

## TENANT PROTECTIONS WORKING GROUP

Wednesday, May 16, 2018  
Hall of Administration  
500 West Temple Street, Conference Room 743  
8:00 a.m. – 10.00 a.m.

### AGENDA

Welcome and Review of Agenda	Lisa Cleri Reale
Review Draft Narratives Group	Jessie Kornberg/Working Group
<ul style="list-style-type: none"><li>• Just Cause</li><li>• Rent Increase Regulations *</li></ul>	
Carryover from prior Meeting	Working Group
<ul style="list-style-type: none"><li>• Questions about data/materials sent in advance</li><li>• Next level of detail re: rent increase regulations</li></ul>	
Presentation	Goldfarb & Lipman
<ul style="list-style-type: none"><li>• Rent Increase Policy Outline</li><li>• Retaliation, Harassment, and Discrimination (Source of Income and Other)</li></ul>	
Group Discussion:	Working Group
Review next Agenda	Working Group
Public Comment	
Adjournment	

#### **Attachments:**

- Draft Just Cause recommendation narrative created by Jessie Kornberg
- Materials for Discussion compiled by Goldfarb & Lipman
- Regional Planning Map -unincorporated area of multi-family rental units built prior to 1995
  - This interactive map can be viewed at:  
<http://lacounty.maps.arcgis.com/apps/webappviewer/index.html?id=354566b9fe914822aeecb35ec5c34a37>

\* Draft Rent Increases Regulations recommendation narrative created by Jessie Kornberg to be posted before 5/16/18 meeting and distributed at 5/16/18 meeting

**ROUGH DRAFT  
TO BE DISCUSSED AT THE 5/16/18 TENANT PROTECTIONS WORKING GROUP MEETING**

First, a few important notes:

1. This is a ROUGH FIRST DRAFT - we all hear and remember things differently. If these notes do not reflect your memory of the discussion that is not cause for alarm, just for feedback.
2. This email is a public document per County Counsel's interpretation of the Brown Act
3. The next steps: please review this draft. If you have feedback, please do not hesitate to share it with me, however it is not helpful to share it via email (again - Brown Act). Instead, please collect your comments or revisions IN WRITING and bring that feedback to our next working group meeting. Lisa and I will review all feedback. If further discussion is needed on any point in order to finalize the draft we will bring those topics back to the group at the meeting after that. If you have questions or concerns about this process please bring that feedback to Lisa's attention as well.

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Working Group Recommendations re: Just Cause Eviction Regulation [DRAFT]

The working group reached unanimous agreement with respect to the adoption of robust just cause eviction requirements for all tenants in unincorporated Los Angeles County, regardless of unit type, ownership type, and any other rent stabilization or additional tenant protections. The working group understood these just cause eviction protections to supplement the provisions of California State law that provide for eviction under a variety of circumstances, including change of use under the Ellis Act, non-payment of rent, criminal nuisance or other illegal activity, and refusal to provide unit access or inspection.

The working group recommends that just cause evictions be limited to circumstances where:

1. an owner or owner's immediate family member will reside in the unit, with relocation assistance at the owner's expense and a requirement that if the owner or immediate family member does not continuously reside in the unit for 24 consecutive months following the eviction, the evicted tenant has a right to return to the unit at the prior rent. [NOTE: relocation calculation and definition of immediate family member required]
2. an owner will undertake substantial rehabilitation of the unit, with tenant relocation assistance and right of return protections modeled on the City of Los Angeles's Tenant Habitability Program

The working group further recommends that these just causes for eviction would not apply to tenancy terminations based solely on property foreclosure or to tenant families with school-aged children during the Los Angeles Unified School District academic year.

Finally the working group recommends that Los Angeles County adopt additional eviction notice requirements, including tenants rights information, legal services information, and required County recording of eviction notices, including the reason for eviction and the outcome of the eviction proceeding.

**TENANT PROTECTIONS WORKING GROUP**  
**County of Los Angeles**  
**Materials for Discussion on May 16, 2018**

This packet includes an outline of rent stabilization policies that the Working Group has recommended to date and prompts for areas where additional discussion is warranted to provide details about the Working Group's framework for rent stabilization.

