Open in New WindowOpen in New Window

Los Angeles Municipal Code

MUNICIPAL CODE

CHAPTER XV RENT STABILIZATION ORDINANCE
CHAPTER XV
RENT STABILIZATION ORDINANCE

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

Article

ARTICLE 1
RENT STABILIZATION ORDINANCE

Section

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.)

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. (First 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 799.24 if located in a mobilehome 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. 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. (Amended by Ord. No. 173,224, Eff. 5/11/00.) 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 as to which rental assistance is paid pursuant to 24 CFR Section 882 (“HUD Section 8 Federal Rent Subsidy Program”), or housing accommodations specifically exempted from municipal rent regulation by state or federal law or administrative regulation. This exception shall not apply once the governmental ownership, operation, management, regulation or rental assistance is discontinued.

6. Housing accommodations located in a structure for which a certificate of occupancy was first

issued after October 1, 1978. This exception shall not apply to individual mobilehome coaches, mobilehome parks, individual recreational vehicles or recreational vehicle parks. (Amended by Ord. No. 165,332, Eff. 12/13/89.)

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. Non-Profit Housing Accommodations. Housing accommodations operated by a non-profit organization or owned and operated by a limited partnership in which the general partner is a non-profit organization exempted from City business taxes, as long as these accommodations are available to low income households as evidenced by a government imposed regulatory agreement, covenant agreement or like document which is recorded against the property, which imposes conditions consistent with those contained in the Rent Stabilization Ordinance and is in full force and effect. (Amended by Ord. No. 175,953, Eff. 5/17/04.)

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. (Amended by Ord. No. 165,501, Eff. 3/23/90.) Work required for seismic repair, reinforcement, and rehabilitation which is shown on the plans approved by the Department of Building and Safety, as described in Section 91.8805 of this Code, and limited to the following:

1. tension wall anchors;

2. diaphragm strengthening or connections;

3. bracing of existing walls;

4. strengthening existing shear walls;

5. adding new lateral load resisting elements;

6. structural elements that provide a continuous stress path;

7. new footings;

8. removal, stabilization, or bracing of parapets or appendages;

9. structural repair work;

10. other work necessary to restore the rental unit to a completed and habitable condition.

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.

SEC. 151.05. REGISTRATION, NOTIFICATION OF TENANTS, AND PAYMENT OF FEES.

(Title Amended by Ord. No. 153,519, Eff. 4/18/80.)

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 proper fees, and furnishing of an emergency phone number, register or renew the registration of a rental unit. The fees required hereunder shall be as follows: (Amended by Ord. No. 166,130, Eff. 9/16/90.)

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 eighteen dollars and seventy-one cents. (Amended by Ord. No. 177,107, Eff. 12/18/05, Oper. 1/1/06.)

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, upon written request from the Department, in the form, in the number and within 30 days of the Department's request, a written declaration stating the facts upon which the landlord bases the landlord's claim of exclusion from the provisions of this chapter. If a landlord fails to submit a written declaration and supporting documents within the time requested by the Department, then the Department may direct the landlord to register the unit. If a landlord fails to register the unit within 10 days, the landlord shall be subject to the penalty provisions for late registration under this section. Any fees collected after the Department has directed the landlord to register the unit shall be non-refundable. (Added by Ord. No. 160,791, Eff. 2/10/86.)

H. A landlord who demands or accepts rent for a rental unit shall give written notice to the tenant of the maximum number of occupants allowed under section 91.1207 of this Code for the tenant's rental unit. Such notice shall be required only if guidelines are promulgated by the Rent Adjustment Commission and shall be in accordance with such guidelines. This section shall not apply to mobilehomes where rent is paid only for the land upon which the mobilehome is located. (Added by Ord. No. 166,865, Eff. 1/19/87.)

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 the Systematic Code Enforcement Fee by the due date stated on the annual "Mandatory Fee Notice" pursuant to Section 161.903.2 of this Code.

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. 156,597, Eff. 5/20/82, Oper. 5/15/82.) For a rental unit vacated by all the tenants after the operative date of this chapter:

Except as otherwise provided in this subsection, if the rental unit was 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., the maximum rent or maximum adjusted rent may be increased to any amount upon the re-rental of the rental unit. Thereafter, as 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.

