1978, the landlord has completed rehabilitation work with respect to a rental unit and has not increased the rent to reflect the cost of the improvement. If the Department so finds, the landlord shall be entitled to a permanent monthly rent increase of 1/60th of the average per unit rehabilitation cost; provided, however, any rehabilitation work begun prior to June 1, 1982, shall be entitled to rent increases of 1/36 of the average per unit rehabilitation cost. Moreover, any rental adjustment for rehabilitation work granted by the Department between February 13, 1981 and May 31, 1982, shall terminate after 3 years.

Except that, for any rehabilitation work for which a rent increase application is filed with the Department on or after January 1, 1999, the landlord shall only be entitled to a temporary monthly rent increase of 1/60th of the average per unit rehabilitation cost for a period not to exceed five years, provided, however, where 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 a landlord and a 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 recovered. If the landlord receives a loan made with public funds to do the rehabilitation work, and that loan allows for deferment of the loan repayment, the surcharge shall also be deferred for the same amount of time. This surcharge shall not be included as part of the Maximum Adjusted Rent for purposes of calculating the automatic rent adjustment pursuant to Section 151.06 D.

Any rehabilitation rent increase or surcharge approved by the Department shall terminate if the Department determines that there has been a complete failure of the rehabilitation work. The Commission may adopt regulations to implement this provision.

For the purposes of this Paragraph, work required for compliance with Section 91.8805 of this Code shall not be eligible as rehabilitation work. **(Amended by Ord. No. 181,744, Eff. 7/15/11.)**

c. **(Repealed by Ord. No. 181,744, Eff. 7/15/11.)**

d. **(Added by Ord. No. 176,544, Eff. 5/2/05.)** That on or after the effective date of this amendment, the landlord has completed Primary Renovation Work and any Related Work in conformance with a Tenant Habitability Plan accepted by the Department and has not increased the rent to reflect the cost of such improvement. For the purposes of this provision, any portion of the Primary Renovation Work and Related Work paid for with public funds is not eligible for this monthly rent increase until the landlord is immediately obligated to repay the public funds.

If the Department so finds, the landlord shall be entitled to a permanent monthly rent increase that shall not exceed the lesser of:

- (i) 100% of the Average Per Unit Primary Renovation Work Cost amortized in accordance with a term schedule established by the Commission and an interest rate corresponding to the monthly composite rate for average yields from the sale of ten-year constant maturity U.S. government securities plus one full percentage point; or
- (ii) 10% of the Maximum Adjusted Rent at the time an application for a rent increase was filed.

The maximum 10% rent increase permissible under this provision may be imposed no more than once during the tenancy of any tenant household with an annual income at or below 80% of the Area Median Income as established by the U.S. Department of Housing and Urban Development for the Los Angeles-Long Beach primary metropolitan statistical area. For all other tenants, the Commission may promulgate regulations with respect to the number of times during any tenancy that the maximum 10% rent increase may be imposed.

For the purposes of this provision, costs associated with Primary Renovation Work shall include the documented incurred costs for Primary Renovation Work, Related Work, and temporary relocation of tenants undertaken in accordance with an accepted Tenant Habitability Plan.

Any rent increase granted pursuant to this provision shall be imposed in two equal increments over a two-year period. Upon receipt of the Department's approval of a primary renovation rent increase, the landlord may impose the first increment after providing notice to each affected tenant pursuant to Section 827 of the California Civil Code. The second increment may be imposed no earlier than 12 calendar months after the first increment is imposed and after providing notice to each affected tenant pursuant to Section 827 of the California Civil Code.

**EXCEPTION:**

This paragraph shall not apply in the following circumstances:

If the rental unit is the subject of a notice of noncompliance sent to the Franchise Tax Board pursuant to Section 17274 of the Revenue and Taxation Code, and the work is to correct the violations that were the subject of the Notice.

If the rental unit is the subject of a notice of rent reduction or a Notice of Acceptance into the Rent Escrow Account Program issued pursuant to Section 162.00 *et seq.* of this Code, and the work is to correct the conditions that caused the placement.

If the rental unit is the subject of a criminal conviction related to the landlord's failure to comply with a citation or order issued by the Department, the Department of Building and Safety, Fire Department, or Department of Health with respect to the subject rental unit, and the work is to correct the conditions that caused the conviction.

If the rental unit is the subject of a citation or order from a government agency to abate hazardous materials and the citation or order is issued before the acceptance of a Tenant Habitability Plan by the Department.

**2. Procedures for Departmental Review of Adjustment Requests.**

a. **Applications.** An application for a rent adjustment under this subsection shall be made within twelve months after the completion of the work. The application shall be filed with the Department upon a form and with the number of copies prescribed by the Department and shall include, among other things, the addresses and unit numbers of the unit or units for which an adjustment was requested. If the rent adjustment request is the result of the same capital improvement, Primary Renovation Work, seismic work, or rehabilitation work, the application may include all rental units in a housing complex for which an application for a rent increase is filed. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)**

The applicant shall produce at the request of the Department such records, receipts or reports as the Department may deem necessary to make a determination on the adjustment request. Failure to produce requested items shall be sufficient basis to terminate the rent adjustment proceedings. All applications shall be accompanied by a declaration stating that the above information is true and correct.

An application for a rent adjustment under this subsection shall be accompanied by a \$25.00 filing fee. The landlord shall not recover this filing fee from any tenant. The requirement to pay this fee shall not apply to the first application for the housing complex made by a landlord within a calendar year pursuant to this subsection.

b. **Notice.** Upon receipt of an adjustment application, the Department shall notify the tenant or tenants of the subject unit or units by mail of the receipt of such application, the amount of the requested rent increase, the landlord's justification for the request, a tenant's right to submit written objections to the adjustment request within 10 days of the date of mailing such notice, and of the address to which the objections may be mailed or delivered.

c. The Department shall, within 45 days of the receipt of a completed application, make a determination on the application for rent adjustment. The determination shall be either to approve or disapprove the requested rent adjustment. If the adjustment is approved, then it must be for the amount requested. Copies of the findings and determination of the Department shall be mailed by the Department to the applicant and all affected tenants. Said findings and determination shall provide that any rent increases approved on or after January 1, 1981 for capital improvements or rehabilitation work begun prior to June 1, 1982 shall not be included as part of the maximum adjusted rent for purposes of computing rent increases pursuant to Section 151.06 of this chapter. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

**3. Requests for Hearing.**

a. The determination of the Department shall be final unless a request for hearing is filed by or on behalf of the applicant or an affected tenant, and such request is received by the Department within 15 days after the mailing of the findings and determination. A request for hearing shall be in writing and filed in the office of the Department upon a form and with the number of copies required by the Department. Each request for hearing shall be accompanied by a filing fee in the amount of \$35.00. **(Amended by Ord. No. 164,167, Eff. 12/12/88.)**

b. A request for hearing shall set forth specifically, wherein the requesting party believes there was error or abuse of discretion by the Department in ruling on the application for a rent increase. Additionally, a request for hearing may be made based on new, relevant information which was not submitted to the Department at the time of the initial determination due to mistake, surprise, inadvertence, or excusable neglect, and which information would have affected the determination of the Department if it had been submitted earlier. The filing of a request for hearing by a tenant or tenants will not stay the effect of the determination of the Department. However, any increase collected by the landlord pursuant to the Department's determination but not approved by the hearing officer shall be forthwith refunded by the landlord to the tenant or tenants from whom such rent increases were collected, or offset by the landlord against the next legally due rental payment. **(Amended by Ord. No. 156,597, Eff.**

**5/20/82, Oper. 5/15/82.)**

c. If a request for hearing is received by the Department within the 15 day period, then the requested hearing shall be held within 30 days of the receipt of the request by a hearing officer designated by the Department. Notice of the time, date and place of the hearing shall be mailed by the Department to the applicant and tenants of the subject rental units at least 10 days prior to the hearing date. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

d. The hearing shall be conducted by a hearing officer designated by the Department. At the time of the hearing the landlord and/or any affected tenant may offer such documents, testimony, written declarations or evidence as may be pertinent to the proceedings.

e. In making a determination on an application for rent increase, the designated hearing officer shall make a written determination upholding, reversing or modifying the determination of the Department. If the determination is to reverse or modify the determination of the Department, the hearing officer shall specifically set forth the reasons or such reversal or modification.

f. **Time Limit.** A final decision shall be made by the hearing officer within 45 days of the termination of the time for filing of a request for hearing. The Department shall mail copies of the findings and determination of the hearing officer to the applicant and all affected tenants. Said findings and determination shall provide that any rent increases approved on or after January 1, 1981 for capital improvements or rehabilitation work begun prior to June 1, 1982 shall not be included as part of the maximum adjusted rent for purposes of computing rent increases pursuant to Section 151.06 of this chapter. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

**4. Limitation on Rent Adjustment. (Added by Ord. No. 154,808, Eff. 2/13/81.)**

a. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)** For every rental unit which experiences a rent increase based on capital improvement and/or rehabilitation work begun prior to June 1, 1982 and also approved by the Department after February 13, 1981:

The Department shall mail a notice to the landlord of the rental unit indicating that the Department will issue a written order to the landlord requiring the termination of the rent increase after the cost of the work has been fully recovered, unless it determines that the rental unit became eligible for a rent increase pursuant to Section 151.06 C. or that a reduction in rent would work an undue hardship on the landlord.

b. An application for relief from the proposed order may be made within 30 days after the mailing of the notice in accordance with such procedures as the Commission may establish.

c. For any rental unit for which a capital improvement rent adjustment was granted by the Department between February 13, 1981 and May 31, 1982, and for which a hardship exemption was granted pursuant to Section 151.07 A.4.a., said capital improvement rent adjustment shall terminate upon the effective date of this amendment. The landlord shall, within ten days of the effective date of this amendment, serve a written notice of termination of the capital improvement rent adjustment to all affected tenants setting forth the amount of increase which is to be terminated. **(Added by Ord. No. 163,832, Eff. 8/25/88.)**

5. The Department in accordance with such guidelines as the Commission may establish, shall have the authority to grant certificates of exemptions for luxury housing accommodations and substantial renovation work. In processing an application for exemption, the Department shall afford both landlords and tenants notice and an opportunity to be heard prior to the issuance of a certificate of exemption. An application for a certificate of exemption shall be accompanied by a \$25.00 filing fee. After August 31, 1982, no unit shall be exempt pursuant to Sections 151.02 M.7. or M.8. without first obtaining a certificate of exemption. Pending completion of the processing of an application for a certificate of exemption, the Department may issue a temporary certificate of exemption for housing accommodations. **(Amended by Ord. No. 164,167, Eff. 12/12/88.)**

6. **(Subdiv. 6 Added by Ord. No. 159,908, Eff. 6/30/85, Oper. 7/1/85.)** On or before May 30, of each year, the Department shall publish in a newspaper of general circulation the annual rent increase adjustment for any rent increase imposed pursuant to Section 151.06 D. of this chapter for the following twelve (12) month period beginning on July 1 and ending on June 30. The Department shall calculate this adjustment as follows:

The annual rent increase adjustment shall be based on the Consumer Price Index – All Urban Consumers for the Los Angeles-Long Beach-Anaheim-SMSA averaged for the previous twelve (12) month period ending September 30 of each year. It shall reflect the change in the Consumer Price Index over the previous consecutive twelve (12) month period expressed as a percentage and rounded off to the nearest whole number. If the calculated adjustment is three percent (3%) or less, the Department shall set the annual rent increase adjustment at three percent (3%) but, if the calculated adjustment is eight percent (8%) or greater, the Department shall set the annual rent increase adjustment at eight percent (8%).

**7. Re-rental Certificates. (Repealed by Ord. No. 176,544, Eff. 5/2/05.)**

8. The Commission shall promulgate regulations to establish the health, safety, and habitability standards which shall be followed for any capital improvement, Primary Renovation Work, Related Work, or rehabilitation work performed while a tenant is residing in the rental unit. These regulations shall include, but not be limited to, provisions regarding advance notification, security, fire standards, pest control, the operation of dangerous equipment, utility interruptions, the use of potentially dangerous construction materials, and the protection of tenants and their property from exposure to natural elements. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)**

**B. Authority of the Commission and Hearing Officers.**

1. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)** A designated hearing officer shall have the authority, in accordance with such guidelines as the Commission may establish, to grant increases in the rent for a rental unit, or for two or more rental units located in the same housing complex, upon receipt of an application for adjustment filed by the landlord and after notice and hearing, if the hearing officer finds that such increase is in keeping with the purposes of this chapter and that the maximum rent or maximum adjusted rent otherwise permitted pursuant to this chapter does not constitute a just and reasonable return on the rental unit or units. The following are factors, among other relevant factors as the Commission may determine, which may be considered in determining whether a rental unit yields a just and reasonable return:

- a. property taxes;
- b. reasonable operating and maintenance expenses;
- c. the extent of capital improvements made to the building in which the rental unit is located as distinguished from ordinary repair, replacement and maintenance;
- d. living space, and the level of housing services;
- e. substantial deterioration of the rental units other than as a result of ordinary wear and tear;
- f. failure to perform ordinary repair, replacement and maintenance; and
- g. financing costs on the property if such financing was obtained prior to June 1, 1978 and if it contains either a balloon payment or variable rate provision.

2. **Anti-Speculation Provision.** If the only justification offered for the requested rent increase on the landlord's application is an assertion that the maximum rents or maximum adjusted rents permitted pursuant to this chapter do not allow the landlord a return sufficient to pay both the operating expenses and debt service on the rental unit or units or on the housing complex containing the rental unit or units, a rent adjustment will not be permitted pursuant to this subsection to a landlord who acquired an interest in the rental unit or units after October 1, 1978.

**3. Procedures.**

a. An application for rent adjustment shall be submitted on a form and with the number of copies prescribed by the Department and shall include among other things the addresses and unit numbers of the unit or units for which an adjustment is requested. Such application may include all rental units in a housing complex for which a rent increase is requested. Each application shall be accompanied by a \$25.00 filing fee. An applicant shall produce at the request of the Department or hearing officer to whom the matter is assigned such records, receipts or reports as the Department or hearing officer may deem necessary to make a determination on the adjustment request. Failure to produce such requested items shall be sufficient basis for the Department or hearing officer to terminate the rent adjustment proceeding. All applications shall be accompanied by a declaration stating that the above information is true and correct. **(Amended by Ord. No. 164,167, Eff. 12/12/88.)**

b. Upon receipt of a completed application, the application shall be referred by the Department to a hearing officer for processing and determination. The Department shall notify by mail the tenant or tenants of the subject unit or units of the receipt of such application, the amount of the requested rent increase, the landlord's justification for the request, and the place, date and time of the hearing on the adjustment request. The hearing shall be set no less than 10 days nor more than 45 days after the date of mailing such notice.

c. The hearing shall be conducted by a hearing officer designated by the Department. At the time of the hearing the landlord and/or any affected tenant may offer such documents, testimony, written declarations or evidence as may be pertinent to the proceedings.

d. A determination with written findings in support thereof shall be made by the assigned hearing officer within 75 days from the date of the filing of the application. A rent adjustment may be granted for less than, but for no more than the amount requested.

e. Copies of the findings and determination of the hearing officer shall be mailed by the Department to the applicant and all affected tenants. The determination shall become final 15 days from the date of mailing unless an appeal is filed with the Commission within such period. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

**4. Appeals.**

a. **Time and Manner.** An appeal to the Commission from the determination of a hearing officer may be filed by the applicant or any affected tenant pursuant to this subsection within 15 days after mailing of such determination. Such appeals shall be in writing and shall be filed in the office of the Department upon a form and with the number of copies required by the Commission. Each appeal shall be accompanied by a \$50.00 filing fee. An appeal shall set forth specifically wherein the appellant believes there was an error or abuse of discretion by the hearing officer. Additionally, an appeal may be made based on new, relevant information which was not submitted to the hearing officer at the time of the initial determination due to mistake, surprise, inadvertence, or excusable neglect, and which information would have affected the determination of the hearing officer if it had been submitted earlier. The filing of an appeal will not stay the effect of the hearing officer's determination. However, any



rent increases collected by the landlord pursuant to the hearing officer's determination but not approved on appeal shall be forthwith refunded to the tenant or tenants from whom such rent increases were collected or offset against the next legally due rental payment. **(Amended by Ord. No. 164,167, Eff. 12/12/88.)**

b. **Record on Appeal.** Upon receipt of an appeal, the entire administrative record of the matter, including the appeal, shall be filed with the Commission. At any time prior to action on the appeal, the hearing officer may submit to the Commission written comments pertaining to the appeal.

c. **Hearing Date and Notice.** Upon receipt of the appeal, the Commission shall cause the matter to be set for hearing before three or more Commissioners acting as an appeals board, and notice shall be given by mail of the date, time, place and purpose thereof to the applicant and all affected tenants. Such notice shall be in writing and mailed at least 10 days prior to said hearing. The appeals board shall make its determination within 60 days after the expiration of the appeal period or within such extended period of time as may be mutually agreed upon by the appellant and the designated appeals board. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

d. **Determination.** If the appeals board fails to act within the time limits specified in this section, the determination of the hearing officer shall become final. The decision on appeal shall be concurred in by a majority of the appeals board. The appeals board may affirm, modify or reverse the determination of the hearing officer. It may modify or reverse such determination only upon making written findings setting forth specifically either (i) wherein the action of the hearing officer was in error or constituted an abuse of discretion, or (ii) the new information not available at the time of the hearing upon which the appellant relies, and supporting its own determination. A copy of the findings and determination shall be mailed to the applicant and to affected tenants. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

#### **SEC. 151.08. AUTHORITY OF COMMISSION TO REGULATE BY CLASS.**

A. In addition to the authority contained in Section 151.07, the Rent Adjustment Commission may make such adjustments, either upward or downward, of the maximum rent or maximum adjusted rent for any class of rental units as it determines are appropriate to carry out the purposes of this chapter. For the purposes of this section, the phrase "**class of rental units**" may include all rental units or certain categories of rental units based on such common characteristics as the Commission may determine, including size, age, construction, rent, or geographic area.

