

SUBSTANDARD HOUSING- RELIEF REGULATIONS

Rent Adjustment Commission (RAC) Regulations • Section
940.00 • Effective May 20, 1982

Rent Adjustment Commission Regulations & Guidelines

940.00 SUBSTANDARD HOUSING - RELIEF REGULATIONS

940.01 A landlord whose building has been identified as substandard, and for which a notice of non-compliance has been sent to the Franchise Tax Board pursuant to Section 17299 of the Revenue Code, is not eligible to raise rents under the automatic annual increase provisions of LAMC 151.05 until such time as the public agency which issued to notice determines that the rental unit has been brought to a condition of compliance. (LAMC 151.06D)

940.02 However, where the landlord has corrected all hazardous life-endangering conditions and is now making a good faith effort to correct the remaining deficiencies, the landlord may apply to the Department for relief from the restriction imposed by LAMC 151.06 D in accordance with the standards, policies, and procedures listed below. (LAMC 151.06D)

940.03 A landlord must submit evidence and information that will demonstrate conclusively that the landlord has made and is making a good faith attempt to correct all remaining deficiencies. Among the factors that a landlord may use to prove this good faith effort are the following:

- a. that the landlords has made a serious effort to correct the deficiencies that could be made easily and without major express;
- b. that the landlord is in the process of correcting deficiencies that are more difficult to correct or that require large financial investment;
- c. that where total compliance may be difficult and expensive, partial compliance has been attempted;
- d. that the landlord has a timetable for correcting all remaining deficiencies;

SUBSTANDARD HOUSING-RELIEF REGULATION

Rent Adjustment Commission Regulations & Guidelines

- e. that the landlord has obtained or is attempting to obtain financing for deficiencies that will be expensive to correct;
- f. that compliance has been prevented or delayed by changes in Federal State or City laws that increase the cost of compliance or have added to the difficulty of correction;
- g. that the current owner did not own the property at the time of citation or at the time the notice was sent to the Franchise Tax Board, and that the new owner has made significant progress in correcting deficiencies since the purchase of the property;
- h. that the owner agrees to place any rent increase permitted under LAMC Section 151.06 in an escrow account for the sole purpose of paying for deficiencies not yet corrected;
- i. that a significant cause for the landlord's inability to correct deficiencies is due to vandalism or other damage to the property not the fault of the landlord;
- j. that the number of deficiencies for which the landlord was cited, by reason of the volume alone, have made it impossible to correct all deficiencies at the time the relief application is made;
- k. that some or all of the deficiencies are the result of citations under recent changes in codes not originally applicable to the building.

941.00 APPLICATION FOR RELIEF

941.01 To obtain relief from the prohibition against raising rents otherwise permitted by LAMC Section 151.06, the landlord must obtain written permission of the Department.

941.02 The landlord may obtain written permission by completing an application and mailing it to the City at the address listed on the application. The application to the building form is titled:

ASUBSTANDARD RELIEF APPLICATION@

941.03 There is no charge to a landlord for application for relief from the prohibition of LAMC 151.06.

941.04 In no event will relief be granted until the landlord has registered the units as required by law. The landlord must attach to the application a photocopy of the landlord's registration certificate issued by the City or a photocopy of the canceled check or a re-

SUBSTANDARD HOUSING- RELIEF REGULATION

Rent Adjustment Commission Regulations & Guidelines

ceipt from the City showing that the registration fee required by LAMC Section 151.06 A has been paid.

- 941.05 Photocopies of all pertinent information possessed by the landlord must be attached to the application. This includes, but is not limited to:
- a. the original citation from the public agency which noted the deficiencies and ordered the landlord to make improvements;
 - b. the notice of non-compliance sent to the Franchise Tax Board;
 - c. any court orders issued relative to the improvements demanded by the public agency ;
 - d. citations from appropriate provisions of Federal, State, or City law that might mitigate the demand for improvements made in the original citation of the public agency or in the notice on non-compliance.
 - e. invoices, bids, financial documents, cancelled checks and any other relevant papers related to compliance with the original citation.
- 941.06 Materials attached to the application will not be returned. When a photocopy of a document is submitted, the landlord must upon the request of the Department; show to the Department or to a hearing officer, the original document from which any photocopy was made. The landlord may provide photographs, if such exist, of the property and the cited offenses that would assist the Department in expediting the landlord's application.
- 941.07 The landlord may not make any rent increase permitted by LAMC 151.06 until such time as the landlord has either complied fully with the original citation and the agency which issued the complaint has certified that the landlord is in compliance, or the Department has certified that the landlord has demonstrated good faith and can legally raise rents as permitted in LAMC 151.06.
- 942.00 PROCEDURES TO BE FOLLOWED BY THE DEPARTMENT IN PROCESSING A SUBSTANDARD RELIEF APPLICATION**
- 942.01 A Department staff officer will review the application to determine if the landlord has supplied the necessary documents required to meet all the requirements of the Ordinance and the Commission's regulations.
- 942.02 In the event that an application lacks required documents or there is clear evidence that the applicant is not eligible to apply for relief, the application will be returned

SUBSTANDARD HOUSING-RELIEF REGULATION

Rent Adjustment Commission Regulations & Guidelines

with an explanation as to why the application cannot be accepted.

