



RENT ADJUSTMENT COMMISSION

REGULATIONS AND GUIDELINES INCLUDES AMENDMENTS THROUGH FEBRUARY 13, 2026

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06/17/2026

RENT ADJUSTMENT COMMISSION REGULATIONS AND GUIDELINES

Section 100.00 • Effective October 21, 2004 •
Amended March 7, 2024

Rent Adjustment Commission Regulations & Guidelines

100.00 INTRODUCTION

100.01 The Rent Adjustment Commission (RAC) is authorized to issue orders and to promulgate policies, rules, and regulations which carry out the purposes of the Rent Stabilization Ordinance and to promulgate policies, rules, and regulations regarding other provisions of the Los Angeles Municipal Code (LAMC) to the extent that such provisions impact on rents.

Under Article 1 (Housing Code) and Article 2 (Rent Escrow Account Program) of Chapter XVI of the LAMC, the RAC is designated as the Appeals Board authorized to hear and decide appeals of orders, decisions or determinations made by the General Manager and has the authority to adopt rules of procedure for conducting business. The Appeals Board is authorized to exercise the authority of a housing appeals board set forth in the California Health & Safety Code Section 17959.4.

The powers and authority of the RAC are found in Sections 151.03 and 151.08 of the LAMC. Additional functions that are mandated to the Commission are found in Sections 151.02; 151.05H; 151.05.1; 151.06.02A; 151.06.1B; 151.06.2A; 151.07A1,4,5,7,8; 151.07 B1,3 and 4; 151.09 G,J,K,L; 151.20B; and 153.05A; as well as Sections 161.1002, 162.05, 162.06, 162.07, 163.01 and 163.07 of the Housing Regulations. These regulations and guidelines are promulgated under these authorities.

100.02 The Rent Stabilization provisions of the LAMC became effective on May 1, 1979. The law was passed "to safeguard tenants from excessive rents, while at the same time providing landlords with just and reasonable returns from their rental units." (LAMC 151.01)

The Housing Code, Article 1 of Chapter XVI of the LAMC, Housing Regulations, was adopted in the interest of the health, safety and welfare of the people of Los Angeles in order "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". (LAMC 161.102) The City Council further adopted Article 2, the Rent Escrow Account Program, in order to provide a

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just, equitable, and practical method to enforce the Housing Code and to encourage compliance by landlords with respect to the maintenance and repair of residential buildings, structures, premises and portions of those buildings, structures and premises.

In adopting rules and regulations, it is the intention of the RAC to promote and enforce the purposes of the Rent Stabilization Ordinance and the Housing Regulations stated above.

- 100.03 The RAC of the City of Los Angeles consists of seven members comprised of individuals who are neither landlords nor tenants of residential rental property.
- 100.04 The Department administering the Rent Stabilization Ordinance and the Housing Regulations is the Los Angeles Housing Department.
- 100.05 These regulations and guidelines will be known as the "RAC Regulations and Guidelines."
- 100.06 References made in the RAC Regulations and Guidelines to the LAMC, which contains the Rent Stabilization Ordinance and Housing Regulations, will be preceded by the letters LAMC.

101.00 POLICY STATEMENTS OF THE RENT ADJUSTMENT COMMISSION

101.01 A. LANDLORD - TENANT COOPERATION

Beyond its role in formulating policies and rules, the Commission has a civic responsibility to foster a climate of better understanding between landlords and tenants, and not to polarize these two important segments of the City. The Commission therefore encourages open communication between landlords and tenants. A sense of openness and cooperation between landlords and tenants can reduce tensions that might otherwise arise.

B. ROLE OF THE APPEALS BOARD

As an Appeals Hearing Board, the RAC has a special role in providing a final administrative avenue of review to parties who are aggrieved by a determination by the General Manager or his or her delegate. It is the policy of the RAC that appeals be conducted fairly and impartially.

101.02 PUBLIC COMMENTS

The Commission will hold regularly scheduled meetings during the lifetime of the Ordinance. Issues for Commission consideration should be brought to the attention of the Department. While the Commission cannot handle individual landlord and tenant complaints, every effort will be made to schedule public comments before the Commission on issues affecting the operation of the Rent Stabilization Ordinance and the Housing Regulations.

CAPITAL IMPROVEMENTS

**Rent Adjustment Commission Regulations • Section
210.00 • Effective May 20, 1982 • Amended June
26, 1991**

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CITY OF LOS ANGELES

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211.01 DEFINITIONS:

- a. A capital improvement as defined in the Ordinance is: "The addition or replacement of the following improvements to a rental unit or common areas of the housing complex containing the rental units, provided 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 the building, and other similar improvements as determined by the Rent Adjustment 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." (LAMC 151.02)
- b. The word "City" used in these regulations shall refer to the City of Los Angeles.
- c. The word "Department" used in these regulations shall refer to that City Department designated in section 151.02 of the Los Angeles Municipal Code.
- d. The words "hearing officers" used in these regulations shall refer to those hearing officers designated in section 151.07 of the Los Angeles Municipal Code.
- e. The word "Commission" used in these regulations shall refer to the Rent Adjustment Commission designated in sections 151.02, 151.07, and 151.08 of the Los Angeles Municipal Code.
- f. The Maximum Adjusted Rent as defined in the Ordinance is: "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 151.06.5 of this Chapter; 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 such rent increase was approved by the Department on or after January 1, 1981 and such 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." (LAMC 151.02)
- g. The Maximum Rent as defined in the Ordinance is: "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

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legally in effect at the time the rental unit was or is first rented after the effective date of this Chapter." (LAMC 151.02)

- h. A Rent Increase as defined in the Ordinance is: "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". (LAMC 151.02)
- i. The phrase "temporary rent increase" as used in these regulations is an increase permitted by the Ordinance which must be terminated when certain conditions are met; for example, smoke detectors when the full cost of purchase and installation has been recovered or capital improvement increases granted which were applied for after September 30, 1989.
- j. The phrase "permanent rent increase" as used in these regulations is an increase permitted by the Ordinance which continues indefinitely.
- k. The phrase "work begun" as used in these regulations refers to that date on which the first physical work is done in a unit or common area for which a rent increase application is made. A landlord may be requested to furnish proof of the date work was begun on each improvement listed in a landlord's capital improvement application.
- l. The words "approved by the Department" and any other equivalent phrase used in these regulations shall refer to notification by the Department by letter, form or other document that a landlord's application for a capital improvement rent increase has been approved. The effective date of approval shall be that date typed, stamped, or written on the approval notice. If an approval notice carries no date, the effective date shall be the date postmarked on the envelope in which the approval notice was mailed. In the absence of a date on either the notice and/or the envelope in which the notice was mailed, the approval date shall be that date indicated in the records of the Department showing that an application was approved. In the event that a Departmental approval is appealed and affirmed by a hearing officer the date of initial approval shall govern. In the event that an application is denied by the Department and approved by a hearing officer after a hearing, the date of approval shall be the date of the hearing officer's determination.
- m. The phrase "completion of work" as used in LAMC 151.07 A2 and in these regulations, or other equivalent words in the Ordinance or these regulations, shall refer to the last date on which any physical work took place. For improvements which require a permit from the Building & Safety Department, the date of completion certified by the Building & Safety inspector shall serve as an acceptable date for determining the completion of work. The burden of proof shall be on the landlord to establish the date of the completion of work. (LAMC 151.07 A2a)

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- n. The term "Documented time cards" shall refer to the records of an employee which list the date worked, hours worked, the job performed, and the rate of pay. All documented time cards must be signed by the employee.
- o. Seismic work is "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 connection;
 - 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."
- p. All other words and phrases not defined herein shall be construed as defined in Sections 12.03 and 151.00 et seq. of the Los Angeles Municipal Code.

211.02 In addition to the items listed in the Ordinance, similar items will be allowable capital improvements which conform to the following principles:

- a. The improvement must primarily benefit the tenant rather than the landlord. For example: the remodeling of the lobby would be eligible as a capital improvement while the construction of a sign advertising the rental complex would not be eligible.
- b. The complete painting of the exterior of the building or the complete painting of the common interior areas is eligible as a capital improvement, while the painting of the rental units is not eligible as a capital improvement. However, the complete

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painting of the exterior of the building is eligible as a capital improvement only once every ten years. (LAMC 151.02)

- c. The improvement must have a life expectancy of five years or more.
- d. Equipment, the cost of which is eligible as a capital improvement, must be permanently fixed in place or relatively immobile. For example, sinks, bathtubs, stoves, refrigerators, and kitchen cabinets are examples of items eligible as capital improvements, but hotplates, toasters, throw rugs and hibachis would not be eligible.
- e. Normal routine maintenance and repair of the rental unit and the building is not a capital improvement. For example, the patching of a window screen is not a capital improvement while the replacement of old screens with new screens would be a capital improvement.
- f. Salaries to cover additional services (for example, the wages of a doorman, parking attendant, lifeguard or gardener) are not eligible as capital improvements although, voluntary agreements for payment for such additional services may be entered into between the landlord and tenant pursuant to LAMC 151.18.
- g. In establishing the cost of a capital improvement, the landlord must present evidence of the actual purchase price of the improvement. The landlord may not transfer the landlord's personal appliances, furniture, etc., or those inherited or borrowed from friends and arbitrarily establish a value on which the rent increase is requested.
- h. The capital cost of converting from master to individual utility meters shall be considered a capital improvement only when accompanied by a rental reduction equal to the utility cost formerly included as part of rent pursuant to RAC regulations 420.00ff.
- i. Capital improvements otherwise eligible for a rent increase are not eligible if the landlord charges a "user fee" to the tenants. Thus, installation of new or replacement of existing coin-operated washers and dryers are not capital improvements, and the cost for such items should not be included in the application for a capital improvement rent increase.
- j. The cost of purchase and installation of a solar energy or other energy saving system (such as insulation, etc.) shall be considered a capital improvement, provided that the improvement meets all other eligibility requirements.

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- k. An improvement which is financed under a lease-purchase agreement shall be considered eligible for a rent increase provided that all of the following conditions are met:
1. The lease-purchase agreement is for a term of at least five years;
 2. The lease permits the landlord to apply the lease payments toward the eventual purchase price of the improvement;
 3. The lease-purchase agreement sets forth the portion of the cost which represents the equivalent purchase price of the improvement, absent all financing or other costs (e.g. insurance fees);
 4. No interest or other expenses involved in the lease other than the purchase and installation costs shall be included for the purpose of determining the rent increase;
 5. The rent increases shall not exceed 1/60th of the equivalent purchase price divided equally among all of the units benefitting from the capital improvement;
 6. Where a landlord is eligible for compensation for any portion of the cost of the improvement, such as cash rebates and federal or state tax credits, this compensation must be deducted from the equivalent purchase price of the improvement before amortizing the cost among the units;
 7. The improvement shall meet all of the other requirements set forth in the Ordinance and the Commission's Capital Improvement Regulations in order to be considered a capital improvement;
 8. If the improvement is removed before termination of the lease-purchase agreement, the tenant shall no longer be required to pay the approved rent increase. (effective 5-20-83)
- l. The replacement of a major component of a system or appliance shall be considered eligible as a capital improvement provided that the component meets all other eligibility requirements. (Effective 11/14/83)
- m. Seismic work completed after March 21, 1990 or for which an application for rent increase was received after that date is not eligible as a capital improvement. (LAMC 151.07a)

211.03 Only improvements completed on or after April 1, 1978, are eligible for a capital improvement rent increase. No tentative approval can be given prior to completion of an improvement.

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- 211.04** The eligibility of any particular improvement included in the landlord's application for a rent increase based on capital improvements will be determined by the Department. (LAMC 151.07 A1)
- 211.05** If a capital improvement has already been the basis of a rent increase under the City's Rent Moratorium Ordinance or if it has been subject to an automatic increase (e.g. smoke detector), or if it is for the same type of capital improvement for which an increase has been approved for the same unit(s) within the last five years and that increase has not been eliminated, it may not be the basis for an additional rent increase under the Rent Stabilization provisions. (LAMC 151.07 A1a)
- 211.06** Labor costs must be calculated on the basis of actual costs of contractors or hired laborers. Cancelled checks, receipts, social security payments, and W-2 forms are among the types of evidence that will be required to substantiate labor costs.
- 211.07.a** If labor for work which requires a permit under the Los Angeles Municipal Code is provided by the landlord, the landlord's family member, or the landlord's agent or employee, such labor costs are not allowable unless the person contracting to perform the work is a state licensed contractor for the type of work performed. Proof of state licensing must be included with the application. In addition, the landlord must submit a minimum of two estimates or bids by non-related licensed contractors specifying both material and labor costs. Labor costs on these bids must be identified by the type of labor performed, the number of hours to perform the work, and the rate paid for the work.
- Documented time cards must be submitted for all work performed by the landlord, family member, agent, or employee.
- b. If labor for work which does not require a permit under the Los Angeles Municipal Code, nor the services of a state licensed contractor, is provided by the landlord, the landlord's family member, or the landlord's agent or employee, such labor costs are allowable if documented time cards are submitted for all work performed by the landlord, family member, agent or employee. Documented time cards must specify the number of hours spent on each task and identify the specific building on which the work was performed. In addition, for work costing over \$200.00, the landlord must submit a minimum of two estimates or bids by non-related contractors specifying both material and labor costs.
- 211.08** Interest on money borrowed or otherwise furnished to pay for capital improvement work is not eligible as a cost to be included in calculating the rent increase.
- 211.09** Where a landlord is eligible for compensation for any portion of the money spent on capital improvements, including, without limitation, insurance, court-awarded damages, federal or state subsidies, cash rebates, and federal or state tax credits

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(other than tax deductions and depreciation), this compensation must be deducted from the cost of the capital improvements before amortizing the costs among the units. (LAMC 151.02 B)

- 211.10** In the event that any of the compensation described above is received by the landlord after a capital improvement rent increase has been approved, and where such compensation has not been deducted at the time of the approval, the landlord must prorate and refund such compensation among the tenants for that portion of the rent increase covered by the compensation. (LAMC 151.02 B)
- 211.11** With respect to the cost to be passed through to tenants as a result of the purchase and installation of a capital improvement for which tax credits and/or rebates may be received, as provided in RAC regulation 211.09:
- a. The full tax credit and/or public utility rebates for which a landlord may be eligible will be deducted at the time of approval of the application unless the landlord can provide documentation that he/she is ineligible to receive such benefits.
 - b. Where deductions for tax credits and/or public utility rebates have been made at the time of the initial application and where at a later date a landlord can provide documentation that he/she is not eligible to receive such benefits, the landlord may reapply to the Department for an adjustment in the capital improvement rent increase.
 - c. Where a landlord is eligible for a tax credit and/or public utility rebate and elects not to apply for or accept such credits or rebates, or elects to claim some alternative form of statutory benefit such as accelerated depreciation, the landlord may not later apply for an increase in the rent based on inability to utilize the credits or rebates.
 - d. Where tax credits and/or rebates are deducted from the cost of the improvements, the Department shall notify both landlord and tenants that the landlord is permitted to submit a new application at the time the landlord can provide documentation that he/she is ineligible to receive such tax credits and/or rebates.
- 211.12** The Ordinance does not require the landlord to obtain approval by the tenants before making a capital improvement
- 212.00 COMPUTING THE CAPITAL IMPROVEMENT RENT INCREASE FOR EACH INDIVIDUAL RENTAL UNIT**
- 212.01** The landlord is entitled to a monthly rent increase of 1/60th of the average per unit allowable capital improvement cost. For applications filed after September 30, 1989 the allowable capital improvement cost is 50% of the costs approved by

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the Department. Thus, the landlord divides the total allowable capital improvement cost by 60 and then divides this monthly increase equally among all units benefitting from the capital improvement. (LAMC 151.07 A). In the case of capital improvements where the capital improvement has been funded or subsidized through a federal, state or city housing program, the amortization period may be extended by such regulations as the Commission may from time to time promulgate. (LAMC 151.08 D)

- 212.02** If an improvement benefits one or more but not all of the units, only those units benefitting can be given the rent increase. However, improvements in common areas or structural improvements which benefit all units in a building shall be apportioned equally to all units. For example, if new carpeting was installed in two units, only these two units can be given the rent increase, while the rent increase for carpeting in a hallway must be apportioned to all units in the building equally.
- 212.03** Units which are exempt from rent stabilization (because they are luxury units, they are occupied by the owner or by members of the owner's immediate family, etc.), must be included in determining the proportionate cost to be distributed to the units. For example, if 8 units in a 10 unit building are registered and subject to the Ordinance, any capital improvement rent increase for the roof would have to be divided by 10, not 8, in determining the average rent increase. (LAMC 151.07 A)
- 212.04** If a rental unit has become decontrolled and re-rented at an open-market rate after the completion of the capital improvement listed in the landlord's application, no rent increase will be allowed on that unit. (LAMC 151.05 C, 151.06 C, 151.09 A)
- 212.05** Where a lease exists which establishes the rent for a period of time, no rent increase based on a capital improvement can be given to such a tenant until the lease expires unless the lease provides otherwise. However, such a unit must be included in calculating the proportionate cost as in the case of other exempt units. That portion of a capital improvement cost attributable to units where the rent cannot be raised may not be allocated to other tenants. (LAMC 151.02 A)
- 212.06** In completing the application, the landlord must indicate the date each improvement was begun and the date each improvement was completed. The landlord must also indicate if the rent increase will be temporary or permanent. The increase will be temporary if the:
- a. application was approved by the Department between February 13, 1981 and May 31, 1982, the increase will terminate after 60 months (five years). (151.07 A1a)
 - b. work involves a smoke detector installed after January 1, 1981, the increase will terminate once the landlord has recovered the full cost of the purchase and installation of the smoke detector pursuant to RAC regulation 340.00ff (LAMC 151.06.1)

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- c. application for a rent increase was filed after September 30, 1989, the increase will terminate after 72 months (six years) unless extended in accordance with RAC 212.08. (LAMC 151.07 A1a)

212.07 The landlord must also indicate for each increase in the application whether or not that increase will become part of the maximum adjusted rent which is the basis for the annual automatic increase, according to the following standards:

- a. An increase for work begun on or after June 1, 1982 and applied for by September 30, 1989 will become a part of the maximum adjusted rent.
- b. If work began before June 1, 1982, only those improvements approved by the Department on or before January 1, 1981 became part of the maximum adjusted rent.
- c. For capital improvement rent increases applied for on or after October 1, 1989 the increase granted will not be part of the maximum adjusted rent.
- d. The rent increase permitted for smoke detectors does not become part of the maximum adjusted rent if the detector was installed on or after January 1, 1981.

212.08 For capital improvement rent increase applications filed after September 30, 1989 the cumulative rent increase (s) for a unit cannot exceed \$55 unless agreed upon in writing by the landlord and tenant. If the approved rent increase(s) exceeds the \$55 maximum, then the maximum length of time for charging this increase (72 months) may be extended until the cost of the capital improvement is recovered. Where there is more than one capital improvement whose combined effect exceeds \$55, then the recovery of the excess amounts shall be made as follows:

- a. Upon termination of a capital improvement surcharge which lowers the monthly surcharge below the \$55 limit, the surcharge payment level shall continue at an amount not to exceed \$55 until the unpaid surcharge excess amount has been fully recovered.
- b. Upon the full recovery of the temporary monthly surcharge excess, the excess payment amount shall terminate.

213.00 PROCEDURES TO BE FOLLOWED BY LANDLORDS IN APPLYING TO THE DEPARTMENT FOR A CAPITAL IMPROVEMENT RENT INCREASE

213.01 Before a landlord may submit an application for a capital improvement rent increase, all work which will be the basis of the application must have been completed. (LAMC 151.07 A1a)

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- 213.02** An application must be made to the Department within 12 months of the completion of the work. (LAMC 151.07 A2a)
- 213.03** The landlord may obtain written permission by completing an application on a form approved by the Department and mailing it to the City at the address listed on the application. (LAMC 151.07 A2a)
- 213.04** An application for a capital improvement rent adjustment 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. (LAMC 151.07 A2a)
- 213.05** In no event will authorization for a rent increase be given until the landlord has registered the units as required by law. The landlord must attach to the application a photocopy of the landlord's Registration Certificate issued by the City or a photocopy of the cancelled check or a receipt from the City showing that the registration fee required by LAMC 151.05 A has been paid.
- 213.06** Photocopies of all pertinent information possessed by the landlord shall be attached to the landlord's application. In addition, the landlord shall attach photocopies of all invoices, bids, building permits, final inspection record cards, financial documents, lease-purchased agreements, cancelled checks, and any other relevant papers. These might include, but are not limited to, for example, estimates of costs by various contractors contacted by the landlord, bids by competing contractors, and cost comparisons submitted by various vendors on equipment and supplies. Bids, estimates, and invoices shall be broken down to show each item of work to be done. Composite bids, etc. which fail to detail the specific work items requested in the application, shall not be accepted.
- 213.07** The landlord may not collect any rent increase based on a capital improvement until such time as the Department approves the landlord's application. (LAMC 151.07)
- 213.08** For improvements which require a permit from the Department of Building and Safety, the landlord must submit a photocopy of the necessary permit(s) and final inspection record cards, except that for re-roofing the landlord must submit a photocopy of the necessary permit, but may substitute a Certificate of Completion from the licensed Roofing contractor for the final inspection record card.
- 214.00 PROCEDURES THAT WILL BE USED BY THE DEPARTMENT IN PROCESSING CAPITAL IMPROVEMENT APPLICATIONS**
- 214.01** The Departmental staff officer handling the application will review the documents submitted by the landlord to determine if the landlord's request for a rent increase meets all the requirements of the Ordinance and the Commission's regulations.

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- 214.02** In the event that a landlord's application lacks the required documents, or there are major errors in the mathematical computations showing the individual rent increases, or there is clear evidence that the increase requested by the landlord is not eligible under the Ordinance, or an improvement was completed more than 12 months before the application is submitted, the application will be returned to the landlord with an explanation as to why the application cannot be accepted. (LAMC 151.14 A)
- 214.03** If a landlord's application is returned by the Department because of an error or missing documents, the landlord may re-submit the application after correcting the error or obtaining the necessary documents. (LAMC 151.14 A) For purpose of meeting the time limit stated in RAC regulation 213.02, the Department will use the date on which the initial application was submitted, provided that a revised application is re-submitted within 60 days.
- 214.04** Unless suspended as specified below, a decision will be made allowing or disallowing the landlord's request within 45 days from date of receipt of the landlord's application by the Department. (LAMC 151.07 A2c)
- 214.05** Where the Department initially accepts the application but later finds mathematical errors or incomplete documentation, the application may be suspended for a 30-day period (or longer with the landlord's consent) commencing upon the date of mailing the notification to the landlord of the documentation and/or the information needed.
- 214.06** The suspended time is not part of the Department's 45-day review period. If at the end of the suspension period the requested information has not been supplied, a determination shall be made on the basis of the documentation and information already supplied.
- 214.07** The Department will notify each tenant listed in the landlord's application that the landlord has requested approval to add a rent increase based on capital improvements. This notification will include a photocopy of the face sheet of the landlord's application, the tenant's present rent, the amount of the requested increase, and the proposed total rent for the unit. (LAMC 151.07 A2b)
- 214.08** The tenants will be notified by the Department that they have 10 days from the date of mailing of such notification to object to the rent increase requested by the landlord. (LAMC 151.07 A2b) These objections cannot be made on frivolous grounds or on the basis that the tenants do not want the capital improvement. Examples of legitimate objections are: The landlord is attempting to add a rent increase on a unit where the rent cannot be legally raised (see RAC regulations 212.04 and 212.05 above) or the tenant has grounds to believe that the capital improvement claimed by the landlord was not actually completed, (LAMC 151.07 A1a) or that the

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12-month time period from completion of the capital improvement has expired and the landlord is no longer eligible to apply for an increase in the rent. (LAMC 151.07 A2c)

- 214.09** The information provided by the landlord, statements by tenants, and information received from any of the above sources will be used by the Department in determining whether or not to approve the landlord's application. (LAMC 151.07 A2a)
- 214.10** The documents submitted by the landlord will be examined for accuracy and conformity with industry norms for the type of work involved or for the prices of equipment purchased by the landlord. If such prices are significantly higher than market prices and industry standards, the staff member has the authority to disapprove the requested rent increase.
- 214.11** Written tenant responses which have a bearing on the Department's decision will become part of the public record. All other responses will be sealed and will not be available to other parties.
- 214.12** The Departmental staff member handling the application may contact the landlord, the tenants, or any of the contractors or vendors shown on the documents submitted by the landlord.
- 214.13** The decision will be to approve, disapprove or modify the landlord's request, consistent with the following:
- a. The Department CANNOT approve a rent increase GREATER than the amount the landlord requested;
 - b. The Department CAN approve a rent increase that is LOWER than the amount the landlord requested due to conditions such as minor mathematical errors in the application, only some of the improvements being eligible as capital improvements, a difference in apportioning the cost among the affected apartments;
 - c. A rent increase on a unit may be modified or denied if the Department determines that the rent on that unit has been illegally increased to reflect the cost of the capital improvement for which the rent increase application is submitted. (LAMC 151.07 A1a)
- 214.14** The landlord and the tenants will be notified by mail immediately after the determination is made. (LAMC 151.07 A2c)
- 214.15** Upon approval of the Department, the capital improvement rent increase can go into effect after compliance with statutory notice requirements regardless of the filing of a request for a hearing. (LAMC 151.07 A3b)

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215.00 NOTICE AND RECORD KEEPING REQUIREMENTS

215.01 Upon receipt of the Department's approval for a capital improvement rent increase, the landlord must give each tenant a notice stating:

- a. the amount of the monthly rent increase;
- b. the effective date of the commencement of the rent increase;
- c. the duration of the rent increase, and in the case of temporary rent increases the date when the rent increase must terminate (see RAC regulations 212.06, 212.07, 212.08);
- d. in the case of smoke detector increases, the full cost of the purchase and installation of the detector, and the date when the increase will terminate;
- e. the amount of higher rent now demanded that is part of the maximum adjusted rent (and thus is subject to the annual automatic increase);
- f. the amount of higher rent now demanded that is not part of the maximum adjusted rent and a statement that this amount is not to be subject to the annual automatic increase.

215.02 A copy of this notice must be retained by the landlord as a permanent part of the rental record of the unit. (LAMC 151.05 C)

215.03 The Department has available for distribution an Example Sheet approved by the Commission indicating the method for calculating annual automatic increases when a landlord's legal rent includes rent increases which are not part of the maximum adjustment rent. The Example Sheet is available without cost from the Department

216.00 PROCEDURES TO BE FOLLOWED BY LANDLORDS OR TENANTS WHO OBJECT TO THE DEPARTMENTAL DETERMINATION OF A CAPITAL IMPROVEMENT APPLICATION

216.01 Either landlord or tenant, or possibly both, may object to the decision of the Department by filing a "Request for Hearing" form. They have a right to request a public hearing by a hearing officer if they believe that a) the Department committed an error by failing to apply the regulations properly, b) the Department's determination was an abuse of discretion because it was arbitrary or capricious, or, c) there is new evidence to be presented to the hearing officer which would warrant a decision different from that made by the Department. (LAMC 151.07 A3b)

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- 216.02** If a complete "Request for Hearing" form along with the filing fee or the "Fee Exemption" forms are received by the Department within 15 days after the date of mailing of the original determination, a hearing will be set by the Department. (LAMC 151.07 A3a)
- 216.03** The "Request for Hearing" form must state the reason or reasons why the hearing is being requested.
- 216.04** There is a \$35 fee for filing a "Request for Hearing" form. The completed application form and a check or money order payable to "The City of Los Angeles" may be mailed to the address listed on the application. Cash should not be mailed. Low income tenants and landlords can apply for an exemption from the \$35 filing fee by filing a completed "Fee Exemption" form which can be obtained from the Department. (LAMC 151.14C)
- 217.00 PROCEDURES FOR THE HEARING**
- 217.01** The hearing will be set for a date no later than 30 days after the application for the hearing is received. (LAMC 151.07 A3c)
- 217.02** At least ten days before the hearing the landlord and the tenants will be notified of the time and place of the hearing. (LAMC 151.07 A3c)
- 217.03** The hearing will be conducted by a hearing officer designated by the Department. Both landlords and tenants may submit documents, testimony, written declarations or other evidence, all of which shall be submitted under oath. If at the hearing the landlord presents documents or information, the hearing may be continued, up to 30 days to provide staff sufficient time to examine the documents and/or information or for the documents to be provided. Any continuation must be within the limits imposed for final action on the appeal unless a waiver of time limits is given by the appellant. The hearing officer should give such material or information consideration in accordance with the circumstance afforded for its verification and/or examination and comments by affected parties. (LAMC 151.07 A3d)
- 217.04** The hearing officer shall, within 45 days after termination of the time for requesting a hearing, make a determination upholding, reversing, or modifying the determination of the Department. The landlord and tenants shall be notified by mail of the findings and determination of the hearing officer. (LAMC 151.07 A3e, f)
- 217.05** If the hearing officer's determination is to reverse or modify the original Department determination, the hearing officer shall specifically set forth the reasons for such reversal or modification. For example, if evidence is presented that the invoices submitted by the landlord exceed normal industry costs, the hearing officer may disallow or reduce costs which the landlord has claimed, or conversely, the

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hearing officer may reinstate costs the Department had originally disallowed in the initial determination. The maximum rent increase the hearing officer can approve cannot exceed the original amount requested by the landlord. (LAMC 151.07 A3e)

- 217.06** A rent increase on a unit may be revised or denied if the hearing officer determines that the rent on that unit has been illegally increased to reflect the cost of the capital improvement for which the rent increase application is submitted.
- 218.00 PROCEDURES AFTER APPROVAL OR DISAPPROVAL OF A CAPITAL IMPROVEMENT APPLICATION HEARING**
- 218.01** Upon approval by the hearing officer, the rent increase can go into effect after compliance with statutory notice requirements.
- 218.02** If the hearing officer reverses or modifies the original determination, the following conditions prevail:
- a. If the rent increase was disallowed by the Department and is now authorized, the rent increase may go into effect after compliance with statutory notice requirements.
 - b. If a rent increase had been authorized by the Department and this increase is disallowed by the hearing officer, the landlord shall cease collecting the rent increase and must refund to tenants any previously collected increases, or credit this amount against the tenants' next rent payment.
 - c. If a rent increase has been authorized by the Department and the increase is reduced by the hearing officer, the landlord shall cease collecting any sums in excess of the amount allowed by the hearing officer and must refund all excess rent increases collected, if any, or credit the amount against the tenant's next rent payment. (LAMC 151.07 A3b)
 - d. If the rent is increased or decreased as stated in a, b, or c above then the landlord must reissue the notice required in 215.01, in conjunction with required statutory notices for rent changes.
- 218.03** There is no administrative appeal from the decision of a hearing officer in the case of a capital improvement rent increase application, except as provided by LAMC 151.14D.

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219.00 COMPLETE FAILURE OF AN APPROVED CAPITAL IMPROVEMENT

219.01 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 the capital improvement.

219.02 If a tenant in a unit subject to a capital improvement rent increase believes the capital improvement has completely failed within five (5) years of the approval of the rent increase, then that tenant may apply for a rent reduction on a form provided by the Department.

219.03 Prior to filing the application for a rent reduction, the tenant(s) shall attempt to bring the failure of the capital improvement to the attention of the landlord and allow the landlord a reasonable opportunity to correct the alleged failure. A written statement by the tenant(s) describing the tenant's attempts to inform the landlord of the failure of the capital improvement shall be required as part of the application submitted by the tenant(s).

219.04 The burden of proving a complete failure of the capital improvement is on the tenant or party claiming a failure of the capital improvement. The Department need not prove the truth of any failure, but shall weigh the evidence provided by all interested parties to determine if there is sufficient evidence to support the claim of failure. The types of evidence which may be considered include, but is not limited to, the following:

- a. Signed statements by affected tenants describing the failure.
- b. Written opinions from experts supporting the claim of failure.
- c. Reports of government agencies responsible for inspecting and/or approving the particular capital improvement being claimed as failed.
- d. Original capital improvement approvals from the Housing Preservation and Production Department and the landlords' rent increase notice.

219.05 After receiving the failure claim of the tenant(s), and any submitted evidence, the Department shall send a copy of the claim to the landlord and any other tenants who also received the Capital Improvement increase approval. The Department shall accept any written replies furnished by a tenant for at least 10 calendar days.

219.06 The Department shall decide the claim subsequent to the expiration of the 10 day calendar reply period.

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219.07 If the Department finds either no failure or insufficient evidence to support a claimed failure, then claim for rent reduction shall be denied.

219.08 The Department may find that there is a complete failure if:

- a. The entire capital improvement as approved is not operational or not providing the intended service or benefit for which it is designed for an unreasonable and substantial period of time; or
- b. A portion of the approved capital improvement is not operational as outlined in RAC 219.08a, and the costs of the portion that failed can be distinguished from the entire capital improvement in the original application; or
- c. The Capital improvement is not functioning because of a malfunction of another component(s) in the larger system, but not the Capital improvement itself.

If the non-operation of a capital improvement exists for any period in excess of 30 calendar days subsequent to a good faith attempt at notification of the complete failure to the landlord by the tenant, then the capital improvement shall be presumed to be a complete failure. This presumption can be rebutted by evidence submitted to the Department by either the landlord or the tenant.

219.09 If the Department finds that there is a complete failure of the approved capital improvement pursuant to RAC 219.08, then it shall order that all affected units' monthly rent be decreased by:

- a. The entire increase for that capital improvement in the case of a finding of complete failure in accordance with 219.08a. or
- b. That portion of the increase attributable to the component(s) which failed when this can be distinguished in accordance with 219.08b.

The landlord shall be credited for that period of time the capital improvement was functioning where the increase was delayed or lessened because the \$55 maximum cumulative monthly increase would have been exceeded as described in RAC 212.08.

219.10 The landlord may apply to the Department to restore the capital improvement increase or surcharge if the capital improvement has been made fully functional and if at the time of determination of a complete failure the Department also determined that:

219.11 If the Department determines that the capital improvement increase or surcharge should be restored, the restoration period will be:

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- a. The months remaining to the original termination date where the increase was a surcharge and the termination date was not extended beyond the 72 month maximum provided for in RAC 212.06C; or
- b. The months remaining in the five-year period starting from the date the final approval was given for the original capital improvement rent increase or surcharge.

219.12 Any decision by the Department on the rent decrease application or subsequent rent increase application (RAC 219.11) may be appealed within 15 calendar days after the date of mailing of the original determination. The Regulations for appeals of capital improvement determinations (RAC 216.00 - 217.06) shall be followed for appeals from Department decisions under this section.

219.13 Any rent decrease ordered by the Department pursuant to RAC 219 is effective on the next rent payment due date for each affected unit subsequent to either the expiration of the 15 day appeal period after the Department order or the mailing date of the decision of the hearing officer.

THIS INFORMATION IS OFFERED FREE OF CHARGE TO THE GENERAL PUBLIC.

While this publication is designed to provide accurate and current information about the law, readers should consult an attorney or other expert for advice in particular cases, and should also read the relevant statutes and court decisions when relying on cited material. Laws and guidelines are frequently amended. The LAHD recommends that you verify information in the event that new changes are not yet reflected in this publication. The LAHD does not assume and hereby disclaims any liability to any party for any loss, damage, or disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident, or any other cause.

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PRIMARY RENOVATION COST RECOVERY REGULATIONS

Section 220.00 • Adopted June 2, 2005 •
Amended September 19, 2013; March 7, 2024

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PRIMARY RENOVATION COST RECOVERY REGULATIONS

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220.00 PRIMARY RENOVATION COST RECOVERY REGULATIONS

221.00 STATEMENT OF PURPOSE

221.01 Policy Statement

These regulations are promulgated to facilitate the operation of the City of Los Angeles Primary Renovation Program, with specific reference to Los Angeles Municipal Code Section 151.07 A.1.(d), and thereby to encourage landlords to both re-invest in the renovation of major building systems within their rental properties and to abate exposures to hazardous materials at those properties.

221.02 Authority for these Regulations

These regulations are issued by the Rent Adjustment Commission under the authority granted it under Los Angeles Municipal Code Sections 151.03, 151.07 A.1., 151.07 A.8., and 152.08.

221.03 Review of Program and Regulations

These regulations, together with the overall operation of the Primary Renovation Program, shall be reviewed by the Rent Adjustment Commission no less than every three years.

222.00 DEFINITIONS

The following words and phrases, whenever used in these regulations, shall be construed as defined in this section, which restates, in some instances, definitions used in LAMC Section 151.02 and 152.02. Should a discrepancy exist between a definition presented here and in Sections 151.02 or 152.02, the wording in the LAMC definition shall prevail. Words and phrases not defined here shall be construed as defined in LAMC Sections 12.03 and 162.02, if defined there.

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 the Ordinance.

Department. The Los Angeles Housing Department or any successor.

Hearing Officer. A person designated by the Department to consider an appeal of a de-termination by the Department through a public hearing in accordance with LAMC Section 151.07 and Section 152.03 C.4.

LAMC. The Los Angeles Municipal Code.

Low Income Tenant Household. A tenant household whose combined income, adjusted for family size, is at or below 80% of the median income for the Los Angeles-Long Beach Primary Metropolitan Statistical Area, as established for the Section 8 program by the U.S. Department of Housing and Urban Development (HUD) in accordance with Section 3(b)(2) of the U.S. Housing Act of 1937, as amended.

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Ordinance. Chapter XV of the Los Angeles Municipal Code, Section 151.00, et seq., commonly known as the Rent Stabilization Ordinance.

Primary Renovation Program. The provisions of Ordinance No. 176,544 which includes as its principal components the provisions for rent adjustments related to Primary Renovation Work set forth in LAMC Section 151.07 A.1.(d) and the Tenant Habitability Program set forth in LAMC Section 152.00, et seq.

Primary Renovation Work. 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:

Replacement or substantial modification of any structural, electrical, plumbing or mechanical system that requires a permit under the Los Angeles Municipal Code.

Abatement of hazardous materials, such as lead-based paint and asbestos, in accordance with applicable federal, state and local laws.

For the purposes of these regulations, the term Primary Renovation Work includes Related Work.

RAC. The Rent Adjustment Commission of the City of Los Angeles or any successor.

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.

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 the Ordinance.

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.

In accordance with these regulations, a landlord may recover all or a portion of documented incurred costs for Primary Renovation Work, Related Work, and Temporary Relocation provided that all of the following conditions have been satisfied:

223.00 COST RECOVERY

223.01 Eligible Costs

In accordance with these regulations, a landlord may recover all or a portion of document-

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ed incurred costs for Primary Renovation Work, Related Work, and Temporary Relocation provided that all of the following conditions have been satisfied:

1. 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;
2. The landlord has adhered to the requirements of RAC Regulations 710.00, et seq.;
3. The landlord has submitted an itemized application for cost recovery to the Department within twelve months of the completion of Primary Renovation Work and any Related Work;
4. The landlord has complied with all building permit and environmental clearance requirements necessitated by Primary Renovation Work and any Related Work; and
5. The landlord has identified all grants, tax credits, rebates, insurance benefits, and other sources of funding which, in whole or in part, relate to any Primary Renovation Work and Related Work.

223.02 Ineligible Costs

The following costs are not eligible for recovery under the Primary Renovation Program:

1. Cost incurred for the permanent relocation of tenants;
2. Costs recoverable from other sources, including but not limited to, grants, tax credits, rebates and insurance benefits;
3. Costs used to justify rent adjustments under the Capital Improvement [LAMC Section 151.07A.1.(a)], Rehabilitation Work [LAMC Section 151.07 A.1.(b)], or Just and Reasonable [LAMC Section 151.07 B.] provisions of the Ordinance;
4. Costs incurred for work to correct code violations at a rental unit subject to a notice of noncompliance sent to the Franchise Tax board pursuant to Section 17274 of the Revenue and Taxation Code;
5. Costs incurred for work to correct conditions at a rental unit that was subject to a Notice of Rent Reduction or a Notice of Acceptance into the Rent Escrow Account Program issued pursuant to LAMC Section 162.00, et seq.;
6. Costs incurred for work to correct conditions that resulted in 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, the Fire Department, or the Los Angeles County Department of Health; and
7. Costs incurred for work to comply with a government citation or order to abate hazardous materials if the citation or order was issued before the landlord filed a Tenant Habitability Plan with the Department for such abatement.

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

223.03 Financing Costs

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Interest and other costs incurred by the landlord to finance Primary Renovation Work, Related Work, and Tenant Relocation are not eligible for direct recovery under the Primary Renovation Program. However, the Department's calculation of recoverable costs incorporates an allowance for cost of capital, based upon rates published by the Federal Reserve Board for ten-year constant maturity U.S. government securities plus 1%, as set forth in Section 223.05.4 of these regulations.

223.04 Permanent Rent Increase

Any cost recovery allowed under these regulations shall constitute a permanent monthly increase in rent. However, no rent increase may be imposed on a unit where the initial rent was established after the date the Tenant Habitability Plan applicable to a given rent adjustment application was accepted by the Department.

223.05 Cost Recovery Basis

223.05.1 Basic Rule

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

1. 100% of the Average Per Unit Primary Renovation Work Cost amortized in accordance with a term schedule established by the RAC 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
2. 10% of the Maximum Adjusted Rent at the time an application for a rent increase was filed.

223.05.2 Average per Unit Primary Renovation Work Cost

The Average Per Unit Primary Renovation Work Cost is the proportionate share for a given rental unit of all costs associated with Primary Renovation Work, including costs for any Related Work and Temporary Relocation.

Only rental units benefitting from the Primary Renovation Work and subject to the Ordinance may receive a rent increase under the provisions of LAMC Section 151.07A.1.(d). In determining the proportionate cost to be allocated to individual units, all units benefitting from the Primary Renovation Work must be included, regardless of whether some units might be exempt from the provisions of the Ordinance (e.g., for owner-occupancy, luxury exemption, etc.) For example, if the renovation involved the same work undertaken on a building consisting of ten housing accommodations of which two were exempt from the Ordinance, one on a temporary basis for owner occupancy and one on a permanent basis for substantial renovation, the costs per unit would be one-tenth of the total, even though only eight units are subject to rent increases under the Primary Renovation Program.

Costs related to Primary Renovation Work undertaken in common areas shall be apportioned equally among all affected units. Costs related to work done in individual units, however, must be allocated in a manner proportionate to the benefit enjoyed by each

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unit. For example, rental units with two bathrooms may bear a larger share of re-piping costs than units with one bathroom.

Because different cost components may be allocated differently, individual rental units at a property may have differing Average per Unit Primary Renovation Work Costs. For example, a unit may be allocated the same average cost as all other units in a building for structural repairs, the same average cost as all other units of its size or configuration for plumbing repairs, and a cost specific to that unit for Temporary Relocation. The Average per Unit Primary Renovation Work Cost for any given rental unit is the sum of all the costs associated with Primary Renovation Work that have been allocated to that unit.

In instances where work is done on a mixed-use structure, the costs for renovation work that also benefits any non-housing use must be proportionally allocated to that non-housing use. For example, the costs of foundation repairs to a building where half of the floor area was devoted to commercial use and the other half to housing accommodations would first be divided between the housing and commercial use, with the housing share subsequently allocated equally among all housing accommodations in the building.

223.05.3 Amortization Period

The amortization period used in calculating rent increases under the Primary Renovation Program shall be 180 months.

223.05.4 Interest Rate

The interest rate used in calculating rent increases based on the Average Per Unit Primary Renovation Work Cost shall be one percent (1.00%) higher than the relevant monthly composite rate for federal ten-year constant maturity securities, as calculated by the U.S. Department of the Treasury and published by the Federal Reserve System (<http://federalreserve.gov/releases/h15/>). The rate relevant to any given application for rent increase shall be the composite annual rate calculated for the month in which the applicant's Tenant Habitability Plan was approved by the Department. If the rate for that month has not been published by the date of the application for a rent increase, the Department shall use the most recent monthly composite annual rate published by the Federal Reserve.

223.05.5 Calculation of Rent Increase based on the Average Per Unit Primary Renovation Work Cost

The rent increase for a given rental unit shall be calculated by using the following formula to amortize the Average per Unit Primary Renovation Work Cost:

$$a = \frac{PV}{PVIFA_{r,n}}$$

Where	
a	= allowable monthly rent increase
PV	= present value of the Average per Unit Primary Renovation Work Cost
PVIFA _{r,n}	= present value interest factor for an annuity at any given interest rate [r] and amortization period [n]
r	= interest rate) 12
n	= amortization period in months

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Notes on the calculation: The formula used for determining rent increases under the Primary Renovation Program is the standard formula used for calculating fixed-term loan payments (e.g., home loans, automobile loans, etc). Algorithms for undertaking this calculation are available on computer spreadsheet programs and financial calculators, and the Department shall make the spreadsheet calculation model it uses available to all interested parties. The allowable rent increase can also be calculated manually by substituting the formula for the present value interest factor for an annuity, into the equation above. The result can be reduced to the following formula, which will generate the same result as the computer algorithm. In applying this formula, the interest rate, which is reported by the Federal Reserve Board as an annual rate, is divided by 12 to allow for the calculation of the rent increase on a monthly basis.

$$PVIFA_{rn} = \frac{1 - \frac{1}{(1+r)^n}}{r}$$

$$a = \frac{(PV \times r)(1+r)^n}{(1+r)^n - 1}$$

223.06 Cost Recovery Limitations

223.06.1 Implementation of Rent Increases

Any rent increase granted under the Primary Renovation Program shall be imposed in two equal increments over a two-year period. Upon receipt of the Department's approval of a rent increase for Primary Renovation Work, the landlord may impose the first increment after providing notice to each affected tenant pursuant to California Civil Code Section 827. The second increment may be imposed no earlier than 12 calendar months after the first increment is imposed, but only after again providing notice to each affected tenant pursuant to California Civil Code Section 827.

223.06.2 Low Income Tenant Households

No Low Income Tenant Household may be subject to a rent increase for Primary Renovation Work of more than 10% over the life of the tenancy. If the initial rent increase for Primary Renovation Work was 10%, a Low Income Tenant Household would not be subject to any additional rent increases under the Primary Renovation Program for the life of the tenancy. If a Low Income Tenant Household received a rent increase of less than 10%, it may still be subject to a limited rent increase for subsequent Primary Renovation Work. For example, if a landlord received a 6% rent increase for foundation work and five years later sought an 8% rent increase for plumbing and electrical system replacement, the rent increase that could be applied to a Low Income Tenant Household for the plumbing and electrical work would be 4%.

Any subsequent rent increase for a low-income tenant shall be limited to the balance of the percentage rent increase available under the 10% cap applied to the tenant household's rent at the time of the subsequent rent increase application, as calculated by the Department.

Whenever the Department receives an application for a rent increase for Primary Renovation Work following the approval of a prior application for the same property, the Depart-

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ment shall notify all affected tenant households of this cost recovery limitation and the current annual income limits at various family sizes to qualify as low income. Any tenants seeking a limitation on rent increases under this provision must submit the following to the Department:

1. A completed application for a rent limitation on a form provided by the Department; and
2. Documentation of household income in accordance with requirements established by the Department.

The Department shall determine the household's income in accordance with the standards for calculating family income under the Section 8 program as set forth in Section 5.609 of Title 24 of the Code of Federal Regulations.

223.07 Application Frequency

223.07.1 General Limitation on Cost Recovery

Except as noted below in this subsection, a landlord may seek to recover costs for Primary Renovation Work and any Related Work under the Primary Renovation Program not more frequently than once every five (5) years from the date of the Department's approval of the preceding rent increase under the Primary Renovation Program.

223.07.2 Hardship Waivers

A landlord may submit a written request to the Department seeking a waiver of the five-year limitation on repeat applications for rent adjustments under the Primary Renovation Program on the ground that adherence to the five year general limitation on repeat cost recovery applications will result in one or more of the following situations:

1. A definable deterioration of a building's infrastructure;
2. A definable endangerment of tenant health and safety; or
3. A definable hardship on the landlord.

In requesting a waiver, the landlord shall have the burden of establishing the hardship created by the five-year limitation on cost recovery. When evaluating a request for a waiver, the Department shall consider the entirety of the circumstances and may take into account (a) alternative cost recovery programs available to the landlord including, but not limited to, rent increases due to capital improvements, just and reasonable applications, and vacancy decontrol and (b) whether a deterioration of a building's infrastructure or conditions endangering tenant health and safety could not have been addressed through the regular repair and maintenance of the property.

The Department shall respond to a request for a hardship waiver by issuing a written determination within 15 days of receipt of the request. Notice of the Department's determination shall also be sent to all potentially affected tenants. Either a landlord or tenant may appeal the Department's determination regarding a waiver request to a Hearing Officer by filing a request for hearing in accordance with the procedures set forth in Section 227.00, et seq., of these regulations.

