

TRANSMITTAL

To:

THE COUNCIL

Date: 04/18/2016

From:

THE MAYOR

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.



(Ana Guerrero)

ERIC GARCETTI
Mayor



Eric Garcetti, Mayor
Rushmore D. Cervantes, General Manager

Regulatory Compliance & Code Bureau

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The Honorable Eric Garcetti
Mayor, City of Los Angeles
200 N. Spring Street, Room 303
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

COUNCIL TRANSMITTAL: REPORT BACK ON ENFORCEMENT OF ELLIS PROVISIONS OF THE RENT STABILIZATION ORDINANCE AND RECOMMENDATION TO AMEND LAMC 151.22 – 151.28 ON WITHDRAWAL AND DEMOLITION OF RSO UNITS (“ELLIS” WITHDRAWALS) AND REPLACEMENT RENTAL UNITS

SUMMARY

The Los Angeles City Council adopted Ordinances 177,901, effective September 29, 2006, and 178,848, effective July 16, 2007, which incorporated the State Ellis Act (Ellis) provisions into the Los Angeles Rent Stabilization Ordinance (RSO) at Los Angeles Municipal Code (LAMC) Sections 151.22 – 151.28 and provided that rental units constructed to replace units demolished or removed from the rental housing market and offered for rent within five years are subject to the RSO. The 2007 amendment further provided that property owners may obtain an exemption from the RSO for the replacement units by making a certain number of rental units affordable housing units.

HCIDLA has been working with the Office of the Mayor and Council offices to review the current RSO provisions and availability of data, expand knowledge about the RSO, and strengthen monitoring and enforcement of the RSO Ellis provisions. The Mayor’s Sustainable pLAN established a goal to strengthen the Ellis Act affordable housing replacement provisions, as well as preserving RSO units through the implementation of AB 2222. Additionally, the Mayor’s Executive Directive Number 7 instructs City Departments to utilize the Sustainable pLAN as a tool for strategic planning and prioritization of programs.

This report provides an update on the implementation of the RSO Ellis provisions and recommends further amendments to the RSO to strengthen enforcement, preserve RSO units, prevent displacement of tenants, and to conform the RSO requirements to State law. Additional amendments are recommended to clarify the criteria necessary to qualify for an RSO exemption for replacement units built in place of units withdrawn under Ellis. Finally, recommendations are provided to support state legislation to amend the Ellis Act.

RECOMMENDATIONS

The General Manager, HCIDLA, respectfully recommends that:

1. Your office schedule this transmittal at the next available meeting of the Housing Committee and forward it for approval to the City Council for review and approval;
2. The City Council instruct the City Attorney to work with the Housing + Community Investment Department (HCIDLA) to draft an amendment of the Los Angeles Rent Stabilization Ordinance (RSO) to amend the Ellis provisions in LAMC Sections 151.22 through 151.28 as set forth in the recommendations discussed in this transmittal.
3. The City Council amend the requirements for approval of an exemption from the RSO replacement provisions in LAMC Section 151.28 to require the property owner to execute and record a regulatory agreement that guarantees:
 - a. A term of at least 55 years; and
 - b. Housing accommodations which are affordable for low or very low income households at or below 80% of the Area Median Income as established by the California Department of Housing and Community Development; and
 - c. The number of affordable housing units provided is at least equal to the number of RSO units withdrawn.

Alternatively, the Council may elect to require the number of affordable units required to be at least 20% of the total newly constructed rental units.

4. The City Council adopt a resolution in support of SB 1267, as well the additional recommendations to amend the Ellis Act discussed at the conclusion of this report; and
5. The Mayor concur with the action of the City Council.

BACKGROUND

California Government Code Section 7060 et seq., commonly known as the Ellis Act, prohibits local jurisdictions from restricting a landlord's right to remove residential real property from the rental market. In 2006, in response to the unprecedented number of RSO rental units removed from the rental housing market for the purpose of demolition and conversion to condominiums, the City adopted amendments which incorporated provision of the State Ellis Act into Chapter XV of the Los Angeles Municipal Code, the RSO. The 2006 amendments added protections for tenants evicted under Ellis, including the right to return to their units at the same rent level if the units are placed back on the rental market and the right to damages if their former units are re-rented within two years. The amendments also required the recording of a memorandum summarizing the provisions of the withdrawal of the property from the rental market with the Los Angeles County Recorder. At that time, almost 15,000 RSO rental units had been removed

