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ATTACHMENT 1
3/18/2008

ORDINANCE NO. _____

Section. 1. An Ordinance adding Article 7.1 to Chapter IV of the Los Angeles Municipal Code, to regulate the demolition and conversion of residential hotel units.

THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:

ARTICLE 7.1

RESIDENTIAL HOTEL UNIT CONVERSION AND DEMOLITION

Section 47.70. Title.

This Article shall be known as the Residential Hotel Unit Conversion and Demolition Ordinance.

Section.47.71. Purpose.

It is the purpose of this ordinance to benefit the general public by minimizing the adverse impact on the housing supply and on displaced low-income, elderly, and disabled persons, which results from the loss of residential hotel units through conversion and/or demolition. This is to be accomplished by establishing the status of residential hotel units, by regulating the demolition and conversion of these units to other uses, and by establishing appropriate administrative and judicial remedies.

Section 47.72. Findings.

The Los Angeles City Council finds that:

(a) There is a severe shortage of decent, safe, and sanitary rental housing in the City of Los Angeles and this shortage most severely affects elderly, disabled and low-income persons.

(b) Many elderly, disabled and low-income persons reside in residential hotel units.

(c) The Los Angeles Housing Department (LAHD) currently designates 330 hotels as residential hotels, which contain 18,332 units in the City of Los Angeles. An additional survey of residential hotels billed for annual fees by LAHD in 2006 revealed that 87% of residential hotels did not request exemptions for tourist units.

(d) As a result of the removal of residential hotel units from the rental housing market, a housing emergency exists within the City of Los Angeles, acutely impacting elderly, disabled and low-income persons.

(e) Residential hotel units are endangered housing resources and must be protected.

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(f) The Los Angeles City Council recognized the housing emergency caused by the loss of residential hotel units and enacted an ordinance that established a moratorium on the demolition or conversion of residential hotel units to any other use. This Interim Control Ordinance became effective on May 24, 2006.

(g) The conversion and demolition of residential hotel units affect those persons who are least able to cope with displacement in the City of Los Angeles' housing market.

(h) It is in the public interest that the conversion and demolition of residential hotel units be regulated. Furthermore, in order to protect the resident tenants and to conserve limited housing resources, remedies must be provided where unlawful conversion or demolition has occurred.

Section 47.73. Definitions.

(a) Affordable Housing Project. A housing development project with a government-imposed regulatory agreement that has been recorded with the Los Angeles County Recorder, or which shall be recorded within 6 months of the Claim of Exemption filed pursuant to Section 47.76 of this Code, guaranteeing that all of the residential units will be affordable to either lower income or very low income households for a period of at least 55 years. "Lower income or very low income households" is defined in accordance with California Health and Safety Code Sections 50079.5 and 50105.

(b) Affordable Housing Trust Fund. Fund established by Los Angeles Administrative Code Section 5.522.

(c) CRA/LA. Community Redevelopment Agency of the City of Los Angeles.

(d) Comparable Unit. A unit which is similar in size, services, rental amount and facilities.

(e) Conversion. Any action that converts any existing guest rooms or efficiency units in a residential hotel through either: (1) a change of use to a commercial, industrial, or other non-residential use; (2) a change to a different residential use; (3) a change from a residential use to a transient guest use or occupancy; or (4) through a conversion to a condominium, cooperative, or similar form of ownership.

(f) DCP. Department of City Planning.

(g) Demolition. Any action that reduces the number of existing guest rooms, light housekeeping rooms, or efficiency units, in a residential hotel, either by a complete tearing down of a building or structure so that it no longer exists or by combining two or more units into a single unit.

(h) Destroyed. Shall have the same meaning as defined by Section 12.03 of the Los Angeles Municipal Code.

(i) Disaster. Shall have the same meaning as defined by Section 12.03 of the Los Angeles Municipal Code.

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(j) Efficiency Dwelling Unit. Shall have the same meaning as defined by Section 12.03 of the Los Angeles Municipal Code.

(k) GSD. Department of General Services.

(l) Guest Room. Shall have the same meaning as defined by Section 12.03 of the Los Angeles Municipal Code.

(m) Interested Party. A tenant of a residential hotel, or his or her authorized representative. Interested party shall also mean any nonprofit organization exempted from federal taxation pursuant to Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, and organized for the purpose of maintaining or creating affordable housing.

