

# A. RELOCATION ASSISTANCE BULLETIN RELOCATION ASSISTANCE

## **No-Fault Evictions Under the RSO & JCO**

All tenant not-at-fault evictions require payment of relocation assistance and the filing of a *Declaration of Intent to Evict* form with the Los Angeles Housing Department (LAHD) before evicting tenants from units covered by the Rent Stabilization Ordinance (RSO) or the Just Cause Ordinance (JCO). Failure to file the Landlord Declaration with the LAHD makes the eviction a violation of the RSO or JCO. Notices to terminate tenancy can only be served on the tenant after the landlord files the Declaration with LAHD, and a copy of the notice must be filed with LAHD no later than 3 days after it is served. To file a copy, go to housing.lacity.gov/eviction-notices.

#### **Not-At-Fault Reasons for Eviction**

- 1. The landlord evicts for the occupancy of her/himself, spouse, grandchildren, children, parents or grandparents, or a resident manager (Los Angeles Municipal Code (LAMC) 151.09.A.8, 165.03.H.). Evictions for the purpose of resident manager occupancy are allowed only if required by law or an affordable housing covenant, or a regulatory agreement. Landlords must comply with the restrictions and requirements of LAMC Section 151.30.
- 2. The landlord seeks in good faith to recover possession of the rental unit to demolish, convert to a commercial use, or remove it from rental housing use (LAMC 151.09.A.10, 165.03.I). For RSO units, these are considered Ellis Act (California Government Code 7060.4) evictions, and the landlord must comply with the requirements of LAMC 151.22-151.28.
- 3. The landlord seeks to recover possession of the rental unit to complete substantial remodel, provided the landlord has secured permits necessary and served a copy of them with a written termination notice stating the reason for termination, the type of scope of the work, why the work cannot be reasonably accomplished in a safe manner with the tenant in place and why the work requires the tenant to vacate for at least 30 days. "Substantial remodel" shall have the same meaning as the term is defined in California Civil Code Section 1946.2. This is only for units subject to JCO and not RSO units. (LAMC 165.03.1.(2))
- 4. The landlord evicts to comply with a governmental agency's Order to Vacate (LAMC 151.09.A.11, 165.03.J.). Prior to giving notice to tenants, landlords must file a Landlord Declaration of Intent to Evict.
- 5. The Secretary of Housing and Urban Development is both the owner and plaintiff and seeks to recover possession to vacate the property prior to sale (LAMC 151.09.A.12, 165.03.K.).
- 6. Residential Hotel Unit conversion or demolition (LAMC 151.09.A.13, 165.03.L.).
- 7. The landlord seeks to recover possession of the rental unit to convert the subject property to an affordable housing accommodation (LAMC 151.09.A.14, 165.03.M.).
- 8. The landlord demolishes the property or converts the use of the property to condominiums, stock cooperatives, community apartment projects, hotels, and commercial uses, regardless of whether the property is subject to the RSO OR JCO (LAMC 47.06 & 47.07).



### **How Much Relocation Assistance Is Required?**

The amount of relocation fees due to the tenant by the landlord depends on whether the tenant is an *eligible* or *qualified* tenant, the length of tenancy, and the tenant's income. Relocation Assistance is <u>p</u> aid <u>per unit</u>, not <u>per tenant</u>.

However, if a tenant is being displaced for demolition for new construction under the Resident Protections Ordinance then there are other factors which are explained in the Relocation Assistance Bulletin Chart B: Demolition for New Construction under the Resident Protections. For relocation amounts, refer to the Relocation Assistance and the HUD Low Income Limits in the charts in both this bulletin and the B. Relocation Assistance Bulletin: Eviction for Demolition for New Construction Under the Resident Protections Ordinance.