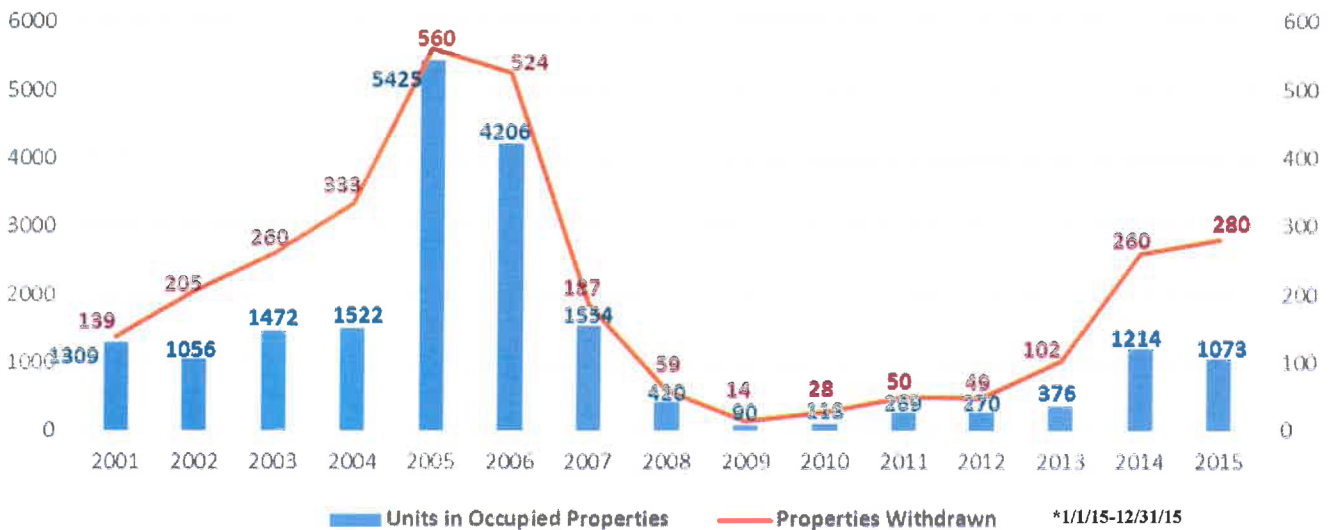
from the rental housing market for demolition, conversion or permanent withdrawal from the rental housing market since 2001.

Under Ellis and the RSO, landlords who terminate tenancies in order to demolish or permanently withdraw their rental units must first file a formal “Notice of Intent to Withdraw Units from Rental Housing Use” and follow detailed procedures through HCIDLA. Tenants must be provided a copy of the Notice and at least 120 days’ notice of the pending withdrawal. Tenants who are seniors (aged 62+) or disabled are entitled to request an extension of up to one year. Landlords must also pay tenant relocation assistance ranging from \$7,800 to \$19,500 per household. In 2006, the City implemented an enhanced tenant relocation program and secured a tenant relocation consultant to assist with tenant relocation. Tenants are sent a letter of introduction to the relocation consultant by HCIDLA, followed by an information package from the consultant. Disputes on relocation assistance may be appealed and reviewed at a HCIDLA hearing. The relocation services are covered by fees of either \$443 or \$711 paid by the landlord. Since the adoption of the enhanced tenant relocation assistance program in 2006, renters evicted for no-fault reasons have received over \$45 million dollars in relocation assistance payments through this program.

Through the enactment of the RSO Ellis provisions, the City of Los Angeles has complied with State law, while protecting tenants from arbitrary displacement, discouraging bad faith evictions, and preserving RSO rental units. Los Angeles is now ranked as the most unaffordable city in the nation, with 62% of tenants paying more than 30% of their household income for rent and 33% of tenants severely rent-burdened, paying more than 50% of their income for rent. In view of the continuing lack of affordable housing and urgent need to preserve the RSO housing stock, HCIDLA is recommending additional amendments to clarify and strengthen the enforcement of the Ellis provisions of the RSO with regard to replacement units.

