

ORDINANCE NO. _____

An ordinance amending Sections 151.09 and 151.22 through 151.28 of Article 1, Chapter XV of the Los Angeles Municipal Code (LAMC) to modify the Rent Stabilization Ordinance (RSO) in order to strengthen provisions relating to the enforcement of the Ellis Act and the preservation of RSO units.

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

Sec. 1. The last paragraph of Subdivision 10 of Subsection A of Section 151.09, Article 1 of Chapter XV of the Los Angeles Municipal Code is amended to read as follows:

Landlords seeking to recover possession for either of the circumstances described in this subdivision must comply with the requirements of Sections 151.22 through 151.28 of this article. This subdivision constitutes lawful grounds for eviction only where a landlord is withdrawing from rent or lease all of the rental units in a structure or building. A landlord seeking to evict tenants pursuant to either of the circumstances described in this subdivision may not withdraw from rent or lease less than all of the accommodations in a structure or building. Pursuant to California Government Code Section 7060, this subdivision shall not apply to a Residential Hotel as defined in accordance with California Health and Safety Code Section 50519 and Section 47.70, *et seq.*, of this Code.

Sec. 2. Subsection G(4)(b) of Section 151.09, Article 1 of Chapter XV of the Los Angeles Municipal Code is amended to read as follows:

b. The tenant received actual written notice, prior to entering into a written or oral tenancy agreement, that an application to subdivide the property for condominium, stock cooperative or community apartment purposes was on file with the City or had already been approved, whichever the case may be, and that the existing building would be demolished or relocated in connection with the proposed new subdivision, and the termination of tenancy is based on the grounds set forth in Subdivision 10 of Subsection A. of this section. Notwithstanding this exception, all tenants who have resided in their rental unit for one or more years shall be entitled to relocation assistance by the City's Relocation Assistance Service Provider as set forth in Section 151.09 G.1.d of this Code. The fee for the purpose of providing relocation assistance by the City's Relocation Assistance Service Provider shall be paid by the landlord to the City.

Sec. 3. Subsection G(4)(c) of Section 151.09, Article 1 of Chapter XV of the Los Angeles Municipal Code is amended to read as follows:

c. The tenant received actual written notice, prior to entering into a written or oral agreement to become a tenant, that an application to convert the building to a condominium, stock cooperative or community apartment project was on file with the City or had already been approved, whichever the case may be, and the termination of tenancy is based on the grounds set forth in Subdivision 10 of Subsection A of this section. Notwithstanding this exception, all tenants that have resided in their rental unit for one or more years shall be entitled to relocation assistance by the City's Relocation Assistance Service Provider as set forth in Section 151.09 G.1.d of this Code. The fee for the purpose of providing relocation assistance by the City's Relocation Assistance Service Provider shall be paid by the landlord to the City.

Sec. 4. Two new paragraphs are added to the end of Section 151.22, Article 1 of Chapter XV of the Los Angeles Municipal Code to read as follows:

If rental units subject to the Rent Stabilization Ordinance were demolished subsequent to September 29, 2006, the effective date of Sections 151.22 through 151.28, without complying with the requirements set forth hereunder, then all replacement rental units constructed on the same property shall be deemed subject to the Rent Stabilization Ordinance, Section 151.00, *et seq.*, and other provisions of this chapter. Additionally, any landlord who is found to have demolished a property subject to the Rent Stabilization Ordinance subsequent to September 29, 2006, without complying with the requirements of Sections 151.22 through 151.28 shall be subject to a penalty.

Pursuant to California Government Code section 7060, the Ellis Act and Sections 151.22 through 151.28 shall not apply to a Residential Hotel as defined in accordance with California Health and Safety Code section 50519 and Section 47.70, *et seq.*, of this Code.

