

Los Angeles City Council Dramatically Expands Permanent Renter Protections

A countywide eviction moratorium is also extended until March 31, 2023.

The Los Angeles City Council recently passed a package of ordinances aimed at providing residential tenants in Los Angeles (the City) with permanent protections against eviction and burdensome rent increases (the Ordinances).¹ The Ordinances replace and amend temporary protections in the Los Angeles Municipal Code (LAMC) that were enacted in 2020 in response to the COVID-19 pandemic and were set to expire on January 31, 2023. The Ordinances also address the California Tenant Protection Act of 2019 (Assembly Bill 1482), which prohibits evictions without “just cause,” and permits municipalities to adopt local ordinances with greater tenant protections.

Summary of the Ordinances

The Ordinances expand upon existing renter protections under the City’s Rent Stabilization Ordinance (RSO),² which provides protections to tenants of multi-family and other units built prior to October 1, 1978, by applying the new rules to nearly all other residential rental properties that are not otherwise subject to the RSO, including both multi-family and certain single-family units.³ According to the City, approximately 76% of multi-family rental units in the City are subject to eviction protections in the RSO, and the new “just cause” protections will impact an additional 138,000 households.⁴ Among other things, the Ordinances create a new set of “just cause” eviction regulations in the LAMC that limit the grounds upon which a landlord may terminate a tenancy and commence evictions proceedings.

Grounds for Termination

Notably, the new protections prohibit a landlord from terminating a tenancy unless a vesting period has passed (i.e., expiration of the original lease term or after six months of continuous and lawful occupancy, whichever comes first). Only then can eviction occur, and the termination must be based on one or more of the following grounds:

- a) The tenant has defaulted in the payment of rent, but only if the amount due to the landlord exceeds one month of fair market rent for the Los Angeles metro area set annually by HUD for an equivalent sized rental unit as that occupied by the tenant.⁵
- b) The tenant has failed to cure a violation of a lawful tenant obligation after receipt of written notice from the landlord. However, the foregoing grounds do not apply with respect to: (1) surrendering the unit

upon proper notice; (2) limits to the number of occupants when the additional occupant is a minor dependent child or one adult (in which case the landlord may not unreasonably withhold approval of the additional adult occupant); (3) unwritten changes to the lease terms; and (4) in certain instances, if the eviction is based on the tenant's keeping a pet if a pet was previously permitted.

- c) The tenant is committing a nuisance, causing damage to the property, or creating an unreasonable interference with the comfort, safety, or enjoyment of other residents of the rental complex or within a 1,000-foot radius.
- d) The tenant is using the property, common areas, or an area within a 1,000-foot radius for an unlawful purpose.
- e) The tenant refuses to execute a written extension or renewal of the lease on similar terms, provided that those terms do not violate any law.
- f) The tenant refuses the landlord reasonable access to the property for the purpose of making repairs or improvements, lawful inspections, or showing the property to a prospective purchaser or mortgagee.
- g) The person in possession of property at the end of a lease term is a subtenant not approved by the landlord.
- h) The property will be used as a primary place of residence by: (1) the landlord; (2) the landlord's spouse, domestic partner, grandchildren, children, parents, or grandparents; or (3) a resident manager when such person is required to reside upon the premises by law, an affordable housing covenant, or a regulatory agreement.
- i) The property will be demolished, substantially remodeled, or withdrawn permanently as a rental property.
- j) The property will be vacated to comply with an order to vacate, comply, or abate, or any other order that necessitates vacating the property.
- k) The property, if owned by HUD, is to be sold.
- l) The property is in a residential hotel and will be converted or demolished, subject to approval by the City's Housing Department (LAHD).
- m) The property will be converted to affordable housing accommodations.
- n) The property will be converted to non-residential use.⁶

Landlords who proceed with evictions under these grounds must follow strict notice rules, including filing a copy of any termination notice with LAHD and, for the grounds listed in subparagraphs (h) through (n), above, filing a declaration form with LAHD providing information regarding the termination.⁷

Relocation Assistance

Depending on the grounds for termination, landlords may be required to pay relocation assistance.⁸ For example, for tenants who elect to relinquish their tenancy following a proposed rent increase, landlords must pay relocation assistance equal to three times the fair market rent plus \$1,411 in moving costs

(subject to certain offsets) if the rent increase exceeds the lesser of (1) the Consumer Price Index-All Urban Consumers (CPI-U) plus 5% or (2) 10%, in each case, whether due to a single rent increase or multiple rent increases over a 12-month period.⁹

If the termination is based on grounds in subparagraphs (h) through (n), above, landlords must pay relocation assistance in an amount based on the tenant's household income and length of tenancy.¹⁰ A landlord may request a hearing to appeal a decision regarding a tenant's relocation assistance eligibility.¹¹ Landlords must also pay the City a fee for the purpose of providing relocation assistance if the termination is based on the grounds described in subparagraphs (h) through (k) or (n), above, unless the unit is an owner-occupied single-family dwelling.¹²

