



THE TENANT HABITABILITY PLAN (THP) PROCESS & RENT COST RECOVERY PROGRAMS

Rent Stabilization Bulletin

The *Tenant Habitability Plan (THP)* was initially developed as part of the Primary Renovation Work Program that permitted a permanent rent pass-through to tenants in rent-stabilized units. The Los Angeles City Council adopted Ordinance 183,893 on October 9, 2015 (Council File 14-1997-S1) to establish mandatory standards for earthquake hazard reduction in existing wood-frame buildings with soft, weak, or open-front walls (aka: soft story) and existing non-ductile concrete buildings. The Ordinance also grants authority to the Rent Adjustment Commission (RAC) to modify the *THP* requirements for purposes of implementing seismic retrofit mandates. On February 19, 2016, the City Council adopted an Ordinance to create a seismic cost recovery program so that property owners might pass through a portion of the seismic retrofit costs to tenants. This Bulletin explains the *THP* requirements for any work that might affect the ability of tenants to reside in their units without the loss of any services. A *THP* must be completed, or a waiver obtained, before a property owner may file a cost recovery application for primary work or seismic retrofit work.

What is Primary Renovation Work?

It is construction work that involves repairing or replacing major building systems, such as, but not limited to, central heating/air conditioning, water and sewage piping, wiring inside walls, elevators, or reinforcement of the building structure. It is also work that is undertaken to abate hazardous materials such as lead-based paint or asbestos.

What is Seismic Retrofit Work?

It is construction work that involves reinforcing or improving the ability of a building to resist lateral force at the ground floor level where the structure contains parking or other similar open floor space that creates soft, weak or open-front wall lines, and there exists one or more stories/floors above it.

What is Capital Improvement Work?

It is the addition or replacement of the following types of improvements to a rental unit or the common areas of the housing complex containing the rental units, provided such new improvement has a useful life of five years or more: roofing, carpeting, draperies, stuccoing the outside of a building, air conditioning, security gates, swimming pool, sauna or hot tub,

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LOS ANGELES, CA 90010

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fencing garbage disposal, washing machine or clothes dryer, dishwasher, children's play equipment permanently installed in the premises, the complete exterior painting of the building, and other similar improvements as determined by the Rent Adjustment Commission.

What is a Tenant Habitability Plan (THP)?

It is a plan that describes what kind of work the landlord is going to do, how the work will affect the tenant, and how long the work will take. The landlord must submit this plan to the Los Angeles Housing + Community Investment Department (HCIDLA) before any work may begin.

What if the tenant disagrees with the plan?

If the tenant objects to the Plan, the tenant may appeal it. The tenant has fifteen (15) days from the receipt of the 60-day Notice of Primary Work to file an appeal of the Plan with HCIDLA. An appeal form should be attached to the *Notice of Primary Renovation Work*.

What is a Notice of Primary Renovation Work?

It is a sixty (60) day notice to the tenant that primary work will be done. It should be written in the language that the rental agreement was originally negotiated in. It notifies the tenant as to when the work will start and end, what type of work will be done, how the work will affect you, the details of temporary relocation, if necessary, and a summary of the *Tenant Habitability Plan*.

How soon can the renovation work begin?

The work may begin no sooner than sixty (60) days after the landlord has served the tenant with: (1) a copy of the Plan; (2) a *Notice of Primary Renovation Work*; (3) a summary of the provisions of the *Tenant Habitability Plan*; and (4) a permanent relocation form if the work will last thirty (30) days or more.

Can a tenant remain in the unit while the renovation work is done?

Yes, if the work will not make the home uninhabitable outside construction hours and will not expose the tenant at any time to toxic or hazardous materials. The landlord is permitted to do construction work from Monday through Friday between the hours of 8 AM and 5 PM. The landlord must restore all housing services such as your utilities by 5 PM. The Plan should describe the safe work practices your Landlord plans to use. For example, lead safe practices must be used to minimize the spread of lead dust, paint chips, soil, and debris during construction. For more information or to report unsafe work practices, contact HCIDLA at (866) 557-7368.



