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COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AND BUSINESS AFFAIRS

"To Enrich Lives Through Effective and Caring Service"



Joseph M. Nicchitta
Director

Joel Ayala
Chief Deputy

Rafael Carbajal
Chief Deputy

Hearing Officer/Department of Consumer & Business Affairs

Hearing Date
09/12/2019
Agenda Item No.
3

Transmittal Checklist

Petitioner Name: Miguel Ruiz
Case Number: RSQ19-08808
Case(s): IRSO Petition for Noncompliance
DCBA Staff: Shannon Louis

- ☒ Petition Summary
- ☒ Parcel Profile Report (separate attachment)
- ☒ Staff Report
- ☒ Burden of Proof Statement(s)
- ☒ Rent Receipt(s) (separate attachment)

Reviewed By: Jessica Gallegos



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Case Number
RSQ19-08808

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9/12/2019

PETITION SUMMARY

PETITIONER NAME

Miguel Ruiz

PETITION DATE

July 25, 2019

PETITION OVERVIEW

Petitioner has filed a Petition for Noncompliance, requesting a reduction in rent in accordance with the Interim Rent Stabilization Ordinance, Ordinance Number 2018-0045. The Petitioners' rent increase became effective on March 1, 2019.

PROPERTY ADDRESS

1244 E. 81st Street Los Angeles, California 90001

KEY ISSUES

- Rent was increased from \$827.00 to \$1,200.00, effective March 1, 2019
- Total increase is in the amount of 45.10%
- Per the effective date of the rent increase, the March through September 2019 rent payments (7 months) will be due by the hearing date.

STAFF RECOMMENDATION

Approval

DCBA STAFF:

Shannon Louis 213-974-4118 SLouis@dcba.lacounty.gov



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September 3, 2019

TO: Gina Natoli, AICP
Hearing Officer

FROM: Shannon Louis

Case No. RSQ19-08808
Miguel Ruiz vs. Fernando Lozoya
Hearing Officer Meeting: September 12, 2019 – Agenda Item: 3

Petition Description

Interim Rent Stabilization Ordinance (IRSO) Petition for Noncompliance

Tenant is disputing a rent increase issued for the covered rental unit located at 1244 E. 81st Street Los Angeles, California 90001 in the unincorporated area of Florence-Firestone in Los Angeles County.

The Petitioner reported that they were notified on January 1, 2019 that the rent would be increasing to \$1,200.00 – effective March 1, 2019. The Petitioner's base rent on September 11, 2018 was \$827.00 – which constitutes a \$373.00 rent increase. The Petitioner was not issued a written Notice of Increase – but informed verbally. Per California Civil Code Section 827, the rent increase should have become effective no sooner than March 2, 2019 – which is 60 days from the issue date, due to the rent increase being 10% or above. If the rent increase was 10% or less, a 30-day notice should have been issued. Additionally, the Notice of Increase should have been issued in writing, per California Civil Code Section 827. The landlord respondent agreed to set rent in accordance with the IRSO and return an overpayment as a 6-month credit to the tenants, effective August 2019. However, the tenants report that the landlord respondent has not returned the overpayment and that the overpayment refund will instead go toward the security deposit. The petition was filed with the Department of Consumer & Business Affairs (DCBA) on July 25, 2019.

Use Type

Multi-Family Residential; 0300

Year Built/Certificate of Occupancy(COO)

1941

Previous Petitions/History

N/A

Staff Evaluation & Burden of Proof

According to Ordinance No. 2018-0045, DCBA has determined that the rental unit located at 1244 E. 81st Street Los Angeles, California 90001 is covered under the Los Angeles County Interim Rent Stabilization Ordinance and is subject to its conditions.

The IRSO covers residential dwellings on properties with two or more units in the unincorporated areas of Los Angeles County with initial certificates of occupancy or equivalent issued on or before February 1, 1995. **Ordinance No. 2018-0045 Section 1(A) and Section 1(B).**

The IRSO limits rent increases to 3% once per 12-month period and applies to any rent increase taking effect on or after September 11, 2018. **Ordinance No. 2018-0045 Section 3(A).**

The IRSO regulates Housing Service Adjustments and indicates that a decrease in Housing Services can be considered an increase in Rent. Rent and Housing Services are defined in Section 2 of the IRSO. **Ordinance No. 2018-0045 Section 3(C).**

