



## REMOVING A PROPERTY FROM THE RENTAL MARKET (ELLIS ACT)

**U**nder California state law, landlords may go out of the business of renting a residential building. The Rent Stabilization Ordinance of the City of West Hollywood includes this among the grounds for relocating tenants from a rental property and sets noticing standards and gives the tenants certain rights if their landlord decides to remove the property from the market.

### Required Noticing

To go out of business, the landlords must record a notice of intent to remove the property from the rental market with the L.A. County Recorder's office. They must give the tenants 120-day notices terminating tenancy. Copies of these notices along with the notice to the City and application for tenants' relocation counseling with counseling fees must also be submitted to the City. The date of termination on all notices must be 120 days from the date all this noticing has been completed.

Tenants should receive relocation fees with the notice. There are different categories of fees depending on income, disability or age of the tenants. The landlord should ask the tenants for their information before issuing the tenants' notices. If the landlord did not do this, then tenants should immediately send the landlord a written request for the correct relocation fee.

### The Right of First Refusal to Move Back In

All tenants being relocated for removal of property from the rental market may send a letter requesting the first right of refusal. This right does not depend on income, age or disability status.

If a tenant is interested in re-renting the unit in the event that it is re-offered for rent at some future time, they may send a letter requesting the right of first refusal. To receive this benefit, the tenant **must notify the landlord in writing within thirty (30) days** of the date when they received the notice. A simple signed and dated letter with the statement "I am requesting the right of first refusal to move back in" is enough. Tenants should send a copy of this request to the City of West Hollywood's Rent Stabilization & Housing Division and keep a copy of the letter for their records.

Once the tenant moves out they will be responsible for keeping the landlord advised of their mailing address. Since the conditions of removal from the rental market are recorded on the property title, tenants who requested the right of first refusal, maintain their claim even if the property is sold to another owner.

If the landlord puts the current structure back on the market within 10 years after taking it off, they must contact the tenant(s) who asked for right of first refusal to move back into the unit. Within the first 5 years, they must re-rent to the tenant at the rent the tenant was paying at move-out plus any intervening general adjustments. After 5 years, they may rent to the tenant at the current market rate.

If the structures where the tenants lived are demolished and replaced, the tenants will not have a claim to move into the newly constructed structure(s). Also, if the units are converted to condos, new parcels of land are created; the old legal property does not exist and the tenants will not have a claim to move back in.

### Extension to 1-Year Notice for Seniors and Disabled

Tenants who are 62 years old or more and tenants who are disabled may stay in the unit for one year from the date the landlord gave them the notice but they must ask for the extension in writing.

To do this, they should simply write a signed and dated letter describing their age or their disability and asking for the extension to one year. The tenants should be prepared to supply the landlord with proof of age or disability if it is disputed. Tenants should send a copy of this request to the City of West Hollywood's Rent Stabilization & Housing Division, 8300 Santa Monica Boulevard, West Hollywood, CA 90069.

### Relocation Fees

When an owner is relocating a tenant for the purpose of removing the property from the rental market (Ellis Act), relocation fees must be paid at the time of notice. Refer to the attached relocation fee guide for information on the required fee amount.

### **Requesting the Relocation Fees**

If the landlord fails to provide the fee at the time of the notice or pays lower fees than the tenant feels they should receive, the tenant should send the landlord a written request for the correct amount. If they are requesting fee for lower-income, seniors or disabled categories, they may choose to include information and evidence about why they qualify, as the landlord may request this.

If the tenant needs help calculating the fee, they should contact the Rent Stabilization and Housing Division and speak to an Information Coordinator. The Information Coordinator will help the tenant based on the information the tenant supplied. If the landlord and tenant cannot agree upon the correct amount, they may be referred to the City's Mediator to settle the issue.

### **Private Civil Settlements: Are They Okay?**

Tenants only receive the right of first refusal to move back into a unit and the extension of the noticing period to one year if they request it. These are legal claims that they may waive. They should consider before doing so whether it is in their economic interest to give up any claims to their current affordable housing.

Tenants cannot legally waive their right to the relocation fee. According to the Ordinance the fee must be paid at the time of receiving the notice or the noticing period does not start. They should not agree to other arrangements without consulting a Rent Stabilization & Housing Information Coordinator.

If a tenant makes a private agreement regarding higher relocation fees, they will only be able to enforce the agreement through the civil courts.

### **Need Further Assistance?**

If you have any questions please contact the Rent Stabilization and Housing Division by calling (323)848-6450 during normal business hours: Monday - Thursday, 8:00 a.m. to 5:00 p.m. and Fridays 8:00 a.m. to 4:30 p.m., or visit the City's website at [www.weho.org](http://www.weho.org).

***The Rent Stabilization Ordinance is amended periodically. Tenants and landlords are encouraged to contact the West Hollywood Rent Stabilization & Housing Division for the most current version of the Ordinance.***



# RELOCATION FEES

8300 Santa Monica Blvd., West Hollywood, CA 90069 p: (323) 848-6450 Email: [rsd@weho.org](mailto:rsd@weho.org)

Landlords are required to pay relocation fees to tenants displaced through a no-fault eviction. The relocation fees are based on expected costs tenants incur from moving including providing first and last month's rent and a security deposit, moving and packing expenses, and displacement and housing costs. All tenants living in one unit of housing are collectively entitled to one fee as follows:

The City's relocation fee structure is based on the number of bedrooms in a rental unit. This is done to reflect the higher costs associated with relocating the increased number of occupants and volume of belongings in larger units.

Relocation fees are adjusted annually by the percentage change in the rent of primary residence component of the CPI-U Index of the Los Angeles/Riverside/Orange County Area from May to May of each year rounded to the nearest whole dollar. In the event the percentage change decreases, the relocation fees shall remain at their current rate.

RELOCATION FEES Effective July 1, 2016 – June 30, 2017	
Unit Type	Amount
0 Bedrooms	\$6,455
1 Bedroom	\$9,114
2 Bedrooms	\$12,277
3 or More Bedrooms	\$16,202

The City has established **two** exemption payment categories. These categories are provided with higher benefit amounts to capture the additional moving costs and greater financial pressures certain tenants face when relocating. Income can be determined by using State or Federal income tax returns, bank account records, salary records, or other supporting documents that require income limits such as receiving SSI payments.

**Qualified Tenant:** If one of the tenants living in the housing unit from which tenants are to be displaced includes a person who is sixty-two years of age or older, disabled, living with one or more dependent minors, terminally ill or is moderate income (one hundred twenty percent AMI), then collectively the tenants living in the housing unit are entitled to the Qualified Tenant relocation fee listed in the relocation fee schedule.

**Lower Income Tenant:** If one of the tenants living in the housing unit from which tenants are to be displaced includes a lower-income person as defined by California Health and Safety Code Section 50079.5, then collectively the tenants living in the housing unit are entitled to the Lower-Income Tenant relocation fee listed in the relocation fee schedule.

2015/2016		
Exemption Category	Income Limit	Amount
Qualified Tenant	\$48,651 - \$72,977	\$17,087
Lower-Income Tenant	Up to \$48,650	\$21,517

The required relocation fee includes the fee and any fee increase occurring while the tenant remains in possession of his or her unit. Any balance due shall be paid before the tenant is required to vacate.

*This fee schedule is in accordance with West Hollywood Municipal Code Section 17.52.020*

**(more important information on the back of this form)**

In addition to the fee paid to tenants, property owners also pay a fee to the City to cover costs of relocation services provided to the tenant through an outside agency.

RELOCATION COUNSELING FEES (Per Unit)	
Standard	\$400
Qualified/Lower Income	\$640

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