

ORDINANCE NO. 175890

An ordinance amending Sections 162.04 D7 and 162.08 D1 of and adding Section 162.12 to the Los Angeles Municipal Code relating to the Rent Escrow Account Program (REAP).

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Subdivision 7 of Subsection D of Section 162.04 of the Los Angeles Municipal Code is amended to read:

7. (a) A notice that the City will collect a non-refundable administrative fee of \$50.00 per residential unit accepted into REAP per month;
- (b) A notice that the \$50.00 administrative fee per unit per month will be collected in accordance with Section 162.12, and that in addition to a personal obligation and all other remedies provided by law, pursuant to that section, the City may collect any judgment, fee, cost, or charge, including any permit fees, fines, late charges, or interest, incurred in relation to the provisions of this article as provided in Los Angeles Administrative Code Sections 7.35.1 through 7.35.8.

Sec. 2. Subdivision 1 of Subsection D of Section 162.08 of the Los Angeles Municipal Code is amended to read:

1. Any administrative fees authorized in Sections 162.07B1 and 162.12 that have not yet been collected. For units in which the tenant has not made individual rent payments into the escrow account, the administrative fee of \$50.00 per unit per month may be collected from the escrow account only upon termination of the escrow account. Before funds in the escrow account are paid for administrative fees, the Department shall process all applications for release of funds from the escrow account as described in Section 162.07B2,

Sec. 3. Article 2 of Chapter XVI of the Los Angeles Municipal Code is amended by adding a new Section 162.12 to read:

SEC. 162.12. COLLECTION OF REAP FEES.

The Department shall collect a non-refundable administrative fee of \$50.00 per residential unit accepted into REAP per month. Upon acceptance into REAP, owners shall be notified of the information contained in this Section.

A. Collection From Escrow Account: For each individual rent payment made into the escrow account, the administrative fee of \$50.00 per unit per month shall be collected from the escrow account in accordance with 162.07B1.

B. Collection Upon Termination: For units in which the tenant does not make an individual rent payment into the escrow account, the administrative fee of \$50.00 per residential unit accepted into REAP per month may be collected from the escrow account only upon termination of the escrow account in accordance with Section 162.08 D.

C. Collection Remedies: All costs incurred pursuant to this Section 162.12 shall be a personal obligation against the owner of the property, recoverable by the City in an action before any court of competent jurisdiction. In addition to the personal obligation and all other remedies provided by law, the City may collect any judgment, fee, cost, or charge, including any permit fees, fines, late charges, or interest, incurred in relation to the provisions of this Section 162.12 as provided in Los Angeles Administrative Code Sections 7.35.1 through 7.35.8.

D. Delinquent Fees and Late Fines: Fees are due per unit, for each month, including partial months, that the unit remains in REAP and is inhabited. Fees not paid by the owner within 60 days from the last day of each month that fees are due are deemed delinquent. A late fine may be imposed on delinquent fees equal to 100 percent of the amount due, if the owner is notified in accordance with Subsection E. Interest may also be charged where an owner fails to pay the fee or late fine, if the owner is notified in accordance with Subsection E. Interest shall be calculated at the rate of one percent per month, or fraction thereof, on the amount of the fee and late fine imposed, from the date the fee became delinquent until the date of payment.

E. Notice of Late Fine: If the Department determines pursuant to Subsection D that late fines and interest are due, then it shall notify the owner by United States mail in a sealed envelope, with postage paid, addressed to the last known address of the owner as that address appears in the last equalized assessment roll. The Department may also take reasonable steps to determine the address of the current owner. The notice of late fine shall state the amount of the fee due and that:

"if the fee is not remitted to the Department within 30 days after the date of mailing of this notice, the Department shall assess a late fine equal to 100 percent of the fee due. Any person who fails to pay the assessed fee and late fine shall also pay interest. Interest shall be calculated at the rate of one percent per month, or fraction of a month, on the amount of the fee and late fine, from the 30th day after the date of mailing of this notice until the date of payment. All costs incurred pursuant to LAMC Section 162.12 shall be a personal obligation against the owner of the property, recoverable by the City in an action before any court of competent jurisdiction. In addition to the personal obligation and all other remedies provided by law, the City may collect any judgment, fee, cost, or

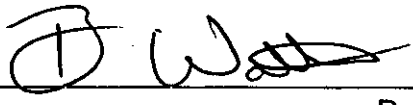
charge, including any permit fees, fines, late charges, or interest, incurred in relation to the provisions of LAMC Section 162.12 as provided in Los Angeles Administrative Code Sections 7.35.1 through 7.35.8."

Service of the notice of late fine shall be deemed to have been completed at the time of deposit with the United States Postal Service. The owner shall remit the fee to the Department within 30 days after the date of mailing the notice of the fee.

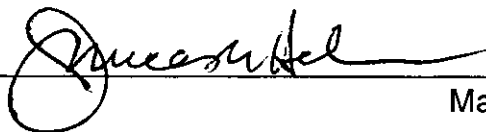
Sec. 4. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located in the Main Street lobby to the City Hall; one copy on the bulletin board located at the ground level at the Los Angeles Street entrance to the Los Angeles Police Department; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting of MAR 19 2004.

J. MICHAEL CAREY, City Clerk

By 
Deputy

Approved MAR 30 2004


Mayor

Approved as to Form and Legality

ROCKARD J. DELGADILLO, City Attorney

By 
SHIREEN RAHNEMA
Deputy City Attorney

Date OCT 30 2003

File No. CF 02-0990

DECLARATION OF POSTING ORDINANCE

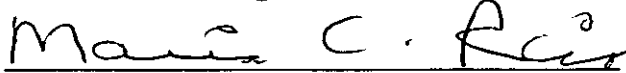
I, MARIA C. RICO, state as follows: I am, and was at all times hereinafter mentioned, a resident of the State of California, over the age of eighteen years, and a Deputy City Clerk of the City of Los Angeles, California.

Ordinance No. 175890 - Amending Sections 162.04 D7 & 162.08 D1 & adding Section 162.12 to the L.A.M.C. relating to the Rent Escrow Account Program (REAP) - a copy of which is hereto attached, was finally adopted by the Los Angeles City Council on March 19, 2004, and under the direction of said City Council and the City Clerk, pursuant to Section 251 of the Charter of the City of Los Angeles and Ordinance No. 172959, on April 2, 2004, I posted a true copy of said ordinance at each of three public places located in the City of Los Angeles, California, as follows: 1) One copy on the bulletin board at the Main Street entrance to Los Angeles City Hall; 2) one copy on the bulletin board at the ground level Los Angeles Street entrance to the Los Angeles Police Department; and 3) one copy on the bulletin board at the Temple Street entrance to the Hall of Records of the County of Los Angeles.

Copies of said ordinance were posted conspicuously beginning on April 2, 2004 and will be continuously posted for ten or more days.

I declare under penalty of perjury that the foregoing is true and correct.

Signed this 2nd day of April 2004 at Los Angeles, California.


Maria C. Rico, Deputy City Clerk

Ordinance Effective Date: May 12, 2004 Council File No. 02-0990

(Rev. 3/21/03)