Sec. 5. The first paragraph of Section 151.23, Article 1 of Chapter XV of the Los Angeles Municipal Code is amended to read as follows:

Notwithstanding any provision of this chapter to the contrary, if a landlord desires to demolish rental units subject to the Rent Stabilization Ordinance, or otherwise withdraw the units from rental housing use, irrespective of whether such rental units are occupied or vacant, then the following provisions shall apply:

Sec. 6. The first paragraph of Subsection A of Section 151.23, Article 1 of Chapter XV of the Los Angeles Municipal Code is amended to read as follows:

A. Notice of Intent to Withdraw. The landlord shall notify the Department of an intention to withdraw a rental unit from rental housing use. This Notice of Intent to Withdraw shall be filed with the Department whether the rental unit(s) to be withdrawn or demolished are occupied or vacant at the time of filing and shall contain the following:

1. statements, under penalty of perjury on the form and in the number prescribed by the Department, stating that the landlord intends to demolish the rental unit or to remove the rental unit from rental housing use;
2. the address or location of the rental unit;
3. the number of rental units to be demolished or removed from rental housing use;
4. the names of the tenants, if any, of each rental unit and that the landlord intends to evict such tenants in order to demolish the rental unit or to remove the rental unit from rental housing use;
5. the date on which the rental unit will be withdrawn from rental housing use; and
6. the rent applicable to that rental unit.

Sec. 7. The first paragraph of Subsection B of Section 151.23, Article 1 of Chapter XV of the Los Angeles Municipal Code is amended to read as follows:

B. Recordation of Non-Confidential Memorandum and Extension of the Date of Withdrawal from Rental Housing Use. Irrespective of whether the rental units to be withdrawn or demolished are occupied or vacant at the time of filing the Notice of Intent to Withdraw, the landlord shall record with the County Recorder a memorandum summarizing the provisions of the Notice of Intent to Withdraw, other than provisions that are confidential pursuant to this section. If applicable, information respecting the name or names of the tenants, the rent applicable to any rental unit, and the total number of units is confidential information and shall be treated as confidential information by the Department for purposes of the Information Practices Act of 1977, as contained in Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code.

Sec. 8. A new Subsection D is added to Section 151.23, Article 1 of Chapter XV of the Los Angeles Municipal Code to read as follows:

D. Annual Property Status Reports. For no less than seven (7) years following the date of delivery to the Department of the Notice of Intent to Withdraw, or until such time as the Department advises the landlord that they have complied with all reporting requirements set forth in this section, whichever occurs first, the landlord shall file with the Department an Annual Property Status Report, under penalty of perjury and on the form and in the manner prescribed by the Department, providing the following information to the extent applicable:

1. the status related to the demolition of any withdrawn rental units;

2. the status related to the development of any withdrawn rental units;
and

3. confirmation that any newly constructed rental units have been registered with the Department in conformance with Section 151.05 and are being operated in compliance with the Rent Stabilization Ordinance:

Sec. 9. A new Subsection C is added to Section 151.24, Article 1 of Chapter XV of the Los Angeles Municipal Code to read as follows:

C. If a landlord offers for rent or lease a rental unit which was the subject of a Notice of Intent to Withdraw pursuant to the provisions of Subsection A of Section 151.23, irrespective of whether a Notice of Intention to Re-Rent Withdrawn Accommodations has been filed with the Department, and the landlord later wishes to recommence the withdrawal of the rental unit, the landlord must file a new Notice of Intent to Withdraw and comply with all requirements pursuant to Sections 151.09G and 151.23 through 151.28 of this Code.

Sec. 10. A new Subsection C is added to Section 151.25, Article 1 of Chapter XV of the Los Angeles Municipal Code to read as follows:

C. Pursuant to California Government Code Section 7060.3, the City may apply the constraints as set forth in this section to a successor in interest of a landlord who has withdrawn a rental unit from rent or lease, by recording a notice, to be indexed in the grantor-grantee index, with the County Recorder which shall specifically describe the property where the rental unit is located, the dates applicable to the constraints and the name of the owner(s) of record of the property.

Sec. 11. A new Subsection C and Subsection D are added to the end of Section 151.26, Article 1 of Chapter XV of the Los Angeles Municipal Code to read as follows:

C. If a landlord offers for rent or lease a rental unit that was the subject of a Notice of Intent to Withdraw pursuant to the provisions of Subsection A. of Section 151.23, irrespective of whether a Notice of Intention to Re-Rent Withdrawn Accommodations has been filed with the Department, and the landlord later wishes to recommence the withdrawal of the rental unit, the landlord must file a new Notice of Intent to Withdraw and comply with all requirements pursuant to Sections 151.09G and 151.23 through 151.28 of this Code.