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When can a tenant choose permanent relocation?

A tenant may have two chances to choose permanent relocation. First, where the work creates an uninhabitable condition for thirty (30) days or more, the tenant can choose permanent relocation. The tenant must submit the permanent relocation request form to his landlord within fifteen (15) days from the date the landlord serves the tenant the Plan. Second, the tenant may choose permanent relocation, if the work continues 30 days longer than the completion date stated in the Plan, or 30 days longer than any later Plan modification accepted by the Department.

If a tenant chooses permanent relocation, how much money can he/she receive in relocation assistance?

If more than one fee payment amount applies to a unit, the landlord pays the higher amount for the unit. Each tenant then shares on an equal pro-rata basis. A qualified tenant is any tenant who is 62 years of age or older; or handicapped as defined in Section 50072 of the California Health & Safety Code or disabled as defined in Title 42 United States Code Section 423; or is a person residing with and on whom is legally dependent one or more minor dependent children (as determined for federal income tax purposes.) All other tenants are eligible tenants.

Relocation Amounts (Effective July 1, 2015 thru June 30, 2016)				
Type of Tenant	Less than 3 years	3 years or more	Less than 80% AMI	Tenants Renting Units in Mom & Pop Properties
Eligible	\$7,800	\$10,300	\$10,300	\$7,550
Qualified	\$16,500	\$19,500	\$19,500	\$15,150

2016 HUD Low Income Limits for Los Angeles							
1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
\$48,650	\$55,600	\$62,550	\$69,450	\$75,050	\$80,600	\$86,150	\$91,700

When is the tenant required to temporarily relocate?

If the tenant's home will not be habitable outside of construction hours or if it will be exposed to hazardous materials at any time, the tenant will be required to temporarily relocate while the work is done. The Department will review the landlord's Plan and decide whether the tenant can stay in his unit while the work is being done.



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What are a tenant's temporary relocation options, if temporary relocation lasts less than thirty (30) days?

If temporary relocation will last less than thirty (30) days, the landlord may:

- Move the tenant to another habitable unit in the same building or another building; or,
- Move the tenant to a motel or other housing; or,
- Offer the tenant a daily dollar amount for him to find his own temporary place to go. If the tenant finds his own temporary housing, he must let the landlord and the Department know his address so the landlord can tell him when it is safe to move back to his home.

What is a habitable unit?

A habitable unit is a unit capable of being lived in or occupied. It should be located not more than two (2) miles from the tenant's home, unless no such accommodation is available. It should also contain standard amenities such as a telephone. In addition, if the tenant is deprived of basic services, such as, cooking facilities, laundry facilities, or housing for a pet, the landlord should compensate the tenant for the loss of these services during the temporary relocated.

What is a comparable unit?

Whether the temporary housing is comparable to the tenant's unit depends on: size, number of bedrooms, accessibility, proximity to services and institutions upon which you depend, amenities, including allowance for pets, if necessary. If the tenant desires, the temporary housing should be within five miles of his rental unit. The tenant may also agree to occupy a non-comparable temporary replacement unit, as long as the landlord compensates the tenant for any reduction in services.

Who pays for temporary housing?

The landlord must pay for all temporary housing costs even if those costs are more than the usual rent that the tenant pays. These costs include, but are not limited to, moving the tenant to and from the temporary housing as well as any temporary furnishings that are necessary at the temporary housing.

What happens to the tenant's personal belongings, while temporarily relocated?

The landlord must take steps to secure and protect the tenant's property from damage or loss. The landlord should describe in the Plan what precautions will be taken to safeguard the tenant's belongings. If the tenant and landlord agree, the landlord can pay the tenant a dollar amount for the tenant to move or store his belongings. The agreement must be in writing, signed by both parties, and submitted to HCIDLA.



