

An ordinance amending Sections 12.95.2, 16.60, 47.06, 47.07, 47.08, 151.06, 151.07, 151.09, 151.30, 163.05, and 165.06 of the Los Angeles Municipal Code to revise the annual automatic rent adjustment formula for rental units subject to the Rent Stabilization Ordinance (RSO), eliminate rent adjustments for dependents added to an existing tenancy, and make other technical changes.

VERSION “A”

ORDINANCE NO. _____

An ordinance amending Sections 12.95.2, 16.60, 47.06, 47.07, 47.08, 151.06, 151.07, 151.09, 151.30, 163.05, and 165.06 of the Los Angeles Municipal Code to revise the annual automatic rent adjustment formula for rental units subject to the Rent Stabilization Ordinance (RSO), eliminate rent adjustments for dependents added to an existing tenancy, and make other technical changes.

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

Section. 1. Subdivision 1 of Subsection K, Section 12.95.2, Article 2.9, Chapter I of the Los Angeles Municipal Code is amended to read as follows:

K. Rental Housing Production:

1. As a condition of tentative map or preliminary parcel map approval, the Advisory Agency shall require that the applicant or the applicant's successor-in-interest pay to the City a fee of \$1,492 for each unit in a residential or residential to commercial/industrial conversion project, based on the number of units in the project prior to conversion. For the year beginning July 1, 2008, and all subsequent years, the fee amount shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. of this Code, except that the increase shall be based on 100 percent of the percentage change as determined by the Department. The adjusted amount shall be rounded to the nearest \$50 increment. This fee shall be paid prior to approval of the final map by the City Engineer.

Sec. 2. Sub-sub-subparagraph b. of Sub-subparagraph (ii), Subparagraph (3), paragraph (b), Subdivision 3., Subsection A., Section 16.60, Article 6.1, Chapter I of the Los Angeles Municipal Code is amended to read as follows:

b. The amount for the Section 8 Department Voucher Payment Standard, the determination of the affordable rent per Section 50053 of the California Health and Safety Code, and the estimated incidental moving costs shall be determined upon the adoption of this ordinance, and then adjusted annually according to the Consumer Price Index-All Urban Consumers. For the year beginning July 1, 2025, and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06.D. of this Code except that the increase shall be based on 100 percent of the percentage change as determined by the Department. The adjusted amount shall be rounded to the nearest \$50 increment. LAHD shall publish the amount annually; and

Sec. 3. Sub-subparagraph (vi), Subparagraph (3), Paragraph (b), Subdivision 3., Subsection A, Section 16.60, Article 6.1, Chapter I of the Los Angeles Municipal Code is amended to read as follows:

(vi) No demolition permit shall be issued unless LAHD provides a written clearance to the Department of Building and Safety stating that the owner has complied with the relocation assistance requirements of this section. The owner shall provide proof of compliance with the relocation assistance requirements of this section on a form provided by LAHD. The form shall be accompanied by a fee of \$45 per unit. The fee shall be adjusted annually pursuant to Section 151.06 D. of this Code, except that the increase shall be based on 100 percent of the percentage change as determined by the Department. LAHD shall publish the fee annually.

Sec. 4. Subdivision C of Section 47.06, Article 7, Chapter IV of the Los Angeles Municipal Code is amended to read as follows:

C. Relocation Assistance Required. In connection with the conversion of a building into a condominium, community apartment or stock cooperative, as those terms are defined in the California Government Code and Business and Professions Code, or into a hotel or apartment hotel or to a use permitted in any commercial zone, the landlord shall pay the City a fee for the purpose of providing relocation assistance by the City's Relocation Assistance Service Provider to each tenant in accordance with Subsection D of this section. The fee shall be \$971 for each unit occupied by a qualified tenant and \$604 for each unit occupied by other tenants, and an additional \$83 per unit administrative fee to pay for the administrative costs associated with this service. The fees, set forth above, may be increased annually pursuant to Section 151.06 D. of this Code except that the increase shall be based on 100 percent of the percentage change as determined by the Department.

This subsection shall not apply where a subdivision map application for condominiums, stock cooperative or community apartment purposes was filed for approval with the City prior to the issuance of the original certificate of occupancy for the building. A landlord's obligation to comply with Subsection D of this section does not exist prior to the time the landlord gives the notice of intention to convert required by Government Code Section 66427.1.

