

# THE TENANTS; Two sides of a coin; Is rent control the lifeline that makes living in Los Angeles possible for teachers, nurses, police, the elderly and the working poor? Or is it a stranglehold that chokes off landlords' livelihoods and devalues properties?

Pollard-Terry, Gayle . Los Angeles Times ; Los Angeles, Calif. [Los Angeles, Calif]14 Jan 2007: K.1.

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## ABSTRACT (ABSTRACT)

Of Santa Monica's households, 70% rent today, [Dennis Zane] said. The city has just over 31,000 renter-occupied units, according to 2005 census data, the most recent available. Of that number, the Rent Control Board regulates 92%. Most units built after April 10, 1979, are exempt, and owners who occupy duplexes or triplexes may apply for a temporary exemption for the building. Annually, the elected Rent Control Board determines the rent increase for eligible units -- currently 4% or \$54 a month, whichever is less. The board also enforces eviction protections and mandatory maintenance, and informs tenants and owners about required relocation assistance.

Although Beverly Hills has not seen a marked increase in complaints, the numbers are up in West Hollywood, where 16,000 of the 23,000 households are rent controlled. "We have had more tenant harassment complaints," said Marney Hull, rent stabilization manager for that city. Some renters also fear that their buildings will be demolished to make way for stores or condominiums.

The first covers the small number of tenants, who have paid \$600 a month or less for rent at any point. Their annual rent increase, based on the federal consumer price index, is calculated monthly, but it goes up only once a year. For tenants who got their annual increase this month, it is 4.1%; for December, it was 4.2%. Protected from eviction without cause, except when a landlord or a relative wants to move in, they also receive relocation benefits of up to \$5,000 if their apartment is torn down, taken off the market or undergoes a major remodel that requires them to leave.

## FULL TEXT

DON'T let the Hollywood lights blind you: Los Angeles is a city of renters, and without rent control, the workers who keep the city running couldn't afford to live here, tenant advocates insist.

Frail but feisty, 79-year-old Doris McKendall could be the poster child for the rent-control cause. She lives on \$851 a month from Social Security and pays \$653 for a rent-controlled one-bedroom apartment a few blocks west of La Cienega Boulevard. When she moved there in 1984, the rent was around \$400.

Spending 75% or so of one's income on housing is not unheard of in Los Angeles, a city with one of the biggest gaps between housing prices and income. It's "a perfect storm" regarding the cost of living here, said Mercedes Marquez, head of the Los Angeles Housing Department.

Of the city's 780,000 rental units, Housing Department figures show, the 1979 Rent Stabilization Ordinance covers 550,000 that had a certificate of occupancy issued on or before Oct. 1, 1978.

Without rent control, the average market-rate rent for an apartment in central Los Angeles is \$1,485, as of the third quarter of 2006, said Delores Conway, director of the Casden Real Estate Economic Forecast at USC. In the West L.A. area, which includes Santa Monica, Beverly Hills and the Westside, it is \$2,079. In the Hollywood, West

Hollywood and North Hollywood grouping, \$1,625; and in the San Fernando Valley, \$1,398.

McKendall pays much less than the market rate for her neighborhood east of Cheviot Hills. Should she move out, state law allows the landlord to raise the rent as high as the market will bear. Similar apartments in the area rent for \$1,000 per month.

Clearly, her landlord isn't bringing in top dollar on her unit. But that's the way it is for apartments covered by the rent stabilization ordinance, said the Housing Department's Marquez, and owners who have purchased buildings since the ordinance went into effect knew the rules when they bought.

The city's Housing Department enforces the ordinance, including the annual allowable rent increase -- currently 4% -- and the requirements for eviction and relocation assistance.

"The regulations are in the public interest," Marquez said, citing the **affordable housing shortage** and low vacancy rate. Without regulation, she said, disabled tenants, seniors and those on fixed incomes would suffer.

Larry Gross, executive director and one of the founders of the Coalition for Economic Survival, which has been organizing renters to fight for their rights since 1973, is more blunt.

Before rent control, he said, landlords "were increasing rent two, three, four times a year." In many cases, Gross added, speculators bought buildings, raised the rent and then made quick profits by selling to new owners, who increased rents again. Some tenants faced rents that had doubled in a matter of months, according to stories published in The Times in 1977.

Plus, Gross said, owners could evict tenants without just cause.

He and his organization participated in the campaign that resulted in the city's Rent Stabilization Ordinance in 1979.

That same year, Santa Monica voters approved the Rent Control Charter Amendment, said Dennis Zane, a leader of that campaign who later went on to become mayor.

Of Santa Monica's households, 70% rent today, Zane said. The city has just over 31,000 renter-occupied units, according to 2005 census data, the most recent available. Of that number, the Rent Control Board regulates 92%. Most units built after April 10, 1979, are exempt, and owners who occupy duplexes or triplexes may apply for a temporary exemption for the building. Annually, the elected Rent Control Board determines the rent increase for eligible units -- currently 4% or \$54 a month, whichever is less. The board also enforces eviction protections and mandatory maintenance, and informs tenants and owners about required relocation assistance.

