

HOUSING COMMITTEE REPORT relative to the feasibility of prohibiting landlords from terminating tenancies in rental units not subject to the City's Rent Stabilization Ordinance (RSO) unless for just cause.

Recommendation for Council action, pursuant to Motion (Cedillo – Harris-Dawson):

DIRECT the Los Angeles Housing and Community Investment Department (HCIDLA), in consultation with the City Attorney, to communicate with cities in the Bay Area and report to Council in 30 days with recommendations on the feasibility of preparing an ordinance to prohibit landlords from terminating tenancies in rental units not subject to the RSO unless for just cause, as defined by the City's fourteen legal reasons for termination of a tenancy found in the RSO.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

On April 19, 2017, Council considered Motion (Cedillo – Harris-Dawson) relative to the feasibility prohibiting landlords from terminating tenancies in rental units not subject to the City's RSO unless for just cause. Motion states that the City of Los Angeles is experiencing a severe housing supply and affordability crisis that requires action by the City. Median rent in Los Angeles County increased 28 percent since 2000 while median renter household income had declined 8 percent adjusted for inflation. Los Angeles renters need to earn 3.9 times the local minimum wage to afford the average monthly asking rent of \$2,108. Los Angeles County's lowest-income renters spend 71 percent of income on rent, leaving little left for food, transportation, health, expenses, and other needs. To afford this average monthly rent, individuals making the City's median income of \$49,500 would have to spend more than 50 percent of their income on rent. According to the Los Angeles Times, many of the neighborhoods in Council Districts 1, 8, 9, 10, 13, 14, and 15 have median incomes below \$35,000.

Motion goes on to state that displacement through evictions has a direct impact on the health, safety and/or welfare of Los Angeles citizens by uprooting children from their schools, disrupting longstanding community networks that are integral to citizens' welfare, forcing low-income residents to pay unaffordable relocation costs, segregating low income residents into less healthy, less safe, and more overcrowded housing that is often further removed from vital public services and leaving residents with unhealthy levels of stress and anxiety as they attempt to cope with the threat of homelessness.

Motion further states that Bay area cities are implementing new eviction and rent stabilization measures in response to their severe housing supply shortage and affordability crisis. Almost all of them include provisions that prohibit landlords from terminating tenancies of rental units except for just cause. Motion movers believe that HCIDLA and the City Attorney should provide Council with recommendations for instituting similar laws in Los Angeles. Council referred Motion to the Housing Committee for consideration.

At its meeting held June 21, 2017, the Housing Committee discussed this matter with a representative of HCIDLA. During the public comment period, apartment building owners and representatives of apartment owner associations expressed opposition to Motion. Speakers stated that the process of evicting tenants for just cause is difficult and expensive. Problem tenants reduce the quality of life for other tenants of the building. It was also stated that approving this Motion will discourage construction of new apartment buildings and create a disincentive for investors.

Residents and tenant advocates expressed support for the proposal. It was stated that all tenants deserve the same protection as tenants of rental property regulated by the RSO, including notice of eviction and relocation assistance. In response to real estate market conditions, property owners are evicting long-term tenants for new ones able to pay higher rent.

The Housing Committee recommended that Council approve Motion's recommendation as shown above.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KORETZ:	ABSENT
HUIZAR:	ABSENT
PRICE:	YES
HARRIS-DAWSON:	YES

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