- Qualified tenant A qualified tenant is any tenant who, on the date of service of the written notice of termination is 62 years of age or older; handicapped, as defined in Section 50072 of the California Health and Safety Code, or disabled, as defined in Title 42 of the United States Code, Section 423; or who has one or more minor dependent children (as determined for federal income tax purposes).
- <u>Eligible tenant</u> Unless a tenant is a qualified tenant as explained above, the tenant is
  an eligible tenant and is entitled to receive a relocation assistance amount that depends
  on length of time in the unit and income.
- <u>Low Income Tenant</u> A tenant whose income is 80 percent or less of the Area Median Income, as adjusted for household size, as defined by the U.S. Department of Housing and Urban Development, regardless of the length of tenancy.
- Mom and Pop properties may pay reduced relocation assistance payments to their tenants for a good faith eviction for occupancy by the owner or eligible relative, provided that requirements in Section 151.30 of the LAMC are met. This applies only for evictions for occupancy by owner, family, or manager.
- <u>Single Family Dwellings Owned by Natural Persons</u>. When the residential real property is a single-family dwelling subject to the JCO and the owner is a natural person, including natural persons who hold properties in a trust or registered legal entity controlled by that natural person, who owns no more than four dwelling units and a single-family home on a separate lot in the City of Los Angeles: one month's rent that was in effect when the landlord served the written notice to terminate the tenancy, as either a monetary payment or credit. The Los Angeles Municipal Code Section 151.30(E) shall not apply. (LAMC 165.06.A.(6)).
- <u>Demolition for New Construction</u> The City's Resident Protections Ordinance (RPO) and the State's Housing Crisis Act (HCA) require that *ONLY* lower income households (80% AMI or lower) being displaced for demolition of their units where the owner will replace the units with new construction receive relocation payment consistent to the relocation benefits required to be paid by public entities under Chapter 16 (commencing with Section 7260) of Division 7 of Title 1 (Government Code 66300.6(b)(4)(A)). All tenants



being displaced for new construction should receive a minimum of the RSO or JCO amounts, to be increased only if the HCA or RPO requires it.

The reduced fee for Mom and Pop properties applies only for evictions for occupancy by the owner or an eligible relative and only if all of the following conditions exist:

- 1. The building containing the rental unit contains four or fewer rental units;
- 2. The landlord has not utilized this provision during the previous three years;
- 3. The landlord owns no more than four units of residential property and a single-family home on a separate lot in the City of Los Angeles; and
- 4. Any eligible relative for whom the landlord is recovering possession of the rental unit does not own residential property in the City of Los Angeles.

## <u>Chart A: Relocation Assistance Amounts</u> <u>Effective July 1, 2024 through June 30, 2025</u>

Tenant Household	Tenants with Less Than 3 Years	Tenants with Length of Tenancy of 3 or More Years Or Low Income at or below 80% AMI (Low Income)	Tenants Renting Units in Mom & Pop Properties (Only for owner or family occupancy evictions)	Single Family Dwelling owned by natural person (JCO only)	
Eligible Household	\$10,300	\$13,500	\$9,900	On a manth?	
Qualified Household	\$21,750	\$25,700	\$19,950	One month's rent	

Increases every July 1st.

The relocation amounts above apply if a tenant is displaced for a no-fault reason described on page 1 of this bulletin. The amounts above <u>do not apply</u> if the reason for eviction is due to demolition of a Protected Unit for new construction and the tenant is lower-income (80% AMI or lower). For information about relocation for tenants being displaced for demolition for new construction, please review the <u>B. Relocation Assistance Bulletin: Eviction for Demolition for New Construction Under the Resident Protections Ordinance.</u>

2025 HUD Income Limits (AMI %)	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Low (80%)	\$84,850	\$96,950	\$109,050	\$121,150		\$140,550	\$150,250	\$159,950
Very Low (50%)	\$53,000	\$60,600	\$68,150	\$75,750	\$81,800	\$87,850	\$93,900	\$100,000
Extremely Low (30%)	\$31,850	\$36,400	\$40,950	\$45,450	\$49,100	\$52,750	\$56,400	\$60,000

<sup>\*</sup>Income levels are typically updated in April of each year by HUD.



#### How and When Shall Landlords Provide Payment

The Ordinance requires that relocation assistance payments be made as follows:

- 1. The entire payment shall be made to a tenant who is the only tenant in a rental unit.
- 2. If two or more tenants occupy a rental unit, each tenant shall be paid an equal pro rata share of the payment.
- 3. If more than one payment amount applies to a unit, the landlord pays the higher amount for the unit.

The Ordinance requires timely relocation assistance payments as follows:

- 1. Payment shall be made available within fifteen (15) days of service of the written notice of eviction; however,
- 2. At the landlord's sole discretion and cost, the landlord may elect to pay the monetary relocation benefits through an escrow account. The monies must be placed in the escrow account within the required 15-day period. The escrow account must provide for payments to the tenant(s) for actual relocation expenses incurred by the tenant before vacating the unit for the following relocation expenses: first and last month's rent; security deposit; utility connection charges; moving expenses. Payments from the escrow account shall be made within three (3) working days of receiving a payment request. The remaining balance of the escrow account shall be disbursed upon certification of the vacation of the rental housing unit. (Refer to RAC Regulations, Section 960.00).

