



Office of the Los Angeles City Attorney  
Hydee Feldstein Soto

REPORT NO. R 24 - 0602

DEC 04 2024

**REPORT RE:**

**DRAFT ORDINANCE AMENDING SECTION 165.10 OF ARTICLE 5 OF CHAPTER XVI OF THE LOS ANGELES MUNICIPAL CODE TO ESTABLISH AN ANNUAL JUST CAUSE ENFORCEMENT FEE APPLICABLE TO RENTAL UNITS SUBJECT TO THE JUST CAUSE FOR EVICTION ORDINANCE; AMENDING SECTION 165.11 TO ESTABLISH A JUST CAUSE ENFORCEMENT FEE TRUST FUND; AND ADDING SECTION 165.12 AS A SEVERABILITY CLAUSE**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

Council File No. 21-0042-S8

**Honorable Members:**

Pursuant to your request, this Office has prepared and now transmits for your consideration, approved as to form and legality, the enclosed draft ordinance. The draft ordinance, if adopted, would: (1) establish a "Just Cause Enforcement Fee" of \$31.05 per rental unit payable annually by owners of rental units subject to the Just Cause for Eviction Ordinance; (2) provide for a penalty assessment in an amount to be determined by the Los Angeles Housing Department (Department) if the fee is not paid on or before the last day of February of the applicable year; (3) establish a trust fund for the Just Cause Enforcement Fee; and (4) move the Severability clause from Los Angeles Municipal Code Section 165.10 to Section 165.12. The Department would administer the Just Cause Enforcement Fee.

The draft ordinance also includes an urgency clause for your consideration at the request of the Department. In order to adopt the draft ordinance with an urgency clause it must be passed by a three-fourths vote of the City Council. Charter §253.

### Background

In 2023, the City Council passed the Just Cause Eviction Ordinance in order to prohibit the termination of residential tenancies without just cause (Ord. 187737; C.F. 21-0042-S3). On September 12, 2024, the City Administrative Officer (CAO) transmitted to the City Council a report that studied the regulatory costs of the Just Cause Eviction Ordinance and a fee to recover that cost (C.F. 21-0042-S8). In order to recover the annual regulatory cost, the CAO's report recommended the City Council adopt a \$31.05 per unit fee and establish a trust fund to hold the collected fees and fund specified activities. The City Council adopted the CAO's recommendations on November 5, 2024, and requested this Office to present the enclosed draft ordinance.

### Regulatory Fee Requirements

The draft ordinance creates a new regulatory fee. A fee may be imposed to recover the reasonable costs of a regulatory program. The City Council may impose these fees so long as the fees do not exceed the expected cost of regulation. The City Council should determine whether the amount of the fees contained in the draft ordinance are appropriate in light of the cost and fee analysis in the CAO's September 12, 2024 report (C.F. 21-0042-S8).

### CEQA Findings

This Office recommends that the City Council determine, based on the whole of the administrative record, that the adoption of this ordinance is exempt from the California Environmental Quality Act (CEQA) through Section 15061(b)(3) (common sense exemption) of the State CEQA Guidelines and Article II, Section 1 of the City CEQA Guidelines, and that none of the exceptions under CEQA Guidelines Section 15300.2 apply. If the City Council concurs with the CEQA analysis, it should adopt these CEQA determinations prior to or concurrent with its action on the draft ordinance. This Office also recommends that the City Council direct the Los Angeles Housing Department to file Notices of Exemption with the County Recorder's Office following the adoption of the ordinance.

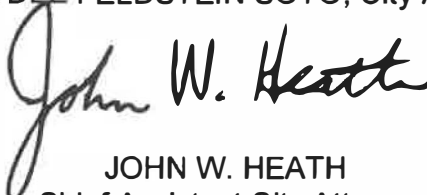
### Council Rule 38 Referral

Pursuant to Council Rule 38, concurrently with this transmittal, a copy of the draft ordinance will be sent to the Los Angeles Housing Department, with a request that any comments be transmitted directly to Council or its Committees when this matter is considered.

If you have any questions regarding this matter, please contact Deputy City Attorney Peter Walford at (213) 922-8374. A member of this Office will be available when you consider this matter to answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By   
JOHN W. HEATH  
Chief Assistant City Attorney

JWH:PW  
Transmittal