

ORDINANCE NO. _____

An ordinance amending the Rent Stabilization Ordinance (RSO), Article 1, Chapter XV of the Los Angeles Municipal Code, to provide a Tenant Buyout Notification Program for voluntary vacancies and mandating pre-buyout disclosure of tenant rights, along with other requirements.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. A new Section 151.31 is added to the Los Angeles Municipal Code to read as follows:

SEC. 151.31. TENANT BUYOUT NOTIFICATION PROGRAM.

A. Purpose. The Tenant Buyout Notification Program provides for regulation, monitoring and enforcement of voluntary vacancies of RSO rental units occurring pursuant to a Buyout Agreement. To promote fairness during buyout negotiations and agreements, this section requires tenants be informed of their RSO rights before executing a Buyout Agreement.

1. The Rent Adjustment Commission may promulgate regulations to implement this section.

B. Definitions. The following words and phrases, whenever used in this section, shall be construed as defined in this section. Words and phrases not defined in this section shall be construed as defined in Section 151.02 of this Chapter, if defined therein.

Buyout Offer. An offer, written or oral, by a landlord to a tenant to pay money or other consideration to vacate an RSO unit.

Buyout Agreement. A written agreement where a landlord pays a tenant money or offers other consideration to voluntarily vacate an RSO rental unit.

C. RSO Disclosure Notice. Before making a Buyout Offer, the landlord shall provide the tenant(s) with the RSO Disclosure Notice of tenant rights on a form authorized by the Department, which shall be dated and signed by the landlord and the tenant(s).

D. Buyout Agreement Requirements.

1. **Written Buyout Agreement.**

a. Every Buyout Agreement shall be written in the primary language of the tenant and state in a minimum of 12-point bold type above the tenant signature line as follows:

“You, (tenant name), may cancel this Buyout Agreement any time up to 30 days after all parties have signed this Agreement without any obligation or penalty.”

b. Every Buyout Agreement shall be signed and dated by the landlord and tenant.

c. A copy of the fully executed Buyout Agreement shall be given to the tenant.

2. Cancellation of Buyout Agreement.

a. A tenant shall have the right to cancel a Buyout Agreement for any reason for up to 30 days after execution by the landlord and the tenant without any financial obligation or penalty.

b. Whenever an RSO Disclosure Notice and/or Buyout Agreement does not conform to the requirements of this section or RAC Regulations, the tenant shall have the right to cancel the Buyout Agreement through the applicable statute of limitations period.

3. Filing Executed RSO Disclosure Notice and Buyout Agreement. The landlord shall file with the Department copies of the RSO Disclosure Notice signed by the tenant and the landlord, and the Buyout Agreement within 60 days of the Buyout Agreement execution.

E. Affirmative Defense. A violation of this section may be asserted as an affirmative defense in an unlawful detainer action.

F. Private Right of Action. A tenant may bring a private right of action against a landlord who violates a provision of this section and recover damages and a penalty of \$500.

Sec. 2. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I hereby certify that this ordinance was passed by the Council of the City of Los Angeles at its meeting of _____.

HOLLY L. WOLCOTT, City Clerk

By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By Deborah Breithaupt
DEBORAH BREITHAUPT
Deputy City Attorney

Date 11-8-16

File No. CF 15-0600-S34