The outline includes six sections that address components of a rent stabilization program.

**Please review in advance of the May 16, 2018 Meeting so that you can present your individual preferences and discuss recommendations with the Working Group.**

- **Section I: Covered Rental Units** provides for the direct regulation of the frequency and amount of rent increases applicable to rental units that are not exempt under the Costa-Hawkins Rental Housing Act (discussed in Section II) or otherwise exempt (discussed in Section III). In addition to defining thresholds for regulating the frequency and amount of rent increases, Section I includes options to implement the regulations: a complaint-based regulatory system or an information-based system.
- **Section II: Costa-Hawkins Units** discusses potential mechanisms to indirectly regulate rent increases for units exempt from Section I based on the Costa-Hawkins Rental Housing Act, including the potential for default lease terms for oral rental agreements.
- **Section III: Exempt Units** discusses potential exemptions from regulation of rent increases, including an option to define regulations if Costa-Hawkins were repealed.
- **Section IV: Rent Board** addresses the composition and authority of a rent board, including the election or appointment, and the affiliations of potential members.
- **Section V: Program Financing** addresses program financing, as it relates to fees and any potential support from the County general fund. .
- **Section VI: Rent Registration** addresses a registry of rents and rental units, which could be implemented as a component of a complaint-based regulatory system (discussed in Section I).

Throughout the outline, areas warranting policy decisions are denoted by blanks, with initial policy recommendations that were discussed at the May 2, 2018 meeting highlighted and entered in blue text. Additional prompts for areas of discussion are included in bracketed, italic text.

Furthermore, this packet includes two exhibits, which were requested by the Working Group to provide additional points of comparison to inform the Working Group's recommendations.

- Exhibit 1 compares changes in the U.S. and Los Angeles County/Orange County consumer price indices (CPIs) over time, and supplements information from the U.S. Department of Labor, Bureau of Labor Statistics.
- Exhibit 2 compares limits on pre-approved rent increase by California jurisdictions.

**Policy Outline for Discussion**

**I. COVERED RENTAL UNITS** (Direct Regulation)

*[Potentially applies to all units not exempted by Costa-Hawkins – as described in Section II, or specifically exempted – as discussed in Section III.]*

**A. Regulate Frequency of Rent Increases.** *[Choose either/or both of the following options]*

1. One increase per 12 months
2. Any number of increases within \_\_\_\_\_ months that would collectively equal \_\_\_\_\_ percent of the rent previously paid

**B. Regulate Amount of Rent Increases** (and decreases).

*[Both pre-approved increases and petition-based changes in rent are necessary components of a system that directly regulates rent increases, but policy options exist within each category. Then, mechanisms to enforce the regulation of rent increases are considered.]*

**1. Pre-Approved Increases.**

*[Applicable to all regulated units. Generally related to inflation and may be imposed once per year.]*

- a) Equal to 100% of \_\_\_\_\_ consumer price index  
*[Exhibit 1 includes information for the L.A. and U.S. indices for comparison.]*
- b) What happens if increase is not implemented?  
*[Choose one:]*
  - i. Bank/holdover unused increase for a future year.  
*[With potential limits based on overall amount, and/or new owner/tenant.]*
  - ii. Prohibit banking (i.e., use the pre-approved increase or lose it)
- c) Minimum/Maximum based on percentage of rent previously paid:  
*[Exhibit 2 provides min./max. applicable in other jurisdictions.]*
  - i. Minimum pre-approved increase: 0 percent
  - ii. Maximum pre-approved increase: 5 percent

**2. Petition-Based Changes.** Changes in rent outside of a Pre-Approved Increase require individualized approval from administrator/hearing officer.

- a) Rent Increase Above Maximum Pre-Approved Increase:  
*[Option (i) is a necessary component of rent increase regulations; Options (ii) through (iv) are optional.]*
  - i. Allow landlord to earn a fair return through *[choose one:]*
    - (a) Investment-, or equity-, based calculation
    - (b) Property value-based calculation
    - (c) Other: \_\_\_\_\_

- ii. Specified repairs or rehabilitation? \_\_\_\_\_
- iii. Debt or refinancing? \_\_\_\_\_
- iv. Other? \_\_\_\_\_

b) Rent Decreases.

