

**IMPORTANT INFORMATION FOR LANDLORDS & TENANTS**

**JULY 2007 UPDATE**

**ANNUAL ALLOWABLE RENT ADJUSTMENT**

The annual allowable automatic rent adjustment rate for rental units subject to the Rent Stabilization Ordinance (RSO) is currently **5%**, which went into effect as of July 1, 2007.

**TENANT RELOCATION BENEFITS**

Under the RSO, tenants evicted for “no- fault” reasons (owner or resident manager occupancy, demolition or removal from the rental market, compliance with a government order, and action by HUD following a foreclosure) are entitled to relocation assistance. Tenants evicted to facilitate the conversion of apartments to condominiums, the demolition of existing housing, or the change of a mobile home park to a different use are also entitled to relocation assistance even when the property in question is not subject to the RSO. Effective **April 11, 2007**, the relocation amounts are as follows:

Type of Tenant	Less than 3 years	3 Years or more	Less than 80% AMI
Eligible	\$6,810	\$9,040	\$9,040
Qualified	\$14,850	\$17,080	\$17,080

**HUD Area Median Income Limits 80% AMI (Los Angeles):**

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 person
\$41,450	\$47,350	\$53,300	\$59,200	\$63,950	\$68,650	\$73,400	\$78,150

Households which include a senior citizen or disabled person or minor dependent child are qualified tenants. All other household's are eligible.

**EVICCTIONS**

Effective January 1, 2007, California Civil Code Section 1946.1 requires a **60-day** notice for no-fault evictions of tenants who have resided in a rental unit for at least one year. This law is in effect until January 1, 2010.

## **SECURITY DEPOSIT INTEREST**

Landlords of rental units subject to the RSO must pay interest annually on security deposits held for at least one year. The amount due may be determined by: (1) using the actual interest rate earned for the year as documented by bank statements; or (2) paying simple interest in accordance with a rate established annually by the Rent Adjustment Commission. For deposits held in calendar year 2006, the interest rate is **1.74%**; for deposits held in 2007 the interest rate is **2.39%**.

## **2007 RSO REGISTRATION & SCEP FEE**

The RSO registration fee is unchanged at \$18.71 per unit per year, and the SCEP fee is \$35.52 per unit per year. *Payment of the annual fees is due on or before February 28, 2007.* After that, late fees are assessed per the RSO. The easiest way to pay is to mail the payment coupon and payment in the envelope provided to:

**City of Los Angeles  
PO Box 51798  
Los Angeles, CA 90051-6098**

A landlord may pass through 50% of the annual \$18.71 RSO Registration fee per rental unit - \$9.35 – to the tenant occupying that unit as a lump sum surcharge payable during the month of June, provided the landlord has paid the RSO registration fee and has properly served the tenant a 30-day written notice.

In rental units subject to the RSO, a landlord may pass through 100% of the annual \$35.52 SCEP fee per rental unit in the form of a monthly surcharge of \$2.96, provided the landlord has paid the SCEP fee and has properly served the tenant a thirty-day notice of the increase. The RSO does not allow the collection of the fee as a lump sum payment.

For additional information on the annual bill, please call (877) 614-6873.