

MOTION

As the local economy has gradually emerged from the long recession, real estate values in Los Angeles have been rising steadily at rates that have outstripped the rate of economic growth. This has had an alarming impact on the rental housing market in the city and no less an authority than the UCLA Ziman Center for Real Estate in 2014 identified L.A. as the least affordable housing market in the United States.

With more than half of all residents being renters and more former homeowners being added to the market after losing jobs and subsequently ownership of their homes, the upward pressure on rents has been tangible. The promise of increasing profitability in the rental market has sparked a resurgence in application of the state Ellis Act to evict tenants and take rent-controlled units off the market so buildings can be demolished and replaced by market-rate rental projects or condominiums.

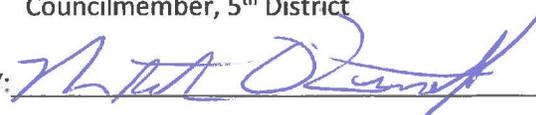
The total number of Ellis Act-impacted units (including those both occupied and vacant) surged by more than 300% from 2013 to 2014, dislocating thousands of tenants who for the most part are severely pressed to locate new places to live that they can afford. At the same time, the City's efforts to prompt construction of new affordable units has been averaging about 1,100 a year for the last decade, well below the 5,000-plus that housing experts suggest are needed to accommodate the need. Most newly-built rental housing is aimed at a much pricier market and is completely exempted by state law from any rent control regulation.

The City's Rent Stabilization Ordinance was last reviewed in 2011, with a number of technical amendments subsequently being adopted. In the current evolving market, with more RSO units and tenants at risk than in many years, it is time for the Department of Housing and Community Investment Department to revisit the status of the ordinance.

I THEREFORE MOVE, that the Department of Housing and Community Investment review the Rent Stabilization Ordinance and how the City regulates implementation of the Ellis Act and report back to the City Council with findings and recommendations within 120 days; and

I FURTHER MOVE, that this review should include, but should not be limited to, potential technical amendments responding to changes in state law, changes mandated by case law, and market conditions, as well as fees, rents, and amendments to state law the Council might want to pursue.

PRESENTED BY: 
PAUL KORETZ
Councilmember, 5th District

SECONDED BY: 



June 10, 2015

ORIGINAL