Sec. 5. Subsection C of Section 47.07, Article 7, Chapter IV of the Los Angeles Municipal Code is amended to read as follows:

C. Relocation Assistance Required. The landlord shall pay the City a fee for the purpose of providing relocation assistance by the City's Relocation Assistance Service Provider to each tenant in accordance with Subsection D of this section in connection with the demolition of a building or its relocation to another site for either of the following purposes: (1) to construct a new condominium, community apartment or stock cooperative, as those terms are defined in the California Government Code and

Business and Professions Code; or (2) to use the property for any commercial purpose. Where a landlord is required, pursuant to a condition of approval of a subdivision map, to give a tenant a notice of intention to demolish, the landlord's obligation to comply with this section does not exist prior to the giving of that notice. The fee shall be \$971 for each unit occupied by a qualified tenant and \$604 for each unit occupied by other tenants, and an additional \$83 per unit to pay for the administrative costs associated with this service. The fees, set forth above, may be increased annually pursuant to Section 151.06 D. of this Code except that the increase shall be based on 100% of the percentage change as determined by the Department.

Sec. 6. Subdivision 3 of Subsection C, Section 47.08, Article 7, Chapter IV of the Los Angeles Municipal Code is amended to read as follows:

3. Management shall pay the City a fee for the purpose of providing relocation assistance by the City's Relocation Assistance Service Provider to each tenant in accordance with Subsection D. of this section. The fee shall be \$971 for each unit occupied by a qualified tenant and \$604 for each unit occupied by other tenants, and an additional \$83 per unit administrative fee to pay for the administrative costs associated with this service. The fees, set forth above, may be increased annually pursuant to Section 151.06 D. of this Code except that the increase shall be based on 100 percent of the percentage change as determined by the Department.

Sec. 7. Subsection D of Section 151.06, Article 1, Chapter XV of the Los Angeles Municipal Code is amended to read as follows:

D. The maximum rent or maximum adjusted rent may be increased annually based on 90 percent of the difference between the average of the Consumer Price Index for All Urban Consumers for All items in Los Angeles-Long Beach-Anaheim, CA for the most recent consecutive 12-month period ending on September 30 and the average of the same index for the prior consecutive 12-month period ending on September 30, calculated as a percentage and rounded off to the nearest whole number.

The allowable annual rent adjustment shall be 90 percent of the percentage change rounded off to the nearest whole number as determined by the Department. If the allowable annual rent adjustment is less than one percent, a landlord may increase the maximum or maximum adjusted rent by up to one percent. In no event, however, may an annual rent increase under this subsection exceed four percent. An annual rent adjustment under this subsection may be applied to any annual rent increase that first becomes effective on or before July 1, through June 30, of each year. The Department shall publish in a newspaper of general circulation the allowable annual rent adjustment on or before May 30 of each year. No rent increase may be imposed pursuant to this subsection within twelve consecutive months of the effective date

of a prior rent increase pursuant to this subsection or Subsections A, B, C, D, or F.1 of this section.

Any annual rent increase not previously noticed and served during the period beginning June 1, 2025, through June 30, 2026, shall comply with this subsection. Any such rent increase shall not exceed three percent and shall not include any additional increase based on the landlord's payment of utilities.

A landlord shall not impose an annual rent increase for a rental unit pursuant to this subsection if any of the following apply:

1. The rental unit is the subject of a notice of noncompliance sent to the Franchise Tax Board pursuant to Revenue and Taxation Code Section 17274 as may be amended, and the violations that were the subject of the Notice have not been corrected;
2. The rental unit is the subject of a notice of rent reduction issued under to this chapter or a Notice of Acceptance into the Rent Escrow Account Program under Chapter 15, Article 2 of this Code, and the conditions that caused the placement have not been corrected; or
3. A criminal conviction has been obtained related to the landlord's failure to comply with a citation or order issued by the Department of Building and Safety, Fire Department, or the Los Angeles County Department of Health about the subject rental unit, and the conditions that caused the conviction have not been corrected.

Sec. 8. Paragraph (iii) of Subdivision (a), Subsection G, Section 151.06, Article 1, Chapter XV of the Los Angeles Municipal Code is amended to read as follows:

(iii) This subsection shall not apply for any dependent added to an existing tenancy.