*[Optional policy to allow tenants to petition for decreased rent under specified circumstances.]*

- i. Reduction in services (parking, pool, laundry, other)? \_\_\_\_\_
- ii. Escrow process for repair habitability outside of courts? \_\_\_\_\_
- iii. Other? \_\_\_\_\_

C. Enforcement Mechanism.

*[Choose Option (1) or Option (2). Both options include pre-approved annual increase related to inflation plus the opportunity to petition for rent increases or decreases based on special circumstances.]*

1. **Complaint-Based System** (similar to City of Los Angeles model).

*[Option (1) requires the landlord and/or tenant to calculate the maximum-allowable rent for each unit; the County/regulation administrator would confirm the calculation only if a complaint or petition to increase rent were received.]*

2. **Information-Based System** (similar to Santa Monica model).

*[Option (2) requires the County/regulation administrator to calculate the maximum-allowable rent for each rental unit; the calculation is provided to the landlord and/or tenant, either of whom may contest the calculation via a petition.]*

a) Define "Base Rent"

*[Defining the Base Rent is necessary for information-based regulation, but could also be combined with a complaint-based system.]*

- i. Rent charged for unit on a specified date: \_\_\_\_\_  
*[Usually, some date prior to the regulation of rent increases.]*
- ii. Plus or minus adjustment based on inflation: \_\_\_\_\_  
*[See discussion of pre-approved increases, above.]*

b) Rent registry (e.g. require landlords to register units)

*[Unit registration is necessary for information-based regulation, but could also be implemented with a complaint-based system – see Section VI, below.]*

- i. Collect information \_\_\_\_\_ *[annually or less frequently]*
- ii. Identify public access to data *[choose one:]*
  - (a) Require California Public Records Act request? \_\_\_\_\_
  - (b) Provide online database? \_\_\_\_\_
  - (c) Other: \_\_\_\_\_

**II. COSTA-HAWKINS UNITS** (Indirect Regulation)

*[Although direct regulation of rent increases is generally prohibited for single-family homes, condos, and units built after 1995 under the Costa-Hawkins Rental Housing Act, the County may govern some aspects of the landlord-tenant relationship.]*

A. Voluntary or mandatory mediation based on:

1. Proposed rent increases that cumulatively exceed \_\_\_\_\_ percent of the lowest monthly rent paid in the last \_\_\_\_\_ months
2. Other? \_\_\_\_\_

B. Define default lease terms for oral rental agreements

*[Patrick Spillane shared this idea, which could be further explored for a potential minimum lease term, standard occupancies, or other issues: \_\_\_\_\_.]*

**III. EXEMPT UNITS**

*[Some units must be exempt due to state and federal law (e.g. Costa-Hawkins and certain Section 8 units; the County may choose to exempt other units as a matter of public policy.)]*

A. Landlord-occupied units that share \_\_\_\_\_ facilities with tenant (e.g. kitchen, bathroom, other: \_\_\_\_\_)

B. Short-term rentals (e.g. hotels/motels)

C. Accessory dwelling units (e.g. ADUs or "granny flats") \_\_\_\_\_

D. Hospitals, convents and monasteries, extended medical care facilities, nonprofit homes for the aged, school dormitories? \_\_\_\_\_

E. Units for which a government subsidy is received? \_\_\_\_\_

F. Units for which a rent limit is recorded against the property? \_\_\_\_\_

G. New construction. *[Only applicable if Costa-Hawkins were repealed; choose one:]*

1. Exemption for \_\_\_\_\_ from issuance of certificate of occupancy *[years/months]*
2. Exemption for units built after \_\_\_\_\_ *[select date]*

**IV. RENT BOARD**

*[Define composition and scope of authority.]*

A. Selection *[independent office elected by voters or appointed by Board of Supervisors]*

B. \_\_\_\_\_ total members including:

1. \_\_\_\_\_ landlords *[number]*
2. \_\_\_\_\_ tenants *[number]*
3. \_\_\_\_\_ homeowners or "unaligned" persons *[number]*

