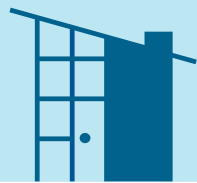


Rent Stabilization & Housing

CITY OF WEST HOLLYWOOD



RENT STABILIZATION NEWS

For Property Owners | July 2019

8300 Santa Monica Boulevard
West Hollywood, CA 90069

www.weho.org/rent

Hours

Mon – Thurs 8 am to 5 pm

Fri – 8 am to 4:30 pm

contact

p: 323-848-6450

f: 323-848-6567

e: RSH@weho.org



www.weho.org

Annual General Adjustment for 9/1/2019 - 8/31/2020 is 2.25%

RENT CAN BE INCREASED ONCE A YEAR UP TO
THE ANNUAL GENERAL ADJUSTMENT.

The Annual General Adjustment (AGA) for West Hollywood tenants subject to the City's Rent Stabilization Ordinance (RSO) is 2.25% beginning September 1, 2019.

The AGA is 75% of the rise in the Consumer Price Index for Los Angeles-Long Beach-Anaheim all Urban Consumers from May to May rounded to the nearest one-quarter of one percent.

For May 2019 the CPI-U, which is determined by the Department of Labor's Bureau of Statistics,

increased 3.1% over May 2018. 75% of the May CPI-U is 2.325%.

Rounding to the nearest one-quarter of one percent results in an AGA of 2.25%.

Property Owners may increase rent after the first year, and then once every 12 months after the prior increase. Tenants must be given a written 30-day notice, or 60-day for Section 8.

Download the City's Rent Stabilization Guide www.weho.org/rent

NEW IN 2019!

REGISTER TENANCIES AND PAY BILLS ONLINE!

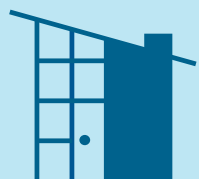
Find out more: www.weho.org/rent

The Annual General Adjustment (AGA) can be applied only after taking the following actions:

- Have registered the tenancy;
- Are current on annual program fees.
Tenancies beginning before January 1, 1996 do not need to be registered.
- To verify a tenancy is registered call 323-848-6450.

Rent Stabilization & Housing

CITY OF WEST HOLLYWOOD



RENT STABILIZATION NEWS

For Property Owners | July 2019

This West Hollywood Rent Stabilization newsletter contains useful information and tips for tenants and landlords. If there is any section of this newsletter that you do not understand, please call Rent Stabilization at 323-848-6450.

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.

City of West Hollywood
Rent Stabilization & Housing



www.weho.org/rent

Third Party Checks

State law requires landlords to accept third party checks as rent payments.

Third party checks help tenants pay rent or meet other financial obligations that are part of their lease.

Landlords must register new tenancies within 30 days.

REGISTER TENANCIES AND PAY BILLS ONLINE!

Find out more:
www.weho.org/rent

The \$6 Annual Program Fee Pass-Through

Currently, the annual RSO program fee is \$144 per year per unit. Landlords may pass through one-half of the fee to tenants, but the portion must be prorated over 12 months. The \$6 monthly passthrough is considered a rent surcharge.

When increasing the rent, landlords should be careful to deduct the pass-through from the tenant monthly payment before calculating the rent increase. Not deducting the passthrough will overstate the rent increase leading to overcharges you will have to repay the tenant.

Smoke-Free Apartment Regulations

On July 15, 2019, the City Council may review smoke-free programs for apartments and condominiums currently in effect in other cities including Beverly Hills, Santa Monica, and Berkeley.

Visit weho.org for more information.

2019 Free Workshops Know Your Responsibilities

A City of West Hollywood
Rent Stabilization Educational Series

LANDLORD BASICS

October 22, 2019 | 7PM

Gain a basic understanding of the Rent Stabilization Ordinance, landlord rights and responsibilities.

