

# New life on leasing

Renters may become real players in L.A. as scarce housing becomes a hot issue.

BY PETER DREIER

**R**ISING RENTS, mounting illegal evictions and an accelerating wave of demolitions and condo conversions have made Los Angeles a nightmare for many renters. In recent months, the City Council has passed several ordinances to strengthen tenant protections. Just last week, for instance, it closed a loophole that had allowed landlords to avoid rent control by tearing down their apartment buildings and replacing them with new and more expensive rental units. What was notable about this "small but significant" victory, according to tenant organizer Larry Gross of the Coalition for Economic Survival, was that it reflected renters' growing political clout.



The city of Los Angeles established rent control after tenants protested landlords' refusal to reduce rents to reflect their tax savings from Proposition 13, which passed in 1978. Landlords and developers fought back, pressuring the Legislature to pass the Ellis Act in 1986. The law allows landlords to circumvent local rent controls by getting out of the rental business, mostly by demolishing their buildings. In 1996, the real estate lobby persuaded the Legislature to weaken rent control further by removing local communities' right to limit increases when an apartment is vacated.

About three-quarters of the city's 800,000 rental apartments are still regulated. Landlords can annually raise rents to recoup cost increases, but tenants are protected from gouging. Once a tenant leaves, landlords can increase rents for new tenants to current market rates — a provision called vacancy decontrol. Eventually, all apartments will rise to market rates as tenants die or leave.

Some landlords, however, don't want to wait. Their attempts to circumvent the laws protecting renters has helped fuel the tenant-organizing movement.

One tactic some landlords use to force tenants out so they can raise rents is to intimidate them. These landlords refuse to accept their tenants' monthly rent, then try to evict them for "nonpayment." Others fail to obey the city's health and safety laws, then send tenants eviction notices when they say they want to make major repairs. During the past year, the number of these kinds of illegal evictions in-

creased, according to tenant groups and housing lawyers.

Some landlords and developers convert apartments to condominiums to escape rent regulations. The real estate lobby contends that condo conversions improve the housing stock and provide renters with a first step on the homeownership ladder. But this is rarely the case. Converting \$800-a-month apartments into \$400,000 condos simply makes the existing inventory of housing less affordable. Since 2001, more than 13,000 rent-controlled apartments have been demolished or converted (the city does not distinguish between the two), about three-quarters of them in the last two years. L.A. is losing as many units as it adds, according to a study by Southern California Assn. of Non-Profit Housing.

The City Council recently voted to double and triple the amount of relocation money tenants receive when they are evicted because of condo conversions. But with rental vacancy rates below 5% — and in some areas even lower — tenants typically wind up in inferior housing paying higher rents, if they find a place at all.

Then there are landlords who have violated the Ellis Act. Under the law, if city officials discover that landlords have demolished apartments and built new units with "for rent" rather than "for sale" signs, authorities can put the buildings back under rent control, starting at current market rates. A 2003 city study identified this tactic as a serious threat to preserving the city's affordable housing stock. But it

wasn't until last week that the City Council acted to enforce this provision.

Los Angeles certainly needs to expand the supply of affordable housing. To that end, city officials should identify a permanent revenue source for the city's affordable-housing trust fund and require all developers to build mixed-income housing. But officials should also safeguard the existing inventory of affordable rental housing and protect renters from slums and involuntary displacement. Ultimately, this is a political question.

In the city's high-priced housing market, most renters — middle class as well as poor — can't afford to buy a home. Faced with the prospect of being long-term renters, tenants have become better organized and bolder, engaging in protest and even civil disobedience to spotlight their grievances. Last month, for instance, several hundred housing activists organized a march to City Hall and a "tent city" encampment outside the building. Earlier this month, about 35 Echo Park tenants paid a surprise visit to UCLA, where their landlord — a professor whose rent increases would force many of them to leave — was teaching a course on real estate finance.

A burgeoning coalition of grass-roots community and tenant groups — the Coalition for Economic Survival, ACORN, the L.A. Community Action Network, L.A. Voice, Coalition L.A., the L.A. Coalition to End Hunger & Homelessness, Inquilinos Unidos and East L.A. Community Corp. among them — have enlisted the support

of faith-based groups, nonprofit developers and unions to support their cause. Indeed, the issues facing renters and union members — hotel workers, janitors, security guards, garment sewers and grocery clerks, as well as nurses, schoolteachers and firefighters — overlap. A pay raise can be quickly wiped out by a rent increase. An eviction notice can threaten their families' stability.

These groups aim to register more tenants to vote and mobilize them to support pro-tenant candidates for city and state offices.

They are up against powerful interests — landlords (represented by the Apartment Owners Assn.) and developers (represented by the Central City Assn.). The question boils down to a battle between organized voters and organized money. Few elected officials want voters to think that they are in the pockets of the real estate lobby.

But protecting renters isn't just good politics. To strengthen the city's business climate, L.A. needs an adequate supply of affordable housing for its diverse workforce. Housing will increasingly take center stage in city politics, and renters, who make up about 60% of L.A. residents, could become a significant player.

---

PETER DREIER, who served on the city's Housing Crisis Task Force, directs the Urban & Environmental Policy program at Occidental College. He is the coauthor of *"The Next Los Angeles: The Struggle for a Livable City."*