



LA County Rental Housing Habitability and Rent Escrow Account Program

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Health and Mental Health Cluster Meeting





Overview

- On April 5th, 2022, the Board of Supervisors directed the Department of Public Health (Public Health) to work with County Counsel and other departments to create a Rental Housing Habitability Program (RHHP) and Rent Escrow Account Program (REAP).
- The ordinances, if adopted, would only apply in the unincorporated areas of Los Angeles County.
- The RHHP and REAP ordinances are modeled after the City of Los Angeles' Housing Codes but are tailored to the needs of County residents.
- Both ordinances include a system of administrative due process that provides confirmation of uncorrected habitability issues and issuance of orders to correct outstanding violations, along with fines, remedies, and reinspection fees.



Current Program

Public Health's current housing inspection program is throughout LA County:

- Includes annual inspections of every apartment building with 5 or more units.
- Inspections include speaking with tenants of 10% of the units in multi-unit dwellings (min. of at least 5 units) to determine if they have vermin or maintenance issues.
- If violations are identified, additional units are inspected, including adjacent units to those with vermin violations.
- Non-emergency complaints result in a letter providing landlord 21 days to make corrections. An inspection is conducted if the complainant files a second complaint after 21 days.
- Emergency complaints for sewage discharge, non-working toilets, lack of running water, leaking roof, and lack of heat during winter months result in an immediate investigation with 24 hours provided to correct the violations.
- Limited enforcement tools; need to file misdemeanor charges to impose fines or penalties.

Stakeholder Meetings

- Public Health and DCBA conducted 6 virtual stakeholder and community engagement meetings between March 2023 and January 2024, to solicit and receive public input from tenants, landlords, housing stakeholders, and other interested parties.
- 5 of the 6 meetings were broadcasted in both English and Spanish using Simultaneous Interpretation.

Organizations present at Stakeholder Meetings:

- Landlord Groups - Shores MDR, Marina Del Rey Lessee Association, Los Angeles Property Management Group, Solarentals, Windrich Group, The California Apartment Association, Apartment Association of Greater Los Angeles, and Coalition of Real Estate Associations
- Community Groups - Eastside LEADS, SAJE, Healing and Justice Center, Inquilinos Unidos, Pomona Economic Opportunity Center, Neighborhood Legal Services of Los Angeles County, Keep LA Housed, Legal Aid Foundation of Los Angeles, Alliance of Californians for Community Empowerment, Housing Rights Center, Ground Game Los Angeles, Communities for a Better Environment, SELA Collaborative, Coalition for Economic Survival, and Community Power Collective

GovDelivery Mailings (6/29/23, 7/10/23, and 1/24/24, mtg dates):

- Emails sent to 2,287 tenants, 2,221 landlords, 63 RSU Partner Organizations, and SAJE.
- Board Offices notified for additional distribution.

Emails from Public Health

- 6K plus emails sent to Tenants, Tenants' Organizations, and Landlords (including those on the Rental Registry) and Partner Organizations.
- Flyers in English and Spanish were attached to the emails.

Additional Promotion:

- A flyer was posted on the Public Health, DCBA, DRP and B & H Instagram (social media platform).
- A banner was created for the EH webpage.
- RHH staff distributed 200 flyers throughout SPA 7 for the meeting on 6/29/23.
- A RHH webpage was created with updated information, FAQs, a PowerPoint, and a recording of the January 2024, RHHP and REAP Virtual Stakeholder Meeting
 - Count for RHH webpage hit since 6/1/23 is 2,233.

RHHP and REAP Ordinance

- Public Health held regular meetings with departments and held several stakeholder meetings to share the main components of the ordinances.
- The ordinances will be presented at the Public Hearing Board Meeting on April 16, 2024.
- The RHHP if approved, will be in effect starting July 1, 2024.

Implementation and Enforcement

- DCBA is lead on the implementation of the REAP ordinance.
- Public Health is lead for RHHP and is updating the Housing Inspection Guide and identifying inspector training needs for RHHP.

Web-Based Case Management

- Public Health, in collaboration with the DCBA, LACDA, DRP, and DPW, will develop a web-based case management system for RHHP. This will be included in the implementation of the Accela Enhancement, the update to EH's permitting database and inspection system.
- A dedicated customer call center will be established for RHHP.

Rental Housing Habitability Program (RHHP)

- Covers any living quarters occupied in exchange for rent, whether or not the residential use is legally permitted. This *includes single-family dwellings that are rented*.
- Requires pre-announced inspections of each property at least once every 4 years and potentially for specific properties every 2 years.
- Provides complaint-based inspections to address issues that arise between scheduled inspections.
- Includes effective enforcement mechanisms that encourage repairs and proper maintenance.
- Include notices, fines, penalties for non-compliance, rent reductions, and referrals to the Rent Escrow Account Program.
- Includes administrative hearings to validate recommended enforcement actions with opportunity to appeal to an Appeals Board.
- Based on a cost recovery model, in which annual registration fees cover annual program costs. Landlords are allowed to pass through 50% of cost of registration fees.

