



# RENT *Stabilization*

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## RESIDENT MANAGERS AS TENANTS

The Rent Stabilization Ordinance (RSO) is designed to protect tenants from excessive rent increases and illegal evictions while providing landlords with a reasonable return on their investments. The RSO became effective May 1, 1979, and the Rent Adjustment Commission (RAC) was created under its implementation. The regulations for Manager as Tenants became effective April 23, 1992.

### **Is the resident manager's unit subject to registration?**

Yes! Any rental unit otherwise subject to the RSO which is occupied by a resident manager or resident agent of the landlord must be registered with the City's Rent Stabilization Division and, the fees paid as specified in LAMC 151.05.

### **When is a resident manager also a tenant and, therefore, subject to the RSO?**

A resident manager has tenant status when he/she receives free rent and no additional compensation, partially free rent, or partial rent and paid compensation. For the purposes of this bulletin, these resident managers will be referred to as manager-tenants. Manager-tenants are subject to the RSO and the RAC Rules and Regulations.

**NOTE:** Any person who is hired as a resident manager under an employee/employer agreement, and who must reside on the premises as a condition of employment, may not be under the protection of the RSO, if he/she receives paid compensation in addition to free living accommodations. For the purposes of this bulletin, this person will be referred to as an employee-manager. The employee-manager may only be protected by any verbal or written employment agreement and applicable State or Federal laws. Therefore, continued occupancy is not assured should the owner terminate an employee-manager's

services. Prior written notice to vacate is subject to the employment agreement and applicable State or Federal laws.

**Is the manager-tenant subject to the automatic rent increases allowed under the RSO?**

Yes! If the rental agreement between the landlord and manager-tenant requires the latter to make partial rent payments to the landlord, only such partial rent payments are subject to any automatic rent increases.

**What is the rent for a manager-tenant unit on termination of the person's employment?**

If the manager-tenant or employee-manager was a tenant in the unit before being appointed manager-tenant or employee-manager, the rent shall be that rent in effect for the month immediately preceding: 1) the date of the appointment as manager-tenant or employee-manager or 2) May 31, 1978, whichever is later, plus any rent increases per year pursuant to LAMC 151.06, 151.07, and 151.08, less any reductions required by regulations promulgated by the Rent Adjustment Commission pursuant to LAMC 151.08 that occurred during the person's term as resident manager. (Note: These sections of the LAMC include the annual allowable rent increases, capital and seismic rent increases or surcharges, and rent reductions for loss of services.) The rent is due after prior legal written notice (as required under State law) has been given.

**Does the resident manager have the right to review the previous rent records used to calculate the rent for his unit?**

Yes! The rent records used by the landlord in calculating the maximum rent for a former resident manager must be made available to him/her at the time the landlord sets the rent for continuing occupancy.

**Under what conditions may resident managers be evicted?**

Manager-tenants may be evicted for any of the twelve legal reasons found in the RSO. Thus, if the landlord wishes to terminate a manager-tenant's service and does not want to continue the manager as a tenant, the landlord must show good cause for eviction under LAMC 151.09. If the landlord allows a former employee-manager or manager-tenant to remain as a tenant, and subsequently changes his mind, the landlord is nonetheless subject to all the provisions of LAMC 151.09 in effecting an eviction. **REMEMBER:** Continued occupancy is not assured should the owner terminate an employee-manager's services.

**When is a manager-tenant's rental unit decontrolled for re-rental at any level?**

1. The manager-tenant was evicted for non-payment of rent.

2. The manager-tenant was evicted for violation of a lawful obligation or covenant of the tenancy.
  
3. The manager-tenant was evicted due to a major rehabilitation of the building. There are, however, some instances in which the rent level is subject to the RAC Regulations pertinent to a major rehabilitation. (See RAC Regulations 353.00 - 354.05.)
  
4. The manager-tenant was evicted for the demolition of the building. Again, prior to establishing the rent level, check the RAC Regulations should the planned demolition not occur.
  
5. The manager-tenant quit his/her position as such, and left the unit voluntarily.

### **Can an existing manager-tenant be evicted for a replacement resident manager?**

Yes! If there is no vacant unit available for the new manager's use. No relocation assistance is required. This eviction does not include the circumstance where the incoming resident manager is the landlord, the landlord's spouse, children or parents. Prior written notice for the termination of the manager-tenant's tenancy must, however, be given per State law. **Sec. (151.09 G(4)(d)) Resident manager replacing another resident manager - no relocation assistance required.**

### **When is a manager-tenant eligible for relocation assistance?**

Relocation assistance is due a manager-tenant, if the landlord recovers the unit for the landlord's use or the use of a family member, or for demolition, rehabilitation, permanent removal of the rental unit from rental housing use, or to comply with a governmental agency's order to vacate the building.

### **What are the reasons, subject to the RSO, for which a manager-tenant can file a complaint form with the Rent Stabilization Division?**

Manager-tenants, who by definition have tenant status, and employee-managers, who are accepted as tenants subsequent to their unemployment as resident managers, may file a complaint form with this Division for any of the following reasons: Non-registration of a rental unit, notice to quit based on false and deceptive grounds, non-payment of relocation assistance fees, or illegal rent or reduction of services.

