On Friday, January 20<sup>th</sup>, 2017 and Saturday, January 21<sup>st</sup> 2017, bulldozers partially demolished a rent-stabilized building at 1332-1334 N. Formosa Ave. in Hollywood. The tenants had been evicted under the Ellis Act.

The Department of Building and Safety (LADBS) had issued a demolition permit to the property owner on Friday, based on information provided to them from the Housing and Community Investment Department (HCID). In order to demolish a rent-stabilized building, a property owner must first comply with a number of requirements specified in the Ellis Act. HCID provides this compliance information to LADBS.

However, at the same time there was an open investigation in HCID's code enforcement division into allegations of violations for this property, including that they had been illegally rerenting units in the building as short term rentals.

There is currently no clear-cut procedure within the Ellis Act, L.A.M.C or departmental regulations to address this situation.

In order to ensure that all laws were being complied with, later on Friday January 20<sup>th</sup>, LADBS issued and affixed a stop work order on the property to stop construction activity and to notify the property owner of a potential revocation of building permits. However, the property owner continued with the demolition on Saturday, until LAPD and LADBS arrived to enforce the stop work order.

It has been reported that landlords and developers are taking advantage of the time between when evicted tenants leave an Ellis Act building and when the buildings are converted to for sale housing, to re-rent as short term rentals – a violation of both the Ellis Act and current zoning codes.

Developers should not be able to reap the benefits of the Ellis Act while simultaneously violating its other provisions.

I THEREFORE MOVE that the Council instruct the Housing and Community Investment Department (HCID), in consultation with the City Attorney, to review and determine whether a policy may be adopted to not issue a clearance for demolition under the Ellis Act, while there are pending investigations for violations of the Ellis Act, RSO, and/or other LAMC codes.

PRESENTED BY: \

AVID E. RYU

Councilmember, 4th Distric

SECONDED BY:

ORIGINAL

FEB - 3 2017