With respect to an eviction or termination of tenancy based on one or more of the grounds described in Section 151.09 A.3. or A.4., the maximum rent or maximum adjusted rent may be increased to any amount upon the re-rental of the rental unit only in those cases where 1) the notice of intent to terminate

tenancy is served on the tenant by the landlord prior to the City Attorney commencing a court action against him or her pursuant to Section 47.50 of this Code; and 2) the eviction or termination of tenancy is based upon information provided by a law enforcement agency or prosecution agency that the tenant is committing or permitting to exist any drug-related nuisance, illegal drug activity or gang-related crime as those terms are defined in Section 47.50 A. 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. (Paragraph Added by Ord. No. 171,442, Eff. 1/19/97.)

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

1. If a rental unit is vacated as a result of termination of rental assistance paid for the tenant with federal aid pursuant to a Housing Assistance Payments Contract between the landlord and the City of Los Angeles Housing Authority when such contract was cancelled or not renewed by the landlord;

2. The vacation of a rental unit by a tenant as a result of a landlord giving notice of intent to terminate tenancy on any ground other than those set forth in Section 151.09 A.1., A.2. or A.9. of this chapter, or the landlord creating an unreasonable interference with the tenant's comfort, safety, or enjoyment of the rental unit;

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

4. If the tenant voluntarily vacating the rental unit was the next tenant after an eviction pursuant to Section 151.09 A.8.; or

5. If a rental unit is vacant as a result of the termination of the regulation of the rental unit under any local, state or federal program. (Added by Ord. No. 166,320, Eff. 11/22/90.)

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

7. 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 conditions that caused the placement have not been corrected. (Amended by Ord. No. 176,544, Eff. 5/2/05.)

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

9. The vacation of a rental unit by a tenant as a result of a landlord giving notice of intent to terminate tenancy on any ground set forth in Section 151.09 A.3. or A.4. unless the notice of intent to terminate is based upon information provided by a law enforcement agency or prosecution agency that the tenant is committing or permitting to exist a drug-related nuisance, illegal drug activity or gang-related crime as those terms are defined in Section 47.50 A. of this Code; (Added by Ord. No. 171,442, Eff. 1/19/97.)

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. (Added by Ord. No. 166,373, Eff. 12/8/90.) 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 maximum rent or maximum adjusted rent may be increased by an amount not to exceed 10% for each additional tenant that joins the occupants of the rental unit, except that:

The rent may not be increased for the first minor dependent child (multiple births shall be considered as one child) added to an existing tenancy of a tenant of record.

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

(c) The provisions of this subsection shall apply only to any additional tenant who first occupies a rental unit after the effective date of this subsection, except that the minor dependent children already residing in the unit for which no increase has been imposed, at the time this subsection takes effect, there shall be no allowable increase.

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 Los Angeles Municipal Code Section 91.1304 or Section 91.1403 on or after April 16, 1980:

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

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 provision, seismic work shall not be eligible as rehabilitation work.

c. (Added by Ord. No. 165,501, Eff. 3/23/90.) That on or after April 1, 1978, the landlord has completed seismic work 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 rent increase not to exceed $75.00 per month.

For the purposes of this provision, eligible costs include, but are not limited to, seismic work and actual finance costs incurred by the landlord. However, any portion of seismic 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. This monthly rent increase shall continue until the landlord has recovered all eligible costs of the seismic work performed on the building. The Commission may adopt regulations to implement this provision.

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.

For the purposes of this provision, seismic work shall not be eligible for cost recovery as Primary Renovation Work.

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. 174,974, Eff. 12/28/02.) 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 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 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.

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. 166,130, Eff. 9/16/90.) The landlord seeks in good faith to recover possession of the rental unit for use and occupancy by:

a. The landlord, or the landlord's spouse; children, or parents, provided the landlord is a natural person. However, a landlord may use this ground to recover possession for use and occupancy by the landlord, landlord's spouse, child or parent only once for that person in each rental complex of the landlord; or

b. A resident manager, provided that: no alternative vacant unit is available for occupancy by a resident manager; except that where a building has an existing resident manager, the owner may only evict the existing resident manager in order to replace him/her with a new manager.

9. (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.

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.)

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 ground set forth in Subdivision 8. of Subsection A. of this section, then the landlord shall file with the Department a declaration on a form and in the number prescribed by the Department stating the name of the family member to be moved into the rental unit, identification of the family relationship, the date when the family member will move in, the rent presently being charged for the rental unit and the date of the last rent 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.

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. Statement of Purpose. (Amended by Ord. No. 173,868, Eff. 4/13/01.) Government Code Section 7060.4 permits municipalities, among other things, to require landlords to provide all tenants with 120 days notice or one year if they are more than 62 years of age or disabled when units are to be withdrawn from the rental market. It is the purpose of this subdivision to implement Government Code Section 7060.4.