(n) Discretionary Land Use Entitlement. The grant of a zone change, variance, conditional use permit or similar legislative or quasi-judicial approval by an initial decision-maker such as the zoning administrator or area planning commission; or by an appellate body on appeal.

(o) Light housekeeping rooms. Any guest room which is designed and used as a bedroom and for the cooking and preparing of food, in conformance with the provisions of Section 91.8116 of Article 1, Chapter 9 (LAMC).

(p) LADBS. Los Angeles Department of Building & Safety.

(q) LAFD. Los Angeles Fire Department.

(r) LAHD. Los Angeles Housing Department.

(s) MAI. Member of Appraisal Institute, a trade organization which certifies appraisers which have met their requirements for the MAI designation.

(t) Owner. Owner includes any person or legal entity holding any ownership interest in a residential hotel.

(u) Person. Shall have the same meaning as defined by Section 11.01(a) of the Los Angeles Municipal Code.

(v) Post or Posting. Where posting is required by this Article, material shall be posted in a conspicuous location at the front desk in the lobby of the residential hotel, or if there is no lobby, in the public entranceway. No material posted may be removed by any person except as otherwise provided in this Article.

(w) Residential Hotel. Defined in accordance with California Health and Safety Code Section 50519, any building containing six or more guest rooms or Efficiency Units, intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by guests, which is also the primary residence of those guests,

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but does not mean any building containing six or more guest rooms or Efficiency Units which is primarily used by transient guests who do not occupy that building.

(x) Residential Unit. Any guest room, light housekeeping room, or efficiency unit that was occupied as a primary residence on October 11, 2005. If a unit was vacant on October 11, 2005, a residential unit shall mean any guest room, light housekeeping room, or efficiency unit which was occupied as a primary residence on the first day that unit was occupied after October 11, 2005.

(y) Tenant. A person who is entitled to occupy and occupies a residential unit for at least 30 consecutive days.

(z) Tourist Unit. A unit in a residential hotel that does not meet the criteria of a residential unit shall be deemed a tourist unit.

Section 47.74. Applicability of this Article.

(a) This Article shall not apply to any Residential Hotel that is an Affordable Housing Project.

(b) This Article shall also not apply to any Residential Hotel that:

(1) was completely and continuously unoccupied by any tenant from October 11, 2005, through and including the date that an application for Conversion or Demolition was filed with LADBS, as determined by the LAHD, or;

(2) pursuant to California Government Code Section 7060, et seq., was first approved for all residential occupancy on or after January 1, 1990, as evidenced by a certificate of occupancy issued by LADBS on or after that date; or

(3) pursuant to California Government Code Section 7060, et seq., sent or delivered to the LAHD before October 11, 2005, a notice of intent to withdraw all of the building's accommodations from rent or lease.

Section 47.75. Residential Hotel Unit Status Determination.

(a) This Article presumes that 100% of the units of any building that meets the definition of a residential hotel, pursuant to section 47.73 (v) of this Article, are used for residential purposes and constitute residential units, as defined in section 47.73 (w) of this Article.

(b) LAHD shall notify by mail the owner of any hotel that it classifies as a residential hotel that is subject to this ordinance. LAHD shall include in its notification a copy of this ordinance, the appeal form referenced in subsection (b) (1) of this section, and an Application for Exemption. LAHD shall notify the owner at the address that appears in the last equalized assessment roll or at the address provided to LAHD through any registration in accordance with LAMC Section 151.05.

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(c) An owner of a residential hotel who alleges that the hotel contains tourist units, or the hotel is not a residential hotel, may challenge the presumption of section 47.75 (a) by filing an appeal with LAHD within 60 days of the date that LAHD deposited its notification in the mail, pursuant to subsection (b) of this section.

(1) An owner who chooses to file an appeal of the City's designation shall do so on a form prescribed by LAHD and shall pay an administrative fee in the amount of \$605. The fee shall pay for the cost of investigating and processing the appeal.

(2) The owner shall submit evidence with the appeal to support the claimed number of tourist units in the residential hotel. The owner shall also identify the specific rooms that the owner claims are tourist units.

(3) The owner has the burden of proving by a preponderance of the evidence that the claimed units are tourist units, and not residential.

