



DAVID E. RYU
COUNCILMEMBER, FOURTH DISTRICT

August 16, 2016

The Honorable Gill Cedillo,
Councilmember, 1st District
Chair, Housing Committee
200 N. Spring Street, Room 460
Los Angeles, CA 90012

RE: Council File 15-0600-S34

Dear Councilmember Cedillo:

I strongly support the recommendations of the Los Angeles Housing + Community Investment Department (“HCIDLA”) to create a tenant buyout notification program, and I urge the Housing Committee to adopt the reports of HCIDLA and the Office of the City Administrative Officer.

Los Angeles is the most unaffordable housing rental market in the country, and we are losing affordable rent-stabilized housing units every year. The Rent Stabilization Ordinance (“RSO”) was created to protect residents from excessive rent increases and limit reason for evictions. Yet, landlords will often offer “voluntary” buyout agreements to avoid these protections and skirt the law. As the real estate market has recovered, developers have been taking advantage of these “cash for keys” buyout tactics more frequently.

Often, the first residents the developers target have the longest-existing tenancies and pay the lowest rents, or are the elderly or disabled who are entitled to larger amounts of relocation assistance under the RSO. In my district, many coercive and intimidating tactics have been used including: misrepresentations to residents that the conversion of the building to condos is imminent, or that long-term construction will begin in a matter of weeks despite no construction permits on file; repeated and frequent calls, texts, and in-person visits over a matter of days to put pressure on residents to sign quickly; imposing short deadlines and extreme “confidentiality” requirements to discourage tenants from even seeking out advice about their rights.

This program would create additional safeguards for our residents. It will provide not only written notice to a tenant of their rights when offered a voluntary buyout, but it also provides tenants with tools to enforce those rights, including the opportunity to rescind the agreement, and the requirement that a copy of the buyout agreement be filed with HCIDLA's Rent Stabilization Division. This provision is key, to hold developers accountable to their word and provide third party neutral review if necessary.

Further, the program will create an infrastructure to administer and support this program by creating new positions at HCIDLA, ensuring that the new laws we write will be enforced. As a member of the Personnel and Animal Welfare Committee, I intend to support the staffing recommendations when it comes before that committee.

I urge the Housing Committee to approve the recommendations and send to City Council to recommend that the City Attorney draft the ordinance.

Sincerely,

A handwritten signature in black ink, appearing to read "David E. Ryu". The signature is fluid and cursive, with a large initial "D" and a stylized "R".

David E. Ryu
Councilmember, 4th District

Cc: Office of Mayor Garcetti
HCIDLA
CAO