



RENT STABILIZATION UPDATE - JULY 2010

## ANNUAL ALLOWABLE RENT ADJUSTMENT

According to the provisions of section 151.07.A.6 of the RSO, effective July 1, 2010, the annual allowable rent adjustment rate for rental units subject to the Rent Stabilization Ordinance (RSO) is **3%**.

## INTEREST ON SECURITY DEPOSITS

The interest rate for tenant security deposits in 2010 is .55%. Alternatively, the landlord may provide the tenant a copy of the bank statement and pay the actual rate of interest earned.

## TENANT RELOCATION ASSISTANCE

The amounts of required tenant relocation assistance for no-fault evictions depends on whether the tenant is an eligible or qualified tenant, the length of tenancy, and the tenant's income. In accordance with Sections 151.09.G and 151.06D of the RSO, the required relocation assistance amounts effective July 1, 2010 through June 30, 2011 are:

Τ	enancy Less than 3 years	3 years or more	Income Below 80% AMI*	
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Eligible Tenant	\$ 7,300	\$ 9,650	\$ 9,650	
Qualified Tenant	\$15,500	\$18,300	\$18,300	

However, a lower amount of relocation assistance is required for evictions for owner occupancy or to move in a resident manager in "**Mom and Pop**" properties (defined as 4 or less units owned by a person who owns no more than 4 residential units in Los Angeles and a single family house on a separate lot). Use of this provision is limited to once every 3 years (LAMC 151.30 E). The relocation amounts for occupancy by a landlord (including the following family members: spouse, children, parents, grandparents, grandchildren) or a resident manager in "Mom and Pop" properties effective July 1, 2010 through June 30, 2011 are:

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

2010 HOD Area Median Income Linnis 00% Ami (Los Angeles)							
1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$46,400	\$53,000	\$59,650	\$66,250	\$71,550	\$76,850	\$82,150	\$87,450

## \*2010 HUD Area Median Income Limits 80% AMI (Los Angeles)

Note: "Qualified" tenants include senior citizens and disabled tenants as well as households with a minor dependent child. All other tenants are "Eligible" tenants.

<u>Tenant Relocation Assistance Program Fees</u> - Under the Los Angeles City Tenant Relocation Assistance Program, adopted through Ordinance 178632 which became effective April 11, 2007, the following fees must be paid by landlords seeking to evict tenants from RSO units for no-fault reasons, as well landlords who issue a Notice to Terminate Tenancy for <u>any</u> rental unit in the City of Los Angeles for a condo conversion or demolition. No-fault evictions in RSO units also require the filing of a Landlord Declaration of Intent to Evict with the LAHD. Through the Tenant Relocation Assistance Program, the LAHD contracts with a relocation services consultant to assist displaced tenants in relocating to new housing. The following summarizes the fees **per unit** in effect as of July 1, 2010:

TYPE OF FEE	AMOUNT	REQUIRED FROM	APPLIES TO
Relocation Services Application Fee Administrative Fee	\$416 + \$57 = \$473	All landlords who file a Relocation Services Application in order to evict an "Eligible" tenant for no-fault reasons	No-fault evictions in RSO units Evictions from ANY Los Angeles rental unit for condo conversions or demolitions, regardless of the rental unit's RSO status
Relocation Services Application Fee	\$666 + \$57 = \$723	All landlords who file a Relocation Services Application in order to	No-fault evictions in RSO units
Administrative Fee		evict a <b>"Qualified" tenant</b> for no-fault reasons	Evictions from ANY Los Angeles rental unit for condo conversions or demolitions, regardless of the rental unit's RSO status
Demolition Monitoring Administrative Fee	\$45	Any landlord seeking clearance of a demolition permit.	Evictions from ANY Los Angeles rental unit for condo conversions or demolitions, regardless of the rental unit's RSO status or whether the unit is occupied
Income Dispute Resolution Fe	\$193	Any landlord who disputes a relocation amount based on a tenant's self-certified income level, in order to have the matter adjudicated by a Hearing Officer.	No-fault evictions in RSO units Evictions from ANY Los Angeles rental unit for condo conversions or demolitions, regardless of the rental unit's RSO status
Owner Occupancy and Resident Manager Application Fee	\$75	Landlords who file a Relocation Services Application in order to evict for occupancy by owner, family or a resident manager	RSO units