"Overwhelmingly, tenants and landlords have a good relationship," Zane said. Rent control is "intended to protect tenants from those small number of property owners that behave badly and harass them."

However, he added, as it becomes possible to make more money -- as market-rate rents shoot up in Santa Monica -- landlords are "increasingly inclined to bad behavior."

As a result, more tenants are complaining.

"In the last two fiscal years, we have seen an increase in the number of formal complaints," said Adam Radinsky, who heads the consumer protection unit for the Santa Monica City Attorney's Office, which investigates those complaints. And, he said, "We are seeing increased sophistication and creativity in the types of illegal harassment that landlords are using to get tenants to leave the apartments."

Tactics include pretending not to receive the rent, trying to evict tenants on false or invalid grounds, refusing to make repairs in the hope that renters will leave and even threatening them, he said.

Landlords caught intentionally harassing tenants face fines of \$1,000 for each act, can be ordered to pay attorneys fees under the Santa Monica law and could even go to jail.

Tenant complaints have shot up in Santa Monica and other rent-control cities since the state vacancy decontrol law, which allows landlords to set new rents on empty apartments, went into effect Jan. 1, 1999. Many renters also contact legal aid lawyers, Bet Tzedek, tenants' rights clinics and self-help centers set up by the state court system in addition to the appropriate government agencies.

The L.A. Housing Department received nearly 9,000 complaints in 2006, up from 7,566 in 2004. If an investigator finds a violation, the landlord is given a deadline to correct the problem. When an owner fails to respond, the

Housing Department sends the case to the Los Angeles City Attorney's Office. Last year, 69 cases were referred. Although Beverly Hills has not seen a marked increase in complaints, the numbers are up in West Hollywood, where 16,000 of the 23,000 households are rent controlled. "We have had more tenant harassment complaints," said Marney Hull, rent stabilization manager for that city. Some renters also fear that their buildings will be demolished to make way for stores or condominiums.

"With all the talk of development," she said, "tenants are really nervous."

Rent control has a political history in West Hollywood. Voters who supported maintaining affordable apartments helped advocates for cityhood win the 1984 election that created the municipality. A year later, the City Council adopted a permanent rent control law.

The rent stabilization ordinance covers apartments occupied on or before July 1, 1979. It sets maximum allowable rents, annual increases – 4% as of September – the amount of the security deposit, a maintenance schedule, causes for eviction and the amount for relocation fees when appropriate. Owner-occupied units qualify for a temporary exemption.

In Beverly Hills, the City Council approved existing rent control regulations in 1978.

That ordinance, and a second approved eight years later, cover all apartments and duplexes, approximately 12,000 to 13,000 units, primarily located south of Santa Monica Boulevard, said Bart Swanson, code enforcement manager. Tenants – including those who live in hotels or motels for 30 or more days – fall into two categories. The first covers the small number of tenants, who have paid \$600 a month or less for rent at any point. Their annual rent increase, based on the federal consumer price index, is calculated monthly, but it goes up only once a year. For tenants who got their annual increase this month, it is 4.1%; for December, it was 4.2%. Protected from eviction without cause, except when a landlord or a relative wants to move in, they also receive relocation benefits of up to \$5,000 if their apartment is torn down, taken off the market or undergoes a major remodel that requires them to leave.

All other tenants can expect an annual rent increase of up to 10%, Swanson said. After their leases have expired, they can be evicted without cause with a 60-day notice and they receive no relocation benefits. Owner-occupied units are exempt from both categories.

Aside from L.A., Santa Monica, West Hollywood and Beverly Hills, no other areas in Los Angeles County mandate rent control. There are no rent stabilization ordinances in Orange, San Bernardino or Riverside counties. In Ventura County, the Thousand Oaks ordinance covers a small number of tenants who moved into their apartments in 1987 or before that.

Rent control regulations don't prevent condo conversions, the latest threat to tenants. In L.A., close to 13,000 rent-controlled apartments have been converted to condos or demolished in the last five years.

As more apartments are turned into condos, Marla Joseph, a college administrator, questions where working people like her are expected to live.

A single mother earning just under \$50,000 annually, she has lived for 21 years in a two-bedroom, rent-controlled apartment in a large, lushly landscaped Sherman Oaks complex. During that time, her monthly rent has increased from \$800 to \$1,074, which she said represents 42% of her take-home pay. Joseph said market rent is \$1,895 for a two-bedroom unit in her building.

She and other tenants in the complex, which has 104 units, received a letter in November from building management indicating an application had been made for a condominium conversion.

"Eventually, people like me, senior citizens, teachers, social workers, won't have a place to go and Los Angeles will become an elitist city," said Joseph's neighbor Judi Mesisca. For 10 years, Mesisca, 56 and partially disabled, and her husband, Chet, 75, have lived in a two-bedroom apartment in the complex. The original rent of \$795 has risen to \$1,069. Their combined annual income is \$26,000.

Another neighbor, Karen Pardy, 62 and a nurse for a home healthcare agency who earns about \$50,000 a year, has lived there for nine years. Her rent has gone from \$825 to \$1,106.