Therefore, notwithstanding any provision of this chapter to the contrary, if the termination of tenancy is based on the ground set forth in Subdivision 10. of Subsection A. of this section, then the following provisions apply: (Amended by Ord. No. 177,103, Eff. 12/18/05.)

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 permanently from rental housing use, the address or location of the rental unit, the number of rental units to be demolished or removed permanently 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.

The landlord shall submit a copy of that memorandum 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.

Information respecting the name or names of the tenants, the rent applicable to any rental unit, or 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 date on which the accommodations are withdrawn from rental housing use shall be at least 120 days from the date of the delivery in person or by first-class mail of the Notice of Intent to Withdraw to the City.

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 City of the Notice of Intent to Withdraw pursuant to Paragraph a, 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 City.

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 City 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 City 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 City 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 City of the claim that the tenant is entitled to stay for one year after the date of delivery to the City of the Notice of Intent to Withdraw.

(5) Within 90 days of the date of delivery to the City of the Notice of Intent to Withdraw, the landlord shall give written notice to the City 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 City of the Notice of Intent to Withdraw with the certification, and a copy of the recorded memorandum, the landlord

shall notify, by delivery in person or by first-class mail, to each affected tenant of the following:

(1) That the City has been notified pursuant to Paragraph a, including the date of the delivery of the Notice of Intent to Withdraw to the Department;

(2) That the notice to the City 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 City;

(4) Notice to the tenant of his or her rights under Paragraph (4) of subdivision (a) of Government Code Section 7060.2; and

(5) Notice to the tenant of 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 City of the Notice of Intent to Withdraw, then the tenancy shall be extended to one year after the date of delivery to the City 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 City 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 City 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.

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 ground 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 number prescribed by the Department setting forth the reasons for the termination with specific facts to permit a determination of the date, place, witnesses and circumstances concerning the reason. (Added by Ord. No. 164,781, Eff. 6/5/89.)

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 drug-related nuisance, illegal drug activity or gang-related crime 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 C. of this Chapter, then the landlord shall file with the Department a declaration on a form and in the number prescribed by the Department setting forth the reasons for the termination with specific facts to permit a determination of

the date, place, witnesses and circumstances concerning the reason, including the name of the person and/or the organizational affiliation 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. 171,442, Eff. 1/19/97.)

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. 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 Section 151.05 A. of this chapter. (Added by Ord. No. 156,597, Eff. 5/20/82, Oper. 5/15/82.)

G. 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 pay a relocation fee of $8,000 to qualified tenants and a $3,200 fee to all other tenants. For the year beginning July 1, 2005 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 fifty dollar increment. (Amended by Ord. No. 176,544, Eff. 5/2/05.)

1. (Amended by Ord. No. 176,544, Eff. 5/2/05.) 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, any one of whom is a qualified tenant, then each tenant of the unit shall be paid a pro-rata share of the $8,000 fee;

c. If a rental unit is occupied by two or more tenants, none of whom is a qualified tenant, then each tenant of the unit shall be paid a pro-rata share of the $3,200 fee.

d. In no event shall the landlord be liable to pay more than $8,000 to all tenants residing in a unit in which at least one qualified tenant lives, or to pay more than $3,200 to all tenants residing in a unit in which no tenant is a qualified tenant.

e. 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 other provision of local, state or federal law, then such monetary benefits shall operate as a credit against monetary benefits required to be paid to the tenant under this subsection.

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, children or parents;

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 Subdivisions 8. or 10. 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. 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. If the notice served pursuant to Section 151.09 C.1. of this Code indicates that the landlord seeks to recover possession of the rental unit because the number of occupants exceeds the standards set forth in Section 91.1207 of this Code, then the landlord in good faith shall offer to the tenants a comparable rental unit which would resolve the overcrowding problem, in accordance with such guidelines as may be promulgated by the Rent Adjustment Commission. Further the written notice of termination described in Civil Code Section 1946 or the three days notice described in Code of Civil Procedure Section 1161, shall give the tenant the opportunity to comply with the requirements of Section 91.1207 of this Code, also in accordance with such guidelines as may be promulgated by the Rent Adjustment Commission. (Added by Ord. No. 161,865, Eff. 1/19/87.)

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.)

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 151.05 A. of this chapter. Once the landlord has complied with Section 151.05 A. of this chapter the tenant becomes obligated to pay the current rent and any back rent withheld pursuant to this subsection.

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. PENALTIES FOR LATE REGISTRATION.

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 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 that date per subject rental unit in addition to the amount of the fee. Provided, however, that 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 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 that date per subject rental unit in addition to the amount of the fee. (Amended by Ord. No. 164,559, Eff. 5/4/89.)