- 942.03 If an application is returned by the Department because of missing documents, the landlord may re-submit the application after obtaining the necessary documents.
- 942.04 Unless suspended as specified below, a recommendation will be made to the Rent Adjustment Commission by the Department to allow or disallow the landlord application for relief within 45 days from the date of receipt of the application.
- 942.05 Where the Department initially accepts the application but later finds incomplete documentation, the application may be suspended for a 30 day period (or longer with the landlord=s consent) commencing upon the date of mailing of the notification to the landlord of the documentation or other information needed.
- 942.06 The Department will notify the citing agency and each tenant listed in the application that the landlord has requested relief from the prohibition against raising rents otherwise permitted by LAMC Section 151.06. This notification will include a photocopy of the face sheet of the application so the tenants will know the basis of the landlord=s claim to relief based on Agood faith@ efforts to correct the cited offenses.
- 942.07 The tenants will be notified by the Department that they have 10 days from the date of mailing of such notification to object to the granting of relief. These objections must be made on grounds related to the relief application. Objections cannot be made on frivolous grounds, or on grounds unrelated to the cited deficiencies. For example, if a tenant charges that the landlord had made an illegal reduction of services unrelated to the citation for deficiencies, or that the landlord had illegally raise the rent prior to the report of the deficiencies to the Franchise Tax Board, these objections would not be considered by the Department or Commission in granting or not granting relief. Only Agood faith@ efforts to comply with the deficiencies noted in the citation, the notice of which was forwarded to the State Franchise Tax Board, will be considered and acted upon. Examples of legitimate complaints would be cases where the landlord had illegally raised the rent under the automatic increase provisions after the Franchise Tax Board had been notified, or where the landlord had not made the attempts to end the deficiencies claimed in the application.
- 942.08 Written tenant responses which have a hearing on the Department recommendation and any factors presented at any informal hearing will become part of the public record. Tenant complaints that are unrelated to the cited deficiencies will be sealed and will not be available to other parties.
- 942.09 The Department staff member handling the application may contact the landlord, the tenants, or any person of firm listed in the documentation supplied by the landlord. The citing agency will also be contacted for a report on the current status of the citation.

SUBSTANDARD HOUSING- RELIEF REGULATION

Rent Adjustment Commission Regulations & Guidelines

- 942.10 If an application is suspended, as provided in 942.05 above, and at the end of the suspension time the landlord has not supplied the information or documents requested by the Department, the Department will make a recommendation to the Commission on the basis of the information and documents already supplied.
- 943.00 **PROCEDURES TO BE FOLLOWED AFTER THE DEPARTMENT REPORT AND RECOMMENDATION IS SUBMITTED TO THE RENT ADJUSTMENT COMMISSION**
- 943.01 The Department report and recommendation on a substandard relief application will be submitted to the Rent Adjustment Commission within the time limits prescribed in 942.02, 942.05, and 942.10 above.
- 943.02 A copy of the report and recommendation will be mailed to the Commission and the parties at least 10 days prior to the meeting with notice of the date and time of the Commission meeting at which the report will be considered.
- 943.03 When the Commission considers the recommendation, the Commission shall permit brief oral statements by the parties, for a period of time to be determined by the Commission, and may in its discretion, receive newly discovered evidence or remand the matter to the Department of Hearing Officer for an evidentiary hearing.
- 943.04 The Commission may accept, reject, or modify the Department recommendation; or order a hearing to be conducted by a hearing officer to be selected by the Department; or order a hearing to be conducted by a Hearing Board consisting of at least three Commissioners.
- 943.05 If a hearing is held by a Commission Hearing Board, the decision of that Board shall be made no later than 20 days following hearing and shall be final.
- 943.06 If a hearing is conducted by a hearing officer, the report and recommendation of the hearing officer shall be submitted to the Commission. The hearing shall be held and the report and recommendation of the hearing officer shall be submitted to the Commission not later than 20 days after the hearing is ordered by the Commission consideration according to the procedures established in 943.02, and 943.03 above. Following consideration by the Commission, the Commission shall accept, reject or modify the hearing officer's recommendation.
- 943.07 If there is no quorum at the Commission meeting at which a relief application is scheduled for consideration, the item will be held over or scheduled for a special meeting, as the chairperson of the Commission may direct.
- 943.08 If the Commission approves an application for relief from the prohibition of LAMC 151.06 D, the landlord may increase the rents under the automatic increase provisions of the Ordinance, subject to whatever conditions may be contained in the Commission

SUBSTANDARD HOUSING-RELIEF REGULATION

Rent Adjustment Commission Regulations & Guidelines

approval to ensure the continued good faith efforts of the landlord to correct completely all cited offenses.

- 943.09 Relief shall be limited to one calendar year from the date on which the relief application is approved by the Commission. Landlords must reapply for relief for subsequent years.
- 943.10 There is no administrative remedy from the decision of the Commission or a Commission Hearing Board in a relief application.

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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