C. Scope of authority:

1. Enact policy? *[yes or no]*

Regulating Rent Increases  
*Policy Outline for Discussion*

4

2. Hire program director? *[yes or no]*
3. Adjudicate petitions and/or appeals of petitions for rent increases *[yes or no]*
4. Adjudicate habitability issues *[yes or no]*
5. Other: \_\_\_\_\_

**V. PROGRAM FINANCING**

*[How to pay for implementation of regulating rent increases.]*

A. Cost neutral to County general fund

1. Fee per covered unit
2. Portion of fee effectively paid by: landlord \_\_\_% and tenant \_\_\_%
3. Fee to offset costs of filing or appealing a petition

B. Subsidized by County general fund

1. 100% subsidy (e.g. no new financing mechanism)
2. Partial subsidy complimenting Option A

**VI. Rent Registration**

*[If complaint-based regulatory system is recommended, would some form of rent registry be helpful for the County and its residents/business owners?]*

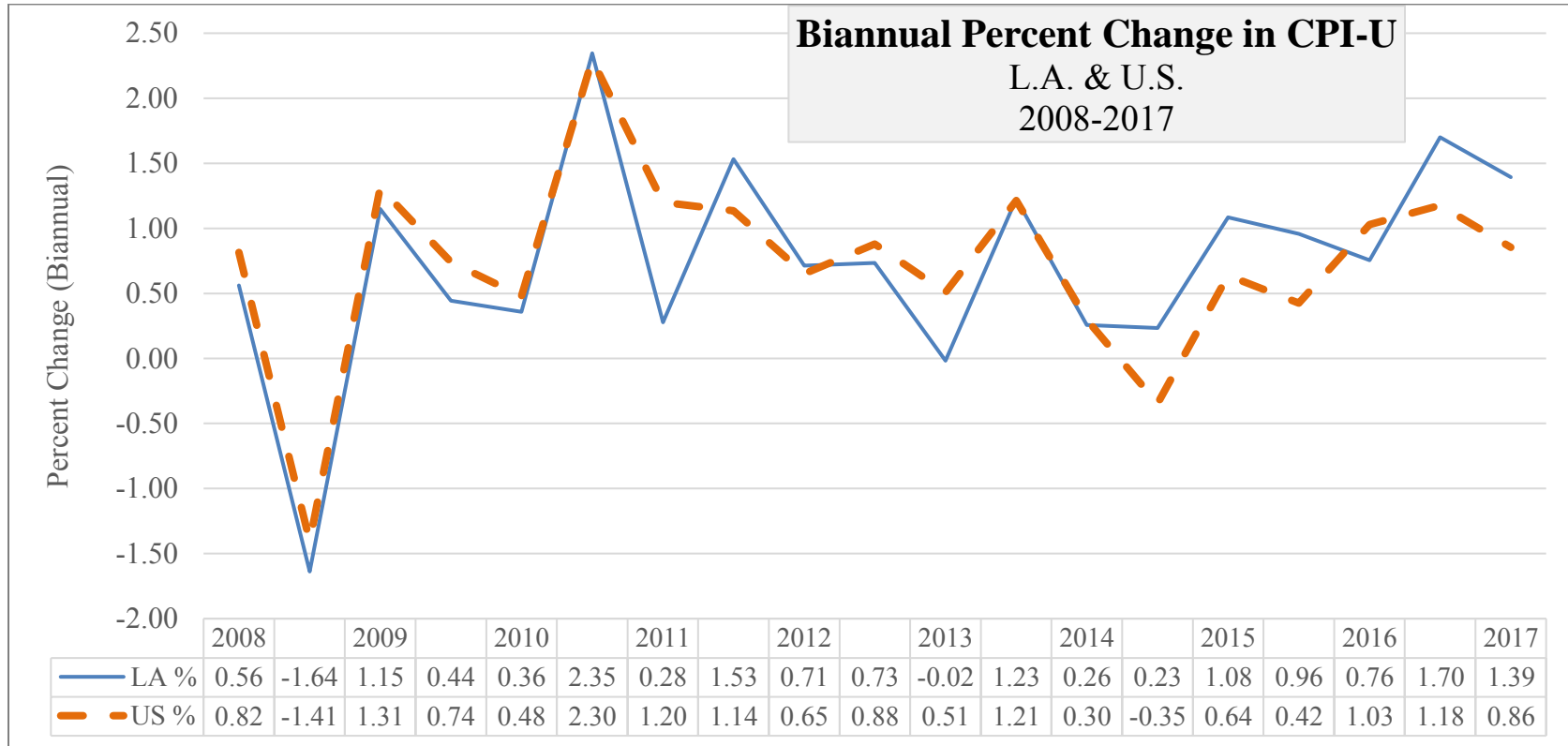
A. What is registered and compliance method:

1. Per-unit or per-landlord (i.e. business license)? \_\_\_\_\_
2. Mandatory or voluntary? \_\_\_\_\_
3. Verification by tenants? \_\_\_\_\_

B. Database accommodates:

1. Notices of termination requested by County? \_\_\_\_\_
2. Fee collection process? \_\_\_\_\_
3. Complaints and/or habitability issues? \_\_\_\_\_

**EXHIBIT 1**  
**Consumer Price Indices**



The consumer price index (CPI) is published by the U.S. Department of Labor, Bureau of Labor Statistics. The CPI measures the average change over time in the prices paid by consumers in specific areas for various consumer goods and services, such as food, shelter, transportation, and technology.

Exhibit 1 shows the percentage change in six-month increments for the L.A.-area CPI (Los Angeles and Orange Counties, Series ID CUURS49ASA0), and the United States CPI (Series ID: CUUR0000SA0).



# Databases, Tables & Calculators by Subject

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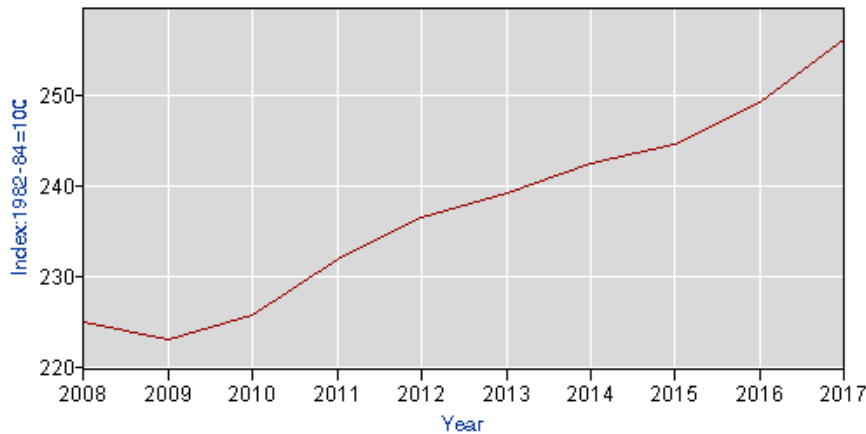
**Change Output Options:** From:  To:  **GO**  
 include graphs  include annual averages

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Data extracted on: May 3, 2018 (3:46:53 PM)

## CPI-All Urban Consumers (Current Series)

**Series Id:** CUURS49ASA0  
 Not Seasonally Adjusted  
**Series Title:** All items in Los Angeles-Long Beach-Anaheim, CA, all urban consumers, not seasonally adjusted  
**Area:** Los Angeles-Long Beach-Anaheim, CA  
**Item:** All items  
**Base Period:** 1982-84=100