B. The Commission shall promulgate regulations on what constitutes corresponding reductions in rents in those instances where there is a reduction of housing services, and on permissible rent increases where a rental unit regularly experiences a seasonal fluctuation in rents.

C. For the purpose of adjusting rents under the provisions of this section, the Commission may promulgate by regulation a schedule of standards for permissible rental increases, or required decreases related to the improvement, reduction, or deterioration in housing services or facilities, or to increases or decreases in operating expenses and taxes. A decrease in operating expenses shall include a reclassification of the rate of the sewer service charge from commercial rates to residential rates for master metered mobilehome park residents. **(Amended by Ord. No. 168,353, Eff. 1/3/93.)**

D. The Commission may promulgate regulations extending the amortization period for rent adjustments granted by the Department pursuant to Section 151.07 A. of this chapter, where the capital improvement and/or rehabilitation work has been funded or subsidized through a federal, state or City housing program. **(Added by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

E. The Commission shall promulgate regulations to determine the appropriate maximum adjusted rent on a rental unit when the tenant of a rental unit was, but no longer is, the resident manager, and when a rental unit, formerly occupied by a resident manager, is offered for rent to another person. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

#### **SEC. 151.09. EVICTIONS.**

**(Amended by Ord. No. 154,237, Eff. 8/30/80, Oper. 9/1/80.)**

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

1. The tenant has failed to pay the rent to which the landlord is entitled, including amounts due under Subsection D of Section 151.05.

2. **(Amended by Ord. No. 175,130, Eff. 3/31/03.)** The tenant has violated a lawful obligation or covenant of the tenancy and has failed to cure the violation after having received written notice from the landlord, other than a violation based on:

(a) The obligation to surrender possession upon proper notice; or

(b) The obligation to limit occupancy, provided that the additional tenant who joins the occupants of the unit thereby exceeding the limits on occupancy set forth in the rental agreement is either the first or second dependent child to join the existing tenancy of a tenant of record or the sole additional adult tenant. For purposes of this section, multiple births shall be considered as one child. The landlord, however, has the right to approve or disapprove the prospective additional tenant, who is not a minor dependent child, provided that the approval is not unreasonably withheld; or

(c) A change in the terms of the tenancy that is not the result of an express written agreement signed by both of the parties. For purposes of this section, a landlord may not unilaterally change the terms of the tenancy under Civil Code Section 827 and then evict the tenant for the violation of the added covenant unless the tenant has agreed in writing to the additional covenant. The tenant must knowingly

consent, without threat or coercion, to each change in the terms of the tenancy. A landlord is not required to obtain a tenant's written consent to a change in the terms of the tenancy if the change in the terms of the tenancy is authorized by Los Angeles Municipal Code Section 151.06, or if the landlord is required to change the terms of the tenancy pursuant to federal, state, or local law. Nothing in this paragraph shall exempt a landlord from providing legally required notice of a change in the terms of the tenancy.

3. **(Amended by Ord. No. 180,449, Eff. 2/5/09.)** The tenant is committing or permitting to exist a nuisance in or is causing damage to, the rental unit or to the unit's appurtenances, 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.

The term "nuisance" as used in this subdivision includes, but is not limited to, any gang-related crime, violent crime, unlawful weapon or ammunition crime or threat of violent crime, illegal drug activity, any documented activity commonly associated with illegal drug dealing, such as complaints of noise, steady traffic day and night to a particular unit, barricaded units, possession of weapons, or drug loitering as defined in Health and Safety Code Section 11532, or other drug related circumstances brought to the attention of the landlord by other tenants, persons within the community, law enforcement agencies or prosecution agencies. For purposes of this subdivision, gang-related crime is any crime motivated by gang membership in which the perpetrator, victim or intended victim is a known member of a gang. Violent crime is any crime which involves use of a gun, a deadly weapon or serious bodily injury and for which a police report has been completed. A violent crime under this subdivision shall not include a crime that is committed against a person residing in the same rental unit as the person committing the crime. Unlawful weapon or ammunition crime is the illegal use, manufacture, causing to be manufactured, importation, possession, possession for sale, sale, furnishing, or giving away of ammunition or any weapon listed in subdivision (c)(1)-(5) of Section 3485 of the Civil Code.

Threat of violent crime is any statement made by a tenant, or at his or her request, by his or her agent to any person who is on the premises or to the owner of the premises, or his or her agent, threatening the commission of a crime which will result in death or great bodily injury to another person, with the specific intent that the statement is to be taken as a threat, even if there is no intent of actually carrying it out, when on its face and under the circumstances in which it is made, it is so unequivocal, immediate and specific as to convey to the person threatened, a gravity of purpose and an immediate prospect of execution of the threat, and thereby causes that person reasonably to be in sustained fear for his or her own safety or for his or her immediate family's safety. Such a threat includes any statement made verbally, in writing, or by means of an electronic communication device and regarding which a police report has been completed. A threat of violent crime under this section shall not include a crime that is committed against a person who is residing in the same rental unit as the person making the threat. "Immediate family" means any spouse, whether by marriage or not, parent, child, any person related by consanguinity of affinity within the second degree, or any other person who regularly resides in the household, or who, within the prior six months, regularly resided in the household. "Electronic communication device" includes but is not limited to, telephones, cellular telephones, video recorders, fax machines, or pagers. "Electronic communications" has the same meaning as the term is defined in subsection 12 of Section 2510 of Title 18 of the United States Code, except that "electronic communication" for purposes of this definition shall not be limited to electronic communication that affects interstate or foreign commerce.

Illegal drug activity is a violation of any of the provisions of Chapter 6 (commencing with Section 11350) or Chapter 6.5 (commencing with Section 11400) of the Health and Safety Code.

4. **(Amended by Ord. No. 171,442, Eff. 1/19/97.)** 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.

The term "illegal purpose" as used in this subdivision includes, but is not limited to, violations of any of the provisions of Chapter 6 (commencing with Section 11350) or Chapter 6.5 (commencing with section 11400) of the Health and Safety Code.

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 written request or demand by the landlord to execute a written extension or renewal thereof for a further term of like duration with similar provisions and in such terms as are not inconsistent with or violative 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. **(Amended by Ord. No. 180,747, Eff. 8/1/09.)** The landlord seeks in good faith to recover possession of the rental unit for use and occupancy as a primary place of residence by:

- (a) The landlord; or
- (b) The landlord's spouse, grandchildren, children, parents or grandparents; or
- (c) A resident manager.

Landlords seeking to recover possession pursuant to the provisions of this Subdivision must comply with the restrictions and requirements of Section 151.30, as well as all other relevant provisions of this Article.

9. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)** 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 this Code.

10. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)** The landlord seeks in good faith to recover possession of the rental unit under either of the following circumstances:

- a. to demolish the rental unit; or
- b. to remove the rental unit permanently from rental housing use.

Landlords seeking to recover possession for either of the circumstances described in this subdivision must comply with the requirements of Sections 151.22 through 151.28 of this article. This subdivision is a lawful grounds for eviction only where a landlord is withdrawing from rent or lease all of the rental units in a structure or building. A landlord seeking to evict tenants pursuant to either of the circumstances described in this subdivision may not withdraw from rent or lease less than all of the accommodations in a structure or building. **(Para. Added by Ord. No. 177,901, Eff. 9/29/06.)**

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, order to comply, order to abate, or any other order that necessitates the vacating of the building housing the rental unit as a result of a violation of the Los Angeles Municipal Code or any other provision of law. **(Amended by Ord. No. 172,288, Eff. 12/17/98.)**

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 sale and has complied with all tenant notification requirements under federal law and administrative regulations. **(Added by Ord. No. 173,224, Eff. 5/11/00.)**

13. The rental unit is in a Residential Hotel, and the landlord seeks to recover possession of the rental unit in order to Convert or Demolish the unit, as those terms are defined in Section 47.73 of the Los Angeles Municipal Code. A landlord may recover possession of a rental unit pursuant to this paragraph only after the Department has approved an Application for Clearance pursuant to the provisions of Section 47.78. **(Amended by Ord. No. 180,175, Eff. 9/29/08.)**

14. The landlord seeks to recover possession of the rental unit to convert the subject property to an affordable housing accommodation in accordance with an affordable housing exemption issued by the Department pursuant to Section 151.02 of this Code. If the landlord fails to record a government imposed regulatory agreement within six months of the filing of the affordable housing exemption with the Department in accordance with Section 151.02 of this Code, and the landlord seeks to offer the rental unit for rent or lease, the accommodations shall be offered and rented or leased at the lawful rent in effect at the time the affordable housing exemption was filed with the Department, plus annual adjustments available pursuant to Section 151.06 of this Code. Furthermore, the landlord shall first offer to rent or lease the unit to the tenant(s) displaced from that unit pursuant to this Subdivision, provided that the tenant(s) advised the landlord in writing within 30 days of displacement of his or her desire to consider an offer to renew the tenancy and provided the landlord with an address to which that offer is to be directed. The tenant(s) may subsequently advise the landlord of a change of address to which an offer is to be directed. A landlord who re-offers the rental unit pursuant to the provisions of this Subdivision shall deposit the offer in the United States mail, by registered or certified mail with postage prepaid, addressed to the displaced tenant(s) at the address furnished to the landlord as provided in this Subdivision, and shall describe the terms of the offer. The displaced tenant(s) shall have 30 days from the deposit of the offer in the mail to accept the offer by personal delivery of that acceptance to the Department or deposit of the acceptance in the United States mail by registered or certified mail with postage prepaid. **(Added by Ord. No. 181,744, Eff. 7/15/11.)**

B. If the dominant intent of the landlord in seeking to recover possession of a rental unit is retaliation against the tenant for exercising his or her rights under this chapter or because of his or her complaint to an appropriate agency as to tenantability of a rental unit, and if the tenant is not in default as to the payment of rent, then the landlord may not recover possession of a rental unit in any action or proceeding or cause the tenant to quit involuntarily. **(Amended by Ord. No. 161,865, Eff. 1/19/87.)**

C. **(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)** Prior to or at the same time as the written notice of termination described in Civil Code Section 1946, or the three days' notice described in Code of Civil Procedure Sections 1161 and 1161a, is served on the tenant of a rental unit:

1. The landlord shall serve on the tenant a written notice setting forth the reasons for the termination with specific facts to permit a determination of the date, place, witnesses and circumstances concerning the reason. This notice shall be given in the manner prescribed by Code of Civil Procedure Section 1162.

2. When the termination of tenancy is based on the grounds set forth in Subdivision 8. of Subsection A. of this Section, the landlord shall file with the Department a declaration on a form and in the number prescribed by the Department identifying the person to be moved into the rental unit, the date on which the person will move in, the rent presently charged for the rental unit, and the date of the last rental increase. This declaration shall be served on the

tenant in the manner prescribed by Code of Civil Procedure Section 1162 in lieu of the notice required in Subdivision 1. of this Subsection. When filing the declaration, the landlord shall pay an administrative fee in the amount of \$75. The fee shall pay for the cost of administering and enforcing the provisions of Section 151.30 of this Code. **(Amended by Ord. No. 180,747, Eff. 8/1/09.)**

3. When a termination of tenancy is based on the ground set forth in Section 151.09 A.9. of this Code, the landlord shall file with the Department a declaration on a form prescribed by the Department that sets forth the address of the rental unit, the name of the tenant, a copy of the Tenant Habitability Plan accepted by the Department, documentation of the landlord's good faith efforts to provide notice pursuant to Section 152.00 *et seq.* of this Code, documentation of efforts to provide relocation assistance, if applicable, and the reason for the termination with specific facts, including but not limited to the date, place, witnesses and circumstances concerning the reason for termination. This declaration shall be served on the tenant in the manner prescribed by Section 1162 of the California Code of Civil Procedure in lieu of the notice required in Subdivision 1. of this subsection. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)**

4. When the termination of the tenancy is based on either of the grounds set forth in Subdivision 10. of Subsection A. of this section, the landlord must comply with the requirements of Sections 151.22 through 151.28 of this article. The requirements of Sections 151.22 through 151.28 of this article are in lieu of the notice required in Subdivision 1. of this subsection. **(Amended by Ord. No. 177,901, Eff. 9/29/06.)**

5. When the termination of tenancy is based on the ground set forth in Subdivision 11. of Subsection A. of this section, then the landlord shall file with the Department a declaration on the form and in the number prescribed by the Department stating that the landlord intends to evict in order to comply with a governmental agency's order to vacate the building housing the rental unit. The landlord shall attach a copy of the order to vacate to this declaration. This notice shall be served on the tenant in the manner prescribed by Code of Civil Procedure Section 1162 in lieu of the notice required in Subdivision 1. of this subsection. **(Added by Ord No, 164,685, Eff. 5/11/89.)**

6. When the termination of tenancy is based on the grounds set forth in Subdivision 3. or 4. of Subsection A. of this Section because of alleged illegal drug activity, then the landlord shall file with the Department a declaration on a form and in the manner prescribed by the Department. **(Amended by Ord. No. 180,981, Eff. 12/26/09.)**

7. When the termination of tenancy is based on the grounds set forth in Subdivision 3. or 4. of Subsection A. of this Section because of alleged gang-related crime, violent crime, unlawful weapon or ammunition crime, threat of violent crime, illegal drug activity or drug-related nuisance as those terms are defined in Section 47.50 A. of this Code, and the landlord desires to raise the rent upon re-rental of the rental unit pursuant to Section 151.06 of this Chapter, then the landlord shall file with the Department a declaration on a form and in the manner prescribed by the Department, including the name of the law enforcement or prosecution agency that provided the landlord with the information upon which the notice of intent to terminate the tenancy will be based. **(Amended by Ord. No. 180,981, Eff. 12/26/09.)**

8. When the termination of tenancy is based on the grounds set forth in Subdivision 12. of Subsection A. of this section, the Secretary of Housing and Urban Development, or the Secretary's representative, shall file with the Department a declaration on a form and in the number prescribed by the Department stating that the Secretary has complied with all tenant notification requirements under federal law and administrative regulations. **(Added by Ord. No. 173,224, Eff. 5/11/00.)**

D. A landlord shall not change the terms of a tenancy to prohibit pets and then 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. **(Amended by Ord. No. 154,736, Eff. 1/9/81; Amended by Ord. No. 174,488, Eff. 4/1/02; Ord. No. 174,488 Repealed by Ord. No. 174,501, Eff. 4/11/02.)**

E. In any action by a landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense any violation of the provisions of this chapter. Violation of Subsections A., B. or D. of this section shall not constitute a misdemeanor. **(Amended by Ord. No. 166,130, Eff. 9/16/90.)**

F. In any action by a landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense the failure of the landlord to comply with Sections 151.04 C. and 151.05 A. of this Chapter. **(Amended by Ord. No. 182,359, Eff. 1/26/13.)**

G. **(Amended by Ord. No. 181,744, Eff. 7/15/11.)** Except for relocation fees owed pursuant to the provisions of Subsection E. of Section 151.30 of this Code, if the termination of tenancy is based on the grounds set forth in Subdivisions 8., 10., 11., 12., or 13. of Subsection A. of this Section, then the landlord shall pay a relocation fee of: \$15,500 to qualified tenants and a \$7,300 fee to all other tenants who have lived in their rental unit for fewer than three years, or \$18,300 to qualified tenants and a \$9,650 fee to all other tenants who have lived in their rental unit for three years or longer, or \$18,300 to qualified tenants and \$9,650 to all other tenants whose household income is 80 percent or below Area Median Income (AMI), as adjusted for household size, as defined by the U.S. Department of Housing and Urban Development, regardless of length of tenancy. If more than one fee applies to a rental unit, the landlord shall pay the highest of the applicable fees. Tenants who claim eligibility based on their income shall file a statement with the Department verifying their income on a form prescribed by the Department. Requests for a hearing to appeal a decision regarding a tenant's relocation assistance eligibility, including disputes about eligibility for higher relocation assistance based on a tenant's income, age, length of tenancy, family status and/or disability status, must be filed in writing on the form prescribed by the Department and received by the Department within fifteen calendar days of the date of the Department's notification of its decision regarding tenant relocation assistance.

The Department shall charge a fee of \$193 per rental unit for any requests for hearings under this Subsection to pay for the cost of the appeal hearing. For the year beginning July 1, 2009, and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. of this Code. The adjusted amount shall be rounded to the nearest \$50 increment.

