

RELOCATION ASSISTANCE

Rent Stabilization Bulletin

All tenant not-at-fault evictions require payment of relocation assistance and the filing of a *Declaration of Intent to Evict* form with the Los Angeles Housing Department (LAHD) prior to evicting tenants from units covered by the Rent Stabilization Ordinance (RSO) or the Just Cause Ordinance (JCO). Failure to file the Landlord Declaration with the LAHD makes the eviction a violation of the RSO or JCO.

Not-At-Fault Reasons for Eviction

1. The landlord evicts for the occupancy for her/himself, spouse, grandchildren, children, parents or grandparents, or a resident manager (Los Angeles Municipal Code (LAMC) 151.09.A.8, 165.03.H.). Evictions for the purpose of resident manager occupancy are allowed only if required by law or an affordable housing covenant or regulatory agreement. Landlords must comply with the restrictions and requirements of LAMC Section 151.30.
2. The landlord seeks in good faith to recover possession of the rental unit to demolish, convert to a commercial use, or remove the rental unit from rental housing use (LAMC 151.09.A.10, 165.03.I). For RSO units, these are considered Ellis Act (California Government Code 7060.4) evictions and the landlord must comply with the requirements of LAMC 151.22-151.28.
3. The landlord seeks to recover possession of the rental unit to complete substantial remodel, provided the landlord has secured permits necessary and served a copy of them with a written termination notice stating the reason for termination, the type of scope of the work, why the work cannot be reasonably accomplished in a safe manner with the tenant in place and why the work requires the tenant to vacate for at least 30 days. "Substantial remodel" shall have the same meaning as the term is defined in California Civil Code Section 1946.2. This is only for units which are subject to JCO and not for RSO units. (LAMC 165.03.I.(2))
4. The landlord evicts to comply with a governmental agency's Order to Vacate (LAMC 151.09.A.11, 165.03.J.). Landlords must file a Landlord *Declaration of Intent to Evict* prior to giving notice to tenants. A copy of the notice must also be filed with LAHD no later than 3 days after it is served. Notices can only be served after the landlord files the Declaration with LAHD.
5. The Secretary of Housing and Urban Development is both the owner and plaintiff and seeks to recover possession to vacate the property prior to sale (LAMC 151.09.A.12, 165.03.K.).
6. Residential Hotel Unit conversion or demolition (LAMC 151.09.A.13, 165.03.L.).
7. The landlord seeks to recover possession of the rental unit to convert the subject property to an affordable housing accommodation (LAMC 151.09.A.14, 165.03.M.).
8. The landlord demolishes the property or converts the use of the property to condominiums, stock cooperatives, community apartment projects, hotels and commercial uses, regardless of whether the property is subject to the RSO OR JCO (LAMC 47.06 & 47.07).



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How Much Relocation Assistance Is Required?

The amount of relocation fees due to the tenant by the landlord depends on whether the tenant is an **eligible** or **qualified** tenant, the length of tenancy, and the tenant's income. Relocation Assistance is paid per unit, not per tenant. For relocation amounts, refer to the Relocation Assistance and the HUD Low Income Limits charts on page 3.

- **Qualified tenant** - A qualified tenant is any tenant who on the date of service of the written notice of termination is 62 years of age or older; handicapped, as defined in Section 50072 of the California Health and Safety Code, or disabled, as defined in Title 42 of the United States Code, Section 423; or who has one or more minor dependent children (as determined for federal income tax purposes).
- **Eligible tenant** - Unless a tenant is a qualified tenant as explained above, the tenant is an eligible tenant and is entitled to receive a relocation assistance amount that depends on length of time in the unit and income.
- **Low Income Tenant** - A tenant whose income is 80 percent or less of the Area Median Income, as adjusted for household size, as defined by the U.S. Department of Housing and Urban Development, regardless of the length of tenancy.
- **Mom and Pop properties** may pay reduced relocation assistance payments to their tenants for a good faith eviction for occupancy by the owner or eligible relative, provided that requirements in Section 151.30 of the LAMC are met. This applies only for evictions for occupancy by owner, family or manager.
- **Single Family Dwellings Owned by Natural Persons** When the residential real property is a single-family dwelling subject to the JCO and the owner is a natural person, including natural persons who hold properties in a trust or registered legal entity controlled by that natural person, who owns no more than four dwelling units and a single-family home on a separate lot in the City of Los Angeles: one month's rent that was in effect when the landlord served the written notice to terminate the tenancy, as either a monetary payment or credit. Los Angeles Municipal Code Section 151.30(E) shall not apply. (LAMC 165.06.A.(6)).

The reduced fee for Mom and Pop properties applies, if all of the following conditions exist:

1. The building containing the rental unit contains four or fewer rental units;
2. The landlord has not utilized this provision during the previous three years;
3. The landlord owns no more than four units of residential property and a single-family home on a separate lot in the City of Los Angeles; and
4. Any eligible relative for whom the landlord is recovering possession of the rental unit does not own residential property in the City of Los Angeles.