The rent increase in the amount of \$373.00 increased the Petitioner's rent from \$827.00 to \$1,200.00 (45.10%). According to the ordinance, the tenant's maximum allowable rent should be \$851.81. It should be noted that, the landlord rescinded the rent increase in accordance with the ordinance, setting rent at \$851.81 – effective August 2019. If approved and the tenant has paid the requested increase for any of the other months, the landlord will need to credit the tenant for any overpayments above 3% that have occurred since the rent increase took effect – which would total \$1,740.95 for the months of March through July 2019. **Ordinance No. 2018-0045 Section 3(A)(1).**

Lump Sum Credit Option

<i>October 1, 2019</i>	<i>\$1,740.95</i>
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Six Month Credit Option

<i>November 1, 2019</i>	<i>\$290.16</i>
<i>December 1, 2019</i>	<i>\$290.15</i>
<i>January 1, 2020</i>	<i>\$290.15</i>
<i>February 1, 2020</i>	<i>\$290.15</i>
<i>March 1, 2020</i>	<i>\$290.15</i>
<i>April 1, 2020</i>	<i>\$290.15</i>

Proof of Service/Notice of Hearing

The Petitioner, Miguel Ruiz, returned the Proof of Service form to DCBA on July 25, 2019. DCBA sent the Notice of Hearing on August 27, 2019.

Public Comments

N/A

Fees/Deposits

N/A

Landlord Contact

On July 26, 2019, DCBA contacted the landlord respondent to counsel them on their rights under Ordinance No. 2018-0045. The landlord respondent was not aware of the IRSO, but after learning of the ordinance understood that they were responsible for returning the overpayment to the tenant, along with setting rent in accordance with the IRSO. The landlord respondent was provided the overpayment amount, based on the base rent from September 2018. The landlord stated they would visit DCBA the following day for further discussion.

On July 26, 2019, the landlord respondent visited DCBA and was counseled on their rights and responsibilities under the IRSO. The landlord respondent provided DCBA with written notice that the rent increase would be rescinded, setting rent at \$851.81 and that a total overpayment of \$1,740.95 would be provided to the tenants over the next 6 months. DCBA informed the landlord respondent that DCBA would reach out to the tenants to determine if they were willing to withdraw their petition, as a result.

On September 3, 2019, DCBA contacted the landlord respondent regarding not returning the overpayment to the tenants after learning that the landlord had rescinded the rent increase, but no returned the overpayment. The call was not answered, but the DCBA was unable to leave a voicemail as it the mailbox was full.

Staff Recommendation

The following recommendation is made prior to the public hearing and is subject to change based upon testimony and/or documentary evidence presented at the public hearing:

Staff recommends APPROVAL of the Interim Rent Stabilization Ordinance Petition for Noncompliance – Case Number RSQ19-08808.

SUGGESTED STATEMENT

I, THE HEARING OFFICER, CLOSE THE PUBLIC HEARING AND FIND THAT THE INTERIM RENT STABILIZATION ORDINANCE PETITION FOR NONCOMPLIANCE – CASE NUMBER RSQ19-08808 IS **APPROVED**, SUBJECT TO THE ATTACHED CONDITIONS.

Suggested Approval Statement

Prepared by Shannon Louis
Reviewed by Jessica Gallegos

Attachments

Initials JMN:JG: sl

(9/3/19)

BURDEN OF PROOF STATEMENT

DCBA Case #:

RSQ19-08808

Section III: Reason for Petition (explain in detail why you are requesting a hearing)

Landlord has increased our rent on 3-1-19 to \$1200. Our previous rent amount was \$827.00 monthly. We provided a Rent Stabilization Bulletin but was not interested.

Current Rent:

\$1200

Proposed Rent (If known):

HAVE YOU RECEIVED OR ISSUED A NOTICE OF RENT INCREASE IN EXCESS OF THE ALLOWABLE LIMIT?☒ Yes ☐ No**IS THIS MATTER URGENT?**☐ Yes ☒ No**REASON FOR URGENCY** (must attach relevant documents in order to be considered):**Section IV: Respondent Information**Respondent Type: ☐ Tenant(s) ☒ Landlord ☐ Mobilehome Homeowner(s) ☐ Mobilehome Park Owner

Fernando Lozoya

Respondent Name/Organization (Please list the names of each Tenant or Mobilehome Homeowner who received a copy of this petition below)

Landlord