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223.07.3 Replacement Work

In instances where a landlord seeks to recover the costs of Primary Renovation Work that replaces earlier work performed under the Primary Renovation Program, the landlord shall have the burden of establishing, in accordance with industry standards, the need for the subsequent Primary Renovation Work in order to qualify for recovery of costs under these regulations.

223.08 **Cost Recovery Alternatives**

223.08.1 Capital Improvements and Rehabilitation Work

Instead of seeking a rent adjustment under the Primary Renovation Program, a landlord may elect to recover a portion of the costs of Primary Renovation Work and any Related Work under the Capital Improvement provisions set forth in LAMC Section 151.07 A.1.(a) and RAC Regulation Section 210.00, et seq. A landlord may also seek to recover a portion of the costs of Primary Renovation Work and any Related Work under LAMC Section 151.07 A.1.(b) and RAC Regulation Section 250.00, et seq., for work that also qualifies as Rehabilitation Work, as defined in LAMC Section 151.02. Under no circumstances, however, may the same costs be used to justify recovery under more than one program listed in LAMC Section 151.07 A.1.

223.08.2 Just and Reasonable Return

A landlord may also include the costs of Primary Renovation Work and Related Work as factors to be considered by a Hearing Officer in determining whether the rent allowed under the Ordinance provides the landlord with a just and reasonable return. Such determinations are governed by the provisions of LAMC Section 151.07 B. and RAC Regulations Section 240.00, et seq.

224.00 **APPLICATION FOR RENT ADJUSTMENT**

224.01 **Application Requirements**

An application for a rent adjustment under the Primary Renovation Program shall be made on a form provided by the Department and in accordance with specific instructions the Department may provide. At a minimum, the application should include the following information:

1. A complete listing of all rental units in the rental complex identified by address and unit number;
2. The name, phone number, and move-in date for the primary tenant(s) or head(s) of tenant household for each rental unit subject to the proposed rent increase;
3. The current amount of rent charged and the date of last rent increase for each unit subject to the proposed rent increase;
4. The total of all primary renovation costs which the landlord is seeking to recover;
5. The landlord's estimate of the primary renovation costs allocated to each unit and the basis of such cost allocation;
6. Documentation of costs in accordance with Section 224.04 of these regulations;
7. A copy of the Tenant Habitability Plan and any amendments that were accepted by the Department; and A declaration by the applicant stating that the information provided

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is true and correct.

224.02 Timeliness of Application

The landlord must file an application for a rent adjustment under the Primary Renovation Program within 12 months after the last date on which any Primary Renovation Work or Related Work, as described in the Tenant Habitability Plan, took place. The burden of proof shall be on the landlord to establish the date of the completion of work.

Landlords shall have the right to resubmit one time an application for a rent adjustment that was disapproved by the Department. For purposes of the 12-month submission deadline, the initial application date will be considered the date of application only if the landlord resubmits within 60 days of the disapproval.

224.03 Application Fee

An application for a rent adjustment under the Primary Renovation Program shall be accompanied by a \$25.00 filing fee. However, this fee requirement shall not apply to the first application for any type of rental adjustment permitted under LAMC Section 151.07 A., including but not limited to primary renovation, which is submitted by a landlord for a given housing complex within a calendar year. The landlord shall not recover this filing fee from any tenant.

224.04 Documentation of Costs

The landlord bears the burden of establishing allowable costs of any Primary Renovation Work.

224.04.1 Acceptable Types of Documentation

Acceptable documentation of costs includes, but is not limited to, the following:

1. Invoices;
2. Bids specifying both material and labor costs by the type of labor performed, the number of hours required to perform the work, and the applicable rate of pay;
3. Building permits;
4. Final inspection record cards;
5. Financial documents;
6. Lease-purchase agreements;
7. Canceled checks;
8. Estimates of costs by various contractors contacted by the landlord;
9. Bids by competing contractors; and
10. Cost comparisons submitted by various vendors on equipment and supplies. Composite bids or summaries which fail to detail the work referenced in the application with enough specificity to allow costs to be appropriately allocated does not constitute acceptable documentation.

224.04.2 Labor Costs

Labor costs are the actual costs of contractors or hired laborers. Acceptable documentation of labor costs includes, but is not limited to, the following:

1. Canceled checks;
2. Receipts;

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3. Social security payments; and
4. W-2 forms.

If labor for work which requires a permit, license, or credential under the LAMC or relevant state or federal code is provided by the landlord, the landlord's family member, or the landlord's agent or employee, such labor costs are not allowable unless the person contracting to perform the work is licensed for the type of work performed. Two estimates or bids by non-related licensed contractors, proof of licensing, and documented time cards for all work performed by the landlord, family member, agent, or employee are required to document such costs.

If the landlord, landlord's family member, agent, or employee performs work which requires neither a permit under the LAMC nor the services of a state licensed contractor, labor costs are allowable. Acceptable documentation includes time cards specifying the number of hours spent on each task and identifying the unit and building on which the work was performed. For work costing over \$200.00, two estimates or bids by non-related contractors specifying both material and labor costs are required to document allowable costs.

224.04.3 Temporary Relocation Costs

Temporary relocation costs are the documented actual costs incurred by the landlord that relate to the temporary relocation of tenants, provided such relocation was undertaken in accordance with an approved Tenant Habitability Plan. Such costs may include, but are not limited to, the following:

1. The actual costs of renting temporary accommodations;
2. Non-refundable fees;
3. Moving costs;
4. Storage fees;
5. Pet boarding charges;
6. Any food allowances granted to compensate for loss of cooking facilities; and
7. Payment to affected tenants of the per diem relocation payments agreed to between the landlord and tenant and included in the Tenant Habitability Plan, in accordance with RAC Regulations Section 716.07.3 and Section 716.08.4.

225.00 DEPARTMENTAL REVIEW OF APPLICATIONS

225.01 Notice of Application

225.01.1 General Requirement

Upon receipt of a rent adjustment application, the Department shall notify the tenant or tenants of the subject unit or units by mail of the following:

1. The receipt of such application;
2. The amount of the requested rent increase;
3. The landlord's justification for the request;

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4. The tenant's right to submit written objections to the adjustment request within 10 days of the date of mailing such notice; and
5. The address to which the objections may be mailed or delivered.

The Department shall address such notice to each primary tenant or head of tenant household listed in the landlord's application.

225.01.2 Noticing Specific to Primary Renovation Program

In addition to the information listed in the preceding paragraph, the Department's notice to a tenant of the Department's receipt of a rent adjustment application for Primary Renovation Work shall include:

1. A summary of these regulations and related portions of the Ordinance;
2. The cost of Primary Renovation Work undertaken at the tenant's rental unit;
3. An explanation that the proposed rent increase represents the lesser of (a) the rent increase allowable based upon the cost of Primary Renovation Work at the tenant's rental unit or (b) ten percent (10%) of the stated rent for that unit;
4. An explanation that any approved rent increase must be imposed in two equal stages over the course of two years; and
5. An explanation that the maximum 10% rent increase for Primary Renovation Work may be imposed no more than once during the tenancy of any Low Income Tenant Household, provided the Low Income Tenant Household provides the Department with evidence of low-income status within 30 days of receipt of the Department's notice.

225.01.3 Examples of Tenant Objections

The Department's notice to tenants affected by a proposed rent adjustment under the Primary Renovation Program also shall provide examples of objections that may be raised including the following:

1. The landlord is attempting to increase the rent on a unit where the rent cannot be legally raised;
2. The tenant has grounds to believe that some of the Primary Renovation Work or Related Work referenced in the rent adjustment application was not completed;
3. The tenant moved in after the Tenant Habitability Plan was approved by the Department; and
4. The 12-month time period from the completion of the Primary Renovation Work and Related Work has expired and the landlord is no longer eligible to apply for an increase in the rent.

The Department's notice to tenants shall also state that tenant objections to a proposed rent adjustment are not limited to these examples.

225.02 **Identification of Eligible Costs and Calculation of Rent Adjustments**

The Department shall identify eligible primary renovation costs and calculate related rent adjustments in accordance with these regulations. In no case shall the total costs determined to be recoverable exceed the total amount listed in the landlord's application.

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In determining the eligibility of such costs, the Department shall rely upon documentation submitted by the landlord, statements from tenants, information gathered by the Department, and assessments based on market prices or industry norms.

Documents submitted by the landlord will be examined for accuracy and conformity with industry norms or market prices for the type of work involved and for equipment and materials purchased by the landlord. Should the Department find the costs reported by the landlord are significantly higher than market prices or industry norms, the Department may reduce the eligible costs in accordance with these prices or norms. If the Department so reduces the eligible costs in accordance with market prices or industry norms, the Department will provide the landlord with a written explanation of its action.

In undertaking its review of the application, the Department may contact the landlord, affected tenants, or any of the contractors and vendors shown on the documents submitted by the landlord. The Department also may elect to conduct site visits to directly examine the completed work.

225.03 Departmental Decision

225.03.1 Suspension

The Department may suspend an application that lacks adequate documentation for up to 30 days (or longer with the landlord's consent) to allow the landlord an opportunity to provide documentation. If the landlord does not provide the necessary documentation by the end of the suspension period, the application shall be disapproved. Suspended time to allow a landlord to provide additional documentation is not part of the 45-day review period allotted for the Department to make its determination.

225.03.2 Determination

Within 45 days of the receipt of a completed application, the Department shall make a written determination on an application for rent adjustment, together with written findings supporting its determination, and mail copies of its determination and related findings to the applicant and all affected parties.

In making its determination, the Department shall either:

1. Approve rent adjustments for the amount requested, provided that the application meets the requirements set forth in these regulations; or
2. Disapprove rent adjustments for the amount requested, in whole or in part, whenever the application fails to meet requirements under these regulations.

225.03.3 Notice of Appeal Rights

With its transmittal of its determination and findings, the Department shall include notice to the applicant and all affected tenants that they have a right to request a hearing to challenge the Department's determination, in accordance with LAMC Section 151.07 A.3., and, Section 227.00, et seq., of these regulations. In the event the Department disapproves an application for a rent adjustment, the transmittal shall also include notice of the right to resubmit the application under RAC Regulation 224.02.

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225.04 Record Keeping

The landlord's application for a rent increase under the Primary Renovation Program and all supporting documentation shall be a matter of public record, except for information related to the names, phone numbers, unit numbers, move-in dates, and rents of individual tenants. Documentation submitted by tenants shall also be a matter of public record, except as prohibited by law.

225.04.1 Record Retention

The Department shall maintain all records in accordance with Chapter 12 of the Los Angeles Administrative Code. In addition, the Department shall maintain a permanent record of the following information:

1. Identification, by address and unit number, of all rental units receiving rent increases under the Primary Renovation Program;
2. A description of the Primary Renovation Work performed;
3. The primary tenants or heads of tenant households who received such rent increases;
4. The rent for each unit at the time of application for a rent adjustment under the Primary Renovation Program;
5. The final approved amount of the rent adjustment; and
6. Any identified low-income tenants.

225.04.2 Ineligible or Incomplete Applications

The Department shall return disapproved applications which it finds to be incomplete or to be not eligible under the Ordinance to the landlord with a written explanation as to why the application was disapproved along with notice of the right to resubmit the application under RAC Regulation 224.02.

226.00 RENT INCREASE IMPLEMENTATION

Upon approval by the Department, the landlord may impose a rent increase for Primary Renovation Work regardless of the filing of a request for a hearing to appeal the Department's determination of an allowable rent increase. The landlord shall comply with State law and LAMC requirements to give each tenant notice stating the amount of the monthly rent increase and the effective date of the commencement of the rent increase.

227.00 CHALLENGES TO DETERMINATIONS

227.01 Request for Hearing

Either a landlord or tenant may appeal the Department's determination of an allowable rent increase by filing a request for hearing. Such request must be in writing on a form issued by the Department and state a reason for the appeal. This appeal must be received by the Department within 15 days after the mailing of the Department's findings and determination.

In accordance with LAMC Section 151.14 E., if a request for hearing is mailed to the Department, it is deemed to be received by the date of the postmark affixed on an envelope properly addressed to the Department.

The Department's determination may be appealed only on the following grounds:

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1. That the Department committed an error by failing to apply the regulations properly;
2. That the Department's determination was an abuse of discretion because it was arbitrary or capricious; or
3. That there is new evidence to be presented which would warrant a decision different from that made by the Department.

The filing of a request for hearing by a tenant 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 refunded by the landlord to any tenants from whom such rent increases were collected, or offset by the landlord against the next legally due rental payment, in accordance with LAMC Section 151.07 A.3.(b).

Each request for hearing shall be accompanied by a \$35.00 filing fee to be submitted in the form of a check or money order payable to "The City of Los Angeles." In accordance with LAMC Section 151.14 C., this fee may be waived 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 as calculated annually by the U.S. Department of Housing and Urban Development. The notice of hearing rights shall contain the annual income for various family sizes which correspond to 50% of the median income.

227.02 Hearing Procedures

The Department shall schedule a hearing no later than 30 days after the request for hearing is received and shall provide the landlord and affected tenant households a minimum of ten days notice of the time and place of the hearing. The hearing will be conducted by a Hearing Officer designated by the Department, and both landlords and tenants may submit documents, testimony under oath, written declarations or other evidence.

If new documentation or information is presented at the hearing, the Hearing Officer may continue the hearing for up to 30 days to allow staff sufficient time to examine the evidence, provided that any continuation must be within the limits imposed for final action on the appeal unless a waiver of time limits is given by the appellant. The Hearing Officer should give such evidence consideration in accordance with the circumstance afforded for its verification and/or examination and comments by affected parties.

227.03 Hearing Officer Decision

227.03.1 Written Determination

The Hearing Officer shall make a written determination upholding, reversing, or modifying the determination of the Department within 45 days of the termination of the time for filing a request for a hearing. The Department subsequently shall mail copies of the Hearing Officer's findings and determination to the applicant and to all affected tenant households.

If the Hearing Officer's decision is to reverse or modify the original Department determination, the Hearing Officer shall specifically set forth the reasons for such reversal or modifi-

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cation. In no case shall the total costs determined to be recoverable exceed the total amount listed in the landlord's application.

227.03.2 Applicant Bad Faith

If a Hearing Officer determines, based upon 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.

227.03.3 Appeal of Hearing Officer Decision

With one exception, there is no administrative appeal of a Hearing Officer's decision regarding an application for rent increase due to Primary Renovation Work. The one exception pertains to cases where a Hearing Officer has denied an application due to bad faith on the part of the applicant, in accordance with Section 227.03.2 of these regulations and LAMC Section 151.14 D., in which case the applicant may appeal the determination to the RAC.

228.00 IMPLEMENTATION OF FINAL DECISION

Reversals or modifications of Department determinations by a Hearing Officer shall be implemented in the following manner:

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1. If the rent increase or a portion thereof, was disallowed by the Department and is now authorized, the landlord may increase the rent after compliance with statutory notice requirements.
2. If a rent increase had been authorized by the Department and this increase is disallowed by the Hearing Officer, the landlord shall cease collecting the rent increase and refund to tenants any previously collected increases, or credit this amount against the tenants' next rent payment.
3. If a rent increase has been authorized by the Department and the increase is reduced by the Hearing Officer, the landlord shall cease collecting any sums in excess of the amount allowed by the Hearing Officer and refund all excess rent increases collected, if any, or credit the amount against the tenant's next rent payment.

THIS INFORMATION IS OFFERED FREE OF CHARGE TO THE GENERAL PUBLIC.

While this publication is designed to provide accurate and current information about the law, readers should consult an attorney or other expert for advice in particular cases, and should also read the relevant statutes and court decisions when relying on cited material. Laws and guidelines are frequently amended. The LAHD recommends that you verify information in the event that new changes are not yet reflected in this publication. The LAHD does not assume and hereby disclaims any liability to any party for any loss, damage, or disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident, or any other cause.

AUXILIARY AIDS AND SERVICES: "As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities."

JUST AND REASONABLE GUIDELINES

Rent Adjustment Commission Guidelines 240.00
Amended September 1, 2005; March 7, 2024

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240.00 GUIDELINES TO BE USED BY HEARING OFFICERS FOR DETERMINING A JUST AND REASON-ABLE RETURN

DEFINITIONS:

The following words and phrases, whenever used in these Guidelines, shall be construed as defined in this section. Words and phrases not defined herein shall be construed as de-fined in the Rent Stabilization Ordinance.

Appeals Board: Three or more members of the Rent Adjustment Commission acting as an Appeals Board. (LAMC 151.07 B4c)

Base Year: As more fully described in Sections 242.00 and 243.00, the Base Year is either 1977 or the earliest year for which a property's financial records are available.

Current Year: The most recent calendar or fiscal year prior to the date of the Just and Reasonable application.

Department: The Los Angeles Housing Department of the City of Los Angeles.

LAMC: Los Angeles Municipal Code.

Net Operating Income: As described in Section 241.01, the figure arrived at by subtract-ing the property's Operating Expenses from the Total Gross Income.

Operating Expenses: As more fully described in Sections 241.09 thru 241.18, these are the expenses incurred operating the property. Operating Expenses do not include debt service expense or depreciation unless the debt service relates to financing obtained prior to June 1, 1978 and if it contains either a balloon payment or variable rate provision.

Ordinance: The Rent Stabilization Ordinance of the City of Los Angeles (LAMC 151.00 et. seq.).

RAC: Rent Adjustment Commission of the City of Los Angeles consisting of members who are neither landlords nor tenants of residential rental property. (LAMS 151.03)

Total Gross Income or Gross Income: As more fully defined in Sections 241.02 thru 241.07, this is all of the income generated by the property for which the application has been filed, before deducting Operating Expenses.

240.01 The Ordinance as amended, and Regulations and Guidelines promulgated by the RAC, contain a number of provisions which normally assure a Just and Reasonable return on rental units subject to the ordinance. These provisions include:

- A. Automatic annual rent increases
- B. Vacancy decontrol
- C. Exemption of luxury apartment units

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- D. Pass through of capital improvement costs
- E. Pass through of rehabilitation work costs
- F. Pass through of special assessment costs
- G. Adjustments for units with seasonal rents
- H. Increases based on additional persons occupying a unit
- I. Pass through of costs of conversion to individual utility meters
- J. Special utility increases in master-metered buildings
- K. Primary Renovation

240.02 The Ordinance authorizes Hearing Officers to grant rent increases or surcharges where the maximum rent or maximum adjusted rent does not constitute a Just and Reasonable return in accordance with such Guidelines as the RAC may establish.

240.03 The RAC presumes that the net operating income received up to May 1978 provided landlords with a Just and Reasonable return on their rental units, unless there is clear and convincing evidence to the contrary. In most cases the automatic increases allowed by the Ordinance and the property tax savings resulting from Proposition 13 provide sufficient additional operating income to landlords to maintain at least the same net operating income they experienced in 1977 adjusted by an inflation factor. However in some cases landlords may have incurred reasonable operating expenses which exceed the rent increases allowed by the Ordinance and the tax savings resulting from Proposition 13. Therefore, landlords who have had such reasonable increased operating expenses shall be able to maintain the same level of net operating income as they experienced in 1977, plus a Price Level Adjustment as determined by the RAC from time to time.

241.00 DETERMINATION OF THE NET OPERATING INCOME

241.01 Net Operating Income is determined by subtracting the annual Operating Expenses from the property's Total Gross Income.

241.02 Total Gross Income is determined by adding the following:

- A. Actual Residential Unit Income
- B. Garage and Parking Income
- C. Store and Office Income
- D. Adjusted Income for Below Market Rental
- E. Miscellaneous Income

241.03 Actual Residential Unit Income is the total annual income received from all the dwelling units in the rental complex.

241.04 Garage and Parking Income is the additional income received for parking services in the garage or parking spaces on the grounds of the rental property.

241.05 Store and Office Income is the total annual income received from any stores or offices located on the rental property. If income from stores or offices is reported in the Base

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Year but not in the Current Year, then such reported income will be eliminated in computing the Base year's net operating income.

- 241.06** Adjusted Income for Below Market Rentals is an amount representing the difference between the actual rent collected and what the landlord could have collected if the units had been rented at their full market value. Examples of below market rents include but are not limited to units occupied by the landlord, the landlord's family, or the unit of a resident manager. The below market rent is determined by the rent level of the highest comparable unit in the rental complex. Where there is no exact comparable unit, the below market rent is determined on the basis of the highest rent for a unit in the same rental complex, adjusted for differences in size, amenities, etc. Where there is no comparable rental unit within the complex, the rent of a comparable unit in the immediate neighborhood may be used. The burden of proof is on the applicant to establish a reasonable basis for estimating the below market rent.
- A. In the Base Year a landlord is permitted to make an upward adjustment of Gross Income only for a unit occupied by the landlord, landlord's family, or by a manager, agent, or employee where, in the Base Year, either no rent was charged or a rent level below that of a comparable unit can be demonstrated.
 - B. In the Current Year, a landlord must make an upward adjustment in the Gross Income for any unit occupied by the landlord, the landlord's family or by a manager, agent, or employee where the unit is rent-free or where the rent is lower than the rent in the building for a comparable unit.
 - C. In addition, the Current Year Gross Income must be adjusted upward to reflect lost rent or below market rents for units permanently removed from rental housing use.
- 241.07** Miscellaneous Income is determined by adding all actual revenues received from such sources as maid services, gas and electricity sold to tenants, commissions from telecommunication and/or cable services, laundry and vending machines, signs on the building or property of the rental complex, air conditioning charges, special charges for the use of amenities, income from oil, gas, or other minerals on the rental complex property, location use payments by motion picture or television production companies, special rentals for occasional use of recreating rooms or other common areas, any interest derived from tenant money held as security deposits, and any income derived from the operations of the rental complex.
- 241.08** Vacancies in both the Base Year and the year for which the application is made are not calculated. However, in cases where the Hearing Officer finds unusual vacancy patterns, the Hearing Officer will have the discretion to adjust the Gross Total Income where the vacancies have been the result of a landlord withholding rental units from the market.
- 241.09** Operating Expenses are determined by adding the following:
- A. Management and Administrative Expenses
 - B. Adjustment for landlord performed services
 - C. Operating Expenses for:

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- 1) Supplies
- 2) Heating Expenses
- 3) Electricity
- 4) Water and Sewer
- 5) Gas
- 6) Building Services
- 7) Other Operating Expenses

D. Maintenance Expenses including:

- 1) Security
- 2) Grounds Maintenance
- 3) Maintenance and Repairs
- 4) Painting and Decorating

E. Taxes and Insurance Expenses including:

- 1) Real Estate Taxes
- 2) Other Taxes, Fees and permits
- 3) Insurance

F. Service Expenses

G. Other Payroll Expenses

241.10 In determining operating expenses, all debt service expense, depreciation and expenses for which a landlord has been reimbursed or was eligible for reimbursement but failed to obtain reimbursement must be excluded.

241.11 Management and Administrative Expenses include: Wages of Administrative Personnel, including agency fees for administrative services and the use value of any rental unit offered in compensation for such services calculated according to Section 241.06 above, advertising of rental units, legal costs involving operation of the property, auditing fees for the operation of the rental complex, fees and dues in professional property management organizations except that if the landlord owns more than one rental complex, such expenses must be apportioned among the rental complexes owned, telephone and building office expenses used for rental operations and office supplies, but excluding:

- A. Advertising for the sale of condominiums or for the sale of the rental property as a whole;
- B. Legal and auditing costs engendered by the purchase or sale of the rental complex;
- C. Legal costs resulting from the legal defense of the landlord from criminal charges filed against the landlord by local, state, or federal authorities or litigation costs stemming from judgments or settlement agreements demonstrating the landlord's liability for

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injuries or damages due to the landlord's failure to maintain the property in a habitable conditions, or legal fees incurred by the landlord in challenging the legality of the Ordinance or the RAC's Guidelines.

- 241.12** An adjustment of Management and Administrative Expenses shall be allowed where the landlord performs management or administrative functions of self-labor in operating and / or maintaining the property. In addition to the actual Management and Administrative Expenses listed in Section 241.11 above, where the landlord performs such services, the landlord may calculate an expense figure representing the value of such unpaid management and administrative services. However, the total cost of Management and Administrative Expenses including the foregoing adjusted expense cannot exceed 7% of the Total Gross Income as described in Section 241.02 above.

When the landlord performs different services in the Base Year and the Current Year, an adjustment will be allowed for such differences to the extent that the landlord shall document the amount of such differences. In the event that administrative services (including legal and auditing) are performed by a relative of the landlord, the landlord must obtain written evidence of competitive bids for these services, and the cost for such services must be completely documented. However, as detailed above, in no event shall the costs of Management and Administrative Expenses exceed 7% of the property's Total Gross Income.

- 241.13A** Operating Expenses include:

- 1) Supplies, including janitorial services, light bulbs, uniforms for employees, etc.
- 2) Heating Expenses include coal or oil used for heating the building.
- 3) Electricity Expense includes all landlord-paid electricity for both rental units and common area.
- 4) Water and Sewer Expenses include all landlord-paid expenses for the rental complex.
- 5) Gas includes all gas charges paid by the landlord for both rental units and common areas.
- 6) Building Services include expenses for window washing, lobby directory, exterminating, rubbish removal, TV antenna service, cable, and/or telecommunication services.

- 241.13B** Operating Expenses do not include:

- 1) Penalties and Late Fees imposed by the Ordinance
- 2) Penalties and Fines imposed by any governmental agency for the failure or delay in paying taxes and fees or for illegal activities committed by or culpably not prevented by the landlord and for the failure by the landlord to maintain the property in a safe and habitable condition.
- 3) Prohibitions by the City or State against the landlord passing though otherwise eligible operating expenses or capitalized Capital Improvement expenditures; (for example, following administrative hearings where the landlord has been denied expense pass-

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through rights due to inclusion in the City's Rent Escrow Account Program (REAP) or Rent Reduction Program, or the State's limitations on tax deductions to owners of "substandard" properties).

- 4) Self-Labor expenditures unless the landlord meets the conditions imposed by RAC Regulations 211.07.
- 5) Costs for which a landlord has already received a rent increase based on the Capital Improvement Regulations (RAC Regulation 210.00 et seq.) or other RAC regulations.

241.14 Maintenance Expenses include:

- A. Security Expenses such as wages of any security personnel, contracted security expenses, door guards, and the operating costs of security equipment.
- B. Grounds Maintenance Expenses include wages of groundskeepers, gardeners, plant materials, external building lighting, sidewalk, and parking lot maintenance costs.
- C. Maintenance and Repairs include all general maintenance and repair both inside and outside the building, elevator maintenance, plumbing and electrical service, fire protection and smoke detector servicing, plastering and masonry repair, carpentry, heating and/or air conditioning repair, roofing and tuck pointing.

However, Capital Improvements are not annual expenses. Landlords who did work which constitute Capital Improvements under the RAC's Guidelines must capitalize such expenses in accordance with the following:

- 1) If the work required a permit from the Department of Building and Safety and consisted of one or more of the following:
 - a) The replacement of existing water or gas supply lines, the replacement of existing drain waste lines, or the installation of additional new supply or waste lines;
 - b) The replacement of electrical wiring or circuits, the replacement of an electrical service panel, or the addition of new wiring or circuits;
 - c) The replacement or upgrading of a heating, ventilation, or air conditioning (HVAC) system or the replacement, upgrading, or initial installation of an elevator system;
 - d) The addition, modification or improvement to the foundation or the structure (including the roof) that exposed the building frame or compromised the building's security, weather protection or fire protection; or
 - e) The abatement of hazardous materials, such as but not limited to lead-based paint and asbestos, in accordance with the applicable federal, state and local laws.

The cost associated with the above must be amortized over a period of fifteen years (180 months) and the landlord may only charge six and two thirds percent (6.67%) in the year such expense occurred and for the next successive fourteen years until fully amortized.

- 2) For all other work which constitutes a Capital Improvement, such expenses must be capitalized on the basis of a five-year (60 months) Amortization and only one-fifth

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of the total expenses may be charged in the year such an expense occurred and for the next successive four years until fully amortized. In the event there were capital expenditures in the 1977 base year or in any of the four years prior to 1977 (1973-1976), the capitalized value of the capital improvement expenditures (20% for each year must be carried into the Base Year as a capitalized expense). The same capitalization requirement applies to Base Years from 1978 through 1982. In the event an applicant uses an alternative Base year of 1983 or later, the applicant must include as a capitalized expense 20% of the cost of any capital improvements approved by the Department in any of the four years immediately preceding the alternative Base year.

- D. Painting and Decorating include all costs including wages and materials, and contracted labor painting and decorating the interior or exterior of the building, including the cost of paint, wallpaper, brushes, wall washing and replacement costs related to floor covering, draperies, and light fixtures all of which will be amortized as in subsection (C) above.
- E. A landlord who is a licensed contractor may include as an expense any self-labor costs connected with capital improvement, rehabilitation, or maintenance work by fully complying with the self-labor provisions of RAC Regulation 211.07 and RAC Regulation 251.06 which state that:
- 1) If labor for work which requires a permit under the Los Angeles Municipal Code is provided by the landlord, the landlord's family member, or the landlord's agent or employee, such labor costs are not allowable unless the person contracting to perform the work is a state licensed contractor for the type of work performed. Proof of state licensing must be included with the application. In addition, the landlord must submit a minimum of two estimates or bids by non-related licensed contractors specifying both material and labor cost. Labor costs on these bids must be identified by the type of labor performed, the number of hours to perform the work, and the rate paid for the work.

Documented time cards must be submitted for all work performed by the landlord, family member, agent or employee.

- 2) If labor for work which does not require a permit under the Los Angeles Municipal Code, nor the services of a state licensed contractor, is provided by the landlord, the landlord's family member, or the landlord's agent or employee, such labor costs are allowable if documented time cards are submitted for all work performed by the landlord, family member, agent or employee. Documented time cards must specify the number of hours spent on each task and identify the specific building on which the work was performed. In addition, for work costing over \$200.00, the landlord must submit a minimum of two estimates or bids, by non-related contractors, specifying both material and labor costs.

241.15 Taxes and Insurance include:

- A. Real Estate Taxes which include all local or state taxes as well as non-capitalized assessments.

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- B. Other Taxes, Fees and Permits such as the Rent Registration fee, Systematic Code Enforcement Program Fee, City of Los Angeles Gross Receipts tax, personal property taxes, applicable to the property, franchise and business taxes, sign and permit fees, etc.
- C. Insurance including all one-year charges for fire, liability, theft, boiler explosion, rent fidelity bonds, and all insurance premiums except those paid to FHA for mortgage insurance or employee benefit plans. Whenever a premium is multi-year, it must be pro-rated to all applicable years.

241.16 Service Expense includes the annual cost of maintaining recreational amenities such as saunas, gymnasiums, billiard rooms, pools, Jacuzzis, and tennis courts. Such costs include payroll, contractual services, materials and supplies, and minor non-capitalized equipment replacement. Improvements qualifying as Capital Improvements must be amortized as described in Section 241.14C above.

241.17 Other Payroll Expense includes any payroll expenses not included in any of the categories previously listed, such as janitors, maids, elevator operators, telephone switchboard operators, and rental agents.

241.18 Operating expenses must be reasonable. Whenever a particular expense exceeds normal industry standards in the Base Year or in the Current Year for which the application for a rent increase is made, the Hearing Officer shall determine whether the expense is reasonable. In cases where the Hearing Officer determines that a particular expense is unreasonable, the Hearing Officer shall adjust the expense to reflect the normal industry range for that year. The Hearing Officer shall indicate the reason for such an adjustment in the determination.

241.19 In case the financial data necessary for preparing the Net Operating Income may have or has been lost or are unavailable, the landlord applying for a Just and Reasonable rent increase must be prepared to supply or assist fully the Department or RAC in obtaining such financial data as may be available in records kept by the landlord, accountants, tax preparers, bookkeepers, escrow companies, real estate brokers or agents, former owners, etc. The failure of a landlord to supply such records or to assist the Department or RAC in obtaining such records as may exist shall be factors that will be used in determining if there is "clear and convincing evidence" as required in Sections 243.02, 243.02, 243.02A or elsewhere where the Net Operating Income must be supplied.

242.00 DETERMINATION OF ELIGIBILITY FOR RENT INCREASES PURSUANT TO THE 1977 BASE YEAR FORMULA

242.01 The Base Year shall be 1977 when the financial information for that year is available.

242.02 Determine the 1977 Net Operating Income.

242.03 Determine the Current Year Net Operating Income in accordance with the provisions of Sections 241.01-241.07. The Current Year shall be the most recent calendar or fiscal year prior to the date of the application.

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- 242.04** Add to the Net Operating Income for 1977 the Price Level Adjustment according to the formula published on the Price Level Adjustment Calendar Matrix maintained by the Department.
- 242.05** The Net Operating Income from the Current Year is compared to the 1977 Net Operating Income plus the Price Level Adjustment:
- A. If the Current Year Net Operating Income is larger than the 1977 Net Operating Income plus the Price Level Adjustment, the landlord is ineligible for a Just and Reasonable rent increase based on this formula.
 - B. If the Current Year Net Operating Income is less than the 1977 Net Operating Income plus the Price Level Adjustment, the landlord is eligible for a rent increase that will allow the Current Year Net Operating Income to equal the 1977 Net Operating Income plus the Price Level Adjustment.
- 242.06** Landlords who did not own the rental property in 1977 shall use the 1977 Net Operating Income of the landlord of record in 1977 if the financial information is available.
- 243.00** **DETERMINATION OF ELIGIBILITY FOR RENT INCREASES WHEN 1977 NET OPERATING INCOME AND EXPENSE INFORMATION IS NOT AVAILABLE**
- 243.01** In the event that the 1977 financial information is not available, and where the unavailability of such records can be substantiated by clear and convincing evidence, a Just and Reasonable applicant who was the landlord of record in 1977 may substitute as a Base Year the first year following 1977 for which records are available.
- 243.02** In the case of a new landlord who did not own the rental property in 1977 and where 1977 records are not available from a previous landlord, the present landlord may, when the unavailability of the 1977 records can be substantiated by clear and convincing evidence, substitute as a Base Year the first year following 1977 for which a previous landlord's records are available.
- 243.03** In the event that no financial records are available from a previous landlord, the current landlord is eligible for a Just and Reasonable rent increase only when the landlord has two complete years of operating income and expenses. The first year Net Operating Income for such landlords will be the Base Year.
- 243.04** Repealed by the RAC on March 17, 2005.
- 243.05** The Current Year Net Operating Income is subtracted from the Base Year Net Operating Income plus the Price Level Adjustment.
- 243.06** If the Current Year Net Operating Income is larger than the Base Year Net Operating Income plus the Price Level Adjustment, the landlord is ineligible for a Just and Reasonable rent increase based on this formula.
- 243.07** If the Current Year Net Operating Income is less than the Base Year Net Operating Income plus the Price Level Adjustment, the landlord is eligible for a rent increase that will allow

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the Current Year Net Operating Income to equal the Base Year Net Operating Income plus the Price Level Adjustment.

- 244.00 EXCEPTION FOR CIRCUMSTANCES WHERE A LANDLORD IS SUFFERING A NET OPERATING LOSS**
- 244.01** To ensure that no landlord suffers a net operating loss because of the provisions of the Ordinance, the Hearing Officer shall grant a rent increase sufficient for a landlord to reach a break-even point in the Current Year for which the application is made.
- 244.02** All the criteria contained in Sections 241.00 through 241.18 shall be followed.
- 245.00 DETERMINATION OF THE RENT INCREASE FOR EACH INDIVIDUAL RENTAL UNIT**
- 245.01** The rental increase permitted is determined by using one of the following listed formulas:
 - A. The 1977 Base Year (Sections 242.00 - 242.06)
 - B. When the 1977 Base Year Data is not available (Sections 243.00 - 243.07)
 - C. The Net Operating Loss Circumstance (Sections 244.00 - 244.02)
- 245.02** To obtain the rent increase for each rental unit at the property, the dollar amount the total rent can be raised according to one of the above 3 formulas is divided equally by the number of rental units in the property. This is the annual increase for each unit. To obtain the periodic increase (monthly, weekly, etc.) The annual unit increase is divided by the frequency of the rental payments. For example: if paid monthly the annual increase is divided by 12; if paid weekly the annual is divided by 52. The result of these calculations is the dollar amount the rent can be raised in each rental unit. The legal rent used in these calculations is the current rent at the time of the application provided this rent does not exceed the amount permitted by the Ordinance and any Regulations or Guidelines issued by the RAC.
- 245.03** No rent increase granted pursuant to the above shall be construed to permit landlords to raise their rents in violation of any terms or provisions of a written lease.
- 246.00 PROCEDURES FOR LANDLORDS APPLYING FOR A JUST AND REASONABLE RENT INCREASE (LAMC 151.07 B3)**
- 246.01** Landlords should examine carefully the Guidelines to be used by Hearing Officers for determining a Just and Reasonable return (Section 240.00 et seq. above). The conditions covering eligibility for a Just and Reasonable return are listed in those sections which describe the various alternative methods available to the property owner. The property owner should also examine the Guidelines for Appeals to the RAC (Section 248.00 et seq. below) which describe appeals from the decision of a Hearing Officer and the special circumstances where the standards described in Section 240.00 et seq. may be applicable.
- 246.02** Landlords are advised to examine the most current Price Level Adjustment Calendar Matrix.

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- 246.03** Before a landlord may increase rents on the basis of Just and Reasonable Guidelines, the landlord must first obtain the written approval of a Hearing Officer or the RAC. (LAMC 151.07 B1)
- 246.04** The landlord may request a Just and Reasonable increase by completing the City’s standard “Application for Rent Increase under Just and Reasonable Guidelines.” Either the Comparative Profit and Loss Statement form, which is a part of the application, or “Schedule E” from the Federal tax return for the relevant year (s) may be used. The completed application shall be delivered to the City of Los Angeles in accordance with instructions given on the application. (LAMC 151.07 B1, B3)
- 246.05** There is a \$25 fee for filing an application for a Just and Reasonable rent increase. (LAMC 151.07 B3a). Very low-income landlords can be exempted from the \$25 filing fee by filing an indigence exemption form which is available from the Department. (LAMC 151.14 C)
- 246.06** The landlord may not collect any rent increase based on a Just and Reasonable application until such time as the Hearing Officer approves the request. Such increase may not go into effect until after compliance with statutory notice requirements.
- 246.07** In no case will the Hearing Officer authorize a rent increase beyond the amount requested by the landlord in the application. (LAMC 151.07B3d)
- 246.08** In the event that an application lacks the required documents or that there are major errors in the mathematical computations showing the individual rent increases, the application will be returned to the landlord with an explanation as to why the application cannot be accepted. (LAMC 151.14 A)
- 246.09** If an application is returned by the Department because of error or missing documents, the landlord may re-submit the application without an additional filing fee after correcting the error or obtaining the necessary documents. (LAMC 151.14 A)
- 246.10** Photocopies of all relevant documents must be attached to the completed application.
- 246.11** Whenever a Just and Reasonable rent increase application has been accepted for processing and at a later date it is determined that the application lacks complete documentation and/or required information, the case may be suspended prior to the hearing for a 30 day period commencing upon the date of mailing the notification to the landlord of the documentation and/or information needed. If at the end of this 30-day period the requested information has not been supplied, the application will be denied without prejudice. The landlord may re-submit the application without an additional filing fee after obtaining the necessary documents or information.
- 246.12** In no event will an application for a rent increase be considered until the landlord has established that the rental units for which an increased rental is sought have been duly registered as required by law. (LAMC 151.05A)
- 246.13** Landlords should submit photocopies rather than original documents. Materials attached to the application will not be returned to the landlord. However, the landlord must, upon request by the Department, show to the Department or to a Hearing Officer the original

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document from which a photocopy was made. (LAMC 151.07 A2a)

247.00 PROCEDURES AFTER THE LANDLORD SUBMITS AN APPLICATION

- 247.01** The Department will notify each tenant listed in the landlord's application that the landlord has requested a Just and Reasonable rent increase. The notification will include the amount of the proposed increase and the landlord's justification for the request. (151.07)
- 247.02** Both the landlord and the tenants will be notified of the public hearing at which the determination will be made on the landlord's application. The hearing will take place neither less than ten days nor more than forty-five days after the date of mailing such notice.
- 247.03** The Department will prepare an analysis of the application for the Hearing Officer. The analysis will summarize the information supplied by the landlord. It will also note any errors and missing information and indicate any points where the application may be in conflict with the RAC guidelines. A copy of the analysis will be sent to the applicant and all other affected parties. The sole purpose of the analysis will be to facilitate the hearing. The analysis is not binding on the Hearing Officer.
- 247.03A** Repealed by the RAC on March 17, 2005.
- 247.04** Both landlords and tenants may offer documents, testify, or provide written declarations of evidence as may be pertinent. The Hearing Officer shall hear and receive all evidence submitted by any party at the hearing. (LAMC151.07 B3c)
- 247.05** Either the landlord or the affected tenant (s) may challenge, in writing or at the hearing, any portion of the Department's analysis of the application.
- 247.06** If the landlord and/or affected tenant (s) did not receive the Department's analysis in time to prepare a response, the Hearing Officer may continue the hearing for a reasonable amount of time to allow for the submission of written responses and/or to prepare oral testimony, subject to the time limit set forth in RAC Regulation 247.09, unless the applicant is willing to waive the time limit.
- 247.07** Unless a continuance has been granted, if the applicant fails to appear at a scheduled hearing, the Hearing Officer will render a decision based on the application, evidence contained in the administrative record, and/or evidence, if any, presented at the hearing.
- 247.08** If at the hearing the landlord fails to present documentation or information requested by the Department before or during the hearing, the hearing may be continued no more than 30 days. If the landlord does not supply the requested documentation and/or information by the new hearing date, the Hearing Officer shall render the decision based on the application and whatever evidence is available at the close of the hearing.
- 247.08A** All evidence, written and oral, submitted at the hearing will be under oath. (LAMC 151.07 B3a)
- 247.09** A determination with written findings will be made by a Hearing Officer within 75 days of the filing of an application. Any suspension for purposes of obtaining additional infor-

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mation pursuant to Section 246.11 will not be included in computing the 75 days. The determination may be for less than the amount requested (LAMC 151.07 B3d). If the Hearing Officer determines the decreased Net Operating Income in the Current Year is likely to be permanent, the Hearing Officer shall grant a permanent rent increase that will become part of the Maximum Adjusted Rent. If the Hearing Officer determines that the decreased Net Operating Income is caused by expenses in the Current Year which are extraordinary and as such unlikely to re-occur, the Hearing Officer shall grant an increase for one year only. Such a limited increase is to be considered a surcharge, and will not become part of the Maximum Adjusted Rent. In the event a surcharge would exceed \$55.00 per month, the Hearing Officer shall extend the length of time for collecting the surcharge at a rate of \$55.00 per month until the full amount is recovered.

- 247.10** The Department will mail copies of the Hearing Officer’s findings to the landlord and tenants. The determination will be final unless an appeal is filed with the RAC within 15 days of mailing of findings. (LAMC 151.07 B3e)
- 247.11** Upon approval by a Hearing Officer, a Just and Reasonable rent increase or surcharge can go into effect after the landlord has complied with statutory notice requirements, regardless of the filing of an appeal to the RAC.
- 248.00** **PROCEDURES FOR APPEALING THE DECISION OF A HEARING OFFICER TO THE RAC APPEALS BOARD (LAMC 151.07 B4)**
- 248.01** An appeal of the determination of the Hearing Officer must be made on the form prescribed by the Department. An appeal must be accompanied by a \$50 filing fee. Very low-income tenants and landlords can be exempted from the \$50 filing fee by filing an indigence exemption form which is available from the Department. (LAMC 151.07 B4a, 151.14 C)
- 248.02** The appeal must state specifically why the appellant is entitled to an appeal hearing. The grounds for an appeal are:
- A. Error committed by the Hearing Officer, or;
 - B. Abuse of discretion committed by the Hearing Officer, or;
 - C. The existence of 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.
- 248.03** Repealed by the RAC on March 17, 2005.
- 248.04** If the decision of the Hearing Officer is appealed to the Appeals Board and documentation and/or information previously requested of the landlord has not been included with the application for an appeal hearing, the Appeals Board may continue the case for a 30 day period commencing upon the date of mailing to the landlord during which the landlord may submit the requested documentation and/or information. If at the end of this 30-day period, the landlord has not supplied the documentation and/or information, the Appeals

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Board shall hear the appeal on the basis of the record compiled by the Hearing Officer and any additional evidence which the Appeals Board may elect to accept at the appeal hearing.

- 248.05** The filing of an appeal by a tenant will not delay the rent increase approved by the Hearing Officer. If the tenant appeal is successful, the landlord must forthwith refund any rent increases collected on the basis of the Hearing Officer's determination. (LAMC 151.07 B4a)
- 248.06** Prior to the appeal hearing, Department staff may communicate with the landlord, the tenants, the previous owner, or persons connected to any firm or agency indicated in the documentation supplied by the landlord or appellant to verify the contents of such documentation or the absence of documentation. Such individuals may also be invited to testify at the appeal hearing.
- 248.07** The Department will prepare an analysis of the appeal for the Appeals Board. A copy of the analysis will be sent to the appellant and all affected parties.
- 248.08** Both landlord and/or the affected tenant (s) may challenge, in writing or at the hearing, any portion of the Department's analysis.
- 248.09** Repealed by the RAC on March 17, 2005.
- 248.10** Landlords and tenants will be notified of the appeal hearing at least ten days prior to the date set for the appeal hearing. (LAMC 151.07 B4c)
- 248.11** The hearing and the determination by the Appeals Board will take place within 60 days of the expiration of the 15-day appeal period or within such extended period of time as may be mutually agreed upon by the appellant and the designated Appeals Board, provided by RAC Regulation 247.10. (LAMC 151.07 B4c)
- 248.12** If the landlord and/or affected tenant (s) did not receive the Department's analysis in time to prepare a response, the RAC may continue the hearing a reasonable amount of time to allow the submission of a written response and/or to prepare oral testimony, subject to the time limit set forth in RAC Regulation 248.11, unless the appellant is willing to waive the time limit.
- 248.13** Unless a continuance has been granted, if the appellant fails to appear at a scheduled appeal hearing the Appeals Board will render a decision based on the application, the appeal, evidence contained in the administrative record, and/or evidence presented at the hearing.
- 248.14** If at any time there is new evidence presented on the appeal the Appeals Board may, at its discretion, refer the matter to a Hearing Officer to receive, analyze and report back the findings of said hearing, subject to the time limit set forth in RAC Regulation 248.11, unless the appellant waives the time limit.
- 248.15** All testimony at the hearing shall be under oath. (LAMC 151.07 B3a)

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- 248.16** 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) that the new information not available at the time of the hearing upon which the appellant relies, and supporting its own determination. (LAMC 151.07 B4d)
- 248.17** If the Appeals Board modifies or reverses the decision of the Hearing Officer, it shall set forth specifically how the Hearing Officer was in error or what constituted an abuse of discretion. (LAMC 151.07 B4d)
- 248.18** The Appeals Board decision shall be concurred in by a majority of the Appeals Board hearing the appeal. (LAMC 151.07 B4d)
- 248.19** A copy of the Appeals Board’s written findings will be mailed to the landlord and all affected tenants. (LAMC 151.07 B4d)
- 248.20** If the Appeals Board fails to act within the time limits set by the ordinance, the decision of the Hearing Officer becomes final.
- 248.20A** Upon approval by the Appeals Board, a Just and Reasonable rent increase or surcharge can go into effect after the landlord has complied with statutory notice requirements.
- 248.21** There is no administrative appeal from the decision of the Appeals Board.

THIS INFORMATION IS OFFERED FREE OF CHARGE TO THE GENERAL PUBLIC.

While this publication is designed to provide accurate and current information about the law, readers should consult an attorney or other expert for advice in particular cases, and should also read the relevant statutes and court decisions when relying on cited material. Laws and guidelines are frequently amended. The LAHD recommends that you verify information in the event that new changes are not yet reflected in this publication. The LAHD does not assume and hereby disclaims any liability to any party for any loss, damage, or disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident, or any other cause.

AUXILIARY AIDS AND SERVICES: “As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.”