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Relocation Assistance Amounts Effective July 1, 2023 through June 30, 2024

Tenant Household	Tenants with Less Than 3 Years	Tenants with 3 or More Years	Tenants Qualifying Under HUD Low Income Limits (Regardless of Length of Tenancy)	Tenants Renting Units in Mom & Pop Properties	Single Family Dwelling owned by natural person (JCO only)
Eligible Household	\$9,900	\$12,950	\$12,950	\$9,500	One month's rent
Qualified Household	\$20,850	\$24,650	\$24,650	\$19,150	

2024 HUD Low Income Limits for Los Angeles (Formerly known as 80% of AMI)

Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<u>Income Limit</u>	\$77,700	\$88,800	\$99,900	\$110,950	\$119,850	\$128,750	\$137,600	\$146,500

A tenant whose income is 80 percent or less of the Area Median Income, as adjusted for household size, as defined by the U.S. Department of Housing and Urban Development. (Effective April 1, 2024)

How and When Shall Landlords Provide Payment

The Ordinance requires that relocation assistance payments be made as follows:

1. The entire fee shall be paid to a tenant who is the only tenant in a rental unit.
2. If two or more tenants occupy a rental unit, then each tenant shall be paid an equal prorate share of the fee.
3. If more than one fee payment amount applies to a unit, the landlord pays the higher amount for the unit.

The Ordinance requires timely relocation assistance payments as follows:

1. Payment shall be made available within fifteen (15) days of service of the written notice of eviction; however,
2. The landlord may, at the landlord's sole discretion and at the landlord's cost, elect to pay the monetary relocation benefits through an escrow account. The monies must be placed in the escrow account within the required 15-day period. The escrow account must provide for payments to the tenant(s) for actual relocation expenses incurred by the tenant prior to vacating the unit for the following relocation expenses: first and last month's rent; security deposit; utility connection charges; moving expenses. Payments from the escrow account shall be made within three (3) working days of receiving a request for payment. The remaining balance of the escrow account shall be disbursed upon certification of vacation of the rental housing unit. (Refer to bulletin *How to Set-Up Relocation Escrow Accounts* or RAC Regulations, Section 960.00.



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Exemptions from Relocation Assistance Payments

Landlords are exempt from paying relocation assistance when:

1. Evicting a resident manager to replace him/her with another resident manager. If the resident manager is a *Manager-Tenant* receiving free or reduced rent with no other compensation, he/she may be entitled to relocation assistance. (See RAC Regulations 920.00, Managers as Tenants.)
2. They are required to evict due to hazardous conditions caused by a natural disaster and, therefore, not caused by any negligence on the part of the landlord.
3. Relocation Offset: A landlord may offset the tenant's accumulated rent against any relocation assistance, unless the relocation assistance is owed because a termination of tenancy is required by a governmental agency order to vacate or comply issued for an unpermitted dwelling. (LAMC 151.09.G,5., 165.06.J.).

Administrative Fees Related to Relocation Assistance

1. All landlords who file an application which requires relocation assistance to be provided to tenants shall pay the *Relocation Service Fee*, according to the tenants Eligible or Qualified status AND a *Relocation Administrative Fee* per rental unit.
2. All property owners that seek the LAHD's clearance of a Planning or Building and Safety Department demolition permit shall pay a *Demolition Monitoring Administrative Fee*.
3. Requests for a hearing to appeal a decision regarding a tenant's relocation assistance eligibility for higher relocation assistance based on a tenant's income, age, length of tenancy, family status and/or disability status must be filed along with the *Relocation Assistance Dispute Resolution Fee* (LAMC 151.09.G, 165.06.C.).
4. When the termination of tenancy is due to recover possession of the rental unit for use of occupancy as a primary place of residence by the landlord, landlord's qualified family member, or resident manager, the landlord shall pay an administrative fee for the filing of the application (LAMC 151.09.C.2, 165.06.F.).

FEE TYPE	FEE PER UNIT
Relocation Service Fee for Eligible Tenants	\$561
Relocation Service Fee for Qualified Tenants	\$902
Relocation Service Administrative Fee	\$77
Demolition Monitoring Administrative Fee	\$45
Relocation Assistance Dispute Resolution Fee	\$300
Landlord Declaration for Owner, Eligible Relative, or Resident Manager Occupancy Filing Fee	\$75



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RELOCATION ASSISTANCE QUESTIONS

Can a tenant request relocation fees and services prior to being served with a Notice to Terminate Tenancy, if a tentative parcel or tract map for a condominium conversion has been approved?

If a tentative parcel or tract map for a condominium conversion has been approved by the City of Los Angeles Planning Department, the tenant may elect to relocate without receiving a *Notice to Terminate Tenancy* from the landlord (LAMC Sec. 47.06.D.2). The landlord is still responsible for the payment of relocation assistance in these cases.

How and where do I establish an escrow account, if I choose to do so?

The landlord may place the escrow account in any bank, savings and loan association, or credit union with federal deposit insurance, or with any broker who is licensed by the California Corporate Commission, or with a client trust account of an attorney currently eligible to practice law in California pursuant to the records of the State Bar of California that is reasonably accessible to the tenant(s) during normal business hours. (RAC Regulations, Section 960.00.)

On what basis does a tenant file a complaint, and how?

Non-payment dispute - In an action by the landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense the failure of the landlord to provide relocation assistance. Complaint forms may be obtained and filed with the LAHD for illegal eviction when the landlord has not provided relocation assistance.

Escrow Dispute - Where there is an escrow dispute, dispute notices must be sent to the LAHD by the escrow holder. A copy of the escrow instructions must accompany the notice. (RAC Regulations, Section 967.00.)

THIS INFORMATION IS OFFERED FREE OF CHARGE TO THE GENERAL PUBLIC.

While this publication is designed to provide accurate and current information about the law, readers should consult an attorney or other expert for advice in particular cases, and should also read the relevant statutes and court decisions when relying on cited material. Laws and guidelines are frequently amended. The LAHD recommends that you verify information in the event that new changes are not yet reflected in this publication. The LAHD does not assume and hereby disclaims any liability to any party for any loss, damage, or disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident, or any other cause.

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