Inventory of Ellis Properties in Los Angeles

**Ellis Units and Properties
2001 - 2015**



As illustrated above, as the housing market experienced a significant decline in the years following the adoption of the RSO Ellis provisions, the number of applications for withdrawals of RSO units from the rental housing market plummeted. However, as the economy and housing market recover and property owners seek to maximize their return on investment in rental properties, applications for demolition or withdrawal of RSO units from the housing market are rising again. This trend is particularly evident in

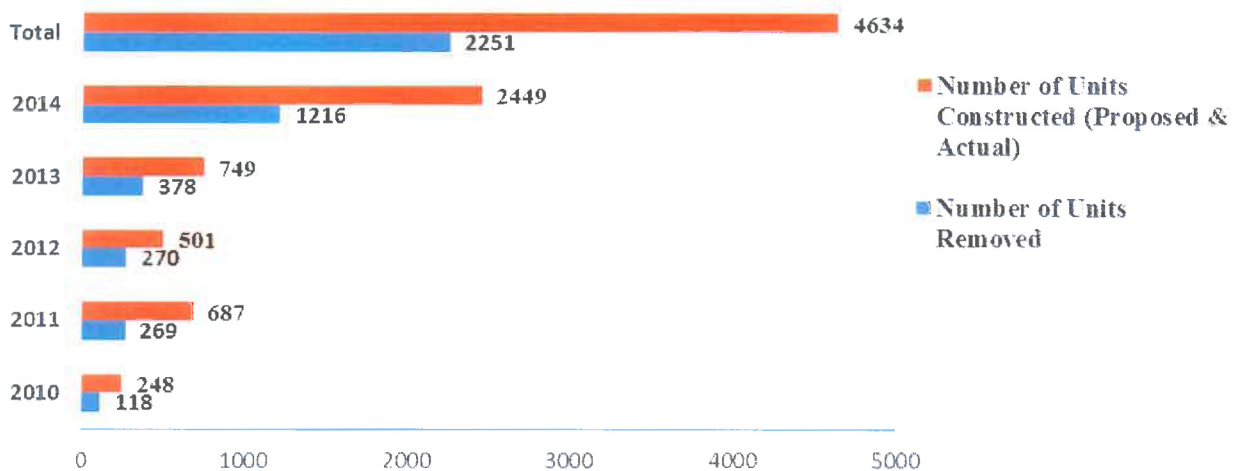
gentrifying areas of the City, such as Venice, the Fairfax area, Hollywood and North Hollywood, Koreatown, Sherman Oaks, Silverlake, Studio City, Toluca Lake, and West Los Angeles. Exhibit 1 at the conclusion of this report provides a breakdown by Council district.

Since the low point in 2009, when only 90 units were removed from the City’s RSO housing stock, applications to remove RSO units from the rental market increased substantially to over 1,200 units in 2014. From 2007 (shortly after the adoption of the RSO Ellis provisions on September 29, 2006) through 2015, a total of 5,384 units have been removed from the rental market. In 2015, 1,073 units in 280 properties were removed through the Ellis provisions. From 2001 through 2015, the total number of RSO units removed from the rental housing stock through the Ellis provisions (20,374) represents approximately three percent (3%) of the RSO housing stock, averaging .2% annually. Exhibit 2 at the conclusion of this report summarizes the number of properties and units withdrawn from 2001 through 2015.

Not all of the RSO units withdrawn from the market represent a loss of affordable units. A review of the 3,050 properties with 20,374 units withdrawn from the rental market from 2001 through 2015 indicates that 425 properties (14%) were rebuilt with some guaranteed long term affordable units. These 425 projects provided a total of 6,674 new rental units, including 2,153 affordable units (10.5% of total RSO units withdrawn) with affordability covenants through various programs administered by HCIDLA.

HCIDLA has completed a survey of all RSO properties removed from the rental housing market from 2010-2014, properties that are still within the 5 year post-Ellis timeframe that imposes restrictions on rental and replacement rental units.