#### **Exemptions from Relocation Assistance Payments**

Landlords are exempt from paying relocation assistance when:

- 1. Evicting a resident manager to replace him/her with another resident manager. If the resident manager is a Manager-Tenant receiving free or reduced rent with no other compensation, he/she may be entitled to relocation assistance. (See RAC Regulations 920.00, Managers as Tenants.)
- 2. They are required to evict due to hazardous conditions caused by a natural disaster, which is not caused by the landlord's negligence.
- 3. Relocation Offset: A landlord may offset the tenant's accumulated rent against any relocation assistance, unless the relocation assistance is owed because a termination of tenancy is required by a governmental agency order to vacate or comply with an issued order for an unpermitted dwelling. (LAMC 151.09.G,5., 165.06.J.).

#### Administrative Fees Related to Relocation Assistance

- 1. All landlords who file a declaration requiring relocation assistance to be provided to tenants shall pay the *Relocation Service Fee*, according to the tenants' Eligible or Qualified status, AND a *Relocation Administrative Fee* per rental unit.
- 2. All property owners who seek the LAHD's clearance of a Planning or Building and Safety Department demolition permit shall pay a *Demolition Monitoring Administrative Fee*.



- 3. All landlords who file a declaration requiring relocation assistance to be provided to tenants shall pay the *Relocation Service Fee*, according to the tenants' Eligible or Qualified status, AND a *Relocation Administrative Fee* per rental unit.
- 4. All property owners who seek the LAHD's clearance of a Planning or Building and Safety Department demolition permit shall pay a *Demolition Monitoring Administrative Fee*.
- 5. Requests for a hearing to appeal a decision regarding a tenant's relocation assistance eligibility for higher relocation assistance based on a tenant's income, age, length of tenancy, family status and/or disability status must be filed along with the *Relocation Assistance Dispute Resolution Fee* (LAMC 151.09.G, 165.06.C.).
- 6. When the termination of tenancy is due to recover possession of the rental unit for use of occupancy as a primary place of residence by the landlord, the landlord's qualified family member, or resident manager, the landlord shall pay an administrative fee for the filing of the application (LAMC 151.09.C.2, 165.06.F.).

Application Fees Effective July 1, 2024 to June 30, 2025	FEE PER UNIT
Relocation Service Fee for Eligible Tenants	\$585*
Relocation Service Fee for Qualified Tenants	\$941*
Relocation Service Administrative Fee	\$80*
Demolition Monitoring Administrative Fee	\$45
Relocation Assistance Dispute Resolution Fee	\$300
Residential Hotel Ordinance - Claim of Exemption	\$205
Landlord Declaration for Owner, Eligible Relative, or Resident Manager Occupancy Filing	\$75

<sup>\*</sup>Increases every July 1st

#### **RELOCATION ASSISTANCE QUESTIONS**

Can a tenant request relocation fees and services before being served with a Notice to Terminate Tenancy if a tentative parcel or tract map for a condominium conversion has been approved?

If the City of Los Angeles Planning Department has approved a tentative parcel or tract map for a condominium conversion, the tenant may elect to relocate without receiving a *Notice to Terminate Tenancy* from the landlord (LAMC Sec. 47.06.D.2). The landlord is still responsible for the payment of relocation assistance in these cases.

#### How and where does an owner establish an escrow account, if they choose to do so?

The landlord may place the escrow account in any bank, savings and loan association, or credit union with federal deposit insurance, or with any broker who is licensed by the California Corporate Commission, or with a client trust account of an attorney currently eligible to practice law in California pursuant to the records of the State Bar of California that is reasonably accessible to the



tenant(s) during regular business hours. (RAC Regulations, Section 960.00.)

What are the tenant's remedies if the owner does not pay relocation assistance?

**Non-payment Dispute** - In an action by the landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense the failure of the landlord to provide relocation assistance. A tenant may file a complaint with LAHD online at <a href="https://housing.lacity.gov/residents/file-a-rso-complaint">https://housing.lacity.gov/residents/file-a-rso-complaint</a> or call the general hotline at (866) 557-7368. A tenant may seek a private right of action by obtaining legal advice.

**Escrow Account Dispute** - Where there is an escrow dispute between the escrow account holder, tenant, and owner about the release of deposited funds, a dispute notice must be sent to the LAHD by the escrow holder. A copy of the escrow instructions given to the tenant must accompany the notice. (RAC Regulations, Section 967.00.)

#### **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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