

# **Rent Stabilization News**

**July 2013** 

### Rent Increase of 0.75% Authorized for 2013-2014

Si no entiende alguna parte de esta notificación, por favor llame al Departamento al (323) 848-6450 y pida hablar con un intérprete en español.

Если вы понимаете чеголибо В этом тексте, позвоните Департамент рентжилья И контроля по тел. (323) 848-6450, и попросите русскоговорящего сотрудника или оставьте сообщение русском языке.

At its June 27, 2013 meeting, the Rent Stabilization Commission announced that the annual rent adjustment for West Hollywood tenants subject to the City's Rent Stabilization Ordinance is 0.75 % (three quarters of one percent) for the period beginning September 1, 2013 and ending August 31, 2014.

The 0.75% increase was allowed under the City's Rent Ordinance, which states that the annual rent adjustment is determined by using 75% of the rise in the Los Angeles-Riverside-Orange County Consumer Price Index from May to May each year, and rounding the CPI increase to the

nearest one-quarter of one percent.

As of May 2013 the local CPI, which is determined by the Department of Labor's Bureau of Statistics, showed an increase of 0.98% over May 2012.

Seventy-five percent (75%) of that figure is 0.735%, and rounding to



the nearest one-quarter of one percent results in a general adjustment of 0.75%.

Tenants are eligible to receive the 0.75% rent increase if they have lived in their unit for at least 12 months, or it has been at least 12 months since their last rent increase.

Landlords must be in substantial compliance with the Rent Stabilization Ordinance and must give tenants 30-days written notice as required by State law to receive the rent increase.

A blank form to increase rent is enclosed in landlord copies of this mailing.

# The \$5 Registration Fee Pass-Through

The annual rent registration fee is \$120 per year per unit. Landlords may pass through to their rent stabilized tenants one-half of that fee (\$60), but the landlord must have paid all fees first, and the \$60 tenant portion must be prorated over 12 months.

The landlord may collect \$5 pass-through per month with their tenants' rent payment.

Because most tenants already pay the \$5 pass-through, landlords should be careful not to inadvertently charge it a second time when noticing their tenants for the annual general adjustment.

The rent increase notice form created by the City is designed to help landlords take the \$5 passthrough into account and calculate the annual adjustment correctly. Landlords are encouraged to use the form.

A blank form was included with this mailing to landlords. It is also available at the Rent Stabilization counter in City Hall and down-loadable from the City's website www.weho.org. Call (323) 848-6450 or e-mail rsd@weho.org to have one sent to you.

# **General Adjustment: Questions & Answers**

- Q. Which tenants are eligible for the 0.75% general adjustment and when can they receive it?
- A. Tenants who have lived in their units at least 12 months, or at least 12 months have passed since their last rent increase, are eligible for the general adjustment. The raise must be effective no earlier than September 1, 2013 and no later than August 31, 2014. If it is not used during that 12-month period, it is forfeited.



- Q. Must the general adjustment be taken exactly at the 12-month anniversary of move-in, or exactly 12 months after the last increase?
- A. No. If at least 12 months have passed since movein or at least 12 months have passed since the last rent increase, the landlord is free to take the available general adjustment in any month. Some landlords always raise rent in accordance with the tenants 12 month anniversary. Others find it more convenient to raise rent for most or all of their tenants at the same time.
- Q. How much notice must a landlord give to take the general adjustment?

- A. California law requires a 30-day written notice for any rent increase. Tenants must receive the increase notice at least 30 days in advance of its effective date.
- Q Does Rent Stabilization have a 30-day Notice of Change In Terms of Tenancy that landlords may use to take the current general adjustment?
- A. Yes. As has been the case in the past, the Department created a Notice to use when taking the general adjustment. A copy is included to landlords with this mailing. The form is also down-loadable at the City's website www.weho.org, or by contacting a Rent Information Coordinator at (323) 848-6450 or rsd@weho.org.
- Q. Why is the West Hollywood general adjustment 0.75% when other rent control jurisdictions allow different amounts? Doesn't everyone look at the same CPI statistics?
- A. The rent ordinance for each rent controlled district determines what data is used and how the data translates into the annual adjustment. West Hollywood takes 75% of the rise in the CPI from May to May and rounds to the nearest 1/4 of 1%, unless the CPI decreases, then no increase is allowed. Los Angeles Rent Stabilization averages the monthly CPI increase from September to September each year to determine the increase allowed the following July. Los Angeles also has a minimum adjustment of 3%, even when the CPI data is below that amount. Santa Monica takes 75% of the rise in the CPI from March to March and rounds to the nearest 1/10 of 1%.

# Here Is the Calculation

The U.S. Department of Labor, Bureau of Statistics put the May 2012 Los Angeles-Riverside-Orange County Consumer Price Index for All Urban Consumers (CPI-U) at 237.032 raw data points.

As of May 2013, the same index stood at 239.346, amounting to an increase of 2.314 raw data points, or 0.98%. Seventy-five percent of 0.98% is 0.735%, and

rounding to the nearest one-quarter of one percent results in a general adjustment of 0.75% (three quarters of one percent).

For more information about the Consumer Price Index and how the CPI is calculated, visit the Department of Labor, Bureau of Statistics web site at www.bls.gov/cpi, or call (202) 691-7000.