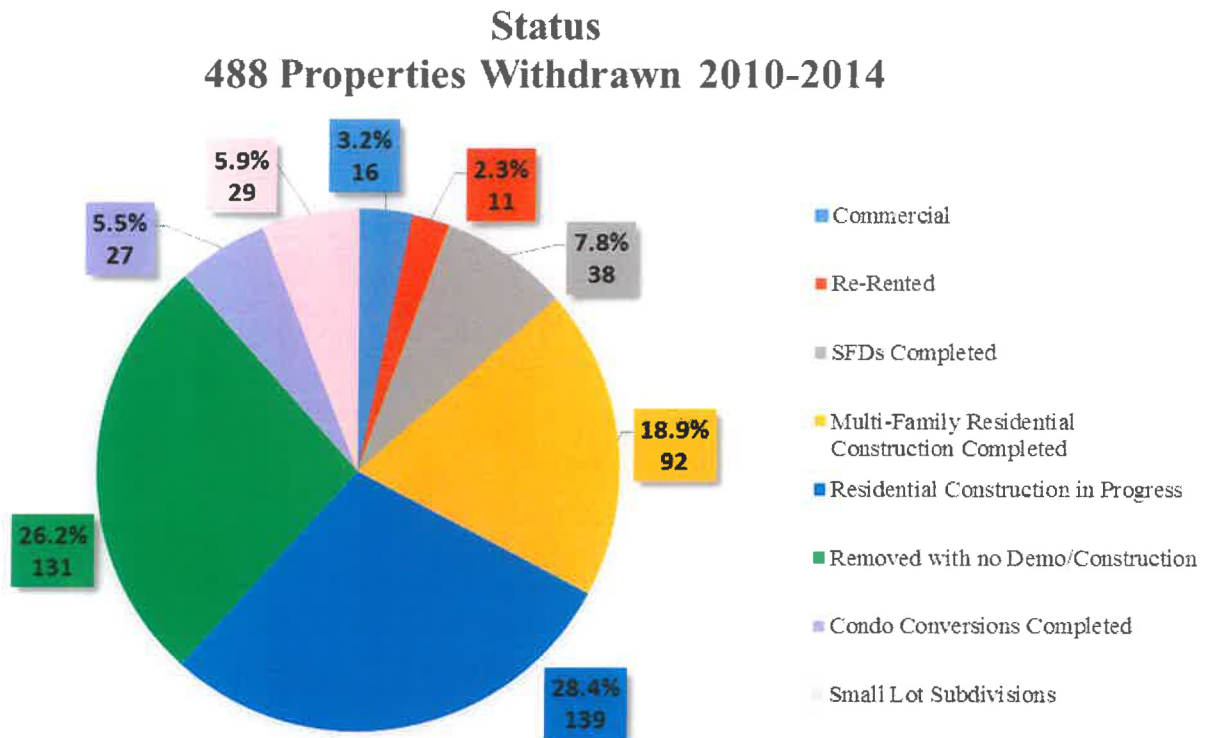
2010-2014 Ellis Properties



As indicated above, from 2010 – 2014, 2,251 RSO units were removed from the rental housing market, resulting in actual or planned construction of 4,634 new rental housing units, more than doubling the number of rental units. Review of the properties is ongoing, and in many cases, construction is still in progress (of approximately 2,780 units or 60% of the 4,634 units). This 60% may or may not be subject to the RSO in the future, depending on the date of the completion of construction and the offering of the rental units for rent or lease. An estimated 1,485 (32%) newly constructed replacement units are subject to the RSO. Five new projects with a total of 369 units (8% of the 4,634 units) were built, comprised of 245 affordable units (5% of the 4,634 units) with 55 year covenants and 124 (3%) new units approved for an exemption from the RSO, based on the criteria in LAMC 151.28.

HCIDLA has further analyzed the status of the 488 properties with findings summarized in the following table. As of March 1, 2016, sixteen (3%) properties withdrawn have been converted to non-residential/commercial use, and 38 (8%) were converted into single family dwellings, which are not subject to the RSO. Twenty-seven properties (5.5%) were converted to condominiums. Eleven properties (2%) have been legally re-rented and remain subject to the RSO. Ninety-two (19%) properties have completed new multi-family residential construction on-site; and 139 (28%) are under construction. One hundred thirty-one properties (131 or 26%) have been withdrawn from the rental market with no approved demolition permits; many of these are likely small properties which have been converted to non-rental use and are now occupied by owners or family members, which is the type of permanent withdrawal from rental housing the Ellis Act was intended to allow. Only five properties (1%) are beyond the 5 year threshold, resulting in the RSO exemption of all the newly constructed units. Of note, 147 of the original 488 properties were combined through various lot ties; as a result, the 488 properties were reconfigured into 405 properties.

The 362 properties in the three largest categories require continued monitoring to ensure compliance with the provisions of the RSO, including enforcement of tenant protections, such as the right to return. The inventory of properties to be monitored will continue to expand as Ellis activity increases as the housing sector recovers.



Enforcement of the RSO Ellis Provisions

Since the adoption of the RSO Ellis provisions, HCIDLA has completed significant administrative improvements in processing and monitoring the withdrawal of RSO units through the Ellis Act provisions, including:

- All demolitions of RSO units require a clearance from HCIDLA. Properties are referred to HCIDLA from the Department of Building and Safety (LADBS) through the Plan Check and Inspection System (PCIS). This required clearance provides a check to ensure that the property

owner has filed the required notifications to the tenants and the City, paid administrative and relocation services fees, and is aware of all of the requirements and restrictions involved in the withdrawal or demolition of RSO units. HCIDLA, in turn, notifies the affected tenants of the filing and provides information on the process, tenant rights, and a referral to the City's relocation services contractor. Additionally, in order to ensure that both landlords and tenants are aware of the RSO provisions early in the process before any dislocations take place, HCIDLA is working with LADBS on defining a protocol to require a permit clearance review by HCIDLA for any major renovation, alteration or construction on RSO buildings.