If termination of the tenancy is based on the grounds set forth in Section 151.09 A.11. of this Code, and the subject property has an approved use as a single family home and the structure containing the single family home contains two rental units, the landlord shall pay a relocation fee in accordance with Section 151.09 G. of this Code to the tenant(s) of the affected rental unit(s) within 15 days of receiving notice from the tenant(s) of their intention to terminate the tenancy.

1. **(Amended by Ord. No. 178,632, Eff. 5/26/07.)** This payment shall be made as follows:

a. The entire fee shall be paid to a tenant who is the only tenant in a rental unit;

b. If a rental unit is occupied by two or more tenants, then each tenant of the unit shall be paid an equal, pro-rata share of the fee;

c. Nothing in this subsection relieves the landlord from the obligation to provide relocation assistance pursuant to City administrative agency action or any other provision of local, state or federal law. If a tenant is entitled to monetary relocation benefits pursuant to City administrative agency action or any provision of local, state or federal law, then those benefits shall operate as a credit against any fee required to be paid to the tenant under this section.

d. If the termination of tenancy is based on the grounds set forth in Subdivisions 8., 10., 11. or 12. of Subsection A. of this section, then the landlord shall also pay the City a fee for the purpose of providing relocation assistance by the City's Relocation Assistance Service Provider, as defined in Sections 47.06 B. and 47.07 B. of this Code. The fee shall be \$640 for each unit occupied by a qualified tenant and \$400 for each unit occupied by other tenants, and an additional \$55 per unit to pay for the administrative costs associated with this service. The fees, set forth above, may be increased in an amount based on the Consumer Price Index - All Urban Consumers averaged for the first 12-month period ending September 30, of each year, as determined and published by the Housing Department on or before May 30, of each year, pursuant to Section 151.07 A.6. of this Code. The Relocation Assistance Service Provider will provide the relocation assistance services listed in Sections 47.06 D. and 47.07 D. of this Code.

2. The landlord shall perform the acts described in this subsection within fifteen days of service of a written notice of termination described in California Civil Code Section 1946; provided, however, the landlord may in its sole discretion, elect to pay the monetary relocation benefits to be paid to a tenant pursuant to this subsection to an escrow account to be disbursed to the tenant upon certification of vacation of the rental housing unit. The escrow account shall provide for the payment prior to vacation of all or a portion of the monetary relocation benefits for actual relocation expenses incurred or to be incurred by the tenant prior to vacation, including but not limited to security deposits, moving expense deposits and utility connection charges. Escrow accounts shall provide that, in the event of disputes between the landlord and the tenant as to the release of funds from escrow, the funds in dispute shall be released to the Department for final determination. The Rent Adjustment Commission shall establish guidelines for the establishment of these escrow accounts, the certification of vacation and pre-vacation disbursement requests.

3. The requirement to pay relocation assistance is applicable to all rental units, regardless of whether the rental unit was created or established in violation of any provision of Law.

4. **Exceptions.** This subsection shall not apply in any of the following circumstances:

a. (None)

b. The tenant received actual written notice, prior to entering into a written or oral tenancy agreement, that an application to subdivide the property for condominium, stock cooperative or community apartment purposes was on file with the City or had already been approved, whichever the case may be, and that the existing building would be demolished or relocated in connection with the proposed new subdivision, and the termination of tenancy is based on the grounds set forth in Subdivision 10. of Subsection A. of this section. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)**

c. The tenant received actual written notice, prior to entering into a written or oral agreement to become a tenant, that an application to convert the building to a condominium, stock cooperative or community apartment project was on file with the City or had already been approved, whichever the case may be, and the termination of tenancy is based on the grounds set forth in Subdivision 10. of Subsection A. of this section. **(Amended by Ord. No. 176,544, Eff. 5/2/05.)**

d. The landlord seeks in good faith to recover possession of the rental unit for use and occupancy by a resident manager, provided that the resident manager is replacing the existing resident manager in the same unit. For the purposes of this exception, a resident manager shall not include the landlord, or the landlord's spouse, grandchildren, children, parents or grandparents; **(Second Sentence Amended by Ord. No. 180,747, Eff. 8/1/09.)**

e. 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 due to hazardous conditions caused by a natural disaster.

H. In any action by a landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense the failure of the landlord to comply with Subsection G. of this section. In addition, any landlord who fails to provide monetary relocation assistance as required by Subsection G. of this section shall be liable in a civil action to the tenant to whom such assistance is due for damages in the amount the landlord has failed to pay, together with reasonable attorney fees and costs as determined by the court. **(Added by Ord. No. 160,791, Eff. 2/10/86.)**

I. If the termination of tenancy was based on the grounds set forth in Subdivision 8. of Subsection A. of this section, the landlord shall file with the Department a declaration on a form prescribed by the Department within ten calendar days of the re-rental of the rental unit. **(First Sentence Amended by Ord. No. 177,901, Eff. 9/29/06.)** This declaration shall indicate the address of the rental unit, the date of the re-rental, the amount of rent being charged to the current tenant, the name of the current tenant and such further information as requested by the Department. **(Amended by Ord. No. 177,103, Eff. 12/18/05.)**

J. **(Repealed by Ord. No. 181,744, Eff. 7/15/11.)**

K. **(Repealed by Ord. No. 177,103, Eff. 12/18/05.)**

L. **Other Displacements. (Added by Ord. No. 169,372, Eff. 3/1/94.)**

1. Notwithstanding any provision of the Los Angeles Municipal Code to the contrary, if a tenant of a unit subject to the City's Rent Stabilization Ordinance is forced to vacate her/his unit as a result of the January 17, 1994 earthquake and aftermath, and if the landlord desires to re-rent that unit, then, prior to offering the unit to any other tenant and within 30 days after completion of repairs to the unit, the landlord shall offer in writing to the tenant the same unit under the same terms and conditions as existed prior to her/his displacement, except that the landlord may apply for a rent increase as may be approved by the City's Rent Stabilization Division, or by the Rent Adjustment Commission on appeal, pursuant to the City's Rent Stabilization Ordinance.

2. The tenant shall have five days after receipt of the landlord's offer to inspect the unit and accept or reject the offer. If accepted, the tenant shall occupy the unit within 30 days from the date of acceptance of the offer.

3. The tenant shall, within 45 days of the effective date of the ordinance, provide written notice to the landlord of the tenant's interest to reoccupy the rental unit once all necessary repair work has been completed. The tenant who desires to reoccupy the rental unit shall furnish the landlord with the tenant's current address and shall notify the landlord in writing of any change of address. If a tenant is unable to ascertain an address of the landlord to which the notice can be sent, the tenant may file a copy of the notice with the City's Rent Stabilization Division, and this notice shall constitute compliance by the tenant with the obligation to notify the landlord. Upon request by the landlord, the Rent Stabilization Division shall provide the landlord with any copies of any written notices received by the Rent Stabilization Division.

4. The costs of rehabilitation which are necessary before re-renting a unit which was damaged as set forth in Subdivision 1 above, which costs were not reimbursed by insurance proceeds, or by Federal, State, or local grant funds, or by any other means (such as a satisfied judgment), may be passed through to the tenant by utilization of the process set forth in the Rent Stabilization Ordinance. The landlord may serve a 30-day notice (as required by state law) of a proposed rent increase on the tenant 15 days after the landlord has applied to the Rent Stabilization Division for such an increase. The landlord shall not accept or demand a rent increase from the tenant until the landlord receives the City's approval of the rent increase. The Rent Stabilization Division shall inform the landlord and tenant of all their rights regarding the proposed rent increase as currently required by the City's Rent Stabilization Ordinance.

5. If a tenant either fails to accept the offer, give notice, or take possession of the rental unit, within the applicable time periods described, the landlord shall be free to offer the unit to any tenant, subject to the requirements of the Rent Stabilization Ordinance.

6. A landlord who attempts to re-rent a unit, but refuses to allow a tenant to return to her/his home under this subsection shall be guilty of a misdemeanor. Any person who violates this subsection shall also be liable in a civil action for damages and/or injunctive relief, if appropriate, together with reasonable attorneys' fees and costs as determined by the court.

7. The landlord's offers and notices required shall be given in the manner prescribed by Code of Civil Procedure Section 1162 or by certified mail. The tenant shall give any acceptance or notice by first class mail or by utilizing the procedures set forth in Section 1162 at the tenant's option. If any notice, offer, or acceptance is given by mail, then the postmark date shall be deemed the date of that notice, offer, or acceptance.

8. The Rent Stabilization Division shall attempt to notify affected tenants and landlords of the provisions of the ordinance and may devise any forms it deems necessary to implement the ordinance for use by landlords and tenants. The Rent Adjustment Commission shall have the authority to promulgate any rules and regulations it deems necessary to implement the ordinance.

9. The provisions of this subsection shall apply to tenants regardless of whether or not their security deposits were returned in accordance with state law.

10. The provisions of this subsection shall not apply to any tenant whose tenancy was the subject of a judicial proceeding to terminate the tenancy prior to January 17, 1994, if that proceeding results in a final judgment terminating the tenancy.

#### **SEC. 151.10. REMEDIES.**

A. Any person who demands, accepts or retains any payment of rent in excess of the maximum rent or maximum adjusted rent in violation of the provisions of this chapter, or any regulations or orders promulgated hereunder, shall be liable in a civil action to the person from whom such payment is demanded, accepted or retained for damages of three times the amount by which the payment or payments demanded, accepted or retained exceed the maximum rent or maximum adjusted rent which could be lawfully demanded, accepted or retained together with reasonable attorneys' fees and costs as determined by the court.

B. **(Amended by Ord. No. 160,791, Eff. 2/10/86.)** Any person violating any of the provisions, or failing to comply with any of the requirements of this

chapter shall be guilty of a misdemeanor except that violation of Subsections A., B. or D. of Section 151.09 shall not constitute a misdemeanor.

Any person who willfully or knowingly with the intent to deceive, makes a false statement or representation, or knowingly fails to disclose a material fact, in a notice or declaration required under Subsection C. or I. of Section 151.09 or in any declaration, application, hearing or appeal permitted under this chapter, including any oral or written evidence presented in support thereof, shall be guilty of a misdemeanor.

Any person convicted of a misdemeanor under the provisions of this chapter shall be punished by a fine of not more than \$1,000.00 or by imprisonment in the County Jail for a period of not more than six months or both. Each violation of any provision of this chapter and each day during which such violation is committed, or continues, shall constitute a separate offense. **(Amended by Ord. No. 161,865, Eff. 1/19/87.)**

Any person who willfully or knowingly with the intent to deceive, makes a false statement or representation, or knowingly fails to disclose a material fact, in a notice or declaration required under 153.03 A.2.a. of the Los Angeles Municipal Code, shall be guilty of a misdemeanor. **(Added by Ord. No. 171,074, Eff. 6/23/96.)**

C. **Penalties for Violation of State Law Regarding Residential Hotel Occupants.** Civil Code Section 1940.1 permits municipalities, among other things, to create remedies by local ordinance for violations of Civil Code Section 1940.1(a). It is the purpose of this subdivision to implement Civil Code Section 1940.1. In addition to any penalties provided by State law, a violation of Civil Code Section 1940.1 is punishable as a misdemeanor. **(Added by Ord. No. 176,472, Eff. 3/26/05.)**

D. Any agreement, whether written or oral, waiving any of the provisions contained in this Article shall be void as contrary to public policy. **(Added by Ord. No. 181,744, Eff. 7/15/11.)**

E. Nothing in this Article shall be construed to deprive a person of due process rights guaranteed by law, including, but not limited to, a right to appeal the Department's determination regarding a Tenant Habitability Plan to a hearing officer. **(Added by Ord. No. 181,744, Eff. 7/15/11.)**

#### **SEC. 151.11. REFUSAL OF A TENANT TO PAY.**

**(Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

A. A tenant may refuse to pay any rent in excess of the maximum rent or maximum adjusted rent permitted pursuant to this chapter or regulations or orders adopted hereunder or as further permitted by this chapter or by ordinance. The fact that such rent is in excess of maximum rent or maximum adjusted rent shall be a defense in any action brought to recover possession of a rental unit or to collect the illegal rent. This subsection shall not be applicable to any rental unit not subject to the restrictions on rent set forth in this chapter.

B. A tenant may withhold the payment of any rent otherwise lawfully due and owing after July 1, 1979, until such time as the landlord has complied with Section 151.04 C. and Section 151.05 A. of this Chapter. Once the landlord has complied with Sections 151.04 C. and 151.05 A. of this Chapter, the tenant becomes obligated to pay the current rent and any back rent withheld pursuant to this Subsection. **(Amended by Ord. 182,359, Eff. 1/26/13.)**

#### **SEC. 151.12. OPERATIVE DATE.**

This chapter shall become operative on May 1, 1979.

#### **SEC. 151.13. MINOR ERRORS IN PAYMENT.**

If a discrepancy exists between the amount of the registration fee paid and the amount due under this chapter which results in the underpayment or overpayment of the fee in an amount of \$5.00 or less, then the Department may accept and record such underpayment or overpayment without other notification to the landlord. **(Title and Section Amended by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

#### **SEC. 151.14. FILING OF APPLICATION FOR RENT ADJUSTMENTS, REQUESTS FOR HEARING, AND APPEALS.**

A. **Filing Date.** **(Amended by Ord. No. 165,251, Eff. 11/20/89.)** An application for rent adjustment, request for hearing, appeal or re-rental certificate shall be considered as filed on the date it has been completed in accordance with the applicable rules and regulations, and received together with any required filing fee by the Department. If at any time during the processing of an application it is determined that an application has been improperly prepared, or requires additional information not submitted in accordance with the rules and regulations, the time limits specified within this chapter shall be suspended and not continue to run until the application has been rectified or the omitted information furnished upon written notification to the applicant.

B. **Place of Filing.** Whenever the provisions of this chapter provide that applications or requests for hearing or appeals be filed in the office of the Department, such applications or requests for hearing or appeals may be filed in any of the branch offices of the Department.

C. An application fee required under this section may be waived by the Department for any individual who files a declaration stating that he or she annually earns no more than 50% of the median income for the Los Angeles area. The declaration shall state the above information is true and correct. The median

is to be determined by the standards utilized by the Housing Authority of the City of Los Angeles acting pursuant to HUD relations. **(Amended by Ord. No. 160,791, Eff. 2/10/86.)**

D. If a hearing officer determines, based on clear and convincing evidence, that an applicant has willfully or knowingly with the intent to deceive, made or caused to be made a false statement or representation, or knowingly failed to disclose a material fact, in connection with any application under consideration by the hearing officer, then the hearing officer may deny the application. Any determination by the hearing officer based on this subsection shall be appealable to the Rent Adjustment Commission. **(Added by Ord. No. 160,791, Eff. 2/10/86.)**

E. For purposes of this chapter, if an application, request for appeal or request for hearing is mailed to the Department, it is deemed to be received as established by the date of the postmark affixed on an envelope properly addressed to the Department. **(Added by Ord. No. 160,791, Eff. 2/10/86.)**

**SEC. 151.15. 151.15. PENALTIES FOR LATE REGISTRATION AND FOR FAILURE TO POST NOTICE THAT PROPERTY IS SUBJECT TO THE RENT STABILIZATION ORDINANCE.**

**(Amended by Ord. No. 181,744, Eff. 7/15/11.)**

Any landlord who fails to pay the fee for registration or registration renewal in accordance with the provisions of Section 151.05 of this Chapter shall be deemed delinquent. The landlord shall pay a penalty equal to one hundred and fifty percent of the fee per subject rental unit for any delinquency incurred after the effective date of this amendment.

For any delinquency incurred prior to the effective date of this amendment, the landlord shall pay a penalty of \$6.00 for a delinquency incurred prior to January 1, 1989, and a penalty of \$14.00 for a delinquency incurred subsequent to January 1, 1989, and prior to the effective date of this amendment. Any landlord who pays a fee after the Department has notified the landlord of the landlord's delinquency in failing to comply with the registration requirements of this Chapter prior to the effective date of this amendment shall pay a penalty of \$15.00 for a delinquency incurred prior to January 1, 1989, and a penalty of \$28.00 for a delinquency incurred subsequent to January 1, 1989, and prior to the effective date of this amendment per subject rental unit in addition to the amount of the fee.

The Department shall notify a landlord of failure to post a notice in accordance with the provisions of Subsection I. of Section 151.05 of this Chapter. If a landlord fails to post the notice within seven days of Department notification, the landlord shall pay a fine of \$250 for each day after the seventh day that the landlord fails to post the notice.

If the Department determines that good cause exists for a landlord's failure to timely pay the registration fee in accordance with the provisions of Section 151.05 of this Chapter, or failure to post a notice in accordance with the provisions of Subsection I. of Section 151.05 of this Chapter, the Department may waive the penalties or fines required by this Section. The Department may promulgate such rules and regulations as may be necessary to carry out the provisions of this Section.

**SEC. 151.16. RESEARCH SERVICES.**

**(Added by Ord. No. 161,704, Eff. 11/28/86.)**

Upon request by any member of the public, the Department may provide non-confidential statistical information compiled from various data sources maintained by the Department.

The Department may recover the cost of providing such services by charging \$100.00 per hour for the first hour or portion thereof and \$50.00 for each subsequent hour or portion thereof.

Any monies collected pursuant to this section shall be deposited by the General Manager or his designee into the Rent Stabilization Trust Fund.

