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L.A. City Council votes to draft law barring evictions of renters of foreclosed properties

The council asks City Atty. Rocky Delgadillo to draft an ordinance that would prohibit evictions in foreclosed buildings where the city's rent-control law does not apply.

BY DAVID ZAHNISER

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The Los Angeles City Council voted Friday to draft a law that would bar banks and financial institutions from evicting renters whose landlords have lost their buildings to foreclosure.

The council instructed City Atty. Rocky Delgadillo to craft an ordinance prohibiting such evictions in single-family homes and apartments built after 1978 -- buildings where the city's rent-control law does not apply.

The city's housing officials have already spent months trying to inform banks that they cannot use the foreclosure process to force tenants out of buildings covered by rent control.

In recent weeks, Countrywide rescinded its evictions for at least two properties after the city protested.

Adam Murray, executive director of the Inner City Law Center, said the city should go further, by requiring banks to register with the city when they take over an apartment building -- a move that would ensure renters know who their new landlord is.

"We are seeing quite a number of tenants who don't know who to pay their rents too," he said.

Still, at least two business groups said a new law could exacerbate the downturn in the housing market. They also complained that the issue received no review in a council committee.

"We are concerned that the item before you, while well-intentioned, is premature," said Veronica Perez Becker, a lobbyist for the , a group that represents real estate developers.

Council President Eric Garcetti, who proposed the new tenant protections, said the measure would prevent neighborhoods already reeling from foreclosures from being further destabilized. "This is a crisis that requires immediate action," he said.

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