



MICHAEL N. FEUER
CITY ATTORNEY

REPORT NO. R 1 3 - 0 2 1 5
JUL 2 6 2013

REPORT RE:

**DRAFT ORDINANCE AMENDING SUBSECTION D OF SECTION 163.03 OF
ARTICLE 3 OF CHAPTER XVI OF THE LOS ANGELES MUNICIPAL CODE TO
INCREASE THE MAXIMUM TENANT RELOCATION BENEFITS THE GENERAL
MANAGER OF THE LOS ANGELES HOUSING DEPARTMENT IS AUTHORIZED TO
PAY FROM \$50,000.00 TO \$100,000.00 PER PROPERTY**

The Honorable City Council
of the City of Los Angeles
Room 395 City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

Pursuant to your request, this Office has prepared and now transmits for your consideration, approved as to form and legality, the enclosed draft ordinance amending Subsection D of Section 163.03 of Article 3 of Chapter XVI of the Los Angeles Municipal Code to increase the amount of tenant relocation benefits the General Manager of the Los Angeles Housing Department is authorized to pay from \$50,000.00 to \$100,000.00 per property.

Background and Summary of Ordinance Provisions

The Los Angeles Housing Department administers the Tenant Relocation Program for the City of Los Angeles pursuant to Los Angeles Municipal Code Section 163.00, *et. seq.* If a landlord fails to pay ordered relocation benefits, the General Manager is authorized to pay relocation benefits to tenants up to \$50,000.00 per property, which must be repaid by the landlord.

When the total amount of relocation benefits to be paid by LAHD exceeds \$50,000.00, the concurrence of City Council and Mayor is required. The approval process creates delays in LAHD's timely payment of benefits. This problem is

compounded because the relocation benefits payable per tenancy have increased over time even though the relocation benefit maximum of \$50,000.00 per property payable by LAHD has remained constant. For example, in 2003, tenant relocation benefits ranged between \$2,000.00 and \$5,000.00 per tenancy, depending on certain factors. In 2012, these same benefits ranged between roughly \$9,850.00 and \$18,650.00 per tenancy. As a result of the increased relocation benefits allowed, LAHD may now easily surpass its \$50,000.00 limit on payment of relocation benefits per property. To address this issue, this Honorable Body requested this Office to draft a proposed ordinance to increase the authority in the amount of relocation benefits the General Manager of the Los Angeles Housing Department may pay to tenants without Council and Mayoral approval from \$50,000.00 to \$100,000.00.

Council Rule 38 Referral

Pursuant to Council Rule 38, a copy of the draft ordinance was reviewed by the LAHD, which has approved the proposed language.

CEQA Findings

Regarding a finding pursuant to the California Environmental Quality Act (CEQA), LAHD has recommended that City Council find that the adoption of this ordinance is exempt from the provisions of CEQA under Article 18, Section 15060 (c)(2) of the State CEQA Guidelines and Article II, Section 2(m) of the City CEQA Guidelines.

If you have any questions regarding this matter, please contact Deputy City Attorney Deborah Breithaupt at (213) 978-7965. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

PEDRO B. ECHEVERRIA
Chief Assistant City Attorney

PBE:DB:Webb
Transmittal

ORDINANCE NO. _____

An ordinance amending Subsection D of Section 163.03 of Article 3 of Chapter XVI of the Los Angeles Municipal Code to increase the amount of tenant relocation benefits the General Manager of the Housing and Community Investment Department is authorized to pay from \$50,000.00 to \$100,000.00 per property.

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

Section 1. The second sentence in Subsection D of Section 163.03 of Article 3 of Chapter XVI of the Los Angeles Municipal Code is amended to read as follows:

If the total amount of relocation benefits advanced pursuant to Section 163.05 exceeds \$100,000 per property, the General Manager must obtain the concurrence of the Mayor and City Council before advancing benefits to displaced tenants.

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 these ordinances were passed by the Council of the City of Los Angeles, at its meeting of _____.

JUNE LAGMAY, 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 7-26-13

File No. CF 12-1686