



RENT *Stabilization*

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GENERAL INFORMATION BULLETIN

The Rent Stabilization Ordinance was passed by the Los Angeles City Council on May 1, 1979. The City Council designed the law to protect tenants from excessive rent increases while allowing the landlords a reasonable return on their investment. Rental units subject to the Ordinance and which must be registered, include: apartments, condominiums, town houses, duplexes, two or more dwelling units on the same lot, mobile homes, mobile home parks, and rooms in a hotel, motel, rooming house or boarding house occupied by the same tenant for thirty (30) or more consecutive days.

The Rent Stabilization Ordinance addresses allowable rent increases, the registration of rental units, the twelve (12) legal reasons for eviction, and the causes for eviction requiring relocation assistance payment to the tenant. Under the Ordinance, both landlords and tenants have rights and responsibilities.

LANDLORDS HAVE THE RIGHT TO:

- ◆ Raise rent once every twelve months by the annual allowable increase. (As of 7/1/07-6/30/08 the allowable increase is be 5%)
- ◆ Raise the rent by an additional one percent (1%) for gas and/or one percent for electricity when the landlord pays all the costs of either of these services for the tenant.
- ◆ Raise the security deposit and the last month's rent by the annual allowable increase percentage at the same time as the rent is raised.

TENANTS HAVE THE RIGHT TO:

- ◆ See proof of registration of their rented units with the Rent Stabilization Division from the landlord.
- ◆ Receive rent increase limited by the Rent Stabilization Ordinance to once every twelve months.
- ◆ Receive 5% simple interest per annum on their security deposit from November 1, 1990 to December 31, 2000; 2% interest on the security deposit for January 1, 2001 through December 31, 2001; and 1% for January 1, 2003 to December 31, 2003. For security deposits as of January 1, 2002

**LANDLORDS HAVE THE RIGHT TO:
(CONT.)**

- ◆ Raise the rent by ten percent (10%) for additional tenants.
- ◆ Collect from the tenants (in the month of June only) half of the annual registration fee paid to the Rent Stabilization Division.
- ◆ Evict tenants for one of twelve legal reasons stated in the Rent Stabilization Ordinance.
- ◆ Apply for special rent increases based on Primary Renovation, capital improvements, or based on an application for a “Just and Reasonable” rent increase.
- ◆ If the owner has paid in full the Systematic Code Enforcement Program (SCEP) fees of \$35.52 for the year, they may pass through these fees to the tenants at a rate of \$2.96 per month beginning January 1, 2005. In order to collect this monthly fee from the tenant, the owner must give the tenant a written thirty (30) Day Notice of Increase prior to the collection of these fees once a year.

**TENANTS HAVE THE RIGHT TO:
(CONT.)**

through December 31, 2002, the annual interest was waived. (Per Ordinance No. 175020, effective January 1, 2003).

Receive 0.26% interest on security deposits as of January 1, 2004 through December 31, 2004, to be paid either monthly or annually. (Ordinance 174,017 as of June 7, 2001). The rate for 2005 is 1.21%. For 2006, the rate paid on security deposits is 1.74%. The rate for deposits held in 2007 is 2.39%.

- ◆ File a complaint with the Rent Stabilization Division if a landlord imposes an illegal rent increase.
- ◆ File a complaint with the Rent Stabilization Division if the landlord is not registered in compliance with the Ordinance.
- ◆ Be given one of the twelve legal reasons for eviction stated in the Rent Stabilization Ordinance on any Notice to Quit.
- ◆ Receive relocation assistance for certain no-fault evictions.
- ◆ File a complaint with the Rent Stabilization Division if a Notice to Quit does not give a legal reason for eviction or is false or deceptive.
- ◆ File a complaint with the Rent Stabilization Division if relocation assistance is not paid by the landlord as required by the Rent Stabilization Ordinance.
- ◆ File a complaint with Code Enforcement if there are suspected code violations.

STATE LAW:

State law addresses other rights and responsibilities of landlords and tenants. Some areas covered by State law include lease agreements; living conditions; responsibilities for repairs and maintenance; security deposits; privacy; discrimination; procedures for vacating a rental unit; and retaliatory evictions. Questions on State laws may be directed to the Department of Consumer Affairs at: 500 West Temple Street, Room B-96, Los Angeles, California 90012; phone number 213-974-1452.

RENT STABILIZATION PROGRAM DOES:

- Regulate the rent ***increases*** on multi-unit apartment buildings, condominiums, duplexes, mobile homes and two detached single family homes on the same lot.
- Require that all rent property subject to the Ordinance be registered with the Rent Stabilization Division. The registration period is **January 1 through February 28 every year.**
- Set the registration fee at \$18.71 per unit. **(Of this fee, \$9.35 may be passed through to the tenant, but only in the month of June after the tenant has been provided with a 30-day written notice.)** The landlord must give a photo copy of the registration certificate to each tenant.
- Allow the landlord to raise the rent to any level after a voluntary vacancy.
- Allow the landlord to evict a tenant to recover the rental dwelling for the use of the landlord or the landlord's immediate family (landlord, spouse, children or parents) or for a resident manager. **Partnerships or corporations may evict only for a resident manager.**
- Review landlord applications for Capital Improvements and Cited Rehabilitation work and approve rent adjustments. Applications must be filed within twelve months after the work is completed.
- Conduct hearings requested by tenants or landlords, appealing the Department's decision on a rent adjustment.
- Investigate complaints alleging that the provisions of the Rent Stabilization Ordinance have been violated.
- Resolve disputes over the structural or electrical safety of the rental unit or housing complex. Questions regarding safety of buildings on property in the City should be directed to the Department 's Code Enforcement Program at (866) 557-RENT.

RENT STABILIZATION PROGRAM DOES NOT:

- Regulate rental property that is outside the City of Los Angeles.
- Regulate the rent on single family homes.
- Regulate the rents on commercial or industrial buildings.
- Provide any legal advice or eviction counseling. The Legal Aid Foundation at (213) 487-7609 or the Los Angeles County Bar Association at (800) 499-1162 may be of assistance.
- Resolve disputes over the return of security deposits. The County Bureau of Consumer Affairs at (213) 974-1452 may be of assistance.
- Resolve disputes regarding the habitability of the rental dwelling unit outside of the City of Los Angeles. Questions regarding habitability should be directed to County Neighborhood Code Enforcement at (877) 966-2633.
- Resolve disputes over the presence of rats or roaches. Questions regarding this area should be directed to the Health Department at (800) 427-8700.
- Resolve rental discrimination complaints. Questions regarding discrimination should be directed to the Housing Rights Center at (800) 477-5977 or Fair Housing Foundation at (323) 295-3302 or (568) 901-0808.