

MOTION

HOUSING

California Government Code Section 7060 et seq., commonly known as the Ellis Act, establishes the right of landlords to withdraw existing housing accommodations, other than guestrooms or efficiency units within a residential hotel, from rent or lease. The Ellis Act does, however, allow local jurisdictions to adopt certain regulations controlling the withdrawal process, the return of withdrawn units to the rental market including penalties for return within two years, and the transfer of these constraints to successors in interest.

The City of Los Angeles (the City) has adopted regulations implementing certain Ellis provisions into the Rent Stabilization Ordinance (RSO) which are codified in Sections 151.22 through 151.28 of the Los Angeles Municipal Code. The key provisions of these regulations include, but are not limited to; Landlords filing a notice of intent, notification requirements, and tenant relocation assistance. The Housing and Community Investment Department (HCID) has also adopted specifics on how to reenter the rental market if owners wish to do so within the restricted time.

State legislatures continue to advocate for strengthening the Ellis Act, and locally the City of Los Angeles continues to discuss how best to improve its Ellis Act provisions short of State legislation. Currently, CF (14-0268-S4)(15-0728) Koretz-O'Farrell asks for a review of the Rent Stabilization Ordinance and how the City regulates implementation of the Ellis Act; FY 15-16 Budget instruction asks for a report back on enforcement activities as it relates to Ellis. In addition, HCID is currently working on a transmittal that will outline potential policy changes to our Ellis provisions to ensure maximum tenant protections are achieved, but also allows the City to protect its RSO stock.

These actions will lay the foundation for a strong policy discussion on how best to amend the RSO and the City's Ellis Act provisions. In the interim, there is an immediate need to ensure that HCID has the resources and the data to adequately monitor RSO properties, specifically those who may invoke Ellis Act provisions. As we move forward with any needed amendments, B&S and Planning Department should start to coordinate immediately with HCID to guarantee proper monitoring of these properties.

I THEREFORE MOVE that the City Council instruct the Housing and Community Investment Department (HCID), in conjunction with the Department of Building and Safety (LADBS), and the Planning Department develop a process to require a clearance from HCID for building permits for major construction, alteration, and addition to, or demolition of properties subject to the Rent Stabilization Ordinance.

I FURTHERMOVE move that the HCID, in conjunction with the LADBS and Planning Department, be instructed to report on the inventory of RSO units removed through the Ellis process, and additional recommendations to strengthen enforcement, maximize preservation of the rent-stabilized housing stock, and eliminate any other "loopholes" that result in the loss of rent-stabilized units or denial of tenant protections under the Ellis provisions of the RSO.

PRESENTED BY:
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