(4) On the date that the owner files the appeal, the owner shall post a notice on a form prescribed by LAHD and pursuant to the posting requirements of this Article. The notice shall provide that the owner has appealed the City's Residential Hotel Unit Status Determination. The notice shall identify the rooms which the owner claims as tourist units. The notice shall provide the name and contact number of the LAHD staff whom tenants and other interested parties can contact to provide additional evidence and information regarding the status of the units. LAHD shall also mail a copy of the notice to the occupants of the units claimed as tourist units by the owner. The notice shall remain posted until after LAHD issues a written determination regarding the owner's appeal.

(5) LAHD shall issue a determination of the owner's appeal based on the evidence submitted within 90 days of the filing of the appeal. LAHD shall mail a copy of the determination to the owner, the occupants of the units claimed as tourist units by the owner, and any interested parties who submitted evidence pursuant to subdivision (4) of this section.

(d) An owner may appeal the denial of an application for determination filed pursuant to this section. The appeal shall be filed at LAHD within 15 calendar days after LAHD mails its determination to the owner. An owner may appeal LAHD's determination to a hearing before a General Manager's Hearing Officer pursuant to the provisions of Section 47.83 of this Article. LAHD's determination shall be final if a timely appeal is not filed.

Section 47.76. Claim of Exemption.

(a) Applications for Exemption based on Section 47.74(a). Applications for exemption based on Section 47.74(a) shall be subject to the provisions below of this subsection:

(1) Filing of Application for Exemption. An application for exemption based on Section 47.74(a) may be filed at any time by the owner. The owner shall pay an administrative fee in the amount of \$205 when filing the application. The fee shall pay for the cost of processing the application.

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(2) Owner's submission of evidence. The owner shall submit evidence with the appeal to support the claim of exemption. The owner has the burden of proving by a preponderance of the evidence that the residential hotel is exempt from the provisions of this Article.

(3) Determination of Exempt Status. LAHD shall review the application for exemption and the submitted evidence. If LAHD determines that the residential hotel is an Affordable Housing Project exempt from the provisions of this Article, it shall issue and mail a Certificate of Exemption within 90 days of the filing of the application for exemption. If LAHD determines that the residential hotel is not an Affordable Housing Project exempt from the provisions of this Article, it shall mail to the applicant notification of its denial of the application for exemption within 90 days of the filing of the application.

(b) Applications for Exemption based on Section 47.74(b). Applications for exemptions based on Section 47.74(b) shall be subject to the provisions below of this subsection:

(1) Timing of filing of Application for Exemption. An application for exemption based on Section 47.74 (b) must be filed within 60 days after LAHD's notification by mail pursuant to section 47.75(b). Failure to timely file an application for exemption will result in denial of the application, unless LAHD finds that good cause exists for the untimely filing. The owner shall also pay an administrative fee in the amount of \$205 when filing the application. The fee shall pay for the cost of investigating and processing the appeal.

(2) Posting Notice of Application for Exemption. On the date that the owner has filed the application for exemption with LAHD, the owner shall post a notice on the premises of the residential hotel. The notice shall be on a form prescribed by LAHD. The notice shall provide the name and contact number of the LAHD staff whom tenants can contact to provide additional evidence and information in this regard. LAHD shall also mail a copy of the owner's application for exemption to each of the units of the residential hotel. The notice shall remain posted until after LAHD issues a written determination regarding the application for exemption.

(3) Owner's submission of evidence. The owner shall submit evidence with the appeal to support the claim of exemption. The owner has the burden of proving by a preponderance of the evidence that the residential hotel is exempt from the provisions of this Article.

(4) Determination of Exempt Status. LAHD shall review the application for exemption and evidence submitted. If LAHD determines that the residential hotel is exempt from the provisions of this Article, it shall issue and mail a Certificate of Exemption within 90 days of the filing of the application for exemption. If LAHD determines that the residential hotel is not exempt from the provisions of this Article, it shall mail to the applicant notification of its denial of the application for exemption within 90 days of the filing of the application.

(c) Appeal of Denial of Application for Exemption. An owner may appeal the denial of an application for exemption filed pursuant to this section. The appeal shall be filed at LAHD within 15 calendar days after LAHD mails the denial of the application for exemption to the owner. An owner may appeal LAHD's denial of the application for exemption to a hearing

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before a General Manager's Hearing Officer pursuant to the provisions of Section 47.83 of this Article. LAHD's denial of an application for exemption shall be final if a timely appeal is not filed.