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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2008	220.918	221.431	223.606	224.625	226.651	229.033	229.886	228.484	227.449	226.159	222.229	219.620	225.008	224.377	225.638
2009	220.719	221.439	221.376	221.693	222.522	223.906	224.010	224.507	225.226	225.264	224.317	223.643	223.219	221.943	224.495
2010	224.610	224.620	225.483	225.916	226.438	225.877	225.991	226.373	226.048	226.794	225.941	226.639	225.894	225.491	226.298
2011	228.652	229.729	232.241	233.319	233.367	232.328	231.303	231.833	233.022	233.049	232.731	231.567	231.928	231.606	232.251
2012	233.441	234.537	236.941	236.866	237.032	236.025	235.776	237.222	238.104	240.111	237.675	236.042	236.648	235.807	237.488
2013	238.015	239.753	239.995	239.043	239.346	239.223	238.920	239.219	239.611	239.940	238.677	238.742	239.207	239.229	239.185
2014	239.857	241.059	242.491	242.437	243.362	243.528	243.727	243.556	243.623	243.341	241.753	240.475	242.434	242.122	242.746
2015	239.724	241.297	243.738	243.569	246.093	245.459	247.066	246.328	245.431	245.812	245.711	245.357	244.632	243.313	245.951
2016	247.155	247.113	247.873	248.368	249.554	249.789	249.784	249.700	250.145	251.098	250.185	250.189	249.246	248.309	250.184
2017	252.373	253.815	254.525	254.971	255.674	255.275	256.023	256.739	257.890	258.883	259.135	259.220	256.210	254.439	257.982
2018	261.235	263.012	264.158												

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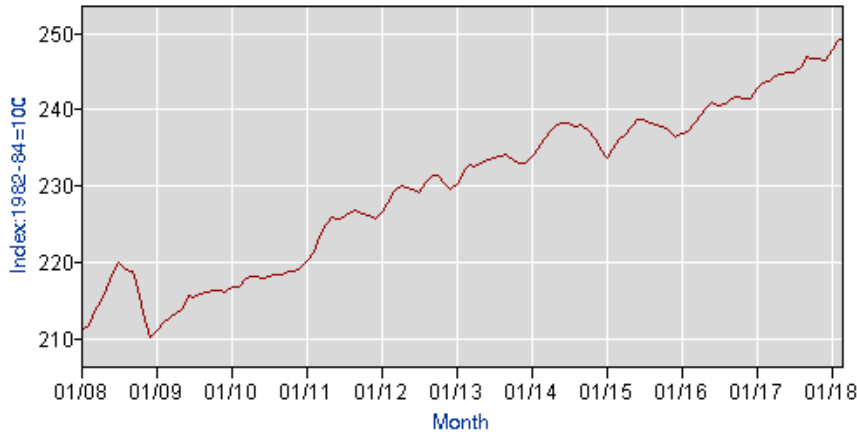
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Data extracted on: May 4, 2018 (1:06:51 PM)

## CPI-All Urban Consumers (Current Series)

**Series Id:** CUUR000SA0  
 Not Seasonally Adjusted  
**Series Title:** All items in U.S. city average, all urban consumers, not seasonally adjusted  
**Area:** U.S. city average  
**Item:** All items  
**Base Period:** 1982-84=100



Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594	228.850	230.338
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957	232.366	233.548
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812	236.736	236.384	237.088
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525	237.017	236.265	237.769
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432	240.007	238.778	241.237
2017	242.839	243.603	243.801	244.524	244.733	244.955	244.786	245.519	246.819	246.663	246.669	246.524	245.120	244.076	246.163
2018	247.867	248.991	249.554												

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**EXHIBIT 2**  
**Comparison of Limits on Annual Rent Increases by Jurisdiction**

<b>Beverly Hills</b>	<b>Berkeley</b>	<b>City of Los Angeles</b>	<b>Mt. View</b>	<b>Oakland</b>	<b>Richmond</b>	<b>San Francisco</b>	<b>San Jose</b>	<b>Santa Monica</b>	<b>West Hollywood</b>
Equal to CPI or 3%, whichever is greater (decreased from 10% in 2017)	65% of CPI, up to 7%	Equal to CPI within 3% and 8%	Equal to CPI within 2% and 5%	Equal to CPI average of CPI-All items and CPI-Less shelter	Equal to CPI, not less than zero percent	60% of CPI, up to 7%	Up to 5% (decreased from 8% pursuant to 2016 interim ordinance)	75% of CPI	75% of CPI

*Adapted from Attachment 1 of the Tenant Protections Policy Development Framework, produced by the Chief Executive Office of the County of Los Angeles in September 2017.*

# Map of Multi-Family Rental Units – Unincorporated Area (built pre-1995)

Click on interactive map to view details: <http://lacounty.maps.arcgis.com/apps/webappviewer/index.html?id=354566b9fe914822aeecb35ec5c34a37>

