

MOTION

HOUSING

There are approximately 69,000 restricted affordable housing units in the City of Los Angeles, housed in approximately 1,900 developments. The Housing and Community Investment Department (HCID) estimates that approximately 13,622 housing units (approximately 20% of the City's affordable housing stock) are at-risk of losing their rental subsidies or affordability restrictions through the combined expiration and/or termination of covenants, restrictions and/or rental subsidies through August 2020. Between 2010 and 2015, the City permanently lost approximately 3,265 restricted affordable housing units through the combined expiration and/or termination of restrictions tied to City financing, prepayment of a federally-insured mortgage, or termination of federally-assisted Project-based Section 8 rental assistance contracts. California Government Code Sections 65863.10, 65863.11, and 65863.13 (Notices of Intent), require owners of specified federal, state and locally-assisted projects to provide "Notices of Intent" to terminate rent subsidies or restrictions, prepay a federally-assisted mortgage, or terminate mortgage insurance, when affordability restrictions expire at twelve and six months before the date of expiration. These Notices of Intent must be sent to all affected tenants and to affected public agencies.

Although the State makes available a list of notices submitted by property owners, the State does not proactively monitor, conduct outreach or enforce these requirements. As a result, there are property owners that do not comply with the State law. HCID proactively tracks the Notices of Intent and utilizes the law as a tool to provide sufficient time to create strategies to minimize the impact on the residents, while the City seeks alternatives to preserve affordability. In addition, the State requirements are used as an anti-displacement tool to provide residents time to seek alternative housing. Nevertheless, the City does not have the necessary local authority or protocols in place to enforce the State law. In 2003, the City created a working group to study the affordable housing notice problem, and the group released a report entitled "Report of the City of Los Angeles Notice Ordinance Working Group" which was adopted by the Council in 2004. While the working group identified several key notice ordinance concepts, the notice ordinance was never adopted by Council. Based on a continuing affordable housing shortfall, the City should reengage this issue and seek to implement a local notice ordinance that establishes a local enforcement mechanism to bolster its affordable housing preservation efforts.

I THEREFORE MOVE that the Housing and Community Investment Department be directed and the City Attorney be requested to review the 2003 "Report of the City of Los Angeles Notice Ordinance Working Group" (Council File 03-0530) recommendations and identify any relevant concepts that could be included in a local Affordable Housing Notice Ordinance.

I FURTHER MOVE that HCID be directed and the City Attorney be requested to clarify the state law and identify other provisions, tracking, and enforcement mechanisms that augment the notice provisions as appropriate to address local conditions.

I FURTHER MOVE that the City Attorney be requested, with the assistance of the Housing and Community Development Department, to draft a City of Los Angeles Affordable Housing Notice Ordinance that mirrors California Government Code Sections 65863.10, 65863.11, and 65863.13 (Notice of Intent) and where possible includes local enforcement provisions as appropriate.

PRESENTED BY: Gilbert Cedillo  
GILBERT A. CEDILLO  
Councilmember, 1<sup>st</sup> District

SECONDED BY: [Signature]

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