Section 47.77. Application for Clearance.

The City shall not approve a conversion or demolition of a residential hotel, or any new development on the site of a destroyed or demolished residential hotel, until LAHD has approved an Application for Clearance filed by the owner pursuant to this section.

(a) If a proposed conversion or demolition of a residential hotel, or a new development on the site of a destroyed or demolished residential hotel, requires a discretionary land use entitlement, then the following procedures shall apply:

- (1) DCP shall inform LAHD of any application for a discretionary land use entitlement.
- (2) The owner shall file an Application for Clearance with LAHD. Within 90 days after LAHD has deemed the application complete, LAHD shall either deny the application or determine the conditions for approval of the application and notify the initial decision-maker of those conditions.
- (3) LAHD will make one of the following determinations when an owner files a complete Application for Clearance:
 - (i) Deny an Application for Clearance if the applicant has violated the provisions of this Article pursuant to section 47.81(a) of this Article;
 - (ii) Exempt the property from the provisions of this Article if the Application for Clearance is for an Affordable Housing Project pursuant to the provisions of section 47.76 of this Article; or
 - (iii) Determine the conditions for approval of an Application for Clearance pursuant to section 47.78 of this Article.
- (4) If LAHD has denied an Application for Clearance pursuant to the provisions of section 47.77(a)(3)(i), the initial decision-maker must automatically disapprove the application for a discretionary land use entitlement.
- (5) If LAHD has determined the conditions for approval of an Application for Clearance pursuant to the provisions of section 47.77(a)(3)(iii), LAHD shall require compliance with the conditions for approval of an Application for Clearance.
- (6) If not otherwise required by Chapter One of the Los Angeles Municipal Code, DCP shall mail a copy of LAHD's letter of determination concerning an application for a discretionary land use entitlement to: the owner; the owners of all properties abutting, across the street or alley from, or having a common corner with the subject property; the applicable Council office; and the applicable certified Neighborhood Council.

- (7) Pursuant to Section 47.84, the owner or any other interested party may appeal the conditions for approval of an Application for Clearance to the assigned appellate body. The appellate body shall be assigned pursuant to Chapter One of the Los Angeles Municipal Code.
- (8) LAHD shall only approve the Application for Clearance if the owner complies with the conditions as determined by LAHD pursuant to section 47.77(a)(3)(iii) or as determined by the assigned appellate body pursuant to section 47.84 of this Article.

(b) If a proposed conversion or demolition of a residential hotel, or a new development on the site of a destroyed or demolished residential hotel, does not require a discretionary land use entitlement but only a building permit issued by LADBS, then the following procedures shall apply:

- (1) LADBS shall inform LAHD of any application for a building permit.
- (2) The owner shall file an Application for Clearance with LAHD. Within 90 days after LAHD has deemed the application complete, LAHD shall deny the application or determine the conditions for approval of the application;
- (3) The LAHD will make one of the following determinations when an owner files a complete Application for Clearance:
 - (i) Deny an Application for Clearance if the applicant has violated the provisions of this Article pursuant to section 47.81(a) of this Article;
 - (ii) Exempt the property from the provisions of this Article if the Application for Clearance is for an Affordable Housing Project pursuant to the provisions of section 47.76 of this Article; or
 - (iii) Determine the conditions for approval of an Application for Clearance pursuant to section 47.78 of this Article.
- (4) LAHD shall notify by mail the conditions for approval of an Application for Clearance to: the owner; the owners of all properties abutting, across the street or alley from, or having a common corner with the subject property; the applicable Council office; the applicable certified Neighborhood Council. The notice must include a statement concerning the right of appeal pursuant to Section 47.84.
- (5) Pursuant to Section 47.84, the owner or any interested party may appeal the conditions for approval of an Application for Clearance to the City Planning Commission.
- (6) LAHD shall only approve the Application for Clearance if the owner complies with the conditions as determined by LAHD pursuant to section 47.77(b)(3)(iii) or as determined by the City Planning Commission pursuant to section 47.84 of this Article.

(c) An owner who files an Application for Clearance with LAHD shall pay a fee in the amount of \$2000 for each application. The fee shall pay for the cost of administering the application process.

