

HOUSING AND HOMELESSNESS COMMITTEE REPORT relative to evictions under the Ellis Act; and the feasibility of amending the Rent Stabilization Ordinance (RSO) and establishing a “bad actor” policy to prevent bad faith evictions; and related matters.

Recommendations for Council action:

1. INSTRUCT the Los Angeles Housing Department (LAHD) to work with the Mayor and Chief Legislative Analyst to support legislative changes in the state Ellis Act to:
 - a. Require one-year extensions for all tenants in a building if there is at least one unit qualifying for a one-year extension.
 - b. Explicitly allow cities to regulate the initial rent for the first 10 years of re-rental to conform with a right to return of 10 years.
 - c. Require a response from property owners on the intended future use of the property and, if the reason is for primary renovation or any renovation work, allow cities to reject the filing of the Ellis forms.
2. REQUEST the City Attorney, with the assistance of LAHD, to draft amendments to the RSO as follows:
 - a. Disallow approval for permits for primary renovation work that requires the filing of a Tenant Habitability Plan while an Ellis withdrawal has been filed and tenants continue to reside at the rental property or have been temporarily relocated.
 - b. Establish an administrative appeal process for tenants’ claims for extended tenancies.
 - c. Codify that the extension of tenancies beyond one year do not change the withdrawal date of the property and clarify that longer extensions are not a re-rental, in conformance with state law. This would encourage landlords to allow longer periods for tenants to move out.
 - d. Clearly state that the payment of punitive damages to a tenant shall not be construed to extinguish the owner’s obligation to comply with their re-rental obligations, in conformance with state law.
 - e. Require that landlords may either pay relocation directly to the tenant or deposit relocation into an escrow account the minimum relocation amount to which an Eligible tenant would be entitled to receive, within 15 days of service of the written notice of termination. If the tenant is later determined to be entitled to a higher amount of relocation, then the landlord shall pay the additional monies within 15 days of the relocation determination issued by the City or the City’s relocation consultant.
 - f. Provide that tenants evicted in order to comply with a Government Order have a right to return to the same unit and at the same rent rate they were paying plus annual allowable adjustments, if the violation cited in the government order is remedied and the unit is habitable.
3. INSTRUCT the LAHD, together with the assistance of the City Attorney, to report to Council on the feasibility of amending the RSO to:
 - a. Require property owners to state the intended future use of the property and disallow a response of “undecided” on Notices of Intent to Withdraw Units from Rental Housing Use

(Ellis withdrawals).

- b. Add a financial penalty for demolishing an RSO unit without filing the required Ellis forms with the LAHD.
 - c. Add a financial penalty for failure to file annual status reports after filing the Ellis.
 - d. Deny RSO exemptions for newly constructed units built subsequent to an illegal demolition done without the Ellis or without demolition permits.
4. INSTRUCT the Department of Building and Safety, with the assistance of the LAHD, to report to Council on the feasibility of establishing a “bad actor” policy, whereby owners are unable to pull permits for new projects if there is a record of unresolved citations, orders to comply and/or violations at an existing property, including demolitions of existing RSO units without complying with the RSO Ellis provisions.

Fiscal Impact Statement: The LAHD reports that there is no impact to the General Fund arising from the recommendations in this report.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on April 3, 2024, your Housing and Homelessness Committee considered a LAHD report relative to evictions under the Ellis Act; and the feasibility of amending the RSO and establishing a “bad actor” policy to prevent bad faith evictions; and related matters.

After an opportunity for public comment was held, the Committee recommended to move forward the recommendations contained in the LAHD report, as detailed above. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

HOUSING AND HOMELESSNESS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RAMAN:	YES
BLUMENFIELD:	YES
HARRIS-DAWSON:	YES
RODRIGUEZ:	YES
LEE:	YES

LV 4.3.24

-NOT OFFICIAL UNTIL COUNCIL ACTS-