REHABILITATION WORK

Rent Adjustment Commission Regulations • Section 250.00
• Effective November 20, 1989 • Amended July 9, 2009;
March 7, 2024

Rent Adjustment Commission Regulations & Guidelines

250.00 REHABILITATION WORK

- 250.01 Rehabilitation work is defined for the purposes of this Regulation as any work done on or in a rental unit, or common area of a property containing a rental unit, to comply with an order issued by the Los Angeles Housing Department (LAHD), the Los Angeles Department of Building and Safety (LADBS), the Los Angeles County Health Department, or the Los Angeles Fire Department as a result of changes in the building, fire or health codes enforced by these agencies since January 1, 1979, or to repair damage resulting from natural disasters such as a fire or an earthquake. (LAMC 151.02).
- 250.02 A landlord may apply for an adjustment in rent pursuant to this Regulation for rehabilitation work completed in a rental unit or in the common area of a property containing a rental unit (LAMC 151.07.1.b)
- 250.03 Rent adjustments implemented pursuant to this Regulation constitute a temporary surcharge, which expires in accordance with the provisions set forth in this Regulation. Rent adjustments approved in accordance with this Regulation do not constitute a component of the Maximum Adjusted Rent, as defined in LAMC 151.02, for a rental unit, for calculation of annual automatic rent increases under the Rent Stabilization Ordinance (RSO) in accordance with LAMC 151.06.D.
- 250.04 Any improvement made to a rental unit or rental property which was not mandated by an order resulting from changes in the applicable building, fire or health codes, or natural disasters such as a fire or an earthquake, is not eligible for rent adjustments pursuant to this Regulation.
- 250.05 The Rent Adjustment Commission (RAC) promulgates this Regulation to specify procedures for processing applications for rent adjustment for rehabilitation work, appeals of LAHD determinations and procedures for termination of rent adjustments where there is a complete failure of the rehabilitation work (LAMC Section 151.07 (b)).

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250.06 A landlord may only impose a rent increase for an application submitted pursuant to this Regulation upon LAHD's approval of the application.

251.00 RENT ADJUSTMENTS FOR REHABILITATION WORK

251.01 Temporary surcharges for rehabilitation work may not exceed 1/60th of the per unit rehabilitation cost and shall not be imposed for more than five years unless otherwise provided in this Regulation (LAMC 151.07.1.b).

251.02 Temporary surcharges for rehabilitation work may not exceed \$75.00 per month or 10% of the Maximum Adjusted Rent, as the term is defined in LAMC 151.02, whichever is less, unless otherwise mutually agreed upon in writing by a landlord and a tenant (LAMC 151.07.1.b).

251.03 If the average per unit rehabilitation cost exceeds the lesser of \$75 or 10% of the Maximum Adjusted Rent, the landlord may extend the period of imposition of the temporary surcharge period of five years until the allowable rehabilitation expenses are recovered.

251.04 If the landlord received a loan made with public funds to perform the rehabilitation work, and the loan provides for deferment of the loan repayment, the temporary surcharge shall also be deferred for the same amount of time. (LAMC 151.07.1.b)

251.05 If the landlord obtained any loan to perform the rehabilitation work, the landlord shall only be entitled to a temporary monthly rent increase amortized over the life of the loan calculated solely based on the loan's principal. (LAMC 151.07.1.b)

251.06 If the landlord receives compensation for any portion of the money spent on rehabilitation including, without limitation, insurance, court awarded damages, federal or state subsidies, cash rebates, and federal or state tax credits (other than tax deductions and depreciation), this compensation must be deducted from the cost of the work before amortizing the costs among the units.

A. In the event the compensation is received after the landlord receives approval for a rent increase and the compensation was not deducted at the time of the approval, the landlord must prorate and refund such compensation among the tenants for that portion of the rent increase covered by the compensation. (LAMC 151.02.B)

251.07 The temporary surcharge shall terminate upon LAHD's determination that the rehabilitation work has completely failed in accordance with Section 257.00 of this Regulation.

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- 251.08 If the work benefits one or more but not all of the units, LAHD shall only approve the temporary surcharge for the benefitting units. However, rehabilitation work in common areas or structural rehabilitation work which benefits all units in a building shall be equally apportioned to all units.
- 251.09 Units exempt from the RSO in a building subject to the RSO (e.g. units with LAHD approved luxury exemptions from the RSO) shall be included in determining the per unit rehabilitation cost.
- 251.10 A landlord may not impose an approved temporary surcharge on the tenant(s) of a unit if the tenancy commenced after completion of the rehabilitation work and the landlord lawfully set the initial rent for the unit at market rate in accordance with LAMC 151.06.
- 251.11 If a lease establishes the rent for a period of time, the landlord may not impose an approved temporary surcharge until the provisions of the lease which control the rent expire unless otherwise provided in the lease. The unit, however, must be included in calculating the per unit rehabilitation cost.
- 251.12 The LAMC and this Regulation do not require the landlord to obtain approval from tenants before performing rehabilitation work.
- 252.00 PROCEDURES FOR APPLYING FOR RENT ADJUSTMENTS FOR COMPLETED REHABILITATION WORK**
- 252.01 A landlord may only apply for a rent adjustment pursuant to this Regulation after completion of the rehabilitation work that is the subject of the application.
- 252.02 LAHD shall not approve any rent adjustments for rehabilitation work if the work was completed more than 12 months prior to the filing of the application for rent adjustment.
- A. Rehabilitation work is completed on the last date on which any physical work took place. For improvements which require a permit from LADBS, the date of completion certified by the LADBS inspector may be used as the date for determining the completion of work. The landlord bears the burden of proof in establishing the date of completion of work (LAMC 151.07.A.2.b).
- 252.03 A landlord shall apply for a rent adjustment pursuant to this Regulation on a form approved by LAHD which is submitted to LAHD on the address indicated therein.
- 252.04 The applicant shall enclose a \$25 filing fee with the application.

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- A. The filing fee does not constitute an eligible expense for the purpose of calculating the per unit rehabilitation cost.
- B. The fee shall not apply to the first application for the property made by a landlord within a calendar year (LAMC 151.07.A.2).

252.05 LAHD shall not approve a temporary surcharge pursuant to this Regulation until the landlord has registered the affected units with LAHD in accordance with the provisions of LAMC 151.05. The applicant shall attach to the application a photocopy of the applicable registration certificate issued by LAHD.

252.06 The applicant shall include photocopies of all information and documents relevant to LAHD's review of the application, including any government orders requiring the rehabilitation work. The landlord shall also attach photocopies of all invoices, bids, building permits, financial inspection records, financial documents, applicable loan documents, and cancelled checks. The landlord may also include contractor estimates and cost comparisons submitted by various vendors on equipment and supplies. Bids, estimates, and invoices must be broken down to show each item of work to be done, and where applicable, the unit or common area in which the work is to be completed. LAHD shall not accept composite bids which fail to conform to this subsection. LAHD shall not return materials attached to the application. LAHD may request presentation of the original document from which a photocopy is made. The landlord may submit photographs of the property and the rehabilitation work to assist LAHD in processing the landlord's application.

252.07 Labor costs must be calculated on the basis of actual costs of contractors or hired laborers. Cancelled checks, receipts, social security payments, and W-2 forms are among the types of evidence which shall be required to substantiate labor costs.

- A. If the landlord, the landlord's family member or the landlord's agent or employee provides the labor for work which requires a permit under the LAMC, the labor costs are not allowable unless the person contracted to perform the work is a state licensed contractor for the type of work performed. Proof of state licensing must be included in the application. In addition, the landlord must submit a minimum of two estimates of bids by non-related licensed contractors specifying both material and labor costs. Labor costs on these bids must be identified by the type of labor performed, the number of hours to perform the work, and the rate paid for the work. Documented time cards must be submitted for all work performed by the landlord, family member, agent or employee.
- B. If the landlord, the landlord's family member or the landlord's agent or employee provides the labor for work which does not require a permit under the LAMC, the labor costs are allowable if documented time cards are submitted

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for all work performed by the landlord, family member, agent or employee. Documented time cards must specify the number of hours spent on each task and identify the specific building on which the work was performed. In addition, for work costing over \$200.00, the landlord must submit a minimum of two estimates or bids by non-related contractors specifying both material and labor costs.

- C. Documented time cards refer to the records of an employee which list the date worked, hours worked, the job performed and the rate of pay. All documented time cards must be signed by the employer.

- 252.08 The eligibility of any particular improvement included in the landlord's application for a rent increase based on rehabilitation work shall be determined by LAHD.
- 252.09 For rehabilitation work which requires a permit from LADBS, the landlord must submit a photocopy of the necessary permit(s) and final inspection record card with the rent adjustment application.
- 252.10 All applications shall be accompanied by a declaration stating that the information submitted in the application is true and correct (LAMC 151.07.A.2.a).
- 252.11 In completing the application, the landlord must indicate the date each improvement was begun and the date each improvement was completed.
- 253.00 LAHD PROCEDURES FOR PROCESSING OF RENT ADJUSTMENT APPLICATIONS FOR REHABILITATION WORK**
- 253.01 LAHD shall review the documents submitted to determine if the landlord's application conforms to the requirements set forth in this Regulation.
- 253.02 LAHD shall return by mail to the landlord any application which lacks required documents, contains major errors in calculations, and pertains to rehabilitation work completed more than 12 months prior to the filing of the application or for work otherwise ineligible for rent adjustment pursuant to this Regulation. LAHD shall include a statement which explains the reason LAHD did not accept the application.
- 253.03 If LAHD returns an application for error or missing documents, the landlord may re-submit the application after correcting the error or obtaining the necessary documents. If the landlord resubmits the application within 60 days of the date on which LAHD returned the initial application by mail, LAHD shall use the date of the filing of the initial application for processing the application in accordance with this Regulation.

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- 253.04 Where LAHD initially accepts an application but subsequently determines that the landlord made errors in calculation or submitted incomplete documentation, LAHD may suspend the application process for a 30 day period (or longer with the consent of the applicant) to allow the landlord to submit the requested information and documentation. The 30-day period shall commence on the date LAHD mails the notification to the landlord requesting additional information, documentation, or calculation.
- 253.05 Unless otherwise provided in this Regulation, LAHD shall issue a determination on an application for rehabilitation work within 45 days of the date the landlord filed the application. LAHD shall notify the applicant and tenant by mail. (LAMC 151.07.A.2.C)
- 253.06 The 45-day processing requirement set forth in Subsection 253.05 shall not apply to the suspension period set forth in Subsection 253.04. If the landlord fails to submit the information or documentation requested pursuant to Subsection 253.04, LAHD shall make a determination based on the documentation and application already submitted by the applicant.
- 253.07 LAHD shall notify each tenant listed in the landlord's application that the landlord has requested approval of a rent increase for completed rehabilitation work. The notification will include a work description of the rehabilitation work, the cost, and the proposed rent increase.
- 253.08 LAHD shall notify tenant(s) that they have 10 days from the date of mailing of LAHD's notification to object to the rent increase requested by the landlord (LAMC 151.07.A.2.b). Tenants may not object merely based on their objection to a rent increase. Examples of possible basis for objection include the following: the landlord is attempting to add a rent increase in conflict with this Regulation; the rehabilitation work was not actually completed; the work was completed more than 12 months prior to the date of the application.
- 253.09 LAHD shall make a final determination regarding the application based on the information and documentation provided by the landlord and the tenant(s).
- 253.10 LAHD may consider industry standards and pricing in reviewing documents submitted in the application.
- 253.11 LAHD may contact the landlord, tenant(s), and contractors and vendors listed the submitted documentation in processing the application.
- 253.12 LAHD may approve, disapprove, or modify the landlord's request for rent adjustment.

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- 253.13 LAHD may not approve a rent increase greater than the amount requested by the landlord.
- 253.14 LAHD may approve a smaller rent increase than the amount requested by the landlord based on minor mathematical errors in the application, lack of eligibility of a portion of the completed rehabilitation work or errors in allocation of cost to various units.
- 253.15 LAHD may modify or deny the requested rent adjustment if it determines that the landlord, without LAHD approval, increased the rent to reflect the cost of the rehabilitation work for which the landlord submitted the application.
- 253.16 Upon LAHD's approval of a rent adjustment application, the landlord may impose the temporary surcharge upon satisfaction of statutory notice requirements set forth under state law regardless of the filing of a request for a hearing.
- 253.17 Upon receipt of LAHD's approval of a rent adjustment for rehabilitation work, the landlord must give each affected tenant a notice stating:
- A. The amount of the monthly rent increase;
 - B. The effective date of the commencement of the rent increase;
 - C. The duration of the rent increase and the date of termination of the rent increase.

254.00 PROCEDURES FOR APPEAL OF LAHD DETERMINATION

- 254.01 The landlord and/or the tenant may appeal LAHD's determination by filing a "Request for Hearing" form along with the filing fee of \$35 within 15 days of the date of the mailing of LAHD's determination. (LAMC 151.07.A.3.a)
- 254.02 Appellant(s) who qualify for a waiver of the filing fee based on their income may file a fee exemption form with the "Request for Hearing" in lieu of the filing fee within 15 days of the date of mailing of LAHD's determination (LAMC 151.14.C).
- 254.03 Appellant(s) shall file their appeal in a timely manner in person or by mailing the appeal to the address listed on the "Request for Hearing" form. If mailed, the appeal shall be considered filed on the date postmarked.
- 254.04 Parties may appeal LAHD's determination if they believe that (a) LAHD committed error because its determination does not conform to the requirements and provisions of this Regulation; or (b) LAHD abused its discretion in its determination; or (c) there is new relevant information which was not submitted to LAHD at the time of the initial determination due to mistake, surprise, inadvertence, or excusable

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neglect, and this information would have affected LAHD's determination if it had been earlier submitted. (LAMC 151.07.A.3.b)

254.05 The "Request for Hearing" form must state the reason(s) for the appeal.

255.00 HEARING PROCEDURES

255.01 Upon LAHD's receipt of an appeal of its determination that conforms to the requirements set forth in Section 254.00, LAHD shall hold a hearing before a hearing officer designated by LAHD within 30 days of the receipt of the appeal form (LAMC 151.07.A.3.c).

255.02 LAHD shall notify by mail the landlord and affected tenants of the time and place of the hearing at least 10 days prior to the hearing. (151.07.A.3.c)

255.03 The hearing officer shall exercise all power related to the conduct of a hearing. The hearing officer shall have the discretion to grant a continuance of the hearing upon a showing of good cause. The hearing officer has the power to administer oaths and affirmations during the hearing. The hearing officer shall require the maintenance of order in the hearing room, may order the exclusion of witnesses, may expel anyone who disturbs the hearing, and may secure the aid of the Los Angeles Police Department for these purposes.

255.04 LAHD staff, the landlord, tenant(s) and their agents may present oral, photographic, or documentary evidence that is relevant to the case for consideration by the hearing officer (LAMC 151.07.A.3.d).

255.05 Appellant(s) shall have the burden of proof and shall present relevant evidence and specific facts to support their appeal.

255.06 LAHD shall audio-record the hearings.

255.07 After consideration of all relevant evidence and arguments, the hearing officer shall make a determination upholding, reversing, or modifying LAHD's determination within 45 days of the deadline for filing a request for a hearing. (LAMC 151.07.A.3.f)

255.08 If the hearing officer reverses or modifies LAHD's determination, the hearing officer shall specifically set forth the reasons for the reversal or modification. (LAMC 151.07.A.3.e)

255.09 The hearing officer may revise or deny a rent increase if the hearing officer determines that the rent on an affected unit was already increased without LAHD ap-

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proval to reflect the cost of the rehabilitation work prior to LAHD's approval of a rent adjustment for completed rehabilitation work.

255.10 LAHD shall mail copies of the hearing officer's determination to the applicant and all affected tenants. (LAMC 151.07.A.3.f)

256.00 PROCEDURES SUBSEQUENT TO HEARING OFFICER'S DETERMINATION

256.01 If the hearing officer approved an increase in rent, the landlord may impose the increase upon compliance with statutory notice requirements set forth under state law.

256.02 If the hearing officer reversed a rent increase previously approved by LAHD, the landlord shall cease collecting the rent increase and must refund any previously collected increase or credit the amount already collected against the next rent payment due by the affected tenant(s).

256.03 If the hearing officer reduced a rent increase previously approved by LAHD, the landlord shall cease collecting the amount of the rent increase in excess of the hearing officer's determination; the landlord shall also refund all excess rent increase collected and credit the amount against the next rent payment due by the affected tenant(s).

256.04 The hearing officer's determination is the final administrative decision except as provided in accordance with LAMC 151.14.D.

257.00 COMPLETE FAILURE OF AN APPROVED RENT ADJUSTMENT FOR COMPLETED REHABILITATION WORK

257.01 Any rent increase approved by LAHD shall terminate upon LAHD's determination that there has been a complete failure of the rehabilitation work.

257.02 LAHD may find that there is complete failure of the rehabilitation work if:

- A. The entire improvement is no longer operational or does not provide the intended service or benefit for which it was designed;
- B. A component of the rehabilitation work is no longer operational and the costs of the failed component can be distinguished from the entire approved rehabilitation work;
- C. The rehabilitation work is no longer functional because of the malfunction of another component in a larger building system which was not the subject of the application for rehabilitation work.

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- 257.03 If a tenant in a unit subject to a rent increase pursuant to this Regulation believes that the rehabilitation work has completely failed within five (5) years of the approval of the rent increase, the tenant may apply for a rent reduction on a form provided by LAHD.
- 257.04 Prior to filing the application for a rent reduction, the tenant shall notify the landlord in writing of the failure of the rehabilitation work and provide the landlord with reasonable time to correct the alleged failure.
- 257.05 If the landlord fails to comply with the tenant's request, the tenant may file the rent reduction claim with LAHD; the tenant shall include a copy of the written notification to the landlord pursuant to Section 257.03.
- 257.06 The tenant shall have the burden of proof of proving the complete failure of the rehabilitation work.
- 257.07 The tenant shall include relevant evidence to substantiate the claim of total failure with the application for rent reduction.
- 257.08 Within 10 days of receipt of the tenant's rent reduction claim, LAHD shall notify, by mail, the landlord, and the tenants of the rental units which received an increase in rent due to the rehabilitation work which is alleged to have completely failed, of the rent reduction claim.
- 257.09 The landlord and the tenants of the other affected units shall have 10 days from the date of LAHD's mailing of its notification to provide any written replies or relevant evidence in response to the alleged complete failure of the rehabilitation work.
- 257.10 After consideration of all relevant evidence submitted by the claimant, the landlord and other affected tenant(s), LAHD shall make a determination as to whether there is sufficient evidence of a complete failure of the approved rehabilitation work and the date when the rehabilitation work completely failed.
- 257.11 The landlord's failure to correct an improvement, within 30 days of the tenant's notification of its failure pursuant to Section 257.03, constitutes a rebuttable presumption of the complete failure of the improvement.
- 257.12 Upon determination of complete failure of the improvement, and the date of its failure, LAHD shall order the landlord to reduce the monthly rent by the amount of monthly rent increase attributable to the failed improvement pursuant to LAHD's approval of a rent increase for rehabilitation work in accordance with this Regulation. LAHD shall further order the landlord to decrease the monthly rent of all af-

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270.00 SEISMIC REHABILITATION WORK REGULATIONS

271.01 DEFINITIONS:

- a. Seismic work is defined in the Ordinance as “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.”
- b. The word “City” used in these regulations shall refer to the City of Los Angeles.
- c. The word “Department” used in these regulations shall refer to that City Department designated in Section 151.02 of the Los Angeles Municipal Code.
- d. The words “hearing officers” used in these regulations shall refer to those hearing officers designated in Section 151.07 of the Los Angeles Municipal Code.
- e. The word “Commission” used in these regulations shall refer to the Rent Adjustment Commission designated in Section 151.02, 151.07, and 151.08 of the Los Angeles Municipal Code.
- f. The Maximum Adjusted Rent as defined in the Ordinance is: “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

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promulgated by the Commission pursuant to Section 151.08 of this Chapter or imposed pursuant to Section 151.06.5 of this Chapter; 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 such rent increase was approved by the Department on or after January 1, 1981 and such 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.” (LAMC 151.02)

- g. The Maximum Rent as defined in the Ordinance is: “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 in effect between October 1, 1978 and March 31, 1979. If a rental unit was not rented during this period, then it shall be rent legally in effect at the time the rental unit was or is first rented after the effective date of this Chapter.” (LAMC 151.02)
- h. A rent increase as defined in the Ordinance is: “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’.” (LAMC 151.02)
- i. The phrase “temporary rent increase” as used in these regulations is an increase permitted by the Ordinance which must be terminated when certain conditions are met; for example, smoke detectors when the full cost of purchase and installation has been recovered.
- j. The phrase “permanent rent increase” as used in these regulations is an increase permitted by the Ordinance which continues indefinitely.
- k. The phrase “work begun” as used in these regulations refers to that date on which the first physical work is done in a unit or common area for which a rent increase application is made. A landlord may be required to furnish proof of the date work was begun on each and every improvement listed in a landlord’s seismic rehabilitation work application.
- l. The words “approved by the Department” and any other equivalent phrase used in these regulations shall refer to notification by the Department by letter, form, or other document that a landlord’s application for a seismic rehabilitation work rent increase has been approved. The effective date of approval shall be that date typed, stamped, or written on the approval notice. If an approval notice carries no date, the effective date shall be the date postmarked on the envelope in which the approval notice was mailed. In the absence of a date on either the notice and/or the

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envelope in which the notice was mailed, the approval date shall be the date indicated in the records of the Department showing that an application was approved.

- m. The phrase “completion of work” as used in LAMC 151.08 A2 and in these regulations, or other equivalent words in the Ordinance or these regulations, shall refer to the last date on which any physical work took place. For improvements which require a permit from the Building and Safety Department, the date of completion certified by the Building and Safety inspector shall serve as an acceptable date for determining the completion of work. The burden of proof shall be on the landlord to establish the date of the completion of work.(LAMC 151.07 A2b)
- n. The term “Documented time cards” shall refer to the records of an employee which list the date worked, hours worked, the job performed, and the rate of pay. All documented time cards must be signed by the employee.
- o. All other words and phrases not defined herein shall be construed as defined in Sections 12.03 and 151.00 et seq. of the Los Angeles Municipal Code.

271.02 No approval can be given prior to completion of work. This includes restoring each unit to a complete and habitable condition.

271.03 The eligibility of any particular improvement included in the landlord=s application for a rent increase based on seismic work will be determined by the Department. (LAMC 151.07 A1)

271.04 If seismic work has already been the basis of a rent increase under the City=s Rent Moratorium Ordinance or it is has been subject to an automatic increase (e.g., smoke detectors), it may not be the basis for an additional rent increase under the Rent Stabilization provisions. (LAMC 151.07 A1b)

271.05 Labor costs must be calculated on the basis of actual costs of contractors or hired laborers. Cancelled checks, receipts, social security payments, and W-2 forms are among the types of evidence that will be required to substantiate labor costs.

271.06 a. If labor for work which requires a permit under the LAMC is provided by the landlord, the landlord=s family member, or landlord=s agent or employee, such labor costs are not allowable unless the person contracting to perform the work is a state licensed contractor for the type of work performed. Proof of state licensing must be included in the application. In addition, the landlord must submit a minimum of two estimates or bids by non-related licensed contractors specifying both material and labor costs. Labor costs on these bids must be identified by the type of labor performed, the number

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of hours to perform the work, and the rate paid for the work.

Documented time cards must be submitted for all work performed by the landlord, family member, agent, or employee.

- b. If labor for work does not require a permit under the LAMC, nor the services of a state licensed contractor, is provided by the landlord, the landlord's family member, agent or employee, such labor cost are allowable if documented time cards are submitted for all work performed by the landlord, family member, agent or employee. Documented time cards must specify the number of hours spent on each task and identify the specific building on which the work was performed. In addition, for work costing over \$200.00, the landlord must submit a minimum of two estimates or bids by non-related contractors specifying both material and labor costs.

- 271.07 Actual interest and finance costs for money borrowed to pay for seismic work is eligible as a cost to be included in calculating the rent increase. The interest expense can only be for the minimum period of time necessary to completely amortize the loan within the monthly increase provisions contained in RAC 272.01. In addition, the interest rate and other finance costs included must be consistent with prevailing rates and costs for similar type loans at the time the loan is made.
- 271.08 Where a landlord is eligible for compensation for any portion of the money spent on seismic rehabilitation including, without limitation, insurance, court-awarded damages, federal or state subsidies, cash rebates, and federal or state tax credits (other than tax deductions and depreciation), this compensation must be deducted from the cost for the work before amortizing the costs among the units. (LAMC 151.02B)
- 271.09 In the event that the compensation described in RAC regulation 271.08 above is received after the landlord receives approval for a rent increase, and such compensation was not deducted at the time of the approval, the landlord must prorate and refund such compensation among the tenants for that portion of the rent increase covered by this compensation. (LAMC 151.02 B)
- 271.10 The Ordinance does not require the landlord to obtain approval by the tenants before performing seismic work.
- 271.11 Any portion of the seismic work paid for with public funds is not an eligible cost unless the landlord is obligated to repay the public funds within one year of the completion of the work.

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- 272.00 COMPUTING THE SEISMIC REHABILITATION WORK RENT INCREASE FOR EACH INDIVIDUAL RENTAL UNIT
- 272.01 The landlord is entitled to a monthly increase of 1/60th of the average per unit cost of seismic work not to exceed \$75 per month. The monthly increase shall continue until the landlord has recovered all eligible costs of the seismic work.
- 272.02 Units which are exempt from rent stabilization (because they are luxury units, they are occupied by the owner or by members of the owner=s immediate family, etc.), must be included in determining the proportionate cost to be distributed to the units. For example, if 8 units in a 10-unit building are registered and subject to the Ordinance, any seismic rehabilitation rent increase for the roof would have to be divided by 10, not 8, in determining the average rent increase. (LAMC 151.07 A)
- 272.03 If a rental unit has become decontrolled and re-rented at an open-market rate after the completion of the seismic work listed in the landlord=s application, no rent increase will be allowed on that unit. (LAMC 151.05 C, 151.06 C1, 151.09 A)
- 272.04 Where a lease exists which establishes the rent for a period of time, no rent increase based on seismic work can be given to such a tenant until the lease expires unless the lease provides otherwise. However, such a unit must be included in calculating the proportionate cost as in the case of other exempt units. That portion of the seismic work cost attributable to units where the rent cannot be raised may not be allocated to other tenants. (LAMC 151.02 A)
- 272.05 In completing the application, the landlord must indicate the date each improvement was begun and the date each improvement was completed.
- 273.00 PROCEDURES TO BE FOLLOWED BY LANDLORDS IN APPLYING TO THE DEPARTMENT FOR A SEISMIC REHABILITATION WORK RENT INCREASE
- 273.01 Before a landlord may submit an application for a seismic rehabilitation work rent increase, all work which will be the basis of the application must have been completed, including work necessary to restore the unit(s) to a habitable condition. (LAMC 151.07 A1b)
- 273.02 An application must be made to the Department within 12 months of the completion of the work. (LAMC 151.07 A2c)
- 273.03 The landlord may obtain written permission by completing an application on a form approved by the Department and mailing it to the City at the address listed on the applica-

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tion. (LAMC 151.07 A2a)

- 273.04 An application for seismic rehabilitation work rent adjustment shall be accompanied by a \$25.00 filing fee. The landlord shall not recover this filing fee from the 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. (LAMC 151.07 A2a)
- 273.05 In no event will authorization for a rent increase be given until the landlord has registered the units as required by law. The landlord must attach to the application a photocopy of the landlord=s Registration Certificate issued by the City or a photocopy of the cancelled check or a receipt from the City showing that the registration fee required by LAMC Section 151.05 A has been paid.
- 273.06 Photocopies of all pertinent information possessed by the landlord, including the order by the Department of Building and Safety requiring the seismic work, must be attached to the landlord=s application. In addition, the landlord must attach photocopies of all invoices, bids, building permits, financial inspection records, financial documents, cancelled checks and any other relevant papers. These might include, but are not limited to, for example, estimates of costs by various contractors contacted by the landlord, bids by competing contractors, and cost comparisons submitted by various vendors on equipment and supplies used in the work. Bids, estimates, and invoices must be broken down to show each item of work to be done, and where appropriate, to each rental unit, as well as for the common areas. Composite bids, etc., which fail to detail the specific work requested in the application will not be accepted. Materials attached to the application will not be accepted. Materials attached to the application will not be returned to the landlord. Where a photocopy is submitted, the landlord must, upon request by the Department, show to the Department or a hearing officer the original document from which the photocopy was made. The landlord may submit photographs, if such exist, of the property and the seismic rehabilitation work that would assist the Department in expediting the landlord=s application.
- 273.07 The landlord may not collect any rent increase based on seismic rehabilitation work until such time as the Department approves the landlord=s application. (LAMC 151.07)
- 273.08 Seismic rehabilitation work which requires a permit from the Department of Building and Safety, the landlord must submit a photocopy of the necessary permit(s) and final inspection record card with the rent increase application.
- 274.00 PROCEDURES THAT WILL BE USED BY THE DEPARTMENT IN PROCESSING SEISMIC REHABILITATION WORK APPLICATIONS
- 274.01 The Department staff officer handling the application will review the documents submit-

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ted by the landlord to determine if the landlord=s request for a rent increase meets all the requirements of the Ordinance and the Commission=s regulations.

- 274.02 In the event that a landlord=s application lacks the required documents, or there are major errors in the mathematical computations showing the individual rent increases, or there is clear evidence that the increase requested by the landlord is not eligible under the Ordinance, or an improvement was completed more than 12 months before the application is submitted, the application will be returned to the landlord with an explanation as to why the application cannot be accepted. (LAMC 151.14A)
- 274.03 If a landlord=s application is returned by the Department because of an error or missing documents, the landlord may re-submit the application after correcting or obtaining the necessary documents. (LAMC 151.14 A) For purpose of meeting the time limit stated in RAC regulation 273.02, the Department will use the date on which the initial application was submitted, provided that a revised application is submitted in 60 days.
- 274.04 Unless suspended as specified below, a decision will be made allowing or disallowing the landlord=s request within 45 days from date of receipt of the landlord=s application by the Department. (LAMC 151.07 A2c)
- 274.05 Where the Department initially accepts the application but later finds mathematical errors or incomplete documentation, the application may be suspended for a 30-day period (or longer with the landlord=s consent) commencing upon the date of mailing the notification tot he landlord of the documentation and/or the information needed.
- 274.06 The suspended time is not part of the Department=s 45-day review period. If at the end of the suspension period the requested information has not been supplied, a determination shall be made on the basis of the documentation and information already supplied.
- 274.07 The Department will notify each tenant listed in the landlord=s application that the landlord has requested approval to add a rent increase based on seismic rehabilitation work. This notification will include a work description of the seismic work, the cost, and the proposed rent increase. (LAMC 151.07 A2b)
- 274.08 The tenants will be notified by the Department that they have 10 days from the date of mailing of such notification to object to the rent increase requested by the landlord. (LAMC 151.07 A2b) These objections cannot be made on frivolous grounds or on the basis that the tenants do not want the seismic rehabilitation work. Examples of legitimate objections are: the landlord is attempting to add a rent increase on a unit where the rent cannot be legally raised (see RAC regulations 272.03 and 272.04 above), or the tenant has grounds to believe that the seismic rehabilitation work claimed by the landlord was not actually completed (LAMC 151.07 A2b), or that the 12-month time period for completion

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of the seismic rehabilitation work has expired and the landlord is no longer eligible to apply for an increase in the rent. (LAMC 151.07 A2c)

- 274.09 The information provided by the landlord, statements by tenants, and information received from any of the above sources will be used by the Department in determining whether or not to approve the landlord=s application. (LAMC 151.07 A2a)
- 274.10 The documents submitted by the landlord will be examined for accuracy and conformity with industry norms for the type of work involved or for the prices of equipment purchased by the landlord. If such prices are significantly higher than market prices and industry standards, the staff member has the authority to disapprove the requested rent increase.
- 274.11 Written tenant responses which have a bearing on the Department=s decision, will become part of the public record. All other responses will be sealed and will not be available to other parties.
- 274.12 The Department staff member handling the application may contact the landlord, the tenants, or any of the contractors or vendors shown on the documents submitted by the landlord.
- 274.13 The decision will be to approve, disapprove, or modify the landlord=s request, consistent with the following:
- a. The Department CANNOT approve a rent increase GREATER than the amount the landlord requested;
 - b. The Department CAN approve a rent increase that is LOWER than the amount the landlord requested due to conditions such as minor mathematical errors in the application, only some of the work being eligible as seismic rehabilitation work, a difference apportioning the cost among the affected apartments;
 - c. A rent increase on a unit may be modified or denied if the Department determines that the rent on that unit has been illegally increased to reflect the cost of the seismic rehabilitation work for which the rent increase application is submitted. (LAMC 151.07 A1b)
- 274.14 The landlord and the tenants will be notified by mail immediately after the determination is made. (LAMC 151.07 A2c)
- 274.15 Upon approval by the Department, the seismic rehabilitation work rent increase can go into effect after compliance with statutory notice requirements regardless of the filing of a request for a hearing. (LAMC 151.07 A3b)

Rent Adjustment Commission Regulations & Guidelines

- 275.00 NOTICE AND RECORD KEEPING REQUIREMENTS
- 275.01 After receipt of the Department's approval of a seismic rehabilitation work rent increase, the landlord must give each tenant a notice stating the following information before a rent increase can be effective:
- a. The amount of the monthly rent increase;
 - b. The effective date of the commencement of the rent increase;
 - c. The duration of the rent increase, the date when the rent increase must terminate;
 - d. That the amount of higher rent now demanded is part of the maximum adjusted rent (and thus subject to the annual automatic increase).
- 275.02 A copy of this notice must be retained by the landlord as a permanent part of the rental record of the unit. (LAMC 151.05c)
- 276.00 PROCEDURES TO BE FOLLOWED BY THE LANDLORDS OR TENANTS WHO OBJECT TO THE DEPARTMENTAL DETERMINATION OF A SEISMIC REHABILITATION WORK APPLICATION
- 276.01 Either the landlord or tenant, possibly both, may object to the decision of the Department by filing a "Request for Hearing" form. They have a right to request a public hearing by a hearing officer if they believe that a) the Department committed an error by failing to apply the regulations properly, b) the Department's determination was an abuse of discretion because it was arbitrary or capricious, or, c) there is new evidence to be presented to the hearing officer which would warrant a decision different from that made by the Department. (LAMC 151.07 A3b)
- 276.02 If a completed "Request for Hearing" form along with the filing fee or the "Fee Exemption" form is received by the Department within 15 days after the date of mailing of the original determination, a hearing will be set by the Department. (LAMC 151.07 A3a)
- 276.03 The "Request for Hearing" form must state the reason or reasons why the hearing is being requested.
- 276.04 There is a \$35 fee for filing a "Request for Hearing" form. The completed application form and a check or money order payable to "The City of Los Angeles" may be mailed to the address listed on the application. Cash should not be mailed. Low income tenants and landlords can apply for an exemption from the \$35 filing fee by filing a completed "Fee Exemption" form which can be obtained from the department. (LAMC 151.14c)

SEISMIC REHABILITATION WORK REGULATIONS

Rent Adjustment Commission Regulations & Guidelines

- 277.00 PROCEDURES FOR THE HEARING
- 277.01 The hearing will be set for a date no later than 30 days after the application for the hearing is received. (LAMC 151.07 A3c)
- 277.02 At least ten days before the hearing, the landlord and the tenants will be notified of the time and place of the hearing. (LAMC 151.07 A3c)
- 277.03 The hearing will be conducted by a hearing officer designated by the Department. Both landlords and tenants may submit documents, testimony, written declarations or other evidence, all of which shall be submitted under oath. If at the hearing the landlord presents documents or information not previously given to the staff for their review or fails to present requested information, the hearing may be continued up to 30 days to provide staff sufficient time to examine the documents and/or information or for the documents to be provided. Any continuation must be within the limits imposed for final action on the appeal unless a waiver of time limits is given by the appellant. The hearing officer should give such material or information consideration in accordance with the circumstance afforded for its verification and/or examination and comments by affected parties. (LAMC 151.07 A3d)
- 277.04 The hearing officer shall, within 45 days after termination of the time for requesting a hearing, make a determination upholding, reversing, or modifying the determination of the Department. The landlord and tenants shall be notified by mail of the findings and determination of the hearing officer. (LAMC 151.07 A3e, f)
- 277.05 If the hearing officer's determination is to reverse or modify the original Department determination, the hearing officer shall specifically set forth the reason for such reversal or modification. For example, if evidence is presented that the invoices submitted by the landlord exceed normal industry costs, the hearing officer may disallow or reduce costs which the landlord has claimed, or conversely, the hearing officer may reinstate costs the Department originally disallowed in the initial determination. The maximum rent increase the hearing officer can approve cannot exceed the original amount requested by the landlord. (LAMC 151.07 A3e)
- 277.06 A rent increase on a unit may be revised or denied if the hearing officer determines that the rent on that unit has been illegally increased to reflect the cost of the seismic rehabilitation work for which the rent increase application is submitted.
- 278.00 PROCEDURES AFTER APPROVAL OR DISAPPROVAL OF A SEISMIC REHABILITATION WORK APPLICATION HEARING

SEISMIC REHABILITATION WORK REGULATIONS

Rent Adjustment Commission Regulations & Guidelines

- 278.01 Upon approval by the hearing officer, the rent increase can go into effect after compliance with statutory notice requirements.
- 278.02 If the hearing officer reverses or modifies the original determination, the following conditions prevail:
- a. If the rent increase was disallowed by the Department and is now authorized, the rent increase may go into effect after compliance with statutory notice requirements.
 - b. If a rent increase has been authorized by the Department and this increase is disallowed by the hearing officer, the landlord shall cease collecting the rent increase and must refund to the tenants any previously collected increases, or credit this amount against the tenants' next rent payment.
 - c. If a rent increase has been authorized by the Department and the increase is reduced by the hearing officer, the landlord shall cease collecting any sums in excess of the amount allowed by the hearing officer and must refund all excess rent increases collected, if any, or credit the amount against the tenants' next rent payment. (LAMC 151.07 A3b)
- 278.03 There is no administrative appeal from the decision of the hearing officer in the case of a seismic rehabilitation work rent increase application, except as provided by LAMC 151.14D.

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ADJUSTMENT OF RENT FOR ADDITIONAL TENANTS

Rent Adjustment Commission (RAC) Regulations • Section
310.00 • Effective May 15, 1991 • Amended: July 17, 2008,
September 19, 2011

Rent Adjustment Commission Regulations & Guidelines

310.00 ADJUSTMENT OF RENT FOR ADDITIONAL TENANTS

310.01 A landlord may increase the rent when a new tenant moves in with existing tenants in accordance with the provisions of this regulation.

310.02 The landlord may increase the maximum rent or the maximum adjusted rent by an amount not to exceed 10% for each additional tenant if the additional tenant increases the number of tenants that existed at the inception of the tenancy of the current occupants except as follows:

- When the landlord had actual or constructive knowledge of the additional tenant for more than 60 days and failed to issue a rent increase. (LAMC 151.06G(a)(i))
- When the landlord had actual or constructive knowledge of the additional tenant's occupancy prior to July 15, 2011, and failed to notify the tenant of an increase no later than September 12, 2011. (LAMC 151.06G(a)(ii))

A change in ownership and/or the sale of the property does not create a new 60-day period to assess an additional tenant rent increase for existing tenants.

310.03 A new occupant does not become an additional tenant until he/she has maintained residence in the rental unit for at least 30 consecutive days. Persons who stay with the existing tenants for less than 30 consecutive days shall be considered guests. The provisions of this section do not authorize the landlord to increase the rent for guests. (LAMC 151.06G)

310.04 If the landlord has increased the rent for additional tenants and a tenant vacates the premises, the landlord shall reduce the rent pursuant to the provisions of this section.

Rent Adjustment Commission Regulations & Guidelines

In order to obtain a rent decrease, written notification from the tenant must be provided to the landlord stating by name, the additional tenant that will be vacating or has vacated the rental unit and the move-out date.

The landlord shall reduce the rent based on the amount of the prior increases for additional tenants plus annual adjustments authorized under the Rent Stabilization Ordinance (RSO). The reduction shall be effective on the rent due date for the following month, provided at least 30 days has elapsed from the service of the tenant's written notification to the landlord. There shall be no pro-rated, partial month reductions.

The reduction shall be based on the extent to which the remaining number of tenants exceeds the number of tenants at the inception of the tenancy of the original occupants of the current lease term. For example, if there were originally two tenants and the landlord increased the rent 20% because two additional tenants moved in, the landlord shall decrease the rent by 10% when one of the tenants moves out.

310.05 The landlord must notify the tenants in writing of an adjustment in the rent in accordance with California Civil Code Section 827.

310.06 The provisions of this regulation shall apply only to any additional tenant who first occupies a rental unit after December 8, 1990. (LAMC 151.06G)

310.07 If the landlord legally imposed a rent increase of up to 10% prior to December 8, 1990, for an additional tenant, the rent increase shall remain part of the allowable maximum adjusted rent. If a tenant vacates the unit and the landlord had imposed a rent increase for additional tenants under this section, the landlord shall reduce the rent pursuant to the provisions of section 310.04.

311.00 **Addition of Minor Dependent Children**

311.01 For the purposes of this regulation, a minor dependent child is a child under the age of 18 who is the natural, adopted or step child of an existing tenant of record, or a minor sibling or step-sibling of an existing tenant of record, or a child placed with an existing tenant of record for adoption, or a foster child placed with an existing tenant of record by an authorized placement agency or by order of the court.

311.02 The landlord may not increase the rent or maximum adjusted rent for an additional tenant if the additional tenant is the first minor dependent child of an existing tenant of record.

311.03 For purposes of this regulation, multiple births shall be considered as one child.

Rent Adjustment Commission Regulations & Guidelines

- 311.04 After the first minor dependent child (or children in the case of a multiple birth) added to an existing tenancy, a landlord may increase the rent or maximum adjusted rent for each additional child for an amount not to exceed 10% pursuant to the provisions of this regulation.
- 312.00 **Approval of Additional Tenant**
- 312.01 The landlord shall maintain the right to approve or disapprove a prospective adult tenant, provided that approval is not unreasonably withheld. (LAMC 151.09 A2b)
- 312.02 In approving an additional tenant, the landlord may apply commonly accepted standards for screening tenants including the tenant's rental history, ability to pay the monthly rent, creditworthiness and employment.
- 312.03 The landlord and the existing tenants may agree to enter into a revised rental agreement to include the additional tenant as a tenant of record. If the landlord does not enter into a revised rental agreement with the existing tenants and the additional tenants, the existing tenants shall be deemed responsible for payment of all rent due to the landlord, including the increased rent for the additional tenants.
- 312.04 The landlord may evict an occupant not approved by the landlord if the occupant is the sole person remaining in possession of the rental unit at the end of a lease term (LAMC 151.09.A.7), or the landlord may rent the unit to the occupant. The initial rent shall be set at any amount by the landlord.
- 312.05 Where there is a written lease agreement limiting occupancy, and an additional tenant moves into the unit, thereby exceeding the occupancy limit, the landlord may not evict the additional tenant in the following circumstances:
- the additional tenant is the first or second dependent child; or
 - the additional tenant is the sole additional adult tenant and the landlord has unreasonably withheld approval of the additional tenant. (LAMC 151.09.A.2.b)
- 312.06 A landlord shall not approve additional tenants in excess of the maximum number of occupants permissible for the unit under state law where such limits exist.

Rent Adjustment Commission Regulations & Guidelines

313.0 Replacement Tenants

- 313.01 When an original tenant of record vacates the rental unit, the tenant may be replaced without an increase in rent, provided the resulting total number of tenants does not exceed the number of tenants that existed at the inception of the tenancy. However, when all the original tenants have vacated the rental unit, the rent may be increased in accordance with LAMC 151.06C (vacancy de-control).
- 313.02 Adults and/or children may substitute for each other as replacement tenants. A child may be replaced with an adult tenant or vice versa.
- 313.03 Prior Section 311.00, which allows the addition of the first minor dependent child without an additional tenant rent increase shall be exercised only once per tenancy. If the first minor child added to the tenancy vacates the rental unit, the rent may be increased for any additional tenant in accordance with this regulation.

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SEASONAL RENT ADJUSTMENT (LAMC 151.08B)

Rent Adjustment Commission Regulations •
Section 330.00 • Effective November 17, 1982

Rent Adjustment Commission Regulations & Guidelines

- 330.00 SEASONAL RENT ADJUSTMENT (LAMC 151.08B)
- 330.01 Where a landlord can document, with rent receipts or similar rent records, that the rent on a unit has fluctuated seasonally at the same time each year for two or more consecutive years, the rent on that unit may be raised from an off-season rate to the legal maximum adjusted rent, as defined by LAMC 151.02H. This increase can be imposed only once during the year and must be in the same month as previous seasonal increases. In no case can the seasonal increase exceed the maximum adjusted rent for that unit. An increase pursuant to this regulation shall not constitute a rent increase under LAMC 151.06.
- 330.02 Where a landlord can document as above that a unit is a seasonal rental, and where the maximum legal rent for that unit under the Rent Moratorium Ordinance No. 151.415 was an off-season rent, then the base maximum rent under the Rent Stabilization Ordinance (LAMC 151.02 I), shall be the highest legal monthly rent which was in effect on that unit between June 1, 1977 and May 31, 1978. The landlord may apply this new maximum rent base to the unit with any legal adjustment, provided that there has been no increase on this unit since October 1, 1978, by reason of eviction or voluntary vacancy. An increase resulting from such an application of a new maximum rent base shall not constitute a rent increase under LAMC 151.06.

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CITY OF LOS ANGELES

SURCHARGE FOR SMOKE DETECTORS

Rent Adjustment Commission (RAC) Regulations • Section 340.00 • Effective November 17, 1982 • Amended November 20, 2008; March 7, 2024

Rent Adjustment Commission Regulations & Guidelines

- 340.00 SURCHARGE FOR SMOKE DETECTORS**
- 340.01** Rent adjustments implemented pursuant to this Regulation constitute a temporary surcharge which must be terminated once the full cost of the purchase and installation of smoke detectors have been recovered.
- 340.02** Alternatively, a landlord may recover the cost of purchase and installation of a smoke detector pursuant to the provisions of the Capital Improvement Program (Regulations 210.00 et. Seq.)
- 340.03** A landlord does not need to apply to the Los Angeles Housing Department to implement a temporary surcharge pursuant to the provisions of this Regulation.
- 341.00 AUTHORITY FOR REGULATION**
- 341.01** The Los Angeles Building Code requires smoke detectors within dwelling units, efficiency dwelling units or guest rooms (Los Angeles Municipal Code (LAMC) Sections 91.310.9.1 and 91.8603).
- 341.02** The Rent Stabilization Ordinance (RSO) provides for rent adjustment by a landlord who installs a smoke detector pursuant to the requirements of the Building Code (LAMC Section 151.06.1).
- 342.00 PERMITTED RENT ADJUSTMENTS**
- 343.01** A landlord may implement a temporary increase in the rent pursuant to this Regulation only if the landlord gives written notice to any affected tenants within two months after installation of the smoke detectors (LAMC Section 151.06.1.C).
- 343.02** The written notice must indicate the actual costs for purchase and installation of the smoke detectors and the month and year when these costs shall have been completely amortized (LAMC Section 151.06.1.C).
- 343.03** A landlord may temporarily increase the monthly rent by 50 cents (\$0.50) for each battery operated smoke detector installed in the rental unit, or three dollars (\$3.00) for

SURCHARGE FOR SMOKE DETECTORS

Rent Adjustment Commission Regulations & Guidelines

each permanently installed hard wired smoke detector in the rental unit (LAMC Section 151.06.1.A)

- 343.04** to comply with the Building Code’s smoke detector requirements in a rental unit subject to the RSO (LAMC Chapter XV), a landlord may install battery-operated smoke detectors only if the rental unit is a single family dwelling (LAMC Section 91.8603.2.1). A landlord must install hard-wired smoke detectors in all buildings that contain two or more dwelling units (LAMC Section 91.8603.2.2).
- 343.05** A landlord must obtain a permit from the Department of Building and Safety for Installation of a permanently installed hard-wired smoke detector (LAMC Section 91.106).
- 344.00** **ELIGIBLE COSTS**
- 344.01** A landlord may temporary increase the rent pursuant to Regulation 343.03 only until all of the eligible costs for the purchase and installation of a smoke detector have been recovered.
- 344.02** Eligible costs consist of the following:
- Total cost of a smoke detector, including the actual cost of the smoke detector as well as the cost of wiring, junction boxes, electrical moldings, required permit, and all other materials needed for the installation of the smoke detector;
 - Cost of the battery placed in the smoke detector at the time of installation;
 - Labor costs actually paid to independent contractors for installing the smoke detector;
 - Labor costs actually paid to independent contractors for any plastering or painting required as part of the installation of the smoke detector;
 - Actual cost of plaster or paint purchased for the specific purpose of installing the smoke detector.
- 344.03** Eligible costs shall not consist of any of the following:
- Tools and equipment purchased for the purpose of installing a smoke detector which have a continuing usefulness to the landlord following installation of the smoke detector;
 - Cost of replacement batteries;
 - Cost of replacement of a defective smoke detector;
 - Self-labor performed by the landlord, the landlord’s agent, the manager, any full-time employee of the landlord or any relative of the landlord.