# **Don't Forget to Re-Register New Tenancies**

Beginning with new tenancies created on or after January 1, 1996 the Rent Stabilization Ordinance requires landlords to re-register residential rental units within 30 days after the new tenancy begins.

Landlords who fail to re-register are precluded from raising the rent for that unit until the unit re-registration is filed.

Landlords who raised the rent without re-registering must refund any amount charged over the initial rental rate to the tenant.

West Hollywood Municipal Code Section 17.28.020.b states:

"When a rental unit is vacated and re-rented on or after January 1, 1996, the landlord must, within thirty days of the re-rental, reregister the unit by filing a completed re-registration on a form provided by the city."

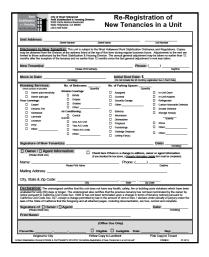
Additionally, WHMC Section 17.28.040 states:

"a landlord is ineligible to impose an annual general adjustment for a rental unit that is not registered or re-registered as required by this Chapter"

The difference between the rent that the landlord was entitled to collect and the amount actually collected as the result of an annual general adjustment for which a landlord is ineligible is an illegal rent overcharge.

A landlord may prospectively apply any annual general adjustment denied as the result of non-compliance with registration or re-registration requirements if the landlord:

- Fully complies with the registration and re registration requirements;
- Pays to the city any unpaid registration fees and penalties that are not barred by the statute of limitations; and



Pays any affected tenant the difference between the lawful rent and the illegally overcharged rent that the landlord collected during the period of non-compliance, except that no tenant may recover overcharges collected more than 3 years before the filing date of a reregistration form.

Landlords whose tenants moved-in on or after January 1, 1996 should verify re-registration of these tenancies if they aren't sure re-registration occurred. Any omissions should be handled without delay. The longer the unit is not in compliance, the larger any refund will be to the tenant.

Please note that no re-registration is required for tenants who moved in before January 1, 1996.

# WeHo Direct: Get Information and Request Services 24/7

On June 17, 2013, the City of West Hollywood launched WeHo Direct, a new program which provides 24/7 access to City Hall.

WeHo Direct is a one-stop-shop for residents to file electronic service requests, look up answers to frequently asked questions, and track the status of previously filed requests.



Service requests and FAQs cover a wide range of topics including noise concerns, trash accumulation and pick-up, potholes, property maintenance issues, to name just a few.

WeHo Direct is located on the City' of West Hollywood's web site at: www.weho.org/wehodirect.

In addition to the web site, users can also report issues by:

- Calling (323) 848-6400;
- Texting (323) 979-1401;
- E-mail at wehodirect@weho.org;
- Tweeting photos and concerns to @WehoDirect.



Rent Stabilization and Housing West Hollywood City Hall 8300 Santa Monica Boulevard West Hollywood, California 90069

> Phone: 323-848-6450 Fax: 323-848-6567 E-mail: RSD@weho.org



#### **Hours**

Mon. thru Thurs.: 8 am to 5 pm Friday 8 am to 4:30 pm

#### **Community Development Newsletter**

## Sign Up for Cityscape

Cityscape is a quarterly newsletter published by the Community Development Department. (CDD) with project updates, ideas, and innovation exchange from CDD.

The newsletter will be sent by e-mail, but hard copies will also be available to those that request them.

Sign up by texting "cityscape" to 22828, by e-mail to cityscape@weho.org, or by calling at 323-848-6475 and leaving a mail or e-mail address.



#### Affordable Housing

# Low Income Waiting List Open From July 1 Through July 31

The low income waiting list for the City of West Hollywood's Inclusionary Housing Program is accepting new applications from eligible residents until July 31, 2013. The total household income for these affordable rental units must not exceed the following:

1 person - \$44,951 2 persons - \$48,547 3 persons - \$52,143

Applications are available in-person at West Hollywood City Hall and the Comprehensive Services Center in Plummer Park. Applications also may be downloaded from the City of West Hollywood's web site at www.weho.org/Housing. Call 323-848-6851 to have one mailed to you or for more information.

<u>Important Note:</u> Residents who are interested in renting one of the affordable units in the buildings currently under construction on La Brea Ave by Monarch Development Projects must be on the low income waiting list to be considered for placement in those units. The low income list will be used to fill those vacancies.

The moderate income waiting list for inclusionary units is also accepting new applications for its affordable units. This waiting list has been and will remain open. Only the low income list will close as of July 31, 2013.

#### **Agency Spotlight**

## **Gay and Lesbian Center - Legal Services**

The Los Angeles Gay and Lesbian Center's Legal Clinic offers one-on-one attorney consultations on a no- or low-cost basis to those who need counsel regarding landlord/tenant issues as well as other legal issues, including business, civil rights, consumer, criminal, employment, family, government benefits, immigration, insurance, personal injury, and wills and estates.



The Legal Clinic is available to anyone, not just members of the gay, lesbian, bisexual and transgender communities. A \$10 processing fee for the consultation is requested, but no one will be denied services for lack of funds.

To schedule an appointment Monday through Thursday, please call 323-993-7670, or send an e-mail to legalservices@lagaycenter.org.

Highland Annex 1220 N. Highland Avenue Los Angeles, CA 90038