D. Pursuant to California Government Code Section 7060.3, the City may apply the constraints as set forth in this section to a successor in interest of a landlord who has withdrawn a rental unit from rent or lease, by recording a notice, to be indexed in the grantor-grantee index, with the County Recorder which shall specifically describe the property where the rental unit is located, the dates applicable to the constraints and the name of the owner(s) of record of the property.

Sec. 12. A new Subsection C is added to the end of Section 151.27, Article 1 of Chapter XV of the Los Angeles Municipal Code to read as follows:

C. Pursuant to California Government Code Section 7060.3, the City may apply the constraints as set forth in this section to a successor in interest of a landlord who has withdrawn a rental unit from rent or lease, by recording a notice, to be indexed in the grantor-grantee index, with the County Recorder which shall specifically describe the property where the rental unit is located, the dates applicable to the constraints and the name of the owner(s) of record of the property.

Sec. 13. A new paragraph is added to the end of Subsection A of Section 151.28, Article 1 of Chapter XV of the Los Angeles Municipal Code to read as follows:

Notwithstanding any provision to the contrary contained herein, if rental units subject to the Rent Stabilization Ordinance were demolished subsequent to September 29, 2006, the effective date of these provisions, without complying with the requirements of Sections 151.22 through 151.28, then all replacement rental units constructed on the same property shall be deemed subject to the Rent Stabilization Ordinance, Section 151.00, *et seq.*, and other provisions of this chapter. Additionally, any landlord who is found to have demolished a property subject to the Rent Stabilization Ordinance subsequent to September 29, 2006 without complying with the requirements of Sections 151.22 through 151.28 shall be subject to a penalty to be adopted by Council.

Sec. 14. Subsection B of Section 151.28, Article 1 of Chapter XV of the Los Angeles Municipal Code is amended to read as follows:

B. Exemption from the Rent Stabilization Ordinance with Replacement Affordable Units. An owner who replaces the number of demolished rental units with a number of affordable housing units at least equal to the number of withdrawn rental units subject to the Rent Stabilization Ordinance on a one-for-one basis or at least 20% of the total number of newly constructed rental units, whichever is greater, may apply to the Department for an exemption of the newly constructed rental units from the provisions of the Rent Stabilization Ordinance. The affordable housing units must be located in the newly constructed accommodations. The Department shall issue an exemption where it finds all of the following to exist:

1. The owner executed and recorded a covenant and agreement, in a form satisfactory to the Department, guaranteeing that the replacement affordable housing units, affordable for low or very low households with an income at or below 80% of Area Median Income as established by the California Department of Housing and Community Development or any successor agency, shall remain affordable for 55 years from the date the covenant and agreement is recorded. The covenant and agreement must contain provisions as required by the Department to ensure the effective administration and enforcement of this subsection.

2. The replacement affordable housing units shall be reasonably dispersed throughout the newly constructed accommodations and shall not be segregated in a portion of the accommodations dedicated to affordable housing units.

3. The replacement affordable housing units shall be comparable to the market rate units and contain, on average, the same number of bedrooms, bathrooms and square footage as the market rate units. The replacement affordable housing units shall be comparable in architectural style to the average of the market rate units.

Units that are used to qualify for a density bonus pursuant to the provisions of either California Government Code Section 65915 or Los Angeles Municipal Code Section 12.22 A.25., or are used to satisfy any inclusionary zoning or replacement affordable housing requirement, or are used to qualify for any other public benefit or incentive, may be used to qualify as replacement affordable housing units pursuant to the provisions of this subsection.

Sec. 15. 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 this ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

HOLLY L. WOLCOTT, City Clerk


By _____ Deputy

Approved: _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
ROBERT P. MOORE
Deputy City Attorney

Date: **MAR 31** 2017

File Nos. 14-0268-S4, 14-0268-S5, 15-0600-S36, 15-0728