SURCHARGE FOR SMOKE DETECTORS

Rent Adjustment Commission Regulations & Guidelines

345.00 DETERMINING COST RECOVERY TERMINATION DATE

346.01 A landlord shall determine the cost recovery termination date separately for each building in which the landlord installed a smoke detector.

346.02 A landlord shall determine the termination date for battery operated smoke detectors by dividing the total recoverable cost by the number of smoke detectors installed and then dividing by \$0.50.

346.03 A landlord shall determine the termination date for permanent hard-wired smoke detectors by dividing the total recoverable cost by the number of smoke detectors installed and then dividing by \$3.00.

346.04 In determining the number of months that a surcharge may continue, a landlord shall round off to the nearest whole number of months (less than .50 to the lower whole number; .50 or more to the next higher whole number).

346.05 Example determination of cost recovery termination date:

Cost of 50 permanently wired smoke detectors = \$ 500.00

Cost of Labor = \$ 1,650

Total eligible cost = \$ 2,150

Total eligible cost / number of smoke detectors = \$43.00 per smoke detector

Number of months for surcharge = 14.33 (\$43.00/\$3.00) which is rounded down to 14 months.

347.00 NOTIFICATION TO THE TENANTS

347.01 The landlord may implement a temporary increase in rent pursuant to this Regulation only if the landlord notifies the affected tenant(s) within two months after installation of the smoke detectors.

347.02 The notice shall provide the actual cost of purchase and installation of each smoke detector in the tenant's unit determined pursuant to this Regulation.

347.03 The notice shall also indicate the amount of the surcharge, the total number of months the surcharge will be in effect, the cost recovery termination date and how the surcharge and cost recovery termination date were calculated.

SURCHARGE FOR SMOKE DETECTORS

Rent Adjustment Commission Regulations & Guidelines

347.04 Example notification to tenants:

December 1, 2008

Dear Ms. Jones

Pursuant to Section 151.06.1 of the Los Angeles Municipal Code and Rent Adjustment Commission Regulation 340.00 et. Seq., this is to notify you that a temporary surcharge of \$3.00 shall be added to your rent to recover costs for installation of smoke detectors in your unit for the first time. This temporary surcharge will be charged for 14 months.

The costs were determined as follows:

Cost of 50 permanently wired smoke detectors = \$500.00

Cost of Labor = \$1,650

Total eligible cost = \$2,150

Total eligible cost / number of smoke detectors = \$43.00 per smoke detector

Number of months for surcharge = 14.33 (\$43.00/\$3.00) which is rounded down to 14 months.

The surcharge shall be effective January 1, 2009 and shall remain in effect until February 28, 2010.

347.05 Upon a tenant's request, the landlord shall provide copies of all documents showing costs and calculations for the temporary surcharge.

347.06 Tenants who believe that their landlord did not comply with this Regulation in implementing a temporary surcharge may file a complaint with the Los Angeles Housing Department's Rent Division at (866) 557-7368.

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LANDLORD NOTIFICATION OF TENANTS OF THE ANNUAL AUTOMATIC RENT INCREASE PERCENTAGE AND EFFECTIVE DATES FOR THIS INCREASE

Rent Adjustment Commission (RAC) Regulations • Section 360.00 • Effective January 1, 1986 • Amended November 3, 2011

Rent Adjustment Commission Regulations & Guidelines

360.00 LANDLORD NOTIFICATION OF TENANTS OF THE ANNUAL AUTOMATIC RENT INCREASE PERCENTAGE AND THE EFFECTIVE DATES FOR THIS INCREASE

361.01 DEFINITIONS

A. NOTIFICATION OF TENANTS OF THE PERCENTAGE INCREASE PERMITTED BY THE ANNUAL AUTOMATIC INCREASE AND THE EFFECTIVE DATES OF THIS INCREASE

Notification of tenants of the reason for any change in the Maximum Rent is contained in LAMC 151.05 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.”

B. MAXIMUM RENT

Maximum Rent is defined in LAMC 151.02: “The lowest 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 effective between October 1, 1978 and March 31, 1979.”

C. MAXIMUM ADJUSTED RENT

Maximum Adjusted Rent is defined in LAMC 151.02: “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 reduction 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:

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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.”

D. OBLIGATION TO PROVIDE TENANTS WITH A COPY OF THE ANNUAL REGISTRATION CERTIFICATE

The requirement for landlords to provide each tenant a copy of the annual registration certificate is contained in LAMC 151.05 A: “On and after July 1979, no landlord shall demand or accept 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.”

362.00 INCLUSION OF ANNUAL RENT INCREASE INFORMATION ON THE DEPARTMENT-ISSUED RENT REGISTRATION CERTIFICATE

362.01 Starting no later than January 1, 1987, the Department shall provide with the annual rent registration certificate given to landlords who register rental property subject to the Rent Stabilization Ordinance printed information that the landlord must provide to each tenant so that the tenant will be made aware of the annual automatic rent increase percentage authorized for that calendar year, and the effective dates for the increase.

362.02 As required by LAMC 151.05 A, no landlord shall demand or accept rent without first giving each tenant a copy of the rent registration certificate containing the printed explanation of the annual automatic rent increase supplied by the Department.

363.00 INCLUSION OF ANNUAL RENT INCREASE INFORMATION ON ANY ANNUAL AUTOMATIC RENT INCREASE NOTICE GIVEN BY A LANDLORD TO A TENANT

363.01 At the time the landlord gives a tenant the legal notice required by state law (California Civil Code § 827), of the annual automatic rent increase, the landlord must also provide the tenant, as required by LAMC 151.05 C, an explanation of the percentage increase and the effective dates of such an increase.

LANDLORD NOTIFICATION OF TENANTS OF THE ANNUAL AUTOMATIC RENT INCREASE PERCENTAGE AND EFFECTIVE DATES FOR THIS INCREASE

Rent Adjustment Commission Regulations & Guidelines

364.00 TEMPORARY RENT DISCOUNTS

- 364.01 Landlords may offer temporary rent discounts from the Maximum Adjusted Rent.
- 364.02 Provided that the landlord has provided proper notice of the Maximum Adjusted Rent, the granting of a temporary rent discount shall not affect the Maximum Adjusted Rent which the landlord may legally charge for the rental unit.
- 364.03 In order to avoid disputes upon restoration of the legal rent, landlords are strongly encouraged to provide written notification of the Maximum Adjusted Rent, the amount of the temporary rent discount, and the temporary rent discount period.
- 364.04 A landlord may cancel the temporary rent discount and restore the Maximum Adjusted Rent by providing a 30- or 60-day notice required by state law (California Civil Code § 827) dependent upon whether the change exceeds 10 percent, including the effective date of the restoration to the Maximum Adjusted Rent.
- 364.05 In order to apply an annual rent increase pursuant to Section 363.01, during a temporary rent discount period, the landlord must comply with the notice requirements of LAMC 151.05 C.

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PASSTHROUGH OF THE SYSTEMATIC CODE ENFORCEMENT FEE

Rent Adjustment Commission (RAC) Regulations • Section 370.00 •
Amended May 12, 2004, August 1, 2025

Rent Adjustment Commission Regulations & Guidelines

- 370.00 PASSTHROUGH OF THE SYSTEMATIC CODE ENFORCEMENT FEE**
- 370.01** For a rental unit for which the annual Systematic Code Enforcement Program fee has been paid pursuant to LAMC ORDINANCE NO.175490, the landlord may demand and collect a rental surcharge from the tenant of the rental unit in accordance with the following schedule and after serving the tenant a 30-day written notice.
- a. For the period from January 1, 2004 until May 31, 2004, a landlord may collect \$1.00 per month from the tenant of the rental unit.
 - b. For the month of June 2004, a landlord may collect \$3.16 from the tenant of the rental unit.
 - c. From July 1, 2004 until December 31, 2004, a landlord may collect \$3.18 per month from the tenant of the rental unit.
 - d. From January 1, 2005 until December 31, 2021, a landlord may collect 1/12th of the annual Systematic Code Enforcement Program fee from the tenant of the rental unit per month.
 - e. Effective January 1, 2022, a landlord may collect 1/12th of 50% of the annual Systematic Code Enforcement Program Fee from the tenant of the rental unit per month.
 - f. A landlord may collect Systematic Code Enforcement Program fees at the rate and in the manner allowed by the RSO.
- 370.02** This surcharge shall be allowed provided that the landlord is not delinquent in the payment of the Systematic Code Enforcement Program annual renewal fee.
- 370.03** This surcharge shall not become part of the maximum adjusted rent “MAR” for purposes of calculating the allowable automatic annual increase under LAMC 151.06 AUTOMATIC ADJUSTMENTS.
- 370.04** If a landlord has already paid the current annual Systematic Code Enforcement Program fee prior to the time a new tenant moves in, the landlord is able to include the fee in the

initial rent level established for the new tenancy. The surcharge detailed in Section 370.01 above shall not be assessed on a new tenant until twelve months have passed or until the landlord pays a subsequent year's annual Systematic Code Enforcement Program fee, whichever comes first.

370.05 The pass through of the Systematic Code Enforcement fee to the tenant cannot exceed the amounts detailed in Section 370.01 above. A landlord may not concurrently collect more than one annual Systematic Code Enforcement Program fee.



REDUCTION IN HOUSING SERVICES

Rent Adjustment Commission Regulations • Section 410.00
Effective Date 11-17-1982 • Amended 06-01-2006, 01-16-2013,
06-20-2018, 07-01-2019, 03-07-2024, 07-01-2024, 07-01-2025

410.00 REDUCTION IN HOUSING SERVICES

410.01 AUTHORITY OF COMMISSION TO REGULATE

410.02 The Rent Adjustment Commission (the Commission) promulgates these regulations on reduction in housing services so that a corresponding reduction in rent can be determined to avoid an increase in rent in violation of the Rent Stabilization Ordinance (LAMC Sec. 151.02, Definition of Rent Increase).

410.03 A tenant rents an apartment with the appurtenant housing services available at the time of renting the apartment. Landlords who reduce housing services without a corresponding reduction in rent effectuate an increase in rent. The purpose of these regulations is to guide the Los Angeles Housing Department in its evaluation of a corresponding reasonable reduction in rent.

410.04 Housing services are services that are 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. The term also includes 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. (LAMC Sec. 151.02, Definition of Housing Services).

411.00 SCOPE OF REGULATIONS

411.01 When a tenant makes a complaint that there has been a reduction in housing services in violation of housing codes related to habitability of a dwelling under California Health & Safety Code 17920.3 or 17920.10, the Los Angeles Housing Department will determine a corresponding reduction in rent under the Rent Escrow Account Program regulations (RAC Regulations 1200.00 et. Seq.

411.02 When a tenant makes a complaint that there has been a reduction in housing services and those services do not correspond to the habitability of a dwelling under California Health & Safety Code 17920.3 or 17920.10, the Los Angeles Housing Department will determine a corresponding reduction in rent under regulations 413.00 et seq. and 414.00 et. seq. below.

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- 411.03** A reduction of rent is applicable to all housing services, regardless of whether the housing service was created or established in violation of any provision of law.
- 411.04** The Commission promulgates the regulations for calculation of the corresponding reduction in rent in Section 413.00 to enable the Los Angeles Housing Department's Rent Investigations Unit to evaluate the evidence presented for determination of a reasonable corresponding reduction in rent for a reduction in housing services.
- 411.05** The Commission promulgates the Valuation Guidelines in Section 414.00 as guidelines only. They are not necessarily determinative of the value of Housing services in any particular case; rather the value of housing services provided in connection with a specific tenancy will be determined primarily upon the evidence presented to the Los Angeles Housing Department's Rent Investigations Unit, and only secondarily with references to these guidelines.
- 411.06** These regulations are not intended to provide any authority or support for the reduction, removal or taking away of housing services.

412.00 **REMEDIES FOR REDUCTION IN HOUSING SERVICES**

- 412.01** Where the reduction in services is a breach of the rental agreement, or of any obligations imposed by law on the landlord relating to habitability, the tenant is not prohibited from pursuing all remedies under applicable law.
- 412.02** Where there is a reduction in services without a corresponding decrease in rent, the tenant must file a complaint with the Los Angeles Housing Department and must provide written notice to the landlord of the loss of service. In addition, the tenant may pursue all other remedies under applicable law.
- 412.03** LAMC 151.11.A provides that a tenant may refuse to pay rent in excess of the maximum rent or maximum adjusted rent (LAMC Sec. 151.02 defines maximum rent and maximum adjusted rent). The fact that the tenant's rent is in excess of the maximum rent or maximum adjusted rent shall be a defense in any eviction or collection action. The Commission advises tenants who wish to pursue their legal remedies that the Ordinance contains provisions permitting both permanent and temporary rent increases (surcharges) that do not become part of the maximum rent or maximum adjusted rent. Tenants who wish to pursue their legal remedies in this regard are advised to seek advice from an attorney.

413.00 CALCULATION OF CORRESPONDING REDUCTION OF RENT

413.01 In evaluating the amount of rent reduction that may reasonably compensate the tenant for the loss of specific housing services, the Los Angeles Housing Department will consider the extent to which the reduction in housing services affects the tenants of a given rental unit, the rent paid by the tenant(s) for the unit, the relative significance of the reduced service in relation to the safety, health, convenience and comfort of the tenant(s), the prevailing market value of the housing service in question as a rental amenity, the extent to which the tenant(s) was led to rely upon the fact that the service would be provided and such other factors as are deemed to be relevant by the Los Angeles Housing Department.

413.02 When a tenant has suffered a reduction of services that are severable and specific to that tenant (i.e. loss of parking space, loss of storage, loss of cable), the corresponding reduction of rent may be calculated based on the reasonable replacement cost for that service to the tenant based upon the evidence submitted.

413.03 When a tenant has lost use and enjoyment of a portion of his or her specific unit, the corresponding reduction of rent may be calculated based on the percentage loss of square footage, where such methodology would be reasonable.

413.04 If a landlord restores the reduced housing service within reasonable time after notification by the tenant or the Los Angeles Housing Department, the Department may use this fact to decide against a corresponding reduction in rent.

413.05 If a housing service is temporarily interrupted as the necessary result of needed repairs, then the Los Angeles Housing Department may use this fact to decide against a corresponding reduction in rent when the landlord is not taking an unreasonable amount of time to restore the services.

414.00 TIME LIMITS

414.01 The reduction of rent may not exceed 3 years retroactive from the date of filing a complaint with LAHD.

415.00 VALUATION GUIDELINES

415.01 The valuation guidelines below are not necessarily determinative of the value of housing services reduced in any particular case. The value of those services will be determined primarily upon reasonable valuation evidence presented to the Los Angeles Housing Department in connection with a specific tenancy. The value of housing services below will only serve as guidelines in the Los Angeles Housing Department's determination of the reduction in rent for a specific tenancy where there is no evidence presented or where these values will assist the Los Angeles Housing Department's Rent Investigators in arriving at a reasonable valuation of the corresponding reduction in rent.

REDUCTION IN HOUSING SERVICES

Rent Adjustment Commission Regulations • Section 410.00
Effective Date 11-17-1982 • Amended 06-01-2006, 01-16-2013,
06-20-2018, 07-01-2019, 03-07-2024, 07-01-2024, 07-01-2025

415.02 Suggested Valuation Guidelines Table (monthly values)

A/C	\$62-124
Clothes Dryer/Washer-coin	\$26
Clothes Dryer/Washer-unit	\$37-62
Door screens	\$12-26
Elevator service	\$62-124
Furnishings (for a furnished unit only)	\$247-618
Gardening/Landscape	\$12-26
Gates/Fences (security)	\$12-26
Kitchen facilities	\$247-494
Mailbox	\$26-37
Manager (on-site)	\$26-37
Parking	\$75-247

[In determining the corresponding reduction in rent, the Los Angeles Housing Department may consider the density of a particular neighborhood, the availability of local parking structures within walking distance of the tenant's dwelling, and the availability of street parking. Hollywood, Venice, West Los Angeles, Downtown Los Angeles, Korea town, Miracle Mile, Pico-Union, Fairfax- La Brea and the Beverly Center are examples of neighborhoods with very high cost of off-site rental parking and low availability of street parking].

Pool	\$23-83
Fitness Center	\$23-83
Recreational Facilities	\$12-26
Refrigerator	\$100-124
Stove	\$100-124
Storage	\$80-852
Sun shades (porch/balcony)	\$3-6
Yards, Patios, Balconies or Play Areas	\$12-149

415.03 The Suggested Valuation Guidelines Table in 415.02 was compiled based on data collected in September 2024 and updated effective July 1, 2025.

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TRANSFER OF UTILITY PAYMENT TO TENANTS

Rent Adjustment Commission Regulations • Section 420.00 •
Effective November 17, 1982 • Amended July 20, 2006

Rent Adjustment Commission Regulations & Guidelines

420.00 TRANSFER OF UTILITY PAYMENT TO TENANTS (LAMC 151.08 B)

420.01 Any transfer of utility payment from landlord to tenant constitutes a decrease in services and a corresponding rent reduction must be made. The corresponding rent reduction following a transfer of utility payment must be based on the total average monthly cost of the utility to the landlord over the previous twelve months prior to the month in which the landlord filed the application, and it must be distributed between the affected apartments according to the following formula:

$$\text{Rent reduction} = \frac{a \times u}{12 \times t}$$

Where a = annual utility bill:

In determining the annual utility bill, the common area costs that were included in the previous year's utility payments, but which will continue to be paid by the landlord after conversion to individual meters, shall be deducted. To obtain this common area deduction, a landlord must submit a copy of a utility audit prepared by a qualified public or private agency, similar to those provided for electricity by the Department of Water and Power. The results of such surveys shall be presumed to indicate the amount a landlord may deduct from the previous year's utility bills to offset continuing common area utility expenses, unless there is clear and convincing evidence to the contrary. Any challenges to a utility survey submitted by a landlord must be made on the basis of factual evidence, such as an alternative survey report submitted by other parties.

Where u = utility use factor for apartment size:

In determining the utility use factor the landlord must use the utility use factor formula per bedroom size listed below. In the event that the landlord can provide an audit, similar to those provided by the Department of Water and Power



Rent Adjustment Commission Regulations & Guidelines

that demonstrates a different utility use factor per number of bedrooms in that particular building, the landlord may request the special audit be used instead of the standard formula. Any challenge to such an audit must be made on the basis of factual evidence, such as alternative audits submitted by other parties.

Number Of Bedrooms	0	1	2	3	4	5
Utility Use Factors	1.0	1.2	1.4	1.6	1.8	2.1

$$\text{Rent reduction} = \frac{a \times u}{12 \times t}$$

Where t = total use factor:

The total is the summation of all the utility use factors for all rental units which were occupied for nine (9) or more of the previous twelve (12) months.

420.02

For the purpose of determining the number of bedrooms in a rental unit, the following definitions shall apply:

- 1) In all rental units larger than a no-bedroom unit the number of bedrooms shall be determined by the number of habitable rooms which can be used legally as sleeping rooms. However, rooms which on May 31, 1978, served as living rooms, foyers, closets, kitchens, dens, sun porches, breakfast nooks, and other non-sleeping rooms or areas are not to be counted as bedrooms (effective 11-17-83);
- 2) An “efficiency dwelling unit” as defined in LAMC 12.03 is a no-bedroom unit for the purposes of luxury exemption. “No-bedroom rental units” commonly called singles, bachelors, executive singles or guest rooms are dwelling units where there was no separated bedroom on May 31, 1978;
- 3) In the event of a dispute as to the application or interpretation of subparagraph 1 or 2 above, the following factors, among others, may be used in making the determination:
 - i. whether the room is a habitable room as defined in LAMC 12/03 and 91.4911;
 - ii. whether the habitable room had been designated as a bedroom in the building plans, permits, applications or other documents filed with the City, or would be considered a bedroom by normal industry standards due to such characteristics as closets, access to a bathroom without going through another room, natural light, ventilation, acoustic and visual privacy, and size (i.e., not less than 7 feet in width and not less than 90 square feet).

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- iii. whether there is documentary evidence from rental agreements, advertising, or other similar sources indicating that the landlord represented the room to be a bedroom at the time the landlord rented the unit to the occupant subject to the transfer of utility payment.

- 420.03** In all cases where a capital improvement surcharge application is filed on the basis of the installation of individual utility meters which will result in a transfer of payment to the tenants, the Department staff shall calculate and deduct from the final capital improvement rent increase the appropriate decrease in rent due to reduction in services.
- 420.04** Conversions from master to individual utility meters shall be capital improvements pursuant to RAC regulations 211.02 H.
- 420.05** Notwithstanding the above, in cases where individual meters exist in the rental units and where the landlord has previously included the cost of the utility as part of the rental services offered the tenant, but now wishes the tenants to pay directly for the utility, the landlord must reduce the rent by the average actual cost of each tenant's utility usage for the twelve consecutive months preceding the transfer of payment from landlord to tenant. In cases where the actual cost of the utility usage by the tenant cannot be determined or where there have not been twelve months of utility usage by the same tenant, the formula in RAC regulation 420.01 must be used.
- 420.06** California law covering notice must be complied with in all transfer of utility payments from landlord to tenant.

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TRANSFER OF UTILITY PAYMENTS TO MOBILE HOME PARK TENANTS (LAMC 151.08B)

Rent Adjustment Commission Regulations • Section 520.00
Effective November 17, 1982 • Amended Effective November 26,
1990 • Reviewed September 7, 2006

Rent Adjustment Commission Regulations & Guidelines

520.00 TRANSFER OF UTILITY PAYMENTS TO MOBILE HOME PARK TENANTS (LAMC 151.08B)

520.01 Any transfer of utility payment from a landlord to a tenant constitutes a decrease in services and a corresponding rent reduction must be made. The corresponding rent reduction following a transfer of utility payment must be based on the total average monthly cost of the utility to the landlord over the previous twelve months prior to the month in which the landlord filed the application; and it must be distributed among the affected mobile homes according to the following formula:

$$\text{Rent reduction} = \frac{a \times u}{12 \times t}$$

Where a = annual utility bill; in determining the annual utility bill, the common area costs that were included in the previous years utility payments, but which will continue to be paid by the landlord after conversion to individual meters, shall be deducted. To obtain this common area deduction, a landlord must submit a copy of a utility audit prepared by a qualified public or private agency, similar to those provided for electricity by the Department of Water and Power. The results of such surveys shall be presumed to indicate the amount a landlord may deduct from the previous year's utility expenses, unless there is clear and convincing evidence to the contrary. Any challenges to a utility survey submitted by a landlord must be made on the basis of factual evidence, such as an alternative survey report submitted by other parties. When water is the utility, a 10% common area deduction may be substituted for the utility audit stated above.

Rent Adjustment Commission Regulations & Guidelines

Where u = utility use factor for mobile home size; in determining the utility use factor the landlord must use the utility use factor formula based on size listed below. In the event that the landlord can provide an audit, similar to those provided by the Department of Water and Power that demonstrates a different utility use factor per size of mobile homes in the park, the landlord may request the special audit be used instead of the standard formula. Any challenge to such an audit must be made on the basis of factual evidence, such as alternative audits submitted by other parties.

<u>SIZE OF MOBILE HOME</u>	<u>UTILITY USE FACTORS</u>
Small (up to 30 ft.)	=1.00
Medium (31-45 ft., single width)	=1.25
Large (46+ ft., single)	=1.50
Medium (double width*)	=2.50
Large (double width*)	=3.00

*Tip-outs do not constitute double width

Where t = total use factor which is the summation of all the utility use factors. (Effective 12/15/83)

520.02 In all cases where a capital improvement surcharge application is filed on the basis of the installation of individual utility meters, the Department shall calculate and deduct from the final capital improvement rent increase the appropriate decrease in rent due to reduction in services.

520.03 Conversions from master to individual utility meters shall be held to be capital improvements pursuant to RAC regulation 211.02H.

530.00 **ADDITIONAL TENANTS - MOBILE HOME PARKS EFFECTIVE DATE 4/18/85**

Additional tenants who move into a mobile home after creation of the original tenancy are subject to California Civil Code Sections 798.34 and 798.35. These are State Law provisions governing allowable rent increases for additional tenants living in a mobile home park which supersede RAC regulation 310.00.

RENT ADJUSTMENT TO MASTER METERED MOBILE HOME PARK RESIDENTS

Rent Adjustment Commission (RAC) Regulations • Section 560.00

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560.00 RENT ADJUSTMENT TO MASTER METERED MOBILE HOME PARK RESIDENTS (LAMC 51.08 C)

560.01 A change in the mobile home park sewer service charge rate from commercial to residential is a decrease in operating expenses and constitutes a required rent reduction for master-metered park residents. The rent reduction must be based on the total average monthly sewer service charge to the park owner over the previous twelve months, prior to the month in which the rate was reclassified; and it must be applied to the affected residents according to the following formula:

$$\text{Rent} = \frac{s \times 33\%}{12 \times n}$$

Where s = annual sewer service charge; in determining the annual sewer service charge, a 10% common area cost shall be deducted. In the event a park owner seeks to obtain more than a 10% common area deduction, he/she must submit a copy of a utility audit prepared by a qualified public or private agency, similar to those provided for electricity by the Department of Water and Power. The results of such surveys shall be presumed to indicate the amount a park owner may deduct from the previous year's utility expenses, unless there is clear and convincing evidence to the contrary. Any challenges to a utility survey submitted by a park owner must be made on the basis of factual evidence, such as an alternative survey report submitted by other parties.

Where: 33% = the difference between the commercial and residential sewer service charge rates

n^* = total number of units in the mobile home park

* unlike the formula used for the transfer of utility payments, which applies utility use factors in consideration of the size of units, apportionment in this case, is based on the total number of units in the park. This is because of the insignificant amount in the differ-

Rent Adjustment Commission Regulations & Guidelines

ence that results from applying the utility use factor, as well as, the reported similarity in the amount of sewage discharge, regardless of the size.

- 560.02** Mobile home park sewer service charges in mastered and sub-metered parks shall be calculated using the same sewer service charge rate and methodology as the Bureau of Sanitation.

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EVICTIONS - GOOD FAITH REQUIREMENTS

Rent Adjustment Commission Regulations • Section 610.00 •
Amended: February 24, 2006, March 15, 2007, July 23, 2009

Rent Adjustment Commission Regulations & Guidelines

- 610.00 GOOD FAITH REQUIREMENTS
- 610.01 These regulations are promulgated under authority given the Commission by LAMC Chapter XV, Article 1, Section 151.03 (LAMC 151.03).
- 610.02 A landlord may evict a tenant on grounds which are not based on actions by the tenant pursuant to LAMC Sections 151.09.A8, 151.09. A9, 151.09.A10, 151.09.A11, 151.09.A.12 and 151.09.A.13. In each of these evictions, the landlord must act in good faith in accordance with this Regulation.
- 610.03 Evictions for owner/family/resident manager occupancy have additional good faith requirements as set forth in regulation 614.00 below, and must comply with the provisions of regulation 620.00 et seq.
- 610.04 Determination of the good faith requirements of the Rent Stabilization Ordinance (LAMC Chapter XV, Article I) shall be based on the factors enumerated in this Regulation and any other relevant factors.
- 610.05 The phrase “in good faith” is borrowed from equity jurisprudence and must be interpreted accordingly. It simply means honestly; without fraud, collusion or deceit; really, actually, without pretense.
- 611.00 DEMONSTRATING GOOD FAITH
- 611.01 A landlord shall demonstrate good faith by:
- a. adhering to all provisions of the Rent Stabilization Ordinance and
 - b. not using the eviction as a method of circumventing any of the provisions of the Rent Stabilization Ordinance.
- 611.02 In order to show adherence to all provisions of the Rent Stabilization Ordinance, a landlord needs to be in compliance with at least the provisions set forth in regulation 612.00.

Rent Adjustment Commission Regulations & Guidelines

- 611.03 The examples set forth in regulation 613.00, and regulation 614.00 when applicable, may be used to infer that a landlord is using an eviction as a method of circumventing the provisions of the Rent Stabilization Ordinance.
- 612.00 ADHERING TO ALL PROVISIONS OF THE RENT STABILIZATION ORDINANCE
- 612.01 The landlord has registered the unit and made a copy of the registration certificate available to the tenant, as required by law. (LAMC 151.05.A)
- 612.02 The landlord has paid annual interest on the security deposit when the deposit has been held for at least one year. (LAMC 151.06.02)
- 612.03 The landlord has been charging no more than the legal rent permitted by law. (LAMC 151.06, 151.07, 151.11)
- 612.04 The landlord has made available to the tenant the rental records required by Ordinance that justify the rent demanded or accepted (LAMC 151.05.C)
- 612.05 The landlord, in an eviction under LAMC 151.09.A8, 151.09.A9, 151.09.A10, or 151.09.A11 has filed with the Department the required declaration on or before the date on which the notice to quit is given to the tenant (LAMC 151.09.C2).
- 612.06 The landlord has provided each affected tenant with the Notice of Intent to Withdraw required for a termination of tenancy based on LAMC 151.09.A10. (LAMC 151.09.C.4.c)
- 612.07 The landlord has provided the Los Angeles Housing Department with 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 in the Notice of Intent to Withdraw required for a termination of tenancy based on LAMC 151.09.A10. (LAMC 151.09.C.4.a)
- 612.08 The landlord has notified the Los Angeles Housing Department in writing within thirty (30) days of receipt of a claim by a tenant that they are entitled to a one year extension of their tenancy because of their age or disability when the landlord is terminating their tenancy based on LAMC 151.09.A10. (LAMC 151.09.C.4.b. (4))
- 612.09 The landlord has complied with the three month and annual filing requirements in accordance with LAMC Section 151.30.F in an eviction for owner/family/resident manager occupancy pursuant to LAMC Section 151.09.A.8.
- 613.00 EXAMPLES OF CIRCUMSTANCES FROM WHICH ONE CAN INFER AN INTENT TO CIRCUMVENT THE RENT STABILIZATION ORDINANCE FOR ALL NO FAULT EVICTIONS PERMITTED UNDER THE RENT STABILIZATION ORDINANCE

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- 613.01 There is a pattern or practice of evicting tenants in lower rent units and not evicting tenants in higher rent units for evictions based on LAMC 151.09.A8, 151.09.A9, 151.09.A10, or 151.09.A11.
- 613.02 There is a pattern or practice of the landlord evicting tenants and subsequently raising the rents for successor tenants without complying with the Rent Stabilization Ordinance.
- 613.03 There is a pattern or practice of the landlord evicting tenants in lower rent units for occupancy by the owner, the owner's spouse, children or parents or a resident manager.
- 613.04 The landlord timed the eviction of the tenant for occupancy by the owner, the owner's spouse, parents or children, or a resident manager so that there are no available comparable replacement units in the building.
- 613.05 The landlord is evicting tenants in a lower rent unit for occupancy by a resident manager where the building has less than 16 units (California Code of Regulations Title 25, Section 42) and there are no unique circumstances pertaining to the building that would otherwise require the use of an on-site resident manager.
- 613.06 The landlord is retaliating against a tenant for having filed a complaint with a governmental agency (LAMC 151.09B).
- 613.07 There is a pattern or practice of the landlord evicting tenants based on permanent removal of the units from rental housing use under LAMC 151.09.A10 for the purpose of selling the units but the units continue to be used for residential rental use.
- 613.08 In an eviction for permanent removal from rental housing use (LAMC 151.09.A10), the justification given by the landlord for the units' permanent removal from the rental market in the Landlord Declaration of Intent to Evict submitted to the Los Angeles Housing Department does not necessitate the units' permanent removal from rental housing use.
- 613.09 In an eviction for permanent removal from rental housing use (LAMC 151.09A10), the landlord is evicting a tenant for occupancy by the landlord, landlord's relative, or for a resident manager in an attempt to bypass the restrictions imposed by LAMC 151.09A8.
- 613.10 The landlord is engaging in conduct that is in violation of state or local housing law.

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- 613.11 The landlord is evicting a tenant for failure to abide by the accepted Tenant Habitability Plan where the temporary replacement housing being offered is untenable and is in violation of California Health & Safety Code Section 17920.3 or 17920.10.
- 613.12 There is a pattern or practice of filing unsuccessful unlawful detainer actions against the tenant who is now being evicted under LAMC 151.09.A8, A9, A10 or A11.
- 614.00 EVIDENCE WHICH MAY INDICATE THE LANDLORD'S BAD FAITH IN AN EVICTION FOR OWNER/FAMILY/RESIDENT MANAGER OCCUPANCY
- 614.01 The landlord, eligible relative or resident manager failed to occupy the unit within three months of the vacation of the unit by the prior tenant. (LAMC Section 151.30.B)
- 614.02 The landlord, eligible relative or resident manager failed to occupy the unit for a period of two consecutive years. Occupancy for two consecutive years by different resident managers shall not constitute evidence of bad faith. (LAMC Section 151.30.B)

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REQUIREMENTS IN EVICTIONS FOR OCCUPANCY BY THE OWNER, FAMILY MEMBER OR RESIDENT MANAGER

Rent Adjustment Commission (RAC) Regulations • Section 620.00 • Effective July 23, 2009 • Amended March 7, 2024

Rent Adjustment Commission Regulations & Guidelines

- 620.00** **REQUIREMENTS IN EVICTIONS FOR OCCUPANCY BY THE OWNER, FAMILY MEMBER OR RESIDENT MANAGER**
- 621.00** **ELIGIBILITY**
- 621.01 A landlord may evict a tenant from a rent stabilized unit in a subject property in accordance with LAMC Section 151.09.A.8 for occupancy by an eligible owner, eligible family member or resident manager.
- 621.02 In an eviction for occupancy by an eligible owner, the eligible owner is a natural person who either holds legal title to the property with at least a 25% interest in the property, or is a beneficiary of a trust that holds legal title to the property and at least has a 25% interest in the trust. (LAMC 151.30.A).
- 621.03 In an eviction for occupancy by an eligible family member, the eligible family member must be related to an owner of the property who is a natural person who either holds legal title to the property with at least a 50% interest in the property, or is a beneficiary of a trust that holds legal title to the property and at least has a 50% interest in the trust. (LAMC 151.30.A).
- 621.04 An owner can evict a tenant for occupancy by a resident manager if the owner is a natural person who either holds legal title to the property or is a beneficiary of a trust that holds legal title to the property. There are no percentage interest requirements in an eviction for resident manager occupancy. (LAMC 151.30.A).
- 621.05 A member of an LLC, or the shareholder of a corporation which holds title to the property, does not constitute an eligible owner. (LAMC 151.30.A).
- 621.06 An eligible family member is a parent, child, grandparent or grandchild of an eligible owner in accordance with regulation 621.03. (LAMC 151.09.A.8.b)
- 621.07 A landlord may only evict a tenant pursuant to LAMC Section 151.09.A.8 for occupancy by an eligible owner or eligible family member only one time for that person in the subject property. (LAMC 151.30.A)



REQUIREMENTS IN EVICTIONS FOR OCCUPANCY BY THE OWNER, FAMILY MEMBER OR RESIDENT MANAGER

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622.00 GOOD FAITH REQUIREMENT

622.01 In an eviction for occupancy by an owner, family member or resident manager, the landlord must act in good faith in accordance with the requirements set forth in Regulation 610.00 et seq.

622.02 Evictions for occupancy by an owner, family member or resident manager have additional specific good faith requirements, as set forth in regulation 614.00 and below.

622.03 Failure by the owner, family member or resident manager to occupy the unit within three month of the vacation of the unit by the prior tenant may be evidence of bad faith. (LAMC Section 151.30.B)

622.04 Failure by the owner, family member, or resident manager to occupy the unit for a period of two consecutive years may be evidence of bad faith. (LAMC Section 151.30.B)

622.05 Occupancy for two consecutive years by different resident managers shall not constitute evidence of bad faith. (LAMC Section 151.30.B)

622.06 If a landlord acts in bad faith in evicting a tenant for occupancy by the owner, family member or resident manager, the landlord shall be liable to the tenant for three times the amount of actual damages, exemplary damages, equitable relief and attorney's fees. The City may also institute a civil proceeding for equitable relief and exemplary damages for displacement of the tenants. (LAMC Section 151.30.I)

623.00 COMPARABLE RENTAL UNIT REQUIREMENT

623.01 A landlord may not evict a tenant for occupancy by an owner, family member or resident manager if there is a comparable unit in the subject property that is vacant and available, unless the landlord is evicting a resident manager for replacement by another resident manager. (LAMC Section 151.30.C)

623.02 A comparable unit is a unit with the equivalent number of bedrooms as the unit from which the landlord seeks to evict a tenant pursuant to LAMC Section 151.09.A.8. (LAMC Section 151.30.D.2)

624.00 TENANTS INELIGIBLE FOR EVICTION FOR OCCUPANCY BY THE OWNER, FAMILY MEMBER OR RESIDENT MANAGER

624.01 A landlord may not evict a tenant for occupancy by the owner, family member or resident manager if the tenant is not the most recent tenant to occupy a unit in the subject property except as follows:

REQUIREMENTS IN EVICTIONS FOR OCCUPANCY BY THE OWNER, FAMILY MEMBER OR RESIDENT MANAGER

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The eligible owner or family member who will occupy the subject unit has a medical condition, as certified by a treating physician licensed to practice in the State of California, which necessitates occupancy of the subject unit instead of the unit of the most recent tenant in the subject property. (LAMC Section 151.30.D.2)

624.02 A landlord may not evict a tenant for occupancy by the owner, family member or resident manager if the tenant is 62 years or older, or disabled, and has resided in the subject unit for at least ten consecutive years. (LAMC Section 151.30.D.1)

624.03 A landlord may not evict a tenant for occupancy by the owner, family member or resident manager if the tenant is terminally ill, as certified by a treating physician licensed to practice in the State of California. (LAMC Section 151.30.D.1)

625.00 RELOCATION ASSISTANCE REQUIREMENTS

625.01 A landlord who evicts a tenant for occupancy by the owner, family member or resident manager must provide relocation assistance in accordance with LAMC Section 151.09.G, except when the landlord is eligible to provide reduced relocation assistance in accordance with regulation 625.02.

625.02 A landlord may provide reduced relocation assistance, in accordance with LAMC Section 151.30.E, in an eviction for occupancy by the owner or family member if the following apply:

- a. the landlord has not paid reduced relocation assistance pursuant to this Section in the last three years; and
- b. the subject property contains four or fewer rental units; and
- c. the landlord owns, in the City of Los Angeles, no more than four units of residential property, and a single family home on a separate lot.

626.00 POST-EVICTION FILING REQUIREMENTS

626.01 The landlord shall file a Declaration for Occupancy, on the form prescribed by the Los Angeles Housing Department (LAHD), within three months of the tenant's vacation of the subject unit verifying occupancy of the subject unit by the owner, family member or resident manager or explaining why the rental unit is not occupied by that person. (LAMC Section 151.30.F)

626.02 The landlord shall file a Declaration for Occupancy, on the form prescribed by LAHD, within 30 days preceding the first and second anniversary of the tenant's vacation of the subject unit verifying occupancy of the subject unit by the owner, family member or resident manager, or explaining why the rental unit is not still occupied by that person. (LAMC Section 151.30.F)

626.03 Failure to comply with regulations 626.01-626.02 shall subject the landlord to a penalty of \$250 for each day that the landlord is delinquent in filing the Declaration of Occupancy. (LAMC Section 151.30.I.2)



REQUIREMENTS IN EVICTIONS FOR OCCUPANCY BY THE OWNER, FAMILY MEMBER OR RESIDENT MANAGER

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627.00 RE-RENTAL OF THE SUBJECT UNIT

627.01 If the landlord seeks to re-rent a unit from which the landlord had evicted a tenant for occupancy by an owner, family member or resident manager, the landlord must file a Notice of Intention to Re-Rent Withdrawn Accommodations with LAHD, on the form prescribed by LAHD, prior to the re-rental of the unit. (LAMC Section 151.30.H)

627.02 The rent for the next tenant to occupy the rental unit shall be equivalent of the rent of the last tenant that occupied the rental unit plus any automatic annual adjustments permitted under the Rent Stabilization Ordinance pursuant to LAMC Section 151.06.D. (LAMC Section 151.06.C.4)

627.03 A landlord who evicted a tenant for occupancy by an owner, family member or resident manager pursuant to LAMC Section 151.09.A.8 shall offer to renew the tenancy to the evicted tenant by depositing the offer in the mail, by registered or certified mail with postage prepaid to the address furnished by the tenant if the following apply:

- a. the landlord seeks to re-rent the subject unit within two years after the tenant vacated the rental unit; and
- b. the tenant notified the landlord within 30 days of vacation of the unit of his or her interest to consider an offer to renew the tenancy, and provided the landlord with an address to which the landlord shall mail the offer. (LAMC Section 151.30.G)

627.04 The displaced tenant(s) shall have 30 days from the landlord’s deposit of the offer in the mail to accept the offer by personal delivery or by deposit of the acceptance in the mail by registered or certified mail with postage prepaid. (LAMC Section 151.30.G)

THIS INFORMATION IS OFFERED FREE OF CHARGE TO THE GENERAL PUBLIC.

While this publication is designed to provide accurate and current information about the law, readers should consult an attorney or other expert for advice in particular cases, and should also read the relevant statutes and court decisions when relying on cited material. Laws and guidelines are frequently amended. The LAHD recommends that you verify information in the event that new changes are not yet reflected in this publication. The LAHD does not assume and hereby disclaims any liability to any party for any loss, damage, or disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident, or any other cause.

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EVICCTIONS - ACTION TO RECOVER POSSESSION

Rent Adjustment Commission (RAC) Regulations • Section 630.00 • Effective December 6, 2007

Rent Adjustment Commission Regulations & Guidelines

- 630.00 EVICTIONS - ACTION TO RECOVER POSSESSION
- 630.01 Los Angeles Municipal Code (LAMC) Section 151.09.A provides that a landlord may bring an action to recover possession of a rental unit only based on one of the grounds enumerated in LAMC 151.09.A for units in the City of Los Angeles subject to the Rent Stabilization Ordinance (RSO).
- 630.02 An action to recover possession, as used in LAMC 151.09.A, means any action to terminate any tenancy, lease or rental agreement.
- 630.03 An action to terminate a tenancy, lease or rental agreement includes but is not limited to the following: serving any notice attempting to terminate any tenancy, lease or rental agreement, threatening to terminate any tenancy, lease or rental agreement, demanding possession of a rental unit, or serving any notice to quit or vacate or any other eviction notice.

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CITY OF LOS ANGELES



TENANT HABITABILITY PROGRAM

Rent Adjustment Commission Regulations •

Section 710.00 • Adopted May 19, 2005 •

Amended March 7, 2024

Rent Adjustment Commission Regulations & Guidelines

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Rent Adjustment Commission Regulations & Guidelines

710.00 TENANT HABITABILITY PROGRAM REGULATIONS

711.00 DECLARATION OF PURPOSE

711.01 Purpose

These regulations are promulgated to facilitate the operation of the City of Los Angeles Tenant Habitability Program, which has been established by ordinance as Article 2 of Chapter XV of the Los Angeles Municipal Code, Section 152.00, *et. seq.*

711.02 Authority for these Regulations

These regulations are issued by the Rent Adjustment Commission under the authority granted it under Los Angeles Municipal Code Sections 151.03, 151.07A.8, and 152.08.

711.03 Review of Program and Regulations

These regulations, together with the overall operation of the Tenant Habitability Program, shall be reviewed by the Rent Adjustment Commission no less than every three years.

712 .00 DEFINITIONS

The following words and phrases, whenever used in these regulations, shall be construed as defined in this section, which restates, in some instances, definitions used in LAMC Sections 151.02 and 152.02. Should a discrepancy exist between a definitions presented here and in Sections 151.02 or 152.02, the wording in the LAMC definition shall prevail. Words and phrases not defined here shall be construed as defined in LAMC Sections 12.03 and 162.02, if defined there.

Building and Safety. The City of Los Angeles Department of Building and Safety or any successor.

Department. The Los Angeles Housing Department or any successor.

Hearing Officer. A person designated by the Department to consider an appeal of a determination by the Department through a public hearing in accordance with LAMC Sections 151.07 and 152.03C.4.

LAMC. The Los Angeles Municipal Code.

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.

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Ordinance. Chapter XV of the Los Angeles Municipal Code Section 151.00, et seq., commonly known as the Rent Stabilization Ordinance.

Primary Renovation Work. 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:

Replacement or substantial modification of any structural, electrical, plumbing or mechanical system that requires a permit under the Los Angeles Municipal Code.

Abatement of hazardous materials, such as lead-based paint and asbestos, in accordance with applicable federal, state and local laws.

For the purposes of Sections 716.00, et seq., and 717.00, et seq., of these regulations, the term Primary Renovation Work includes Related Work.

Qualified Tenant. Any tenant who satisfies any of the following criteria on the date of service of the notice of tenant impact: has attained age 62; is handicapped as defined in Section 50072 of the California Health and Safety Code; is disabled as defined in Title 42 United States Code Section 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.

RAC. The Rent Adjustment Commission of the City of Los Angeles or any successor.

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.

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 the Ordinance.

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.

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713.00 PROCEDURE FOR UNDERTAKING PRIMARY RENOVATION WORK

713.01 Building Permit Clearance

713.01.1 Building and Safety Screening of Building Permit Applications

Prior to issuing any permit, pursuant to LAMC Sections 91.106, 92.0129, 92.0132, 93.0201, 94.103, or 95.112.2, for work on residential rental property which has been identified by the Department as being subject to the Ordinance, Building and Safety shall, at a minimum, determine:

Whether the property where the permitted work will be done contains any rental housing accommodations that are currently occupied by a tenant or will be occupied by a tenant while the work is being done; and

Whether the permitted work proposed at a property subject to the Ordinance might constitute, at least in part, Primary Renovation Work.

In making its determination, Building and Safety may utilize a questionnaire or similar means to screen permit applications and may also rely on property data provided by the Department that identifies property subject to the Ordinance.

Building and Safety shall refer applicants for building permits identified through this initial screening process for further review to determine whether the proposed work constitutes Primary Renovation Work.

713.01.2 Identification of Primary Renovation Work

All permit applications identified by Building and Safety's initial screening process shall be further reviewed to determine whether the proposed work constitutes, in whole or in part, Primary Renovation Work. Such review shall be undertaken by either of the following agencies:

1. The Department, which shall make its determination within one (1) working day of receiving sufficient information from the permit applicant to determine the scope of the proposed work; or
2. Building and Safety, per an agreement with the Department to undertake such screening.

Permit applications for work found to not constitute Primary Renovation Work shall be immediately cleared of the requirement to file a Tenant Habitability Plan, in accordance with Building and Safety procedures.

713.01.3 Primary Renovation Work Criteria

The following criteria shall be used to determine whether proposed permitted work constitutes Primary Renovation Work:

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1. The proposed work includes the replacement of existing water or gas supply lines, the replacement of existing drain waste lines, or the installation of additional new supply or waste lines;
2. The proposed work includes the replacement of electrical wiring or circuits, the replacement of an electrical service panel, or the addition of new wiring or circuits;
3. The proposed work includes the replacement or upgrading of a heating, ventilation, or air conditioning (HVAC) system or the replacement, upgrading, or initial installation of an elevator system;
4. The proposed work includes additions, modification or improvements to the foundation or to the structure (including the roof) that expose the building frame or compromise the building's security, weather protection or fire protection; or
5. The proposed work includes the abatement of hazardous materials, such as but not limited to lead-based paint and asbestos, in accordance with applicable federal, state and local laws.

If the proposed work at a property subject to the Ordinance meets any of these criteria, that work constitutes Primary Renovation Work and is, together with any Related Work, subject to the requirements of the Tenant Habitability Program.

713.01.4 Department Clearance of Primary Renovation Work

The Department shall clear a landlord's application for a building permit involving Primary Renovation Work, in accordance with procedures established by Building and Safety, when both of the following conditions have been met:

1. The landlord has submitted a Tenant Habitability Plan which the Department finds adequately mitigates the impact of Primary Renovation Work and any Related Work upon affected tenants; and
2. The landlord has submitted a declaration, under penalty of perjury, 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.

713.02 **Tenant Habitability Plan**

The Department may establish forms for landlord use in filing a Tenant Habitability Plan. At a minimum, the Landlord shall provide the Department with the information listed here as part of the Tenant Habitability Plan. It is in the interest of both landlords and tenants that Primary Renovation Work and any Related Work is undertaken as efficiently and effectively as possible.