**SEC. 151.18. ADDITIONAL SERVICES CONTRACTS.**

A landlord and tenant may enter into a contract for the provision of any housing service which was not a part of the original terms of the tenancy. A valid additional services contract must be written, and must describe each additional service, specify the period of time for which the additional service will be provided, and the monthly charge for the service. Termination of the tenancy shall also terminate the additional services contract. Any monies paid pursuant to an additional services contract shall not be considered rent for any purpose under this chapter. Neither the refusal of a tenant to enter into an additional services contract, nor the breach of such contract shall be a ground for termination of the tenancy. **(Added by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)**

**SEC. 151.19. REVIEW OF ORDINANCE.**

During the period beginning on January 1, 1988 and ending June 30, 1988, the City Council, based on a report from the Community Development Department, shall undertake a detailed review of the Rent Stabilization Ordinance. The review shall include public hearings on the operation of the Rent Stabilization Ordinance and the impact of the ordinance on the existing rental housing stock, the rental housing market and production of new rental housing units in the City. **(Amended by Ord. No. 160,791, Eff. 2/10/86.)**



Additionally, the City Council shall review the dollar amount requirements of Section 151.09 A.9. on or before October 1, 1992 and at least once every three (3) years thereafter. **(Added by Ord. No. 165,251, Eff. 11/20/89.)**

#### **SEC. 151.20. TEMPORARY EVICTION CONTROLS AND RENT REDUCTIONS FOR MOBILE HOMES DAMAGED IN THE JANUARY, 1994 EARTHQUAKE.**

**(Added by Ord. No. 169,363, Eff. 3/1/94.)**

A. Notwithstanding any provision of the Rent Stabilization Ordinance or any provision of the Los Angeles Municipal Code to the contrary, the following provisions shall apply to any mobile home, which is subject to the provisions of the City's Rent Stabilization Ordinance, rendered untenable, as a result of the January 17, 1994 earthquake and its aftermath:

The ground for eviction set forth in Section 151.09 A.1. (non-payment of rent) of the Los Angeles Municipal Code shall not apply if a mobile home within a mobile home park was made untenable on or after January 17, 1994, because of damage to utility-related facilities on a mobile home pad or a shut off of any utility to the mobile home pad as a result of the earthquake and its aftermath, where park management has the obligation to effect the necessary repairs to the utility system or facilities. A tenant is not required to pay the rent otherwise allowed pursuant to the Rent Stabilization Ordinance for those days that the utility was or is not provided. Once the utility facilities or services to the pad have been repaired, replaced or restored, the tenant shall be required to pay the rent allowed pursuant to the Rent Stabilization Ordinance for the period after that repair, replacement or restoration.

B. The provisions of this section shall remain in effect for a period of 90 days from the effective date of the ordinance adding the section and shall apply to any proceeding which has not resulted in a final judgment on or before the effective date of that ordinance. This section shall apply to mobile homes, as provided in Section 151.02 of the Los Angeles Municipal Code, regardless of whether rent is paid for the mobile home and the land upon which the mobile home is located or rent is paid for the land alone. The Rent Adjustment Commission shall have the authority to promulgate any regulations or guidelines it deems necessary to implement this amendment to the Los Angeles Municipal Code.

#### **SEC. 151.21. HURRICANE KATRINA AND HURRICANE RITA TEMPORARY RELIEF PROGRAM.**

**(Added by Ord. No. 177,184, Eff. 12/23/05.)**

A. **Purpose.** The purpose of this Section 151.21 is to permit landlords to rent rental units subject to the City's Rent Stabilization Ordinance at below market rates for a temporary period to persons displaced from their homes by Hurricane Katrina or Hurricane Rita and to raise the rental rates at the end of the temporary period.

B. **Definitions.** The following words and phrases, whenever used in this section, shall be construed as defined in this section. Words and phrases not defined in this section shall be construed as defined in Section 151.02 of this article, if defined there.

**Displacee.** A person who was displaced from a residence as a result of Hurricane Katrina or Hurricane Rita and who was issued a registration number by FEMA because the person was affected by Hurricane Katrina or Hurricane Rita.

**Fair Market Value Rent.** The average rent as determined by the Department for a rental unit based on the unit's location and size. The Department shall make available to the public the schedule of Fair Market Value Rent amounts.

**FEMA.** The United States Federal Emergency Management Agency.

**Fixed Relief Period.** The length of time identified in a Qualifying Relief Rental Agreement Form during which a landlord agrees to charge as rent to a Displacee an amount not greater than seventy-five percent of the applicable Fair Market Value Rent. In no event shall the Fixed Relief Period extend beyond December 31, 2006.

**Increased Rental Rate.** Amount specified in a Qualifying Relief Rental Agreement Form that a landlord may charge as rent after expiration of a Fixed Relief Period.

**Program.** The Hurricane Katrina and Hurricane Rita Temporary Relief Program established by this Section 151.21.

**Reduced Rental Rate.** Amount specified in a Qualifying Relief Rental Agreement Form that will be charged for a Fixed Relief Period, after which the rent may be increased to the Increased Rental Rate amount specified in the Qualifying Relief Rental Agreement Form. The Reduced Rental Rate must be not greater than 75% of the applicable Fair Market Value Rent.

**Rent Stabilization Ordinance.** The City of Los Angeles Rent Stabilization Ordinance, codified at Los Angeles Municipal Code Section 151.00 et seq.

C. **Rent Increases to Displacees.** Notwithstanding the provisions of Subsection D. of Section 151.06 of this article, a landlord who files a Qualifying Relief Rental Agreement Form pursuant to Subsection D. of this section may increase the rent to the Increased Rental Rate at the expiration of the Fixed Relief Period. After a landlord increases the rent at the expiration of the Fixed Relief Period, regardless of whether the increase is less than the amount authorized in the Qualifying Relief Rental Agreement Form, the rent cannot be further increased without compliance with the provisions of the Rent Stabilization Ordinance, including those provided pursuant to Section 151.06.

D. **Qualifying Relief Rental Agreement Form.** The provisions of this Section 151.21 shall apply only to leases for which a Qualifying Relief Rental Agreement Form pursuant to the provisions of this Subsection D. is filed with the Department. Landlords who desire to participate in this Program must file with the Department at its Central Regional Office located at 3550 Wilshire Boulevard, 15th Floor, Los Angeles CA 90010, a Qualifying Relief Rental Agreement Form that will be provided by the Department. The Form must contain, at a minimum, the following:

1. A description of the rental unit, including the address with zip code, the number of bathrooms and bedrooms;
2. Identification of amenities to be provided by the landlord during the Fixed Relief Period, and amenities that will be provided by the landlord after the Fixed Relief Period. The identification of amenities shall include whether the landlord will furnish the rental unit and which utilities, if any, will be paid by the landlord;
3. The Fair Market Value Rent applicable to the rental unit;
4. The Reduced Rental Rate that will be charged during the Fixed Relief Period, and the Increased Rental Rate that the landlord may charge at the end of the Fixed Relief Period;
5. The registration number issued by FEMA to the Displacee; and
6. A statement that the Displacee may terminate the lease upon thirty days notice and will not be liable for rent that would otherwise be owed for the remainder of the term of the Fixed Relief Period and the remainder of the lease, nor for damages resulting from termination prior to expiration of the Fixed Relief Period and the lease.

The completed Qualifying Relief Rental Agreement Form must be signed by the Displacee and the landlord. The Department will not accept for filing any Form that does not contain the information required by this subsection, that does not demonstrate that the initial rent charged under the Program is not greater than 75% of the applicable Fair Market Value Rent, and that is not signed by the Displacee and the landlord.

E. **Effect of Failure to Increase Rent at the Expiration of Fixed Relief Period.** A landlord may continue to rent to a Displacee at the Reduced Rental Rate upon the expiration of a Fixed Relief Period. A landlord who does not increase the rental rate upon the expiration of the Fixed Relief Period may impose one rent increase on or before December 31, 2006, provided that the new rental amount does not exceed the Increased Rental Rate. If, on January 1, 2007, the landlord has not increased the rent from the Reduced Rental Rate, the rent cannot further be increased without compliance with the provisions of the Rent Stabilization Ordinance, including those provided pursuant to Section 151.06.

F. **Ineligible Rental Units.** Rental Units may not be rented pursuant to the provisions of this section if they are located in buildings: (1) that have been placed into the Rent Escrow Account Program pursuant to Section 162.00 et seq., or Section 155.00 et seq., and the REAP placement is not yet terminated; (2) for which there is an outstanding order or notice to comply, correct or abate a condition or violation issued by an Enforcement Agency as defined in Section 162.02; or (3) that contain a rental unit that the Department has determined is being rented in violation of the Rent Stabilization Ordinance, and the Department has notified the landlord in writing of that determination.

G. **Termination of Program.** Effective January 1, 2007, rent can be increased only in compliance with the provisions of the Rent Stabilization Ordinance, including the provisions of Section 151.06.

H. **Authority of Department to Administer Program.** The Department is authorized to administer the Program, and may develop procedures and regulations to assist in the administration. The Department may require the landlord to provide notice to Displacees on forms provided by the Department, and may require the landlord to file documents other than the Qualifying Relief Rental Agreement Form, including documents issued by FEMA identifying the Displacee's FEMA registration number. Nothing in this Subsection H. is intended to limit the authority of the Department to administer the Program.

## **SEC. 151.22. ELLIS ACT PROVISIONS - STATEMENT OF PURPOSE AND EFFECT.**

**(Added by Ord. No. 177,901, Eff. 9/29/06.)**

California Government Code Sections 7060, et seq. (the "Ellis Act") permits the City, among other things, to require landlords to provide all tenants with 120 days notice, or one year if the tenants lived in the accommodations for at least one year and are more than 62 years of age or disabled, when rental units subject to the Rent Stabilization Ordinance are to be withdrawn from the rental market. The Ellis Act also permits the City to impose other restrictions, conditions and requirements upon the property. It is the purpose of this section, and Sections 151.23 through 151.28, to implement provisions of the Ellis Act. The Department may develop forms and regulations to assist in the implementation of these provisions.

There continues to be a low vacancy rate for rental units in the City of Los Angeles, and the withdrawal of residential rental property from rent or lease will exacerbate the rental housing shortage and make it more difficult for tenants displaced by the withdrawal to obtain replacement housing. Because of the rental housing shortage, it is essential that tenants be afforded substantial advance notice to enable them to obtain replacement housing, and that they receive other protections available under law.

In any action by a landlord to recover possession of a rental unit subject to the Rent Stabilization Ordinance, the tenant may raise as an affirmative defense the failure of the landlord to comply with the requirements of Sections 151.22 through 151.28, as well as the failure of the landlord to comply with any other

requirement of this chapter.

**SEC. 151.23. ELLIS ACT PROVISIONS - REQUIRED NOTICE.**

**(Added by Ord. No. 177,901, Eff. 9/29/06.)**

Notwithstanding any provision of this chapter to the contrary, if a landlord desires to demolish rental units subject to the Rent Stabilization Ordinance, or otherwise withdraw the units from rental housing use, then the following provisions shall apply:

A. **Notice of Intent to Withdraw.** The landlord shall notify the Department of an intention to withdraw a rental unit from rental housing use. This Notice of Intent to Withdraw shall contain the following: statements, under penalty of perjury on the form and in the number prescribed by the Department, stating that the landlord intends to evict in order to demolish the rental unit or to remove the rental unit from rental housing use, the address or location of the rental unit, the number of rental units to be demolished or removed from rental housing use, the names of the tenants of each rental unit, the date on which the rental unit will be withdrawn from rental housing use and the rent applicable to that rental unit.

The Department shall have the authority to promulgate forms and procedures to assist in the implementation of this subdivision.

B. **Recordation of Non-Confidential Memorandum and Extension of the Date of Withdrawal from Rental Housing Use.** The landlord shall record with the County Recorder a memorandum summarizing the provisions of the Notice of Intent to Withdraw, other than those provisions that are confidential. Information respecting the name or names of the tenants, the rent applicable to any rental unit, and the total number of units is confidential information and shall be treated as confidential information by the Department for purposes of the Information Practices Act of 1977, as contained in Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code.

The landlord shall submit a copy of the memorandum filed with the County Recorder to the Department concurrently with the Notice of Intent to Withdraw, with a certification that actions have been initiated as required by law to terminate any existing tenancies.

The date on which the rental units are to be withdrawn from rental housing use shall be at least 120 days from the date of the delivery to the Department in person or by first-class mail of the Notice of Intent to Withdraw.

If the tenant is at least 62 years of age or disabled (as defined in Government Code Section 12955.3) and has lived in his or her accommodations for at least one year prior to the date of delivery to the Department of the Notice of Intent to Withdraw pursuant to Subsection A. of this section, then the date of withdrawal of the accommodations of that tenant shall be extended to one year after the date of delivery of that Notice to the Department. This extension shall take place, if and only if, the tenant gives written notice of his or her entitlement to an extension to the landlord within 60 days of the date of delivery to the Department of the Notice of Intent to Withdraw. In that situation, the following provisions shall apply:

1. The tenancy shall be continued on the same terms and conditions as existed on the date of delivery to the Department of the Notice of Intent to Withdraw, subject to any adjustments otherwise available under the Rent Stabilization Ordinance.
2. No party shall be relieved of the duty to perform any obligation under the lease or rental agreement.
3. The landlord may elect to extend the date of withdrawal on any other rental units up to one year after the date of delivery to the Department of the Notice of Intent to Withdraw, subject to Subparagraphs 1. and 2.
4. Within 30 days of the notification by the tenant to the landlord of his or her entitlement to an extension, the landlord shall give written notice to the Department of the claim that the tenant is entitled to stay in the accommodations for one year after the date of delivery to the Department of the Notice of Intent to Withdraw.
5. Within 90 days of the date of delivery to the Department of the Notice of Intent to Withdraw, the landlord shall give written notice to the Department and the affected tenant of the landlord's election to extend the date of withdrawal and the new date of withdrawal under Subparagraph 3.

C. **Notice to the Tenants of Pending Withdrawal.** Within five days of delivery to the Department of the Notice of Intent to Withdraw with the certification required under Subsection B. of this section, and a copy of the memorandum recorded by the County Recorder, the landlord shall notify, by delivery in person or by first-class mail, each affected tenant of the following:

1. That the Department has been notified pursuant to Subsection A., including the date of the delivery to the Department of the Notice of Intent to Withdraw;
2. That the Notice delivered to the Department specified the name and the amount of rent paid by the tenant as an occupant of the accommodations;
3. The amount of rent the landlord specified in the notice to the Department;
4. Notice to the tenant of his or her rights under Paragraph (3) of Subdivision (b) of Government Code Section 7060.2; and

5. Notice to the tenant stating the following:

(a) If the tenant is at least 62 years of age or disabled, and has lived in his or her accommodations for at least one year prior to the date of delivery to the Department of the Notice of Intent to Withdraw, then the tenancy shall be extended to one year after the date of delivery to the Department of the Notice of Intent to Withdraw, provided that the tenant gives written notice of his or her entitlement to the landlord within 60 days of the date of delivery to the Department of the Notice of Intent to Withdraw;

(b) The extended tenancy shall be continued on the same terms and conditions as existed on the date of delivery to the Department of the Notice of Intent to Withdraw, subject to any adjustments otherwise available under the Rent Stabilization Ordinance; and

(c) No party shall be relieved of the duty to perform any obligation under the lease or rental agreement during the extended tenancy.

**SEC. 151.24. ELLIS ACT PROVISIONS - NOTIFICATION TO DEPARTMENT OF INTENT TO RE-RENT UNIT.**

**(Added by Ord. No. 177,901, Eff. 9/29/06.)**

A. If a landlord desires to offer for rent or lease a rental unit that was the subject of a Notice of Intent to Withdraw pursuant to the provisions of Subsection A. of Section 151.23, the landlord must file with the Department a Notice of Intention to Re-Rent Withdrawn Accommodations on a form prescribed by the Department. This Notice must contain the following information:

1. The names and mailing addresses of all owners of the property;
2. A statement that said owners intend to re-rent the accommodations;
3. The addresses of those accommodations.

B. Except as provided in Section 151.27 of this Article, the landlord shall not offer for rent or lease any unit from which a tenant or lessee was displaced for a period of thirty days following the filing of the Notice of Intention to Re-Rent Withdrawn Accommodations with the Department.

**SEC. 151.25. ELLIS ACT PROVISIONS - CIVIL PENALTIES FOR OFFERING UNITS FOR RENT WITHIN TWO YEARS OF WITHDRAWAL.**

**(Added by Ord. No. 177,901, Eff. 9/29/06.)**

If a rental unit that was the subject of a Notice of Intent to Withdraw pursuant to the provisions of Subsection A. of Section 151.23 is offered for rent or lease within two years of the date of withdrawal of the rental unit from the rental market:

A. The landlord shall be liable to any tenant or lessee who was displaced from the property for actual and exemplary damages. Any action by a tenant or lessee pursuant to this section shall be brought within three years of withdrawal of the rental unit from rent or lease. Nothing in this section precludes a tenant from pursuing any alternative remedy available under the law; and

B. The City may institute a civil proceeding against any landlord who has again offered a rental unit for rent or lease subject to this section, for exemplary damages for displacement of tenants or lessees. Any action by the City pursuant to this section shall be brought within three years of the withdrawal of the rental unit from rent or lease.