(d) The Application for Clearance shall contain the following information:

- (1) The legal and mailing address of the residential hotel;
- (2) The names and addresses of all owners or operators of the residential hotel;
- (3) The names of all tenants in the residential hotel;
- (4) The total number of units in the residential hotel and the current uses;
- (5) The current rental rates for the residential units; and
- (6) The length of tenancy of the tenants affected.

Section 47.78. Conditions for Approval of an Application for Clearance.

(a) LAHD shall require either of the following as conditions for approval of an application for clearance:

(1) Construct, for each unit to be converted or demolished, a comparable unit in the City of Los Angeles within a one-mile radius of the unit(s) to be converted or demolished.

i) LAHD may authorize the construction of fewer units to replace the residential units to be converted or demolished if LAHD determines the following three conditions are met:

- a) The replacement units provide amenities, such as bathrooms and kitchens, not present in the units to be withdrawn;
- b) The needs of the current residents of the residential hotel would be served by the better amenities and larger units; and
- c) The reduction in the number of units would not significantly decrease the number of available residential hotel units in the City.

ii) Where the owner chooses to comply with the conditions for approval of an Application for Clearance pursuant to this subsection, LAHD shall not approve the Application for Clearance until LADBS issues a certificate of occupancy for units constructed pursuant to this subsection, except where CRA/LA has approved replacement units within 4 years of the date of demolition of the residential hotel units pursuant to CRA/LA Development Guidelines and Controls for Residential Hotels in the City Center and Central Industrial Redevelopment Project Areas so long as these guidelines are in full force and effect.

(2) Pay to the City of Los Angeles an amount equal to 80 percent of the cost of construction of an equal number of comparable units plus site acquisition costs. All such payments shall be placed in the Affordable Housing Trust Fund except where the units converted or demolished are in the City Center or Central Industrial Redevelopment Project Area, in which case the in lieu fee will be paid into the CRA/LA's Residential Hotel Preservation Fund in accordance with the Guidelines and Controls for Residential Hotels in the City Center

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and Central Industrial Redevelopment Project Areas so long as these guidelines are in full force and effect. GSD shall determine this amount based on an independent MAI certified appraisal reviewed by GSD.

(b) The funds deposited in the Affordable Housing Trust Fund pursuant to the provisions of this Article may be used to create replacement units. If the units are to be converted or demolished in the City Center or Central Industrial Redevelopment Project Area, the funds deposited into the CRA/LA's Residential Hotel Preservation Fund may be used in accordance with the CRA/LA's Guidelines and Controls for Residential Hotels in the City Center and Central Industrial Redevelopment Project Areas.

Section 47.79. Rights of Tenants.

(a) Relocation Assistance. Tenants being evicted from residential hotel units pursuant to Section 151.09.A.13 of this Code shall be entitled to relocation assistance pursuant to the provisions of Section 151.09.G of this Code.

(b) Right of first refusal. Within 60 days of the issuance of a certificate of occupancy for units constructed pursuant to section 47.78(a)(1), the owner shall first offer to rent the units to tenants who are evicted from residential hotel units pursuant to Section 151.09.A.13 of this Code.

(c) Tenancy. Any tenant who takes possession of a unit pursuant to the provisions of subsection b of this Section shall be subject to the provisions of Chapter XV of this Code.

Section 47.80. Destroyed Buildings or Buildings Demolished Pursuant to an Abatement Proceeding.

(a) This section shall apply to residential hotel buildings which are destroyed by a disaster or demolished by LADBS pursuant to LAMC section 91.8905 or LAMC 91.8907 unless the proposed development will be an Affordable Housing Project.

(b) The City shall not approve building permits for a destroyed residential hotel building, or for any new development on the site of a destroyed or demolished residential hotel, unless the owner files an Application for Clearance with LAHD and complies with the provisions of section 47.78 of this Article.

(c) LAHD shall have the authority to record an affidavit with the County Recorder stating that no permits for any new development on the site of a destroyed or demolished residential hotel shall be issued unless the owner has complied with the provisions of this Article.

Section 47.81. Unlawful Conversion; Remedies; Fines.

(a) It shall be unlawful for any person to convert or demolish any residential hotel building or residential unit in violation of the provisions of this Article.

(1) Changing the use of a residential unit for non-commercial purposes that serves only the needs of the permanent residents, such as a resident's lounge, storeroom or

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common area, does not constitute a violation of this Article.