- HCIDLA conducts outreach and education workshops throughout the year to inform landlords of their legal obligations under the RSO and to inform tenants of their rights and services available to them, including workshops that focus specifically on evictions, relocation assistance, how to file a RSO complaint, and the Ellis withdrawal process. Tenants who believe they are being illegally evicted, denied relocation assistance, or that their rental units have been illegally re-rented may file complaints for investigation by HCIDLA Housing Investigators. If the Investigators determine that the proper Ellis withdrawal process has not been followed, they inform the landlord of the problem and may require the landlord to refile the notice of intent to withdraw and restart the process. In 2014 and 2015, HCIDLA investigated a total of 12,497 tenant complaints of possible violations of the RSO. Of the tenant complaints filed, 6,912 (55%) were based on evictions and failure to pay relocation assistance, including 84 related to Ellis withdrawals.
- Implementation of an upgraded Rent System in July 2014 to assist in monitoring of RSO units withdrawn from the rental market.
- Development of a program for closer monitoring of Ellised properties. Resources permitting, staff versed in the RSO will be deployed at the LADBS Development Service Centers beginning approximately in July 2016.
- As directed by Mayor Garcetti in June 2015, data on properties subject to the RSO has been uploaded into the Zoning Information Mapping Access System (ZIMAS), which now provides public access to information on properties that have filed for removal under the Ellis Act.
- Implementation of procedures requiring filing of an Ellis application for all RSO demolitions, including demolition of vacant RSO units. From 2013 through 2015, 947 units out of a total of 2,663 units removed from the market (35.5%) were reported to be vacant units.
- Effective January 1, 2015, HCIDLA has implemented measures to enforce the one-for-one replacement of affordable and RSO units required in order to obtain a density bonus in compliance with AB 2222. As of March 31, 2016, 97 replacement units have been obtained through the density bonus process. HCIDLA Rent and Land Use staff have implemented a protocol to ensure that properties approved for density bonuses comply with the Ellis provisions on the application of the RSO to newly constructed rental units.
- While HCIDLA provides detailed information on the Ellis process through written and online resources, this information is considered too complex and legalistic. In order to address this, HCIDLA is working to design a simpler, easier to understand Tenants' Guide on the Ellis process. In addition, HCIDLA is partnering with the Mayor's Innovations Team to enhance and target outreach efforts to limit tenant displacement.

- Tenant Buy-Out Agreements - Because HCIDLA has identified buildings which are vacated and RSO units decontrolled through voluntary “cash for keys” agreements offered to tenants prior to the property owner’s notification to the City of their intent to demolish or remove the property, HCIDLA has forwarded a recommendation to the Mayor and Council that would require landlords to provide full notification to tenants on the legal reasons for eviction and RSO relocation provisions and inform tenants that they are not obligated to accept a tenant buy-out agreement. The amendment would also require such agreements to be filed with HCIDLA and provide that tenants may rescind agreements that do not comply with the notice requirements. The HCIDLA report includes a request for two staff positions to conduct outreach and education on this new program, ensure that tenants receive the full legal amount of relocation assistance required by the RSO, track tenant buy-out agreements, conduct investigations, and provide counseling to both landlords and tenants.

Amendment of Ellis Replacement Unit Provisions

In 2006, the City amended the RSO to provide that replacement units constructed to replace demolished RSO units are subject to the provisions of the RSO. A 2007 RSO amendment allowed the exemption of the newly constructed housing accommodations from the RSO if the property owner agreed to record a 30-year covenant to maintain a percentage of the newly constructed rental units as affordable to households at or below 80% of Area Median Income as established by the U.S. Department of Housing and Urban Development. As currently adopted, this amendment (*Section 151.28 Ellis Act Provisions – Rental of Replacement Units*) provides that the newly constructed rental units may be exempted from the RSO if the owner replaces the number of demolished RSO units with an equal number of affordable housing units not to exceed 20% of the newly constructed rental units. Thus, the exemption must be approved if the property owner agrees to provide affordable units totaling at least 20% of the new units or the number of demolished units, whichever is *less*. The 2007 amendment exempts “Mom and Pop” landlords (defined as landlords who have resided for at least 3 years at their rental property of four units or less) from the replacement ordinance requirements of the RSO when they reconstruct rental units after demolishing or removing their property from the rental market.