**SEC. 151.26. ELLIS ACT PROVISIONS - REGULATION OF PROPERTY ON RE-OFFER FOR RENT OR LEASE AFTER WITHDRAWAL.**

**(Added by Ord. No. 177,901, Eff. 9/29/06.)**

If a landlord desires to offer for rent or lease a rental unit which was the subject of a Notice of Intent to Withdraw pursuant to the provisions of Subsection A. of Section 151.23, the following regulations apply:

- A. If a rental unit that was removed from rental housing use pursuant to the provisions of Section 151.23 is offered for rent or lease during either:
1. the five-year period after the Notice of Intent to Withdraw the accommodations is filed with the Department pursuant to Section 151.23, whether or not the Notice of Intent is rescinded or the withdrawal of the accommodations is completed pursuant to the Notice of Intent; or
  2. the five-year period after the accommodations are withdrawn;

then the accommodations shall be offered and rented or leased at the lawful rent in effect at the time any Notice of Intent to Withdraw the accommodations was filed with the Department, plus annual adjustments available under Section 151.06 of this article.

B. Subsection A. of this section shall prevail over any conflicting provision of law authorizing the landlord to establish the rental rate upon the initial hiring of the rental unit.

## **SEC. 151.27. ELLIS ACT PROVISIONS - RE-RENTAL RIGHTS OF DISPLACED TENANTS.**

**(Added by Ord. No. 177,901, Eff. 9/29/06.)**

If a landlord desires to offer for rent or lease a rental unit that was the subject of a Notice of Intent to Withdraw pursuant to the provisions of Subsection A. of Section 151.23, the following regulations apply:

A. A landlord who offers accommodations for rent or lease within two years from the date of withdrawal shall first offer to rent or lease each unit to the tenant or tenants displaced from that unit by the withdrawal, provided that the tenant or tenants advised the landlord in writing within 30 days of displacement of his or her desire to consider an offer to renew the tenancy, and provided the landlord with an address to which that offer is to be directed. That tenant or tenants may advise the landlord at any time during the period of eligibility of a change of address to which an offer is to be directed.

If a landlord again offers accommodations for rent or lease pursuant to the provisions of this subsection, and the tenant or lessee has advised the landlord pursuant to this subsection of a desire to consider an offer to renew the tenancy, then the landlord shall offer to reinstitute a rental agreement or lease on terms permitted by law to that displaced tenant or lessee.

A landlord who re-offers rental or lease accommodations to a previously displaced tenant pursuant to the provisions of this subsection shall deposit the offer in the United States mail, by registered or certified mail with postage prepaid, addressed to the displaced tenant or tenants at the address furnished to the landlord as provided in this subsection, and shall describe the terms of the offer. The displaced tenant or tenants shall have 30 days from the deposit of the offer in the mail to accept the offer by personal delivery of that acceptance or by deposit of the acceptance in the United States mail by registered or certified mail with postage prepaid.

B. A landlord who offers accommodations for rent or lease not exceeding five years from the date of withdrawal shall first offer to rent or lease each unit to the tenant or tenants displaced from that accommodation by the withdrawal, provided that the tenant or tenants requests the offer in writing within 30 days after the landlord has notified the Department of an intention to offer the accommodations again for residential rent or lease pursuant to the requirements of Section 151.24. The landlord shall be liable to any tenant or tenants who were displaced by that action for failure to comply with this subsection, for punitive damages in an amount that does not exceed the contract rent for six months.

## **SEC. 151.28. ELLIS ACT PROVISIONS - RENTAL OF REPLACEMENT UNITS.**

**(Added by Ord. No. 178,848, Eff. 7/16/07.)**

A. **Replacement Units Subject to the Rent Stabilization Ordinance.** If a building containing a rental unit that was the subject of a Notice of Intent to Withdraw pursuant to the provisions of Subsection A. of Section 151.23 is demolished and rental units are constructed on the same property and offered for rent or lease within five years of the date the rental unit that was the subject of the Notice of Intent to Withdraw was withdrawn from rent or lease, the owner may establish the initial rental rate for the newly constructed rental units. The provisions of the Rent Stabilization Ordinance, Section 151.00, et seq., and other provisions of this chapter shall apply to the newly constructed rental units.

This section shall not apply to demolished buildings containing four or fewer rental units, if the owner of the building, whose name appears on legal title to the property, is a natural person and resided in the building for three consecutive years prior to demolition, or if the building is not yet demolished, for three consecutive years prior to filing an application for exemption. To obtain this exemption, an owner must apply to the Department for exemption pursuant to the provisions of Subdivision 3. of Subsection C. of this section.

B. **Exemption from the Rent Stabilization Ordinance with Replacement Affordable Units.** An owner who replaces the number of demolished rental units with an equal number of affordable housing units, not to exceed 20% of the total number of newly constructed rental units, may apply to the Department for an exemption of the newly constructed rental units from the provisions of the Rent Stabilization Ordinance. The affordable housing units must be located in the newly constructed accommodations. The Department shall issue an exemption where it finds all of the following to exist:

1. The owner executed and recorded a covenant and agreement, in a form satisfactory to the Department, guaranteeing that the replacement affordable housing units, affordable for households with an income at or below 80% of Area Median Income as established by the U.S. Department of Housing and Urban Development for the Los Angeles-Long Beach primary metropolitan statistical area, shall remain affordable for 30 years from the date the covenant and agreement is recorded. The covenant and agreement contains provisions as required by the Department to ensure the effective administration and enforcement of this subsection.

2. The replacement affordable housing units shall be reasonably dispersed throughout the newly constructed accommodations and shall not be segregated in a portion of the accommodations dedicated to affordable housing units.

3. The replacement affordable housing units shall be comparable to the market rate units and contain, on average, the same number of bedrooms, bathrooms and square footage as the market rate units. The replacement affordable housing units shall be comparable in architectural style to the average of the market rate units.

Units that are used to qualify for a density bonus pursuant to the provisions of either California Government Code Section 65915 or Los Angeles Municipal Code Section 12.22 A.25., or are used to satisfy any inclusionary zoning or replacement affordable housing requirement, or are used to qualify for any other public benefit or incentive, may be used to qualify as replacement affordable housing units pursuant to the provisions of this subsection.

**C. Application for Exemption from the Rent Stabilization Ordinance.**

1. **Hardship Exemption.** The Department shall have the authority to grant an exemption from the provisions of this section in cases of undue financial hardship arising from detrimental reliance on the provisions of this article prior to the enactment of this section as duly established to the satisfaction of the Department. An owner claiming hardship must file a written application for exemption with the Department on forms provided by the Department within 90 days of the effective date of this section, and the owner must demonstrate that the hardship existed as of the date that the ordinance enacting this section was adopted by Council.

An owner who files an application for exemption from the provisions of this section pursuant to the provisions of this subdivision shall pay to the Department an administrative fee in the amount of \$160.00 for each application. The administrative fee shall be used to finance the costs of processing and investigating applications for exemption.

2. **Replacement Affordable Housing Unit Exemption.** An owner may, at any time, apply for exemption pursuant to the provisions of Subsection B. of this section, but must do so by written application on a form provided by the Department. If the Department issues an exemption while there are tenants residing in rental units that are subject to the provisions of the Rent Stabilization Ordinance, each of the units shall continue to be subject to the provisions of the Rent Stabilization Ordinance until all tenants in a unit voluntarily vacate the unit, or have their tenancies terminated pursuant to the provisions of Subdivisions 1., 2., 3., 4., 5., 6., 7., 9., 11., or 12. of Subsection A. of Section 151.09 of this article.

An owner who files an application for exemption from the Rent Stabilization Ordinance pursuant to the provisions of this subdivision shall pay to the Department an administrative fee in the amount of \$705.00 for each application, plus \$75.00 for each replacement affordable housing unit. The administrative fee shall be used to finance the costs of processing and investigating applications for exemption, and continued monitoring.

3. **Owner Occupancy Exemption.** An owner, whose name appears on legal title to the property, may file an application for exemption from the Rent Stabilization Ordinance on the grounds that the owner is a natural person who occupied the demolished building, which consisted of four or fewer rental units, for three years prior to the demolition of the building. If the building has not yet been demolished, an owner may file an application for exemption from Subsection A. of Section 151.28 on the grounds that the building to be demolished consists of four or fewer rental units, and that the owner occupied the building for three consecutive years prior to filing an application for exemption. An owner may, at any time, apply for exemption, but must do so by written application on a form provided by the Department. If the Department issues an exemption while there are tenants residing in units that are subject to the provisions of the Rent Stabilization Ordinance, each of the units shall continue to be subject to the provisions of the Rent Stabilization Ordinance until all tenants in a unit voluntarily vacate the unit, or have their tenancies terminated pursuant to the provisions of Subdivisions 1., 2., 3., 4., 5., 6., 7., 9., 11., or 12. of Subsection A. of Section 151.09 of this article.

An owner who files an application for exemption from the Rent Stabilization Ordinance pursuant to the provisions of this subdivision shall pay to the Department an administrative fee in an amount to be determined by ordinance. The administrative fee shall be used to finance the costs of processing and investigating applications for exemption.

4. **Verification of Information.** Information submitted in any written application to the Department for any of the exemptions outlined in this section, will be subject to verification and approval by the Department.

D. **Appeals.** An owner who is denied an exemption from the Rent Stabilization Ordinance for an application filed pursuant to the provisions of Subsection C. of this section may appeal the denial by requesting a hearing before the General Manager. The appeal must be filed in writing and received by the Department within 15 calendar days of the date of mailing the denial decision. The appeal must be on a form provided by the Department and identify the grounds for appeal. If an appeal from a decision to deny an exemption is not received by the Department within the 15 day appeal period, the decision will be final.

An owner who files an appeal from an application for exemption filed pursuant to the provisions of Subdivisions 1. or 2. of Subsection C. of this section shall pay to the Department an administrative fee in the amount of \$290.00 for each appeal. An owner who files an appeal from an application for exemption filed pursuant to the provisions of Subdivision 3. of Subsection C. of this section shall pay to the Department an administrative fee in an amount to be determined by ordinance. The fee shall be used to finance the cost of the appeal process.

The General Manager's hearing shall be held within 30 days of receiving the appeal and will follow the procedures set forth in Division 8 of Article 1 of Chapter XVI of this Code. The owner may present proof at the hearing of entitlement to an exemption, and a Department representative shall explain the reason for the denial of the exemption application.

The General Manager shall issue a written decision of the appeal and may affirm, modify, or reverse the determination of the Department. The General Manager may grant a continuance of the hearing upon a showing of good cause or where further Department investigation is warranted.

E. **Authority of Department.** The Department shall be responsible for carrying out the provisions of this section and shall have the authority to promulgate and administer policies, rules, and regulations to effectuate the purposes of this section.

**SEC. 151.29. REGULATION OF LEASES IN MOBILEHOME PARKS.**

(Added by Ord. No. 180,071, Eff. 8/30/08.)



State law, including the Mobilehome Residency Law at California Civil Code Section 798, *et seq.*, governs many aspects of agreements to rent mobilehomes. This section supplements the provisions of the State Mobilehome Residency Law.

A. Every mobilehome owner and every prospective mobilehome owner in a mobilehome park subject to the provisions of this article shall have the option to reject a rental agreement offered for the lease of a mobilehome, and to reject a rental agreement offered for the lease of the site of the mobilehome, and shall be entitled to accept a rental agreement for a term of 12 months or less, including a month-to-month agreement, pursuant to the provisions of state law and Subsection C. of this section.

B. Neither a mobilehome owner nor a prospective mobilehome owner shall be required to sign a lease or rental agreement that is exempt from the provisions of this article. Neither a mobilehome owner nor a prospective mobilehome owner shall be required to sign a lease in excess of 12 months.

C. A prospective mobilehome owner who rejects an offered rental agreement in excess of 12 months duration shall be entitled to instead accept a rental agreement for a term of 12 months or less from the date the offered rental agreement was to have begun. In the event the prospective mobilehome owner elects to have a rental agreement for a term of 12 months or less, including a month-to-month rental agreement, the rental agreement shall contain the same rental charges, terms and conditions as the rejected rental agreement during the first 12 months, except for options, if any, contained in the offered rental agreement to extend or renew the rental agreement.

D. Before any rental agreement in excess of 12 months is executed by a prospective mobilehome owner, the prospective mobilehome owner shall: (i) be offered the option of a rental agreement for a term of 12 months or less; and (ii) be informed both orally and in writing that a lease or rental agreement in excess of 12 months shall not be subject to the terms and provisions of this article.

E. A notice, which conforms to the following language and printed in at least 12-point boldface type if the rental agreement is printed, or in capital letters if the rental agreement is typed, shall be presented to the prospective mobile home owner at the time of presentation of a rental agreement creating a tenancy with a term greater than twelve months:

IMPORTANT NOTICE TO PROSPECTIVE MOBILEHOME OWNER REGARDING THE PROPOSED RENTAL AGREEMENT FOR \_\_\_\_\_. PLEASE TAKE NOTICE THAT THIS RENTAL AGREEMENT CREATES A TENANCY WITH A TERM IN EXCESS OF 12 MONTHS. BY SIGNING THIS RENTAL AGREEMENT, YOU ARE EXEMPTING THIS TENANCY FROM THE PROVISIONS OF THE RENT STABILIZATION ORDINANCE OF THE CITY OF LOS ANGELES FOR THE TERM OF THIS RENTAL AGREEMENT. THE RENT STABILIZATION ORDINANCE (LOS ANGELES MUNICIPAL CODE CHAPTER XV, ARTICLE 1) AND THE STATE MOBILEHOME RESIDENCY LAW (CALIFORNIA CIVIL CODE SECTION 798, *et seq.*) GIVE YOU CERTAIN RIGHTS, INCLUDING THE RIGHT TO A TENANCY OF 12 MONTHS OR LESS THAT IS NOT EXEMPT FROM THE PROVISIONS OF THE RENT STABILIZATION ORDINANCE. BEFORE SIGNING THIS RENTAL AGREEMENT, YOU MAY WANT TO SEE A LAWYER. IF YOU SIGN THE RENTAL AGREEMENT, YOU MAY CANCEL THE RENTAL AGREEMENT BY NOTIFYING THE PARK MANAGEMENT IN WRITING OF THE CANCELLATION WITHIN 72 HOURS OF YOUR EXECUTION OF THE AGREEMENT. IT IS UNLAWFUL FOR A MOBILEHOME PARKOWNER OR ANY AGENT OR REPRESENTATIVE OF THE OWNER TO DISCRIMINATE OR RETALIATE AGAINST YOU BECAUSE OF THE EXERCISE OF ANY RIGHTS YOU MAY HAVE UNDER THE RENT STABILIZATION ORDINANCE OF THE CITY OF LOS ANGELES, OR BECAUSE OF YOUR CHOICE TO ENTER INTO A RENTAL AGREEMENT THAT IS SUBJECT TO THE PROVISIONS OF THAT ORDINANCE.

F. The Notice described in Subsection E. of this section shall contain a place for the prospective mobilehome owner to acknowledge receipt of the notice and shall also contain an acknowledgment signed under penalty of perjury by the person offering the rental agreement that the notice has been given to the prospective mobilehome owner in accordance with the previous subsection. A copy of the notice executed by the person offering the rental agreement shall be provided to the prospective mobilehome owner.

G. A prospective mobilehome owner may cancel a mobilehome rental agreement by notifying park management in writing of the cancellation within 72 hours of the execution of the agreement.

**SEC. 151.30. EVICTIONS FOR OWNER, FAMILY, OR RESIDENT MANAGER OCCUPANCY.**  
(Added by Ord. No. 180,747, Eff. 8/1/09.)

Notwithstanding any provision of this Chapter to the contrary, if a landlord seeks to recover possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 of this Code, the following provisions shall apply:

A. **Ownership Requirement.** A landlord may recover possession of a rental unit pursuant to the provisions of Paragraph a of Subdivision 8. of Subsection A. of Section 151.09 only if the landlord is a natural person who possesses legal title to at least 25 percent of the property containing the rental unit, or is a beneficiary with an interest of at least 25 percent in a trust that owns the property. A landlord may recover possession of a rental unit pursuant to the provisions of Paragraph b. of Subdivision 8. of Subsection A. of Section 151.09 only if the landlord is a natural person who possesses legal title to at least 50 percent of the property containing the rental unit, or is a beneficiary with an interest of at least 50 percent in a trust that owns the property. A landlord may recover possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 for use and occupancy by the landlord, landlord's spouse, grandchild, child, parent, or grandparent only once for that person in each rental complex of the landlord.

B. **Residency Requirements for Replacement Occupant.** The landlord must in good faith intend that the owner, eligible relative, or a resident manager will occupy the rental unit within three months after the existing tenant vacates the rental unit, and that the owner, eligible relative, or a resident

manager will occupy the rental unit as a primary residence for a period of two consecutive years. Failure of the owner, eligible relative, or a resident manager to occupy the rental unit within three months after the existing tenant vacates the unit, or failure of the owner, eligible relative, or a resident manager to occupy the rental unit as a primary residence for a period of two consecutive years, may be evidence that the landlord acted in bad faith in recovering possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09. It will not be evidence of bad faith if a landlord recovers possession of a rental unit for use and occupancy by a resident manager, and during the next two years replaces the resident manager with a different resident manager.