Sec. 9. Subdivision 6 of Subsection A of Section 151.07, Article 1, Chapter XV of the Los Angeles Municipal Code is amended to read as follows.

6. (Deleted.)

Sec. 10. Paragraph (b) of Subdivision 2, Subsection A, Section 151.09 of the Los Angeles Municipal Code is amended to read as follows:

(b) The obligation to limit occupancy, provided that the additional tenant who joins the occupants of the unit thereby exceeding the limits on occupancy set forth in the rental agreement is either a dependent or the sole additional adult tenant. The landlord, however, has the right to approve or disapprove the prospective additional tenant, who

is not a dependent, provided that the approval is not unreasonably withheld; or

Sec. 11. The first three unnumbered paragraphs of Subsection G, of Section 151.09, Article 1, Chapter XV of the Los Angeles Municipal Code are amended to read as follows:

G. Except for relocation fees owed pursuant to the provisions of Subsection E. of Section 151.30 of this Code, if the termination of tenancy is based on the grounds set forth in Subdivisions 8., 10., 11., 12., 13. or 14. of Subsection A. of this section, then the landlord shall pay a relocation fee of: \$23,150 to qualified tenants and a \$11,000 fee to all other tenants who have lived in their rental unit for fewer than three years; \$27,400 to qualified tenants and a \$14,400 fee to all other tenants who have lived in their rental unit for three years or longer; or \$27,400 to qualified tenants and \$14,400 to all other tenants whose household income is 80% or below Area Median Income (AMI), as adjusted for household size, as defined by the U.S. Department of Housing and Urban Development, regardless of length of tenancy. Relocation fees owed for the termination of tenancy set forth in Subdivision 14. shall be based on the applicable provisions of the Uniform Relocation Act, California Relocation Assistance Act, or the amount set forth in this section. If more than one fee applies to a rental unit, the landlord shall pay the highest of the applicable fees. Tenants who claim eligibility based on their income shall file a statement with the Department verifying their income on a form prescribed by the Department. Requests for a hearing to appeal a decision regarding a tenant's relocation assistance eligibility, including disputes about eligibility for higher relocation assistance based on a tenant's income, age, length of tenancy, family status and/or disability status, must be filed in writing on the form prescribed by the Department and received by the Department within fifteen calendar days of the date of the Department's notification of its decision regarding tenant relocation assistance.

The Department shall charge a fee of \$300 per rental unit for any hearing request under this subsection to pay for the cost of the appeal hearing. For the year beginning July 1, 2026, and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. of this Code except that the increase shall be based on 100% of the percentage change as determined by the Department. The adjusted amount shall be rounded to the nearest \$50 increment.

If a termination of tenancy is required due to a governmental agency order to vacate or comply, and the subject property has an approved use as a single family home and the structure containing the single family home contains two dwellings, the landlord shall pay a relocation fee in accordance with Section 151.09 G. of this Code to the tenant(s) of the affected rental unit(s) within

15 days of receiving notice from the tenant(s) of their intention to terminate the tenancy.

Sec. 12. Paragraph (d) of Subdivision 1, Subsection G, Section 151.09, Article of the Los Angeles Municipal Code is amended to read as follows:

d. If the termination of tenancy is based on the grounds set forth in Subdivisions 8, 10, 11, or 12 of Subsection A of this section, then the landlord shall also pay the City a fee for the purpose of providing relocation assistance by the City's Relocation Assistance Service Provider, as defined in Sections 47.06.B and 47.07.B of this Code. The fee shall be \$971 for each unit occupied by a qualified tenant and \$604 for each unit occupied by other tenants, and an additional \$83 per unit to pay for the administrative costs associated with this service. The fees, set forth above, may be increased annually on or before May 30, of each year, pursuant to Section 151.06.D. of this Code except that the increase shall be based on 100 percent of the percentage change as determined by the Department. The Relocation Assistance Service Provider will provide the relocation assistance services listed in Sections 47.06.D and 47.07 D of this Code.

