

MOTION

City strategies to ensure access to affordable housing for its residents must be advanced through a multi-faceted approach. While a number of housing programs offer financing and incentives to support the development of new housing units, other actions must be taken to preserve existing residential tenant protections. The lack of access to housing, if not addressed, can lead to a further exacerbation of the City's homelessness crisis.

The City, through its Rent Stabilization Ordinance, offers protections to tenants to prevent unlawful evictions and displacement. Under its Rent Stabilization Ordinance (RSO), the City has affirmed its commitment to protecting tenants from no fault evictions on foreclosed properties through the Foreclosure Eviction Moratorium, also known as the Foreclosure Eviction Ordinance (Ordinance No. 180441), which was approved by Council in 2008.

A recent report in the *Los Angeles Times*, "Flippers Are Using An End-around To Kick Tenants Out Of Affordable Housing. They Need To Be Stopped," describes instances where new owners of foreclosed properties may be circumventing the RSO, and "have discovered a way around these foreclosure rules that is forcing tenants in affordable, and even rent-stabilized housing onto the streets." The article notes, "When an eviction notice is served at a foreclosed property, flippers address it directly to the former owner - regardless of who lives there. Three days later, the flipper can file an eviction lawsuit against the former owner and unnamed 'Doe' defendants. To avoid being evicted, tenants have to realize that they, and not just the former owner, are being sued and fight the case. They must file a 'prejudgment claim of right to possession,' add themselves by name as defendants to the lawsuit, pay a filing fee, and go through litigation."

The City should seek stronger protections and notifications for existing tenants of foreclosed homes. It should also seek improvements to the RSO to ensure that owners of foreclosed properties comply with all relevant eviction provisions. Further, the City should consider imposing penalties on any owner of a foreclosed property that fails to comply with the City's tenant eviction protections.

I THEREFORE MOVE that Council instruct the Housing and Community Investment Department, with the assistance of the City Attorney, to report within 30 days with recommendations on improvements to the Rent Stabilization Ordinance foreclosed property eviction policies, including options to notify and protect existing tenants during foreclosure sales, and penalties for non-compliance; and any legislative or administrative changes needed to ensure that tenants are not unlawfully evicted when a property is foreclosed.

PRESENTED BY: \_\_\_\_\_

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