(2) Demolition of an existing unit to combine units for a non-commercial purpose that serves only the needs of the permanent residents does not constitute a violation of this Article.

(3) An owner is prohibited from converting or demolishing less than all of the original number of residential units in a residential hotel.

(b) LAHD Order Regarding Violations and Fines. Whenever LAHD determines that any existing residential hotel is in violation of this Article, LAHD shall order the violation corrected, and shall impose a fine pursuant to the provisions of this section.

(c) Appeal of Order to General Manager's Hearing. Where an owner believes that the LAHD's order was in error with regards to the violations identified or the fine assessed, the owner may appeal the order by filing a request for a General Manager's hearing pursuant to the provisions of Section 47.83 of this Article. The owner must file the appeal in writing on a form provided by the Department within 15 calendar days of the LAHD's mailing of the order. If the appeal is not received within this period, LAHD's order shall be final. If the owner timely appeals LAHD's order to a General Manager's hearing, the order shall be stayed pending the appeal.

(d) Fines, Penalties and Interest.

(1) Imposition of Fine. A person violating any provision of this Article shall pay a fine in the amount of \$250 per day for each violation that is the subject of an Order issued pursuant to Subsection (b) of this section. Fines imposed pursuant to Orders that are not appealed to a General Manager's hearing must be paid within 30 days after issuance of an Order. Fines not paid within 30 days shall be deemed delinquent. Fines imposed by Orders that are appealed to a General Manager's hearing must be paid within 30 days after the Hearing Officer issues a written decision pursuant to the provisions of Section 47.83 (d), if the Hearing Officer affirms imposition of the fine. Fines not paid within 30 days of issuance of a decision shall be deemed delinquent.

(2) Imposition of Late Penalty. A person whose fine is delinquent shall be assessed a penalty in the amount of 100 % of the fine. The penalty shall be owed in addition to the amount of the fine.

(3) Interest. In addition to the fine and penalties imposed, any person with a delinquent fine shall pay interest on the amount of the fine and any penalty owed at the rate of one and one-half percent per full month of delinquency.

(4) Personal Obligation of Owner. In addition to all other remedies provided by law, all penalties and interest owed for violations of this Article shall be a personal obligation of the owner, recoverable by the City in an action before any court of competent jurisdiction.

(5) Criminal Penalties for Violations. Any person willfully violating the requirements of this Article shall be guilty of a misdemeanor. The penalty upon conviction shall be not more than a fine of \$1,000 or imprisonment in the county jail, not exceeding six months,

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or both fine and imprisonment. Violations of this Article are deemed continuing violations, and each day that a violation continues is deemed to be a new and separate offense.

(6) False Information Misdemeanor. It shall be unlawful for an owner to willfully provide false information to the LAHD or its designees. Any owner who files false information shall be guilty of a misdemeanor. Conviction of a misdemeanor hereunder shall be punishable by a fine of not more than \$500 or by imprisonment in the County Jail for a period not to exceed six months, or both fine and imprisonment.

(e) Civil Action. An interested party or the City may institute a civil proceeding for injunctive relief and damages for violations of this Article. The interested party instituting a civil proceeding, or the City suing to enforce the provisions of this Article, if prevailing parties, shall be entitled to the costs of enforcing this Article, including reasonable attorneys' fees, pursuant to an order of the Court.

Section 47.82. Annual Review of Residential Hotel Status.

The General Manager of the LAHD, with assistance from the DCP and LADBS, shall prepare and report to the Mayor and the City Council annually with respect to the administration of this Article and shall provide the following information:

(a) Current data on the number of residential hotels and the number of residential units in each of the residential hotels in the City of Los Angeles;

(b) Current data on the number of residential hotel units converted or demolished pursuant to an approved application for clearance;

(c) Current data on the number of residential hotel units eliminated due to demolition as a result of major fires, natural causes or accidents;

(d) Current data on the number of residential hotel units illegally converted;

(e) Current data on the number of replacement housing units rehabilitated or constructed;

(f) A summary of the enforcement efforts by all City agencies responsible for the administration of this Article; and

(g) A report on expenditures on monies in the Affordable Housing Trust Fund received pursuant to provisions of the Article.

Section 47.83. Appeals to LAHD General Manager's Hearing Officer.