To that end, landlords are encouraged to seek tenant input when developing mitigation measures. Landlords must provide tenants with a summary of their rights under the Tenant Habitability Program, prepared by the Department, prior to either seeking

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tenant input in developing mitigation measures or entering into any agreement with tenants.

713.02.1 Identification of Responsible Parties

The landlord shall provide the following information:

1. Name, address, and phone number of the landlord;
2. Name, address, and phone number of the person designated by the landlord as the contact person for all issues related to the proposed project, if the contact person is not the landlord;
3. Name, address, and contact phone number of the general contractor responsible for the Primary Renovation Work and any Related Work;
4. Name, address, and contact phone number of any specialized contractor or sub-contractor responsible for hazardous material abatement;

713.02.2 Identification of Affected Tenants

The landlord shall provide the following information on a separate attachment which, in accordance with California Civil Code Section 1798, et seq., shall be considered a confidential addendum to the Tenant Habitability Plan:

1. The name, address including unit number, and phone number of the primary tenant(s) or head of tenant household for each rental unit affected by Primary Renovation Work;
2. An identification of which rental units affected by Primary Renovation Work, if any, house Qualified Tenants; and
3. The current rent and the date of last rent increase for each rental unit affected by Primary Renovation Work.

713.02.3 Scope of Work

The landlord shall provide a description of the scope of work covering the Primary Renovation Work and any Related Work. That description also shall include a description of any additional improvements to the property with a useful life of at least five years that will be undertaken at or about the same time as Primary Renovation Work. Such description shall address:

1. The total number of units on property;
2. The identification of specific units and common areas affected by the Primary Renovation Work and any Related Work;

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3. The overall scope of Primary Renovation Work, Related Work, and any other work to be undertaken at or about the same as the Primary Renovation Work and any Related Work, including work done on common areas;
4. The specific scope of work for each unit affected by Primary Renovation Work;
5. The identification of any work to be undertaken in response to a government order, with a copy of that order included as an attachment;
6. The estimated duration of all work for the entire project;
7. The estimated duration of work for each affected unit, including projected start and finish dates;
8. The estimated total cost of (a) all Primary Renovation Work and any Related Work and (b) other improvements with a useful life of at least five years; and
9. The estimated cost for each affected unit of (a) all Primary Renovation Work and any Related Work and (b) other improvements with a useful life of at least five years.

713.02.4 Impact on Habitability

The landlord shall identify the impact of Primary Renovation Work and any Related Work on the habitability of affected rental units, including a discussion of impact severity and duration with regard to the following factors:

1. Noise;
2. Utility interruption;
3. Exposure to toxic or hazardous materials;
4. Interruption of fire safety systems;
5. Inaccessibility of all or portions of each affected rental unit; and
6. Disruption of other tenant services.

713.02.5 Tenant Health & Safety

The landlord shall identify the mitigation measures that will be adopted to ensure that tenants are not required to occupy an untenable dwelling, as defined in California Civil Code Section 1941.1, outside of the hours of 8:00 am through 5:00 pm, Monday through Friday, and are not exposed at any time to toxic or hazardous materials including, but not limited to, lead-based paint and asbestos.

Such measures may include either or a combination of both of the following options:

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1. The adoption of work procedures that allow tenants to remain on-site by either (a) avoiding the creation of untenable conditions altogether or (b) returning the rental unit to a habitable condition outside of the hours of 8:00 am through 5:00 pm, Monday through Friday; and
2. The temporary relocation of tenants to habitable replacement housing, in conformance with Section 716.00, et seq., of these regulations, with provision made for compensating tenants deprived of essential, previously available, housing services (e.g., cooking facilities, free laundry, or pet accommodations) as a result of temporary relocation.

713.02.6 Impact on Tenant Personal Property

The landlord shall identify the impact of Primary Renovation Work and any Related Work on the personal property of affected tenants, including a discussion of timing, severity, and duration, with regard to the following factors:

1. Work areas which must be cleared of furnishings and other tenant property;
2. Exposure of furnishings and other tenant property to theft;
3. Exposure of furnishings and other tenant property to elements or hazards; and
4. Other material impacts on tenant personal property.

713.02.7 Protection of Tenant Property

The landlord shall identify the mitigation measures that will be adopted to secure and protect tenant property from reasonably foreseeable damage or loss.

713.03 **Plan Acceptance**

713.03.1 Departmental Determination

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 LAMC Section 152.03B and Section 713.02 of these regulations and which it determines, with reference to the standards set forth in California Civil Code Section 1941.1 and in these regulations, 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.

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713.03.2 Outstanding Fees Due

A landlord shall pay any outstanding balances for rent registration and code enforcement fees before filing a Tenant Habitability Plan with the Department.

713.03.3 Notification of Deficiencies

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 Tenant Habitability Plan in order to correct identified deficiencies, which the Department will review in accordance with Section 713.03.1 of these regulations.

713.03.4 Appeals of the Department's Determination

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. For landlords, the personal delivery or mailing by the Department of the Department's determination, pursuant to LAMC Section 152.03C, shall constitute service. For tenants, the service by the landlord, pursuant to LAMC Section 152.04, of a copy of a Tenant Habitability Plan accepted by the Department shall constitute service of the Department's determination.

Appeals shall be accompanied by the payment of an administrative fee of \$35.00. In accordance with LAMC Section 151.14C, this fee may be waived 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 as calculated annually by the U.S. Department of Housing and Urban Development.

The requested hearing shall be held within 30 calendar days of the filing of the appeal following the procedures set forth in LAMC Section 151.07A.3. 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 affected tenants by first class mail, postage prepaid, or in person.

If a tenant appeals the Department's acceptance of a Tenant Habitability Plan, the tenant is afforded an additional 15 day period to request permanent relocation from the date that the Department provides the appeal decision to the tenant.

713.04 **Project Commencement**

The landlord may commence work on Primary Renovation Work at a given rental unit no sooner than 60 days from the date when the tenant of that unit was served, in accordance with LAMC Section 152.04, with a Notice of Primary Renovation Work, a summary of the Tenant Habitability Program, a copy of the non-confidential portions of the Tenant Habitability Plan and, if applicable, a permanent relocation agreement form.

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Such commencement of work is further subject to the landlord's completion of all mitigation measures that the Tenant Habitability Plan identifies are to be accomplished prior to the initiation of Primary Renovation Work.

713.05 Plan Monitoring

The Department may monitor the adherence of landlords and tenants to the requirements of the Tenant Habitability Plan through the date of project completion or tenant re-occupancy, whichever is later. Such monitoring may include inspections as the Department determines to be warranted, including, but not limited to, inspections undertaken in response to complaints from affected parties.

714.00 NOTICE AND SERVICE REQUIREMENTS

714.01 Notice of Primary Renovation Work

Using a form established by the Department, the landlord shall serve each tenant household to be affected by proposed Primary Renovation Work with the following:

1. A Notice of Primary Renovation Work, written in the language in which the original lease was negotiated;
2. A summary of the provisions of the Tenant Habitability Program (LAMC Section 152.00, et seq.);
3. A permanent relocation agreement form, if applicable, written in the language in which the original lease was negotiated; and
4. A copy of the non-confidential portions of the Tenant Habitability Plan.

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.

Each Notice of Primary Renovation Work shall provide, at a minimum, the information listed in the following subsections:

714.01.1 Time Frame

A Notice of Primary Renovation Work shall indicate the estimated start and completion dates of:

1. Any Primary Renovation Work and Related Work associated with a Tenant Habitability Plan accepted by the Department; and
2. Any other work affecting the tenant that will be undertaken at or about the same as the Primary Renovation Work and any Related Work.

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714.01.2 Description of Work and Impact

A Notice of Primary Renovation Work shall provide:

1. A description of the Primary Renovation Work and any Related Work to be performed and how it will impact that particular tenant household; and
2. A description of any other work that will be undertaken at or about the same as the Primary Renovation Work and any Related Work and the impact of such work on that particular tenant household.

714.01.3 Arrangements for Paying Rent

If Primary Renovation Work and any Related Work necessitate a temporary change in the arrangements for paying rent, the Notice of Primary Renovation Work shall include:

1. The person and address where rent is to be paid;
2. The amount of rent; and
3. The next date rent is due.

Unless a temporary change in the due date is required by a third-party housing provider, the notice shall adhere to the current terms of the tenant's existing oral or written rental agreement.

714.01.4 Details of Temporary Relocation

A Notice of Primary Renovation Work shall provide the details of temporary relocation including the name(s) and address (es) of temporary replacement housing, if necessitated by the Primary Renovation Work, and associated tenant rights under the Tenant Habitability Program. In addition, a Notice of Primary Renovation Work should provide the following:

1. If applicable, the reasonable compensation that will be provided to a tenant who is temporarily deprived of essential, previously available housing services, such as access to cooking facilities, free laundry facilities or housing for pets, as a result of temporary relocation;
2. Information that the landlord and tenant may mutually agree to the landlord providing a per diem payment to the tenant in lieu of the landlord providing temporary replacement housing; and
3. Information that the tenant has the option to elect permanent relocation assistance, in consideration of the tenant's voluntarily terminating the tenancy and quitting the rental unit, in either of the following situations:

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- a. The habitability of the tenant’s rental unit is impacted by Primary Renovation Work and any Related Work for a period of 30 days or more; or
- b. The Primary Renovation Work and any Related Work continue for 30 days longer than the projected completion date set forth in the Tenant Habitability Plan or any modification thereto accepted by the Department.

714.01.5 Tenant Questions

A Notice of Primary Renovation Work shall provide instructions on how a tenant with questions can consult the landlord, the Department, or the Department’s designee. The landlord may designate an agent authorized to act on behalf of the landlord in this regard.

714.01.6 Re-occupancy and Rent Adjustments

A Notice of Primary Renovation Work shall provide notice of a tenant’s right to re-occupy the rental unit under the existing terms of tenancy upon completion of Primary Renovation Work and any Related Work, subject to rent adjustments as authorized under the Ordinance. The notice shall further provide a tenant with a good faith estimate of what rent increases may be allowed under the Ordinance as a result of proposed Primary Renovation Work, Related Work, and any additional work to be undertaken in conjunction with the Primary Renovation Work.

714.01.7 Tenant Right to Appeal

A Notice of Primary Renovation Work shall provide 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 to the Department within 15 days of the tenant’s receipt of the Notice of Primary Renovation Work.

714.02 **Declaration of Service**

Using a form established by the Department, landlords shall submit a declaration under penalty of perjury documenting service of both a Notice of Primary Renovation Work and a copy of the non-confidential portion of the accepted Tenant Habitability Plan to each affected tenant or tenant household prior to the Department’s clearance of any Building and Safety permit related to Primary Renovation Work.

714.03 **Notice of Agreement Electing Per Diem Payment for Temporary Relocation and/or Fixed Payment for Moving and Storage**

If a landlord and tenant agree to allow the landlord to pay the tenant either (a) a per diem for temporary relocation, in accordance with Section 716.07.4 of these regulations or (b) a fixed payment to cover the costs of moving and/or storage of the tenant’s personal property, in accordance with Section 716.08.4 of these regulations, the

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landlord shall provide the Department with a copy of the written agreement within 15 days of its execution.

Such agreement shall be written in the language in which the original lease was negotiated and include the following information:

1. The per diem or fixed payment amount;
2. The timing, frequency, and duration of any temporary relocation payments;
3. A listing of the items to be moved or stored, if any;
4. The method of payment to the tenant; and
5. A statement that the agreement is intended to be binding, admissible in court, and enforceable by a Court.

714.04 Notice Electing Permanent Relocation Assistance

Tenants electing to terminate their tenancies in exchange for permanent relocation assistance, in accordance with LAMC Section 152.05 and Section 715.00, et seq., of these regulations, shall give landlords written notice of their decision using a permanent relocation agreement form established by the Department for this purpose. Landlords, in turn, shall provide the Department with copies of executed permanent relocation agreement forms within 15 days following service of the form on the landlord.

714.05 Notice of Unit Available for Re-occupancy

The landlord shall provide any tenant required to temporarily relocate to replacement housing during primary renovation work with written notice of the date upon which the unit may be re-occupied and shall provide the Department with a copy of such notice. In instances when a tenant must relocate before being given notice of a date certain for return, the landlord's notice of the unit being available for re-occupancy shall be given in advance of the actual re-occupancy date, according to the following schedule:

1. If the temporary replacement housing involves a monthly contract with a third-party housing provider, the landlord shall provide notice to the tenant(s) of pending availability for re-occupancy no less than 30 days before the unit is available; or
2. If the temporary replacement housing does not involve a monthly contract with a third-party housing provider, the landlord shall provide notice to the tenant(s) of pending availability for re-occupancy no less than seven (7) days before the unit is available.

715.00 PERMANENT TENANT RELOCATION

715.01 Tenant Entitlement to Permanent Relocation Assistance

Any tenant affected by Primary Renovation Work and Related Work shall have the option to voluntarily terminate the tenancy in exchange for permanent relocation assistance pursuant to LAMC Section 151.09G in either of the following circumstances:

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1. The Primary Renovation Work and any Related Work, as set forth in the Tenant Habitability Plan, will impact the tenant for 30 or more days; or
2. The Primary Renovation Work and any Related Work continues for 30 or more 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.

715.02 Tenant Election of Permanent Relocation Assistance

To elect permanent relocation assistance, a tenant shall inform the landlord of the decision by mailing or personally delivering a completed permanent relocation agreement form, provided by the Department, to the landlord or agents thereof in accordance with the following time frames:

1. Within 15 days of service, in the manner prescribed by California Code of Civil Procedure Section 1162, of the Notice of Primary Renovation Work and the non-confidential portions of the Tenant Habitability Plan;
2. Within 15 days of service, in the manner prescribed by California Code of Civil Procedure Section 1162, of written notice from either the landlord or the Department that the Primary Renovation Work and Related Work will continue for 30 or more days longer than the projected completion date stated in the Tenant Habitability Plan or any modifications thereto accepted by the Department; or
3. At any time after the initial projected completion date stated in the Tenant Habitability Plan has been exceeded by 30 or more days provided no revised completion date was given the tenant in accordance with subparagraph (2) above.

715.03 Payment Requirements

Once the tenant has elected to receive permanent relocation assistance in accordance with LAMC Section 152.05 and Section 715.02 of these regulations, the landlord shall have 15 days to provide the tenant with relocation assistance in the manner and for the amounts set forth in LAMC Section 151.09G.

716.00 TEMPORARY RELOCATION

716.01 Conditions Mandating Temporary Relocation

The landlord shall indicate in its Tenant Habitability Plan whether the temporary relocation of one or more tenant households is necessary. Pursuant to LAMC Section 152.03, 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 Primary Renovation Work if the Department determines temporary relocation is necessary to ensure the health or safety of the tenant. In determining whether the health or safety of the tenant is in jeopardy, the Department may consider health and safety factors including, but not limited to, substandard conditions (California Health & Safe-

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ty Code Section 17920.3), lead-based paint (Health & Safety Code Section 17920.10), and untenable rental housing conditions (California Civil Code Section 1941.1).

716.02 Delays in Initiating Primary Renovation Work

A significant delay in the landlord's initiation of Primary Renovation Work should be reflected in a corresponding delay in the requirement for a tenant to relocate. Whenever the start of Primary Renovation Work is delayed significantly, the failure of a tenant to relocate in conformance with the timing initially indicated in an accepted Tenant Habitability Plan shall not be considered an unreasonable interference with the landlord's ability to implement the requirements of that Tenant Habitability Plan.

716.03 Maintenance of Tenancy

The temporary relocation of a tenant under the Tenant Habitability Program 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.

716.04 Payment of Rent

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 acceptance in the course of business between the landlord and the tenant.

716.05 Temporary Housing Accommodation Costs

A landlord shall pay for all temporary housing accommodation costs regardless of whether those costs exceed rent paid by the tenant.

716.06 Escrow Accounts

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.

716.07 Temporary Replacement Housing

A landlord shall temporarily relocate a tenant to habitable temporary housing accommodations if the Primary Renovation Work will:

1. Make the rental unit an untenable dwelling, as defined in California Civil Code Section 1941.1, outside of the hours of 8:00 am through 5:00 pm, Monday through Friday;
2. Expose the tenant at any time to toxic or hazardous materials including, but not limited to, lead-based paint and asbestos; or
3. Otherwise endanger the health or safety of the tenant.

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716.07.1 Temporary Replacement Housing 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 housing services.

716.07.2 Temporary Replacement Housing 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 either in the same building as the Primary Renovation Work, in a hotel or motel, or in other housing. If the temporary housing is in a hotel, motel or other housing, it shall:

1. Be located no greater than two miles from the tenant's rental unit, unless no such accommodation is available; and
2. Contain standard amenities such as a telephone.

Depending on the size and composition of a given tenant household, habitable temporary housing in a hotel or motel may require more than one hotel or motel unit.

716.07.3 Payment Arrangements

If temporary replacement housing is to be provided at a location not owned or managed by the landlord, the landlord shall describe the payment arrangements that have been made in the Tenant Habitability Plan including:

1. The person to whom such payment will be made;
2. The time such payment will be made;
3. The period of time such payment will cover; and
4. The action the landlord will take should the period of temporary relocation need to be extended.

Should a landlord fail to make payments for temporary replacement housing in accordance with the Tenant Habitability Plan, such a failure shall constitute a reduction in housing services and entitle the tenant to a reduction in rent, in addition to any other remedies available under these regulations.

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716.07.4 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 instead of the landlord providing temporary replacement housing. The agreement shall be written in the language in which the original lease was negotiated, signed by the landlord and tenant, and contain the tenant's acknowledgment that the tenant received notice of tenant rights under LAMC Section 152.06 and understands those rights. The landlord shall provide the Department with a copy of this agreement, in accordance with Section 714.03 of these regulations, within 15 days of its execution.

716.07.5 Temporary Loss of Housing Services

The landlord shall provide reasonable compensation to tenants who are temporarily deprived of essential services that had been provided at the rental unit undergoing renovation. These deprivations include, but are not strictly limited to:

1. Loss of cooking facilities;
2. Loss of housing for a pet if allowed under the rental agreement; and
3. Loss of access to laundry facilities owned by the tenant or otherwise made available to the tenant without charge.

716.08 **Related Costs**

716.08.1 Moving Costs

A landlord shall pay all actual reasonable costs of moving a tenant to temporary replacement housing including, but not limited to:

1. Transportation of tenant personal property;
2. Packing and unpacking;
3. Insurance of personal property while in transit;
4. Compensation for any damage occurring during moving;
5. Storage of personal property;
6. Disconnection and re-connection of utility services; and
7. Any other additional costs attributable to a tenant's special need, including needs resulting from disability or age.

716.08.2 Temporary Furnishings

A tenant shall not be temporarily relocated to an unfurnished rental unit without the provision of basic necessary furnishings. The landlord may provide temporary furnishings or the landlord may move, and later return, the tenant's furnishings.

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716.08.3 Protection of Tenant Property

A tenant's personal property shall not remain on site during Primary Renovation Work if it is exposed to hazards or is left unsecured, and the landlord shall be responsible for any temporary storage of tenant personal property necessitated by Primary Renovation Work. The landlord shall also be responsible for any damage or loss to tenant property incurred while in transit or in storage unless the tenant has assumed explicit responsibility for such transit or storage.

716.08.4 Payment to Tenant for Moving or Storage

If mutually acceptable to both parties, a landlord and tenant may agree to allow the landlord to pay the tenant a fixed payment amount to cover the cost of moving and/or storing tenant personal property, if needed. In order to agree upon a fixed payment to the tenant instead of the landlord providing for moving and temporary storage, the tenant and landlord must conclude a separate written agreement, signed by both parties and written in the language in which the original lease was negotiated, setting forth the details of the payment arrangement and including the tenant's acknowledgment of the receipt of and understanding of a notice of rights under this section and LAMC Section 152.06. The landlord shall provide the Department with a copy of this agreement in accordance with Section 714.03 of these regulations.

716.08.5 Tenant-Paid Utilities

If the landlord uses tenant-paid utilities during the period the tenant is temporarily relocated, the landlord shall compensate the tenant for the cost of such usage within 15 days of delivery by mail or hand to the landlord of a written request by the tenant, including supporting documentation, for reimbursement.

716.09 Landlord Obligations

The Landlord shall fulfill the following obligations with regard to temporary replacement housing:

1. Provide for the temporary relocation of the tenant, as necessary, in accordance with Section 716.07 of these regulations;
2. Provide for the moving and storage of tenant furnishings, if necessary, in accordance with Section 716.08, et seq., of these regulations;
3. Provide for the security of tenant personal property remaining on site during Primary Renovation Work in accordance with Section 716.08.3 of these regulations;
4. Promptly notify the tenant of any change in the Tenant Habitability Plan that affects the timing or duration of the tenant's temporary relocation;
5. Facilitate a tenant's timely return to his/her rental unit by performing all Primary Renovation Work in conformance with a Tenant Habitability Plan;

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6. Notify the tenant of the date the unit is to be re-occupied in accordance with Section 714.05 of these regulations; and
7. Adhere to all other applicable requirements of the Tenant Habitability Plan.

716.10 Tenant Obligations

The tenant shall fulfill the following obligations with regard to temporary replacement housing:

1. Pay rent to the landlord;
2. Temporarily relocate, as required, in accordance with a Tenant Habitability Plan and Notice of Primary Renovation Work;
3. Provide the landlord with a contact address and phone number while temporarily relocated;
4. Notify the landlord if the tenant has entered into a monthly contract with a third-party housing provider; and
5. Adhere to all other applicable requirements of the Tenant Habitability Plan.

717.00 TENANTS REMAINING IN THE UNIT

717.01 Safety of the Tenant

The landlord shall take action to ensure that a tenant is not subjected to conditions that present a threat to the tenant's safety and well-being as a result of Primary Renovation Work. For a tenant to remain in a rental unit while Primary Renovation Work is undertaken, untenable conditions shall be limited to the hours between 8 am and 5 pm, Monday through Friday, and all housing services necessary for the unit to be habitable shall be restored daily at the end of working hours (e.g., disconnected utility services restored by 5 pm). In some instances, however, specific tenant circumstances may make it unsafe for the tenant to remain in place, and the Department may determine that the tenant in question must be temporarily relocated.

The Tenant Habitability Plan shall include a detailed description of the precautions that will be undertaken to safeguard the health and safety of tenants remaining in place during the course of Primary Renovation Work in accordance with any regulations or guidelines promulgated by the RAC or the Department.

717.02 Tenant Personal Property

The landlord shall ensure reasonable protection and security for an affected tenant's personal property that remains in the rental unit during Primary Renovation Work.

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717.03 Compliance with Tenant Habitability Plan

Both landlords and tenants shall adhere to the requirements of the Tenant Habitability Plan.

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While this publication is designed to provide accurate and current information about the law, readers should consult an attorney or other expert for advice in particular cases, and should also read the relevant statutes and court decisions when relying on cited material. Laws and guidelines are frequently amended. The LAHD recommends that you verify information in the event that new changes are not yet reflected in this publication. The LAHD does not assume and hereby disclaims any liability to any party for any loss, damage, or disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident, or any other cause.

AUXILIARY AIDS AND SERVICES: “As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.”



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Central (Wilshire) Regional Office

3550 WILSHIRE BLVD., 15TH Floor
LOS ANGELES, CA 90010

East Regional Office

2215 N. BROADWAY AVE.
LOS ANGELES, CA 90031

South Regional Office

690 KNOX ST., Suite 125
LOS ANGELES, CA 90502



CITY OF LOS ANGELES

CD-8 Satellite Office

8475 S. VERMONT AVE., 2nd Floor
LOS ANGELES, CA 90044

West Regional Office

1645 CORINTH AVE., Suite 104
LOS ANGELES, CA 90025

North (Valley) Regional Office

6400 LAUREL CANYON BLVD., Suite 610
NORTH HOLLYWOOD, CA 91606



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721.00 DECLARATION OF PURPOSE

721.01 Purpose

The purpose of these regulations is to facilitate completion of the mandatory earthquake hazard reduction requirements for existing wood-frame buildings with soft, weak, or open-front walls and existing non-ductile concrete buildings by modifying the service and notice requirements of Article 2 of Chapter XV of the Los Angeles Municipal Code, titled the Tenant Habitability Program.

721.02 Authority

The Rent Adjustment Commission has adopted these regulations pursuant to the authority granted to it by Los Angeles Municipal Code Sections 151.03, 151.07A.8, and 152.08. In adopting these regulations the Commission finds that:

1. The earthquake hazard reduction requirements of Divisions 93 and 95 of Article 1 of Chapter IX of the Los Angeles Municipal Code are time sensitive public welfare and safety requirements;
2. The mere undertaking of and completion of the work performed by a landlord pursuant to Divisions 93 and 95 of Article 1 of Chapter IX of the Los Angeles Municipal Code shall not in and of itself, result in any building or residential unit being deemed untenable or uninhabitable as defined in California Civil Code Section 1941.1; and
3. Modification of the service and notice requirements effected herein are necessary to efficiently carry out the purpose of the mandatory earthquake hazard reduction requirements of Divisions 93 and 95 of Article 1 of Chapter IX of the Los Angeles Municipal Code.

722.00 DEFINITIONS

The following words and phrases, whenever used in these regulations, shall be construed as defined in this section, which restates, in some instances, definitions used in LAMC Section 151.02. Should a discrepancy exist between a definition presented here and in Section 151.02, the wording in the LAMC definition shall prevail. Words and phrases not defined here shall be construed as defined in LAMC Sections 12.03 and 162.02, if defined there.

Building and Safety. The City of Los Angeles Department of Building and Safety or any successor.



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Department. The Los Angeles Housing and Community Investment Department or any successor.

LAMC. The Los Angeles Municipal Code

Notice of Seismic Retrofit Work. Written notice, served by the landlord upon a tenant or tenant household prior to starting Seismic Retrofit Work or Related Work and using a form established by the Department, advising the tenant of forthcoming Seismic Retrofit Work or Related Work, the impact of such work on the tenant, and measures the landlord will take to mitigate the impact on the tenant.

RAC. The Rent Adjustment Commission of the City of Los Angeles or any successor.

Related Work. Improvements or repairs which in and of themselves, do not constitute Seismic Retrofit Work but which are undertaken in conjunction with and are necessary to the initiation and/or completion of Seismic Retrofit Work.

RSO. Chapter XV of the Los Angeles Municipal Code Section 151.00, et. seq., commonly known as the Rent Stabilization Ordinance.

Seismic Retrofit Work. The structural analysis and alterations to a building that are necessary to comply with the earthquake hazard reduction requirements of Divisions 93 and 95 of Article 1 of Chapter IX of the Los Angeles Municipal Code.

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 Seismic Retrofit Work and any Related Work, subject to any rent adjustments as may be authorized under the RSO.

Tenant Habitability Plan. A document, submitted by a landlord to the Department, identifying any impact Seismic Retrofit 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 Seismic Retrofit Work and Related Work are undertaken.



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723.00 PROCEDURE FOR UNDERTAKING SEISMIC RETROFIT WORK

723.01 Building Permit Clearance

723.01.1 Identification of Seismic Retrofit Work

All permit applications identified as Seismic Retrofit Work by Building and Safety's initial screening process shall be further reviewed to determine whether the proposed work constitutes, in whole or in part, Seismic Retrofit Work. Such review shall be undertaken by either of the following agencies:

1. The Department, which shall make its determination within five (5) working days of receiving sufficient information from the permit applicant to determine the scope of the proposed work; or
2. Building and Safety, per an agreement with the Department to undertake such screening.

723.01.2 Department Clearance of Seismic Retrofit Work

The Department shall clear a landlord's application for building permits to perform Seismic Retrofit Work in accordance with procedures established by Building and Safety, when both of the following conditions have been met:

1. The landlord has submitted a Tenant Habitability Plan which the Department finds adequately mitigates the impact of Seismic Retrofit Work and any Related Work upon tenants; and
2. The landlord has submitted a declaration, under penalty of perjury, documenting service to affected tenants of both a Notice of Seismic Retrofit Work and a copy of the non-confidential portions of the Tenant Habitability Plan.

723.02 Tenant Habitability Plan

The Department may establish forms for landlord use in filing a Tenant Habitability Plan. At a minimum, the forms shall require the Landlord to provide the Department with the information listed herein as part of the Tenant Habitability Plan.

It is in the interest of both landlords and tenants that Seismic Retrofit Work and any Related Work be undertaken as efficiently and effectively as possible. To that end, landlords must provide tenants with a summary of their rights under the Tenant Habitability Program and to the extent modified herein, prepared by the Department, prior to seeking tenant input in developing mitigation measures or



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entering into any agreement with said tenants.

723.02.1 Identification of Responsible Parties

The landlord shall provide the following information:

1. Name, address, and phone number of the landlord;
2. Name, address, and phone number of the person designated by the landlord as the contact person for all issues related to the proposed project, if the contact person is not the landlord;
3. Name, address, and contact phone number of the general contractor responsible for the Seismic Retrofit Work and any Related Work; and
4. Name, address, and contact phone number of any specialized contractor or sub-contractor responsible for hazardous material abatement.

723.02.1 Identification of Affected Tenants

The landlord shall provide the following information on a separate attachment which, in accordance with California Civil Code Section 1798, et seq., shall be considered a confidential addendum to the Tenant Habitability Plan:

1. The name, address including unit number, and phone number of the primary tenant(s) or head of tenant household for each rental unit affected by Seismic Retrofit Work;
2. An identification of which rental units affected by Seismic Retrofit Work, if any, house Qualified Tenants; and
3. The current rent and the date of last rent increase for each rental unit affected by Seismic Retrofit Work.

723.02.3 Scope of Work

The landlord shall provide a description of the scope of the Seismic Retrofit Work and any Related Work. Such description shall address:

1. The total number of units on property;
2. The identification of specific units and common areas affected by the Seismic Retrofit Work and any Related Work;
3. The specific scope of Seismic Retrofit Work to be done in each unit;
4. The overall scope of the Seismic Retrofit Work, Related Work, and any other



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work to be undertaken at or about the same time as the Seismic Retrofit Work and any Related Work;

5. The estimated duration of all work for the entire project;
6. The estimated duration of work for each affected unit, including projected start and finish dates; and
7. The estimated total cost of all Seismic Retrofit Work and any Related Work.

723.02.4 Impact on Habitability

The landlord shall identify the impact of Seismic Retrofit Work and any Related Work on the habitability of affected rental units, including a discussion of impact severity and duration with regard to the following factors:

1. Noise;
2. Utility interruption;
3. Exposure to toxic or hazardous materials;
4. Interruption of fire safety systems;
5. Inaccessibility of all or portions of each affected rental unit; and
6. Disruption of other tenant services.

723.02.5 Tenant Health & Safety

The landlord shall identify the mitigation measures that will be adopted to ensure that tenants are not required to occupy an untenable dwelling, as defined in California Civil Code Section 1941.1, outside of the hours of 8:00 am through 5:00 pm, Monday through Friday, and are not exposed at any time to toxic or hazardous materials including, but not limited to, lead-based paint and asbestos.

Such measures may include one or both of the following options:

1. The adoption of work procedures that allow tenants to remain on-site by either (a) avoiding the creation of untenable conditions altogether or (b) returning the rental unit to a habitable condition outside of the hours of 8:00 am through 5:00 pm, Monday through Friday; and
2. The temporary relocation of tenants to habitable replacement housing, in conformance with Section 728.00, et seq., of these regulations, with provision made for compensating tenants deprived of essential, previously available, housing services (e.g., cooking facilities, free laundry, or pet accommodations) as a result of temporary relocation.



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723.02.6 Impact on Tenant Personal Property

The landlord shall identify the impact of Seismic Retrofit Work and any Related Work on the personal property of affected tenants including a discussion of timing, severity, and duration, with regard to the following factors:

1. Work areas which must be cleared of furnishings and other tenant property;
2. Exposure of furnishings and other tenant property to theft;
3. Exposure of furnishings and other tenant property to elements or hazards; and
4. Other material impacts on tenant personal property.

723.02.7 Protection of Tenant Property

The landlord shall identify the mitigation measures that will be adopted to secure and protect tenant property from reasonably foreseeable damage or loss.

723.03 Plan Acceptance

723.03.1 Departmental Determination

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 LAMC Section 152.03B and Section 723.02, et seq. of these regulations and which it determines, with reference to the standards set forth in California Civil Code Section 1941.1 and in these regulations, will adequately mitigate the impacts of Seismic Retrofit Work and any Related Work upon tenants. The Tenant Habitability Plan may allow for the temporary disruption of major building 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.

723.03.2 Notification of Deficiencies

Whenever the Department determines that a Tenant Habitability Plan is inadequate, the Department must provide landlords with a written description of the deficiencies that must be addressed. A landlord may submit an amended Tenant Habitability Plan in order to correct identified deficiencies, which the Department will review in accordance with Section 723.03.1 of these regulations or request an appeal contesting the Department's Tenant Habitability Plan determination.



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724.00 RIGHT TO APPEAL AND APPEAL PROCESS

Both landlords and tenants have the right to appeal the Department's Determination on a Tenant Habitability Plan. If a Tenant Habitability Plan is appealed, work shall be stayed pending a Hearing Officer's determination.

724.01 Landlord's Right to Appeal the Department's Determination

Landlords may appeal the Department's determination of a Tenant Habitability Plan to a Hearing Officer. The personal delivery or mailing by the Department of the Department's determination, pursuant to LAMC Section 152.03C, shall constitute service of the Department's determination. 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 with the Department within 15 calendar days of the service of the Department's determination. If the deadline to appeal falls on a weekend or holiday, the appeal shall be filed by the following work day.

724.02 Tenant's Right to Appeal the Tenant Habitability Plan

After the Department's acceptance of a Tenant Habitability Plan, the landlord must serve all tenants that may be affected by the work following the notice and service requirements of RAC Regulation Section 725.00, et. seq. Tenants may appeal the Department's Determination regarding a Tenant Habitability Plan to a Hearing Officer.

The appeal by the tenant shall be made in writing, completing an appeal form provided by the Department, and shall specify the grounds for appeal. The appeal shall be filed with the Department within 15 calendar days of the service of the Tenant Habitability Plan and Notice of Seismic Retrofit Work by the landlord to the tenant, pursuant to LAMC Section 152.04 and Section 725.01, et. seq. of these regulations. If the deadline to appeal falls on a weekend or holiday, the appeal shall be filed by the following work day.

If a tenant appeals the Department's acceptance of a Tenant Habitability Plan, the tenant is afforded an additional 15 day period to request permanent relocation from the date that the Department provides the appeal decision to the tenant.

724.03 Appeal Administrative Fee

Landlord and Tenant Appeals shall be accompanied by the payment of an administrative fee of \$35.00. In accordance with LAMC Section 151.14C, this fee



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may be waived 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 as calculated annually by the U.S. Department of Housing and Urban Development.

724.04 General Manager's Hearing

The requested hearing shall be held within 30 calendar days of the filing of the appeal following the procedures set forth in LAMC Section 151.07A.3. 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 tenants by first class mail, postage prepaid, or in person.

724.05 Commencement of Work after Appeal

If a Tenant Habitability Plan is appealed by a landlord or tenant, the commencement of work on the project shall be stayed until a General Manager Hearing Officer Decision is issued on the appeal and all conditions described in the decision have been met.

725.00 NOTICE AND SERVICE REQUIREMENTS

725.01 Notice of Seismic Retrofit Work

Using a form established by the Department, the landlord shall serve each tenant household that may be affected by proposed Seismic Retrofit Work with the following, written in the language in which the original lease was negotiated:

1. A Notice of Seismic Retrofit Work;
2. A summary of the provisions of the Tenant Habitability Program (LAMC Section 152.00, et seq.);
3. If applicable, a permanent relocation agreement form;
4. A copy of the non-confidential portions of the Tenant Habitability Plan; and
5. An appeal form provided by the Department.

Service of these items shall be provided in the manner prescribed by Section 1162 of the California Code of Civil Procedure. The time of service for these items shall be no less than 20 days prior to the date on which the Seismic Retrofit Work is scheduled to begin.



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Each Notice of Seismic Retrofit Work shall provide, at a minimum, the information listed in the following subsections:

725.01.1 Time Frame

A Notice of Seismic Retrofit Work shall indicate the estimated start and completion dates of the following:

1. The Seismic Retrofit Work and any Related Work associated with a Tenant Habitability Plan accepted by the Department; and
2. Any other work affecting the tenant that will be undertaken at or about the same as the Seismic Retrofit Work and any Related Work.

725.01.2 Description of Work and Impact

A Notice of Seismic Retrofit Work shall provide:

1. A description of the Seismic Retrofit Work and any Related Work to be performed and how it will impact that particular tenant household; and
2. A description of any other work that will be undertaken at or about the same as the Seismic Retrofit Work and any Related Work and the impact of such work on that particular tenant household.

725.01.3 Arrangements for Paying Rent

If Seismic Retrofit Work and any Related Work necessitate a temporary change in the arrangements for paying rent, the Notice of Seismic Retrofit Work shall include the following information:

1. The person and address where rent is to be paid;
2. The amount of rent; and
3. The next date rent is due.

Unless a temporary change in the due date is required by a third-party housing provider, the notice shall adhere to the current terms of the tenant's existing oral or written rental agreement.

725.01.4 Details of Temporary Relocation

A Notice of Seismic Retrofit Work shall provide the details of temporary relocation including the name(s) and address(es) of temporary replacement housing, if necessitated by the Seismic Retrofit Work, and associated tenant rights under the Tenant Habitability Program. In addition, a Notice of Seismic Retrofit Work should provide the following:



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1. If applicable, the reasonable compensation that will be provided to a tenant who is temporarily deprived of essential, previously available housing services, such as access to cooking facilities, free laundry facilities or housing for pets, as a result of temporary relocation;
2. Information that the landlord and tenant may mutually agree to the landlord providing a per diem payment to the tenant in lieu of the landlord providing temporary replacement housing; and
3. Information that the tenant has the option to elect permanent relocation assistance, in consideration of the tenant's voluntarily terminating the tenancy and quitting the rental unit, in either of the following situations:
 - a. The habitability of the tenant's rental unit is impacted by Seismic Retrofit Work and any Related Work for a period of 30 days or more; or
 - b. The Seismic Retrofit Work and any Related Work continue for 30 days longer than the projected completion date set forth in the Tenant Habitability Plan or any modification thereto accepted by the Department.

725.01.5 Tenant Questions

A Notice of Seismic Retrofit Work shall provide instructions on how a tenant with questions can consult the landlord, the Department, or the Department's designee. The landlord may designate an agent authorized to act on behalf of the landlord in this regard.

725.01.6 Re-occupancy and Rent Adjustments

A Notice of Seismic Retrofit Work shall provide notice of a tenant's right to re-occupy the rental unit under the existing terms of tenancy upon completion of Seismic Retrofit Work and any Related Work, subject to rent adjustments as authorized under the RSO. The notice shall further provide a tenant with a good faith estimate of what rent increases may be allowed under the RSO because of the proposed Seismic Retrofit Work, Related Work, and any additional work to be undertaken in conjunction with the Seismic Retrofit Work.

725.01.7 Tenant Right to Appeal

A Notice of Seismic Retrofit Work shall provide 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 Seismic Retrofit Work, provided such request is submitted to the Department in accordance with Section 724.02 of these regulations. The owner shall provide each tenant with an appeal



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form provided by the Department.

725.02 Declaration of Service

Using a form established by the Department, landlords shall submit a declaration under penalty of perjury documenting service of those documents provided in Section 725.01 of these regulations to each affected tenant or tenant household prior to the Department's clearance of a Building and Safety permit for Seismic Retrofit Work.

725.03 Notice of Agreement Electing Per Diem Payment for Temporary Relocation and/or Fixed Payment for Moving and Storage

If a landlord and tenant agree to allow the landlord to pay the tenant either (a) a per diem for temporary relocation, in accordance with Section 728.07.4 of these regulations or (b) a fixed payment to cover the costs of moving and/or storage of the tenant's personal property, in accordance with Section 738.08.4 of these regulations, the landlord shall provide the Department with a copy of the written agreement within 15 days of its execution.

Such agreement shall be written in the language in which the original lease was negotiated and include the following information:

1. The per diem or fixed payment amount;
2. The timing, frequency, and duration of any temporary relocation payments;
3. A listing of the items to be moved or stored, if any;
4. The method of payment to the tenant; and
5. A statement that the agreement is intended to be binding, admissible in court, and enforceable by a Court.

725.04 Notice Electing Permanent Relocation Assistance

Tenants electing to terminate their tenancies in exchange for permanent relocation assistance, in accordance with LAMC Section 152.05 and Section 727.00 of these regulations, shall give landlords written notice of their decision using a permanent relocation agreement form established by the Department for this purpose. Landlords, in turn, shall provide the Department with copies of executed permanent relocation agreement forms within 15 days following service of the form on the landlord.



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725.05 Notice of Unit Available for Re-occupancy

The landlord shall provide any tenant required to temporarily relocate to replacement housing during Seismic Retrofit Work with written notice of the date upon which the unit may be re-occupied and shall provide the Department with a copy of such notice. In instances when a tenant must relocate before being given notice of a date certain for return, the landlord's notice of the unit being available for re-occupancy shall be given in advance of the actual re-occupancy date, according to the following schedule:

1. If the temporary replacement housing involves a monthly contract with a third-party housing provider, the landlord shall provide notice to the tenant(s) of pending availability for re-occupancy no less than 30 days before the unit is available; or
2. If the temporary replacement housing does not involve a monthly contract with a third-party housing provider, the landlord shall provide notice to the tenant(s) of pending availability for re-occupancy no less than seven (7) days before the unit is available.

726.00 Commencement of Seismic Retrofit Work

The landlord may commence Seismic Retrofit Work on a given building no sooner than 20 days from the date when the tenants of that building were served with those documents provided in Section 725.01 of these regulations. Such commencement of work is further subject to the landlord's completion of all mitigation measures that the Tenant Habitability Plan identifies are to be accomplished prior to the initiation of Seismic Retrofit Work.

726.01 Plan Monitoring

The Department may monitor the adherence of landlords and tenants to the requirements of the Tenant Habitability Plan through the date of project completion or tenant re-occupancy, whichever is later. Such monitoring may include inspections as the Department determines to be warranted, including, but not limited to, inspections undertaken in response to complaints from affected parties.



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727.00 PERMANENT TENANT RELOCATION

727.01 Tenant Entitlement to Permanent Relocation Assistance

Any tenant affected by Seismic Retrofit Work and Related Work shall have the option to voluntarily terminate the tenancy in exchange for permanent relocation assistance pursuant to LAMC Section 159.09.G in either of the following circumstances:

1. The Seismic Retrofit Work and any Related Work, as set forth in the Tenant Habitability Plan, will make a rental unit untenable or uninhabitable for 30 or more days; or
2. The Seismic Retrofit Work and any Related Work continues for 30 or more 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.

727.02 Tenant Election of Permanent Relocation Assistance

To elect permanent relocation assistance, a tenant shall inform the landlord of the decision by mailing or personally delivering a completed permanent relocation agreement form, provided by the Department, to the landlord or agents thereof in accordance with the following time frames:

1. Within 15 days of service, in the manner prescribed by California Code of Civil Procedure Section 1162, of the Notice of Seismic Retrofit Work and the non-confidential portions of the Tenant Habitability Plan;
2. Within 15 days of service, in the manner prescribed by California Code of Civil Procedure Section 1162, of written notice from either the landlord or the Department that the Seismic Retrofit Work and Related Work will continue for 30 or more days longer than the projected completion date stated in the later of either the Tenant Habitability Plan or any modifications thereto accepted by the Department; or
3. At any time after the initial projected completion date stated in the Tenant Habitability Plan has been exceeded by 30 or more days provided that no revised completion date was given to the tenant in accordance with subparagraph (2) above.

727.08 Payment Requirements

Once the tenant has elected to receive permanent relocation assistance in



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accordance with LAMC Section 152.05 and Section 727.02 of these regulations, the landlord shall have 15 days to provide the tenant with relocation assistance in the manner and for the amounts set forth in LAMC Section 151.09G.

728.00 TEMPORARY RELOCATION

728.01 Conditions Mandating Temporary Relocation

The landlord shall indicate in the Tenant Habitability Plan whether the temporary relocation of one or more tenant households is necessary. Pursuant to LAMC Section 152.03, 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 Seismic Retrofit Work if the Department determines temporary relocation is necessary to ensure the health or safety of the tenant. In determining whether the health or safety of the tenant is in jeopardy, the Department may consider health and safety factors including, but not limited to, substandard conditions (California Health & Safety Code Section 17920.3), lead-based paint (Health & Safety Code Section 17920.10), and untenable rental housing conditions (California Civil Code Section 1941.1).

728.02 Delays in Initiating Seismic Retrofit Work

A significant delay in the landlord's initiation of Seismic Retrofit Work should be reflected in a corresponding delay in the requirement for a tenant to relocate. Whenever the start of Seismic Retrofit Work is delayed significantly, the failure of a tenant to relocate in conformance with the timing initially indicated in an accepted Tenant Habitability Plan shall not be considered an unreasonable interference with the landlord's ability to implement the requirements of that Tenant Habitability Plan.

728.03 Maintenance of Tenancy

The temporary relocation of a tenant under the Tenant Habitability Program 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 Seismic Retrofit Work.

728.04 Payment of Rent

A tenant who is temporarily relocated as a result of Seismic Retrofit Work shall continue to pay rent in the manner prescribed by any lease provision or acceptance



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in the course of business between the landlord and the tenant unless modified by the landlord as provided in Section 725.01.3 of these regulations.

728.05 Temporary Housing Accommodation Costs

A landlord shall pay for all temporary housing accommodation costs regardless of whether those costs exceed rent paid by the tenant.

728.06 Escrow Accounts

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.

728.07 Temporary Replacement Housing

A landlord shall temporarily relocate a tenant to habitable temporary housing accommodations if the Seismic Retrofit Work will:

1. Make the rental unit an untenable dwelling, as defined in California Civil Code Section 1941.1, outside of the hours of 8:00 am through 5:00 pm, Monday through Friday;
2. Expose the tenant at any time to toxic or hazardous materials including, but not limited to, lead-based paint and asbestos; or
3. Otherwise endanger the health or safety of the tenant.

728.07.1 Temporary Replacement Housing 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 housing services.

728.07.2 Temporary Replacement Housing 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 either in the same building as the Seismic Retrofit



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Work, in a hotel or motel, or in other housing. If the temporary housing is in a hotel, motel or other housing, it shall:

1. Be located no greater than two miles from the tenant's rental unit, unless no such accommodation is available; and
2. Contain standard amenities such as a telephone.

Depending on the size and composition of a given tenant household, habitable temporary housing in a hotel or motel may require more than one hotel or motel unit.

728.07.3 Payment Arrangements

If temporary replacement housing is to be provided at a location not owned or managed by the landlord, the landlord shall describe the payment arrangements that have been made in the Tenant Habitability Plan including:

1. The person to whom such payment will be made;
2. The time such payment will be made;
3. The period of time such payment will cover; and
4. The action the landlord will take should the period of temporary relocation need to be extended.

Should a landlord fail to make payments for temporary replacement housing in accordance with the Tenant Habitability Plan, such a failure shall constitute a reduction in housing services and entitle the tenant to a reduction in rent, in addition to any other remedies available under these regulations.

728.04 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 instead of the landlord providing temporary replacement housing. The agreement shall be written in the language in which the original lease was negotiated, signed by the landlord and tenant, and contain the tenant's acknowledgment that the tenant received notice of tenant rights under LAMC Section 152.06 and understands those rights. The landlord shall provide the Department with a copy of this agreement, in accordance with Section 725.03 of these regulations, within 15 days of its execution.

728.07.5 Temporary Loss of Housing Services

The landlord shall provide reasonable compensation to tenants who are temporarily deprived of essential services that had been provided at the rental unit



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undergoing renovation. These deprivations include, but are not strictly limited to:

1. Loss of cooking facilities;
2. Loss of housing for a pet if allowed under the rental agreement; and
3. Loss of access to laundry facilities owned by the tenant or otherwise made available to the tenant without charge.

728.08 Related Costs

728.08.1 Moving Costs

A landlord shall pay all actual reasonable costs of moving a tenant to temporary replacement housing including, but not limited to:

1. Transportation of tenant personal property;
2. Packing and unpacking;
3. Insurance of personal property while in transit;
4. Compensation for any damage occurring during moving;
5. Storage of personal property;
6. Disconnection and re-connection of utility services; and
7. Any other additional costs attributable to a tenant's special need, including needs resulting from disability or age.

728.08.2 Temporary Furnishings

A tenant shall not be temporarily relocated to an unfurnished rental unit without the provision of basic necessary furnishings. The landlord may provide temporary furnishings or the landlord may move, and later return, the tenant's furnishings.

