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L.A. Considers Eviction Ban for Renters in Foreclosed Properties

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LOS ANGELES - Responding to the current foreclosure crisis as it spreads from single-family homeowners to displacing renters when landlords go bust, city officials on Friday will consider drafting a new eviction protection law.

At today's meeting, the City Council will discuss banning evictions of renters from foreclosed properties citywide.

Council President Eric Garcetti sponsored the motion, which aims to protect all tenants in the city from being evicted when lenders foreclose on landlords. The current law now only applies to properties that fall under the rent stabilization ordinance.

A spokesperson for Garcetti's office said the move was prompted by several complaints that Countrywide Financial had pressured renters in good standing who live in foreclosed apartments to move out, "or wait for the Sheriff's Department to show up."

His staff was also quick to point out that the move was not an attempt to expand rent control, but merely to protect responsible renters from facing evictions through no fault of their own.

According to the Los Angeles Housing Department, 1,300 rental properties accounting for 3,800 units have been foreclosed on in the city. Although more than 90 percent of those fall into the rent stabilization rules, Garcetti points out



ADAM MURRAY
Gerard Burkhart / for the Daily Journal

that 56 properties making up 200 units were not protected.

Adam Murray, the executive director of the Inner City Law Center, said his organization has seen a rash of cases involving illegal evictions by lenders foreclosing on properties that are already protected by the current law.

"It's great that Councilman Garcetti is taking the lead on this. It is a great proposal to expand foreclosure protections," Murray said. "But I also think it is just a small, first step. I definitely don't want to diminish the efforts, but the bigger step is making sure the law is enforced on the units the rule already applies to, and that lenders are aware of and abide by those rules."

Each week lawyers from the nonprofit go to court for new clients who live in buildings protected by the city's low- and moderate-income housing laws that should not be evicted simply because of a change in ownership, he said. Once the group's pro bono attorneys file paperwork on behalf of the evicted tenants explaining the local rules, the bank's lawyers almost always drop the cases

immediately.

"Generally for these foreclosure cases, it is not the clients we see that we are worried about," Murray said. "It's those that we don't see that slip through the cracks."

Many tenants, unaware of their rights in these situations, get the notices of eviction on official paperwork and immediately move out despite not being required to do so. Because those living in rent-controlled housing are typically in rough financial shape, they often can't afford other housing and end up moving in with family or friends and teeter on the edge of homelessness, he explained.

His organization has also suggested that the city launch a foreclosed rental property registry, where tenants can learn who owns their buildings to avoid the growing confusion about where to send their rent. In many foreclosure cases, landlords disappear and renters pay the wrong people or no one at all, further complicating the situation.

If Garcetti's motion passes, the city attorney will draft the amended law and bring it to the council for a vote.

State law currently allows for leases to be voided immediately upon foreclosure of a rental property where no other local protections exist. Earlier this year, state legislators passed a bill that would have extended protections to renters in foreclosed properties statewide, AB 2586, but it was vetoed by the Gov. Arnold Schwarzenegger in September.

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