



RENT STABILIZATION DIVISION - CUSTOMER SERVICE & INFORMATION

Los Angeles Housing Department

**LAHD**

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**IMPORTANT INFORMATION FOR LANDLORDS & TENANTS**

**AUGUST 2009 UPDATE**

**ANNUAL ALLOWABLE RENT ADJUSTMENT**

As of **July 1, 2009**, the annual allowable automatic rent adjustment rate for rental units subject to the Rent Stabilization Ordinance (RSO) **is 4%**.

**TENANT RELOCATION ASSISTANCE**

Under the RSO, tenants evicted for “no- fault” reasons (owner or resident manager occupancy, demolition or removal from the rental market, compliance with a government order, and action by HUD following a foreclosure) are entitled to relocation assistance.

Tenants evicted in the process of conversion of apartments to condominiums, the demolition of existing multi-family housing, or the change of a mobile home park to a different use are entitled to relocation assistance even when the property in question is not subject to the RSO.

Effective **July 1, 2009**, the required relocation amounts for no-fault evictions are:

<u>Tenant Category</u>	<u>Less than 3 years</u>	<u>3 years or more</u>	<u>Less than 80% AMI</u>
Eligible	\$ 7,300	\$ 9,650	\$ 9,650
Qualified	\$15,500	\$18,300	\$18,300

**Effective August 1, 2009**, different relocation amounts are required for “Mom and Pop” properties (defined as 4 or less units owned by a person who owns no more than 4 residential units in Los Angeles and a single family house on a separate lot). The required relocation assistance in these cases is:

Eligible Tenants	\$ 7,000
Qualified Tenants	\$14,000

Use of this provision is limited to once every 3 years.

Households which include a senior citizen, disabled person, or minor dependent child are qualified tenant households. All other households are eligible tenants.

**HUD 2009 Area Median Income Limits 80% AMI (Los Angeles)**

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$44,400	\$50,750	\$57,100	\$63, 450	\$68,550	\$73,600	\$78,700	\$83,750

**Ordinance 180741** which became effective **August 1, 2009**, changes the requirements for evictions from rent-stabilized units for occupancy by an owner, family or resident manager and provides for reduced relocation amounts in limited circumstances for “Mom and Pop” landlords.

### New Ownership Requirements for Evictions for Occupancy by a Family Member or Resident Manager

The new Ordinance expanded the list of eligible family members who may qualify to recover an RSO rental unit for family occupancy to include grandchildren and grandparents. Previously, these types of evictions were limited to spouses, children or parents. The new ordinance provides that in order to recover possession of a rental unit for owner occupancy, a landlord must own title to at least 25 percent of the property or be 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 for resident manager only if the landlord is a natural person who possesses legal title to at least 50 percent of the property or is a beneficiary with an interest of at least 50 percent in a trust that owns the property.

### Good Faith Intention to Occupy and Verification Requirement

Under the new provisions of Section 151.30 B, the new occupant must move in within 3 months of vacancy and intend to occupy the rental unit for at least 2 years. Failure to do either may be evidence of a bad faith eviction. The landlord must file a re-rental notice with LAHD within **3 months of evicting a tenant and on the 1st and 2<sup>nd</sup> year filing anniversary** after the tenant vacates the rental unit, stating the replacement tenant still occupies the unit. An owner who offers a rental unit that was subject to tenancy termination under Subdivision 8 of Subsection A of Section 151.09 for rent or lease within two years after the tenant vacated the rental unit must first offer to rent the rental unit to the displaced tenant(s), provided that the tenant(s) advised the landlord in writing within 30 days of displacement of the tenant's desire to consider an offer to renew tenancy.

### Tenant Protections

The new Ordinance imposes certain tenant protections and limits the selection of the unit for eviction. A landlord cannot evict if a comparable unit is vacant. Also, the landlord must evict the most recent tenant to occupy a unit with the needed number of bedrooms, unless the landlord needs a different unit because of medical necessity as certified by a treating physician. Further, certain tenants are protected from evictions for resident manager or owner/family occupancy, including tenants who have resided in the rental unit for at least ten years and are at least 62 years of age or disabled, and tenants who are terminally ill as certified by a treating physician.

### Penalties and Fees

There is an administrative fee of \$75 per tenancy termination for move-in of a resident manager or owner or family member. A landlord who evicts in bad faith is liable to the evicted tenant for treble damages, equitable relief and attorneys' fees, and the City may sue for punitive damages and equitable relief. If a landlord fails to file the required notices, the landlord is liable for a fee of \$250 per day of delinquency.

### **REDUCED RELOCATION FEES FOR “MOM & POP” LANDLORDS**

Once every three years, a qualifying landlord (“Mom and Pop”) can pay a reduced relocation fee for a good faith eviction for occupancy by the owner, family member or a resident manager, provided that certain requirements are met as prescribed in Section 151.30 of the LAMC. In these instances, the required relocation assistance is **\$7,000** for a **eligible tenants** and **\$14,000** for **qualified tenants**. This reduced fee applies if the property containing the rental unit contains 4 or less units, the landlord owns no more than one other single-family home on a separate lot in Los Angeles, and the eligible relative moving into the rental unit does not own residential property in the City. For more information, please refer to Ordinance 180747.