728.08.3 Protection of Tenant Property

A tenant's personal property shall not remain on site during Seismic Retrofit Work if it is exposed to hazards or is left unsecured, and the landlord shall be responsible for any temporary storage of tenant personal property necessitated by Seismic Retrofit Work. The landlord shall also be responsible for any damage or loss to tenant property incurred while in transit or in storage unless the tenant has assumed explicit responsibility for such transit or storage.

728.08.4 Payment to Tenant for Moving or Storage

If mutually acceptable to both parties, a landlord and tenant may agree to allow



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the landlord to pay the tenant a fixed payment amount to cover the cost of moving and/or storing tenant personal property, if needed. In order to agree upon a fixed payment to the tenant instead of the landlord providing for moving and temporary storage, the tenant and landlord must conclude a separate written agreement, signed by both parties and written in the language in which the original lease was negotiated, setting forth the details of the payment arrangement and including the tenant's acknowledgment of the receipt of and understanding of a notice of rights under this section and LAMC Section 152.06. The landlord shall provide the Department with a copy of this agreement in accordance with Section 725.03 of these regulations.

728.08.5 Tenant-Paid Utilities

If the landlord uses tenant-paid utilities during the period the tenant is temporarily relocated, the landlord shall compensate the tenant for the cost of such usage within 15 days of delivery by mail or hand to the landlord of a written request by the tenant, including supporting documentation, for reimbursement.

728.09 Landlord Obligations

The Landlord shall fulfill the following obligations with regard to temporary replacement housing:

1. Provide for the temporary relocation of the tenant, as necessary, in accordance with Section 728.07, et seq., of these regulations;
2. Provide for the moving and storage of tenant furnishings, if necessary, in accordance with Section 728.08, et seq., of these regulations;
3. Provide for the security of tenant personal property remaining on site during Seismic Retrofit Work in accordance with Section 728.08.3 of these regulations;
4. Promptly notify the tenant of any change in the Tenant Habitability Plan that affects the timing or duration of the tenant's temporary relocation;

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East Regional Office
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LOS ANGELES, CA 90031

South Regional Office
690 KNOX ST., Suite 125
LOS ANGELES, CA 90502

CD-8 Satellite Office
8475 S. VERMONT AVE., 2nd Floor
LOS ANGELES, CA 90044

West Regional Office
1645 CORINTH AVE., Suite 104
LOS ANGELES, CA 90025

North (Valley) Regional Office
6400 LAUREL CANYON BLVD., Suite 610
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5. Facilitate a tenant's timely return to his/her rental unit by performing all Seismic Retrofit Work in conformance with a Tenant Habitability Plan;
6. Notify the tenant of the date the unit is to be re-occupied in accordance with Section 725.05 of these regulations; and
7. Adhere to all other applicable requirements of the Tenant Habitability Plan.

728.10 Tenant Obligations

The tenant shall fulfill the following obligations with regard to temporary replacement housing:

1. Pay rent to the landlord;
2. Temporarily relocate, as required, in accordance with a Tenant Habitability Plan and Notice of Seismic Retrofit Work;
3. Provide the landlord with a contact address and phone number while temporarily relocated;
4. Notify the landlord if the tenant has entered into a monthly contract with a third-party housing provider; and
5. Adhere to all other applicable requirements of the Tenant Habitability Plan.

729.00 TENANTS REMAINING IN THE UNIT

729.01 Safety of the Tenant

The landlord shall take action to ensure that a tenant is not subjected to conditions that present a threat to the tenant's safety and well-being as a result of Seismic Retrofit Work. For a tenant to remain in a rental unit while Seismic Retrofit Work is undertaken, untenable conditions shall be limited to the hours between 8 am and 5 pm, Monday through Friday, and all housing services necessary for the unit to be habitable shall be restored daily at the end of working hours

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(e.g., disconnected utility services restored by 5 pm). In some instances, however, specific tenant circumstances may make it unsafe for the tenant to remain in place, and the Department may determine that the tenant in question must be temporarily relocated.

The Tenant Habitability Plan shall include a detailed description of the precautions that will be undertaken to safeguard the health and safety of tenants remaining in place during the course of Seismic Retrofit Work in accordance with any regulations or guidelines promulgated by the RAC or the Department.

729.02 Tenant Personal Property

The landlord shall ensure reasonable protection and security for an affected tenant's personal property that remains in the rental unit during Seismic Retrofit Work.

729.03 Compliance with Tenant Habitability Plan

Both landlords and tenants shall adhere to the requirements of the Tenant Habitability Plan.

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While this publication is designed to provide accurate and current information about the law, readers should consult an attorney or other expert for advice in particular cases, and should also read the relevant statutes and court decisions when relying on cited material. Laws and guidelines are frequently amended. The HCIDLA recommends that you verify information in the event that new changes are not yet reflected in this publication. The HCIDLA does not assume and hereby disclaims any liability to any party for any loss, damage, or disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident, or any other cause.

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LUXURY EXEMPTION CERTIFICATE

Rent Adjustment Commission Regulations • Section 830.00

• Effective May 20, 1982 • Amended October 18, 2007;
March 7, 2024

Rent Adjustment Commission Regulations & Guidelines

830.00 LUXURY EXEMPTION CERTIFICATE

831.00 DEFINITIONS

831.01 A unit is exempt from the provisions of the Rent Stabilization Ordinance (RSO) as a luxury housing accommodation only if the landlord has obtained a luxury exemption certificate from the Los Angeles Housing Department (LAHD) for the subject unit (LAMC 151.07.A.5).

831.02 Pursuant to LAMC 151.02.G, a unit is a luxury housing accommodation only if the landlord can establish that the monthly rent charged for the unit on or before May 31, 1978 was at least:

- a. \$302 for a unit with no bedrooms
- b. \$420 for a unit with one bedroom
- c. \$588 for a unit with two bedrooms
- d. \$756 for a unit with three bedrooms
- e. \$823 for a unit with four or more bedrooms

831.03 The RSO exempts units for which the certificate of occupancy was first issued after October 1, 1978. If a unit received its first Certificate of Occupancy prior to or on October 1, 1978, and the unit was rented for the first time between June 1, 1978 and May 1, 1979 (the effective date of the RSO), the unit is a luxury housing accommodation if the rent collected during this period met the requirements of section 831.02.

832.00 EVIDENCE OF MONTHLY RENT

832.01 A landlord must establish the monthly rent charged on May 31, 1978 to LAHD's satisfaction (LAMC 151.02).

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832.02 To establish the monthly rent, the landlord shall submit copies of at least two of the following: 1) cancelled rent checks, 2) signed and notarized rental agreements, or 3) signed rental agreements. LAHD shall only accept documents where the veracity of the signatures can be established by testimony, notarized declarations from the tenant, or other documents acceptable to LAHD.

833.00 PROCEDURES FOR FILING APPLICATIONS

833.01 To obtain a luxury exemption certificate, the landlord shall file an application on a form provided by the Department. The landlord shall submit a \$25 filing fee with each application (LAMC 151.07.A.5).

833.02 The landlord or the landlord's agent must complete and sign the application, and attest to the truthfulness of all information supplied by the landlord. The landlord shall attach to the application photocopies of all relevant documents which substantiate the rent(s) charged on May 31, 1978.

833.03 If an application is incomplete or lacks the required documents, LAHD shall return the application with an explanation as to why the application cannot be accepted.

833.04 If an application is returned by the Department because of an error or missing documents, the landlord may re-submit the application with the filing fee after correcting the error or obtaining the necessary documents.

833.05 In the event that a luxury exemption application is filed for a unit in a building in which one or more other units are subject to the Ordinance; the landlord must attach a photocopy of the landlord's rent registration certificate issued by LAHD.

833.06 The landlord, in completing the application, must list the name and mailing address of the tenant currently occupying the unit. The landlord must also list the name of the tenant occupying the unit on May 31, 1978, and the tenant's current mailing address, or any and all information available to the landlord regarding the tenant's current mailing address.

834.00 PROCEDURES FOR PROCESSING APPLICATIONS

834.01 LAHD shall review the application and accompanying documents to determine if the request for an exemption certificate meets the requirements of the Ordinance and the Commission's regulations.

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- 834.02 Within 10 days of the receipt of a landlord's application for a luxury exemption, a copy of the landlord's application will be sent to the current tenant(s) and to the tenant's of record on May 31, 1978, along with a notice stating the tenant's right to object in writing and/or be heard before LAHD issues a certificate of exemption (LAMC 151.07 A5).
- 834.03 Tenants may submit evidence in response to the landlord's application for an exemption, including rent records for the period covering May 31, 1978, or a notarized declaration or testimony from the tenant of record on or before May 31, 1978.
- 834.04 LAHD shall complete the evaluation of the landlord's application for a luxury exemption certificate within 60 days after its receipt.
- 834.06 Within 15 days following the mailing of such notice, either landlord or tenant(s) may appeal LAHD's determination by filing a request for a hearing on a form prescribed by LAHD. The appellant shall indicate the basis for appealing the decision. LAHD shall schedule a hearing no later than 30 days following the submittal of the request for the hearing.
- 834.07 If neither the landlord nor tenants submit a timely request for a hearing, LAHD's determination is the final administrative decision.

835.00 PROCEDURES FOR THE HEARING

- 835.01 LAHD shall notify the landlord and the affected tenants of the time and place of the hearing at least 10 days prior to the hearing.
- 835.02 LAHD shall designate a hearing officer to conduct the hearing. Both landlords and tenants may submit documents, testimony, written declarations and other evidence, all of which shall be submitted under oath.
- 835.03 The hearing officer shall issue a decision within 30 days of the hearing. The hearing officer will uphold, reverse or modify LAHD's determination. A copy of the decision will be mailed to the applicant and all affected tenants.
- 835.04 The hearing officer's decision is the final administrative decision. There are no administrative appeals from the decision of the hearing officer.

836.00 PROCEDURES AFTER FINAL ADMINISTRATIVE DECISION

- 836.01 If the final administrative decision is that the unit qualifies for a luxury exemption, LAHD shall issue a certificate of exemption to the landlord.

Rent Adjustment Commission Regulations • Section 830.00 •
Effective May 20, 1982 • Amended October 18, 2007; March 7, 2024

Rent Adjustment Commission Regulations & Guidelines

- 836.02 If the final administrative decision is that a unit does not qualify for a luxury exemption, LAHD shall bill the owner for all outstanding rent registration fees and penalties.
- 836.03 In the event that the landlord has collected rents higher than that permitted for a unit subject to the Ordinance, the landlord must refund to all tenants all amounts in excess of the legal rent.
- 836.04 If the landlord fails to refund excess rent collected, tenants may file a criminal complaint with LAHD and/or avail themselves of all other remedies available under law.

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AUXILIARY AIDS AND SERVICES: "As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities."



LUXURY HOUSING ACCOMMODATION EXEMPTION APPLICATION

**CITY OF LOS ANGELES
LOS ANGELES HOUSING DEPARTMENT
RENT STABILIZATION DIVISION**

P. O. BOX 57398
LOS ANGELES , CALIFORNIA 90057-0398
(866) 557-RENT OR (866) 557-7368

LUXURY HOUSING ACCOMMODATION EXEMPTION APPLICATION

Please submit a \$25 filing fee with each application (LAMC 151.07.A.5)
(PLEASE Print or Type- Use Black Ink Only)

1. NAME OF LEGAL OWNER (LAST) FIRST) (M.I.)		
2. OWNER'S MAILING ADDRESS, CITY, STATE, & ZIP CODE (INCLUDE 5 DIGITS + 4 DIGIT CODE)		
3. NAME OF OWNER'S AGENT (IF APPLYING IN OWNER'S NAME)		
4. AGENT'S MAILING ADDRESS, CITY, STATE, & ZIP CODE (INCLUDE 5 DIGITS + 4 DIGIT CODE)		
5. OWNER'S DAYTIME PHONE NUMBER WITH AREA CODE	6. AGENT'S DAYTIME PHONE NUMBER WITH AREA CODE	
7. OWNER'S ALTERNATE PHONE NUMBER AND E-MAIL ADDRESS	8. AGENT'S ALTERNATE PHONE NUMBER AND E-MAIL ADDRESS	
<p>ONLY ONE UNIT PER APPLICATION. LIST THE UNIT BELOW (by specific unit number or street number designation if this is applicable) WHICH QUALIFIES FOR EXEMPTION AS A LUXURY HOUSING ACCOMMODATION UNDER SECTION 151.02 L.A.M.C. LIST THE NUMBER OF BEDROOMS WITHIN THE UNIT. SPECIFY THE AMOUNT OF RENT COLLECTED FOR THIS UNIT ON MAY 31, 1978. IDENTIFY THE CURRENT TENANT & THE TENANT LIVING IN THE UNIT ON MAY 31, 1978, IF KNOWN. ALL SUPPORTING DOCUMENTS MUST BE ATTACHED TO THIS APPLICATION.</p>		
9. SUBJECT PROPERTY ADDRESS (STREET NUMBER, COMPLETE STREET NAME, AND UNIT NUMBER), CITY, & ZIP CODE		
10. ASSESSOR PARCEL NO.	11. TOTAL UNITS IN BUILDING	12. NUMBER OF BEDROOMS
13. WAS THE UNIT RENTED ON MAY 31, 1978? (YES OR NO)		14. WHAT WAS THE RENT CHARGED FOR THE UNIT ON MAY 31, 1978?
15. NAME OF CURRENT TENANT, STREET ADDRESS (WITH UNIT#), CITY, STATE, & ZIP CODE		
16. NAME OF TENANT ON MAY 31, 1978, STREET ADDRESS (WITH UNIT#), CITY, STATE, & ZIP CODE. PROVIDE CURRENT CONTACT INFORMATION, IF AVAILABLE.		
17. SIGNATURE OF OWNER OR AUTHORIZED AGENT: "I CERTIFY THAT THIS INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE"		18. DATE SIGNED

MANAGERS AS TENANTS

Rent Adjustment Commission (RAC) Regulations • Section
920.00 • Effective November 17, 1982 • Amended April 23,
1992; March 15, 2007

Rent Adjustment Commission Regulations & Guidelines

920.00 DEFINITIONS

920.01 RESIDENT MANAGER - A manager, custodian, housekeeper, or other responsible person who resides on the premises and acts as the owner's agent in maintaining the premises. A resident manager is entitled to the protections of the Rent Stabilization Ordinance (RSO) unless they are an employee-manager as defined in Regulation 920.02.

920.02 EMPLOYEE-MANAGER - An employee-manager is a resident manager who is required to reside on the premises as a condition of employment. The employee-manager receives compensation in the form of a free rental unit plus income. The income received by the employee-manager shall meet the minimum wage standards of the State of California. Unless already a tenant, or granted a right of tenancy in a written agreement, the employee-manager is not entitled to the eviction protections of the RSO.

921.00 EVICTIONS TO MOVE IN A RESIDENT MANAGER

921.01 A landlord, in good faith, can evict a tenant to recover possession of the rental unit for use and occupancy by a resident manager, provided that no alternative vacant unit is available for occupancy by a resident manager. (LAMC 151.09.A.8)

921.02 A landlord may not evict a tenant to recover possession of the rental unit for use and occupancy by a resident manager if the building has a unit which is already occupied by the existing resident manager. The landlord may evict the existing resident manager in order to replace him/her with a new manager. (LAMC 151.09.A.8)

921.03 One can infer an intent to circumvent the RSO if a landlord is evicting tenant(s) in a lower rent unit for occupancy by a resident manager where the building has less than 16 units (California Code of Regulations Title 25, Section 42) and there are no unique circumstances pertaining to the building that would otherwise require the use of an on-site manager. (RAC Regulation 613.04.4)



Rent Adjustment Commission Regulations & Guidelines

922.00 RESIDENT MANAGER UNIT SUBJECT TO REGISTRATION

922.01 A rental unit occupied by a resident manager must be registered with the City and the fees paid as specified in LAMC Section 151.05.

923.00 INITIAL RENT FOR A RESIDENT MANAGER'S UNIT

923.01 If the landlord evicted a tenant to recover possession of the rental unit for occupancy by a resident manager, the initial rent charged to the resident manager shall not exceed the prior rent of the tenant that was evicted, plus annual adjustments authorized under the RSO. (LAMC 151.06.C)

923.02 If the landlord gave to the resident manager a unit that was vacated by the prior tenant because of an eviction under LAMC 151.09.A.5, 6, 7, 8, or 11, the initial rent charged to the resident manager shall not exceed the prior rent of the tenant that was evicted, plus annual adjustments authorized under the RSO. (LAMC 151.06.C)

923.03 If the landlord gave to the resident manager a unit that was vacated by the prior tenant because of an eviction under LAMC 151.09.A.1, 2 or 9, the initial rent charged to the resident manager can be set at any amount by the landlord. (LAMC 151.06.C)

923.04 If the landlord gave to the resident manager a unit that was vacated by the prior tenant because of an eviction under LAMC 151.09.A.3 or 4, the initial rent charged to the resident manager can be set at any amount by the landlord only if 1) the notice of intent to terminate tenancy was served on the tenant by the landlord prior to the City Attorney commencing a court action against the tenant pursuant to LAMC Section 47.50; 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 LAMC 47.50. Otherwise, the initial rent charged to the resident manager shall not exceed the prior rent of the tenant that was evicted, plus annual adjustments authorized under the RSO. (LAMC 151.06.C)

923.05 If the resident manager was a tenant in the unit before being appointed resident manager, the rent charged to the resident manager shall not exceed the rent the tenant had already been paying plus annual adjustments authorized under the RSO.

924.00 AUTOMATIC RENT INCREASES DURING EMPLOYMENT

924.01 Whenever, under the rental agreement between the landlord and a resident manager, the manager must make partial rent payments to the landlord, only the partial rent payments shall be subject to the annual adjustments authorized under the RSO pursu-

Rent Adjustment Commission Regulations & Guidelines

ant to LAMC 151.06. The landlord must comply with the notice requirements of California Civil Code Section 827 prior to any changes in terms of tenancy, including an increase in the rent.

925.00 DETERMINATION OF THE RENT WHERE MANAGERIAL SERVICES ARE TERMINATED

925.01 Where, pursuant to Regulations 923.03 or 923.04, the initial rent of the unit was de-controlled when the resident manager moved in, and where the resident manager will continue to occupy the unit after termination of managerial services, the landlord, in a written contract, may establish the rent of the unit for the resident manager upon termination of managerial services. Where no such provision has been provided in a written contract, the rent of the unit shall be the average of the rents of the comparable occupied units in the building. If there are no comparable occupied units, then the rent shall be the average of the rents of the occupied units in the building.

925.02 If the initial rent of the unit was controlled pursuant to Regulations 923.01, 923.02, or 923.04, the rent of the unit upon termination of managerial services shall not exceed the rent of the tenant preceding the resident manager plus annual adjustments authorized under the RSO.

925.03 As per Regulation 923.05, if the resident manager was already a tenant in the unit before being appointed resident manager, the rent charged to the resident manager upon termination of managerial services shall not exceed the rent the tenant had already been paying plus annual adjustments authorized under the RSO.

925.04 The landlord must make available to the resident manager the rent records used in calculation of the rent of the unit upon termination of the managerial services.

925.05 If the resident manager surrenders the unit voluntarily, the rent of the unit shall be set at any amount by the landlord. (LAMC 151.06.C)

925.06 If the landlord evicts the resident manager pursuant to LAMC 151.09.A.1, 2, or 9, the rent of the unit shall be set at any amount by the landlord. (LAMC 151.06.C)

925.07 If the landlord evicts the resident manager pursuant to LAMC 151.09.A.5, 6, 7, 8 or 11, the rent charged to the next tenant shall not exceed the rent permissible under Regulations 925.01-925.04, plus annual adjustments authorized under the RSO.

925.08 If the landlord evicts the resident manager pursuant to LAMC 151.09.A.3 or A.4, the landlord can set the rent at any amount only if 1) the notice of intent to terminate tenancy was served on the resident manager by the landlord prior to the City Attorney commencing a court action against the resident manager pursuant to LAMC 47.50; and 2) the eviction or termination of tenancy is based upon information provided by a law

Rent Adjustment Commission Regulations & Guidelines

enforcement agency or prosecution agency that the resident manager is committing or permitting to exist any drug-related nuisance, illegal drug activity or gang-related crime as those terms are defined in LAMC 47.50. Otherwise, the landlord shall not charge rent that exceeds the rent permissible under Regulations 925.01-925.04, plus annual adjustments authorized under the RSO.

926.00 EVICTION OF THE RESIDENT MANAGER

926.01 The landlord can only evict a resident manager pursuant to LAMC 151.09. This provision shall not apply to employee-managers, unless they were already a tenant or they were granted a right of tenancy in a written agreement. (Regulation 920.02)

926.02 If a resident manager continues to reside in the unit after termination of the managerial services, the resident manager becomes a tenant subject to all of the provisions of the RSO.

926.03 An employee manager who is not entitled to the eviction protections of the RSO pursuant to Regulation 920.02 may be evicted without cause, subject to limitations under local, state or federal law.

926.04 Person(s) residing with an employee-manager who is not entitled to the eviction protections of the RSO pursuant to Regulation 920.02, may also be evicted without cause, subject to limitations under local, state or federal law, unless they have been approved as tenant(s) by the landlord.

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SUBSTANDARD HOUSING- RELIEF REGULATIONS

Rent Adjustment Commission (RAC) Regulations • Section
940.00 • Effective May 20, 1982

Rent Adjustment Commission Regulations & Guidelines

940.00 SUBSTANDARD HOUSING - RELIEF REGULATIONS

940.01 A landlord whose building has been identified as substandard, and for which a notice of non-compliance has been sent to the Franchise Tax Board pursuant to Section 17299 of the Revenue Code, is not eligible to raise rents under the automatic annual increase provisions of LAMC 151.05 until such time as the public agency which issued to notice determines that the rental unit has been brought to a condition of compliance. (LAMC 151.06D)

940.02 However, where the landlord has corrected all hazardous life-endangering conditions and is now making a good faith effort to correct the remaining deficiencies, the landlord may apply to the Department for relief from the restriction imposed by LAMC 151.06 D in accordance with the standards, policies, and procedures listed below. (LAMC 151.06D)

940.03 A landlord must submit evidence and information that will demonstrate conclusively that the landlord has made and is making a good faith attempt to correct all remaining deficiencies. Among the factors that a landlord may use to prove this good faith effort are the following:

- a. that the landlords has made a serious effort to correct the deficiencies that could be made easily and without major express;
- b. that the landlord is in the process of correcting deficiencies that are more difficult to correct or that require large financial investment;
- c. that where total compliance may be difficult and expensive, partial compliance has been attempted;
- d. that the landlord has a timetable for correcting all remaining deficiencies;

SUBSTANDARD HOUSING-RELIEF REGULATION

Rent Adjustment Commission Regulations & Guidelines

- e. that the landlord has obtained or is attempting to obtain financing for deficiencies that will be expensive to correct;
- f. that compliance has been prevented or delayed by changes in Federal State or City laws that increase the cost of compliance or have added to the difficulty of correction;
- g. that the current owner did not own the property at the time of citation or at the time the notice was sent to the Franchise Tax Board, and that the new owner has made significant progress in correcting deficiencies since the purchase of the property;
- h. that the owner agrees to place any rent increase permitted under LAMC Section 151.06 in an escrow account for the sole purpose of paying for deficiencies not yet corrected;
- i. that a significant cause for the landlord's inability to correct deficiencies is due to vandalism or other damage to the property not the fault of the landlord;
- j. that the number of deficiencies for which the landlord was cited, by reason of the volume alone, have made it impossible to correct all deficiencies at the time the relief application is made;
- k. that some or all of the deficiencies are the result of citations under recent changes in codes not originally applicable to the building.

941.00 APPLICATION FOR RELIEF

941.01 To obtain relief from the prohibition against raising rents otherwise permitted by LAMC Section 151.06, the landlord must obtain written permission of the Department.

941.02 The landlord may obtain written permission by completing an application and mailing it to the City at the address listed on the application. The application to the building form is titled:

ASUBSTANDARD RELIEF APPLICATION@

941.03 There is no charge to a landlord for application for relief from the prohibition of LAMC 151.06.

941.04 In no event will relief be granted until the landlord has registered the units as required by law. The landlord must attach to the application a photocopy of the landlord's registration certificate issued by the City or a photocopy of the canceled check or a re-

SUBSTANDARD HOUSING- RELIEF REGULATION

Rent Adjustment Commission Regulations & Guidelines

ceipt from the City showing that the registration fee required by LAMC Section 151.06 A has been paid.

- 941.05 Photocopies of all pertinent information possessed by the landlord must be attached to the application. This includes, but is not limited to:
- a. the original citation from the public agency which noted the deficiencies and ordered the landlord to make improvements;
 - b. the notice of non-compliance sent to the Franchise Tax Board;
 - c. any court orders issued relative to the improvements demanded by the public agency ;
 - d. citations from appropriate provisions of Federal, State, or City law that might mitigate the demand for improvements made in the original citation of the public agency or in the notice on non-compliance.
 - e. invoices, bids, financial documents, cancelled checks and any other relevant papers related to compliance with the original citation.
- 941.06 Materials attached to the application will not be returned. When a photocopy of a document is submitted, the landlord must upon the request of the Department; show to the Department or to a hearing officer, the original document from which any photocopy was made. The landlord may provide photographs, if such exist, of the property and the cited offenses that would assist the Department in expediting the landlord's application.
- 941.07 The landlord may not make any rent increase permitted by LAMC 151.06 until such time as the landlord has either complied fully with the original citation and the agency which issued the complaint has certified that the landlord is in compliance, or the Department has certified that the landlord has demonstrated good faith and can legally raise rents as permitted in LAMC 151.06.
- 942.00 PROCEDURES TO BE FOLLOWED BY THE DEPARTMENT IN PROCESSING A SUBSTANDARD RELIEF APPLICATION**
- 942.01 A Department staff officer will review the application to determine if the landlord has supplied the necessary documents required to meet all the requirements of the Ordinance and the Commission's regulations.
- 942.02 In the event that an application lacks required documents or there is clear evidence that the applicant is not eligible to apply for relief, the application will be returned

SUBSTANDARD HOUSING-RELIEF REGULATION

Rent Adjustment Commission Regulations & Guidelines

with an explanation as to why the application cannot be accepted.

- 942.03 If an application is returned by the Department because of missing documents, the landlord may re-submit the application after obtaining the necessary documents.
- 942.04 Unless suspended as specified below, a recommendation will be made to the Rent Adjustment Commission by the Department to allow or disallow the landlord application for relief within 45 days from the date of receipt of the application.
- 942.05 Where the Department initially accepts the application but later finds incomplete documentation, the application may be suspended for a 30 day period (or longer with the landlord=s consent) commencing upon the date of mailing of the notification to the landlord of the documentation or other information needed.
- 942.06 The Department will notify the citing agency and each tenant listed in the application that the landlord has requested relief from the prohibition against raising rents otherwise permitted by LAMC Section 151.06. This notification will include a photocopy of the face sheet of the application so the tenants will know the basis of the landlord=s claim to relief based on Agood faith@ efforts to correct the cited offenses.
- 942.07 The tenants will be notified by the Department that they have 10 days from the date of mailing of such notification to object to the granting of relief. These objections must be made on grounds related to the relief application. Objections cannot be made on frivolous grounds, or on grounds unrelated to the cited deficiencies. For example, if a tenant charges that the landlord had made an illegal reduction of services unrelated to the citation for deficiencies, or that the landlord had illegally raise the rent prior to the report of the deficiencies to the Franchise Tax Board, these objections would not be considered by the Department or Commission in granting or not granting relief. Only Agood faith@ efforts to comply with the deficiencies noted in the citation, the notice of which was forwarded to the State Franchise Tax Board, will be considered and acted upon. Examples of legitimate complaints would be cases where the landlord had illegally raised the rent under the automatic increase provisions after the Franchise Tax Board had been notified, or where the landlord had not made the attempts to end the deficiencies claimed in the application.
- 942.08 Written tenant responses which have a hearing on the Department recommendation and any factors presented at any informal hearing will become part of the public record. Tenant complaints that are unrelated to the cited deficiencies will be sealed and will not be available to other parties.
- 942.09 The Department staff member handling the application may contact the landlord, the tenants, or any person of firm listed in the documentation supplied by the landlord. The citing agency will also be contacted for a report on the current status of the citation.

SUBSTANDARD HOUSING-RELIEF REGULATION

Rent Adjustment Commission Regulations & Guidelines

- 942.10 If an application is suspended, as provided in 942.05 above, and at the end of the suspension time the landlord has not supplied the information or documents requested by the Department, the Department will make a recommendation to the Commission on the basis of the information and documents already supplied.
- 943.00 **PROCEDURES TO BE FOLLOWED AFTER THE DEPARTMENT REPORT AND RECOMMENDATION IS SUBMITTED TO THE RENT ADJUSTMENT COMMISSION**
- 943.01 The Department report and recommendation on a substandard relief application will be submitted to the Rent Adjustment Commission within the time limits prescribed in 942.02, 942.05, and 942.10 above.
- 943.02 A copy of the report and recommendation will be mailed to the Commission and the parties at least 10 days prior to the meeting with notice of the date and time of the Commission meeting at which the report will be considered.
- 943.03 When the Commission considers the recommendation, the Commission shall permit brief oral statements by the parties, for a period of time to be determined by the Commission, and may in its discretion, receive newly discovered evidence or remand the matter to the Department of Hearing Officer for an evidentiary hearing.
- 943.04 The Commission may accept, reject, or modify the Department recommendation; or order a hearing to be conducted by a hearing officer to be selected by the Department; or order a hearing to be conducted by a Hearing Board consisting of at least three Commissioners.
- 943.05 If a hearing is held by a Commission Hearing Board, the decision of that Board shall be made no later than 20 days following hearing and shall be final.
- 943.06 If a hearing is conducted by a hearing officer, the report and recommendation of the hearing officer shall be submitted to the Commission. The hearing shall be held and the report and recommendation of the hearing officer shall be submitted to the Commission not later than 20 days after the hearing is ordered by the Commission consideration according to the procedures established in 943.02, and 943.03 above. Following consideration by the Commission, the Commission shall accept, reject or modify the hearing officer's recommendation.
- 943.07 If there is no quorum at the Commission meeting at which a relief application is scheduled for consideration, the item will be held over or scheduled for a special meeting, as the chairperson of the Commission may direct.
- 943.08 If the Commission approves an application for relief from the prohibition of LAMC 151.06 D, the landlord may increase the rents under the automatic increase provisions of the Ordinance, subject to whatever conditions may be contained in the Commission

SUBSTANDARD HOUSING-RELIEF REGULATION

Rent Adjustment Commission Regulations & Guidelines

approval to ensure the continued good faith efforts of the landlord to correct completely all cited offenses.

- 943.09 Relief shall be limited to one calendar year from the date on which the relief application is approved by the Commission. Landlords must reapply for relief for subsequent years.
- 943.10 There is no administrative remedy from the decision of the Commission or a Commission Hearing Board in a relief application.

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RELOCATION ASSISTANCE ESCROW ACCOUNTS

Rent Adjustment Commission Regulations • Section 960.00
Effective April 16, 2009 • Amended March 7, 2024

Rent Adjustment Commission Regulations & Guidelines

960.00 RELOCATION ASSISTANCE ESCROW ACCOUNTS

961.00 DEFINITIONS

961.01 HUD - U.S. Department of Housing and Urban Development

961.02 LAMC - Los Angeles Municipal Code

961.03 LAHD - Los Angeles Housing Department

961.04 Pro-Rata Share - The amount each tenant receives from the total relocation assistance payment provided by the landlord in accordance with the following circumstances:

- a. The entire fee shall be paid to a tenant who is the only tenant in a rental unit;
- b. If a rental unit is occupied by two or more tenants then each tenant of the unit shall be paid an equal share of the fee.

961.05 RAC - Rent Adjustment Commission

961.06 RSO - Rent Stabilization Ordinance, Chapter XV of the LAMC

961.07 Subject Unit - Rental unit from which one or more tenants are being evicted for which the owner must pay a relocation fee pursuant to the RSO.

962.00 APPLICABILITY

962.01 The RSO provides that owners must pay tenant(s) a relocation fee in the following circumstances:

- a. Eviction of the tenant so that the owner, the owner's family or a resident manager may occupy the subject rental unit pursuant to LAMC Section 151.09.A.8;
- b. Election of the tenant to permanently relocate from the rental unit pursuant to a Tenant Habitability Plan (RAC Regulation 715.00 et seq.);
- c. Eviction of the tenant for permanent removal of the rental unit from the rental market pursuant to LAMC Section 151.09.A.10.a;

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CITY OF LOS ANGELES

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- d. Eviction of the tenant for demolition of the rental unit pursuant to LAMC Section 151.09.A.10.b;
- e. Eviction of the tenant to comply with a government order to vacate, order to comply, order to abate, or any other order which necessitates the vacation of the rental unit pursuant to LAMC Section 151.09.A.11; or
- f. Eviction of the tenant pursuant to LAMC Section 151.09.A.12 in order to vacate the property prior to its sale where the owner of the property is the Secretary of HUD.

963.00 DETERMINATION OF RELOCATION AMOUNT

- 963.01 The owner must pay the relocation fee to the tenants of the Subject Unit in the amount determined by the City's Relocation Assistance Service Provider pursuant to LAMC Section 151.09.G, or as otherwise determined by the LAHD pursuant to LAMC Section 151.09.
- 963.02 If the rental unit is occupied by more than one tenant, each tenant shall be paid an equal Pro-Rata Share of the fee.

964.00 ESTABLISHMENT OF AN ESCROW ACCOUNT

- 964.01 At the owner's sole discretion, the owner may pay the relocation fee due to a tenant pursuant to LAMC Section 151.09.G by depositing the fee in an escrow account within fifteen days of service of a notice of termination of tenancy as set forth in California Civil Code Section 1946 (LAMC 151.09.G.2).
- 964.02 The owner shall place the escrow account with any of the following:
 - a. federally insured bank, savings and loan association, or credit union;
 - b. broker licensed by the California Real Estate Commission;
 - c. escrow service licensed by the California Department of Corporations; or
 - d. client trust account of an attorney currently eligible to practice law in California pursuant to the records of the State Bar of California.
- 964.03 The escrow account must be in a location that is reasonably accessible to the tenant (s) during normal business hours.
- 964.04 Escrow Instructions for the escrow account must provide for the following:
 - a. Name of each tenant and the Pro-Rata Share of the relocation fee due to that tenant pursuant to this Regulation;
 - b. Disbursements permitted prior to the tenant(s) vacating the unit pursuant to Section 965.00 of this Regulation;
 - c. Release of remaining funds upon the tenant's vacation of the unit pursuant to Section 966.00 of this Regulation;
 - d. Dispute resolution procedures pursuant to Sections 967.00 and 968.00 of this Regulation;
 - e. Escrow closure provisions pursuant to Section 969.00 of this Regulation;

RELOCATION ASSISTANCE ESCROW ACCOUNTS

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Effective April 16, 2009 • Amended March 7, 2024

Rent Adjustment Commission Regulations & Guidelines

- f. A statement that the owner and the escrow holder indemnify and hold harmless from all liability the City and its employees, and any hearing officers selected by LAHD pursuant to this Regulation.
- g. Provision that all costs of the escrow are to be prepaid by the owner when establishing the escrow account;
- h. Provision that all payments from the escrow account shall be made within three (3) business days of the escrow holder receiving a request for payment

964.05 The RAC provides the attached form, "Sample Escrow Instructions," as model escrow instructions which comply with the requirements set forth in this Regulation.

964.06 Owners who use any other escrow instructions shall attach to the escrow instructions a copy of this Regulation.

964.07 Owners shall provide a copy of the escrow instructions to all tenants of the Subject Unit within fifteen days of service of a notice of termination of tenancy as set forth in California Civil Code Section 1946.

965.00 DISBURSEMENTS PRIOR TO TENANT(S) VACATION OF THE SUBJECT UNIT

965.01 The escrow account must provide for payments to the tenant(s) for actual relocation expenses incurred or to be incurred by the tenant prior to vacating the unit (LAMC Section 151.09.G.2).

965.02 The following are expenses for relocation to a new rental unit for which the owner must permit disbursements prior to the tenant(s) vacating the Subject Unit:

- a. First and last month's rent;
- b. Security deposit;
- c. Utility connection charges and deposits; or
- d. Moving expenses.

965.03 The escrow instructions shall authorize payment for the expenses listed in Section 965.02 directly to the tenant(s) upon presentation of a receipt for the expense, or upon presentation of a written estimate or an agreement to incur the expense. The escrow may allow the escrow holder to verify that the expense has been paid or that the agreement to incur an expense has been entered into by the tenant(s). Verification for these purposes for these purposes shall consist of a telephone call or an email to confirm that the expense has been incurred or there is an agreement to incur the expense.

965.04 The receipt for the expense must provide the amount paid or owing, indicate the purpose of the expense and identify the payee and the payee's contact information, including telephone number.

RELOCATION ASSISTANCE ESCROW ACCOUNTS

Rent Adjustment Commission Regulations • Section 960.00
Effective April 16, 2009 • Amended March 7, 2024

Rent Adjustment Commission Regulations & Guidelines

966.00 DISBURSEMENTS UPON TENANT(S) VACATION OF THE SUBJECT UNIT

966.01 The escrow instructions shall provide that the tenant(s) sign an affidavit confirming vacation of the subject unit, indicating the date of the vacation, and a forwarding mailing address. The affidavit shall include a statement that the tenant has permanently departed from the unit and surrendered the keys to the landlord.

966.02 The escrow instructions shall provide for release of all remaining funds owing to the tenant(s) within 3 business days of presentation of an affidavit that conforms to Section 966.01.

967.00 DISPUTE RESOLUTION PROCEDURES

967.01 The escrow instructions shall contain a dispute resolution procedure that provides for LAHD to resolve disputes as to the disbursement of funds.

967.02 At the request of any of the tenants, the landlord or at the option of the escrow holder, the escrow holder shall notify LAHD of the dispute, the reason for the dispute, and the amount in dispute.

967.03 The escrow holder shall notify LAHD, to the attention of the Director of the Rent Division, within five business days of the request for LAHD resolution of a dispute.

967.04 The escrow instructions shall control disbursement of all remaining funds not subject to the dispute. The disputed amount shall not be released pending a final determination of the dispute by LAHD.

967.05 LAHD shall contact the parties within five (5) working days of notification by the escrow holder of the dispute to conduct an investigation.

967.06 LAHD shall issue a determination regarding the disbursement of the disputed funds within fifteen (15) days of notification by the escrow holder of the dispute.

968.00 APPEALS

968.01 Any party to the dispute may appeal LAHD's determination within 10 days of LAHD's mailing of its determination. LAHD's determination is stayed until the appeals deadline has expired, or, if an appeal is filed, the determination is stayed until there has been a decision by a hearing officer pursuant to Section 968.06.

968.02 The appeal must state why the appellant believes LAHD erred in its determination.

968.03 LAHD shall conduct a hearing by a hearing officer designated by LAHD within 30 days of the filing of the appeal.

968.04 LAHD shall notify the escrow holder, the owner and the tenant(s) of the time and place of the hearing no later than ten (10) days prior to the scheduled hearing.

RELOCATION ASSISTANCE ESCROW ACCOUNTS

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- 968.05 All parties may submit documents, testimony, written declarations or other relevant evidence.
- 968.06 The hearing officer shall issue a determination within 10 working days of the appellate hearing.
- 968.07 The hearing officer's decision shall constitute the final administrative determination of the dispute.
- 968.08 The appellant may rescind the appeal in writing prior to the issuance of a hearing officer's determination. If the appeal is rescinded, LAHD's original determination shall be carried out by the escrow holder, upon notification by LAHD.
- 969.00 ESCROW CLOSURE PROVISIONS**
- 969.01 The escrow instructions must contain a provision for final closure of the escrow, and disbursement of any remaining funds.
- 969.02 Upon final disbursement of all remaining funds, a final accounting and copies of all escrow related papers must be sent to the owner within five (5) business days, by registered mail to the last known address of each party.
- 969.03 The owner may request return of any remaining funds to the owner only if the tenant(s) are in legal possession of the subject unit and the eviction is no longer in process, or if the tenant(s) has vacated the subject unit and unclaimed funds still remain in escrow 65 days after the date the tenant(s) vacated the unit.
- 969.04 Within five (5) working days of a request by the owner pursuant to Section 969.03, the escrow holder must send a copy of the request to the tenant(s) and a notice that the request may be disputed in accordance with Sections 967.00 and 968.00 of this Regulation. The notice must be sent by registered mail to the last known address of the tenant(s).
- 969.05 If the escrow holder does not receive written notification that a tenant disputes disbursement of the remaining funds to the owner within 10 business days of the escrow holder's notification to the tenants, and there are no pending claims against the escrow account, the escrow holder may proceed to close the escrow and disburse the remaining funds to the owner.



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RENT ADJUSTMENT COMMISSION SAMPLE ESCROW INSTRUCTIONS RELOCATION ASSISTANCE ESCROW ACCOUNT RENT ADJUSTMENT COMMISSION REGULATION 960.00

To: _____
(Escrow Company Name)

(Escrow Company Address)

(Escrow Company City, State, Zip Code)

(Escrow Company Email Address)

(Escrow Company Phone Number)

1. _____ (Landlord) establishes this account for the sole purpose of facilitating the distribution of relocation fees to tenants residing at _____ (Subject Unit) pursuant to Los Angeles Municipal Code (LAMC) Section 151.09.G.

2. Concurrent with the signing of these instructions, the Landlord shall submit to the Escrow Company the sum of \$_____ to be used for payment of relocation fees and the sum of \$_____ to be used by Escrow Company as its escrow fee for administration of the escrow account and performance of the instructions contained in this document.

3. This sum is to be disbursed for relocation assistance to the following persons who reside as tenants in the Subject Unit in the amount of the pro-rata share specified pursuant to the escrow instructions contained in this document:

_____	_____
(Name of Tenant)	(Pro-Rata Share)
_____	_____
(Name of Tenant)	(Pro-Rata Share)
_____	_____
(Name of Tenant)	(Pro-Rata Share)

4. Disbursements Prior to the Tenant’s Vacation of the Subject Unit

a. Upon presentation of a receipt or a written estimate for the following expenses, or upon presentation of an agreement to incur any of the following expenses, Escrow Company shall verify by phone or email that the expenses have been incurred or there is an agreement to I incur the expense:

- i. First and last month’s rent
- ii. Security Deposit
- iii. Utility connection charges and deposits
- iv. Moving Expenses

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- b. The receipt, written estimate or agreement to incur the above expenses must indicate the amount paid, or to be paid, the purpose of the payment, the name of the payee and the payee's contact information, including telephone number.
- c. Escrow Company shall release payment within three business days of the tenant's request for payment and submission of supporting documentation unless the Escrow Company disputes the request pursuant to section 6 of this Agreement.
- d. Landlord may also request return of all remaining funds when the tenant(s) remain in legal possession of the subject unit and Landlord is no longer proceeding with an eviction of the tenant(s). Upon request of a return of all remaining funds pursuant to this provision, Escrow Company shall notify the tenant(s) of the Subject Unit in writing of Landlord's request. If the tenant(s) do not notify Escrow Company in writing within 10 working days of a dispute of Landlord's request, Escrow Company shall disburse remaining funds to Landlord and close the escrow account.

5. Disbursements Upon Tenant's Vacation of the Subject Unit

- a. In the event that any funds remain in the escrow account after a tenant(s)' vacation of the Subject Unit, the tenant(s) shall sign an affidavit stating that the Subject Unit has been permanently vacated, indicate on the affidavit the date on which the Subject Unit was vacated, and provide current mailing address(es). The tenant(s) shall verify permanent vacation of the unit and surrender of the keys to the landlord.
- b. Escrow Company shall release payment of all remaining funds to the tenant(s) within three days of the tenants' submission of the affidavit verifying permanent vacation of the unit.
- c. In the event that any funds remain in the escrow account 65 days after the tenant(s)' permanent vacation of the Subject Unit, Landlord may request return of all undisbursed funds and closure of the escrow account. Landlord shall indicate in the request the date that the tenant(s) vacated the Subject Unit. Upon receipt of the request, Escrow Company shall notify the tenant(s) by registered mail of Landlord's request. Escrow Company shall notify the tenant(s) at their last known mailing address. If the tenant(s) do not notify Escrow Company in writing within 10 business days of a dispute of Landlord's request, Escrow Company shall disburse remaining funds to Landlord and close the escrow account.

6. Dispute Resolution Procedures

- a. In the event of a dispute regarding release of escrow funds, the Escrow Company shall request resolution of the dispute by the Los Angeles Housing Department (LAHD). Escrow Company shall specify in writing that the dispute exists, the reason for the dispute, and the amount in dispute.
- b. Escrow Company shall notify LAHD at the following address:

Director, Rent Stabilization Division
Los Angeles Housing Department
The Sunset Building
1910 Sunset Blvd., Suite 300
Los Angeles, CA 90026



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- c. Escrow Company shall release payment of the disputed amount only pursuant to LAHD's final determination of the dispute in accordance with City of Los Angeles Rent Adjustment Commission Regulation 960.00 et seq.

7. Release of Liability

- a. Escrow Company is hereby released from all liability and/or responsibility for the vacation of the Subject Unit by the tenant(s), or any disputes which may arise between Landlord and the tenant(s) of the Subject Unit. Escrow Company's liability shall be confined to claims which arise from its performance of the written instructions contained in this document.
- b. Landlord agrees to save and hold Escrow Company harmless, by reason of any misrepresentation or omission by any of the parties to this escrow, as to compliance with rules and/or regulations of any governmental agency, State, Federal, Municipal, or otherwise.
- c. Landlord authorizes Escrow Company to destroy without liability and without further notice all documents, papers, instructions and any other material in connection with this escrow instruction five years after closure of the escrow account.
- d. The owner agrees to indemnify and hold harmless from all liability, arising out of or related to the resolution of a dispute in accordance with City of Los Angeles Rent Adjustment Commission Regulation 960.00 et seq. the City of Los Angeles and its employees, and any hearing officer selected by LAHD to adjudicate disputes pursuant to the provisions of City of Los Angeles Rent Adjustment Commission Regulations 967.00 et seq.

SIGNATURE PAGE

(Landlord's Signature)

(Date)

(Landlord's Printed Name)

(Address)

(Phone)

RENT ESCROW ACCOUNT PROGRAM (REAP)

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CITY OF LOS ANGELES

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1200.01 DEFINITIONS

- A. Department: Refers to the Los Angeles Housing Department (LAHD); formerly known as the Los Angeles Housing and Community Investment Department (HCID or HCIDLA); also, formerly known as the Los Angeles Housing Department (LAHD); and any successor entities.
- B. Dwelling Units: All Dwelling Units, efficiency Dwelling Units, light housekeeping rooms, guest rooms, and suites, as defined in Section 12.03 of the Los Angeles Municipal Code.
- C. Enforcement Agency: The Department of Public Health of the County of Los Angeles, the Los Angeles Department of Building and Safety, the Los Angeles Fire Department, the Los Angeles Housing Department, the California Department of Housing and Community Development, their successors, or any other governmental agency that inspects rental units for the purpose of inspecting for compliance with health or safety laws.
- D. General Manager's Hearing: A hearing before a Hearing Officer pursuant to Regulation 1200.8 or 1200.12, as applicable.
- E. Hearing Officer: Any individual authorized or designated by the General Manager of the Los Angeles Housing Department to conduct administrative hearings.
- F. Interested Party: Any natural person, firm, corporation, partnership or other entity listed in the title report as having an interest in the real property, or known to the Los Angeles Housing Department as claiming an interest in the real property.
- G. LADBS: Los Angeles Department of Building and Safety.
- H. LADWP: Los Angeles Department of Water and Power.
- I. LAMC: Los Angeles Municipal Code.
- J. Maximum Adjusted Rent: The maximum allowable rent for a unit subject to the Rent Stabilization Ordinance as the term is defined in LAMC Section 151.02.
- K. Order or Orders: One or more Order or notice to comply, correct or abate a condition or violation issued by an Enforcement Agency.
- L. Property Owner/Landlord: An owner, lessor, or sub lessor (including any natural person, firm, corporation, partnership, or other entity) who receives or is entitled to receive rent for the use of any Dwelling Unit, or the agent, representative, or successor of any of the foregoing.
- M. RAC: Rent Adjustment Commission.
- N. REAP: Rent Escrow Account Program.
- O. Tenant: A Tenant, subtenant, lessee, sub lessee, person who hires a dwelling, or any other person entitled to use or occupancy of a dwelling for payment of consideration.
- P. Untenantable: A Dwelling Unit shall be deemed Untenantable if it or the common area of the building, structure, or premises in which it is located is the subject of one or more citations or Orders and substantially lacks any of the affirmative standard characteristics set forth in California Civil Code Section 1941.1, and/or specified sections of the LAMC, as follows:
 - 1. Effective waterproofing and weather protection of roof and exterior walls, including unbroken windows and doors.
 - 2. Plumbing or gas facilities which conformed to applicable law in effect at the time of installation, maintained in good working order.