Provided, however, that the penalty fees as required herein may be waived by the Department if the Department determines that good cause exists for the landlord's failure to pay the registration fee in a timely manner. The Department may make such rules and regulations as may be necessary to carry out the provisions of this subsection. Such rules and regulations shall be approved by the City Attorney prior to becoming effective. (Added by Ord. No. 155,243, Eff. 6/22/81.)

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 untenantable, 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 untenantable 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.

ARTICLE 2

TENANT HABITABILITY PROGRAM

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

Section

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 untenantable, 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 untenantable housing conditions during such renovation work or forced permanent displacement. The tenant habitability program requires landlords to mitigate such temporary untenantable 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 untenantable 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 untenantable 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

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 then thirty days and no later then 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

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

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. 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, 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.

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

LAHD: The Los Angeles Housing Department.

RSO: Rent Stabilization Ordinance

UMP: The Utility Maintenance Program provided by this article.

SEC. 155.02. DELINQUENT UTILITY BILL REFERRAL PROCEDURES.

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

A. Referral to LAHD. DWP, after having failed to collect the utility bill due and having provided notice of utility shut-off, may refer to LAHD 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 untenantable. The referral to LAHD 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 LAHD. DWP shall provide LAHD 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, untenantable.

B. Notice of Eligibility. Within five working days after receiving notification from DWP, LAHD shall give to the landlord(s), any interested parties, and tenants a Notice of Eligibility to place the building into REAP. The Notice of Eligibility shall provide written notification to the landlord(s) of the eligibility of the building for placement into REAP 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 REAP and specify that within seven calendar days from the date of the notice, the landlord(s) may request a hearing. If no hearing is requested, LAHD shall make a determination on the eligibility of the building for acceptance in REAP. The Notice of Eligibility shall also state that if the building is placed into REAP, LAHD shall establish an escrow account 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.l 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 LAHD 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 LAHD from DWP, shall terminate further processing of placing the building into REAP. A subsequent referral of the building to LAHD by DWP on this same delinquency will be directly considered by LAHD for inclusion into REAP as long as the landlord(s) for the property had been provided the right to a LAHD hearing, as stated in Subsection B above.

D. Hearings by Hearing Officer.

1. A request for hearing shall be in writing and filed in the office of LAHD upon a form and with the number of copies required by LAHD. 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 LAHD 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 LAHD. Notice of the time, date and place of the hearing shall be mailed by LAHD 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 LAHD. 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 hearing, the hearing officer finds that the three factors listed in Subsection E, below, exist, the hearing officer shall place the building into REAP.

5. A final decision shall be made by the hearing officer within 24 hours after the completion of the hearing. LAHD shall mail copies of the findings and determination of the hearing officer to the applicant and all affected tenants.

E. Findings. In reviewing whether a building should be included in REAP, the hearing officer or LAHD 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 untenantable and in violation of Civil Code Section 1941.1.

F. LAHD Determination Where No Hearing Is Requested. If the landlord(s) does not request a hearing, LAHD shall review the file and determine whether the three factors listed in Subsection E above, exist. If LAHD finds that those factors exist, then LAHD shall place the building into REAP.

SEC. 155.03. ACCEPTANCE INTO REAP.

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

A. Notice of Acceptance. Within five working days of the decision on acceptance of a building into REAP, LAHD shall mail notification of the acceptance to the landlord(s) as identified in the title report, any creditors of the landlord(s) known to LAHD, DWP, any interested parties, all tenants in the building who are known to LAHD, and the occupants of each residential unit.

The Notice of Acceptance shall state that the building has been accepted into REAP 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 City from the escrow account and escrow funds will be paid to DWP to maintain the utility services;

5. That an appeal may be filed with LAHD within five calendar days after the mailing of the Notice of Acceptance;

6. That if no appeal is filed, the decision of LAHD or the hearing officer will be final within ten calendar days after the mailing of the Notice of Acceptance;

7. That non-payment of rents into REAP 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;

8. Written direction to tenants of how payments may be deposited into the escrow account;

9. That participating tenants have eviction protection rights under REAP;

10. That escrow funds will be paid to DWP to maintain the utility services; and

11. That non-participation of tenants in REAP may result in evacuation of the building due to utility service termination.

B. Service and Recordation. (Amended by Ord. No. 173,810, Eff. 4/16/01.) LAHD shall follow the procedures for service and recording as set forth in Section 162.00, et seq.

SEC. 155.04. APPEALS.