(a) Filing of the Appeal. Appeals to the General Manager's Hearing Officer shall be on a form prescribed by LAHD. The appellant must pay a fee in the amount of \$600 to cover the administrative cost of the hearing process.

(b) Powers of the Hearing Officer. The General Manager's Hearing Officer shall

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exercise all powers related to the conduct of a hearing. The Hearing Officer shall have the discretion to grant a continuance of the hearing upon a showing of good cause. The Hearing Officer has the power to administer oaths and affirmations during the hearing. The Hearing Officer shall require the maintenance of order in the hearing room, may order the exclusion of witnesses, may expel anyone who disturbs the hearing, and may secure the aid of the Los Angeles Police Department for such purposes.

(c) Notice of General Manager's Hearing. The General Manager's hearing shall be held within 30 days of the filing of the appeal. Notice of the General Manager's hearing shall be served on the owner, via certified United States mail, postage prepaid, or in person, at least seven calendar days prior to the hearing. Upon receipt of the notice, the owner shall post the notice and shall keep the notice posted until after completion of the hearing. LAHD shall also provide notice to the occupants of the units identified by the owner as tourist units by mail, or in person, at least seven calendar days prior to the hearing.

(d) Presentation of Evidence. LAHD staff, the owner, tenants and occupants of the residential hotel and any other interested persons may present oral, photographic or documentary evidence that is relevant to the case for consideration by the Hearing Officer.

(e) Recording of Hearing. The proceedings shall be recorded by LAHD.

(f) Hearing Officer's Decision. After considering all relevant evidence and arguments, the Hearing Officer shall issue a written decision within 30 calendar days of the hearing. The decision shall be supported by written findings. The decision of the Hearing Officer shall be the final administrative decision.

Section 47.84. Appeal of Conditions for Approval of an Application for Clearance.

The assigned appellate body may, by resolution, reverse or modify, in whole or in part, LAHD's conditions for approval of an Application for Clearance pursuant to section 47.77. The appellate body shall make its decision, based on the record, as to whether LAHD erred or abused its discretion. Appellants shall have the burden of proof, and shall present substantial evidence and specific facts to support their appeal. Appellants must set forth specifically the points at issue and the reason for the appeal. If a violation of federal or state law or of the federal or state constitutions is claimed, then the appeal shall set forth the basis upon which the appellant makes this claim. The appellate body's decision shall be final and effective as provided in Charter Section 245.

To assist the appellate body in making its decision, LAHD shall send a representative to testify in person at the appellate body public hearing. LAHD shall also prepare and forward to DCP a report responding to the allegations made in the appeal. After the appeal has been filed, DCP shall transmit the appeal and the case file to the assigned appellate body together with LAHD's report. The appellant shall pay DCP the required appeal fee for a land-use entitlement as set forth in the Los Angeles Municipal Code. The appellant shall also pay LAHD a fee in the amount of \$1,680 to cover LAHD's administrative cost in the appellate process pursuant to this section.

If the proposed conversion or demolition of a residential hotel requires a discretionary

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land use entitlement, then the procedures set forth in Chapter One of the Los Angeles Municipal Code shall govern, except that the assigned appellate body shall provide additional notice pursuant to Section 47.84 (b) and Section 47.84 (d) if not otherwise required by Chapter One of the Los Angeles Municipal Code.

If the proposed conversion or demolition of a residential hotel does not require a discretionary land use entitlement but only a building permit approved by LADBS, then the following procedures shall govern:

(a) Filing of an Appeal. An appeal must be filed, on a form provided by DCP, at a public office of DCP within 15 days of the date of mailing of LAHD's conditions for approval of an Application for Clearance. LAHD's conditions for approval of an Application for Clearance becomes final and effective upon the close of the 15-day appeal period if not appealed, or as provided below if appealed. The City Planning Commission shall not consider any appeal not filed within the 15-day appeal period. The filing of an appeal stays proceedings on the matter until the Commission has made a decision. The required appeal fee payable to DCP shall be the same as the fee set forth in Section 19.01.B.2 of the Los Angeles Municipal Code. The appellant shall also pay LAHD a fee in the amount of \$1,680 to cover LAHD's administrative cost in the appellate process.

