



The Landlord's Fight & Tenant Rights

Rent Control, Section 8, & Defensive Lease Writing

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RSO 2019 – What's New?

4%

The July 1, 2019 allowable rent increase amount is 4%

.06%

The July 1, 2019 Interest on security deposits is 0.06%



Cash for keys agreements are regulated!

hcidla.org/buyout-agreements



Tenant eviction protection after foreclosure extended through December 31, 2020 For ALL City of LA properties.



Increased tenant relocation payment amounts. New high of \$21,200 per door.

When Buying or Selling a Rent Controlled Property

1

Is It Rent Controlled?

Be especially careful with condos in City of Los Angeles and properties that are actually in the RSO area with different city addresses. Check ZIMAS.LACITY.ORG

2

Tenant Leases and/or Estoppel Certificates

Get copies of ALL tenant leases. Get estoppel certificates. If no hardcopy lease is available, try to make sure that the estoppels are specific (no pets, list all occupant names, utility payment responsibility, etc. Use CAR form TIP.

3

RSO Registration Certificate

A copy of the RSO certificate MUST be provided. Was it served to the Tenants? Rents may not be legally collected without a valid RSO certificate. Check to make sure ALL units are registered. The Certificate list the # of units.

4

Security Deposit Interest

Has it been paid? If not, require that this get done through escrow. The security deposit interest schedule can be found on the EPLA Hub or on the RSO website.



City of Los Angeles RSO for Condos

Under California state law, the application of the RSO to condominiums is limited. While all of the requirements of the RSO apply to tenancies established on or before December 31, 1995, the RSO limitations on rent increases do not apply to tenancies established after that date. Regardless of the date of the commencement of the tenancy, condominium units rented or offered for rent must be registered annually with the Los Angeles Housing Community Investment Department, evictions from those condominium units are limited to the [14 legal reasons](#) under the RSO, and relocation assistance must be provided for [no-fault evictions](#). If the tenancy was established after December 31, 1995, the rent may be increased without limitation, with a 30 or 60 day notice as required under the provisions of state law. However, tenants in place on or before December 31, 1995, are “grandfathered in” and [rent increases](#) are limited to those allowed under the RSO. If the tenancy began 1/1/1996 or later, then the rent increase protections would not apply.

Is that in the City of Los Angeles?



PROBABLY!

Remember, as you venture into areas that you may not normally sell in, you could be dealing with property located in the City of Los Angeles and subject to rent control. This is especially true as you go towards the Westside and the Valley areas.

Check the map that you see here located on the EPLA HUB. Go to ZIMAS.LACITY.ORG and check there also.

What About Other Cities? What is Happening Now?



Long Beach

Relocation of \$2706 to \$4500 for displacement due to rent increases over 10% and other terminations of tenancy. Currently being drafted.



Inglewood

Rent cap at 5% and relocation of 3 x market rent for non-just cause eviction. Applies to 5 units and up.



Glendale

Right to lease for 1 year (5 units and up), relocation triggered for increases over 7% or non-just cause evictions (3 units and up).



County of Los Angeles

Full rent control similar to City of Los Angeles. Oversight by Department of Consumer and Business Affairs. 3% cap and just cause eviction.

Statewide Rent Control



Previously, rent cap bill 1482 passed Assembly. This limited rent increases to 7% plus CPI. It has now been amended and is at the Senate. The amendment includes a just cause eviction component. The bill would not apply to owner's of less than 10 SFRs and homes less than 10 years old.

Section 8 Is Now What You Make?

- 1 Do I have to accept it on my property?
YES - If you own or manage units in the City of Los Angeles or the Unincorporated County of Los Angeles. A statewide bill is being proposed. You can't say you DON'T accept it.
- 2 Do I have to accept less than market rent to accommodate?
NO! In many areas, the market rent is higher than the Section 8 payment voucher standard.
- 3 Do I have to wait for inspections if the tenant and my unit otherwise qualify?
YES! The timeline for inspections and paperwork are not a reason to deny the otherwise qualified applicant.
- 4 Why, why, why?
Section 8 is being reclassified as a "source of income" which you can't discriminate against. Similarly, you can't reject an applicant because they receive their money from child support, alimony, or a trust fund.



Get Used To It – Payment Voucher Standards

Each year, the housing authorities of the various cities issue their payment standards. This is the maximum rent that they will pay for the units. It does NOT mean that your unit will automatically get this amount.

FISCAL YEAR 2019 PAYMENT STANDARDS/
SMALL AREA FAIR MARKET RENTS EFFECTIVE 12/12/2018

Zip Code	0 Bdrm	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5 Bdrm	6 Bdrm	7 Bdrm
90802	\$1,291	\$1,543	\$1,995	\$2,677	\$2,940	\$3,381	\$3,822	\$4,263
90803	\$1,607	\$1,922	\$2,489	\$3,339	\$3,675	\$4,226	\$4,778	\$5,329
90804	\$1,431	\$1,719	\$2,218	\$2,979	\$3,268	\$3,758	\$4,249	\$4,739
90805	\$1,352	\$1,614	\$2,087	\$2,796	\$3,071	\$3,532	\$3,993	\$4,453
90806	\$1,378	\$1,641	\$2,126	\$2,848	\$3,137	\$3,607	\$4,078	\$4,548
90807	\$1,302	\$1,554	\$2,016	\$2,699	\$2,972	\$3,417	\$3,863	\$4,309
90808	\$1,439	\$1,722	\$2,226	\$2,982	\$3,287	\$3,779	\$4,272	\$4,765
90810	\$1,040	\$1,239	\$1,607	\$2,153	\$2,373	\$2,729	\$3,085	\$3,441
90813	\$1,263	\$1,513	\$1,950	\$2,613	\$2,875	\$3,306	\$3,738	\$4,169
90814	\$1,291	\$1,543	\$1,995	\$2,677	\$2,940	\$3,381	\$3,822	\$4,263
90815	\$1,491	\$1,785	\$2,310	\$3,098	\$3,413	\$3,924	\$4,436	\$4,948

The following chart depicts the VPS for the Housing Authority of the City of Los Angeles (HACLA).
VOUCHER PAYMENT STANDARDS (VPS)
(eff. 10/1/18)

Bedroom Size	Payment Standard
SRO	\$954
0	\$1,273
1	\$1,522
2	\$1,970
3	\$2,641
4	\$2,905
5	\$3,340
6	\$3,776

Play Defense Now!



Parking

Use a separate parking agreement. Parking is not covered by rent control.

Utilities

Make all utilities the responsibility of the tenant, even if the property is not yet separately metered or submetered.

Repairs

Make them responsible for all home warranty service call fees or the first \$75 of repairs. Exempt certain appliances from Owner warranty and repair.

Add Everyone

Any adult 18 years or older should be ON the lease and not just added as an authorized occupant. No guarantors. They go on the lease too! List their email for service.

Rules & Regs

Issue rules and regs as an attachment to the lease. List anything and everything that you need to specify.

Resources

There are many sources of information to keep up to date on what is happening on the state and local levels. Stay vigilant as the attacks are constant. Follow the RE/MAX insider facebook page and check out the following resources:

