

Your Community Impact Statement has been successfully submitted to City Council and Committees.

If you have questions and/or concerns, please contact the Department of Neighborhood Empowerment at NCsupport@lacity.org.

This is an automated response, please do not reply to this email.

Contact Information

Neighborhood Council: Historic Highland Park Neighborhood Council

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The Board approved this CIS by a vote of: Yea(13) Nay(0) Abstain(0) Ineligible(0) Recusal(0)

Date of NC Board Action: 07/19/2021

Type of NC Board Action: For

Impact Information

Date: 08/22/2021

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 19-1127

Agenda Date: 07/19/2021

Item Number: 10

Summary: [Please see attached CIS letter for full statement.] The Ellis Act is a 1985 state law that allows property owners to evict all the tenants in a building on a no fault basis in order to remove the property from the rental housing market. The law was previously used to allow property owners to retire and exit the rental property business. Recently, developers and real estate speculators have been taking advantage of this law to evict tenants in rent-controlled buildings, remove the rent-controlled units from the market, and replace them with market rate, luxury developments, condos, and non-rental commercial uses. Since 2001, landlords and developers have filed Ellis Act evictions on over 26,562 units in the City of Los Angeles. Within 2019 alone, 1,659 Los Angeles rent-controlled units were lost due to the Ellis Act.

(<http://www.antievictionmappingproject.net/losangeles.html>). Economic factors and evictions are some of the driving forces of increasing homelessness in Los Angeles. City agencies are responsible to prevent tenants from becoming homeless as much as helping unhoused people back into housing. City agencies also need to prevent the loss of rent-controlled housing. This Motion instructs the Housing, Community and Investment Department (HCID), with assistance from the City Attorney, to prepare and present an ordinance that would give the City of Los Angeles, mission driven affordable housing developers, non-profit affordable housing entities and tenants first right-of-refusal to purchase apartment buildings and property that initiate Ellis Act proceedings. Allowing these entities right-of-refusal will help stem the loss of affordable, rent-controlled buildings in Los Angeles, act as a deterrent to developers initiating Ellis Act proceedings, and help prevent no-fault tenant evictions.

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COMMUNITY IMPACT STATEMENT

[Date]

Attn: Council President Nury Martinez, Councilmember Kevin De Leon, Councilmember Gil Cedillo

From: Historic Highland Park Neighborhood Council

RE: Ellis Act / Right-of-Refusal / Purchase Apartment Buildings / Property ([Council File: 19-1127](#))

Dear Los Angeles City Councilmembers,

The Historic Highland Park Neighborhood Council, representing more than 60,000 stakeholders, strongly supports this [motion](#) [Exhibit 1] to create an ordinance that would give the City of Los Angeles, mission driven affordable housing developers, non-profit affordable housing entities and tenants first right-of refusal to purchase apartment buildings and property that initiate Ellis Act proceedings

The Ellis Act is a 1985 state law that allows property owners to evict all the tenants in a building on a no fault basis in order to remove the property from the rental housing market. The law was previously used to allow property owners to retire and exit the rental property business. Recently, developers and real estate speculators have been taking advantage of this law to evict tenants in rent-controlled buildings, remove the rent-controlled units from the market, and replace them with market rate, luxury developments, condos, and non-rental commercial uses. Since 2001, landlords and developers have filed Ellis Act evictions on over 26,562 units in the City of Los Angeles. Within 2019 alone, 1,659 Los Angeles rent-controlled units were lost due to the Ellis Act. (<http://www.antievictionmappingproject.net/losangeles.html>).

Economic factors and evictions are some of the driving forces of increasing homelessness in Los Angeles. City agencies are responsible to prevent tenants from becoming homeless as much as helping unhoused people back into housing. City agencies also need to prevent the loss of rent-controlled housing. This Motion instructs the Housing, Community and Investment Department (HCID), with assistance from the City Attorney, to prepare and present an ordinance

that would give the City of Los Angeles, mission driven affordable housing developers, non-profit affordable housing entities and tenants first right-of refusal to purchase apartment buildings and property that initiate Ellis Act proceedings. Allowing these entities right-of-refusal will help stem the loss of affordable, rent-controlled buildings in Los Angeles, act as a deterrent to developers initiating Ellis Act proceedings, and help prevent no-fault tenant evictions.

The Historic Highland Park Neighborhood Council supports this motion in order to:

- Preserve rent-controlled buildings and thus preserving supply of long-term rental housing
- Prevent no-fault evictions of tenants who may not have the means to find rental housing in their communities, even with reimbursement of relocation expenses, and in light of the crisis nature of our unhoused population which keeps growing daily
- Highlight the requirements of Los Angeles' Housing Element of the General Plan which requires that Los Angeles preserve affordable housing, of which rent-controlled housing is a very important piece
- Highlight the economic and environmental concerns, as it is far more cost effective and environmentally sound to refurbish or repurpose already existing buildings, rather than to demolish and rebuild.

Exhibit 1

The Ellis Act in California was originally passed to help alleviate the burden placed by the government on small-scale property owners who could no longer tend to their rental property. However, more recently large developers and land speculators have taken advantage of the Ellis Act by purchasing rent-controlled buildings, evicting the tenants, and replacing the existing buildings with market-rate, luxury developments, upscale condominiums, and non-rental commercial uses. Many of these Ellis Act evictions are being done by developers who have owned the property for less than a year.

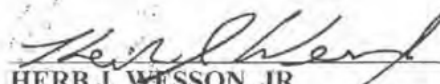
Since 2001, landlords and developers have filed Ellis Act Declarations to evict tenants on over 25,000 units in the City of Los Angeles. We need to come up with solutions to keep our fellow Angelenos in their homes and stop the flow into homelessness. It is just as important to focus on preventing people from becoming homeless as it is helping them off the street once they are homeless.

Economic factors are driving increases in homelessness as wages have fallen behind the pace of rental cost. Los Angeles already has an affordable housing shortage and a high percentage of renters spend more than the recommended 30 percent of household income on rent. According to LAHSA, Los Angeles needs almost 517,000 new affordable housing units to meet the needs of low-income renters. We have also seen the negative impact of rent increases in an area surrounding new luxury apartment buildings. To eliminate affordable, rent-stabilized housing in order to build these developments takes an already existing problem and makes it worse.

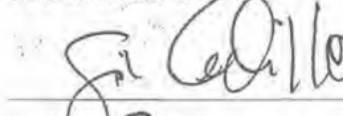

If a property owner is going to invoke the Ellis Act, the City of Los Angeles should get the first right-of-refusal.

I THEREFORE MOVE to INSTRUCT the Housing, Community and Investment Department (HCID), with the assistance of the City Attorney, to prepare and present an ordinance that would give the City of Los Angeles first right-of-refusal to purchase apartment buildings and property that initiate Ellis Act proceedings.

PRESENTED BY:


HERB J. WESSON, JR.
Councilmember, 10th District

SECONDED BY:


 Paul Krutz

ORIGINAL

SEP 24 2019

