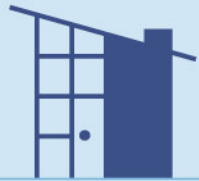


Rent Stabilization & Housing

City of West Hollywood



RENT STABILIZATION NEWS

Landlord January 2019

2019 BUILDING BLOCKS



The popular Rent Stabilization educational seminars for landlords begin **February 19, 2019**. *Workshops are free!*
www.weho.org

Este boletín de noticias del Control de Rentas de West Hollywood contiene información y consejos útiles para inquilinos y propietarios. Si hay alguna sección de este boletín que usted no entiende, por favor llame al Departamento de Control de Rentas al 323-848-6450. Pida hablar con un intérprete en español.

В данном бюллетене содержится полезная информация и советы владельцам домов и жильцам по вопросам жилья и рент-контроля. Если вам нужен перевод на русский, пожалуйста, позвоните нам по телефону 323-848-6450.

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www.weho.org

SECURITY DEPOSIT INTEREST RATE IS

0%

Based on the interest rate paid by local banks for regular savings accounts, the Rent Stabilization Regulations determined 0% to be the 2018 interest rate for landlord-held deposits. No interest payments must be made.

The City provides a rent increase notice form that can help landlords calculate the rent increase correctly. Its use is encouraged, but not required.

THIRD PARTY CHECKS

The Rent Stabilization Ordinance requires landlords to accept third party checks presented by tenants if the check is from a social services agency that has a contract with the City.

These checks help qualified tenants pay rent or meet other financial obligations that are a part of their contract with the landlord.

To determine if a certain agency has a contract with the City, contact the Rent Stabilization Office at **323-848-6450**.

Annual Community Conversations on Housing

The City hosts two annual community conversations on housing to provide information on current housing programs and to listen to community members' thoughts and concerns. All are invited to the conversations taking place on:

JAN. 23, 2019 | 7PM

West Hollywood Library
Community Meeting Room
625 N. San Vicente Blvd.

JAN. 29, 2019 | 7PM

Plummer Park
Community Ctr. Rms. 5 & 6
7377 Santa Monica Blvd.

THE EVENTS ARE FREE.

Light refreshments will be provided.

Mandatory Seismic Retrofitting Update

On April 17, 2017: City Council adopted an ordinance establishing a mandatory seismic retrofitting requirement for existing buildings with soft, weak or open-front walls (soft story buildings), effective April 1, 2018.

On August 7, 2017: City Council adopted a second ordinance establishing a mandatory seismic retrofit requirement for existing non-ductile concrete and pre-Northridge steel moment frame buildings, effective August 7, 2018.

Many of the buildings subject to these Ordinances are rent stabilized apartment

buildings, and compliance will first require evaluation by an engineer to determine if seismic retrofitting is necessary. If retrofitting is required for soft story buildings, the work must be completed within five years of receiving notice from the City. Retrofitting for non-ductile concrete and pre-Northridge steel moment frame buildings is more complicated and therefore additional time is allowed to complete the work, which must be completed within 20 years. Information on the Mandatory Seismic Retrofitting Program is available at: **www.weho.org/seismic**



Information on the following topics is available on the City of West Hollywood website at: www.weho.org/rent

The Rent Stabilization Ordinance requires landlords to re-register rental units within 30 days after a new tenancy begins.

Outcome of Discussions on a Possible Landlord/Tenant Cost Sharing

On October 15, 2018: City Council rejected a proposal that would have allowed landlords to share a portion of earthquake retrofitting costs with tenants. Instead, the City of West Hollywood is seeking State and Federal grants to help landlords complete the retrofitting.

Also, if costs to complete seismic retrofitting work exceed income generated (exceeds rents collected), the Rent Stabilization Ordinance and Regulations allow landlords to apply for an upward rent adjustment. The upward rent adjustment request process was established in order to ensure landlords receive a just and reasonable return when making capital improvements, including seismic retrofitting. The process is based on the landlord establishing that they are falling below the fair "Net Operating Income" (NOI). More information is provided on the website.

Tenant Habitability Plan Required for Seismic Retrofitting

Before a landlord can receive a building permit to do seismic retrofitting work to an occupied rent stabilized building a plan demonstrating how tenants will not be greatly impacted during the construction must be submitted to the Rent Stabilization Office for approval. The Tenant Habitability Plan is intended to help the City ensure construction work will be done in a way that will not greatly interfere with tenants' enjoyment of the property. Depending on the proposed construction work, the Plan could require temporary relocation and any other actions necessary to limit impacts to tenants. Tenant Habitability Plans is available on the City's website.

New Requirements for Buy Out Agreements

Effective January 16, 2019: are new requirements for a landlord to make a buy-out offer to a tenant in exchange for the tenant moving out of their rent stabilized apartment. See the insert for more information.

