

ORDINANCE NO. _____

An ordinance adding Article 18 to Chapter IV of the Los Angeles Municipal Code regulating no-fault, just-cause evictions based on intent to substantially remodel residential rental property.

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 ("Tenant Protection Act") effective beginning January 1, 2020, which prohibits evictions without "just cause" and rent increases more than 5 percent plus the percentage change in the cost of living or 10 percent, whichever is lower, per year;

WHEREAS, the Tenant Protection Act 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, "just cause" under the Tenant Protection Act includes intent to "substantially remodel" residential real property;

WHEREAS, the Tenant Protection Act permits municipalities to adopt local ordinances to include additional tenant protections;

WHEREAS, since January 1, 2020, residents have received notices to vacate for substantial renovations, when landlords have not applied for necessary renovation-related permits from a governmental agency and which notices do not contain a description of the work to be done; and

WHEREAS, the City of Los Angeles wishes to strengthen the protections provided by the Tenant Protection Act and to protect renters from displacement and homelessness;

NOW, THEREFORE,

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

Section 1. Article 18 is added to Chapter IV of the Los Angeles Municipal Code to read as follows:

ARTICLE 18

EVICTIONS BASED ON INTENT TO SUBSTANTIALLY REMODEL RESIDENTIAL RENTAL PROPERTIES

SEC. 51.25. FINDINGS AND PURPOSE.

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 of the City's renters are rent burdened, paying over 30 percent of their income on rent, and about one-third are severely rent burdened, paying over 50 percent of their income on rent.

The California Legislature passed Assembly Bill 1482 ("AB 1482"), the Tenant Protection Act of 2019 ("the Act"), to address a key cause of California's affordable housing crisis by preventing rent gouging and arbitrary evictions. The Act became effective on January 1, 2020, and provides renter protections that did not previously exist for the approximately 138,000 households in the City that were not covered by the City's Rent Stabilization Ordinance.

In particular, the Act added California Civil Code Section 1946.2, to prohibit an owner of residential real property from terminating a tenancy without "just cause," which includes "Intent . . . to substantially remodel the residential real property." "Substantial remodel" means rehabilitation work that "cannot be reasonably accomplished in a safe manner with the tenant in place and that requires the tenant to vacate the residential real property for at least 30 days."

The Act further provides that municipalities may adopt a local ordinance after September 1, 2019, that is more protective than Civil Code Section 1946.2. The local ordinance must be consistent with Civil Code Section 1946.2 and must provide additional tenant protections that are not prohibited by any other provision of law. The local government must also make a binding finding within their local ordinance that the ordinance is more protective than the provisions of Civil Code Section 1946.2.

Civil Code Section 1946.2 does not expressly define what landlords must do in order to displace tenants for a "substantial remodel." Since the Act became effective, many long-term renters have reported to local municipalities that they have been served with notices to vacate for substantial renovations, which among other things do not describe how the intended work qualifies as a "substantial remodel" under Civil Code Section 1946.2, which do not explain whether the property owner has applied for applicable permits from relevant governmental agencies, or which otherwise fail to indicate that the property owner has made good faith efforts to perform the intended improvements to their property.

The intent of the Act is to prevent unwarranted evictions of tenants in good standing. It would be contrary to that intent to allow property owners to displace long-term tenants under the guise of performing “substantial” renovations when they have failed to make good faith efforts to perform those improvements. Accordingly, the City adopts this ordinance to provide additional protections so that tenants are not wrongfully evicted contrary to the intent of the Act. Pursuant to Civil Code Section 1946.2, the City finds that this ordinance is more protective than Civil Code Section 1946.2 by requiring property owners to obtain necessary permits and to provide a description of the substantial remodeling work prior to terminating a lawful residential tenancy. The City further finds that this ordinance is consistent with and furthers the intent of Civil Code Section 1946.2.

SEC. 51.26. DEFINITIONS.

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

The terms “owner,” “residential real property,” “substantially remodel,” and “tenancy” shall have the same meaning as these terms are defined in California Civil Code Section 1946.2.

SEC. 51.27. EVICTIONS BASED ON INTENT TO SUBSTANTIALLY REMODEL RESIDENTIAL RENTAL PROPERTIES.

An owner of residential rental property seeking to terminate a lawful tenancy to substantially remodel the residential real property pursuant to California Civil Code Section 1946.2 must comply with each of the following:

- A. Secure permits necessary to substantially remodel the residential real property from applicable government agencies.
- B. Serve a written notice of termination of tenancy pursuant to California Civil Code Section 1946.1, along with a copy of the permits obtained pursuant to subsection 1, stating the reason for termination, the type and scope of the work to be performed, why the work cannot be reasonably accomplished in a safe manner with the tenant in place, and why the work requires the tenant to vacate the residential real property for at least 30 days.
- C. Provide the relocation assistance required under California Civil Code Section 1946.2.

These requirements are in addition to and do not supersede any other obligation the owner may have under applicable local, state, and federal law.

SEC. 51.28. APPLICABILITY.

This article shall not apply to the residential real properties or circumstances described in California Civil Code Section 1946.2(e).

This article shall not apply to a rental unit that is subject to the Rent Stabilization Ordinance, Los Angeles Municipal Code Section 151.00 *et seq.*

This article shall apply to tenancies where the tenant has received a written notice to terminate tenancy under California Civil Code Sections 1946.1 and 1946.2, and remains in lawful possession of the residential real property.

SEC. 51.29. REMEDIES.

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 proceeding.

A tenant who is wrongfully evicted under this article may file a civil action to recover actual and punitive damages, and obtain injunctive and other equitable relief.

An owner's failure to comply with this article does not constitute a criminal offense.

SEC. 51.30. 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 that 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. 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 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

By  for
ELAINE ZHONG
Deputy City Attorney

Date March 2, 2020

File No. 20-0203

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 _____