C. **Comparable Rental Unit.** A landlord may not recover possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 if there is a comparable rental unit in the building that is vacant and available, except that where a building has an existing resident manager, the landlord may evict the existing resident manager in order to replace the existing resident manager with a new manager.

D. **Tenants Eligible for Termination of Tenancy.**

1. **Protected tenants.** A landlord may not recover possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 if:

(a) any tenant in the rental unit has continuously resided in the rental unit for at least ten years, and is either: (i) 62 years of age or older; or (ii) disabled as defined in Title 42 United States Code Section 423 or handicapped as defined in Section 50072 of the California Health and Safety Code; or

(b) any tenant in the rental unit is terminally ill as certified by a treating physician licensed to practice in the State of California.

2. **Application to most recent tenant.** A landlord may recover possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 only from a tenant who is the most recent tenant, not protected from termination of tenancy pursuant to the provisions of Subdivision (1) of this Subsection, to occupy a rental unit in the building with the same number of bedrooms needed by the landlord, the landlord's eligible relative or the resident manager, except that a landlord may recover possession from a different tenant if a different unit is required because of medical necessity, as certified by a treating physician licensed to practice in the State of California.

E. **Relocation Fees.** A landlord who terminates a tenancy pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 shall pay a relocation fee pursuant to the provisions of Subsection G. of Section 151.09, except in the following circumstance:

If the termination of tenancy is based on the grounds set forth in Paragraphs (a) or (b) of Subdivision 8. of Subsection A. of Section 151.09, and all of the following conditions exist: (1) the building containing the rental unit contains four or fewer rental units; (2) within the previous three years the landlord has not paid the fee authorized by this Subsection to any tenant who resided in the building; (3) the landlord owns, in the City of Los Angeles, no more than four units of residential property and a single-family home on a separate lot; and (4) any eligible relative for whom the landlord is recovering possession of the rental unit does not own any residential property in the City of Los Angeles; then the landlord shall pay a relocation fee of \$14,000 to qualified tenants and a fee of \$7,000 to all other tenants. If more than one fee applies to a rental unit, the landlord shall pay the highest of the applicable fees. For the year beginning July 1, 2009, and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. of this Code. The adjusted amount shall be rounded to the nearest \$50 increment. The fee payment shall be made in accordance with the provisions of Subdivisions 1., 2., and 3. of Subsection G. of Section 151.09, and the provisions of Subdivision 4. of Subsection G. of Section 151.09 apply to determine whether a relocation fee is owed.

F. **Post-Tenancy Termination Filing Requirements.**

(1) **Three month filing requirement.** Within three months of a tenant's vacation of a rental unit, a landlord who recovered possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 shall file with the Department a statement under penalty of perjury that the rental unit is occupied by the landlord, eligible relative, or resident manager for whom the landlord terminated the tenancy, or an explanation why the rental unit is not occupied by the landlord, eligible relative, or resident manager for whom the landlord terminated the tenancy.

(2) **Annual filing requirements.** A landlord who recovers possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 must, within thirty days preceding the first and second year anniversary of the tenant's vacation of the rental unit, file with the Department a statement under penalty of perjury regarding the continued occupancy of the rental unit by the landlord, eligible relative, or a resident manager. The statement must confirm the continued occupancy by the landlord, eligible relative, or a resident manager, or if the occupancy did not continue, the statement must explain why the rental unit is not occupied by such person.

G. **Tenant Re-Rental Rights.** A landlord who offers a rental unit that was the subject of a tenancy termination pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 for rent or lease within two years after the tenant vacated the rental unit shall first offer to rent the rental unit to the displaced tenant or tenants, provided that the tenant or tenants advised the landlord in writing within 30 days of displacement of the tenant's desire to consider an offer to renew the tenancy and provided the landlord and Department with an address to which to direct the offer. The tenant or tenants may advise the landlord and Department any time during the two year period of eligibility of a change of address to which to direct the offer.

A landlord who offers to rent or lease a rental unit to a previously displaced tenant pursuant to the provisions of this Subsection shall deposit the offer in the United States mail, by registered or certified mail with postage prepaid, addressed to the displaced tenant or tenants at the address furnished to the landlord as provided in this Subsection, and shall describe the terms of the offer. The displaced tenant or tenants shall have 30 days from the deposit of the



offer in the mail to accept the offer by personal delivery of that acceptance or by deposit of the acceptance in the United States mail by registered or certified mail with postage prepaid.

H. **Notice of Re-Rental.** If a landlord desires to offer for rent or lease a rental unit that was the subject of a tenancy termination pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09, the landlord must file with the Department a Notice of Intention to Re-Rent Rental Unit on a form prescribed by the Department. The form must be filed before renting or leasing the rental unit.

I. **Penalties.** In addition to all other penalties authorized by law, the following penalties apply for violations of the provisions of Subdivision 8. of Subsection A. of Section 151.09, and of this Section:

(1) If a landlord acts in bad faith in recovering possession of a rental unit pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09, the landlord shall be liable to any tenant who was displaced from the property for three times the amount of actual damages, exemplary damages, equitable relief, and attorneys' fees. The City may institute a civil proceeding for equitable relief and exemplary damages for displacement of tenants. Nothing in this paragraph precludes a tenant or the City from pursuing any other remedy available under the law.

(2) A landlord who fails to file a statement under penalty of perjury as required by the provisions of Subsection F. of this Section, or a notice as required by the provisions of Subsection H. of this Section, shall pay a fine in the amount of \$250 per day for each day that the statement or notice is delinquent.

## ARTICLE 2 TENANT HABITABILITY PROGRAM

(Added by Ord. No. 176,544, Eff. 5/2/05.)

Section	
152.00	Title.
152.01	Declaration of Purpose.
152.02	Definitions.
152.03	Procedure for Undertaking Primary Renovation Work.
152.04	Notice and Service Requirements.
152.05	Permanent Relocation Assistance.
152.06	Temporary Relocation and Temporary Replacement Housing.
152.07	Remedies.
152.08	Authority of Commission to Regulate.

### **SEC. 152.00. TITLE.**

(Added by Ord. No. 176,544, Eff. 5/2/05.)

This article shall be known as the Tenant Habitability Program.

### **SEC. 152.01. DECLARATION OF PURPOSE.**

(Added by Ord. No. 176,544, Eff. 5/2/05.)

In its adoption of Section 151.00 *et seq.* of this Code, the City recognized that displacement from rental housing creates hardships on renters who are senior citizens, persons on fixed incomes and low and moderate income households, particularly when there is a shortage of decent, safe and sanitary housing at affordable rent levels in the City. The City has also declared, in its adoption of Section 161.101 *et seq.* of this Code, that it is in the public interest of the people of Los Angeles to protect and promote the existence of sound and wholesome residential buildings, dwelling units and neighborhoods by the adoption and enforcement of such standards, regulations and procedures as will remedy the existence or prevent the development or creation of dangerous, substandard, or unsanitary and deficient residential buildings and dwelling units.

The primary renovation program has been established to encourage landlords to extend the useful life of the rental housing stock in Los Angeles by reinvesting in the infrastructure of their properties. Through rent adjustments authorized by this chapter, landlords are able to recover a substantial portion of these renovation costs. However, Primary Renovation Work involves the replacement or substantial modification of major building systems or the abatement of hazardous materials and, by its very nature, such work generally makes rental units untenable, as defined by California Civil Code Section 1941.1, on a temporary basis.

This article is adopted to facilitate landlord investment in Primary Renovation Work without subjecting tenants to either untenable housing conditions during such renovation work or forced permanent displacement. The tenant habitability program requires landlords to mitigate such temporary untenable conditions, either through actions to ensure that tenants can safely remain in place during construction or through the temporary relocation of tenants to alternative

housing accommodations. These two options should not be regarded as mutually exclusive but rather as complementary approaches that might be appropriate to different stages of the renovation process.

**SEC. 152.02. DEFINITIONS.**

(Added by Ord. No. 176,544, Eff. 5/2/05.)

The following words and phrases, whenever used in this article, shall be construed as defined in this section. Words and phrases not defined here shall be construed as defined in Sections 12.03, 151.02 and 162.02 of this Code, if defined in those sections.

**Notice of Primary Renovation Work.** Written notice, served by the landlord upon a tenant or tenant household at least 60 days prior to commencement of any Primary Renovation Work or Related Work and using a form established by the Department, advising the tenant of forthcoming Primary Renovation Work and Related Work, the impact of such work on the tenant, and measures the landlord will take to mitigate the impact on the tenant.

**Temporary Relocation.** The moving of a tenant from the tenant's permanent residence to habitable temporary housing accommodations in accordance with a Tenant Habitability Plan. The temporary relocation of a tenant from his/her permanent place of residence shall not constitute the voluntary vacation of the unit and shall not terminate the status and rights of a tenant, including the right to reoccupy the same unit, upon the completion of the Primary Renovation Work and any Related Work, subject to any rent adjustments as may be authorized under this chapter.

**SEC. 152.03. PROCEDURE FOR UNDERTAKING PRIMARY RENOVATION WORK.**

(Added by Ord. No. 176,544, Eff. 5/2/05.)

**A. Building Permits.**

1. No landlord shall undertake Primary Renovation Work without first obtaining a permit, pursuant to Sections 91.106, 92.0129, 92.0132, 93.0201, 94.103, or 95.112.2 of this Code. This requirement applies to all Primary Renovation Work, regardless of whether such work is eligible for a rent adjustment under any of the provisions of Section 151.07 A.1. of this Code and regardless of which provision of that subdivision, if any, is intended to be used as a ground for seeking a rent adjustment following the completion of the work.

2. The Department shall clear a landlord's application for a permit for Primary Renovation Work if both of the following conditions have been met:

a. The landlord has submitted a Tenant Habitability Plan which, in accordance with Subsection C. of this section, the Department finds to adequately mitigate the impact of Primary Renovation Work and any Related Work upon affected tenants; and

b. The landlord has submitted a declaration documenting service to affected tenants of both a Notice of Primary Renovation Work and a copy of the non-confidential portions of the Tenant Habitability Plan.

**B. Tenant Habitability Plan.** At a minimum, a Tenant Habitability Plan shall provide the following information, together with any other information the Department deems necessary to ensure that the impact of Primary Renovation Work and any Related Work upon affected tenants is adequately mitigated:

1. Identification of the landlord, the general contractor responsible for the Primary Renovation Work, and any specialized contractor responsible for hazardous material abatement, including but not limited to lead-based paint and asbestos.

2. Identification of all affected tenants including the current rent each tenant pays and the date of each tenant's last rent increase. In accordance with California Civil Code Sec. 1798 *et seq.*, information regarding tenants shall be considered confidential.

3. Description of the scope of work covering the Primary Renovation Work and any Related Work. Such description shall address the overall work to be undertaken on all affected units and common areas, the specific work to be undertaken on each affected unit, an estimate of the total project cost and time, and an estimate of the cost and time of renovation for each affected unit.

4. Identification of the impact of the Primary Renovation Work and Related Work on the habitability of affected rental units, including a discussion of impact severity and duration with regard to noise, utility interruption, exposure to hazardous materials, interruption of fire safety systems, inaccessibility of all or portions of each affected rental unit, and disruption of other tenant services.

5. Identification of the mitigation measures that will be adopted to ensure that tenants are not required to occupy an untenable dwelling, as defined in California Civil Code Section 1941.1, outside of the hours of 8:00 am through 5:00 pm, Monday through Friday, and are not exposed at any time to toxic or hazardous materials including, but not limited to, lead-based paint and asbestos. Such measures may include the adoption of work procedures that allow a tenant to remain on-site and/or the temporary relocation of tenants.

6. Identification of the impact of the Primary Renovation Work and Related Work on the personal property of affected tenants, including work areas which must be cleared of furnishings and other tenant property, and the exposure of tenant property to theft or damage from hazards related to work or storage.

7. Identification of the mitigation measures that will be adopted to secure and protect tenant property from reasonably foreseeable damage or loss.

**C. Plan Acceptance.**

1. The Department shall make a determination regarding the adequacy of a landlord's Tenant Habitability Plan within five working days of the Department's receipt of the plan for review. The Department shall accept those plans which meet the requirements of Subsection B. of this section and which it determines, with reference to the standards set forth in California Civil Code Section 1941.1 and in accordance with any regulations or guidelines adopted by the Commission, will adequately mitigate the impacts of Primary Renovation Work and any Related Work upon tenants. The Tenant Habitability Plan may allow for the temporary disruption of major systems during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, without requiring the relocation of tenants in order to adequately mitigate the impacts upon the affected tenants. However tenants should not be exposed at any time to toxic or hazardous materials including, but not limited to, lead-based paint and asbestos.

2. The Department's acceptance of a Tenant Habitability Plan shall be subject to the landlord having no outstanding balances due for rent registration or code enforcement fees.

3. The Department shall provide landlords with written indications of deficiencies which must be addressed whenever a Tenant Habitability Plan is determined to be inadequate. A landlord may submit an amended plan in order to correct identified deficiencies.

4. Landlords and tenants may appeal the Department's determination regarding a Tenant Habitability Plan to a hearing officer. The appeal shall be made in writing, upon appropriate forms provided by the Department, and shall specify the grounds for appeal. The appeal shall be filed within 15 calendar days of the service of the Department's determination, as required by Section 152.04 of this Code and shall be accompanied by the payment of an administrative fee of \$35.00. The requested hearing shall be held within 30 calendar days of the filing of the appeal following the procedures set forth in Section 151.07 A.3. of this Code. The hearing officer shall issue a written decision within ten calendar days of the hearing on the appeal, with a copy of the decision served on the landlord and the tenants by first class mail, postage prepaid, or in person.

**D. Notice of Primary Renovation Work.** Notice of Primary Renovation Work shall be written in the language in which the original lease was negotiated and shall provide the following information:

1. The estimated start and completion dates of any Primary Renovation Work and Related Work associated with a Tenant Habitability Plan accepted by the Department.

2. A description of the Primary Renovation Work and Related Work to be performed and how it will impact that particular tenant or household.

3. The details of temporary relocation, if necessitated by the Primary Renovation Work, and associated tenant rights under this article.

4. Instructions that tenants with questions should consult the landlord, the Department, or the Department's designee.

5. Notice of a tenant's right to reoccupy the units under the existing terms of tenancy upon completion of Primary Renovation Work, subject to rent adjustments as authorized under this chapter.

6. Notice that the tenant may appeal the Department's acceptance of a Tenant Habitability Plan in cases where the tenant does not agree with the landlord regarding the necessity for the tenant to either be temporarily displaced or remain in place during Primary Renovation Work, provided such request is submitted within 15 days of the tenant's receipt of the Notice of Primary Renovation Work.

**SEC. 152.04. NOTICE AND SERVICE REQUIREMENTS.**

**(Added by Ord. No. 176,544, Eff. 5/2/05.)**

After the Department accepts the Tenant Habitability Plan, a landlord shall serve a copy of the Tenant Habitability Plan, Notice of Primary Renovation Work, a summary of the provisions of this article and, if applicable, a permanent relocation agreement form on any tenant affected by the Primary Renovation Work. Service of these items shall be provided in the manner prescribed by Section 1162 of the California Code of Civil Procedure and at least 60 days prior to the date on which the Primary Renovation Work and any Related Work is scheduled to begin.

**SEC. 152.05. PERMANENT RELOCATION ASSISTANCE.**

**(Added by Ord. No. 176,544, Eff. 5/2/05.)**

**A.** If the Primary Renovation Work and any Related Work will impact the habitability of a rental unit for 30 days or more, any tenant affected by the Primary Renovation Work and Related Work shall have the option to voluntarily terminate the tenancy in exchange for permanent relocation assistance pursuant to Section 151.09 G. of this Code and the return of any security deposit that cannot be retained by the landlord under applicable law. If the Primary Renovation Work and Related Work continues for 30 days longer than the projected completion date set forth in the later of either the Tenant Habitability Plan or any modifications thereto accepted by the Department, the tenant's option to accept permanent relocation assistance shall be renewed.

**B.** A tenant may request to receive permanent relocation assistance within 15 days of service of the Tenant Habitability Plan. The tenant must inform the landlord of the decision to select permanent relocation by mailing or personally delivering a completed Permanent Relocation Agreement form to the landlord or agents thereof. Thereafter, the landlord shall have 15 days to provide the tenant with relocation assistance in the manner and for the amounts set forth in Section 151.09 G. of this Code.

**C.** Nothing in this section relieves the landlord from the obligation to provide relocation assistance pursuant to an administrative agency action or any other provision of federal, state or local law. If a tenant is entitled to monetary relocation benefits pursuant thereto, such monetary benefits shall operate as credit against any other monetary benefits required to be paid to the tenant under this section.

#### **SEC. 152.06. TEMPORARY RELOCATION AND TEMPORARY REPLACEMENT HOUSING.**

**(Added by Ord. No. 176,544, Eff. 5/2/05.)**

**A.** The landlord shall indicate in its Tenant Habitability Plan whether the temporary relocation of one or more tenant households is necessary. Pursuant to Section 152.03 of this Code, the Department independently may determine whether temporary relocation is necessary in conjunction with its review of the Tenant Habitability Plan. The Department may also require the temporary relocation of a tenant at any time during the project if the Department determines temporary relocation is necessary to ensure the health or safety of the tenant.

