



Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R25-0596
DEC 2 2025

REPORT RE:

DRAFT 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 Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 23-1134

Honorable Members:

Pursuant to your request, this Office has prepared and now transmits for your consideration, approved as to form and legality, the enclosed alternative draft ordinances that revise the rent adjustment formula of the Rent Stabilization Ordinance (RSO), and make other technical changes to the RSO to facilitate the revision and consistency between RSO sections. Transmitted herewith is: (1) a version "A" of the draft ordinance that includes an unrequested technical update to maintain consistency between sections; and (2) an alternative version "B" of the draft ordinance that excludes the technical update.

Background and Summary of Ordinances

The draft ordinances respond to the City Council (Council) November 12, 2025, request for amendments to the RSO, which adopts the November 5, 2025,

recommendation of the Housing & Homelessness Committee, as amended by Council Motions 47D, 47B and 47C, dated November 12, 2025.

The draft ordinances would: (1) limit annual allowable rent increases under the RSO to 90 percent of the change in the applicable Consumer Price Index; (2) establish a minimum allowable rent increase of one percent and a maximum allowable increase of four percent; (3) eliminate rent increases for landlord-paid utilities; (4) apply the new rent adjustment formula provisions to any annual rent increase not yet noticed or served in the 2025-2026 period; (5) eliminate the automatic ten percent rent increase for additional minor and adult dependents added to the tenancy; and (6) make technical changes to the Los Angeles Municipal Code (LAMC) relative to annual fee or relocation amount increases to ensure that the City may continue to adjust these amounts based on 100 percent of the change in the applicable Consumer Price Index, rather than the 90 percent that will be applicable to annual rent adjustments. These technical changes also include updates to the fee amounts in the applicable sections to reflect the amounts currently charged by LAHD.

Finally, draft version “A” includes a technical update to the section that governs eviction of tenancies where there is a breach of an occupancy limit. The change maintains consistency between LAMC Section 151.06.G.(a)(iii) and 151.09 A.2.(b). However, as the City Council did not expressly request this change, this Office also transmits an alternative draft version “B” which omits this amendment, so that the City Council may select the version that aligns with its intent.

CEQA Findings

This Office recommends that the City Council determine, based on the whole of the administrative record, that the adoption of this ordinance is exempt from the California Environmental Quality Act (CEQA) through Section 15061(b)(3) (common sense exemption) of the State CEQA Guidelines, and Article II, Section 1 of the City CEQA Guidelines, and that none of the exceptions under CEQA Guidelines Section 15300.2 apply. If the City Council concurs with the CEQA analysis, it should adopt these CEQA determinations prior to or concurrent with its action on the draft ordinance. The Office also recommends that the City Council direct the LAHD to file Notices of Exemption with the County Recorder’s Office following the adoption of the draft ordinance.

Council Rule 38 Referral

Pursuant to Council Rule 38, a copy of the draft ordinance will be sent to LAHD, with a request that any comments be transmitted directly to the City Council or its Committees when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Peter Walford at (213) 922-8374. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By 
JOHN W. HEATH
Chief Assistant City Attorney

JWH:PW
Transmittal