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

A. Appeal. A landlord or interested party may appeal the determination of the hearing officer or LAHD. The request for a hearing must be filed within five calendar days after the mailing of the Notice of Acceptance as provided for in Section 155.03 A, and such request shall be in writing and filed in the offices of LAHD upon a form and with the number of copies required by LAHD. The landlord shall include a current list of all of the tenants in the building with the application. Each request for hearing shall be accompanied by a filing fee in the amount of $50.00.

The request for hearing shall set forth specifically wherein the requesting party believes there was an error or abuse of discretion by the hearing officer or LAHD in the determination. Additionally, a request for hearing may be made based on new, relevant information which was not submitted to the hearing officer or LAHD at the time of the original determination due to mistake, surprise, inadvertence or excusable neglect, and which information would have affected the determination if it had been submitted earlier.

B. Hearings.

1. If a request for hearing is received by LAHD within the five day period, then the requested hearing shall be held by the REAP Committee within 14 calendar days of the receipt of the request. Notice of the time, date and place of the hearing shall be mailed by LAHD at least seven calendar days prior to the hearing date to the landlord, any interested party, and all tenants of the subject building.

2. The hearing shall be conducted by the REAP Committee. At the time of the hearing, the landlord, any interested party, or any tenant, or their representatives or counsel, may offer such documents, testimony, written declarations or evidence as may be pertinent to the proceedings. The burden of proof shall be on the appellants to demonstrate their cases by a preponderance of the evidence.

3. The REAP Committee, LAHD, and the hearing officer may rely on the records of DWP as prima facie evidence of their contents. The REAP Committee, LAHD, and the hearing officer shall be bound by the determination of DWP as to the existence of any delinquencies or as to any proof of payment.

C. Determination.

l. A final decision shall be made by the REAP Committee within 24 hours of the hearing.

2. The REAP Committee may affirm, modify, or reverse the determination of the hearing officer or LAHD. The REAP Committee shall find that each of the factors set forth in Section 155.02 E exists in affirming the acceptance of a building into REAP. The REAP Committee may modify or reverse the determination of the hearing officer or LAHD only upon making written findings setting forth specifically either

(i) wherein the action below was in error or constituted an abuse of discretion, or

(ii) there is new, relevant information which was not previously submitted below due to mistake, surprise, inadvertence, lack of notice, or excusable neglect, which information supports such modification or reversal.

3. Within five (5) working days of receipt of the findings and determination from the REAP Committee, LAHD shall mail a copy of same to the landlord, any interested party, all tenants, the representatives or counsels of such persons, and any other person who makes a written request. The decision of the REAP Committee is final.

SEC. 155.05. ESTABLISHMENT AND MAINTENANCE OF REAP ACCOUNT.

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

A. Within ten working days of the acceptance of a building into REAP, LAHD shall establish as part of the REAP Trust Fund, an account for the building into which tenants may deposit rent payments. LAHD 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. LAHD shall provide a receipt to each tenant making a deposit. LAHD 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 LAHD regulations, including the provision for payment of reasonable fees, as LAHD may promulgate.

Tenants shall be informed that non-payment of rent monies into REAP 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 REAP 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 REAP, 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. LAHD 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 REAP ESCROW ACCOUNT FUNDS BY LAHD.

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

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 REAP.

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 LAHD 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 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. LAHD may return funds remaining in the REAP account for a building, to the extent legally permissible, to the tenants who deposited such funds. LAHD 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 LAHD for a release of funds from the escrow account. LAHD 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 LAHD 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, LAHD shall order the release of funds from the escrow account.

SEC. 155.07. REMOVAL FROM REAP.

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

A. LAHD shall administratively remove buildings from REAP if each of these findings can be made:

1. No delinquent DWP bills as reported to LAHD by DWP;

2. (Amended by Ord. No. 173,810, Eff. 4/16/01.) The building has not also been placed into REAP pursuant to Section 162.00 et seq.; and

3. The landlord(s) has complied with the unit registration requirements of the RSO.

B. Within ten days of LAHD removing the building from REAP, LAHD will make a demand to the Controller of the City of Los Angeles for the release of accumulated REAP funds to the landlord(s) subject to the provision of the landlord(s)'s Social Security Number or Tax Identification Number.

C. Tenants and all interested parties shall receive notification of the removal of the building from REAP. 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.

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

LAHD, 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.

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

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

Ordinances should be consulted prior to any action being taken.

For further information regarding the official version of any of this Code of Ordinances or other documents posted on this site, please contact the Municipality directly or contact American Legal Publishing toll-free at 800-445-5588.

techsupport@amlegal.com
1.800.445.5588.