(b) Notice of Public Hearing. Before acting on any appeal, the Commission shall set the matter for public hearing, at which time evidence shall be taken. The Commission shall give notice in all of the following manners:

(1) By at least one publication in a newspaper of general circulation in the City of Los Angeles, designated for that purpose by the City Clerk, no less than 24 days prior to the date of the hearing; and

(2) By mailing a written notice no less than 24 days prior to the date of the hearing to: the owner; the owners of all properties abutting, across the street or alley from, or having a common corner with the subject property; the applicable Council office; the applicable certified Neighborhood Council; and LAHD.

(c) Time for Appellate Decision. The Commission shall act within 75 days after the expiration of the appeal period, or within any additional period that the owner and the Commission both agree to in writing. The Commission's failure to adopt a resolution within this time period shall be deemed a denial of the appeal.

(d) Notice of Appeal Decision. The Commission shall mail a copy of the appeal decision to: the owner, the owners of all properties abutting, across the street or alley from, or having a common corner with the subject property; the applicable Council office; the applicable certified Neighborhood Council; and LAHD.

Section 47.85. Construction. Nothing in this Article may be construed to supersede any other lawfully enacted ordinance of the City of Los Angeles, except that definitions provided in this Article shall govern the enforcement of this Article. An owner of a residential hotel subject to the provisions of this Article must comply with all applicable federal, state and local laws, including, without limitation, the CRA/LA Development Guidelines and Controls for Residential

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Hotels in the City Center and Central Industrial Redevelopment Project Areas so long as these guidelines are in full force and effect.

Section 47.86. Severability. If any provision of this ordinance is found to be unconstitutional or otherwise invalid by any court of competent jurisdiction, that invalidity shall not affect the remaining provisions of this ordinance, which can be implemented without the invalid provisions, and to this end, the provisions of this ordinance are declared to be severable.

Section 47.87. Promulgation of Rules and Regulations. The LAHD, LADBS and DCP shall have the authority to adopt policies, rules and regulations to effectuate the purposes of this Article, and to implement and administer their duties imposed pursuant to the provisions of this Article.

Section 2. Section 91.106.4.1 of Division 7 of Article 8 of Chapter IX of the Los Angeles Municipal Code is amended to add a new subsection 16 to read:

16. The Department of Building and Safety shall have the authority to withhold building permits for any property identified as a residential hotel by the Los Angeles Housing Department pursuant to Article 7.1 of Chapter IV of the Los Angeles Municipal Code until the Los Angeles Housing Department has verified compliance with the provisions of Article 7.1 of Chapter IV of the Los Angeles Municipal Code in order to preserve residential units in the residential hotels of the City of Los Angeles.

Section 3. The following paragraph is added to the end of Subsection A of the Section 151.09 of the Los Angeles Municipal Code to read:

13. The rental unit is in a residential hotel, and the landlord seeks to recover possession of the rental unit in order to convert or demolish the unit, as those terms are defined in Section 47.73 of the Los Angeles Municipal Code. A landlord may recover possession of a rental unit pursuant to this paragraph only after the Department has approved an Application for Clearance pursuant to the provisions of Section 47.77.

Section 4. The first sentence of Subsection G of Section 151.09 of the Los Angeles Municipal Code is amended to read:

G. If the termination of tenancy is based on the grounds set forth in Subdivisions 8, 10, 11, 12 or 13 of Subsection A of this section, then the landlord shall pay a relocation fee of: \$14,850 to qualified tenants and a \$6,810 fee to all other tenants who have lived in their rental unit for fewer than three years; or \$17,080 to qualified tenants and a \$9,040 fee to all other tenants who have lived in their rental unit for three years or longer; or \$17,080 to qualified tenants and \$9,040 to all other tenants whose household income is 80 percent of below Area Median Income (AMI), as adjusted for household size, as defined by the U.S. Department of Housing and Urban Development, regardless of length of tenancy.

Section 5. The first sentence of the second paragraph of Subsection C of Section 151.06 of the Los Angeles Municipal Code is amended to read:

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Except as otherwise provided in this subsection, if the rental unit was vacated voluntarily or as a result of an eviction or termination of tenancy based on one or more of the grounds described in Section 151.09 A.1, A.2., A.9. or A.13., the maximum rent or maximum adjusted rent may be increased to any amount upon re-rental of the rental unit.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting of _____.

FRANK T. MARTINEZ, City Clerk

By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

ROCKARD J. DELGADILLO, City Attorney

Approved as to Form and Legality

By _____
Deputy City Attorney

Date _____

File No.