LANDLORD NOTIFICATION OF TENANTS OF THE ANNUAL AUTOMATIC RENT INCREASE PERCENTAGE AND EFFECTIVE DATES FOR THIS INCREASE

Rent Adjustment Commission (RAC) Regulations • Section 360.00 • Effective January 1, 1986 • Amended November 3, 2011

360.00 LANDLORD NOTIFICATION OF TENANTS OF THE ANNUAL AUTOMATIC RENT INCREASE PERCENTAGE AND THE EFFECTIVE DATES FOR THIS INCREASE

361.00 DEFINITIONS

A. NOTIFICATION OF TENANTS OF THE PERCENTAGE INCREASE PERMITTED BY THE ANNUAL AUTOMATIC INCREASE AND THE EFFECTIVE DATES OF THIS INCREASE

Notification of tenants of the reason for any change in the Maximum Rent is contained in LAMC 151.05 C: “The landlord shall maintain records setting forth the maximum rent for each rental unit. Each landlord who demands or accepts a higher rent than said maximum rent shall inform the tenant or any prospective tenant of the rental unit in writing of the factual justification for the difference between said maximum rent and the rent which the landlord is currently charging or proposes to charge.”

B. MAXIMUM RENT

Maximum Rent is defined in LAMC 151.02: “The lowest legal monthly rate of rent which was in effect for the rental unit during any portion of the month of April 1979. If a rental unit was not rented during said month, then it shall be the highest legal monthly rate of rent effective between October 1, 1978 and March 31, 1979.”

C. MAXIMUM ADJUSTED RENT

Maximum Adjusted Rent is defined in LAMC 151.02: “The maximum rent plus any rent increases subsequently made or granted pursuant to Sections 151.06, 151.07, or 151.08 of this chapter and less any rent reduction required by regulations promulgated by the Commission pursuant to Section 151.08 of this chapter or imposed pursuant to Section 162.00 et seq. of this Code; provided, however, as used in Section 151.06 of this chapter, this term shall not include:

1. any increase for capital improvement work or rehabilitation work, if the rent increase was approved by the Department on or after January 1, 1981, and the work was begun prior to June 1, 1982; or
2. any increase for capital improvement work where the application for a rent increase is filed with the Department on or after October 1, 1989; or
3. any increase for smoke detectors installed on or after January 1, 1981; or
4. Any increase for rehabilitation work where the application for a rent increase is filed with the Department on or after January 1, 1999.”
D. OBLIGATION TO PROVIDE TENANTS WITH A COPY OF THE ANNUAL REGISTRATION CERTIFICATE

The requirement for landlords to provide each tenant a copy of the annual registration certificate is contained in LAMC 151.05 A: “On and after July 1979, no landlord shall demand or accept for a rental unit without first procuring and serving on the tenant or displaying in a conspicuous place a valid written registration statement from the Department or its designee. On or after April 30, 1983, no landlord shall demand or accept rent for a rental unit without first serving a copy of a valid registration or annual registration renewal statement on the tenant of that rental unit.”

362.00 INCLUSION OF ANNUAL RENT INCREASE INFORMATION ON THE DEPARTMENT-ISSUED RENT REGISTRATION CERTIFICATE

362.01 Starting no later than January 1, 1987, the Department shall provide with the annual rent registration certificate given to landlords who register rental property subject to the Rent Stabilization Ordinance printed information that the landlord must provide to each tenant so that the tenant will be made aware of the annual automatic rent increase percentage authorized for that calendar year, and the effective dates for the increase.

362.02 As required by LAMC 151.05 A, no landlord shall demand or accept rent without first giving each tenant a copy of the rent registration certificate containing the printed explanation of the annual automatic rent increase supplied by the Department.

363.00 INCLUSION OF ANNUAL RENT INCREASE INFORMATION ON ANY ANNUAL AUTOMATIC RENT INCREASE NOTICE GIVEN BY A LANDLORD TO A TENANT

363.01 At the time the landlord gives a tenant the legal notice required by state law (California Civil Code § 827), of the annual automatic rent increase, the landlord must also provide the tenant, as required by LAMC 151.05 C, an explanation of the percentage increase and the effective dates of such an increase.

364.00 TEMPORARY RENT DISCOUNTS

364.01 Landlords may offer temporary rent discounts from the Maximum Adjusted Rent.

364.02 Provided that the landlord has provided proper notice of the Maximum Adjusted Rent, the granting of a temporary rent discount shall not affect the Maximum Adjusted Rent which the landlord may legally charge for the rental unit.

364.03 In order to avoid disputes upon restoration of the legal rent, landlords are strongly encouraged to provide written notification of the Maximum Adjusted Rent, the amount of the temporary rent discount, and the temporary rent discount period.

364.04 A landlord may cancel the temporary rent discount and restore the Maximum Adjusted Rent by providing a 30- or 60-day notice required by state law (California Civil Code § 827) dependent upon whether the change exceeds 10 percent, including the effective date of the restoration to the Maximum Adjusted Rent.
In order to apply an annual rent increase pursuant to Section 363.01, during a temporary rent discount period, the landlord must comply with the notice requirements of LAMC 151.05 C.