Property owners and developers constructing replacement units after the demolition of RSO units often seek density bonuses in exchange for providing affordable housing units. Assembly Bill 2222, effective January 1, 2015, requires one-for-one replacement of affordable or rent stabilized units in order to qualify for a density bonus. The City actively supported this legislation, in order to address the disproportionately low number of affordable units provided in contrast to the number of units removed under the previous density bonus rules. While units that are used to qualify for a density bonus may also be used to qualify for an exemption from the RSO, approval of a density bonus does not automatically confer an exemption from the RSO. Thus far, six projects where 81 RSO units were demolished have been replaced with 379 newly constructed units (more than quadrupling the number of housing units), of which 247 (65%) are affordable units; the remaining 132 units (35%) are now exempt from the RSO.

Further, the current RSO Ellis exemption provisions require only a 30 year covenant affordable for low income households at 80% of the Area Median Income (AMI) under the Federal Housing Department of Urban Development (HUD) rent levels. However, rental units funded through HCIDLA affordable housing loan programs typically require 55 year covenants at levels affordable to low or very low income households as defined by the California Department of Housing and Community Development.

HCIDLA recommends amending the RSO Ellis replacement provisions in LAMC 151.28 to conform to the one-for-one replacement criteria under the density bonus requirements and the 55 year term and affordability levels typically required for HCIDLA sponsored affordable housing projects. HCIDLA,

therefore, recommends amendment of LAMC 151.28 to require that in order to obtain an exemption, property owners must execute and record a covenant and agreement that guarantees:

- a. A term of at least 55 years; and
- b. Housing accommodations which are affordable for low or very low income households at or below 80% of the Area Median Income as established by the California Department of Housing and Community Development; and
- c. The number of affordable housing units provided is at least equal to the number of RSO units withdrawn.

Alternatively, the Council may wish to establish the criteria for the number of affordable units to be at least 20% of the total newly constructed rental units.

COMPARISON OF CURRENT & PROPOSED RSO EXEMPTION CRITERIA

Demolished RSO Units (A) Proposed Amendment	# Units Constructed (B)	20% (C) Alternate Option	# Affordable Units Needed for Exemption (Lesser of A or C) Current RSO
10	100	20	10
10	40	8	8
20	200	40	20
50	200	40	40
100	1000	200	100
1000	4000	800	800

Replacement units which do not qualify for an exemption from the RSO are initially rented at market rate and then are subject to the rent limits of the RSO. Rents between vacancies are decontrolled and reset upon turnover. The exemption for “Mom & Pop” properties would not change under this proposal.

Recommendations for Further Amendment of the RSO

As City staff has gained experience in the application of the existing Ellis provisions, HCIDLA has identified several areas where the RSO can be strengthened to better inform both property owners and tenants and preserve the RSO housing stock. Recommendations for amendments to the RSO to improve the enforcement of the RSO Ellis provisions include:

Vacant Units – HCIDLA recommends amendment of the RSO to require Ellis constraints and restrictions on replacement units for demolition or withdrawal of all RSO units, whether occupied or vacant. Landlords may offer “cash for keys” or conduct constructive (but not actual) evictions to pressure tenants to relocate, for instance by neglecting repairs, reducing services, or imposing unilateral changes in lease terms or unreasonable house rules. By enticing tenants to voluntarily vacate their rental units, landlords may attempt to skirt the RSO requirements for recording of constraints on the property, tenant notification, relocation assistance, and provisions that make newly constructed replacement units subject to the RSO. In order to discourage constructive eviction of tenants and preserve existing RSO rental units, the Ellis constraints and obligations on the future use of rental units must be applied to all RSO units, whether occupied or vacant at the time of their demolition or withdrawal from the market.

Re-Rental of Withdrawn Units – The RSO requires property owners to obtain a Re-Rental Certificate when units withdrawn from the market are re-rented. HCIDLA recommends amendment of the RSO to clarify that the re-renting of withdrawn units nullifies a previously filed application to withdraw units from

the rental market. The RSO language should clearly state that if units withdrawn through the Ellis process are re-rented, property owners must refile a new Ellis application and re-start the Ellis timeframes for any subsequent withdrawals.

Annual Property Status Reporting - The demolition and development process can be lengthy and may involve changes in ownership. In order to better monitor the status of withdrawn properties and ensure that the new units constructed are registered and operated in compliance with the RSO, HCIDLA recommends an amendment to the RSO to require owners of withdrawn properties to file annual status reports on Ellised properties as required by HCIDLA.