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3. A water supply approved under applicable law, which is under the control of the Tenant, capable of producing hot and cold running water, or a system which is under the control of the Property Owner/Landlord, which produces hot and cold running water, furnished to appropriate fixtures, and connected to a sewage disposal system approved under applicable law.
4. Heating facilities which conformed to applicable law at the time of installation, maintained in good working order. For purposes of this Regulation, citations for unvented gas heating devices or unvented portable heaters in any dwelling in violation of 57.112.10 and 95.802.2.1 of the LAMC constitute violations which render a Dwelling Unit Untenantable.
5. Electrical lighting, with wiring and electrical equipment which conformed to applicable law at the time of installation, maintained in good working order. For purposes of this Regulation, electrical violations of Sections 93.0311, 93.0104, 91.8104.8.1 and/or 91.8902.4, and 93.0600 of the LAMC constitute violations which render a Dwelling Unit Untenantable.
6. Building, grounds, and appurtenances at the time of the commencement of the lease or rental agreement, and all areas under control of the Property Owner/Landlord, kept in every part clean, sanitary, and free from all accumulations of debris, filth, rubbish, garbage, rodents, and vermin.
7. An adequate number of appropriate receptacles for garbage and rubbish, in clean condition and good repair at the time of the commencement of the lease or rental agreement, with the Property Owner/Landlord providing appropriate serviceable receptacles thereafter, and being responsible for the clean condition and good repair of such receptacles under the Property Owner/Landlord's control.
8. Floors, stairways and railings maintained in good repair.
9. A Dwelling Unit shall be deemed Untenantable for the purposes of this Regulation if it is the subject of an Order to Comply with safety related standards pertaining to unabated violations of Section 91.8902.1 of the LAMC for failure to provide any of the following:
 - a. Quick release safety latches for bedroom/sleeping room window security bars;
 - b. Operative windows used for emergency exit from rooms used for sleeping purposes;
 - c. Approved smoke detectors in rooms used for sleeping purposes and access thereto.
10. A Dwelling Unit shall be deemed Untenantable for the purposes of this Regulation if the unit is located in a building, structure or premises which is subject to one or more citations or Orders issued pursuant to Division 88 or Article 1 of Chapter IX of the LAMC known as the Earthquake Hazard Reduction in Existing Building Ordinance, except as follows:

The alteration or repair work necessary to bring the building, structure or premises into compliance with the requirements of Division 88 of Article 1 or Chapter IX of the LAMC is proceeding in accordance with the time limits set forth in any citation, Order or determination issued by either the LADBS or the Board of Building and Safety Commissioners
11. A Dwelling Unit shall be deemed Untenantable for the purposes of this Regulation if any condition, arrangement or act takes place, or is allowed to

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exist, including the failure to properly test or maintain equipment which increases the likelihood of fire to a greater degree than is recognized as acceptable practice by the Los Angeles Fire Department, or which may provide a ready fuel supply to augment the spread or intensity of fire, or which may obstruct, delay, hinder or interfere with the operations of the Los Angeles Fire Department or the egress of occupants in the event of fire

12. Exiting, including but not limited to the following: lighting, maintenance, testing, designation or obstruction of fire doors and fire escapes.
13. Fire protection equipment, including but not limited to the following: fire pumps, standpipes, fire hose, fire sprinklers, fire extinguishers, or any appliance, device or system provided or installed for use in the event of fire.
14. Fire warning devices, including fire alarm systems and smoke detectors designed to safeguard life from fire.
15. Hazardous storage, obstruction of access or egress, or accumulations of hazardous refuse.
16. Failure to provide a resident manager, fire watch or security for vacant units on the property
17. Failure to test and/or certify the proper operation of fire assemblies, equipment or systems where required.

1200.02 RENT ADJUSTMENT COMMISSION AUTHORITY

The RAC has the authority to promulgate regulations to implement the provisions of the REAP Ordinance (LAMC Chapter XVI, Article 2) pursuant to LAMC Sections 162.00 et seq.

1200.03 REFERRAL TO REAP

- A. Any City or County agency, or any Tenant pursuant to LAMC Section 153.00 and 162.00 et seq., may refer any building that contains an Untenantable Dwelling Unit, or a common area deficiency that renders units in the building Untenantable, for placement into REAP if the following conditions apply:
 1. The building or unit is the subject of one or more Orders;
 2. The period allowed by the Order for compliance, including any extensions, has expire without compliance; and
 3. The violation(s) affects the health or safety of the occupants, or, if the unit is subject to the City's Rent Stabilization Ordinance, the violation(s) result in a deprivation of housing services, as defined in LAMC Section 151.02, or a habitability violation, as defined in LAMC Section 153.02.
- B. CONTENTS OF THE REFERRAL NOTICE
 1. An Enforcement Agency shall provide the following information in its referral of a property for placement into REAP:
 - a. The street address of the property;
 - b. A listing of the violations in the units and common areas of the building and the units that have not been inspected where the violations are of a nature or extent that they are likely to exist in those units;
 - c. The names and addresses of the Property Owner/Landlord;

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- d. Any citation of a Tenant for sole or joint responsibility for a deficiency;
 - e. The unit number or addresses of all Dwelling Units in a building being referred to REAP;
 - f. A statement from the citing agency, or equivalent indication, that the period allowed for compliance, including any extensions, has expired.
2. If the referral is from a Tenant, the Tenant must complete a complaint form provided by the Department and must attach an Order from an Enforcement Agency.
 3. A referral of a property for placement into REAP shall not be invalidated solely because the required information was not included or was inaccurate. The citing agency, Tenant or the Department may, at any time, correct any inaccurate information or obtain such missing information as may be deemed necessary subsequent to the referral of a unit or property for acceptance into REAP.

1200.04 ACCEPTANCE INTO REAP

- A. Upon receipt of a referral, the Department shall verify that the period allowed for correcting the cited violations, including any extensions, has expired. If the compliance period has not expired but the conditions set forth in Regulation 1200.03.A have otherwise been met, the Department will hold the referral for processing until after the expiration of the compliance period.
- B. Upon receipt of a referral, the Department shall determine whether there are other outstanding Orders against the buildings that meet the conditions set forth in Regulation 1200.03.A.
- C. After completing its review, the Department shall accept the subject building or unit(s) into REAP if the referral satisfies the provisions of Regulation 1200.03.A. If there are other Orders that satisfy the provisions of Regulation 1200.03.A, the Department shall accept any additional units covered by those Orders into REAP. If the other Orders have not expired, the Department shall accept the units effective the date the Orders expire. If the referral by the Enforcement Agency indicates that the violation(s) are of a nature that are shall apply to all affected units.

1200.05 NOTIFICATION OF ACCEPTANCE INTO REAP AND NOTICE OF GENERAL MANAGER'S HEARING

- A. If the Department accepts the building or unit for placement into REAP, it shall issue a Notice of Acceptance into REAP to the Property Owner/Landlord and affected tenants which states that the Department has placed the property into REAP. A Notice of Acceptance into REAP shall include a statement that enforcement will be stayed until a final administrative decision is issued and that the Hearing Officer's Decision shall be the final administrative decision unless appealed pursuant to Regulation 1200.10 et seq.
- B. Concurrent with the Notice of Acceptance into REAP, the Department shall schedule a General Manager's Hearing and issue a Notice of a General Manager's Hearing. The Notice of General Manager Hearing shall include the following information:
 1. The Department has determined to place the unit/property into REAP;
 2. Enforcement of REAP shall be stayed pending the outcome of a General Manager's Hearing;

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3. The date, time and location of the hearing;
 4. Property Owner/Landlord must bring a completed list indicating the names of the tenants and current rents of each unit the Department has placed into REAP;
 5. Before the General Manager's Hearing begins, the Property Owner/Landlord shall complete and submit a list that sets forth the names and current rents of all of the tenants in units subject to REAP;
 6. Parties may present documents, written declarations, photographs and other evidence deemed relevant to the proceedings;
 7. The Enforcement Agency or Tenants may present proof that the violations cited in the subject Order, at the time of its issuance, affected additional units that were not inspected, or that there are additional outstanding Orders which affect the same or different units of the subject property that were not included in the Notice of Acceptance into REAP;
 8. The Property Owner/Landlord may present proof that a rent reduction is not appropriate because the Tenant(s) caused the violations;
 9. The Property Owner/Landlord, Tenant or Enforcement Agency may present proof that, due to extreme circumstances, the property's placement into REAP or the corresponding rent reductions would jeopardize the health or safety of the Tenants. The Department shall scrutinize such a proof with particular caution when it is not supported by the Tenants or the Enforcement Agency.
- C. The Department shall serve the Notice of Acceptance into REAP and Notice of General Manager's Hearing (for purposes of this Regulation, sometimes collectively referred to as "Notices") on the Property Owner/Landlord by certified mail, postage prepaid. The Notices may be served at: (1) the address of the Property Owner/Landlord as it appears on the last equalized assessment roll of the County, (2) on any resident manager or authorized agent known to the Department, or (3) at the address provided to the Department through any registration in accordance with LAMC Section 151.05, or (4) in person. The Notices shall be mailed at least seven (7) calendar days prior to the General Manager's Hearing.
- D. The Department shall also serve the Notices on all affected tenants. A copy of the Notices shall be either: (1) mailed First Class, postage prepaid, and be posted in a conspicuous place within the common area on the property, or (2) posted on the property in the common area and posted in a conspicuous place on each affected unit, at least seven (7) calendar days prior to the General Manager's Hearing.
- E. The Department shall incorporate into the administrative file a written declaration, under penalty of perjury, to be completed by the staff member who mailed the Notices.
- F. The Property Owner/Landlord's failure to receive the Notices shall not invalidate any subsequent proceeding if the Department mailed the Notices in accordance with Regulation 1200.05.C.

1200.06 RENT REDUCTION

- A. Severity shall be determined by the Enforcement Agency and be specified in the Order. If the Enforcement Agency does not indicate the level of severity of a deficiency, its severity level shall be deemed low.
- B. Concurrent with the Department's Decision to place a building or unit into REAP, the Department shall determine a reduction in rent based upon severity pursuant to the rent reduction schedule set forth in Regulation 1200.07.

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- C. The Rent Reduction effective date shall be the date of the Hearing Officer's Decision affirming the placement of the property or unit into REAP.
- D. The Maximum Adjusted Rent for a Dwelling Unit placed into REAP shall be reduced in proportion to the severity of its deficiencies and its history of prior placement in REAP.
- E. If the referral by an Enforcement Agency indicates that the violations are of a nature or extent that they are likely to exist in or affect all of the units, then any rent reduction for those violations shall apply to all of the units.
- F. The total rent reduction for a Dwelling Unit is the sum of the severity level percentages determined for each category in Section 1200.07 of this Regulation. The Maximum Adjusted Rent shall not exceed fifty percent (50%) per unit. If the rent reduction calculation exceeds fifty percent, the calculation shall show that it is limited by the fifty percent (50%) maximum cap and set forth what the total would have been without the cap.
- G. The Maximum Adjusted Rent shall not be reduced to below fifty dollars (\$50) per month.
- H. If any property owned by the same Property Owner/Landlord has been in REAP in the thirty-six (36) months prior to the subject unit's acceptance into REAP, the reduction may be increased by up to fifty percent (50%) as determined by the Enforcement Agency, based on the severity of the circumstances, if the following apply:
 - 1. The Property Owner/Landlord owns more than four (4) residential units in the City of Los Angeles; and
 - 2. The other property(ies) were in REAP in excess of twelve (12) months.

1200.07 RENT REDUCTION SCHEDULE

This schedule shall be the basis by which rent shall be reduced for units accepted into REAP

CATEGORY	LOW SEVERITY	MEDIUM SEVERITY	HIGH SEVERITY
Nuisance Conditions	10%	15%	20%
Structural Hazards	10%	15%	20%
Fire Warning Devices	10%	15%	20%
Exiting	10%	15%	20%
Fire Protection Equipment	10%	15%	20%
Hazardous Storage	10%	15%	20%
Failure to test/Certify	10%	15%	20%
Failure to Manage/Secure	10%	15%	20%
Sanitation/Infestation	10%	15%	20%
Weather Protection	10%	15%	20%
Maintenance	10%	15%	20%
Electrical	10%	15%	20%
Plumbing/Gas	10%	15%	20%
Heating/Ventilation	10%	15%	20%
Illegal Construction	10%	15%	20%

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For the purposes of this Section, Illegal Construction includes construction, alteration, addition, repair, demolition, removal, or moving of any building, structure, or portion thereof without obtaining a required building permit from the Department of Building and Safety in the manner and according to the applicable conditions prescribed in Chapter IX of the LAMC.

For the purposes of this Section, Illegal Construction does not include the following:

1. Installation, alteration, or repair of ventilation equipment or ductwork; electrical equipment; plumbing lines and fixtures; and any other similar work not included within the scope of a valid building permit; and
2. Illegal housing accommodations (see “housing accommodations” as defined by California Government Code Section 12927.)

1200.08 SCOPE OF GENERAL MANAGER’S HEARING

- A. The Department shall schedule a General Manager’s Hearing before a Hearing Officer designated by the General Manager.
- B. At the General Manager’s Hearing, the Property Owner/Landlord, Tenants, any Enforcement Agency and any other interested parties may present documents, written declarations, photographs and/or relevant evidence.
- C. Any Tenant or any Enforcement Agency may present proof that the violations specified in the Order, at the time the Order was issued, affected additional units that have not been inspected, or that there are additional outstanding Orders affecting the same or different units of the building that were not included in the original Decision of the Department.
- D. The Property Owner/Landlord may present proof that a rent reduction is not appropriate because the violations were caused by the Tenants. The Property Owner/Landlord, any Tenant, or an Enforcement Agency may present proof that, due to extreme circumstances, acceptance into REAP or the corresponding rent reductions would jeopardize the health or safety of the Tenants. The Hearing Officer shall scrutinize such a proof with particular caution when it is not supported by the Tenants or the Enforcement Agency.
- E. The Property Owner/Landlord has the burden of proving the basis a reversal or modification of the acceptance into REAP by a preponderance of the evidence.
- F. The absence of any party does not preclude the Hearing Officer from receipt of testimony or other evidence from any other witness.
- G. The Hearing Officer’s Decision shall be based on the administrative record and any additional testimony and evidence provided at the General Manager’s Hearing.

1200.09 THE HEARING OFFICER’S DECISION

- A. The Hearing Officer shall issue a written decision within ten (10) working days following the General Manager’s Hearing. The Hearing Officer’s Decision shall be sent to: (1) the Property Owner/Landlord by certified mail, postage prepaid, and (2) affected Tenants via either (a) First Class mail, postage prepaid and posting in a conspicuous place on the property or (b) posting in a conspicuous place in the common area of the property and posting in a conspicuous place on each affected unit. If necessary, notice shall be served on the applicable Enforcement Agency by First Class mail, postage prepaid.
- B. The Hearing Officer may affirm, modify, or reverse the Department’s Decision to place the property into REAP.

RENT ESCROW ACCOUNT PROGRAM (REAP)

RAC Regulations • Section 1200.00 • Amended: 12-02-2010, 01-16-2013,
11-21-2014, 03-27-2015, 02-15-2017, 10-28-2019, 03-07-2024

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- C. The Hearing Officer may continue the General Manager's Hearing upon a showing of good cause based on a consideration of the extent and seriousness of the conditions, their effect on the residents, and the criteria set forth in LAMC Section 161.602.1 regarding the risk of recurring violations for the subject property.
- D. The Hearing Officer shall affirm the Department's Decision to place the subject property in REAP only if the evidence satisfies the requirements set forth in Regulation 1200.03.A.
- E. The Hearing Officer may modify or reverse the Department's Decision to place the property into REAP upon making written findings setting forth specifically either:
 - 1. The Department's action to place the building/unit into REAP was in error or constituted an abuse of discretion, or
 - 2. There is new, relevant information that was not provided to the Enforcement Agency at the time of the Department's Decision to place the building/unit into REAP due to mistake, surprise, inadvertence, lack of notice, or excusable neglect; that supports a modification or reversal of the Department's Decision to place the property into REAP
- F. If the Hearing Officer determines that the Property Owner/Landlord complied with the Order before the date of General Manager's Hearing, the Hearing Officer shall reverse the Department's Decision to place the property into REAP
- G. If the Hearing Officer affirms the Department's Decision to place the property into REAP, the rent reduction shall be effective the date of the Hearing Officer Decision. The Hearing Officer's Decision shall be the final administrative decision unless appealed to the Appeals Board pursuant to Regulation 1200.10 et seq.
- H. The Hearing Officer may order a further rent reduction or may include additional units that were not a part of the Department's original Decision to accept the property into REAP, or do both, if:
 - 1. At the General Manager's Hearing, Tenants or the Enforcement Agency present proof that the violations specified in the Order, at the time the Order was issued, affected additional units that had not been inspected, or
 - 2. There are additional outstanding Orders affecting the building that were not included in the Department's original Decision to accept the property into REAP, or
 - 3. The Hearing Officer finds that the violations are of such a nature or extent that they are likely to be found in or affect several units.

The Hearing Officer's Decision shall state the findings which justify ordering a further rent reduction or including additional units.
- I. Prior to making a determination pursuant to Regulation 1200.09.H to include additional units into REAP that were not included in the Department's original Decision, the Hearing Officer, upon the Property Owner/Landlord's request, shall continue the portion of the General Manager's Hearing that regards the additional units in order to provide Property Owner/Landlord with proper notice and an opportunity to be heard.

The Hearing Officer may issue a decision about the rent reduction for the rental unit included in the Department's original Decision prior to the date of the continued General Manager's Hearing or may wait and issue a decision addressing all of the units. The effective date of rent reductions as to units included in the original Decision of the Department is identified in Regulation 1200.06.C. If the General Manager's Hearing is

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continued, the effective date of rent reductions as to additional units not included in the original Decision of the Department, will be the date of the Hearing Officer's Decision issued after the final General Manager's Hearing.

- J. If the Hearing Officer finds that the violations are of such a nature or extent that they are likely to be found in or affect several units, the Hearing Officer may order the rent reduction extended to additional units that were not included in the original Decision without proof of an outstanding Order for those units. The Hearing Officer's Decision shall state the findings which justify extending the rent reduction to additional units.
- K. Prior to making a determination to impose rent reductions on additional units that were not included in the Department's original Decision, the Hearing Officer, upon the Property Owner/Landlord's request, shall continue that portion of the General Manager's Hearing that regards the rent reduction for the additional units in order to provide the Property Owner/Landlord with proper notice and an opportunity to be heard. The Hearing Officer may issue a decision about the rent reduction for the rental unit included in the Department's original Decision prior to the date of the continued General Manager's Hearing or may wait and issue a decision addressing all of the units.
- L. Under extraordinary circumstances, the Hearing Officer may delay, reduce, stay or deny the rent reduction or acceptance into REAP even though the evidence satisfies the requirements of Regulation 1200.03.A., when to do otherwise would jeopardize the health or safety of the Tenants or violate the constitutional rights of any person. Mere reduction of income available to make repairs does not constitute extraordinary circumstances. If the Hearing Officer grants such relief, the Hearing Officer's Decision shall set forth the specific circumstances which serve as the basis for the action.
- M. If the Hearing Officer's Decision is to affirm the placement of the property into REAP, the Property Owner/Landlord shall attend a REAP workshop provided by the Department within six months of the issuance of the Hearing Officer's Decision. There shall be no fee assessed to attend this workshop.

1200.10 APPEAL OF THE HEARING OFFICER'S DECISION TO THE RAC APPEALS

A. APPEALS

- 1. The Property Owner/Landlord, any Tenant, or the Enforcement Agency may appeal the Hearing Officer's Decision to the Appeals Board within fifteen (15) calendar days after service of the written decision. The appellant must file the appeal in writing, on a form provided by the Department and approved by the RAC, and stipulate the specific portion(s) of the decision that are being appealed and the basis for the appeal.
- 2. The appellant shall pay a filing fee of one hundred fifty dollars (\$150) made payable to the City of Los Angeles in the form of a cashier's check or money order. Failure to pay the required fee by the filing deadline invalidates the appeal request.
 - a. Pursuant to LAMC Section 162.06.C, the Department may waive the filing fee for any appellant who files a declaration stating that he or she annually earns no more than 50% of the Area Median Income for the Los Angeles Area, as determined by the United States Department of Housing and Urban Development.
 - b. The declaration shall state that the above information is true and correct.

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3. If the appellant files a timely appeal, enforcement of the portions of the Hearing Officer's Decision being appealed regarding REAP shall be stayed pending the outcome of the appeal. Referrals to the City Attorney and any costs associated with referrals to the City Attorney, including but not limited to administrative and clerical costs, recording fees, inspection fees, and investigation penalties, are not appealable and are not stayed by an appeal of the property's acceptance into REAP, or corresponding rent reductions.
4. If no party files a timely appeal of the Hearing Officer's Decision, the decision becomes the final administrative decision for the matter.

B. NOTIFICATION OF THE APPEALS BOARD HEARING

1. Upon receipt and acceptance of the appeal, the Appeals Board shall schedule an Appeals Board Hearing. The Appeals Board shall provide the date, time and location of the hearing to the appellant, affected Tenants and the applicable Enforcement Agency.
2. The Notice of Appeals Board Hearing (for purposes of this Regulation referred to as the "Notice") shall be in writing and shall be served on (a) the Property Owner/Landlord by certified mail, postage prepaid, or in person, at least ten (10) calendar days prior to the date of the scheduled Appeals Board Hearing, and (b) affected Tenants via either first class mail, postage prepaid, and posting a copy in a conspicuous place on the property or by posting a copy on the property and posting in a conspicuous place on each affected unit at least ten (10) calendar days prior to the date of the scheduled hearing. If necessary, notice shall be served on the applicable Enforcement Agency by first class mail, postage prepaid.
3. The Notice shall provide that the Hearing Officer's Decision has been appealed to the Appeals Board.
4. The Notice shall also state the respective rights of parties in connection with the hearing, including the right to submit a written brief as well as any supporting documents concerning the matters being appealed, or to provide oral argument. Supporting documents shall only be considered by the Appeals Board if the documents consist of new evidence that could not, with due diligence, have been discovered and produced at the General Manager's Hearing.
5. If any party chooses to submit a written brief or supporting documents, he or she shall bring fifteen (15) copies for distribution to the other parties at the Appeals Board Hearing. Parties are encouraged to submit additional documents one or more days in advance of the hearing.

C. APPEALS BOARD HEARING

1. The Appeals Board shall review the Hearing Officer's Decision only with respect to those alleged errors of law or abuse of discretion that occurred during the General Manager's Hearing.
2. The Appeals Board shall not consider any new evidence not presented at the General Manager's Hearing unless it is newly discovered evidence which could not, with due diligence, have been discovered and produced at the General Manager's Hearing.
3. Compliance with an Order subsequent to the General Manager's Hearing shall not be considered by the Appeals Board.
4. Upon a showing of good cause, the Appeals Board may grant a continuance of the Appeals Board Hearing to a later date

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D. APPEALS BOARD DECISION

1. The Appeals Board will render its written decision within fifteen (15) calendar days of the conclusion of the Appeals Board Hearing.
2. The Appeals Board may modify or reverse the Hearing Officer's Decision upon making written findings that set forth how the Hearing Officer's Decision was in error or constituted an abuse of discretion. The Appeals Board shall make specific findings which support the modification or reversal of the Hearing Officer's Decision.
3. The Appeals Board shall send its Appeals Board Decision to: (a) the Property Owner/Landlord by certified mail, postage prepaid, or in person, and a copy of the decision shall be served (b) on affected Tenants either by first class mail, postage prepaid, and posting a copy on the property or by posting a copy on the property and posting on each affected unit, within fifteen (15) calendar days of the scheduled hearing. If necessary, notice shall be served on the applicable Enforcement Agency by first class mail, postage prepaid.
4. The Appeals Board Decision constitutes the final administrative decision in the matter.
5. If the Appeals Board affirms the Hearing Officer's Decision to place the property into REAP, the rent reduction shall be applied retroactively to the date of the Hearing Officer's Decision pursuant to Regulation 1200.06.C.
6. If the Hearing Officer's Decision imposed additional rent reductions not included in the Department's original Decision, and the violations on which the reductions were based were not corrected by the time the appeal was filed, then the Appeals Board shall impose the rent reduction retroactively to the date of the Hearing Officer's Decision pursuant to Regulation 1200.06.C.

1200.11 RECORDING THE REAP ACCEPTANCE

- A. After the final administrative decision in the matter, the Department shall file and record with the County Recorder of the County of Los Angeles a document which legally describes the real property and states that the subject property has been placed into REAP and the known Property Owner/Landlord of the building has been notified in writing.
- B. The Department may deduct from the REAP escrow account any fees associated with the filing and recording of the document(s) placing the building in REAP.

1200.12 REAP ESCROW ACCOUNT

A. ESTABLISHMENT OF THE ESCROW ACCOUNT

1. Within five (5) business days after the final administrative decision to place a building/unit into REAP, the Department shall establish an escrow account, as part of the REAP Trust Fund, into which Tenants of the affected unit(s) or building may deposit rental payments.
2. The Department shall notify all affected Tenants in writing of the existence of the REAP escrow account, the Tenant's right to exercise the option to pay rent into the escrow account in lieu of paying rent to the Property Owner/Landlord, the date when the Department will begin to accept payments into the escrow account, the manner in which payments may be deposited into the account, and the location to which payments may be sent.
3. Payment of rent into the escrow account is at the sole discretion of the Tenant.

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4. The Department shall provide a receipt to each Tenant making a deposit into the escrow account.
5. Affected Tenant(s) may begin paying rent into the escrow account beginning after the administrative decision becomes final.
6. The Department shall receive rent payments in person at its offices, by mail, or an online payment portal, if available. Rental payments may be in the form of a personal check, electronic check, cashier's check, certified check, credit/debit card, or money order, depending on availability. The Department may charge a convenience fee for some types of payments.
7. City employees and its contractors are not authorized to accept rental payments at the property site.
8. The Department shall provide the Property Owner/Landlord with a report accounting for all rents paid into REAP and any authorized deductions from it on a monthly basis.
9. At any time, a Tenant may request in writing a report regarding rents paid by the Tenant into the REAP escrow account.
10. Any other requests for the accounting records of an escrow account shall be processed in accordance with the California Public Records Act, Government Code Section 6250 et seq., and other applicable laws.
11. Upon termination of the escrow account, the Department shall send a copy of the accounting of all rents paid into the account, and any applicable deductions, to the Property Owner/Landlord of record at the time of termination.
12. The Department shall return all rent money in the escrow account which has not been expended to the legal owner of the property at time of the property's removal from REAP in accordance with LAMC Section 162.08.D.
13. Interest at a rate established by the RAC, pursuant to LAMC Section 151.06.02.B.1.a, shall accrue to the funds held in an escrow account, and shall be disbursed upon termination of the account pursuant to LAMC Section 162.08.D.

B. WITHDRAWALS FROM THE ESCROW ACCOUNT

1. The Department shall deduct a non-refundable administrative fee of fifty dollars (\$50) for each individual rent payment made into the escrow account. Only one such fee shall be deducted for each Dwelling Unit for each month.
2. While a unit/building is in REAP, a Property Owner/Landlord, Tenant, Enforcement Agency and/or any creditor may apply to the Department, which shall schedule a General Manager's Hearing for a release of funds from the escrow account. Withdrawals may be for the following reasons:
 - a. When necessary to pay for essential services to the building, including utilities, trash services, security, pest control, and managerial services. Prepayment of the expenses does not preclude approval of the request;
 - b. When necessary for the correction of deficiencies including, but not limited to, those that caused the unit/building to be placed in REAP, and consistent with the following:
 - I. Prepayment of the expenses does not preclude approval of the request;

RENT ESCROW ACCOUNT PROGRAM (REAP)

RAC Regulations • Section 1200.00 • Amended: 12-02-2010, 01-16-2013, 11-21-2014, 03-27-2015, 02-15-2017, 10-28-2019, 03-07-2024

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- II. For unpaid estimates or invoices, payment shall be made directly to the contractor. If the amount approved is in excess of one thousand dollars (\$1,000), the Department shall withhold fifty percent (50%) of the funds approved until verification that the work has been completed in a satisfactory manner. The withheld funds shall be released and available for other withdrawals if no verification is obtained within one year of the date of the Hearing Officer's decision approving the withdrawal;
- c. When to the extent legally permissible, and consistent with the subsections below, requested by a Tenant who has performed or wishes to repair conditions that affect the Tenant's health and safety, that result in a deprivation of housing services, as defined in LAMC Section 151.02, or that result in a habitability violation, as defined in LAMC Section 153.02. Those repairs are not limited to the repair of violations that caused acceptance into REAP;
 - I. For repairs in excess of five hundred dollars (\$500), the Tenant must submit an estimate or invoice from a licensed contractor, which includes labor, materials, and permit costs, if applicable;
 - II. Tenants may jointly apply for repairs of deficiencies in the common areas of the building that also affect their units;
 - III. For unpaid estimates or invoices, payment shall be made directly to the contractor. If the amount approved is in excess of one thousand dollars (\$1,000) the Department shall withhold fifty percent (50%) of the funds approved until verification that the work has been completed in a satisfactory manner. The withheld funds shall be released and available for other withdrawals if no verification is obtained within one year of the date of the Hearing Officer's decision approving the withdrawal;
 - d. When requested by a Tenant who wishes to or has relocated from the unit/building, and consistent with the subsections below:
 - I. Pending unlawful detainer actions, or judgments, against the Tenant shall not preclude approval of the Tenant's request. The Hearing Officer may consider, among other relevant factors, the following in making a determination:
 - a. Whether the Tenant's application was made subsequent to the pending unlawful detainer or judgment;
 - b. The habitability conditions of the unit/building or property;
 - c. If more than six (6) months have elapsed since the issuance of the underlying Order by the Enforcement Agency that placed the property into REAP, and the judgment is a default judgment or a judgment based on nonpayment of rent;

RENT ESCROW ACCOUNT PROGRAM (REAP)

RAC Regulations • Section 1200.00 • Amended: 12-02-2010, 01-16-2013,
11-21-2014, 03-27-2015, 02-15-2017, 10-28-2019, 03-07-2024

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- II. The Hearing Officer shall not approve release of escrow funds for relocation if, at the time of application, the Enforcement Agency has verified the Property Owner/Landlord's correction of the deficiencies cited in all outstanding Order(s) for the Tenant's unit/building;
 - III. No application is required where an Enforcement Agency has issued an Order to Vacate. The Department shall have authority to immediately release escrow funds to affected Tenants as relocation assistance;
 - IV. The Hearing Officer shall calculate the amount of the relocation payment based on the greater of either of the following:
 - a. The monthly rental disparity between the Tenant's rent for the subject unit prior to the REAP reduction and the market rent for a unit of similar size for forty-two (42) months;
 - b. The amount to which the Tenant would be entitled for evictions subject to LAMC Section 151.09.G
 - V. The Tenant is only limited to receiving those funds that are available in the escrow account for the Tenant's unit;
 - VI. If the Hearing Officer approves a request for release of escrow funds for relocation, and the Tenant fails to relocate within sixty (60) days of receipt of the released funds, the Tenant shall return the released funds to the escrow account.
 - e. When requested by a Tenant who has sustained expenses due to uninhabitable conditions;
 - f. When ordered by a court;
 - g. To satisfy a judgment obtained under LAMC Section 162.09.C; but limited to those funds that are available in the escrow account of the prevailing Tenant;
 - h. To rectify an unintended or erroneous payment at the time of deposit into the escrow account.
3. The Department shall convene a hearing to review a request for release of escrow funds within twenty-one (21) calendar days of the receipt of the application.
 4. At least fifteen (15) calendar days prior to the date of the General Manager's Hearing, the Department shall provide written notice of the hearing to the Property Owner/Landlord, affected Tenant(s), the Enforcement Agency, and any applicable creditors. The Notice of General Manager's Hearing (for purposes of this Regulation, the "Notice") shall include a statement specifying the nature of the request(s) to be considered and the date, time and location of the General Manager's Hearing. The Notice also shall be sent to: (a) affected Tenants by: (1) first class mail, postage prepaid, and posting a copy in a conspicuous place on the property, (2) by posting a copy on the property and posting in a conspicuous place on each affected unit, or (3) personal service. If necessary, notice shall be served on the applicable Enforcement Agency by first class mail, postage prepaid.

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5. The Hearing Officer shall order the release of funds from the escrow account where it has been demonstrated to the satisfaction of the Hearing Officer that the conditions set forth in Regulation 1200.12.B.2 have been met.
6. The General Manager also may release funds from the escrow account without a General Manager's Hearing or on shortened notice when it is deemed necessary to address an imminent threat to the health or safety of the occupants, or to prevent the termination of utilities.
7. If the Hearing Officer receives more than one request for release of escrow funds before its initial General Manager's Hearing, the Hearing Officer shall give priority to requests for funds to make repairs, and/or to preserve essential services over other requests.
8. The Hearing Officer shall deny an application for release of funds if the Hearing Officer determines that the application is intended, in whole or in part, to circumvent the provisions of the REAP Ordinance (LAMC Chapter XVI, Article 2). A debt incurred subsequent to notice to a creditor that the building was under consideration for or had been selected for participation in REAP shall be presumed, subject to rebuttal, to be for the purpose of circumventing the provisions of the REAP Ordinance.
9. The Hearing Officer shall have the right to request any and all information deemed necessary to reach a decision concerning an application for release of escrow funds.
10. The Hearing Officer shall issue a written decision within ten (10) working days following the General Manager's Hearing. The Hearing Officer's Decision shall be sent to: (a) the Property Owner/Landlord by certified mail, postage prepaid and (b) to affected Tenants via either: (1) first class mail, postage prepaid, and posting a copy in a conspicuous place on the property or (2) by posting a copy on the property and posting in a conspicuous place on each affected unit.
11. Any aggrieved party may appeal the Hearing Officer's Decision to the Appeals Board, pursuant to Regulation 1200.10.

C. MONTHLY ADMINISTRATIVE FEES

1. The Property Owner/Landlord shall owe a non-refundable monthly administrative fee of fifty dollars (\$50) for each unit placed into REAP.
2. If a Tenant makes an individual rent payment for a particular month to the escrow account, the Department shall deduct the administrative fee due for that month for the Tenant's unit from the rent payment.
3. Fees are due per unit, for each month, including partial months, that the unit remains in REAP and is inhabited. The assessment of the administrative fee shall begin on the date of the Hearing Officer's Decision affirming the acceptance into REAP.
4. If a subject unit is vacant in a particular month, the Property Owner/Landlord shall not owe the administrative fee for the unit for the given month only if the Property Owner/Landlord files an exemption, on a form prescribed by the Department, attesting to the unit's vacancy within thirty (30) days of the Department's initial notification of the administrative fees due for the subject unit for the given month.
5. The Department may impose a late fine on delinquent fees equal to one hundred percent (100%) of the amount due if the Department notifies the Property Owner/Landlord in accordance with LAMC Section 162.12.E.
6. The Department may also charge interest where a Property Owner/Landlord fails to pay the administrative fee, or any late fine, if the Department notifies the Property

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Owner/Landlord in accordance with LAMC Section 162.12.E. The interest shall be calculated at the rate of one percent (1%) per month, or fraction thereof, on the amount of the fee and late fine imposed, from the date the fee became delinquent until the date of payment.

1200.13 TERMINATION OF REAP

- A. The Property Owner/Landlord, the affected Tenant, or the Enforcement Agency may notify the Department that the Property Owner/Landlord has complied with all outstanding Orders, including Orders from any Enforcement Agency issued subsequent to the Order which resulted in the property's acceptance into REAP. Upon receipt of such notice, the Department shall verify compliance with the Enforcement Agency.
- B. The Department may also review an application from a Property Owner/Landlord to terminate the rent reduction for certain units, notwithstanding the continuation of violations affecting other units, only if the Department determines that the violations affecting the subject units have been corrected in accordance with Subsection A of this Section and determines that only minor violations remain in the other units. For the purposes of determining that only minor violations remain, the Department shall consider the number of violations that remain, the estimated time required to correct those violations, and the severity level of the remaining violations.
- C. The Department may recommend termination of the escrow account if it determines that the Property Owner/Landlord has complied with all outstanding Orders and the Property Owner/Landlord has paid all outstanding and non-appealable electric service and/or water charges for the subject property to the satisfaction of LADWP.
- D. If the Department is precluded from recommending termination of the escrow account only due to outstanding utility charges owed to LADWP, the Department may release funds available in the escrow account beyond the amount necessary to pay the fifty dollars (\$50) monthly administrative fees per unit, to satisfy the outstanding LADWP charges upon written consent of the Property Owner/Landlord.
- E. If the City Council terminates the REAP escrow account, any funds thereafter remaining in the escrow account shall be paid in the following order:
- F. Any remaining funds in the escrow account, and any interest accrued therein pursuant to Regulation 1200.12.A.13, shall be returned to the owner who owned the property at the time City Council authorized the termination of the escrow account. The Department shall refund any remaining escrow account balance to the property owner recorded with the Los Angeles County Recorder's Office.
- G. As a condition of terminating the escrow account, the City Council may order two expedited systematic inspections pursuant to LAMC Section 162.08.D.4 and impose inspection fees and administrative costs and interest pursuant to LAMC Sections 161.901.1 through 161.903.1. The Department may waive these annual inspection fees if a property has been demolished. The City Council also may condition termination of the escrow account on payment of these fees and costs, or any other unpaid utility charges owed in accordance with Subsection C of this Section.

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1200.14 NOTIFICATION PROCEDURES FOLLOWING A UNIT/BUILDING'S REMOVAL FROM REAP

- A. The Department shall notify the Property Owner/Landlord, affected Tenants and any interested parties that the City Council has removed the subject unit/building from REAP by first class mail, postage prepaid.
- B. The Department shall notify any affected Tenant of the date on which reduced rent for the unit shall be restored to its original level and the date rent must be paid directly to the Property Owner/Landlord and not to the escrow account. The date of rent restoration shall be thirty (30) days from the date the Department notifies any affected Tenant.
- C. The Department shall notify the current Property Owner/Landlord of the final accounting of rents paid into the escrow account and any disbursements from the escrow account.
- D. Upon the unit/building's removal from REAP, the Department shall file and record with the Los Angeles County Recorder's Office a certificate terminating the previously recorded notification that the property had been placed into REAP.

1200.14 TENANT PROTECTIONS

A. EVICTION PROTECTIONS

1. The gross amount of a payment made into the escrow account by or on behalf of a Tenant shall be deemed as a payment to the Property Owner/Landlord, for purposes of determining whether a Tenant has paid rent in accordance with LAMC Section 151.09.A.1 and/or state law. The Tenant may raise payment of rent into the escrow account as an affirmative defense in an unlawful detainer action in the same manner as if such payment had been made to, and accepted by, the Property Owner/Landlord
2. If a unit is in REAP, the Property Owner/Landlord shall request verification in writing from the Department as to whether the subject Tenant has paid rent to the escrow account prior to initiating an unlawful detainer action. The Department shall respond within three (3) business days to such verification requests. The Property Owner/Landlord shall not initiate any action to evict the Tenant on the basis of nonpayment, pursuant to LAMC Section 151.09.A.1, if the Department verifies that the subject Tenant has paid the rent owed, including any applicable rent reductions, to the escrow account.
3. Whether or not the subject unit is subject to the RSO, until the unit is removed from REAP and for one hundred eighty (180) days thereafter, or until the expiration of the period specified under LAMC Section 161.806, if applicable, whichever is later, the Property Owner/Landlord may only bring an action to recover possession of the unit upon the grounds set forth in LAMC Section 151.09.A.
4. If a Property Owner/Landlord's intent in initiating an eviction action against the Tenant is retaliation for the Tenant, or an Enforcement Agency's exercise of rights and duties under LAMC Chapter XVI, and if the Tenant is not in default in payment of rent, then the Property Owner/Landlord may not evict or cause the Tenant to quit voluntarily.
5. Until the unit is removed from REAP and for one (1) year thereafter, the Property Owner/Landlord must demonstrate that in an eviction action, other than for nonpayment of rent, that the eviction is not retaliatory in nature.

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6. In any eviction action by a Property Owner/Landlord, the Tenant may raise as a defense any grounds set forth in Section 1200.15 of this Regulation. If the Tenant in a unit in the REAP program is the prevailing party, he or she shall be entitled to recover reasonable attorney's fees and expenses.

B. RENT INCREASES

Until the unit is removed from REAP and for one (1) year thereafter, or until the expiration of the period specified under LAMC Section 161.807 if applicable, whichever is later, the Property Owner/Landlord or any subsequent Property Owner/Landlord shall not increase the rent for the current or any subsequent Tenant except as provided by the Costa Hawkins Rental Housing Act, Civil Code Section 1954.50 et seq. and/or applicable state law. If the unit is subject to the RSO, no rent increase shall be permitted, pursuant to LAMC Section 151.07, for reimbursement of costs for any corrections necessary to comply with the Order that resulted in the unit/building's acceptance into REAP or for any additional Orders issued after the acceptance into REAP.

C. CIVIL ACTIONS

Any Property Owner/Landlord who violates the provisions of the REAP Ordinance, LAMC Chapter XVI, Article 2, or retaliates against a Tenant or an Enforcement Agency for the exercise of rights and/or duties under the REAP Ordinance, shall be liable in a civil action for damages, a penalty of one thousand dollars (\$1,000) per violation, and reasonable attorney's fees and expenses. Any judgment awarded may be collected from the escrow account pursuant to Section 1200.13.B.2.g of this Regulation.

1200.15 CONFLICTS

In case of any inconsistency between these regulations and any applicable ordinance, the ordinance shall prevail.

THIS INFORMATION IS OFFERED FREE OF CHARGE TO THE GENERAL PUBLIC.

While this publication is designed to provide accurate and current information about the law, readers should consult an attorney or other expert for advice in particular cases, and should also read the relevant statutes and court decisions when relying on cited material. Laws and guidelines are frequently amended. The LAHD recommends that you verify information in the event that new changes are not yet reflected in this publication. The LAHD does not assume and hereby disclaims any liability to any party for any loss, damage, or disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident, or any other cause.

AUXILIARY AIDS AND SERVICES: "As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities."

JUST CAUSE FOR EVICTION ORDINANCE: REGISTRATION OF ALL RENTAL PROPERTIES

Rent Adjustment Commission (RAC) Regulations • Section 1300.00
• Effective February 13, 2026

Rent Adjustment Commission Regulations & Guidelines

1300.00 REGISTRATION REQUIREMENT OF UNITS SUBJECT TO THE JUST CAUSE FOR EVICTION ORDINANCE REQUIREMENTS

The Just Cause For Eviction Ordinance (JCO) requires all owners of rental units not subject to the Rent Stabilization Ordinance (RSO) to register their rental unit(s) annually before the owner can legally demand or accept rent.

1300.01 JUST CAUSE FOR EVICTION ORDINANCE RENT REGISTRY REQUIREMENT AND REGISTRATION STATEMENT PROCEDURES

1. The registration statements issued for rental units in 2025 shall be valid from the date of payment through June 30, 2026. Thereafter, registration renewal statements shall be effective annually every July 1st and expire on June 30th of the following year.
2. The landlord or its designee shall register or renew the registration annually for any rental unit subject to this ordinance upon the completion of the Rent Registry Form and payment of the registration fees. The landlord shall provide the monthly rent amount demanded for each unit, tenancy information, and landlord emergency contact information for every rental unit subject to this ordinance on a Rent Registry Form prescribed by the Department. This information shall be submitted annually by the last day of February of each calendar year. Registration is complete only when all outstanding registration fees have been paid and all required rent amounts and tenancy information, including emergency contact information, are provided.

1300.02 NOTICE OF RENT INFORMATION DEFICIENCIES AND OPPORTUNITY TO CURE; APPEALS; FINAL ADMINISTRATIVE DECISION

1. The Department shall notify the landlord of the failure to comply with this subsection and allow 15 calendar days to respond. The Department will not issue a registration statement for the property until the landlord has complied with applicable law by providing the required rental information.
2. Any landlord disputing the Department's notification of deficient registration may file a written appeal within 10 calendar days of the date of the notice of deficiency. The Department shall provide a written notice within 30 calendar days of its appeal decision, which shall be a final administrative decision.

1300.04 PASSTHROUGH OF THE JCO REGISTRATION FEE

Landlords must comply with state law regarding whether they may pass through JCO registration fees to tenants.

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CITY OF LOS ANGELES



JUST CAUSE FOR EVICTION ORDINANCE: REGISTRATION OF ALL RENTAL PROPERTIES

Rent Adjustment Commission (RAC) Regulations • Section 1300.00 •
Effective February 13, 2026

Rent Adjustment Commission Regulations & Guidelines

1300.05 JCO FEES AND RELATED DELINQUENT CHARGE CALCULATIONS

1. JCO requires that property owners shall pay an annual registration fee (the "Just Cause Enforcement Fee") for each rental unit subject to the Just Cause for Eviction Ordinance (Ordinance No. 187737). The Just Cause Enforcement Fee shall be due on the first day of January of each year and is deemed late if received after the last day of February. Should the owner fail to pay the required fee, the City of Los Angeles will recover it utilizing any remedies provided by law, including nuisance abatement or municipal tax lien procedures established by ordinance and/or state law.
2. An owner who fails to pay the Just Cause Enforcement Fee by the last day of February is deemed delinquent and shall pay a penalty in an amount determined by the Department at its sole discretion. The Department has established a delinquent fee equal to 1.5 times the original fee per subject rental unit for such delinquency.
3. Small Over and Under Payments: If a discrepancy exists between the fee paid and the amount due under the provisions of this Chapter, resulting in an underpayment or overpayment of \$5.00 or less, the Department may accept and record such underpayment or overpayment without other notification to the property owner/landlord and shall reconcile such amounts in the next due bill.

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LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission (RAC) Regulations •
Section 2000.00 • Adopted February 4, 2010 •
Amended March 7, 2024

Rent Adjustment Commission Regulations & Guidelines

REGULATION 2000.00

Pursuant to Los Angeles Municipal Code (LAMC) Section 151.08, the Rent Adjustment Commission (RAC) promulgates this Regulation for the class of rental units located in a property where the following apply:

1. The class of rental units are in a property containing in excess of 600 rental units subject to the RSO;
2. 90% of the rental units subject to the RSO have been vacant for at least five years;
3. The State Historical Resources Commission has determined the class of rental units to be eligible for listing as a state historical resource;
4. The class of rental units is located in a Council District where at least 3000 rental units were removed from the rental market pursuant to the Ellis Act in the last five years.

A. Applicable Definitions

1. **Base Rent.** The Base Rent shall be the gross monthly rent including all charges, exclusive of Rent Concessions, stated in the initial lease and any lease renewal.
2. **Rent Concessions.** Rent Concessions shall be those rental incentives, discounts or other concessions resulting in a temporary reduction in the overall rent obligation including, but not limited to, rent discounts and free monthly rent, provided in an initial lease and/or lease renewal. The manner in which the Rent Concessions are provided over the course of a lease shall be in the Owner's sole discretion (for example, but not limited to, being provided at the start of the lease, amortized monthly, provided half up front and half midway through the lease term, or otherwise.)
3. **Construction and Lease-Up Period.** The Construction and Lease-Up Period shall be the period commencing on the first date of occupancy of an existing rental unit at the Lincoln Place Apartments by a tenant other than one of the Settling Tenants. The Construction and Lease-

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Rent Adjustment Commission Regulations & Guidelines

Up Period shall end on the Stabilization Date.

4. **Settling Tenants.** Settling Tenants are the signatories to the settlement agreements (hereinafter collectively referred to as “Tenant Settlement Agreement”) pertaining to (i) all named plaintiffs in *Bernard, et al. v. AIMCO Venezia, LLC*, L.A. Co. Sup. Ct. No. SC096605, (ii) all named plaintiffs in *Sassoon, et al. v. AIMCO Venezia, et al.*, L.A. Co. Sup. Ct. No. BC390164, (iii) all named plaintiffs in *Lincoln Place Tenants Association, et al. v. City of Los Angeles*, L.A. Co. Sup. Ct. No. BS103569, (iv) approximately twenty-two other identified groupings of former tenants and lawful occupants of Lincoln Place who were involuntarily dispossessed of their tenancies in 2005 or 2006 and identified in the Tenant Settlement Agreement as the “Additional Former Tenants” and/or (v) James Meltzer (the litigation identified in (i) through (v) in this definition collectively referred to as “the Litigation”).
5. **Stabilization Date.** The Stabilization Date shall be the date which is fifty four months after the commencement of the Construction and Lease-Up Period.

