



RENT *Stabilization*

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ALLOWABLE RENT INCREASES BULLETIN

The Rent Stabilization Ordinance was designed to protect tenants from excessive rent increases while allowing landlords a reasonable return on their investments. The Ordinance became effective May 1, 1979. The following information reviews the allowable rent increases for those rental units subject to the Ordinance.

AUTOMATIC ADJUSTMENTS

The rent for a rental unit may be increased without the permission of the Rent Adjustment Commission or the Rent Stabilization Division under the following circumstances:

1. Three (3%) to 8% every 12 months in accordance with the annual rent increase percentage, which is based on the Consumer Price Index (CPI) average for the twelve (12) month period ending September 30, of each year. This annual adjustment may be applied once to each year. An exception to this allowable increase exists for substandard housing unit for which a notice of non-compliance has been sent to the Franchise Tax Board. The 3% to 8% annual increase is **not** cumulative or retroactive.

THE CALCULATED ANNUAL INCREASE PERCENTAGE EFFECTIVE JULY 1, 2009 THROUGH JUNE 30, 2009 IS 4 PERCENT (4%). This annual increase may be imposed only if twelve (12) months or more have elapsed since the last such rent increase.

Landlords are required to serve tenants with a written 30-day notice for rent increases and a 60-day notice for rent increases over 10% within a 12 month period.

2. An additional 1% for gas and 1% for electric service into the dwelling unit when service is provided by the landlord.
3. A 19% (plus 2% if the landlord provides gas and electricity) for a rental unit which has not had a rent increase since May 31, 1976.

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4. A 13% (plus 2% if the landlord provides gas and electricity) for a rental unit which has not had a rent increase since May 31, 1977.
5. A \$3.00 per month for each electrically installed smoke detector until the actual cost to the landlord for the purchase and installation has been recovered. Landlords have two months following installation to notify tenants. Replacement units are applied for through the Capital Improvement Increase process.
6. Ten percent for each additional tenant exceeding the number of tenants allowed in the original rental agreement. A corresponding reduction in rent is required when the additional tenant vacates the unit. Security deposits may be raised for additional tenants by the same dollar amount as the rent is raised.
7. An increase of 3% to 8% in the security deposit is allowed at the same time and by the same percentage as the annual rent increase.
8. A landlord may collect a monthly surcharge from the tenant to recover the **paid** Systematic Code Enforcement fee. Below is a breakdown of how much the landlord can demand and collect from the tenant:
 - a. \$1.00 per unit per month - January 1, 2004 - May 31, 2004
 - b. \$3.16 per unit per month - June 2004
 - c. \$3.18 per unit per month - July 1, 2004 - December 31, 2004
 - d. \$2.27 per unit per month - Beginning January 1, 2005
 - e. \$2.96 per unit per month - Beginning January 1, 2006

Effective December 18, 2005, the annual SCEP fee was increased to \$35.52. (Ordinance Number 177106.)

10. A \$9.35 surcharge collected only in June to recover half of the \$18.71 paid registration fee.

Effective December 18, 2005, the annual RSO fee was increased to \$18.71 and the surcharge is \$9.35 as of June 2006. (Ordinance 177107.)