

# Rent Stabilization News

July 2011

### Rent Increase of 2.25% Authorized for 2011-2012

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

Если вы не понимаете чеголибо тексте, позвоните Департамент жилья и рентконтроля тел. (323) 848-6450, попросите русскоговоряще ГО сотрудника оставьте или сообщение на русском языке.

At its June 23, 2011 meeting, the Rent Stabilization Commission announced that the annual rent adjustment for West Hollywood tenants subject to the City's Rent Stabilization Ordinance is 2.25 % for the period beginning September 1, 2011 and ending August 31, 2012.

The 2.25% 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 the nearest one-quarter of one percent.

As of May 2011 the local



CPI, which is determined by the Department of Labor's Bureau of Statistics, showed an increase of 3.1% over May 2010. Seventy-five percent (75%) of that figure is 2.325%, and rounding to the nearest one-quarter of one percent results in a general adjustment of 2.25%.

Tenants are eligible to receive the 2.25% rent increase if they have lived in their unit for at least 12 months, or at least 12 months have passed 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.

## 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 created by the City is designed to help landlords take the \$5 pass-through and the annual adjust-

ment correctly. Landlords are encouraged to use it.

A blank form was included with a 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.



### **General Adjustment: Questions & Answers**

- Q. Which tenants are eligible for the 2.25% 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, 2011 and no later than August 31, 2012. 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. 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 2.25% 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 does an annual study of landlord expenses. CPI data is included in the study, but not relied on as the sole determiner of the increase amount.

### Here is the Calculation

The U.S. Department of Labor, Bureau of Statistics put the May 2010 Los Angeles-Riverside-Orange County Consumer Price Index for All Urban Consumers (CPI-U) at 226.438 raw data points.

As of May 2011, the same index stood at 233.367, amounting to an increase of 6.929 raw data points, or 3.1%. Seventy-five percent of 3.1% is 2.325%, and

rounding to the nearest one-quarter of one percent results in a general adjustment of 2.25%

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.



### Are You Eligible for a \$60 Rent Registration Fee Rebate?

Rent stabilized tenants who are 62 or over, or handicapped, <u>and</u> also qualify as very low income, are eligible to receive a rebate of their portion of the annual rent registration fee paid by landlords to the City.

The registration fee for rent stabilized apartments in West Hollywood is \$120 per year per unit. Landlords may pass through one-half of the fee (\$60) to their rent stabilized tenants, but the \$60 must be pro-rated over 12 months, resulting in a \$5 monthly fee pass-through. Landlords may collect the \$5 fee with the tenants' rent payment.

Rebates of up to \$60 annually are issued to tenants who paid the \$5 fee to their landlords, and file an application establishing their eligibility. Applicants must be <u>either</u> at least 62 years old, <u>or</u> handicapped, <u>and</u> must also show that their household meets the "very low income" standard set by the federal government for the Los Angeles area. Currently, the very low income standard is:

1-person household \$29,900 2-person household \$34,200 3-person household \$38,450 4-person household \$42,700 5-person household \$46,150

The rebate available now covers the 12 month period beginning September 2009 and ending August 2010. The filing deadline for this rebate is August 31, 2011.

Rebates for the 12-month period beginning September 2010 and ending August 2011 will be available as of October 1, 2011. Rebates for any other time periods are not available.

Applications are at the Rent Stabilization counter in City Hall, 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.



If you received a rebate in the past, you do not need to submit a new application. Personalized renewal forms are mailed every October to the city's list of rebate recipients.

Tenants who receive Section 8 benefits, tenants in units administered by the West Hollywood Community Housing Corporation and tenants in units that with a certificate of occupancy dated July 1, 1979 or later are **not eligible** for the rebate. Their landlords do not charge them the \$5, so the City can not issue a rebate.

### **Maintenance Standards for Rent Stabilized Apartments**

To ensure that West Hollywood's rental housing stock remains in good condition, landlords are required to comply with certain maintenance standards in all rent stabilized apartments.

#### Landlords must:

- Paint the interior of rental units and interior common areas every 4 years;
- Paint the building's exterior every 7 years;
- Replace landlord-provided carpets, linoleum/vinyl and window

coverings in the rental units and common areas every 7 vears:

- Maintain landlord-provided appliances in good working condition;
- Maintain the property in compliance with existing Property Maintenance, Fire, Health, and Building Safety Codes.

The landlord is responsible for all work necessary to meet these maintenance standards including, but not limited, to the reasonable movement of furniture.

If your unit needs maintenance, give the landlord, or the landlord's agent, a written request for whatever needs to be done and keep a copy. If the requested work is not done within 30 days, or if your landlord says he or she does not intend to do the work. file with the City for a hearing.

For more information, or a form letter you can use to request maintenance from your landlord, contact a Rent Information Coordinator by phone at (323) 848-6459, send an e-mail to rsd@weho.org, or in-person at the City Hall Rent Stabilization counter.

### City of West Hollywood

Dept. of Rent Stabilization & 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**

Monday: 8 am to 5 pm
Tuesday: 8 am to 5 pm
Wednesday: 8 am to 5 pm
Thursday: 8 am to 5 pm
Friday: 8 am to 5 pm
8 am to 5 pm

A Rent Information Coordinator is available at City Hall every Friday, including Modified Fridays.

### West Hollywood Rent Q & A

- Q. When is rent due? The due date for rent is set by the lease or rental agreement governing the tenancy. These contracts typically require rent payments at the beginning of each rental period, which means the 1st of the month for vast majority of tenants who rent on a monthly basis.
- Q. Is there a grace period for paying rent? No. There is no grace period required by state or local law. Rent is considered late the day after the due date unless the tenants' lease or rental agreement states otherwise.
- Q. Are late fees allowed? Yes, but tenants in rent stabilized units can not be charged a late fee until the rent is 5 or more days late, and the amount of the late fee may not exceed 1% of the monthly rent.
- **Q. Are bounced check charges allowed?** Yes, but rent stabilized tenants can be charged only what the bank charges the landlord for the returned item. Nothing additional can be added.
- Q. Can the landlord charge more rent if additional tenants move in? No, the rent stabilization ordinance prohibits raising the rent when one or more additional tenants move in. However, the ordinance protects the tenancy of only one additional person who is a close family member, spouse or domestic partner of the current resident. If more individuals than are allowed in the rental agreement move in, or the one who moves in is not a close family member, spouse or domestic partner, there would be a lease violation.

### We Have a New Rent Stabilization Manager

Thank you, Marney Ann Hull, for 24 years of City service.

Thank you to Marney Ann Hull for her years of dedication and service to the City's residents.

Ms. Hull recently retired from her position as the Rent Stabilization Manager.

She built a strong foundation of service and care for the City's tenants and landlords. We owe a great debt of gratitude to her.



Welcome to Elizabeth Savage.

Please welcome Elizabeth Savage as the City's new Rent Stabilization Manager.

Elizabeth has been with the City for over 15 years. She brings to the division her experience in housing and finance as well as a broad background of providing constituent service.

She recently completed her Executive MBA at the Peter F. Drucker School of Management at Claremont Graduate University.



Elizabeth welcomes your calls and questions – and can be reached at (323) 848-6490.