**B.** The temporary relocation of a tenant pursuant to this article shall not constitute the voluntary vacating of that rental unit and shall not terminate the status and rights of a tenant, including the right to reoccupy the tenant's rental unit upon the completion of the Primary Renovation Work and any Related Work.

**C.** A tenant who is temporarily relocated as a result of Primary Renovation Work shall continue to pay rent in the manner prescribed by any lease provision or accepted in the course of business between the landlord and the tenant.

**D.** A landlord shall pay for all temporary housing accommodation costs and any costs related to relocating the tenant to temporary housing accommodations, regardless of whether those costs exceed rent paid by the tenant. The landlord shall also pay any costs related to returning the tenant to his/her unit, if applicable. The Commission may adopt guidelines or regulations regarding the payment of moving costs.

**E.** A landlord may choose to place a tenant's rent and any other required payments in an escrow account. All costs of opening and maintaining the escrow account shall be borne by the landlord. Monies deposited into the escrow account shall be distributed in accordance with guidelines or regulations established by the Commission. The cost of opening an escrow account is not recoverable under Section 151.07 A.1.d. of this Code. **(Amended by Ord. No. 177,103, Eff. 12/18/05.)**

**F.** A landlord must temporarily relocate a tenant to habitable temporary housing accommodations if the Primary Renovation Work and any Related Work will make the rental unit an untenable dwelling, as defined in California Civil Code Section 1941.1, outside of the hours of 8:00 am through 5:00 pm, Monday through Friday, or will expose the tenant at any time to toxic or hazardous materials including, but not limited to, lead-based paint and asbestos.

**1. Temporary Replacement Housing Accommodations for 30 or more consecutive days.** If the temporary relocation lasts 30 or more consecutive days, the landlord shall make available comparable housing either within the same building or in another building. For purposes of this section, a replacement unit shall be comparable to the existing unit if both units are comparable in size, number of bedrooms, accessibility, proximity to services and institutions upon which the displaced tenant depends, amenities, including allowance for pets, if necessary, and, if the tenant desires, location within five miles of the rental unit. The landlord and tenant may agree that the tenant will occupy a non-comparable replacement unit provided that the tenant is compensated for any reduction in services.

**2. Temporary Replacement Housing Accommodations for fewer than 30 consecutive days.** If the temporary relocation lasts less than 30 consecutive days, the landlord shall make available temporary housing that, at a minimum, provides habitable replacement accommodations within the same building or rental complex, in a hotel or motel, or in other external rental housing. The Commission may adopt guidelines or regulations regarding temporary housing. If the temporary housing is in a hotel, motel or other external rental housing, it shall be located no greater than two miles from the tenant's rental unit, unless no such accommodation is available, and contain standard amenities such as a telephone.

**3. Per Diem Payment.** A landlord and tenant may mutually agree to allow the landlord to pay the tenant a per diem amount for each day of temporary relocation in lieu of providing temporary replacement housing. The agreement shall be in writing and signed by the landlord and tenant and shall contain the tenant's acknowledgment that he/she received notice of his/her rights under this section and that the tenant understands his/her rights. The landlord shall provide a copy of this agreement to the Department.

**G.** The landlord shall provide written notice, before the tenant is temporarily displaced, advising the tenant of the right to reoccupy the unit under the existing terms of tenancy once the Primary Renovation Work and any Related Work is completed. Unless the landlord provides the temporary replacement housing, the tenant shall provide the landlord with the address to be used for future notifications by the landlord. When the date on which the unit will be available for reoccupancy is known, or as soon as possible thereafter, the landlord shall provide written notice to the tenant by personal delivery, or registered or certified mail, and shall provide a copy of that notice to the Department. If the tenant was temporarily relocated for over 30 days and has a separate tenancy agreement with a third party housing provider, the landlord shall give the tenant a minimum of 30 days written notice to reoccupy. In all other cases, the landlord shall give the tenant a minimum of seven days written notice to reoccupy, unless the landlord gave the tenant written notice of the date of reoccupancy prior to the start of temporary relocation.

**SEC. 152.07. REMEDIES.**

**(Added by Ord. No. 176,544, Eff. 5/2/05.)**

**A.** A landlord who fails to abide by the terms of an accepted Tenant Habitability Plan shall be denied individual rent adjustments under Section 151.07 A.1.(d) of this Code, absent extenuating circumstances.

**B.** In any action by a landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense the failure of the landlord to comply with any provisions contained in this article.

**C.** Any person who willfully or knowingly with the intent to deceive, makes a false statement or representation, or knowingly fails to disclose a material fact in any plan or notice required under this article, or in any declaration, application, hearing or appeal permitted under this article, including oral or written evidence presented in support thereof, shall be guilty of a misdemeanor.

Any person convicted of a misdemeanor under the provisions of this chapter shall be punished by a fine of not more than \$1,000.00 or by imprisonment in the County Jail for a period of not more than six months or both. Each violation of any provision of this chapter and each day during which such violation is committed, or continues, shall constitute a separate offense.

**D.** Any person who fails to provide relocation assistance pursuant to Section 152.05 of this Code shall be liable in a civil action to the person to whom such assistance is due for damages in the amount of the unpaid relocation assistance, together with reasonable attorney's fees and costs as determined by the court.

**E.** Any person who breaches any duty or obligation set forth in Section 152.06 of this Code shall be liable in a civil action by any person, organization or entity, for all actual damages, special damages in an amount not to exceed the greater of twice the amount of actual damages or \$5,000, and reasonable attorney's fees and costs as determined by the court. Damages of three times the amount of the actual damages may be awarded in a civil action for willful failure to comply with the payment obligations, to provide safe, decent and sanitary temporary replacement housing, or to allow a tenant to reoccupy a rental unit once the primary work is completed.

**F.** Any agreement, whether written or oral, waiving any of the provisions contained in this article shall be void as contrary to public policy.

**G.** Nothing in this article shall be construed to deprive a person of due process rights guaranteed by law, including, but not limited to, a right to appeal the Department's determination regarding a Tenant Habitability Plan to a hearing officer.

**H.** The remedies provided by this article are in addition to any other legal or equitable remedies and are not intended to be exclusive.

**SEC. 152.08. AUTHORITY OF COMMISSION TO REGULATE.**

**(Added by Ord. No. 176,544, Eff. 5/2/05.)**

The Commission shall be responsible for carrying out the provisions of this article and shall have the authority to issue orders and promulgate policies, rules and regulations to effectuate the purposes of this article. All such rules and regulations shall be published once in a daily newspaper of general circulation in the City of Los Angeles, and shall take effect upon such publication. The Commission may make such studies and investigations, conduct such hearings, and obtain such information as it deems necessary to promulgate, administer and enforce any regulation, rule or order adopted pursuant to this article.

**ARTICLE 3  
HABITABILITY ENFORCEMENT PROGRAM OF THE CITY OF LOS ANGELES**

**(Added by Ord. No. 171,074, Eff. 6/23/96.)**

Section	
153.00	Title.
153.01	Declaration of Purpose.
153.02	Definitions.
153.03	Filing of Complaint for HEP, Notification of Landlord.
153.04	Landlord's Options.
153.05	Referral of Property.

**SEC. 153.00. TITLE.**

**(Added by Ord. No. 171,074, Eff. 6/23/96.)**

This article shall be known as the Habitability Enforcement Program of the City of Los Angeles.

#### **SEC. 153.01. DECLARATION OF PURPOSE.**

(Added by Ord. No. 171,074, Eff. 6/23/96.)

On March 6, 1996, the Council of the City of Los Angeles adopted recommendations from the Housing and Community Redevelopment Committee to establish the Habitability Enforcement Program (“**HEP**”) substantially in conformance with the definitions and procedures outlined in a February 14, 1996 Department report.

As stated in that report, “HEP is built on the existing Rent Reduction and REAP programs. It is principally distinguished from the existing programs [because a] complaint alleging [a] habitability violation can be initiated by the tenant...[and it] allows a rent reduction and rent escrow order to be imposed in a much shorter time frame...”

HEP is a pilot program to be reviewed at the end of 18 months. During this 18 month period the Department will report to the Mayor and City Council and the Department, Department of Building and Safety, and the Fire Department will report to the Public Safety Committee on a quarterly basis on the progress of the pilot program and any recommendations for revisions to HEP.

#### **SEC. 153.02. DEFINITIONS.**

(Added by Ord. No. 171,074, Eff. 6/23/96.)

**Definitions.** (Amended by Ord. No. 173,810, Eff. 4/16/01.) The following words and phrases, whenever used in this chapter, shall be construed as defined in this section. Words and phrases not defined here shall be construed as defined in Sections 12.03 and 151.02 and 162.02, if defined there.

**General Manager.** (Amended by Ord. No. 173,810, Eff. 4/16/01.) The General Manager of the Department or his or her designee, including a hearing officer.

**Habitability Violation.** (Amended by Ord. No. 173,810, Eff. 4/16/01.) Any violation of Section 1941.1 of the California Civil Code, or a reduction or elimination of the following services if contracted for by the tenant, or if provided to the tenant at the time the tenant moves into his or her rental unit: elevators, security gates, and air conditioners.

**HEP.** (Amended by Ord. No. 173,810, Eff. 4/16/01.) The Habitability Enforcement Program provided by this article.

**Order.** (Amended by Ord. No. 173,810, Eff. 4/16/01.) Any order or notice to comply, correct or abate a condition or violation issued by the Department, the Department of Building and Safety, the Health Department, the Fire Department, or their successors.

**Security Gate.** (Amended by Ord. No. 173,810, Eff. 4/16/01.) Only those security gates for secured public access, pedestrian building entrances including security screen doors on unit entrances. The term shall not include parking gates, except parking gates at the entrance to underground parking facilities.

#### **SEC. 153.03. FILING OF COMPLAINT FOR HEP, NOTIFICATION OF LANDLORD.**

(Added by Ord. No. 171,074, Eff. 6/23/96.)

##### **A. Filing of Complaint.**

1. Either a tenant or enforcement agency may initiate a complaint with the Department alleging the existence of a habitability violation in a residential rental unit subject to the Rent Stabilization Ordinance. For purposes of this division the term “**enforcement agency**” includes, but is not limited to, the Health Department, the Department of Building and Safety, Los Angeles Housing Department Code Enforcement Unit, and the Fire Department. (Amended by Ord. No. 172,537, Eff. 5/13/99.)

2. A complaint submitted by a tenant alleging a habitability violation shall be submitted to the Department as follows:

a. On a form provided by the Department.

b. Include proof that the tenant has given the landlord at least twenty (20) days prior notice of the alleged violation.

c. A declaration stating that all information provided in the complaint form is true will be included on the form provided by the Department pursuant to (a) above.

The form shall also include language stating that “Any person who willfully or knowingly with the intent to deceive makes a false statement or representation, or knowingly fails to disclose a material fact, shall be guilty of a misdemeanor.” LAMC §151.10(B)



3. When submitting a complaint, the tenant may include evidence or documentation which supports that the habitability violation exists.

**B. Acceptance of Complaint.**

1. Prior to formal acceptance of the complaint from a tenant alleging a habitability violation, the Department shall determine if:

- a) the complaint alleges a deficiency which conforms with the definition of a Habitability Violation;
- b) the complaint was submitted in accordance with Subdivision 2 of Subsection A of Section 153.03 of this Code.

2. **(Amended by Ord. No. 173,810, Eff. 4/16/01.)** Upon acceptance of the complaint from a tenant or an enforcement agency, if the complaint is supported by an Order, then the complaint shall be treated as a referral to the REAP and rent reduction under Section 162.03, and shall be processed under that section.

3. **(Amended by Ord. No. 173,810, Eff. 4/16/01.)** Upon acceptance of the complaint from a tenant, if the complaint is not supported by an Order, the Department will notify the landlord of a HEP filing and indicate the date of the scheduled hearing, which shall be no sooner than thirty days and no later than forty-five days from the date of the Department's notification. To the extent feasible, the hearing shall be coordinated with any General Manager's hearing scheduled under Section 161.801 *et seq.*

4. **(Added by Ord. No. 173,810, Eff. 4/16/01.)** If the complaint is not supported by an Order, the Department shall also refer the complaint for inspection pursuant to Section 161.602.

5. **(Added by Ord. No. 173,810, Eff. 4/16/01.)** In the event the Department determines that the complaint was submitted in bad faith or was frivolous, the complaint shall be denied. The complaint is frivolous if it is either totally and completely without merit, or is submitted for the sole purpose of harassing an opposing party. However, the tenant may appeal the Department's decision to a hearing officer and a hearing will be held on the issue of whether or not the complaint is frivolous - not on the merits of the complaint itself. If a complaint is found to be frivolous by a hearing officer, the tenant will be barred from filing an additional application through the HEP for one year.

**SEC. 153.04. LANDLORD'S OPTIONS.**

**(Added by Ord. No. 171,074, Eff. 6/23/96.)**

**A.** Upon receipt of the notification of hearing, the landlord may take the following steps:

1. Submit proof to the Department that the alleged habitability violation has been corrected. In this event, the Department shall cancel the proposed hearing unless the tenant challenges the accuracy of the proof filed by the landlord. If there is a tenant challenge, then the Department shall independently verify that the violation has been corrected prior to canceling the hearing.

2. **(Amended by Ord. No. 173,810, Eff. 4/16/01.)** Request the Department to conduct an inspection. This inspection shall be conducted by referral of the complaint for inspection pursuant to Section 161.602. If the inspection reveals that the violation has been repaired or never existed, then the Department shall cancel the proposed hearing. If the results of the inspection support the finding that the habitability violation alleged in the complaint continues to exist, then that evidence shall be submitted to the General Manager at the time of the hearing along with any other evidence supplied by the tenant or the landlord.

3. Attend the hearing and provide evidence which indicates that a habitability violation does not exist.

**B.** The notice to the landlord required by Subsection B of Section 153.03 shall set forth these options.

**SEC. 153.05. REFERRAL OF PROPERTY.**

**(Added by Ord. No. 171,074, Eff. 6/23/96.)**

**A. General Manager Determination. (Amended by Ord. No. 173,810, Eff. 4/16/01.)** The burden is on the tenant to prove that a habitability violation exists, except that where an Order has been issued to correct the violation, the burden is on the landlord to show that the violation never existed, is the fault of the tenant, or has been corrected. If after consideration of the facts presented at the hearing, the General Manager determines that a habitability violation exists, the General Manager will be authorized to issue a rent reduction and a temporary diversion of rents into REAP. The amount of the rent reduction will be based on a schedule approved by the Rent Adjustment Commission.

**B. Hearing Procedures. (Amended by Ord. No. 173,810, Eff. 4/16/01.)** To the extent feasible, the Department shall follow procedures and make findings in conformance with Article 1 of Chapter XVI of the Los Angeles Municipal Code.

**C. Appeals. (Amended by Ord. No. 173,810, Eff. 4/16/01.)** The landlord may appeal a decision to reduce the rent or accept the property into REAP to the Appeals Board following the procedures set forth in Division 10 of Article 1 of Chapter XVI of this Code.

**D. Additional Procedures. (Amended by Ord. No. 173,810, Eff. 4/16/01.)** Should the General Manager order the property accepted into REAP, a rent escrow account will be established. The affected tenants will be notified of their right to pay their monthly rent, minus the approved rent reduction, into the REAP account. Additionally, they will be advised that payment into REAP provides an affirmative defense against eviction by the landlord for non-payment of rent.

Upon placement of the property into REAP, the Department may make a determination of the estimated cost to repair the habitability violation. At any time prior to the accumulation of funds in the escrow account, which equals the estimated repair cost, the landlord may submit evidence that the repair has been made and request reimbursement from the escrow account. These funds shall be released to the landlord, minus fees associated with the administration of the escrow account. However, if the landlord does not effect the repairs prior to the accumulation of the repair amount, the tenant may make the repairs with the funds held in the escrow account. Once the repairs have been made and all administrative costs have been collected, the rent escrow account will be closed.

Additional payments may be made from the escrow account following the procedures set forth in Section 162.07B.

**E. Exceptions. (Added by Ord. No. 173,810, Eff. 4/16/01.)**

1. No rent reduction or action to include the property into REAP will be imposed or initiated for a temporary reduction or elimination of the services, listed under the Habitability Violation definition above, if the landlord can demonstrate that the reduction or elimination was necessary for the repair, replacement or upgrade of the elevator, security gate or air conditioning unit and the repair, upgrade or replacement was completed within a reasonable period of time taking into account all relevant factors.

2. No rent reduction or action to include the property into REAP will be imposed or initiated if the service reduction or elimination was not within the reasonable control of the landlord to remedy within 20 days of the landlord’s receipt of written notice from a tenant of the problem. No rent reduction or REAP action shall be ordered until such time as the service reduction that was the subject of the complaint was within the reasonable control of the landlord to make repairs, or, with respect to underground parking gates only, within 60 days of the landlord’s receipt from the tenant of written notice of the problem.

**SEC. 153.06. REVIEW OF HEP.**

**(Repealed by Ord. No. 173,810, Eff. 4/16/01.)**

**ARTICLE 4  
PROPERTY MANAGEMENT TRAINING PROGRAM**

Section  
154.00 Declaration of Purpose.  
154.01 Definitions.  
154.02 Scope.  
154.03 Penalties.  
154.04 Duties of the Los Angeles Housing Department.