LANDLORD ADVANCED

October 29, 2019 | 7PM

Increase your knowledge of the RSO, reasonable accommodations, and resources.

Where:

Plummer Park
7377 Santa Monica Blvd, Room 5
West Hollywood, CA 90069

Register at:

323-848-6472 or
TTrevor@weho.org

Relocation Fees as of July 1, 2019

Unit Type	Amount
0 Bedroom	\$7,506
1 Bedroom	\$10,598
2 Bedrooms	\$14,275
3 or More Bedrooms	\$18,840
Qualified Tenant (62 or older, disabled, dependent minor child, terminally ill (or moderate income)	\$19,869
Lower Income Tenant	\$25,020

Relocation fees for permanently displacing a tenant are adjusted annually based on the May Consumer Price Index

A tenant still in possession of his or her unit on July 1 is entitled to the higher relocation fee even if the move-out notice was served prior.



More Information is available at:
www.weho.org/rent

Tenant Habitability Plan Required for Seismic Retrofitting

Before a landlord can receive a building permit for seismic retrofitting work to an occupied rental a plan demonstrating how the tenant will not be greatly impacted must be submitted to Rent Stabilization and Housing for approval.

Tenant Habitability Plans assist contractors design and complete work in a manner least impactful to occupants. Depending on the work proposed, a plan could include best practices, temporary relocation, or other actions to reduce impacts while completing the work.

More information is available online: www.weho.org/rent

The Mandatory Seismic Retrofitting Program Has Begun

The City has begun noticing owners of soft, weak, open face buildings. Property owners must have a licensed professional complete and submit a screening report in one year. If required, seismic retrofitting must be completed in 5 years of receiving the notice.

Details and required milestones can be found at www.weho.org/seismic

Remember to Register New Tenancies

The Rent Stabilization Ordinance requires new tenancies to be registered with the City in 30 days.

Landlords who do not register cannot raise rent for the tenant until the tenancy is registered. Landlords who raise the rent without registering must refund the amount paid by the tenant over the initial rental rate for up to 3 years.

Once the landlord files the required registration and repays any rent overcharges, the landlord may apply any Annual General Adjustments denied with the original non-compliance.

Landlords can verify registered tenancies: 323-848-6450.

Note: Registration is not required for tenants

Requirements for Buy Out Agreements

Property owners must provide information about relocation fees and other tenant rights when offering a cash payment in exchange for a tenant moving out of their rent stabilized apartment.

For more information visit: www.weho.org/rent

who moved-in before January 1, 1996

Registration Fees, and the Fee Pass-through

What is the annual rent program fee? It is a per unit fee billed to landlords of rent stabilized properties. It funds the administration of the Rent Stabilization Ordinance (RSO).

What is the registration fee pass-through? The RSO allows one-half of a unit's registration fee to be passed-through to its tenants as a rent surcharge. The tenants' portion must be prorated over 12 months. It cannot be charged as a lump sum. Section 8 units are not billed the tenant portion of the fee; therefore no tenant portion can be passed through.

How much is the fee? The fee is \$144 per unit. The \$72 tenant portion is prorated so that landlords can collect a \$6 rent surcharge every month. The registration fee for Section 8 tenancies is \$60 per unit, no part is passed through to tenants.

What Must a Landlord Do to Raise Rent?

California law requires a 30-day written notice to increase rent. The included form is not required but can be used as a guide for correctly calculating and applying rent increases.

Can landlords collect the fee pass-through retroactively? No. Landlords can only collect the pass-through monthly, at \$6 a month. If a monthly pass through is missed, it is not collectable.

Does Collecting the Pass-Through Limit Rent Increases? No. The fee pass-through is not rent. It is a surcharge that is applied after the rent increase is calculated. Landlords may increase rent by the Annual General Adjustment and then add the \$6 monthly pass-through.



WHAT LEGALIZING CANNABIS MEANS FOR PROPERTY OWNERS AND 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.

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.