

Communication from Public

Name: AAGLA

Date Submitted: 10/22/2019 09:53 AM

Council File No: 14-0268-S16

Comments for Public Posting: Attached for your review is a letter submitted by the Apartment Association of Greater Los Angeles (AAGLA) which provides our opposition and comments related to the motion on Tenant Relocation Assistance Required for Evictions under the Ellis Act to be discussed at the October 23rd Housing Committee meeting (Agenda item 6).



"Great Apartments Start Here!"

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October 22, 2019
Via Electronic Mail

City of Los Angeles Housing Committee
City Hall
200 North Spring Street
Room 1010
Los Angeles, California 90012

Re: Tenant Relocation Assistance Required for Evictions Under the Ellis Act (Agenda Item 6)

Dear Housing Committee Members:

The Apartment Association of Greater Los Angeles' (AAGLA) strongly opposes the proposed motion before your Committee directing the Los Angeles Housing + Community Investment Department (HCID+LA) to develop amendments to Ellis Act evictions, including potentially revising the amount of relocation assistance, increasing the affordable housing replacement requirement for new construction, offering a right of first refusal to displaced renters, and imposing restrictions on available development incentives where renters have been evicted pursuant to the Ellis Act.

Furthermore, the proposed motion makes several broad-based statements that are without basis or inconclusive. A reference to a 2018 analysis that "only one in three units in Los Angeles County is covered by rent control, leaving the majority of renters with little protection" is extremely inaccurate. In light of the current Los Angeles County rent freeze, which has been in effect since November 2018, and the recent passage of Assembly Bill 1482 and effectiveness as of January 1, 2020, nearly all renters are now covered by rent control and related tenant protections including "just cause" eviction rules and required payment of relocation benefits. Additionally, no data has been provided to support the conclusion that Ellis Act evictions have significantly contributed to homelessness or contributed to homelessness in any meaningful way.

The Ellis Act, enacted by the State Legislature in 1985, provides rental property owners with the ability to remove rental units and/or entire buildings from the rental market so that they are not forced to stay in business. Increasing the required amount of relocation fees to be paid utilizing variables that are subject to each renter's unique circumstances would be complicated to administer and understand and place unfair financial hardships on rental housing providers who are simply exercising their right to exit an adverse rental market. Relocation assistance should be calculated using a fixed formula which is not dependent on such factors as, for example, a renter's commuting

needs. Small, “mom and pop” owners have limited financial resources to pay large lump sum payments for relocation assistance. Moreover, courts have overturned excessive relocation assistance for evictions under the Ellis Act, where such assistance has been deemed as effectively invalidating a rental property owner’s right to remove units and/or buildings from the rental market.

The motion also seeks to provide renters who are displaced due to building demolition a right of first refusal to move into one of the building’s affordable units. This right should be limited to those renters in financial need based on means testing and should not be available to displaced wealthy renters.

Lastly, the proposed motion calls for staff to consider increasing the affordable housing replacement requirements, currently at 20%. It is important to note, that such restrictions are likely to be struck down by a Court based on their limited applicability to properties subject to the Ellis Act. California is experiencing a severe housing shortage and is in dire need of advancing initiatives that encourage not discourage, housing production. **The proposed motion will not only have an adverse effect on housing development and the construction of new units, it will serve to disincentivize essential construction and replacement of the City’s aging housing stock. We urge the Housing Committee to consider ways to encourage innovative and immediate housing production.**

As the Committee contemplates this motion, we urge members to better study the situation and direct staff to more thoroughly evaluate the need for making such drastic and potentially damaging changes, and determine if there truly is a correlation between Ellis Act evictions and homelessness to warrant the proposed changes contemplated by the motion.

Thank you for your time and consideration of these matters. If you have any questions, please call me at (213) 384-4131; Ext. 309 or contact me via electronic mail at danielle@aagla.org.

Very truly yours,

Danielle Leidner-Peretz

Communication from Public

Name: Jane Demian

Date Submitted: 10/22/2019 02:26 PM

Council File No: 14-0268-S16

Comments for Public Posting: I am writing in support of the referenced Council File. The Ellis Act really should be repealed because It is a corruption; it is no longer being used for its original intention, and it has proven to be a deterrent to stable housing for thousands of California residents since 1985. In the meantime, amendments to the Ellis Act, such as the one proposed by this Motion, help to mitigate the negative consequences of displacement, and help to provide additional resources to tenants who are being displaced. Developers also need to replace rent-controlled housing 1:1 when demolishing a building, and should not try to cheat by replacing with Density Bonus or TOC affordable units. Affordable housing replacement units should be closer to 50% instead of the present 20% and should have a plan to extend covenants to keep those units affordable for the life of the building. Given the increasing number of unhoused individuals, it is more practical to repurpose rent-controlled buildings as Permanent Supportive Housing, which is badly needed in Los Angeles, instead of demolishing them and building more expensive luxury apartments that regular working people cannot afford. Thank you.