Application to Properties Where RSO Units Are Demolished – HCIDLA recommends amendment of the RSO to require compliance with the RSO Ellis provisions if it is discovered that after September 29, 2006 (the effective date of the RSO Ellis provisions) RSO properties were demolished without filing an Ellis application. This would make any replacement units subject to the RSO. The ordinance amendment should include penalties for failure to comply with this provision.

Recording of Constraints – The Ellis Act provides public entities with the ability to record with the County Recorder a memorandum with constraints on the (future) use of a property where the owner has withdrawn housing accommodations from the rental market. These constraints also apply to a successor in interest of an owner who has withdrawn accommodations from rent or lease. However, the RSO does not contain this language and should be amended to state that HCIDLA will file constraints with the County Recorder which apply to the property owner and any successors in interest, as permitted under the Ellis Act.

Conformance with the Ellis Act on Withdrawal of Residential Hotel Units – Under the Ellis Act, public entities may prohibit the withdrawal of rental units in residential hotels from the rental housing market, a provision which is not currently found in the RSO. HCIDLA recommends amendment of the RSO to likewise prohibit the withdrawal of accommodations in residential hotels, which provide housing of last resort for the City's poorest renters.

Relocation Services – In certain cases, the City recognizes signed waivers of relocation assistance payments to tenants who have received written notice prior to entering into a rental agreement that an application to convert or subdivide a property is on file or has been already approved. This is intended to allow the rental of properties on a short term basis when the property owner has commenced the process to convert or subdivide the property and provides fair notice to prospective tenants that the rental units will be removed from the rental market in the near future. However, in some cases the conversion process can continue over several years. While these tenants are not entitled to monetary relocation assistance payments, they may need assistance in finding alternate housing, especially if the withdrawal process extends for a significant period of time. These tenants should be entitled to the services of the City's relocation consultant for assistance in finding new replacement housing, which are normally offered to displaced tenants through fees paid by their landlord (\$443 or \$711 per household). As the RSO is currently written, tenants who are not entitled to the monetary relocation payment are also not entitled to relocation referral services. HCIDLA recommends amendment of the RSO to state that the services of a relocation consultant shall be made available to tenants who have signed waivers of relocation assistance if they have resided in their rental unit for one or more years.

Issues for Further Review

This transmittal summarizes the operation of the RSO Ellis provisions that are administered by HCIDLA and recommends amendments to the RSO to strengthen enforcement. Additional changes have been

suggested under several Council motions, which involve changes in zoning, land use, and permitting procedures and require collaboration between the Departments of Planning and Building and Safety, as well as review and approval by the City Attorney. In consultation with the appropriate Departments, HCIDLA will report further under separate cover on the following issues:

- The feasibility of amending the LAMC to state that demolition permits for RSO properties should not receive final clearance until the property owner has obtained approval for all discretionary and ministerial permits for new construction.
- The feasibility of monitoring rental vacancy rates at the Community Plan Area level and adopting a moratorium on condominium conversions in CPA's with vacancy rates below five percent as provided in LAMC 12.95.2.
- Adoption of an annual cap on demolitions of RSO units based on an appropriate percentage of the RSO housing stock.
- The impact of the "Small Lot Subdivision" ordinance on the withdrawal of RSO units.
- Disallowing conversion of RSO residential rental properties removed from the rental market through Ellis to transient use. Under existing law, it is allowable to remove a property from the rental housing market in order to convert it to a hotel.

Recommendations for State-wide Amendment of the Ellis Act

The City has previously supported proposed state legislation designed to curb speculative use of the Ellis process by prohibiting property owners who have owned their rental units less than five years from converting or removing housing accommodations from the rental market, such as SB 364 by Senator Leno of San Francisco. Previous initiatives have met with fierce resistance from the realtor and housing industry and have been defeated. Recently, more moderate changes have been proposed which may have result in wider support. The City of Los Angeles should support all efforts that lessen the impact of Ellis withdrawals on the City's renters.

