

CITY OF LOS ANGELES

HISTORIC HIGHLAND PARK NEIGHBORHOOD COUNCIL CALIFORNIA

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DEPARTMENT OF NEIGHBORHOOD EMPOWERMENT

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Second Vice President	Stephanie Maynetto-Jackson
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Secretary	Cecilia Mejia

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Rules	Nancy Verma
Sustainability	Estrella Sainburg
Public Safety	TBD

August 17, 2019

Council President Herb Wesson and the Los Angeles City Council Housing Committee

200 North Spring St.

Los Angeles, CA 90012

RE: In support of CF 14-0268-S16

We, the Historic Highland Park Neighborhood Council and the community we represent, SUPPORT the adoption of Council File 14-0268-S16. This proposed motion will assist in mitigating the misuse of the Ellis Act to displace long term tenants in RSO units. In our community the Ellis Act has been used to displace numerous tenants from RSO units to demolish buildings and develop housing for high income earners. Currently, it is unjust that tenants who have been evicted without just cause under the guise of the Ellis Act are not guaranteed the first right of refusal for newly constructed below market rate units. Additionally, property holders who conduct this business practice should not be able to benefit from any incentives such as Transit Oriented Community incentives or density bonuses for evicting tenants.

Moreover, it will offer additional support to evicted tenants by ensuring the current market value rates are considered when computing the payout amount of funds tenants are entitled to under the Ellis Act. All too often, displaced tenants in our community are forced out of the community due to the extreme increase in rental prices over the past several years. We acknowledge the harmful effects this can have on children who are then taken out of their schools, away from friends, extended family support and social opportunities.

Strengthening tenant protections is a direct way to help prevent homelessness in our communities. It also serves to keep communities together and creates stability for our children. Because of this, we SUPPORT this motion and urge the councilmembers to continue to work to expand tenants rights and housing.

Sincerely,

Historic Highland Park Neighborhood Council

MOTION

The Los Angeles Homeless Services Authority recently released the results of the 2019 Greater Los Angeles Homeless Count. 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 36,600. Up and down the State, from San Francisco to San Diego, counties have reported double-digit increases in homelessness. In Riverside and San Bernardino Counties, homelessness is up more than 20 percent. San Francisco has seen a 17 percent increase, and Alameda County saw a 43 percent increase.

Equally startling is the 721,000 Angelenos that 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. According to a 2018 analysis conducted by the UCLA Luskin School of Public Affairs, only one in three units in Los Angeles County is covered by rent control, leaving the majority of renters with little protection. Evictions, foreclosures, corporate conversions and rent hikes are driving people out of their homes and onto the streets.

The City, County and State must build more housing, particularly affordable housing. But it will take years to build enough housing to meet demand and bring down prices. In the meantime, the City must do more to ensure that people who are experiencing financial hardship are not unfairly or arbitrarily pushed out of their homes.

The Ellis Act is a state law originally adopted to provide small-scale property owners with an orderly way to remove their buildings from the rental market, and give local jurisdictions an opportunity to provide certain protections for displaced tenants. In recent years, however, the Act has been misused to clear the way for the eviction of long-term tenants, the demolition of units subject to the Rent Stabilization Ordinance ("RSO") and the development of new market rate units or the gradual re-introduction of units at market rates, or the construction of housing that fails to meet the City's affordable housing needs. 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.

Currently, tenant relocation assistance for evictions under the Ellis Act is tied to the direct expenses caused by the eviction, such as security deposits, moving expenses and at most a few months rent. This payout is tiered based on duration of tenancy, disability, the age of residents and income. This formula neglects to consider additional expenses associated with moving from a rent stabilized to a market rate unit, the expenses associated with commuting if the evicted tenant is unable to find or afford a comparable unit in the same community, or finding a new school or child care facility for their children or adult care facilities for parents or grandparents.

The ability to effect change at the city level is limited by state law, but that does not preclude local leaders and concerned citizens from advocating for changes to that law and amending local law where possible.

I THEREFORE MOVE that the Los Angeles Housing and Community Investment Department (HCID), with the assistance of the City Attorney as needed, be instructed/requested to report back on the feasibility of tying tenant relocation assistance required for evictions under the Ellis Act to:

- The median rental price for a comparable unit within the respective community plan area.
- Family size, unit size, and/or number of tenants.
- The annually adjusted consumer price index (CPI), according to local area indexes, as opposed to the Los Angeles-Long Beach Area CPI.

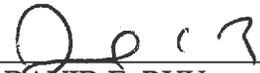
I FURTHER MOVE that the HCID, with the assistance of the City Attorney as needed, be instructed/requested to report back on the feasibility and with recommendations for increasing the affordable housing replacement requirement (currently 20 percent) in the Los Angeles Municipal Code section 151.28.B. for new building construction.

I FURTHER MOVE that the HCID, with the assistance of the City Attorney, be instructed/requested to report back on the feasibility of allowing tenants who are displaced as a result of demolition to be provided the right of first refusal to move into the new building, and have the right of first refusal to rent the new below-market rate units designated to replace the units that were demolished, at the rent that would have applied if they had remained in place, as long as their tenancy continues.

I FURTHER MOVE that the HCID, with the assistance of the Department of City Planning and City Attorney as needed, be instructed/requested to report back on the City's authority to restrict the provision of affordable development incentives at sites which evicted rental tenants under the Ellis Act, such as density bonus incentives or Transit Oriented Community (TOC) incentives, to ensure vulnerable housing sectors are not rewarding developers for creating unintended displacements.

I FURTHER MOVE that the HCID, with the assistance of the City Attorney as needed, be instructed/requested to report back on the feasibility and options for financing the acquisition or rehabilitation of RSO properties that are at-risk for Ellis Act evictions and demolitions for possible conversion to permanent affordable housing.

PRESENTED BY:



DAVID E. RYU
Councilmember, 4th District



MIKE BONIN
Councilmember, 11th District

JUN 19 2019

SECONDED BY:

