



DAVID E. RYU
COUNCILMEMBER, FOURTH DISTRICT

August 9, 2019

Councilmember Gil Cedillo
Chair, Housing Committee
Los Angeles City Hall, Room 460
200 N. Main St.
Los Angeles, CA 90012

RE: CF 14-0268-S16 Tenant Relocation Assistance / Ellis Act / Median Rental Price for Comparable Units / Family Size, Unit Size, and/or Number of Tenants / Adjusted Consumer Price Index (CPI)

Dear Councilmember Cedillo,

On June 19, 2019, I introduced a motion, alongside Councilmember Bonin, recommending certain improvements to how the City, and particularly the Housing and Community Investment Department (HCID) respond to and manage Ellis Act evictions where the owner intends to redevelop the property.

Over the last year, the City of Los Angeles has seen a 16 percent increase in homelessness, with noticeable spikes among youth, seniors and victims of domestic violence, bringing the total number of people living on sidewalks, in cars and vans, or in parks and shelters to 36,300. At the same time, 721,000 Angelenos have been found to be severely rent burdened, spending more than 50 percent of their income on housing. According to the California Housing Partnership, since 2000, the median rent in Los Angeles County has increased 32 percent while the median renter's income has fallen 3 percent. These figures are not a coincidence.

Additionally troubling has been the use of the State's Ellis Act to clear the way for the eviction of long-term tenants, the demolition of rent stabilized units and the development of new market rate units in their place. Since 2001, according to the Los Angeles Housing and Community Investment Department, nearly 25,000 RSO rental units were taken off the rental market using the Ellis Act.

The motion attached to this council file suggest a series of potential recommendations, including providing tenants who are being evicted with certainty and appropriate relocation assistance, increasing affordable housing replacement requirements, providing the right of first refusal to evicted tenants on new below-market rate units, options for financing the acquisition or rehabilitation of rent stabilized properties, and restricting the provision of affordable development incentives at sites that evicted tenants under the Ellis Act.

This final suggestion, namely restricting the "provision of affordable development incentives at sites which evicted rental tenants under the Ellis Act", will be increasingly important as the number of transit oriented community (TOC) projects increases. The intent of this recommendation is to ensure project applicants are not "double dipping". Simply put, density bonus projects that also use the Ellis Act to displace existing tenants must satisfy the requirements of both the density



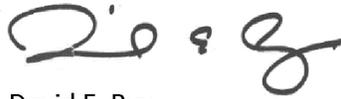
bonus rules and Ellis Act conditions. In the case of affordable housing replacements, the requirements in the new project should “stack” and not be able to be double counted.

Therefore, the new larger development would be held to a higher affordable unit percentage than if the building was constructed without using the Ellis Act. This would not prevent property owners or developers from constructing larger or denser buildings on the same property, but if the Ellis Act is used to displace tenants, those residents would receive a right to first refusal and the building would be required to set aside a greater share of units for covenanted affordable housing.

These recommendations have received substantial support from tenant rights advocates and the development community alike.

Thank you for your attention to this matter and I would like to request that the motion be scheduled at your earliest possible convenience. If you have any questions, please contact my Director of Policy and Legislation at justin.orenstein@lacity.org or 213-473-7004.

Sincerely,



David E. Ryu
Councilmember, District Four



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