Currently, a one year notification is required only for certain protected (elderly and disabled) tenants. SB 1267 by Senator Allen, which has been endorsed by Mayor Garcetti, would extend the option to extend the tenancy for up to one year to families with children enrolled in elementary or high school. The City Council should adopt a resolution in support of SB 1267 which will ensure that families impacted by the affordable housing crisis have enough time to find suitable housing and relocate their children to new schools. Additionally, Los Angeles should join the City of West Hollywood in supporting the following proposed amendments to the State Ellis Act:

One Year Notification for All Tenants - Evictions under the Ellis Act most often affect long-term, below market rent tenants and cause great upheaval and disruption to tenants who must compete for scarce affordable housing and often must relocate away from their neighborhoods when local market rents are out of reach. In view of the lengthy development and funding process for demolition and conversion of rent-stabilized units, including obtaining permits and entitlements, as well as the need to allow sufficient time for long-term tenants to avail themselves of other affordable housing opportunities. HCIDLA recommends that the City of Los Angeles adopt a resolution to support amendment of the Ellis Act to require a one year notice to all displaced tenants.

Landlord to Provide Notification of Re-Rental to All Tenants Evicted - Current law requires landlords who intend to re-rent a vacated property to give notice only to the City, rather than the tenants who were displaced. HCIDLA recommends that the City of Los Angeles support amendment of the Ellis Act to require property owners to notify all displaced tenants, as well as the public entity, of an intent to re-offer vacated units for rent.


FISCAL IMPACT

There is no impact to the General Fund, as the administration and enforcement of the RSO Ellis provisions is funded from the Rent Trust Fund.


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Exhibit # 1

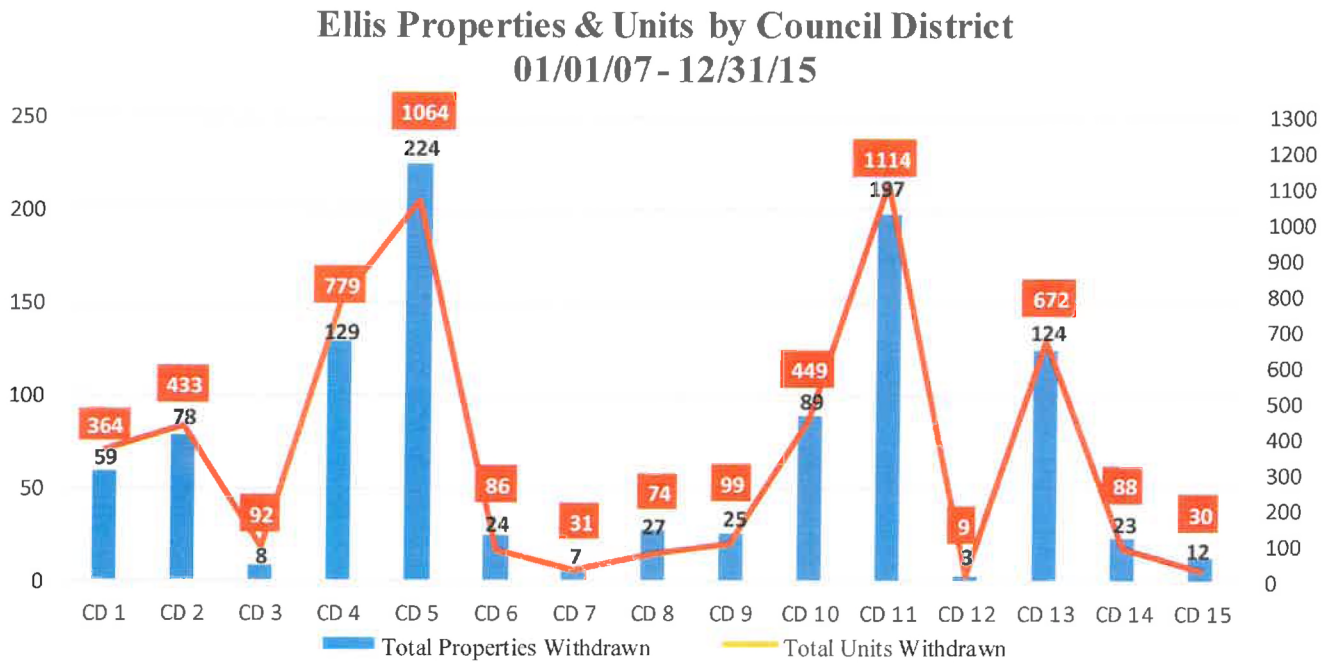


Exhibit # 2

Ellis Units

Year	Units in Occupied Properties	Units in Vacant Properties	Properties Withdrawn
2001	1,309	0	139
2002	1,056	0	205
2003	1,472	0	260
2004	1,522	0	333
2005	5,425	0	560
2006	4,206	0	524
2007	1,554	0	187
2008	420	0	59
2009	90	0	14
2010	118	0	28
2011	269	0	50
2012	270	0	49
2013	308	68	102
2014	725	489	260
2015	683	390	280
Total	19,427	947	3,050