**SEC. 154.00. DECLARATION OF PURPOSE.**

**(Article and Section Added by Ord. No. 171,761, Eff. 11/30/97.)**

It is the purpose of the provisions of this section to provide a property management training program to instruct property owners on how to improve the management of their properties. Substandard building owners and managers are not equipped to properly manage these properties. The training will encompass marketing, preparing units for rental, repair and maintenance of the property, techniques on early detection of drug and gang activity on the property and the use of rental agreements and leases to enforce house rules for proper management.

Owners who received substandard orders because of a multitude of habitability violations or because they have not complied with a Department of Building and Safety Order to Comply will benefit from the program because these owners often lack expertise and experience in managing these properties.

Further, some owners need to recognize that property ownership is a business enterprise and in order to stay in business, the properties will have to be managed as a business. Property management training will be beneficial to achieve this goal.

Based on the foregoing reasons, the City Council finds that a property management training program will improve the management of the rental units in the City of Los Angeles thereby resulting in better managed housing stock.

**SEC. 154.01. DEFINITIONS.**

**(Amended by Ord. No. 173,810, Eff. 4/16/01.)**



The following words and phrases, whenever used in this article, shall be construed as defined in this section. Words and phrases not defined here shall be construed as defined in Sections 12.03, 151.02, 153.02 and 162.02, if defined there.

**Order to Repair.** Any order or notice to comply, correct or abate or any substandard order issued by the Department of Building and Safety, the Los Angeles Housing Department, or the Los Angeles County Department of Health Services or any notice of fire and life safety violation issued by the Fire Department.

**SEC. 154.02. SCOPE.**

(Added by Ord. No. 171,761, Eff. 11/30/97.)

**A.** Any landlord of an apartment house who has been issued an Order to Repair for habitability violations that also violate Section 1941.1 of the California Civil Code or for fire, life safety violations and is 45 or more days delinquent, shall complete a City-approved property management training program. However, the Los Angeles Housing Department (hereinafter “**Department**”) may waive this requirement where it is established to the Department’s satisfaction that the ability to effect repairs are beyond the landlord’s control.

**B.** Any landlord of an apartment house who has been found to have a habitability violation pursuant to the Habitability Enforcement Program, Section 153.00 *et seq.* of the Los Angeles Municipal Code, shall complete a City-approved property management training program.

**SEC. 154.03. PENALTIES.**

(Added by Ord. No. 171,761, Eff. 11/30/97.)

Any landlord who does not complete a City-approved property management training program within 60 days from the date the landlord is ordered to complete the program as required in Section 154.02 above, shall be guilty of an infraction. Notwithstanding any provision of this Code to the contrary, such infraction is punishable by a fine of \$250.00.

**SEC. 154.04. DUTIES OF THE LOS ANGELES HOUSING DEPARTMENT.**

(Added by Ord. No. 171,761, Eff. 11/30/97.)

The Department shall develop a property management training program and rules for implementation including regulations for the program and requirements for independent contractors to provide the training program.

The Department shall be responsible for carrying out the provisions of this article.

It shall have the authority to promulgate rules and regulations to effectuate the purposes of this article. All such rules and regulations shall first be submitted for approval to the City Council and once approved, be published once in a daily newspaper of general circulation in the City of Los Angeles. All such rules and regulations shall take effect upon such publication.

**ARTICLE 5  
UTILITY MAINTENANCE PROGRAM**

Section  
155.00 Declaration of Purpose.  
155.01 Definitions.  
155.02 Delinquent Utility Bill Referral Procedures.  
155.03 Acceptance into REAP.  
155.05 Establishment and Maintenance of UMP Account.  
155.06 Expenditure of UMP Escrow Account Funds by the Department.  
155.07 Removal from UMP.  
155.08 Tenant Outreach and Information.  
155.09 Utility Shut-off.

**SEC. 155.00. DECLARATION OF PURPOSE.**

(Article and Section Added by Ord. No. 171,884, Eff. 2/6/98.)

Many Los Angeles City tenants reside in master-metered apartment buildings and pay for essential utility service through their rent payment to the landlord. The landlord has the financial obligation to pay the Department of Water and Power for utility services.

A crisis now exists in the City. There are approximately 11,000 master-metered apartment buildings whose owners have failed to pay for utility services. Tenants who pay rent which include the cost of utilities face utility service termination due to the diversion of funds by the owners. The termination of utility service to a master-metered apartment building would make the building uninhabitable pursuant to California Civil Code Section 1941.1 *et seq.*

The purpose of this ordinance is to offer tenants an alternative to service termination in master-metered apartment buildings. Tenants who participate in the Utility Maintenance Program (UMP) have the option of paying their rent into an escrow account to maintain their utility services. The UMP is built on the existing Rent Escrow Account Program (REAP).

**SEC. 155.01. DEFINITIONS.**

(Amended by Ord. No. 181,643, Eff. 5/31/11.)

The following words and phrases, whenever used in this article, shall be construed as defined in this section. Words and phrases not defined here shall be construed as defined in Sections 12.03, 151.02, 153.02, 154.01 and 162.02, if defined there.

**Delinquent Utility Bill:** Any past due electric or water bill deemed delinquent by DWP in master-metered apartment buildings.

**Department:** The Los Angeles Housing Department.

**DWP:** The Department of Water and Power of the City of Los Angeles.

**RSO:** Rent Stabilization Ordinance

**UMP:** The Utility Maintenance Program provided by this article.

**SEC. 155.02. DELINQUENT UTILITY BILL REFERRAL PROCEDURES.**

(Amended by Ord. No. 181,643, Eff. 5/31/11.)

A. **Referral to the Department.** DWP, after having failed to collect the utility bill due and having provided notice of utility shut-off, may refer to the Department any building subject to the RSO that has a delinquent utility bill and which is scheduled for termination of utility services, thereby making the building untenable. The referral to the Department shall contain the street address of the property, the type of delinquency, the amount of the delinquency, the monthly amount required to maintain the utility service, the name and addresses of the landlord(s), any interested parties, any tenants as shown on the records of DWP, the number of residential units, and any other information as required by the Department. DWP shall provide the Department with a preliminary title search for the referred property. The report shall list all persons shown on the County Recorder records as having an ownership interest in the real property on which the building is located. In each referral, DWP shall specify that non-payment of the utility bill may lead to service termination which may render the building, or a portion thereof, untenable.

B. **Notice of Eligibility.** Within five working days after receiving notification from DWP, the Department shall give to the landlord(s), any interested parties, and tenants a Notice of Eligibility to place the building into UMP. The Notice of Eligibility shall provide written notification to the landlord(s) of the eligibility of the building for placement into UMP and shall list the street address of the building and include a copy of the referral notice from DWP. The Notice of Eligibility shall provide a description of UMP and specify that within seven calendar days from the date of the notice, the landlord(s) may request a General Manager's hearing to appeal the decision to place the building into UMP. If no hearing is requested, the Department shall make a determination on the eligibility of the building for acceptance in UMP. The Notice of Eligibility shall also state that if the building is placed into UMP, an escrow account shall be established for the deposit of monthly rent payments, with a non-refundable administrative fee of \$50.00 per individual rent payment and that escrow funds may be paid to DWP to maintain utility services to avoid having the building become uninhabitable and in violation of Civil Code Section 1941.1 *et seq.*

C. **Manner of Giving Notice.** The notices described in this Section shall be given in writing and may be given either by personal delivery to the landlord(s) or by deposit in the United States mail in a sealed envelope, postage prepaid, addressed to the landlord(s) at the last address known to DWP or the Department or as shown on the last equalized assessment roll if not known. Service by mail shall be deemed to have been completed at the time of deposit in the United States mail. The failure of any landlord(s) or other persons to receive this notice shall not affect in any manner the validity of any of the proceedings taken thereunder. Proof of giving this notice may be made by a declaration signed under penalty of perjury by any employee of the City which shows service in conformity with this section. Payment arrangements reached between DWP and the landlord(s), upon notification to the Department from DWP, shall terminate further processing of placing the building into UMP. A subsequent referral of the building to the Department by DWP on this same delinquency will be directly considered by the Department for inclusion into UMP as long as the landlord(s) for the property had been provided the right to a Department hearing, as stated in Subsection B. above.

D. **Hearings by Hearing Officer.**

1. A request for hearing shall be in writing and filed with the Department upon a form and with the number of copies required by the Department. Each request for hearing shall be accompanied by a filing fee in the amount of \$50.00.

2. If a request for hearing is received by the Department within the seven day period, then the requested hearing shall be held within ten days of the receipt of the request by a hearing officer designated by the Department. Notice of the time, date and place of the hearing shall be mailed by the Department to the applicant and tenants of the subject rental units at least seven calendar days prior to the hearing date.

3. The hearing shall be conducted by a hearing officer designated by the Department. At the time of the hearing the landlord(s) and/or any affected tenant may offer any documents, testimony, written declarations or evidence as may be pertinent to the proceedings.

4. **Hearing Officer Determination.** If after consideration of the facts presented at the General Manager's hearing, the Hearing Officer finds that the three factors listed in Subsection E., below, exist, the Hearing Officer shall place the building into UMP.

5. A final decision shall be made by the Hearing Officer within 72 hours after the completion of the General Manager's hearing. The Department shall mail copies of the findings and determination of the Hearing Officer to the applicant and all affected tenants.

6. **Effective Date of Decision.** The final decision of the Hearing Officer pursuant to this Subdivision shall constitute the final administrative decision in the appeal of placement of the building into UMP.

E. **Findings.** In reviewing whether a building should be included in UMP, the Hearing Officer or Department shall find that each of the following factors exist:

1. A delinquent utility bill exists;
2. The landlord(s) has failed to pay the delinquent utility bill; and
3. Utility shut-off will result in the building becoming untenable and in violation of Civil Code Section 1941.1.

F. **Department Determination Where No Hearing Is Requested.** If the landlord(s) does not request a General Manager's hearing, the Department shall review the file and determine whether the three factors listed in Subsection E. above, exist. If the Department finds that those factors exist, the building shall be placed into UMP.

#### **SEC. 155.03. ACCEPTANCE INTO REAP.**

**(Amended by Ord. No. 181,643, Eff. 5/31/11.)**

A. **Notice of Acceptance.** Within five working days of the decision on acceptance of a building into UMP, the Department shall mail notification of the acceptance to the landlord(s) identified in the title report, any creditors of the landlord(s) known to the Department, DWP, any interested parties, all tenants in the building who are known to the Department, and the occupants of each residential unit. The Notice of Acceptance shall state that the building has been accepted into UMP and shall also state the following:

1. The street address and the rent registration number, if any, of the building;
2. The findings made pursuant to Section 155.02 E.;
3. The proposed date upon or after which an escrow account shall be established into which tenants of the affected residential units may deposit their rent in lieu of payment to the landlord(s);
4. That a non-refundable administrative fee of \$50.00 per residential unit per monthly rent payment shall be collected by the Department from the escrow account;
5. That non-payment of rents into UMP within 30 days of the date of the Notice of Acceptance by sufficient number of tenants required to fulfill the minimum utility payment amount that DWP requires to maintain the utility service, may result in termination of utility services by DWP;
6. Written direction to tenants of how payments may be deposited into the escrow account;
7. That participating tenants have eviction protection rights under REAP;
8. That escrow funds will be paid to DWP to maintain the utility services; and
9. That non-participation of tenants in UMP may result in evacuation of the building due to utility service termination.

B. **Service and Recordation.** After the decision accepting the building into UMP becomes final, the Department shall file and record with the County Recorder of the County of Los Angeles a certificate legally describing the real property and stating that the subject building has been placed into UMP and that the landlord of the building has been so notified. After the building has been removed from UMP, the Department shall file and record with the County Recorder a certificate terminating the above-recorded status of the subject building. The Department may, by regulation, provide for the reimbursement to the Department from

the escrow account for the fees and costs incurred.

**SEC. 155.04. APPEALS.**

**(Repealed by Ord. No. 181,643, Eff. 5/31/11.)**

**SEC. 155.05. ESTABLISHMENT AND MAINTENANCE OF UMP ACCOUNT.**

**(Title and Section Amended by Ord. No. 181,643, Eff. 5/31/11.)**

A. Within ten working days of the acceptance of a building into UMP, the Department shall establish an escrow account for the building into which tenants may deposit rent payments. The Department shall mail notification to all tenants of the existence of the account, include payment coupons to tenants and provide an explanation of how payments may be deposited into the account. The Department shall provide a receipt to each tenant making a deposit. The Department shall provide, at least once a month, a periodic report to the landlord(s) concerning the activity in the account. The records of the account shall be reasonably available to the landlord(s) or any interested party, or their representatives, in accordance with Department regulations, including the provision for payment of reasonable fees, as the Department may promulgate. Tenants shall be informed that non-payment of rent monies into UMP or inadequate participation by other tenants in the building may result in termination of utility services.

B. The gross amount of payment made into the escrow account by or on behalf of a tenant shall be deemed as a payment in the same amount to the landlord(s), including, but not limited to, for the purpose of determining whether a tenant has paid rent with respect to Section 151.09 A.1. of this Code. In any action by a landlord(s) to recover possession of a residential unit, the tenant may raise the fact of payments into UMP as an affirmative defense in the same manner as if those payments had been made to and accepted by the landlord(s).

C. If the dominant intent of the landlord(s) in seeking to recover possession of a residential unit is retaliation against the tenant for exercising his or her rights under this Article, and if the tenant is not in default as to the payment of rent, including payments into UMP, then the landlord(s) may not recover possession of a residential unit in any action or proceeding or cause the tenant to quit involuntarily.

D. The Department shall deduct a non-refundable administration fee of \$50.00 for each individual rent payment made into the escrow account. Only one fee shall be deducted for each residential unit for each month.

**SEC. 155.06. EXPENDITURE OF UMP ESCROW ACCOUNT FUNDS BY THE DEPARTMENT.**

**(Title and Section Amended by Ord. No. 181,643, Eff. 5/31/11.)**

The funds paid into the escrow account shall only be expended on the following items:

- A. The non-refundable administrative fee of \$50.00 for each rent payment made into UMP.
- B. Funds paid in accordance with a court order.
- C. Funds paid to DWP for the amount required to maintain utility services from the date of the referral pursuant to Section 155.02 A. of this Code.
- D. Funds returned to the landlord(s) when payment arrangements have been reached to the satisfaction of DWP.
- E. Excess escrow funds remaining after payment of DWP delinquent utility bills.
  - a. Funds returned to the landlord(s) where the landlord(s) has provided the Department with proof that the deficiencies have been corrected.
  - b. Funds returned to the landlord(s) when the landlord(s) is in compliance with any order or citation issued by the City Departments of Housing, Building and Safety and Fire, and the County Department of Health Services, the landlord(s) has complied with the unit registration requirement of the RSO and the building is not in REAP.
- F. The Department may return funds remaining in the UMP account for a building, to the extent legally permissible, to the tenants who deposited such funds. The Department shall adopt regulations with respect to the return of funds.
- G. At any time after funds are paid to DWP pursuant to Subsection C. above, a tenant may apply to the Department for a release of funds from the escrow account. The Department shall review the application and, after notice and opportunity to be heard is given to the landlord, may order the release of funds from the escrow account where it has been demonstrated to the satisfaction of the Department that such release is necessary to prevent a significant diminution of an essential service to the building, or is necessary for the correction of the deficiencies. Where specifically ordered by a court, the Department shall order the release of funds from the escrow account.

**SEC. 155.07. REMOVAL FROM UMP.**

**(Title and Section Amended by Ord. No. 181,643, Eff. 5/31/11.)**

A. The Department shall administratively remove buildings from UMP if the following conditions apply:

1. The landlord(s) has complied with the unit registration requirements of the RSO; and
2. There are no delinquent DWP bills as reported to the Department by DWP; and
3. The building has not also been placed into REAP pursuant to Section 162.00 et seq.; or
4. If no tenant has made payments to the UMP account during the preceding 12 months.

B. Within ten days of the Department removing the building from UMP, a demand will be made to the Controller of the City of Los Angeles for the release of accumulated UMP funds to the current landlord(s) subject to the provision of the landlord(s)'s Social Security Number or Tax Identification Number and after deducting any outstanding fees and penalties imposed pursuant to Article 1 of Chapter XVI and deducting any rent registration fees owed pursuant to Article 1 of Chapter XV.

C. Tenants and all interested parties shall receive notification of the removal of the building from UMP. Tenants will be instructed to make rent payments to the landlord(s) for the next month's rent payment due date.

**SEC. 155.08. TENANT OUTREACH AND INFORMATION.**

**(Amended by Ord. No. 181,643, Eff. 5/31/11.)**

The Department, DWP and organizations authorized by the City Council may contact tenants. During that contact, tenants shall be informed of the UMP/REAP and their right to forward rent payments into the escrow account for the maintenance of utility services, eviction protection rights, and rights for the release of escrow funds.

**SEC. 155.09. UTILITY SHUT-OFF.**

**(Amended by Ord. No. 181,643, Eff. 5/31/11.)**

If UMP is unsuccessful in obtaining adequate tenant participation to maintain the utility services, DWP will be notified by the Department. DWP shall consequently notify all interested parties of the termination of utility services in accordance with its utility termination procedures.