ORDINANCE NO.

An ordinance adding Article 14.5 to Chapter IV of the Los Angeles Municipal Code to temporarily prohibit no-fault evictions through December 31, 2019, for residential real property built prior to January 1, 2005.

WHEREAS, the City of Los Angeles is experiencing a humanitarian crisis of homelessness and displacement of renters of unprecedented levels;

WHEREAS, the California legislature passed the Tenant Protection Act of 2019, Assembly Bill 1482 ("AB 1482"), an act adding and repealing Sections 1946.2, 1947.12, and 1947.13 of the California Civil Code, effective beginning January 1, 2020, which prohibits evictions without "just cause" and owners of residential rental property from increasing rents each year more than 5 percent plus the percentage change in the cost of living or 10 percent, whichever is lower;

WHEREAS, AB 1482 will provide renter protections to approximately 138,000 households in the City of Los Angeles that are not protected by the City's Rent Stabilization Ordinance;

WHEREAS, in advance of the implementation of AB 1482, no-fault eviction notices and threats of eviction have surged; and

WHEREAS, the City of Los Angeles wishes to protect renters from no-fault evictions through December 31, 2019, in advance of AB 1482's effective date, to prevent further homelessness and displacement.

NOW, THEREFORE,

THE PEOPLE OF THE CITY OF LOS ANGELES DO ORDAIN AS FOLLOWS:

Section 1. A new Article 14.5 is added to Chapter IV of the Los Angeles Municipal Code to read as follows:

ARTICLE 14.5

TEMPORARY PROHIBITION OF NO-FAULT EVICTIONS

SEC. 49.98. PURPOSE.

On October 8, 2019, Assembly Bill 1482 ("AB 1482"), the Tenant Protections Act of 2019, was passed to address a key cause of California's affordable housing crisis by preventing rent gouging and arbitrary evictions. AB 1482 becomes effective on January 1, 2020.

The City of Los Angeles is experiencing a housing affordability crisis, which is driving homelessness and displacement of residents to an unprecedented scale. A majority the City's renters are rent burdened, paying over 30 percent of their income on rent. About one-third of renters are severely rent burdened, paying over 50 percent of their income on rent. Although approximately 76 percent of the multi-family rental units in the City of Los Angeles are regulated by the Rent Stabilization Ordinance ("RSO"), which protects renters from extraordinary rent increases and arbitrary evictions, no similar renter protections presently exist for the approximately 138,000 households in the City that will be covered by AB 1482 beginning on January 1, 2020.

Rapidly escalating real estate values provide an incentive to landlords to evict long-term, lower-income tenants, without cause, to raise rents and attract wealthier tenants, before AB 1482 becomes effective. Tenants in non-RSO units have already reported experiencing a surge of no-fault eviction notices and threats of eviction. Therefore, it is imperative that the City implement temporary strategies to keep people housed.

This article will temporarily prohibit no-fault evictions through December 31, 2019, for residential real property that will be covered by AB 1482 beginning on January 1, 2020.

SEC. 49.98.1. DEFINITIONS.

The following words and phrases, whenever used in this article, shall be construed as defined in this section.

Owner. The term "owner" is any person, acting as principal or through an agent, offering residential real property for rent, and includes a predecessor in interest to the owner.

Residential real property. The term "residential real property" is any dwelling or unit that is intended or used for human habitation.

SEC. 49.98.2. PROHIBITION ON EVICTIONS.

A. Through December 31, 2019, the owner of residential rental property shall not terminate a lawful tenancy without at-fault just cause, unless the termination is required to comply with an order issued by a government agency or court necessitating vacating the residential real property or to comport with due process, federal, or state law, which shall be stated in the written notice of termination of tenancy. This prohibition shall also apply to an owner's action that constitutes constructive eviction under California law. An owner's failure to comply with this article shall render any notice of termination of tenancy void. This article may be asserted as an affirmative defense in an unlawful detainer action. An owner's failure to comply with this article does not constitute a criminal offense. This section does not in any way adversely affect or abrogate the rights of tenants under the Rent Stabilization Ordinance.

B. At-fault just cause is the following:

1. Default in the payment of rent.

2. A breach of a material term of the lease, as described in paragraph (3) of Section 1161 of the California Code of Civil Procedure, including, but not limited to, violation of a provision of a lease after being issued a written notice to correct the violation.

3. Maintaining, committing, or permitting the maintenance or commission of a nuisance as described in paragraph (4) of Section 1161 of the California Code of Civil Procedure.

4. Criminal activity by the tenant on the residential real property, including any common areas, or any criminal activity or criminal threat, as defined in subdivision (a) of Section 422 of the California Penal Code, on or off the residential real property against the owner of the residential real property.

5. Assigning or subletting the premises in violation of the tenant's lease, as described in paragraph (4) of Section 1161 of the California Code of Civil Procedure.

6. The tenant's refusal to allow the owner to enter the residential real property as authorized by Sections 1101.5 and 1954 of the California Civil Code, and Sections 13113.7 and 17926.1 of the California Health and Safety Code.

7. Using the premises for an unlawful purpose as described in paragraph (4) of Section 1161 of the California Code of Civil Procedure.

8. The employee, agent, or licensee's failure to vacate after their termination as an employee, agent, or a licensee as described in paragraph (1) of Section 1161 of the California Code of Civil Procedure.

9. When the tenant fails to deliver possession of the residential real property after providing the owner written notice as provided in Section 1946 of the California Civil Code of the tenant's intention to terminate the hiring of the real property, or makes a written offer to surrender that is accepted in writing by the owner, but fails to deliver possession at the time specified in that written notice as described in paragraph (5) of Section 1161 of the California Code of Civil Procedure.

C. This article shall not apply to any of the following residential real property or residential circumstances:

1. Transient and tourist hotel occupancy as defined in subdivision (b) of Section 1940 of the California Civil Code.

2. Housing accommodations in a nonprofit hospital, religious facility, extended care facility, licensed residential care facility for the elderly, as defined in Section 1569.2 of the Health and Safety Code, or an adult residential facility, as defined in Chapter 6 of Division 6 of Title 22 of the Manual of Policies and Procedures published by the State Department of Social Services.

3. Dormitories owned and operated by an institution of higher education or a kindergarten and grades 1 to 12, inclusive, school.

4. Housing accommodations in which the tenant shares bathroom or kitchen facilities with the owner who maintains their principal residence at the residential real property.

5. Single-family owner-occupied residences, including a residence in which the owner-occupant rents or leases no more than two units or bedrooms, including, but not limited to, an accessory dwelling unit or a junior accessory dwelling unit.

6. A duplex in which the owner occupied one of the units as the owner's principal place of residence at the beginning of the tenancy, so long as the owner continues in occupancy.

7. Housing that has been issued a certificate of occupancy within the previous 15 years.

8. Residential real property that is alienable separate from the title to any other dwelling unit, provided that the owner is not any of the following:

(a) A real estate investment trust, as defined in Section 856 of the Internal Revenue Code.

(b) A corporation.

(c) A limited liability company in which at least one member is a corporation.

9. Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, or moderate income, as defined in Section 50093 of the Health and Safety Code.

SEC.49.98.3. APPLICATION.

This article shall apply to tenancies where the tenant remains in possession and the eviction lawsuit has not been adjudicated.

SEC. 49.98.4 SEVERABILITY.

If any provision of this article is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this article which can be implemented without the invalid provisions, and to this end, the provisions of this article are declared to be severable. The City Council hereby declares that it would have adopted this article and each provision thereof irrespective of whether any one or more provisions are found invalid, unconstitutional or otherwise unenforceable.

Sec. 2. **URGENCY CLAUSE.** The City Council finds and declares that this ordinance is required for the immediate protection of the public peace, health and safety for the following reasons: the City of Los Angeles would suffer potentially irreversible displacement of tenants resulting from no-fault evictions during the period before AB 1482 becomes effective. The Council, therefore, with the Mayor's concurrence, adopts this ordinance to become effective upon publication pursuant to Los Angeles City Charter Section 253.

Sec. 3. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

ELAINE ZHONG Deputy City Attorney 10 Date

File No. <u>19-1232</u>

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The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles, **by a vote of not less than three-fourths** of all its members.

CITY CLERK

MAYOR

Ordinance Passed_____

Approved _____