

HOUSING COMMITTEE REPORT relative to strengthening the enforcement of Ellis Act provisions and the preservation of Rent Stabilization Ordinance (RSO) units.

Recommendations for Council action:

1. REQUEST the City Attorney to work with the Housing and Community Investment Department (HCIDLA) and the Departments of Building and Safety and City Planning to draft an ordinance modifying the RSO to amend:
 - a. The Ellis provisions in the Los Angeles Municipal Code (LAMC) Sections 151.22 through 151.28 to address vacant units, re-rental of withdrawn units, annual property status reporting, demolished RSO units lacking a filed Ellis application, constraints filed with the County, withdrawal of residential hotel units, and relocation services, as described in the HCIDLA report to the Mayor dated April 15, 2016.
 - b. The requirements of an exemption from the RSO replacement provisions in the LAMC Section 151.28 to require the property owner to execute and record a regulatory agreement that guarantees:
 - i. A term of at least 55 years.
 - ii. Housing accommodations which are affordable for low- or very low-income households at or below 80 percent of the Area Median Income as established by the California Department of Housing and Community Development.
 - iii. The number of affordable housing units provided is at least equal to the number of RSO units withdrawn and replaced on a one-for-one basis or replaced by at least 20 percent of all newly constructed units, whichever is greater.
2. ADOPT a resolution in support of recommendations to amend the State Ellis Act to require a one year notice to all displaced tenants, and notification of re-rental of vacated units for all displaced tenants.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. The above recommendations comply with City financial policies in that there is no additional cost to the City.

Community Impact Statement: Yes.

For: Los Feliz Neighborhood Council (14-0268-S5)

For, if amended: Hollywood Neighborhood Council (15-0728)

Downtown Los Angeles Neighborhood Council (14-0268-S4)

SUMMARY

In a report to the Mayor and Council dated October 27, 2016, the CAO states that HCIDLA requests authority to amend the LAMC to strengthen enforcement of the State Ellis Act

provisions, preserve RSO units, prevent displacement of tenants, and to conform the RSO requirements to State law. HCIDLA also recommends amending the requirements of an exemption from the RSO replacement provisions to extend affordability for low-income households, and to conform to the one-for-one replacement criteria under the density bonus requirements. Finally, HCIDLA also recommends that Council adopt resolutions to support state legislation to amend the Ellis Act to require a one year notice to all displaced tenants, and notification of re-rental of vacated units for all displaced tenants. The CAO recommends approval of HCIDLA's requests and recommendations.

The CAO notes that HCIDLA presented two options for the replacement of RSO units withdrawn from the market pursuant to Ellis: replacing lost units on a one-for-one basis, or requiring at least 20% of all newly constructed units to comply with the RSO.

At its meeting held November 2, 2016, the Housing Committee discussed this matter with representatives of the HCIDLA and the CAO. During the public comment period, speakers expressed support for HCIDLA's recommendations, and recommended that both replacement options be used, whichever is greater. It was stated that tenants of rental units are facing increased pressure by landlords to vacate their units. Landlords do not pay full eviction payouts to tenant who do not know their rights. Requests were made for the City to strengthen enforcement of RSO provisions.

The Housing Committee recommended that Council approve the proposed RSO Ellis provisions amendments, as amended to require that the number of affordable housing units provided is at least equal to the number of RSO units withdrawn and replaced on a one-for-one basis or replaced by at least 20% of all newly constructed units, whichever is greater; and, support related State legislation.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KORETZ:	YES
HUIZAR:	ABSENT
PRICE:	YES
HARRIS-DAWSON:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-