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If the tenant is temporarily relocated, how will the tenant know when to move back home?

The Plan and *Notice of Primary Renovation Work* should let you know when you may return to your home. However, if you must temporarily move before you are told when you can return home; the landlord must give you at least seven (7) days notice before your unit is available. If the temporary housing involves a monthly contract with a third-party housing provider, the landlord must give the tenant at least 30 days notice before the unit is available. This notice will be given to you as a *Unit Re-occupancy Notice*.

If the tenant agrees with the condition and habitability of the unit, he should sign the form and return it to the landlord for them to submit to the Department. If the tenant disagrees with the condition and habitability of the unit, he has a right to request an inspection of the unit by the Department.

Can the landlord raise a tenant's rent after doing the primary renovation, seismic or capital improvement work?

Maybe. Within twelve (12) months after finishing the work, the landlord may file an application for rent increase with the HCIDLA. The HCIDLA will notify the tenant that the landlord has requested approval of a rent increase. The tenant will have ten (10) days from the date of mailing of such notification to object in writing to the rent increase. Once the HCIDLA has approved an increase, the tenant may appeal the increase within fifteen (15) days from the mailing of the decision to him.

How much can a tenant's rent be raised under each primary renovation work program?

1. The *Seismic Retrofit Work Program* permits the landlord a maximum 50% pass-through of total seismic retrofit costs, capped at \$38 per month for 120 months. If the monthly amount approved exceeds \$38, the timeframe for collection is extended until full cost recovery is obtained. Temporary rent increases **are not** added to the tenant's base rent in calculating the annual allowable rent increase amount.
2. The *Primary Renovation Work Program* permits the landlord a permanent rent increase of based on 100% of primary renovation work costs capped at 10% of the rent, if the landlord's application for a rent increase is approved. Permanent rent increases **are** added to the tenant's base rent in addition to any regular yearly rent adjustment (e.g. 3%-5% a year).
3. The *Capital Improvement Program* permits the landlord a maximum 50% pass-through of total capital improvement costs, capped at \$55 per month for 72 months. If the monthly amount approved exceeds \$55, the timeframe for collection is extended until full cost recovery is obtained. Temporary rent increases **are not** added to the tenant's base rent in calculating the annual allowable rent increase amount.



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What if the landlord used the tenant's utilities while he was temporarily relocated?

If the landlord uses tenant paid utilities during the period you temporarily relocated, the landlord is required to compensate the tenant for the cost of such usage within 15 days of delivery of his written request.

What if the landlord does not follow the Plan?

If the landlord fails to follow the Plan, the HCIDLA will deny the landlord's application for a rent increase. If the landlord does not provide permanent relocation assistance, the tenant can sue the landlord for damages, in the amount of the unpaid relocation assistance, attorney's fees and costs. If a landlord fails to carry out his or her obligations under a temporary relocation plan, the tenant can sue the landlord for all actual damages, special damages (twice actual damages or \$5,000, whichever is greater), punitive damages (if the failure was intentional), attorney's fees and court costs.

Where can the Tenant Habitability, Primary Renovation, and Seismic Retrofit Work rent Adjustment Commission (RAC) regulations, forms and program information be found?

Information about the programs, online cost recovery applications and the Rent Adjustment Commission Guidelines may be found on the Los Angeles Housing + Community Investment Department's website: <http://hcidla.lacity.org>. (Click on *About Us* and select the *Library* from the dropdown.)

Who can be called for questions?

For general Rent Stabilization and Cost Recovery application information, please call the HCIDLA Hotline at 866-557-RENT (7368). The Department also schedules workshops for both landlords and tenants on its programs throughout the year at various locations. The HCIDLA Hotline can provide information on those as well. Property owners requiring additional assistance with a particular THP application process may contact the Tenant Habitability Program Unit at 213-252-1464.

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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 HCIDLA recommends that you verify information in the event that new changes are not yet reflected in this publication. The HCIDLA 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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