

ORDINANCE NO. 180441

An ordinance adding Article 14.1 to Chapter IV of the Los Angeles Municipal Code to regulate the grounds for eviction of tenants from foreclosed residential rental properties.

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

Section 1. A new Article 14.1 is added to Chapter IV of the Los Angeles Municipal Code to read:

**ARTICLE 14.1**

**EVICITION OF TENANTS FROM FORECLOSED RESIDENTIAL RENTAL  
PROPERTIES**

**SEC. 49.90. Purpose.**

The purpose of this Article is to prevent the displacement of tenants and the loss of rental units in the City of Los Angeles due to the foreclosure of the property, and to prevent homelessness and nuisances and blight caused by vacant foreclosed properties.

**SEC. 49.91. Definitions.**

The following words and phrases, whenever used in this Article, 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 Code.

**Foreclosure:** The reversion or transfer of title to a property to a lender, mortgagee, or beneficiary of a deed of trust, or an agent thereof, in full or partial satisfaction of a defaulted obligation.

**Rental Unit:** All dwelling units, efficiency dwelling units, guest rooms, and suites, as defined in Section 12.03 of this Code, and all housing accommodations as defined in Government Code Section 12927, and duplexes and condominiums in the City of Los Angeles, rented or offered for rent for living or dwelling purposes, the land and buildings appurtenant thereto, and all housing services, privileges, furnishings and facilities supplied in connection with the use or occupancy thereof, including garage and parking facilities. This term shall also include mobile homes, whether rent is paid for the mobile home and the land upon which the mobile home is located, or rent is paid for the land alone. Further, it shall include recreational vehicles, as defined in California Civil Code Section 799.29 if located in a mobilehome park or recreational vehicle park, whether rent is paid for the recreational vehicle and the land upon which it is located, or rent is paid for the land alone. The term "Rental Unit" shall not include accommodations that

are exempt from the Rent Stabilization Ordinance of the City of Los Angeles by any of the following provisions:

Paragraph 2, 3, 4, 5, 9, 10, or 11 of the definition of "Rental Units" in Section 151.02 of this Code.

**SEC. 49.92. Evictions.** A landlord who obtains title through Foreclosure to property containing Rental Units may bring an action to recover possession of a Rental Unit on the property from a tenant whose tenancy commenced on or before the date that the landlord obtained title, only upon the grounds set forth in Subdivision A of Section 151.09 of this Code. To recover possession of a Rental Unit from a tenant, the landlord must comply with all of the requirements and provisions of Section 151.09, including, without limitation, the payment of relocation fees required pursuant to the provisions of Subsection G of Section 151.09.

**SEC. 49.93. Remedies.** In addition to all remedies and penalties provided by law, any person who violates the provisions of this Article shall be subject to the provisions of Subsections B and C of Section 151.10 of this Code.

**SEC. 49.94. Promulgation of Rules and Regulations.** The Rent Adjustment Commission of the City of Los Angeles and the Los Angeles Housing Department shall have the authority to adopt policies, rules and regulations to effectuate the purposes of this Article, and to implement, administer, and enforce the provisions of this Article.

**SEC. 49.95. Sunset Provision.** The provisions of this Article shall be in effect for one year after its effective date unless the City Council acts by ordinance to amend this Section to extend the one-year period.

**Sec. 2. Statement of Intent.** It is the intent of the City Council that the provisions of this Article shall apply to properties containing Rental Units to which the landlord obtains title through Foreclosure on or after December 17, 2008.

**Sec. 3. Severability.** If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this ordinance which can be implemented without the invalid provisions, and to this end, the provisions of this ordinance are declared to be severable.

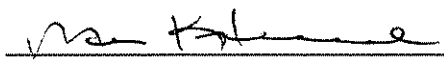
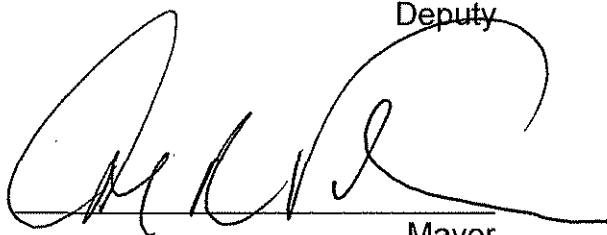
**Sec. 4. Urgency Clause.** The City Council finds and declares that this ordinance is required for the immediate preservation of the public peace, health and safety for the following reasons: there is an unprecedented number of foreclosures of residential properties in the City of Los Angeles. The Rent Stabilization Ordinance (RSO), LAMC Chapter XV, prohibits the eviction of tenants merely because of a property's foreclosure. However, in multi-family properties exempt from the RSO and properties containing a single family dwelling, which are categorically exempt from the RSO, tenants are subject to eviction upon foreclosure of the property by the lender or its

agents. State law merely affords these tenants 60 days before they are displaced to a rental market with an average rent of \$1,600. In the last two years, over 10,000 properties containing approximately 13,000 units have been foreclosed in the City of Los Angeles. Lenders have repeatedly sought to vacate tenants from these foreclosed properties. The foreclosure crisis is only expected to worsen in the coming year as many adjustable rate mortgages are scheduled to be reset to higher interest rates prompting a series of new foreclosures in the City of Los Angeles. A significant number of foreclosed properties have been placed in the City's Rent Escrow Account Program for health and safety violations. Vacant foreclosed properties cause neighborhood blight and destabilization to the surrounding communities. The City Council enacts this ordinance to prevent the displacement of tenants merely because of a property's foreclosure, and to avoid the blight and destabilization of the neighboring community. Therefore, this ordinance shall become effective upon publication pursuant to Los Angeles City Charter Section 253.

Sec. 5. 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 DEC 17 2008.


KAREN E. KALFAYAN, City Clerk

By   
Deputy  
  
Mayor

Approved DEC 19 2008

Approved as to Form and Legality

ROCKARD J. DELGADILLO, City Attorney

By   
JUDITH E. REEL  
Deputy City Attorney

Date December 17, 2008

File No. 07-2438-S9