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HOUSING & HOMELESSNESS

MOTION

In addition to rent and utilities, amenities such as parking, a refrigerator, storage, or air conditioning units, are an important part of a lease agreement. Some amenities may be included as part of a tenant's rent and others may be accessed for an additional surcharge. The terms for amenities are not standardized and may vary from unit to unit and lease to lease, so it's important to ensure there is an ongoing clear understanding of what is and is not included on the part of both the tenant and the landlord.

In the city of West Hollywood, the Rent Stabilization Division has recognized the importance of clarity around amenities and instituted a process in which, as part of the Rent Stabilization Ordinance (RSO) re-registration process, landlords must report on the amenities included in the unit. These terms are then sent to the tenant to verify and, should there be any discrepancies in the parties' understandings of the rental amenities, an arbitration is initiated to resolve the dispute.

West Hollywood's RSO requires registration only at the beginning of a tenancy, whereas in Los Angeles, owners of RSO buildings are required to register annually. Were the City to adopt an amenity-reporting policy similar to that of West Hollywood, not only would those terms be formally memorialized, but there would be an opportunity each year to report any changes to those terms. Having those regular check-ins would eliminate the possibility of long-standing "handshake" or verbal agreements, which can ultimately lead to disputes, especially when there is a change in ownership.

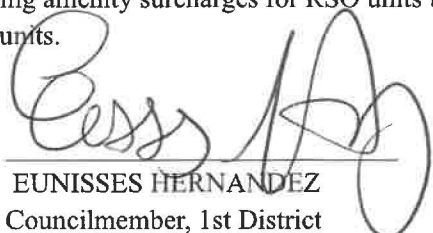
Establishing clarity around what is or is not included in a lease, though, is a solution to only one aspect of the tension that can arise around rental amenities. While an annual increase to the rent amount for the unit is regulated by the City's RSO, there is no such regulation on amenities. Especially in the instance of parking, RSO tenants often see large increases in cost from year to year that can turn a unit from affordable to out of reach. Since the overall cost including amenities to occupy a unit is not fully controlled by RSO limits, surcharge increases can be perceived as a way of skirting the intention of the RSO.

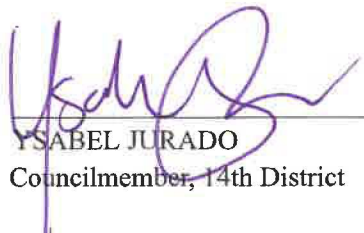
I THEREFORE MOVE that the Council instruct the Los Angeles Housing Department (LAHD) to report within 60 days on:

- Framework for incorporating a verification of lease terms during annual Rent Stabilization Ordinance (RSO) registration in which landlords must report all lease terms, including any amenities included with the rental cost or paid for on top of the rent amount including the rate at which those amenities are charged, and tenants are afforded the opportunity to review and dispute those terms before re-registration is confirmed.
- Feasibility of instituting an annual lease term verification process for non-RSO units similar to the reporting described above.
- Estimate of the funding and personnel necessary to effectuate the programs described above, including whether any operations could be implemented using existing resources.
- Proposed annual reporting process for tracking the success of the program, including the number of disputes filed and number of disputes resolved, as well as the percentage of units for which landlords have complied with the lease term filing.

I FURTHER MOVE that the Council instruct LAHD, with the assistance of the City Attorney, to report in 60 days on the feasibility of allowing amenity surcharges for RSO units to increase annually only by the percentage allowable for rent increases for RSO units.

PRESENTED BY:


EUNISSES HERNANDEZ
Councilmember, 1st District


YSABEL JURADO
Councilmember, 14th District

SECONDED BY:



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ORIGINAL