Sec. 13. Subsection E of Section 151.30, Article 1, Chapter XV of the Los Angeles Municipal Code is amended to read as follows:

E. Relocation Fees. A landlord who terminates a tenancy pursuant to the provisions of Subdivision 8. of Subsection A. of Section 151.09 of this Code shall pay a relocation fee pursuant to the provisions of Subsection G. of Section 151.09, except in the following circumstance:

If the termination of tenancy is based on the grounds set forth in Paragraphs (a) or (b) of Subdivision 8. of Subsection A. of Section 151.09 of this Code, and all of the following conditions exist: (1) the building containing the rental unit contains four or fewer rental units; (2) within the previous three years the landlord has not paid the fee authorized by this Subsection to any tenant who resided in the building; (3) the landlord owns, in the City of Los Angeles, no more than four units of residential property and a single-family home on a separate lot; and (4) any eligible relative for whom the landlord is recovering possession of the rental unit does not own any residential property in the City of Los Angeles; then the landlord shall pay a relocation fee of \$21,250 to qualified tenants and a fee of \$10,550 to all other tenants. If more than one fee applies to a rental unit, the landlord shall pay the highest of the applicable fees. For the year beginning July 1, 2026, and all subsequent years, the fee amounts shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. of this Code except that the increase shall be based on 100 percent of the percentage change as determined by the Department. The adjusted amount shall be rounded to the

nearest \$50 increment. The fee payment shall be made in accordance with the provisions of Subdivisions 1., 2., and 3. of Subsection G. of Section 151.09 of this Code, and the provisions of Subdivision 4. of Subsection G. of Section 151.09 apply to determine whether a relocation fee is owed.

Sec.14. Section 163.05 of Article 3, Chapter XVI of the Los Angeles Municipal Code is amended to read as follows:

SEC. 163.05. AMOUNT OF RELOCATION BENEFITS.

The relocation payment shall be made available by the landlord to the tenant in each residential unit and shall be in the amounts set forth in Section 151.09 G of this Code, or in an amount equal to the sum of two months of the established fair market rent for the Los Angeles/Long Beach area as determined by the Department of Housing and Urban Development pursuant to Section 1437(f) of Title 42 of the United States Code, whichever amount is greater.

Beginning on July 1, 2026, the relocation amount for qualified and all other tenants shall be adjusted on an annual basis pursuant to the formula set forth in Section 151.06 D. except that the increase shall be based on 100 percent of the percentage change as determined by the Department. The adjusted amount shall be rounded to the nearest fifty-dollar increment. If the relocation payment is based on the established fair market rent for the Los Angeles/Long Beach area as determined by the Department of Housing and Urban Development pursuant to Section 1437(f) of Title 42 of the United States Code, then the relocation payment shall also include an amount, as determined by the Enforcement Agency, sufficient for utility service deposits. The relocation benefits shall be paid by the landlord in addition to the return, as required by law, of any security deposits held by the landlord. The relocation benefits shall be made on a per residential unit basis.

Sec. 15. Subsection F of Section 165.06, Article 5, Chapter XVI of the Los Angeles Municipal Code is amended to read as follows:

F. If the termination of tenancy is based on the grounds set forth in Section 165.03 H, 165.03 I, 165.03 J, 165.03 K, or 165.03 N of this Code, then the landlord shall also pay the City a fee for the purpose of providing relocation assistance by the City's Relocation Assistance Service Provider, as defined in Los Angeles Municipal Code Sections 47.06 B and 47.07 B. The fee shall be \$971 for each unit occupied by a qualified tenant and \$604 for each unit occupied by other tenants, and an additional \$83 per unit to pay for the administrative costs associated with this service. The fees may be increased annually pursuant to the formula set forth in Section 151.06 D. of this Code except that the increase shall be based on 100 percent of the percentage change as determined by the Department. The Relocation Assistance Service Provider will provide the relocation assistance services listed in Los Angeles Municipal Code Sections 47.06 D and 47.07 D. These fees shall not be charged when Section 165.06 A.(6) applies.

Sec. 16. **SEVERABILITY.** If any portion, subsection, sentence, clause or phrase of this ordinance is for any reason held by a court of competent jurisdiction to be invalid such a decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each portion or subsection, sentence, clause and phrase herein, irrespective of the fact that any one or more portions, subsections, sentences, clauses or phrases be declared invalid.

Sec. 17. 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 at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

HYDEE FELDSTEIN SOTO, City Attorney

By P J Walford
PETER WALFORD
Deputy City Attorney

Date December 2, 2025

File No. _____

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The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____