Remember to Re-Register New Tenancies

The Rent Stabilization Ordinance requires landlords to reregister rental units within 30 days after a new tenancy begins.

Landlords who fail to re-register cannot raise the rent for the unit until the unit re-registration is filed.

Landlords who raise the rent without reregistering must refund the amount paid by the tenant over the initial rental rate, up to a maximum of 3 years of overcharges.

Once the landlord files the required re-registration paperwork and repays any rent overcharges that may have been collected, the landlord may apply any annual general adjustments denied as the result of the original non-compliance.

Landlords can verify re-registration by calling: 323-848-6450.

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

State Law Aims To Eliminate Bed Bugs

Effective control of bed bugs is more likely to occur when landlords and tenants have information to help identify the pest, and when they cooperate fully with pest control operators to eliminate infestation. To promote cooperation between landlords and tenants, State law was amended in 2017 to:

- Prohibits landlords from knowingly renting a unit with bed bugs;
- Protect tenants from retaliation when reporting a bed bug problem;
- Allow landlords and pest control operators access to units adjacent to an infestation for inspection and fumigation;
- Require cooperation from tenants regarding directives given by pest control operators when eliminating an infestation;
- Require landlords to give tenants of inspected units the results of the inspection within two days after it is received.

Landlords must also present all current and new tenants printed information explaining how to identify bed bugs and report a bed bug problem. Information required by the State is available at the City's web site.



What Cannabis Legalization Means to Landlords & Tenants

The Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA) became State law January 1, 2018. Since then landlords and tenants have had questions about what the Act means and how it applies. Below are answers to some of the frequently asked questions the Rent Stabilization Office has received this past year. We are providing answers for informational purposes, it is important to remember that, as with all laws, only the Court can make binding interpretations, and so information could change in the future. It is important that you seek legal advice if a situation arises regarding medical or recreational cannabis.

Does the MAUCRSA allow for the free recreational use of cannabis by adults in the State of California?

No. The right of adults to possess, grow, and use cannabis for recreational purposes is subject to restrictions imposed by the Act itself, as well as by local law. One of the key restrictions in the Act is that it does not allow cannabis use in any location where tobacco use is prohibited.

Does a landlord have the right to restrict cannabis use on the property and in a tenant's unit? **Yes.** Just as the landlord has the right to restrict tobacco use on the property, the landlord can also forbid cannabis use. The prohibition must be in the lease signed by the tenant, or must be agreed to in writing by the tenant if it is not in the original agreement. But as explained below, an existing prohibition against smoking includes cannabis.

If the lease restricts tobacco smoking but does not address cannabis use, is cannabis use allowed?

No. The Act specifically does not allow cannabis use in any location where tobacco use is prohibited. However, landlords are advised to address cannabis use in contracts with new tenants to avoid any misunderstandings.

If the landlord requires tenants who smoke tobacco to do so on the public right of way in front of the building, can tenants smoke cannabis there too?

No. The Act does not allow cannabis use in public places not licensed for such use.

Do restrictions on cannabis use refer only to smoking cannabis? **No.** These restrictions cover any kind of cannabis use, including vaping and consumption of edibles.

Can the landlord prohibit a tenant from cultivating cannabis plants for personal use? **Yes.** The Act allows for the cultivation of up to six cannabis plants for personal

use in an individual's residence; however this right to grow plants for personal use applies only to the property owner. In rental property, the landlord still has the ability to impose restrictions through a rental contract, and can prohibit growing cannabis. The Act does not take away this right.

California Civil Code §1940.10 allows tenants to cultivate certain plants for personal use. If the required guidelines are followed, the landlord cannot object. Does this law allow cannabis cultivation for personal use? **No.** California Civil Code §1940.10 specifically exempts cannabis cultivation from its provisions.

Can a tenant use cannabis for medical purposes despite the landlord's prohibition of cannabis on the property? **Yes.** If the tenant adheres to certain State law guidelines. The tenant must ask the landlord for a "reasonable accommodation" to use cannabis under State disability law. The request should include a statement from the tenant's primary care physician that cannabis use is necessary to treat the tenant's illness. While the MAUCRSA gives a tenant the right to possess and use cannabis for medical purposes, it does not give the tenant the right to smoke it. In order to smoke cannabis, a tenant's reasonable accommodation request should include a statement that smoking is a medical necessity and the tenant cannot take cannabis in some other way. In any event, the granted reasonable accommodation must not interfere with any other tenant's right to quiet enjoyment of the property.

How does cannabis legalization impact tenants under Section 8? Because federal law views cannabis as a controlled substance, tenants receiving rent subsidies through Section 8 run the risk of losing their Section 8 vouchers if they possess or use cannabis. This is true even when using medical cannabis and even when the landlord permits cannabis use.