Rent Escrow Account Program (REAP)

- REAP would allow the tenant to pay a reduced rent into a Rent Escrow Account managed by the County (DCBA).
- REAP is a consequential program for landlords who remain out of compliance with health and building codes.
- Owner or tenant may submit proof of cost of repairs for reimbursement.
- Tenants may use Rent Escrow Account funds for relocation costs.
- The ordinance provides tenant protections against evictions, rent increases, and retaliation.

Referral into REAP

- County agencies may refer any rental property or residential unit within the scope of this ordinance for inclusion in REAP if certain conditions are met (e.g., construction without permits).

Amount of Rent Reduction

- The County Housing Program Chief shall adopt by regulation, a schedule setting forth the amount by which the rent shall be reduced based on nature of violation, severity of conditions, and history of the property.

The Rental Housing Habitability Program Fees

- \$86 per unit, per year fee.
- Collected as a direct assessment as part of the property taxes.
- The fee covers the following expenses:
 - Covers inspection costs – 7 inspectors, supervision and office support
 - Posting inspection notices – 2 technicians to post notices of inspection
 - Complaint center – 3 community workers
 - Hearing Officers within other County departments
 - Tenant outreach and landlord education – Outside Contractors
 - Software integration between Public Health, DCBA, DRP, and DPW
 - DCBA's personnel costs - 3.5 staff

REAP Administrative Fee

- Estimated at \$168.83* per unit/per month administrative fee for units placed in REAP.
- The administrative fee is to be utilized to fund the operations of the REAP:
 - Collection of rent and maintenance of escrow accounts.
 - REAP billing and payment processing.
 - Review of escrow withdrawal requests and coordination with DPH RHH hearings team.
- Directly billed to the landlord each month.
- Any unpaid/outstanding fees will be collected from the rent paid into the escrow account for the property, once it is removed from REAP.

*Currently under review with Los Angeles County's Office of the Auditor Controller for final approval.

Current annual fees based on number of units

Number of Units	Current Fee	RHHP Fee	% Increase
5	\$344	\$430	25%
20	\$355	\$1,720	384%
50	\$453	\$4,300	849%
100	\$453	\$8,600	1798%
620	\$480	\$53,320	11,008%

- Increase in cost due to posting of notice at property in advance of routine inspection, mandatory inspection of every unit, hearing officer implementation, tenant advisory contractors, DCBA personnel costs, and customer concierge service.
- Currently buildings with 4 or less units are not inspected or charged a fee.

Estimate of Multiple Family Dwellings (MFD) and Single-Family Rentals in the Unincorporated Areas

Supervisor District	MFD (Assessor's Records)	SFD (Rental Registry)
1	530	1698
2	924	765
3	5	90
4	246	395
5	382	1481
Total	2087	4429

IMPLEMENTATION STEPS



- Inspections will begin 6 months after adoption of the ordinances.
- Properties with poor compliance history will be inspected first.
- Working with other departments to develop additional training for inspectors.
- Developing the necessary forms, e.g., Notice of Inspection, Notice of Hearing, Hearing Decision Letter.
- New customer call center will be established for RHHP to take all housing complaints.
- New Sharepoint site for Departments to communicate referrals and case status.
- Identifying positions within County departments to serve as administrative hearing officers and sit on the Appeals Board.
- Positions have been requested in the FY 24/25 Budget.
- Initial billing will occur on 2024-25 Property Taxes.

If Adopted:

- Existing inspection program will be discontinued for unincorporated area; existing program will remain in effect in the rest of LAC.
- Prescheduled inspections and reinspections of all rental properties every 4 years.
- Complaint based inspections investigated within 7 days.
- Time extensions available only if work is in progress to correct violations.
- Referrals into REAP for landlords that don't correct violations by compliance dates.
- Opportunity for review by Hearing Officers and Housing Habitability Appeals Board prior to enforcement actions.
- Annual fee of \$86 per unit, per year. Additional fee of \$137 per month for units in REAP.
- RHH fee will be billed to the 2024-25 Property Taxes.
- REAP fee will be a monthly bill to landlords should their unit(s) be placed into REAP.
- New customer call center will be added for RHH calls.



Rental Housing Habitability Program

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Interested in learning more about the Rental Housing Habitability Program?

Please visit the RHH web pages:

Home page: <http://ph.lacounty.gov/eh/index.htm>

Housing page: <http://ph.lacounty.gov/eh/business/housing.htm>

RHH page: <http://ph.lacounty.gov/eh/about/rental-housing-habitability-program.htm>