Accumulated Back Rent

Tenants now have until August 1, 2023, to pay back rent accumulated between March 1, 2020, and September 30, 2021. Further, tenants have until February 1, 2024, to pay back rent accumulated between October 1, 2021, and January 31, 2023.¹³

Implications of Ordinances

Throughout its deliberations concerning the Ordinances, the Los Angeles City Council considered several reasons for adopting such measures, including the City's homelessness crisis, the lingering financial effects of COVID-19 and the high rent burden of more than half of the City's renters.¹⁴ With nearly 70% of Angelenos comprising renters, the new protections aim to:

- reduce the likelihood of tenant displacement in City neighborhoods due to excessive rent increases and arbitrary evictions,
- allow tenants an opportunity to make up missed rent payments following temporary financial setbacks, and
- serve as tools in the City's efforts to prevent an increase in homelessness.

Although the Ordinances waive certain housing and building inspection fees and fines for landlords,¹⁵ they may create additional financial strain on housing providers affected by the COVID-19 pandemic by permanently limiting the grounds for terminating tenancies and limiting annual rent increases.

Countywide Eviction Moratorium

The Los Angeles County Board of Supervisors (the Board) voted to extend, through March 31, 2023, the temporary tenant protections (County Tenant Protections) in effect in Los Angeles County (the County).¹⁶ The County Tenant Protections include restrictions that prohibit a rent increase for rent-stabilized units in unincorporated areas of the County and impose protections against evictions for (1) non-payment of rent due between July 1, 2022, and March 31, 2023, due to a COVID-19 financial hardship for income-qualifying tenants, (2) nuisance, (3) "no-fault" eviction reasons, and (4) unauthorized occupants or pets who began residing in the unit between March 1, 2020, and January 20, 2023.¹⁷ The County Tenant Protections apply to all unincorporated areas and to most, if not all, incorporated cities within the County.¹⁸ The Board has previously approved several extensions of the County Tenant Protections and will likely consider the feasibility of a further extension in late February.¹⁹

Given the wide applicability of the County Tenant Protections, coupled with the City's new, permanent tenant protections, the new regulations are expected to have wide-reaching impacts on the regional housing market.

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Endnotes

¹ Ord. Nos. 187736 and 187737, adopted January 20, 2023, contained urgency clauses and went into effect on January 27, 2023. Ord. No. ____ (Council File No. 21-0042-S4), adopted February 3, 2023, also will go into effect upon publication, and Ord. No. ____ (Council File No. 21-0042-S5), adopted February 7, 2023, will go into effect 30 days after publication.

² LAMC Section 151.00 *et seq.*

³ Ord. No. 187737 applies to all rental housing except those subject to the RSO, owner-occupied units and certain other housing types, such as student dormitories, nonprofit stock cooperatives, short-term substance abuse treatment facilities, and various types of housing for homeless individuals. See LAMC Section 165.04.

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- ⁴ Ord. No. 187737, Section 1; LAMC Section 165.01.
- ⁵ Ord. No. ____ (Council File No. 21-0042-S4); LAMC Section 165.03. This ordinance also imposes this same fair market rent threshold limitation to evictions under RSO-controlled units.
- ⁶ Ord. No. 187737, Section 1; LAMC Section 165.03.
- ⁷ Ord. No. 187737, Section 1; LAMC Section 165.05.
- ⁸ Ord. No. 187737, Section 1; LAMC Section 165.06.
- ⁹ Ord. No. ____ (Council File No. 21-0042-S5), Section 1; LAMC Section 165.09.
- ¹⁰ Ord. No. 187737, Section 1; LAMC Section 165.03.A.
- ¹¹ Ord. No. 187737, Section 1; LAMC Section 165.03.C. The fee to appeal is \$300.
- ¹² Ord. No. 187737, Section 1; LAMC Section 165.03.F. The fee is \$840 for each unit occupied by a qualified tenant, \$522 for each unit occupied by other tenants, and an additional \$72 per unit to pay for the administrative costs associated with this service, subject to yearly increases by LAHD for CPI-U increases.
- ¹³ Ord. No. 187736, Section 3; LAMC Section 49.99.2.A.
- ¹⁴ Ord. No. ____ (Council File No. 21-0042-S4), Section 4.
- ¹⁵ Ord. No. 187736, Section 8; LAMC Section 201.
- ¹⁶ Board Statement of Proceedings dated January 24, 2023, Item 41-A, Revised Motion by Supervisors Lindsey P. Horvath and Hilda L. Solis ("County Motion"); Resolution of the Board Further Amending and Restating the County of Los Angeles COVID-19 Tenant Protections Resolution dated January 24, 2023, as amended.
- ¹⁷ County Tenant Protections, Sections VI and VII.
- ¹⁸ County Tenant Protections, Section V.B. The County Tenant Protections apply to every incorporated city within the County unless the resolution's terms expressly limit the regulation to unincorporated areas or unless any such incorporated city's moratorium includes the same or greater tenant protections as the County Tenant Protections.
- ¹⁹ County Motion.