MOTION

HOUSING

The Ellis Act in California was originally passed to help alleviate the burden placed by the government on small-scale property owners who could no longer tend to their rental property. However, more recently large developers and land speculators have taken advantage of the Ellis Act by purchasing rent-controlled buildings, evicting the tenants, and replacing the existing buildings with market-rate, luxury developments, upscale condominiums, and non-rental commercial uses. Many of these Ellis Act evictions are being done by developers who have owned the property for less than a year.

Since 2001, landlords and developers have filed Ellis Act Declarations to evict tenants on over 25,000 units in the City of Los Angeles. We need to come up with solutions to keep our fellow Angelenos in their homes and stop the flow into homelessness. It is just as important to focus on preventing people from becoming homeless as it is helping them off the street once they are homeless.

Economic factors are driving increases in homelessness as wages have fallen behind the pace of rental cost. Los Angeles already has an affordable housing shortage and a high percentage of renters spend more than the recommended 30 percent of household income on rent. According to LAHSA, Los Angeles needs almost 517,000 new affordable housing units to meet the needs of low-income renters. We have also seen the negative impact of rent increases in an area surrounding new luxury apartment buildings. To eliminate affordable, rent-stabilized housing in order to build these developments takes an already existing problem and makes it worse.

If a property owner is going to invoke the Ellis Act, the City of Los Angeles should get the first right-of-refusal.

I THEREFORE MOVE to INSTRUCT the Housing, Community and Investment Department (HCID), with the assistance of the City Attorney, to prepare and present an ordinance that would give the City of Los Angeles first right-of-refusal to purchase apartment buildings and property that initiate Ellis Act proceedings.

PRESENTED BY:

HERB J. WESSON, JR.
Councilmember, 10th District

SECONDED BY:

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ORIGINAL