

## *Letters to the Editor...*

### How a Landlord Can Transfer Payment for Water at a Rent-Controlled Property

By Stephenie Frederick



*Water submetering helps individuals understand how much water they use, and encourages them to reduce water waste.*

All over the City of Los Angeles are apartment buildings and smaller domiciles under rent control. The individual units do not have submeters to measure the tenants' water usage; instead, the landlord pays the entire water bill.

The absence of submeters in rent-controlled units encourages tenants to waste water. Why not, if someone else is picking up the tab? The position is entirely logical.

But now that water prices have risen, many landlords will want to see their tenants pay for their water themselves. The City of Los Angeles Housing Department has a process for transferring water payments to rent-controlled tenants. Here is how it works.

The basic idea is that landlord and tenant swap payments: the landlord pays less for water but collects a lower rent; the tenant pays less for rent but begins paying for water. The rent decrease equals the water-payment increase. (However, the landlord is allowed to impose a capital improvement surcharge to cover, over time, the cost of installing submeters in the individual dwelling units.)

The landlord must notify tenants in writing that the water payment is to be transferred, and must install submeters in the units. To this point, the matter is a private transaction between landlord and tenants.

A landlord who wishes to recoup the cost of submeter installation must file an application with the housing department. Then the entire matter comes under the review of the housing department, which must approve the surcharge and the payment swap.

The housing department has developed a formula for calculating how much each rental unit must pay for its water use. The formula determines the average monthly cost of water for an apartment building (so, total annual cost divided by twelve), and allocates the cost to each unit according to the number of bedrooms in each.

If a landlord rented a duplex consisting of a two-bedroom unit and a three-bedroom unit, and the total annual water cost for the two units together was \$1,200, the two-bedroom would pay \$46.67 per month for water (and that much less in rent); and the three-bedroom would pay \$53.33 per month for water (and that much less in rent).

If the landlord will continue to pay for watering common areas of the rental property, a utility audit must be conducted to determine the cost of that watering; that cost is subtracted from the total annual cost of providing water to the rental property. Then the allocation formula is applied.

The housing department will send you a document that explains the formula and the process (with detail on bedroom and common-area issues). Call (866) 557-7368 and choose zero to speak with a representative. The document is entitled "***Rent Stabilization: Transfer of Utility Payment to Tenants.***" (Note: This telephone number sometimes connects the caller to a financial-services agency in the Midwest. Just keep trying until you reach the housing department.)