

ADJUSTMENT OF RENT FOR ADDITIONAL TENANTS

Rent Adjustment Commission (RAC) Regulations • Section
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September 19, 2011

Rent Adjustment Commission Regulations & Guidelines

310.00 ADJUSTMENT OF RENT FOR ADDITIONAL TENANTS

310.01 A landlord may increase the rent when a new tenant moves in with existing tenants in accordance with the provisions of this regulation.

310.02 The landlord may increase the maximum rent or the maximum adjusted rent by an amount not to exceed 10% for each additional tenant if the additional tenant increases the number of tenants that existed at the inception of the tenancy of the current occupants except as follows:

- When the landlord had actual or constructive knowledge of the additional tenant for more than 60 days and failed to issue a rent increase. (LAMC 151.06G(a)(i))
- When the landlord had actual or constructive knowledge of the additional tenant's occupancy prior to July 15, 2011, and failed to notify the tenant of an increase no later than September 12, 2011. (LAMC 151.06G(a)(ii))

A change in ownership and/or the sale of the property does not create a new 60-day period to assess an additional tenant rent increase for existing tenants.

310.03 A new occupant does not become an additional tenant until he/she has maintained residence in the rental unit for at least 30 consecutive days. Persons who stay with the existing tenants for less than 30 consecutive days shall be considered guests. The provisions of this section do not authorize the landlord to increase the rent for guests. (LAMC 151.06G)

310.04 If the landlord has increased the rent for additional tenants and a tenant vacates the premises, the landlord shall reduce the rent pursuant to the provisions of this section.

Rent Adjustment Commission Regulations & Guidelines

In order to obtain a rent decrease, written notification from the tenant must be provided to the landlord stating by name, the additional tenant that will be vacating or has vacated the rental unit and the move-out date.

The landlord shall reduce the rent based on the amount of the prior increases for additional tenants plus annual adjustments authorized under the Rent Stabilization Ordinance (RSO). The reduction shall be effective on the rent due date for the following month, provided at least 30 days has elapsed from the service of the tenant's written notification to the landlord. There shall be no pro-rated, partial month reductions.

The reduction shall be based on the extent to which the remaining number of tenants exceeds the number of tenants at the inception of the tenancy of the original occupants of the current lease term. For example, if there were originally two tenants and the landlord increased the rent 20% because two additional tenants moved in, the landlord shall decrease the rent by 10% when one of the tenants moves out.

310.05 The landlord must notify the tenants in writing of an adjustment in the rent in accordance with California Civil Code Section 827.

310.06 The provisions of this regulation shall apply only to any additional tenant who first occupies a rental unit after December 8, 1990. (LAMC 151.06G)

310.07 If the landlord legally imposed a rent increase of up to 10% prior to December 8, 1990, for an additional tenant, the rent increase shall remain part of the allowable maximum adjusted rent. If a tenant vacates the unit and the landlord had imposed a rent increase for additional tenants under this section, the landlord shall reduce the rent pursuant to the provisions of section 310.04.

311.00 **Addition of Minor Dependent Children**

311.01 For the purposes of this regulation, a minor dependent child is a child under the age of 18 who is the natural, adopted or step child of an existing tenant of record, or a minor sibling or step-sibling of an existing tenant of record, or a child placed with an existing tenant of record for adoption, or a foster child placed with an existing tenant of record by an authorized placement agency or by order of the court.

311.02 The landlord may not increase the rent or maximum adjusted rent for an additional tenant if the additional tenant is the first minor dependent child of an existing tenant of record.

311.03 For purposes of this regulation, multiple births shall be considered as one child.

Rent Adjustment Commission Regulations & Guidelines

- 311.04 After the first minor dependent child (or children in the case of a multiple birth) added to an existing tenancy, a landlord may increase the rent or maximum adjusted rent for each additional child for an amount not to exceed 10% pursuant to the provisions of this regulation.
- 312.00 **Approval of Additional Tenant**
- 312.01 The landlord shall maintain the right to approve or disapprove a prospective adult tenant, provided that approval is not unreasonably withheld. (LAMC 151.09 A2b)
- 312.02 In approving an additional tenant, the landlord may apply commonly accepted standards for screening tenants including the tenant's rental history, ability to pay the monthly rent, creditworthiness and employment.
- 312.03 The landlord and the existing tenants may agree to enter into a revised rental agreement to include the additional tenant as a tenant of record. If the landlord does not enter into a revised rental agreement with the existing tenants and the additional tenants, the existing tenants shall be deemed responsible for payment of all rent due to the landlord, including the increased rent for the additional tenants.
- 312.04 The landlord may evict an occupant not approved by the landlord if the occupant is the sole person remaining in possession of the rental unit at the end of a lease term (LAMC 151.09.A.7), or the landlord may rent the unit to the occupant. The initial rent shall be set at any amount by the landlord.
- 312.05 Where there is a written lease agreement limiting occupancy, and an additional tenant moves into the unit, thereby exceeding the occupancy limit, the landlord may not evict the additional tenant in the following circumstances:
- the additional tenant is the first or second dependent child; or
 - the additional tenant is the sole additional adult tenant and the landlord has unreasonably withheld approval of the additional tenant. (LAMC 151.09.A.2.b)
- 312.06 A landlord shall not approve additional tenants in excess of the maximum number of occupants permissible for the unit under state law where such limits exist.

Rent Adjustment Commission Regulations & Guidelines

313.0 Replacement Tenants

- 313.01 When an original tenant of record vacates the rental unit, the tenant may be replaced without an increase in rent, provided the resulting total number of tenants does not exceed the number of tenants that existed at the inception of the tenancy. However, when all the original tenants have vacated the rental unit, the rent may be increased in accordance with LAMC 151.06C (vacancy de-control).
- 313.02 Adults and/or children may substitute for each other as replacement tenants. A child may be replaced with an adult tenant or vice versa.
- 313.03 Prior Section 311.00, which allows the addition of the first minor dependent child without an additional tenant rent increase shall be exercised only once per tenancy. If the first minor child added to the tenancy vacates the rental unit, the rent may be increased for any additional tenant in accordance with this regulation.

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