B. Construction and Lease-Up Period

1. During the Construction and Lease-Up Period, the Owner shall have the sole right to establish the Base Rent on any new lease for an existing unit at the Lincoln Place Apartments according to the schedule set forth below:
 - a. The Owner may immediately establish the initial rent for 408 of the residential units as listed in Exhibit A.
 - b. The Owner may establish the initial rent for 203 of the rental units as listed in Exhibit B if they are first rented on or after July 19, 2010.
 - c. The Owner may establish the initial rent for 85 of the rental units as listed in Exhibit C if they are first rented on or after March 18, 2011.
2. During the Construction and Lease-Up Period, the Owner may increase the Base Rent on any lease renewal by 8% per year, provided however that if the Owner elects in its sole discretion not to increase the Base Rent by 8% in a given year, any portion of the 8% not utilized in any given year may be carried forward by the Owner and added cumulatively and applied to the Base Rent in any subsequent year or series of years during the Construction and Lease-Up Period.

For example, hypothetically, the initial Base Rent is established at \$2,000. At the first anniversary date of the lease during the Construction and Lease-Up Period, the Owner elects to increase the Base Rent by 5% (increasing the Base Rent to \$2,100). The Owner may thereafter carry forward the unused portion of the annual permitted increase, or 3% (8%-5%=3%) to any subsequent year or series of years of the Construction and Lease-Up Period. On the second anniversary date of the lease during the Construction and Lease-Up Period, the Owner could elect to increase the Base Rent by 11% (the 8% permitted annually plus the 3% not taken in the previous year) (\$2,331) or carry forward some or all of that permissible increase into subsequent years during the Construction and Lease-Up Period.

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

3. For leases with terms of less than 12 months, the 8% annual maximum will be prorated based on the number of months of the lease, provided that the cumulative provisions shall still apply.
4. For leases and lease renewals that commence during the Construction and Lease-Up Period and terminate after the Stabilization Date, the Base Rent provided for in the lease or lease renewal shall apply for the entire lease term, not to exceed one year after the Stabilization Date which marks the expiration of the Construction and Lease-Up Period. For the next lease term renewal, commencing after the Stabilization Date, increases in that Base Rent shall be limited by the annual increases permitted under the Rent Stabilization Ordinance, as provided in Section C.3. below.

For example, hypothetically, if the Owner enters into a lease renewal in the month prior to the expiration of the Construction and Lease-Up Period which increases the previous Base Rent by 8%, the Owner shall be entitled to collect such increased Base Rent (which includes the 8% increase) for the full 12-month lease term notwithstanding the expiration of the Construction and Lease-Up Period during such lease term. The increased Base Rent becomes the Base Rent for the next lease term which commences after the Stabilization Date and may then be increased in a renewal lease only by the maximum established under the Rent Stabilization Ordinance.

5. Rent Concessions shall not affect or reduce the Base Rent for the purpose of determining the maximum permitted increases in rent.
6. The Owner shall disclose the terms of this Regulation in any initial lease or renewal lease commenced during the Construction and Lease-Up Period; the Owner shall also attach a copy of this Regulation to any initial lease or renewal lease commenced during the Construction and Lease-Up Period.

C. Post Construction and Lease-Up Period

1. The Base Rent stated in all leases in effect on the Stabilization Date shall be considered the Maximum Rent or Maximum Adjusted Rent for purposes of the Rent Stabilization Ordinance.
2. Rent Concessions shall not affect or reduce the Base Rent for the purpose of determining the maximum permitted increases in rent.
3. The maximum rent increases for all leases commenced after the Stabilization Date or lease renewals entered into after the Stabilization Date shall be determined by the Los Angeles Housing Department pursuant to the provisions of Subsection D of Section 151.06 of the Rent Stabilization Ordinance, as may be amended from time to time.

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

D. General Provisions

1. This Regulation shall not become effective unless and until a settlement agreement between the Owner and the City is approved by the City and executed by the City and Owner, which contains releases satisfactory to the City as to claims against the City in the Litigation.
2. Units to be newly constructed in the areas identified as “vacant lots” in Exhibit D shall be exempt from the Rent Stabilization Ordinance.
3. In accordance with Section 151.06 (C) of the Rent Stabilization Ordinance, the Owner shall retain all rights under the Ordinance to set rents in its sole discretion upon the vacancy of any unit.
4. The provisions of this Regulation (other than Section D.2 above) shall apply to the subject class of rental units except to the extent that such provisions are superseded by certain more restrictive provisions, pursuant to the agreements entered into by the Owner, as to units that are to be occupied by returning Settling Tenants.
5. The Owner shall provide a written notice to the Los Angeles Housing Department (“LAHD”) upon the commencement of the Construction and Lease-Up Period that identifies the unit, name(s) of tenant(s), the initial date of tenancy, term of lease and Base Rent of the first rental unit occupied by someone other than a Settling Tenant. Such notice shall include the date which is 54 months from such commencement that shall constitute the Stabilization Date upon which the Construction and Lease-Up Period shall expire. Every six months after the commencement of the Construction and Lease-Up Period until the Stabilization Date, the Owner shall provide a Report to LAHD, stating the following for each of the existing rental units of the subject class:
 - Whether the unit is occupied;
 - Name(s) of tenant(s);
 - Whether Tenant is a Settling Tenant;
 - Initial date of tenancy;
 - Term of lease;
 - Base rent;
 - Whether initial rent was restricted or was unrestricted pursuant to the schedule set forth in Exhibits A, B, and C. If the initial rent was restricted, the previous rent and last date for which the previous rent was charged; and the date, amount and percentage of last rent increase.

The name of tenant and tenant’s unit number may be provided on a separate document.

E. Development Project

The term “Development Project”, as used herein, consists of: (a) the rehabilitation of 668 units at

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

the Lincoln Place Apartments as residential rental units as permitted by the Department of Building and Safety of the City and in a manner substantially consistent with the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings ("Standards"), recognizing that the Standards permit some flexibility in implementing the rehabilitation work, as approved by the Department of Building and Safety and/or Department of Planning and subject to all City and other governmental approvals and clearances as required by law; and (b) offering for rent 696 existing rental units at Lincoln Place. The General Manager of LAHD, or his or her designee, in his or her reasonable discretion, may approve minor modifications to the number of units as a result of Building and Safety, zoning, casualty, or other construction issues. If approval of a requested modification is not granted, Owner may seek an amendment to this Regulation. An application for a modification or amendment or grant of a modification or amendment shall not constitute an Alternative Development Plan.

An "Alternative Development Plan" as used herein is (a) a project that does not involve the

rehabilitation of 668 units at the Lincoln Place Apartments as residential rental units as permitted by the Department of Building and Safety of the City and in a manner substantially consistent with the Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings ("Standards"), recognizing that the Standards permit some flexibility in implementing the rehabilitation work, as approved by the Department of Building and Safety and/or Department of Planning and subject to all City and other governmental approvals and clearances as required by law; (b) failure to offer for rent 696 existing apartment units at Lincoln Place Apartments following rehabilitation of the 668 units, (c) the demolition of any of the 696 units at Lincoln Place Apartments, or (d) the conversion to condominiums of any of the 696 units at Lincoln Place Apartments.

A loss of units due to a casualty (e.g., earthquake, fire, natural disaster or Force Majeure) is not an Alternative Development Plan so long as the Owner did not intentionally cause the event causing the loss of units.

F. RAC Hearing

Within fifteen days after the City notifies the Owner in writing that this Regulation is subject to termination because the City has made a preliminary determination that the Owner has Elected, as defined in Section G, to pursue an Alternative Development Plan, the Owner may request a hearing before the RAC. Notice by the City that this Regulation is subject to termination shall be mailed to the Owner at the address indicated in LAHD's rent registration records, via certified United States mail, postage prepaid, or delivered in person. A request for a hearing by the Owner must be in writing and received by LAHD within fifteen days after the notice has been delivered to the Owner that this Regulation is subject to termination.

The RAC hearing shall be held within 45 calendar days after the LAHD receives a request for a hearing from Owner, although the RAC may continue the hearing for good cause. Notice of the hearing shall be mailed to the Owner at the address indicated in LAHD's rent registration records, via certified United States mail, postage prepaid, or delivered in person. LAHD shall also mail notice of the hearing to each affected rental unit of the subject class.

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

The purpose of the RAC hearing shall be limited to a determination of whether the Owner Elected, as defined in Section G, to pursue an Alternative Development Plan. At the RAC hearing, the City and the Owner may present written, oral, photographic or documentary evidence that is relevant to this determination. The proceedings shall be audio-recorded by the RAC.

After considering all relevant evidence and arguments submitted to the record, the RAC shall issue a written decision within 45 calendar days after the hearing. The decision shall be supported by written findings. LAHD shall deliver a copy of the decision to the Owner via certified United States mail, postage prepaid, or delivered in person.

If the Owner does not request a hearing before the RAC within fifteen days after the City mails written notification to the Owner that this Regulation is subject to termination,

termination of this Regulation shall become effective on the sixteenth day after the City's notification. If the Owner requests a hearing before the RAC within fifteen days after the City mails written notification to the Owner that this Regulation is subject to termination, the RAC shall hold a hearing pursuant to this Section. The RAC decision shall be effective upon the date that the RAC decision is final pursuant to the provisions of Los Angeles City Charter Section 245.

G. Statement of Intent

The RAC hereby approves this Regulation to facilitate restoration to the rent-stabilized housing market of the Lincoln Place Apartments, a site which contains 696 existing apartment units located on approximately 38 acres in the Venice community of the City of Los Angeles. The 696 existing apartment units are spread across 45 low-rise buildings, and most of the units have been vacant for nearly five years and require rehabilitation. The State Historical Resources Commission has determined that the Lincoln Place Apartments are eligible for listing as a historic district on the California Register.

The Lincoln Place Apartments, various tenants and the City of Los Angeles have been engaged in extensive litigation for over a decade. The Owner of the Lincoln Place Apartments recently entered into settlement agreements with certain tenants and others with historic preservation interests to resolve all outstanding litigation. The settlements provide for the return of all of the 696 existing apartment units to the City's rent-stabilized rental housing stock. An additional settlement between the Owner and the City is contemplated which addresses the rehabilitation and return of the 696 existing apartment units to the rental market and resolves all remaining litigation including release of all claims between the Owner and the City.

The Rent Adjustment Commission approves this adjustment in rent for this class of rental units only for the purpose of implementing the Development Project, as defined, in Section E, in connection with settlement by the City and Owner with regard to the Lincoln Place Apartments.

The Owner has represented to the RAC that the implementation of the Development Project will be on a phased basis. Any delay in implementation of the Development Project shall not constitute an

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Election to proceed with an Alternative Development Plan (as defined in Section E). Delay in implementation of the Development Project shall neither toll nor extend the Stabilization Date, and in all instances the Stabilization Date shall be the date which is fifty four months after the commencement of the Construction and Lease-up Period.

Expiration of this Regulation shall occur after the Stabilization Date, which is defined in Section A.5 above, and the expiration of this Regulation shall not invalidate any rents collected or rents owed for periods of tenancy prior to the effective date of such expiration. (See Section B.4 for more detail on setting the Base Rent and increases thereto in connection with expiration of the Construction and Lease-Up Period)

If the Owner makes an “Election” (as defined below), prior to or during the Construction and Lease-Up Period, to pursue an Alternative Development Plan, as defined in Section E, this Regulation shall be subject to termination pursuant to Section F. For the purposes of this Regulation, an election by Owner to pursue an Alternative Development Plan shall mean the filing of an application by Owner with a government agency for issuance of an approval or permit for an Alternative Development Plan (“Election”). The filing of a request for a modification with the General Manager of LAHD as provided for in Section E is not an Election to pursue an Alternative Development Plan; the filing of a request for an amendment to this Regulation is not an Election to pursue an Alternative Development Plan. Termination of this Regulation can occur only (a) prior to or during the Construction and Lease-Up Period and (b) as a result of an Election by Owner. Owner shall provide to the LAHD a copy or copies of any application for issuance of approvals or permits for an Alternative Development Plan within seven calendar days following the filing of each such application.

If Owner makes an Election, prior to or during the Construction and Lease-Up Period, to proceed with an Alternative Development Plan, the City may terminate this Regulation. Termination of this Regulation shall not invalidate any rents collected prior to the effective date of the termination, nor invalidate rents owed for periods of tenancy prior to the effective date of the termination. For leases in effect upon the termination of this Regulation, the maximum amount of rent that may be charged for periods of tenancy on or after the termination date shall be the Base Rent in the initial lease, plus annual automatic adjustments available pursuant to the provisions of Subsection D of Section 151.06 of the Rent Stabilization Ordinance, as may be amended from time to time.

The maximum rent increases for all leases commenced after the termination of this Regulation shall be in accordance with the provisions of LAMC Section 151.06.D, as may be amended from time to time.

Termination of this Regulation shall not prevent the RAC from enacting another regulation for this class of rental units, which could include amended provisions of this Regulation, pursuant to the provisions of LAMC Section 151.08.

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

EXHIBIT A

Units Subject To Immediate Right To Establish Initial Rent Decontrol Units - Immediately

Address and Unit	
1	1000 S Doreen PI Unit 2
2	1000 S Doreen PI Unit 3
3	1002 S Doreen PI Unit 1
4	1002 S Doreen PI Unit 2
5	1002 S Doreen PI Unit 3
6	1002 S Doreen PI Unit 4
7	1004 S Doreen PI Unit 3
8	1006 S Doreen PI Unit 1
9	1006 S Doreen PI Unit 2
10	1008 S Doreen PI Unit 1
11	1008 S Doreen PI Unit 2
12	1008 S Doreen PI Unit 3
13	1008 S Doreen PI Unit 4
14	1010 S Doreen PI Unit 1
15	1010 S Doreen PI Unit 2
16	1010 S Doreen PI Unit 3
17	1012 S Doreen PI Unit 1
18	1012 S Doreen PI Unit 2
19	1012 S Doreen PI Unit 3
20	1014 S Doreen PI Unit 0
21	971 E Elkland PI Unit 1
22	971 E Elkland PI Unit 2
23	971 E Elkland PI Unit 3
24	971 E Elkland PI Unit 4
25	975 E Elkland PI Unit 1
26	975 E Elkland PI Unit 4

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
27	979 E Elkland PI Unit 1
28	979 E Elkland PI Unit 2
29	979 E Elkland PI Unit 3
30	979 E Elkland PI Unit 4
31	1037 S Doreen PI Unit 1
32	1037 S Doreen PI Unit 3
33	1037 S Doreen PI Unit 4
34	1070 S Doreen PI Unit 1
35	1070 S Doreen PI Unit 2
36	1070 S Doreen PI Unit 3
37	972 E Elkland PI Unit 0
38	974 E Elkland PI Unit 1
39	974 E Elkland PI Unit 2
40	974 E Elkland PI Unit 3
41	974 E Elkland PI Unit 4
42	976 E Elkland PI Unit 1
43	976 E Elkland PI Unit 2
44	976 E Elkland PI Unit 3
45	976 E Elkland PI Unit 4
46	978 E Elkland PI Unit 2
47	978 E Elkland PI Unit 3
48	978 E Elkland PI Unit 4
49	980 E Elkland PI Unit 3
50	1002 E Elkgrove Ave. Unit 0
51	1006 E Elkgrove Ave. Unit 1
52	1006 E Elkgrove Ave. Unit 2
53	1006 E Elkgrove Ave. Unit 3

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Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
54	1006 E Elkgrove Ave. Unit 4
55	1008 E Elkgrove Ave. Unit 2
56	1008 E Elkgrove Ave. Unit 3
57	1008 E Elkgrove Ave. Unit 4
58	1010 E Elkgrove Ave. Unit 1
59	1010 E Elkgrove Ave. Unit 2
60	1010 E Elkgrove Ave. Unit 3
61	1010 E Elkgrove Ave. Unit 4
62	1012 E Elkgrove Ave. Unit 0
63	1032 S Dorren Pl. Unit 1
64	1032 S Dorren Pl. Unit 2
65	1032 S Dorren Pl. Unit 3
66	1032 S Dorren Pl. Unit 4
67	1034 S Dorren Pl. Unit 1
68	1034 S Dorren Pl. Unit 2
69	1034 S Dorren Pl. Unit 3
70	1034 S Dorren Pl. Unit 4
71	1036 S Dorren Pl. Unit 1
72	1036 S Dorren Pl. Unit 2
73	1036 S Dorren Pl. Unit 3
74	1036 S Dorren Pl. Unit 4
75	1034 E Lake St Unit 2
76	1110 E Lake St Unit 3
77	1110 E Lake St Unit 4
78	1114 E Lake St Unit 3
79	1114 E Lake St Unit 4
80	1118 E Lake St Unit 2

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
81	1118 E Lake St Unit 3
82	1118 E Lake St Unit 4
83	1134 E Lake St Unit 2
84	960 E Elkland PI Unit 1
85	960 E Elkland PI Unit 4
86	962 E Elkland PI Unit 1
87	962 E Elkland PI Unit 3
88	962 E Elkland PI Unit 4
89	964 E Elkland PI Unit 1
90	964 E Elkland PI Unit 3
91	964 E Elkland PI Unit 4
92	966 E Elkland PI Unit 2
93	966 E Elkland PI Unit 3
94	1042 S Doreen PI Unit 1
95	1042 S Doreen PI Unit 2
96	1042 S Doreen PI Unit 3
97	1044 S Doreen PI Unit 1
98	1044 S Doreen PI Unit 4
99	1048 S Doreen PI Unit 1
100	1048 S Doreen PI Unit 2
101	1048 S Doreen PI Unit 3
102	1048 S Doreen PI Unit 4
103	1050 S Doreen PI Unit 1
104	1050 S Doreen PI Unit 2
105	1050 S Doreen PI Unit 3
106	1052 S Doreen PI Unit 2
107	1052 S Doreen PI Unit 4

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
108	1054 S Doreen PI Unit 1
109	1054 S Doreen PI Unit 2
110	1054 S Doreen PI Unit 3
111	1056 S Doreen PI Unit 3
112	1058 S Doreen PI Unit 1
113	1058 S Doreen PI Unit 2
114	1019 E Elkgrove Ave. Unit 1
115	1019 E Elkgrove Ave. Unit 2
116	1021 E Elkgrove Ave. Unit 2
117	1023 E Elkgrove Ave. Unit 1
118	1023 E Elkgrove Ave. Unit 2
119	1025 E Elkgrove Ave. Unit 3
120	1025 E Elkgrove Ave. Unit 4
121	1027 E Elkgrove Ave. Unit 1
122	1027 E Elkgrove Ave. Unit 2
123	1027 E Elkgrove Ave. Unit 4
124	1033 E Elkgrove Ave. Unit 2
125	1033 E Elkgrove Ave. Unit 3
126	1033 E Elkgrove Ave. Unit 4
127	1035 E Elkgrove Ave. Unit 1
128	1035 E Elkgrove Ave. Unit 2
129	1035 E Elkgrove Ave. Unit 4
130	1037 E Elkgrove Ave. Unit 1
131	1037 E Elkgrove Ave. Unit 2
132	1037 E Elkgrove Ave. Unit 3
133	1037 E Elkgrove Ave. Unit 4
134	1039 E Elkgrove Ave. Unit 1

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
135	1039 E Elkgrove Ave. Unit 2
136	1039 E Elkgrove Ave. Unit 3
137	1041 E Elkgrove Ave. Unit 3
138	1041 E Elkgrove Ave. Unit 4
139	1034 E Elkgrove Ave. Unit 3
140	1034 E Elkgrove Ave. Unit 4
141	1036 E Elkgrove Ave. Unit 1
142	1036 E Elkgrove Ave. Unit 2
143	1036 E Elkgrove Ave. Unit 3
144	1036 E Elkgrove Ave. Unit 4
145	1038 E Elkgrove Ave. Unit 1
146	1038 E Elkgrove Ave. Unit 2
147	1038 E Elkgrove Ave. Unit 3
148	1038 E Elkgrove Ave. Unit 4
149	1040 E Elkgrove Ave. Unit 2
150	1040 E Elkgrove Ave. Unit 3
151	1040 E Elkgrove Ave. Unit 4
152	1042 E Elkgrove Ave. Unit 1
153	1042 E Elkgrove Ave. Unit 2
154	1402 E Elkgrove Ave. Unit 0
155	1404 E Elkgrove Ave. Unit 2
156	1404 E Elkgrove Ave. Unit 4
157	1406 E Elkgrove Ave. Unit 3
158	1430 S Elkgrove Cir Unit 2
159	1432 S Elkgrove Cir Unit 1
160	1432 S Elkgrove Cir Unit 3
161	1432 S Elkgrove Cir Unit 4

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Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
162	1434 S Elkgrove Cir Unit 2
163	1440 S Elkgrove Cir Unit 1
164	1440 S Elkgrove Cir Unit 2
165	1440 S Elkgrove Cir Unit 4
166	1442 S Elkgrove Cir Unit 1
167	1442 S Elkgrove Cir Unit 2
168	1442 S Elkgrove Cir Unit 4
169	1444 S Elkgrove Cir Unit 1
170	1444 S Elkgrove Cir Unit 2
171	1444 S Elkgrove Cir Unit 4
172	1446 S Elkgrove Cir Unit 1
173	1446 S Elkgrove Cir Unit 2
174	1030 E Lake St. Unit 1
175	1030 E Lake St. Unit 2
176	1034 E Lake St. Unit 2
177	1038 E Lake St. Unit 1
178	1038 E Lake St. Unit 2
179	1038 E Lake St. Unit 4
180	1061 E Elkgrove Ave Unit 1
181	1065 E Elkgrove Ave Unit 1
182	1065 E Elkgrove Ave Unit 2
183	1065 E Elkgrove Ave Unit 3
184	1065 E Elkgrove Ave Unit 4
185	1067 E Elkgrove Ave Unit 2
186	1067 E Elkgrove Ave Unit 3
187	1069E Elkgrove Ave Unit 1
188	1069 E Elkgrove Ave Unit 2

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Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
189	1069 E Elkgrove Ave Unit 4
190	1073 E Elkgrove Ave Unit 1
191	1073 E Elkgrove Ave Unit 3
192	1412 S Elkgrove Cir Unit 1
193	1414 S Elkgrove Cir Unit 2
194	1414 S Elkgrove Cir Unit 4
195	1416 S Elkgrove Cir Unit 3
196	1418 S Elkgrove Cir Unit 1
197	1422 S Elkgrove Cir Unit 4
198	1424 S Elkgrove Cir Unit 2
199	1424 S Elkgrove Cir Unit 3
200	1426 S Elkgrove Cir Unit 1
201	1426 S Elkgrove Cir Unit 2
202	1003 E Elkgrove Ave. Unit 0
203	1007 E Elkgrove Ave. Unit 1
204	1007 E Elkgrove Ave. Unit 2
205	1007 E Elkgrove Ave. Unit 3
206	1007 E Elkgrove Ave. Unit 4
207	1009 E Elkgrove Ave. Unit 1
208	1009 E Elkgrove Ave. Unit 2
209	1009 E Elkgrove Ave. Unit 3
210	1009 E Elkgrove Ave. Unit 4
211	1011 E Elkgrove Ave. Unit 1
212	1011 E Elkgrove Ave. Unit 3
213	1013 E Elkgrove Ave. Unit 0
214	1018 S Doreen Pl. Unit 1
215	1018 S Doreen Pl. Unit 2

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
216	1018 S Doreen Pl. Unit 3
217	1018 S Doreen Pl. Unit 4
218	1020 S Doreen Pl. Unit 1
219	1020 S Doreen Pl. Unit 2
220	1020 S Doreen Pl. Unit 3
221	1020 S Doreen Pl. Unit 4
222	1022 S Doreen Pl. Unit 1
223	1022 S Doreen Pl. Unit 2
224	1022 S Doreen Pl. Unit 3
225	1022 S Doreen Pl. Unit 4
226	1130 E Lake St. Unit 1
227	1134 E Lake St. Unit 1
228	1134 E Lake St. Unit 3
229	1134 E Lake St. Unit 4
230	1138 E Lake St. Unit 4
231	1507 S Penmar Ave. Unit 1
232	1507 S Penmar Ave. Unit 3
233	1507 S Penmar Ave. Unit 4
234	1509 S Penmar Ave. Unit 4
235	1511 S Penmar Ave. Unit 3
236	1511 S Penmar Ave. Unit 4
237	1515 S Penmar Ave. Unit 2
238	1723 S Penmar Ave. Unit 1
239	1725 S Penmar Ave. Unit 1
240	1725 S Penmar Ave. Unit 2
241	1725 S Penmar Ave. Unit 3
242	1727 S Penmar Ave. Unit 4
243	1729 S Penmar Ave. Unit 4

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
244	1731 S Penmar Ave. Unit 4
245	1016 E Elkgrove Ave Unit 1
246	1016 E Elkgrove Ave Unit 2
247	1018 E Elkgrove Ave Unit 2
248	1018 E Elkgrove Ave Unit 3
249	1018 E Elkgrove Ave Unit 4
250	1020 Elkgrove Ave Unit 2
251	1020 Elkgrove Ave Unit 3
252	1020 Elkgrove Ave Unit 4
253	1022 Elkgrove Ave Unit 1
254	1022 Elkgrove Ave Unit 3
255	1022 Elkgrove Ave Unit 4
256	1026 Elkgrove Ave Unit 4
257	1405 S Elkgrove Cir Unit 2
258	1405 S Elkgrove Cir Unit 4
259	970 E Elkhart Pl Unit 3
260	974 E Elkhart Pl Unit 1
261	974 E Elkhart Pl Unit 3
262	978 E Elkhart Pl Unit 1
263	978 E Elkhart Pl Unit 2
264	978 E Elkhart Pl Unit 3
265	978 E Elkhart Pl Unit 4
266	1021 S Doreen Pl. Unit 2
267	1021 S Doreen Pl. Unit 3
268	1021 S Doreen Pl. Unit 4
269	1032 S Frederick St. Unit 1

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
270	1032 S Frederick St. Unit 3
271	1032 S Frederick St. Unit 4
272	1743 S Penmar Ave. Unit 2
273	1743 S Penmar Ave. Unit 3
274	1743 S Penmar Ave. Unit 4
275	1747 S Penmar Ave. Unit 1
276	1747 S Penmar Ave. Unit 3
277	1747 S Penmar Ave. Unit 4
278	1749 S Penmar Ave. Unit 2
279	1751 S Penmar Ave. Unit 2
280	1751 S Penmar Ave. Unit 3
281	1753 S Penmar Ave. Unit 2
282	1064 E Elkgrove Ave. Unit 0
283	1066 E Elkgrove Ave. Unit 1
284	1066 E Elkgrove Ave. Unit 4
285	1068 E Elkgrove Ave. Unit 3
286	1070 E Elkgrove Ave. Unit 1
287	1070 E Elkgrove Ave. Unit 2
288	1074 E Elkgrove Ave. Unit 1
289	1523 S Penmar Ave. Unit 1
290	1523 S Penmar Ave. Unit 2
291	1523 S Penmar Ave. Unit 3
292	1523 S Penmar Ave. Unit 4
293	1527 S Penmar Ave. Unit 2
294	1531 S Penmar Ave. Unit 1
295	1531 S Penmar Ave. Unit 3
296	1623 S Penmar Ave. Unit 1



LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
297	1623 S Penmar Ave. Unit 2
298	1623 S Penmar Ave. Unit 3
299	1623 S Penmar Ave. Unit 4
300	1627 S Penmar Ave. Unit 1
301	1627 S Penmar Ave. Unit 2
302	1627 S Penmar Ave. Unit 4
303	1629 S Penmar Ave. Unit 2
304	1629 S Penmar Ave. Unit 4
305	1631 S Penmar Ave. Unit 1
306	1631 S Penmar Ave. Unit 2
307	1631 S Penmar Ave. Unit 4
308	1603 S Penmar Ave. Unit 1
309	1603 S Penmar Ave. Unit 2
310	1603 S Penmar Ave. Unit 4
311	1605 S Penmar Ave. Unit 1
312	1605 S Penmar Ave. Unit 2
313	1605 S Penmar Ave. Unit 3
314	1607 S Penmar Ave. Unit 1
315	1607 S Penmar Ave. Unit 4
316	1609 S Penmar Ave. Unit 2
317	1611 S Penmar Ave. Unit 1
318	1611 S Penmar Ave. Unit 2
319	1431 S Elkgrove Cir Unit 1
320	1431 S Elkgrove Cir Unit 2
321	1431 S Elkgrove Cir Unit 3
322	1433 S Elkgrove Cir Unit 2
323	1433 S Elkgrove Cir Unit 3

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
324	1435 S Elkgrove Cir Unit 1
325	1435 S Elkgrove Cir Unit 2
326	1435 S Elkgrove Cir Unit 4
327	1049 E Elkgrove Ave Unit 1
328	1051 E Elkgrove Ave Unit 1
329	1051 E Elkgrove Ave Unit 2
330	1051 E Elkgrove Ave Unit 3
331	1053 E Elkgrove Ave Unit 2
332	1053 E Elkgrove Ave Unit 3
333	1053 E Elkgrove Ave Unit 4
334	1057 E Elkgrove Ave Unit 1
335	1046 E Elkgrove Ave Unit 2
336	1048 E Elkgrove Ave Unit 1
337	1048 E Elkgrove Ave Unit 3
338	1048 E Elkgrove Ave Unit 4
339	1050 E Elkgrove Ave Unit 1
340	1050 E Elkgrove Ave Unit 2
341	1052 E Elkgrove Ave Unit 2
342	1052 E Elkgrove Ave Unit 3
343	1052 E Elkgrove Ave Unit 4
344	1054 E Elkgrove Ave Unit 1
345	1054 E Elkgrove Ave Unit 2
346	1056 E Elkgrove Ave Unit 2
347	1056 E Elkgrove Ave Unit 4
348	1058 E Elkgrove Ave Unit 1
349	1060 E Elkgrove Ave Unit 2
350	1060 E Elkgrove Ave Unit 4



LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
351	1082 E Elkgrove Ave Unit 1
352	1084 E Elkgrove Ave Unit 3
353	1086 E Elkgrove Ave Unit 2
354	1086 E Elkgrove Ave Unit 3
355	1086 E Elkgrove Ave Unit 4
356	1088 E Elkgrove Ave Unit 1
357	1088 E Elkgrove Ave Unit 3
358	1090 E Elkgrove Ave Unit 1
359	1090 E Elkgrove Ave Unit 3
360	1090 E Elkgrove Ave Unit 4
361	1703 S Penmar Ave. Unit 4
362	1705 S Penmar Ave. Unit 1
363	1705 S Penmar Ave. Unit 2
364	1705 S Penmar Ave. Unit 4
365	1707 S Penmar Ave. Unit 2
366	1707 S Penmar Ave. Unit 3
367	1709 S Penmar Ave. Unit 2
368	1709 S Penmar Ave. Unit 3
369	1709 S Penmar Ave. Unit 4
370	1711 S Penmar Ave. Unit 1
371	1711 S Penmar Ave. Unit 3
372	1411 S Elkgrove Cir Unit 1
373	1413 S Elkgrove Cir Unit 1
374	1413 S Elkgrove Cir Unit 2
375	1413 S Elkgrove Cir Unit 3
376	1413 S Elkgrove Cir Unit 4
377	1415 S Elkgrove Cir Unit 1

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
378	1417 S Elkgrove Cir Unit 4
379	1419 S Elkgrove Cir Unit 1
380	1419 S Elkgrove Cir Unit 2
381	1421 S Elkgrove Cir Unit 3
382	1423 S Elkgrove Cir Unit 3
383	1423 S Elkgrove Cir Unit 4
384	1425 S Elkgrove Cir Unit 4
385	934 E Lake St. Unit 1
386	934 E Lake St. Unit 2
387	934 E Lake St. Unit 3
388	934 E Lake St. Unit 4
389	936 E Lake St. Unit 1
390	936 E Lake St. Unit 3
391	936 E Lake St. Unit 4
392	973 E Elkhart Pl Unit 1
393	973 E Elkhart Pl Unit 3
394	973 E Elkhart Pl Unit 4
395	977 E Elkhart Pl Unit 1
396	977 E Elkhart Pl Unit 2
397	977 E Elkhart Pl Unit 3
398	977 E Elkhart Pl Unit 4
399	1002 S Frederick St. Unit 1
400	1002 S Frederick St. Unit 3
401	1002 S Frederick St. Unit 4
402	1008 S Frederick St. Unit 1
403	1008 S Frederick St. Unit 2
404	1008 S Frederick St. Unit 3



LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units - Immediately

Address and Unit	
405	1008 S Frederick St. Unit 4
406	1012 S Frederick St. Unit 1
407	1012 S Frederick St. Unit 3
408	1012 S Frederick St. Unit 4

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

EXHIBIT B

Units Subject To Right To Establish Initial Rent as of July 19, 2010

Decontrol Units in July 19, 2010

Address and Unit	
1	1000 S Doreen PI Unit 1
2	1000 S Doreen PI Unit 4
3	1004 S Doreen PI Unit 1
4	1006 S Doreen PI Unit 3
5	1006 S Doreen PI Unit 4
6	1012 S Doreen PI Unit 4
7	1070 S Doreen PI Unit 4
8	980 E Elkland PI Unit 1
9	980 E Elkland PI Unit 2
10	980 E Elkland PI Unit 4
11	1008 E Elkgrove Ave. Unit 1
12	1110 E Lake St Unit 1
13	1110 E Lake St Unit 2
14	1114 E Lake St Unit 1
15	1114 E Lake St Unit 2
16	1118 E Lake St Unit 1
17	960 E Elkland PI Unit 2
18	960 E Elkland PI Unit 3
19	962 E Elkland PI Unit 2
20	966 E Elkland PI Unit 1
21	968 E Elkland PI Unit 0
22	1040 S Doreen PI Unit 0
23	1042 S Doreen PI Unit 4
24	1044 S Doreen PI Unit 3
25	1050 S Doreen PI Unit 4
26	1052 S Doreen PI Unit 1

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units in July 19, 2010

Address and Unit	
27	1054 S Doreen Pl Unit 4
28	1056 S Doreen Pl Unit 1
29	1056 S Doreen Pl Unit 2
30	1056 S Doreen Pl Unit 4
31	1017 E Elkgrove Ave. Unit 1
32	1017 E Elkgrove Ave. Unit 2
33	1019 E Elkgrove Ave. Unit 3
34	1019 E Elkgrove Ave. Unit 4
35	1021 E Elkgrove Ave. Unit 4
36	1023 E Elkgrove Ave. Unit 3
37	1023 E Elkgrove Ave. Unit 4
38	1025 E Elkgrove Ave. Unit 1
39	1029 E Elkgrove Ave. Unit 0
40	1035 E Elkgrove Ave. Unit 3
41	1039 E Elkgrove Ave. Unit 4
42	1041 E Elkgrove Ave. Unit 1
43	1041 E Elkgrove Ave. Unit 2
44	1404 E Elkgrove Ave. Unit 1
45	1404 E Elkgrove Ave. Unit 3
46	1406 E Elkgrove Ave. Unit 2
47	1406 E Elkgrove Ave. Unit 4
48	1430 S Elkgrove Cir Unit 1
49	1438 S Elkgrove Cir Unit 1
50	1438 S Elkgrove Cir Unit 2
51	1440 S Elkgrove Cir Unit 3
52	1442 S Elkgrove Cir Unit 3
53	1444 S Elkgrove Cir Unit 3
54	1034 E Lake St. Unit 1



LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units in July 19, 2010

Address and Unit	
55	1034 E Lake St. Unit 3
56	1034 E Lake St. Unit 4
57	1038 E Lake St. Unit 3
58	1061 E Elkgrove Ave Unit 2
59	1067 E Elkgrove Ave Unit 1
60	1067 E Elkgrove Ave Unit 4
61	1069 E Elkgrove Ave Unit 3
62	1073 E Elkgrove Ave Unit 2
63	1073 E Elkgrove Ave Unit 4
64	1410 S Elkgrove Cir Unit 1
65	1410 S Elkgrove Cir Unit 2
66	1414 S Elkgrove Cir Unit 1
67	1414 S Elkgrove Cir Unit 3
68	1416 S Elkgrove Cir Unit 1
69	1416 S Elkgrove Cir Unit 2
70	1422 S Elkgrove Cir Unit 1
71	1422 S Elkgrove Cir Unit 2
72	1422 S Elkgrove Cir Unit 3
73	1424 S Elkgrove Cir Unit 1
74	1424 S Elkgrove Cir Unit 4
75	1426 S Elkgrove Cir Unit 3
76	1426 S Elkgrove Cir Unit 4
77	1130 E Lake St. Unit 2
78	1134 E Lake St. Unit 2
79	1138 E Lake St. Unit 1
80	1138 E Lake St. Unit 2
81	1138 E Lake St. Unit 3
82	1509 S Penmar Ave. Unit 1



LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units in July 19, 2010

Address and Unit	
83	1511 S Penmar Ave. Unit 1
84	1513 S Penmar Ave. Unit 1
85	1513 S Penmar Ave. Unit 2
86	1515 S Penmar Ave. Unit 1
87	1721 S Penmar Ave. Unit 2
88	1723 S Penmar Ave. Unit 4
89	1727 S Penmar Ave. Unit 2
90	1729 S Penmar Ave. Unit 1
91	1733 S Penmar Ave. Unit 0
92	1018 E Elkgrove Ave Unit 1
93	1020 Elkgrove Ave Unit 1
94	1022 Elkgrove Ave Unit 2
95	1026 Elkgrove Ave Unit 1
96	1026 Elkgrove Ave Unit 2
97	1026 Elkgrove Ave Unit 3
98	1403 S Elkgrove Cir Unit 0
99	1405 S Elkgrove Cir Unit 1
100	1407 S Elkgrove Cir Unit 1
101	1407 S Elkgrove Cir Unit 2
102	970 E Elkhart Pl Unit 2
103	974 E Elkhart Pl Unit 2
104	974 E Elkhart Pl Unit 4
105	1021 S Doreen Pl. Unit 1
106	1032 S Frederick St. Unit 2
107	1741 S Penmar Ave. Unit 0
108	1743 S Penmar Ave. Unit 1
109	1745 S Penmar Ave. Unit 2
110	1745 S Penmar Ave. Unit 3



LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units in July 19, 2010

Address and Unit	
111	1745 S Penmar Ave. Unit 4
112	1747 S Penmar Ave. Unit 2
113	1749 S Penmar Ave. Unit 1
114	1751 S Penmar Ave. Unit 1
115	1751 S Penmar Ave. Unit 4
116	1753 S Penmar Ave. Unit 1
117	1066 E Elkgrove Ave. Unit 2
118	1068 E Elkgrove Ave. Unit 1
119	1068 E Elkgrove Ave. Unit 2
120	1068 E Elkgrove Ave. Unit 4
121	1070 E Elkgrove Ave. Unit 3
122	1070 E Elkgrove Ave. Unit 4
123	1072 E Elkgrove Ave. Unit 3
124	1072 E Elkgrove Ave. Unit 4
125	1074 E Elkgrove Ave. Unit 3
126	1074 E Elkgrove Ave. Unit 4
127	1521 S Penmar Ave. Unit 1
128	1525 S Penmar Ave. Unit 1
129	1525 S Penmar Ave. Unit 2
130	1527 S Penmar Ave. Unit 1
131	1527 S Penmar Ave. Unit 3
132	1527 S Penmar Ave. Unit 4
133	1529 S Penmar Ave. Unit 1
134	1529 S Penmar Ave. Unit 2
135	1531 S Penmar Ave. Unit 2
136	1625 S Penmar Ave. Unit 1
137	1625 S Penmar Ave. Unit 2
138	1625 S Penmar Ave. Unit 4

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units in July 19, 2010

Address and Unit	
139	1627 S Penmar Ave. Unit 3
140	1629 S Penmar Ave. Unit 1
141	1629 S Penmar Ave. Unit 3
142	1633 S Penmar Ave. Unit 0
143	1603 S Penmar Ave. Unit 3
144	1605 S Penmar Ave. Unit 4
145	1607 S Penmar Ave. Unit 3
146	1611 S Penmar Ave. Unit 3
147	1613 S Penmar Ave. Unit 2
148	1431 S Elkgrove Cir Unit 4
149	1433 S Elkgrove Cir Unit 1
150	1433 S Elkgrove Cir Unit 4
151	1437 S Elkgrove Cir Unit 1
152	1437 S Elkgrove Cir Unit 2
153	1049 E Elkgrove Ave Unit 2
154	1051 E Elkgrove Ave Unit 4
155	1055 E Elkgrove Ave Unit 1
156	1055 E Elkgrove Ave Unit 2
157	1055 E Elkgrove Ave Unit 3
158	1055 E Elkgrove Ave Unit 4
159	1057 E Elkgrove Ave Unit 2
160	1046 E Elkgrove Ave Unit 1
161	1048 E Elkgrove Ave Unit 2
162	1052 E Elkgrove Ave Unit 1
163	1056 E Elkgrove Ave Unit 1
164	1056 E Elkgrove Ave Unit 3
165	1058 E Elkgrove Ave Unit 2
166	1060 E Elkgrove Ave Unit 1

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units in July 19, 2010

Address and Unit	
167	1060 E Elkgrove Ave Unit 3
168	1062 E Elkgrove Ave Unit 0
169	1082 E Elkgrove Ave Unit 2
170	1082 E Elkgrove Ave Unit 4
171	1084 E Elkgrove Ave Unit 1
172	1084 E Elkgrove Ave Unit 2
173	1084 E Elkgrove Ave Unit 4
174	1092 E Elkgrove Ave Unit 0
175	1701 S Penmar Ave. Unit 0
176	1703 S Penmar Ave. Unit 2
177	1703 S Penmar Ave. Unit 3
178	1707 S Penmar Ave. Unit 1
179	1707 S Penmar Ave. Unit 4
180	1709 S Penmar Ave. Unit 1
181	1711 S Penmar Ave. Unit 2
182	1711 S Penmar Ave. Unit 4
183	1713 S Penmar Ave. Unit 1
184	1713 S Penmar Ave. Unit 2
185	1411 S Elkgrove Cir Unit 2
186	1415 S Elkgrove Cir Unit 2
187	1415 S Elkgrove Cir Unit 3
188	1415 S Elkgrove Cir Unit 4
189	1417 S Elkgrove Cir Unit 1
190	1417 S Elkgrove Cir Unit 2
191	1417 S Elkgrove Cir Unit 3
192	1419 S Elkgrove Cir Unit 3
193	1419 S Elkgrove Cir Unit 4
194	1421 S Elkgrove Cir Unit 4



LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

Decontrol Units in July 19, 2010

Address and Unit	
195	1423 S Elkgrove Cir Unit 1
196	1423 S Elkgrove Cir Unit 2
197	1425 S Elkgrove Cir Unit 1
198	1425 S Elkgrove Cir Unit 2
199	1425 S Elkgrove Cir Unit 3
200	1427 S Elkgrove Cir Unit 1
201	936 E Lake St. Unit 2
202	973 E Elkhart Pl Unit 2
203	1002 S Frederick St. Unit 2



LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

EXHIBIT C

Units Subject To Right To Establish Initial Rent As of March 18, 2011

Decontrol Units in March 2011

Address and Unit	
1	1010 S. Doreen Pl. Unit 4
2	1609 S. Penmar Ave Unit 1
3	1044 S. Doreen Pl. Unit 2
4	1703 S. Penmar Ave Unit 1
5	1054 E. Elkgrove Ave Unit 3
6	1053 E. Elkgrove Ave Unit 1
7	1054 E. Elkgrove Ave Unit 4
8	1412 S. Elkgrove Cir. Unit 4
9	1004 S. Doreen Pl. Unit 2
10	975 E. Elkland Pl. Unit 2
11	1080 E. Elkgrove Ave Unit 0
12	1421 S. Elkgrove Cir. Unit 2
13	1731 S. Penmar Ave Unit 3
14	1507 S. Penmar Ave Unit 2
15	1004 S. Doreen Pl. Unit 4
16	1416 S. Elkgrove Cir. Unit 4
17	1729 S. Penmar Ave Unit 2
18	1033 E. Elkgrove Ave Unit 1
19	1601 S. Penmar Ave



LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

EXHIBIT C

Units Subject To Right To Establish Initial Rent As of March 18, 2011

Decontrol Units in March 2011

Address and Unit	
20	1731 S. Penmar Ave Unit 2
21	1725 S. Penmar Ave Unit 4
22	1705 S. Penmar Ave Unit 3
23	1037 S. Doreen Pl. Unit 2
24	1613 S. Penmar Ave Unit 1
25	1021 E. Elkgrove Ave Unit 1
26	1082 E. Elkgrove Ave Unit 3
27	978 E. Elkland Pl. Unit 1
28	1509 S. Penmar Ave Unit 3
29	1086 E. Elkgrove Ave Unit 1
30	1412 S. Elkgrove Cir. Unit 3
31	1607 S. Penmar Ave Unit 2
32	975 E. Elkland Pl. Unit 3
33	1076 E. Elkgrove Ave Unit 0
34	1513 S. Penmar Ave Unit 3
35	1088 E. Elkgrove Ave Unit 4
36	1432 S. Elkgrove Ave Unit 2

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

EXHIBIT C

Units Subject To Right To Establish Initial Rent As of March 18, 2011

Decontrol Units in March 2011

Address and Unit	
37	1088 E. Elkgrove Ave Unit 4
38	1432 S. Elkgrove Ave Unit 2
39	1611 S. Penmar Ave Unit 4
40	1418 S. Elkgrove Cir. Unit 2
41	1012 S. Frederick St. Unit 2
42	1021 E. Elkgrove Ave Unit 3
43	970 E. Elkhart Pl. Unit 1
44	1405 S. Elkgrove Cir. Unit 3
45	1034 E. Elkgrove Ave Unit 2
46	1621 S. Penmar Ave Unit 2
47	966 E. Elkland Pl. Unit 4
48	1721 S. Penmar Ave Unit 1
49	1412 S. Elkgrove Cir. Unit 2
50	1034 E. Elkgrove Ave Unit 1
51	1625 S. Penmar Ave Unit 3
52	964 E. Elkland Pl. Unit 2
53	1066 E. Elkgrove Ave Unit 3
54	1723 S. Penmar Ave Unit 3
55	1027 E. Elkgrove Ave Unit 3



LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

EXHIBIT C

Units Subject To Right To Establish Initial Rent As of March 18, 2011

Decontrol Units in March 2011

Address and Unit	
56	1731 S. Penmar Ave Unit 1
57	970 E. Elkhart Pl. Unit 4
58	1631 S. Penmar Ave Unit 3
59	1088 E. Elkgrove Ave Unit 2
60	1052 S. Doreen Pl. Unit 3
61	1427 S. Elkgrove Cir. Unit 2
62	1421 S. Elkgrove Cir. Unit 1
63	1729 S. Penmar Ave Unit 3
64	1025 E. Elkgrove Ave Unit 2
65	1090 E. Elkgrove Ave Unit 2
66	1513 S. Penmar Ave Unit 4
67	1521 S. Penmar Ave Unit 2
68	1511 S. Penmar Ave Unit 2
69	1533 S. Penmar Ave Unit 0
70	1040 E. Elkgrove Ave Unit 1
71	1745 S. Penmar Ave Unit 1
72	1072 E. Elkgrove Ave Unit 2
73	1406 E. Elkgrove Ave Unit 1
74	1074 E. Elkgrove Ave Unit 2
75	1011 E. Elkgrove Ave Unit 2



LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

EXHIBIT C

Units Subject To Right To Establish Initial Rent As of March 18, 2011

Decontrol Units in March 2011

Address and Unit	
76	1727 S. Penmar Ave Unit 3
77	1120 E. Lake St. Unit 1
78	1509 S. Penmar Ave Unit 2
79	1434 S. Elkgrove Ave Unit 1
80	1531 S. Penmar Ave Unit 4
81	1727 S. Penmar Ave Unit 1
82	1723 S. Penmar Ave Unit 2
83	1120 E. Lake St. Unit 2
84	1011 E. Elkgrove Ave Unit 4
85	1621 S. Penmar Ave Unit 1

LINCOLN PLACE APARTMENTS PROPERTY CLASS REGULATION

Rent Adjustment Commission Regulations & Guidelines