"I don't know where I would go" if forced to move, she said. "I can't afford to spend \$1,800 a month on rent. I'll be 63

in March. I'm looking to retire."

Retirement has not been kind to Doris McKendall, who worked in real estate. She once was a homeowner with her then-husband, but that went the way of the divorce. To be able to eat after paying utilities, she depends on donations from her ex-husband, friends and Jewish Family Service of Los Angeles. Without rent control, she could not afford the apartment that has been her home for more than two decades.

"I pay my rent every month," said McKendall, who wants to remain in her apartment for the rest of her life. "I'm not a well person. I'm crippled. I'm old. I just want to be left alone."

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(BEGIN TEXT OF INFOBOX)

Rent control: How some local cities stack up

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Los Angeles

When:

**The Rent Stabilization Ordinance took effect May 1, 1979.**

What's covered:

Buildings occupied on or before Oct. 1, 1978. Two or more units on the same lot, whether apartments, condominiums, town homes, houses or duplexes; rooms in a hotel, motel, rooming house or boarding house occupied by the same tenant for 30 or more consecutive days.

Increase allowed:

As of July 1, 2006, a 4% annual increase plus 1% for electric service and 1% for gas if they are provided by the landlord.

Relocation policy:

If a tenant is forced to move out under specified situations, landlords must pay relocation assistance of \$3,450 per unit unless the tenant has minor children, is disabled or over the age of 62. In those cases, the amount is \$8,550.

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Santa Monica

When:

The Rent Control Charter Amendment (Article 18 of the Municipal Code) was adopted on April 10, 1979.

What's covered:

Most residential rental units constructed before April 10, 1979. Some single-family homes and condos.

Increase allowed:

As of Sept. 1, 2006, 4% or \$54, whichever is less, plus \$7 for gas service the landlord supplies for tenants occupying units prior to Jan. 1, 1999.

Relocation policy:

Relocation benefits, based on the size of the apartment, start at \$4,400 and go up to \$8,050. Tenants 62 or older receive an additional \$1,000.

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West Hollywood

When:

The Rent Stabilization Ordinance was approved on June 27, 1985.

What's covered:

Apartment buildings and duplexes issued a certificate of occupancy on or before July 1, 1979. Under an amendment, rented condos and single-family homes, if a tenant moved in before 1996.

Increase allowed:

4% as of Sept. 1, 2006.

Relocation policy:

Benefits are based on income, age, disability and other factors. The assistance ranges from \$2,000 to \$15,000. All households receive \$1,000 for moving expenses.

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Beverly Hills

When:

There are two rent control ordinances. The first applies to tenants who paid \$600 or less per month any time during their tenancy. It was adopted Sept. 19, 1978. Tenants who paid more than \$600 are covered by an ordinance OK'd Oct. 7, 1986.

What's covered:

All apartment units and duplexes.

Increase allowed:

The annual increase allowed under the first ordinance is 4.1% as of Jan. 1, 2007. In the second group, which is much larger, it's up to 10%.

Relocation policy:

Up to \$5,000 for tenants under the first ordinance and nothing for tenants covered by the second.

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Sources: Los Angeles Housing Department, Santa Monica Rent Control Agency, West Hollywood Department of Rent Stabilization and Housing, the code enforcement division of the Beverly Hills Department of Building and Safety, ESRI, TeleAtlas.

### Illustration

Caption: GRAPHIC: Rent control: How some local cities stack up (includes map); CREDIT: Los Angeles Times;  
PHOTO: LONGTIME TENANT: Retiree Doris McKendall lives in a rent-controlled Los Angeles apartment.;  
PHOTOGRAPHER: Gina Ferazzi Los Angeles Times  
Credit: Times Staff Writer

## DETAILS

<b>Subject:</b>	Labor force; Low income groups; Older people; Tenants; Rent control; Affordable housing
<b>Location:</b>	Los Angeles California
<b>Publication title:</b>	Los Angeles Times; Los Angeles, Calif.
<b>Pages:</b>	K.1
<b>Number of pages:</b>	0
<b>Publication year:</b>	2007
<b>Publication date:</b>	Jan 14, 2007
<b>Section:</b>	Real Estate; Part K; Features Desk
<b>Publisher:</b>	Tribune Interactive, LLC
<b>Place of publication:</b>	Los Angeles, Calif.

<b>Country of publication:</b>	United States
<b>Publication subject:</b>	General Interest Periodicals--United States
<b>ISSN:</b>	04583035
<b>Source type:</b>	Newspapers
<b>Language of publication:</b>	English
<b>Document type:</b>	Feature
<b>ProQuest document ID:</b>	422139829
<b>Document URL:</b>	<a href="http://ezproxy.lapl.org/login?url=https://search.proquest.com/docview/422139829?accountid=6749">http://ezproxy.lapl.org/login?url=https://search.proquest.com/docview/422139829?accountid=6749</a>
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<b>Last updated:</b>	2011-09-22
<b>Database:</b>	Los Angeles Times

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