

## COMMUNICATION

**TO: LOS ANGELES CITY COUNCIL**

**FILE NO. 12-1686**

**FROM: COUNCILMEMBER ED REYES, VICE CHAIR  
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE**

COMMUNICATION FROM VICE CHAIR, HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE relative to amending the Los Angeles Municipal Code (LAMC) to increase the amount advanced for tenant relocation benefits from \$50,000 to \$100,000 per property when properties are vacated as a result of extensive and serious code violations.

Recommendation for Council action:

INSTRUCT the Los Angeles Housing Department (LAHD) to work with the City Attorney to amend Section 163.03(D) of the LAMC pursuant to the recommendations contained in the LAHD report dated October 10, 2012 (contained in Council File No. 12-1686) and summarized as follows: increase the ceiling amount of tenant relocation benefits the General Manager, LAHD, is authorized to advance per property from \$50,000 to \$100,000.

Fiscal Impact Statement: The LAHD reports that there is no impact to the General Fund. The LAHD's Municipal Housing Finance Fund provides funding for tenant relocation benefit advancements. The LAHD bills the owner to recover funds advanced to tenants plus penalty fees, and will record a lien against the property on the County of Los Angeles Secured Tax Roll for non-payment.

Community Impact Statement: None submitted.

### SUMMARY

At a regular meeting held on November 14, 2012, the Vice Chair of the Housing, Community and Economic Development Committee considered a report from the Los Angeles Housing Department (LAHD) relative to amending Los Angeles Municipal Code Section 163.03(D) to increase the amount the LAHD General Manager is authorized to advance for tenant relocation benefits from \$50,000 to \$100,000 per property when multi-family housing properties are vacated as a result of extensive and serious code violations.

Representatives of the LAHD appeared before the Committee Vice Chair to discuss the proposed ordinance and respond to related questions. The representatives of the LAHD reported that currently, the LAHD may only authorize a maximum of \$50,000 in relocation benefits per property to those tenants that are displaced or evicted due to extensive and/or serious code violations when the property owner fails to pay such benefits. However, amounts above \$50,000 must be approved by the City Council which results in delays to tenants in receiving relocation benefits since they must wait for completion of the approval process before the LAHD can issue relocation benefit checks.

Additionally, the relocation benefit maximum of \$50,000 per property has not changed since the Ordinance establishing the relocation benefit was adopted in 2003. At that time, relocation benefit amounts were \$2,000 and \$5,000, but those amounts have increased to \$9,850 and \$18,650 while the maximum benefit per property has not increased. Since the LAHD's jurisdiction encompasses housing dwellings of 2 or more units, the LAHD can easily surpass the \$50,000 maximum per property with the relocation of just three tenants. Therefore, an increase in the maximum relocation benefits to \$100,000 per property will allow the LAHD to pay those benefits to tenants in a more timely manner in the event property owners fail to pay the relocation benefits (the LAHD will ultimately bill the property owner for the benefits that were advanced to tenants, plus penalties, and will record a lien against the property for non-payment).

After providing an opportunity for public comment, the Committee Vice Chair recommended that Council approve the recommendation in the LAHD report. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

COUNCILMEMBER ED REYES, VICE CHAIR  
HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CARDENAS:	ABSENT
REYES:	YES
WESSON:	ABSENT
ALARCON:	ABSENT
PERRY:	ABSENT

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