

Contact Information

Neighborhood Council: Los Feliz Neighborhood Council

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The Board approved this CIS by a vote of: Yea(13) Nay(0) Abstain(0) Ineligible(0)
Recusal(0)

Date of NC Board Action: 09/15/2015

Type of NC Board Action: For

Impact Information

Date: 09/22/2015

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 14-0268-S4

Agenda Date:

Item Number:

Summary: After an in-depth study of the Ellis Act, we attach a formally adopted Board resolution in support of Councilman Koretz and Councilman O'Farrell's motion. With LA identified in 2014 as the least affordable US housing market and a 300% increase in Ellis Act impacted housing from 2013 to 2014, LFNC supports CF14-0268-S4 requesting that the Department of Housing and Community Investment review the Rent Stabilization Ordinance and how the City regulates implementation of the Ellis Act with a report back to the City Council with findings and recommendations within 120 days. We attach the formally adopted resolution supporting our position. Further, we urge City Council to revisit the RSO and support rigid monitoring of buildings whose tenants are at risk of undue eviction. Our community thrives from diversity. Rapid gentrification enabled by the Ellis Act is harmful to our stakeholders. Threatened Ellis evictions at "the Cove" may have induced long-term tenants to leave. We urge City Council to take steps to moderate the Ellis Act's influence to maintain the diversity of our neighborhood.



The Los Feliz Neighborhood Council (LFNC), representing over 36,000 resident stakeholders, was engaged by our constituents and asked to study California State Law Section 7060-7060.7, known as 'The Ellis Act', specifically looking at impacts this legislation, whether in actuality or potentially, has had or may have on the people we officially represent.

RESOLUTION

WHEREAS, California State Law Section 7060-7060.7, known as 'The Ellis Act' was enacted in 1986 with its fundamental premise being property owners, i.e., "landlords" could not declare bankruptcy to get out from under bad investments as various tenants' rights laws prohibited owners from vacating premises to enable liquidation sales of their properties; and

WHEREAS, in liquidating these real property investments, owners are afforded the right to sell their holdings at prevailing market rates, if the properties are eventually razed, converted to condominiums or held vacant for five years, and in most cases these owners ultimately see a windfall profit from their purchase price and their "bankruptcy" sales price; and

WHEREAS, this law, designed to protect "mom and pop" property owners from being trapped in an untenable investment situations, has become the legal tool of choice for speculators and developers whose main purpose is to acquire property, evict the tenants, demolish or convert the rent-controlled units and replace them with high-priced luxury housing; and

WHEREAS, there is a undeniable correlation between spikes in Ellis Act sanctioned evictions and periods where marked increases in property values and sales prices are recorded; and

WHEREAS, according to the Los Angeles Times, the Ellis Act since its inception has been used to facilitate evictions from "nearly 19,000 rent-controlled units across the city;" and

WHEREAS, the availability of "affordable housing" in LA is viewed as being in a state of "crisis;" and

WHEREAS, legislators from across California, including Congressional Representatives Maxine Waters and Karen Bass, have openly called for legislation that "closes the loopholes" and put an end to "mass evictions" enabled by the Ellis Act; and

WHEREAS, current scrutiny of the Ellis Act and its unintended consequences seems to have created a "hurry before the window closes" mentality among landlords, developers and speculators to avail themselves to Ellis' revenue generating advantages before the law is reviewed; and

WHEREAS, the residents of numerous multi-unit dwellings within Los Feliz have been recently served with eviction notices or move-out incentive offers of questionable veracity; and

WHEREAS, the City of Los Angeles rent stabilization ordinances (RSO) were enacted to ensure affordable housing is available to its citizens, including the elderly, the disabled, public servants such as school teachers, along with veterans, struggling artists, and others whose incomes couldn't sustain rents set by "what the market will bear," thus driving them from the city, to the detriment of the city,

NOW, THEREFORE, BE IT RESOLVED,
The Los Feliz Neighborhood Council hereby:

Supports the three pending housing motions of Councilmen Koretz and O'Farrell (14-02680S4 and 15-0728) and Councilman Cedillo (14-0268-S5), which seek to revisit the City's Rent Stabilization Ordinance (RSO), increase the monitoring and enforcement of those who invoke Ellis Act provisions, and help to preserve rent-stabilized housing in Los Angeles;

Urges the City to take steps to moderate the Ellis Act's influence on renters in our neighborhood by enacting ordinances that monitor affordable housing and set an annual limit on the number of demolitions of rent-controlled units;

Recommends the City implement a policy, similar to the "scorched earth ordinance," in which no zone changes are allowed for "Ellis-ed" properties;

Supports more effective monitoring of buildings whose tenants are at risk of eviction under the Ellis Act, and imposition of stronger penalties for violations of the city's Rent Stabilization Ordinance including restarting the Ellis Act "clock," and increased relocation fees for building owners using the Act in areas most impacted by it;

Supports better training for Housing Department staff on the details of the Ellis Act, including state law and local ordinances;

Advises the city investigate and determines the feasibility or requiring new construction plans for rent-controlled properties to be approved before demolition permits are issued;

Recommends that the city should investigate and enact legislation that enhances AB 2222, the 2014 California law that requires, when a developer of housing proposes a housing development within the jurisdiction of the local government, that the city, county, or city and county provide the developer with a density bonus and other incentives or concessions for the production of lower income housing units or the donation of land within the development if the developer, among other things, agrees to construct a specified percentage of units for very low, low, or moderate income households or qualifying residents;

Also, The city investigate and promulgate regulations that apply the principle of this model to projects seeking zone changes, removal of rent-controlled units or that receive government subsidies.

PRESENTED BY: Marcus Rodriquez
(District C Representative)

SECONDED BY: Mark F. Mauceri
(Vice President Administration)

ADOPTED: 13-0-0 on September 15, 2015

CONFIRMED: Linda Demmers
Linda Demmers, President