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Mayor Eric Garcetti & Los Angeles City Council

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Los Angeles, CA 90012

WHEREAS The City of Los Angeles is in desperate need of truly affordable housing for its residents, whereby no more than 1/3rd of income is spent on housing

WHEREAS The construction of new market rate units will take years to alleviate rising rents

WHEREAS Additional funding sources for affordable housing are necessary to meet the scale of the problem

WHEREAS 1000's of affordable rental units have been lost to Ellis Act conversions, short term rentals, condominiums and hotel uses via the Transient Occupancy Residential Structure (TORS) overlay

WHEREAS Vacancy rates in areas of the city with large growth in development have recently hit 17 year highs

WHEREAS Industrial vacancy rates have risen a full percentage point from 2017 to 2018

WHEREAS Accurate vacancy rates have been difficult to determine with publicly available data

WHEREAS Cities with similar affordable housing shortages such as New York, Vancouver and San Francisco have implemented or are exploring taxes on Vacant Residential and Commercial properties

Therefore be it RESOLVED

The Central Hollywood Council calls upon The City to instruct the Housing, Community and Investment Department, The Department of Building and Safety and the Department of City planning, with the assistance of Chief Legislative Analyst and the City Attorney's

Office, to study similar laws in other cities prepare and present an Empty Homes and Under-Utilized Property Tax ordinance within 3 months.

The aim of such an ordinance would be to return empty or under-utilized properties to use as long-term rental homes for people who live and work in Los Angeles, and help relieve pressure on Los Angeles's rental housing market, as our city has one of the lowest rental vacancy rates and the highest rental costs in the Country.

Such a tax would also seek to target foreign and domestic speculators who own residences in Los Angeles but do not pay local taxes, to turn empty homes into good housing for people and to raise revenue that will directly support affordable housing.

In Vancouver, each year, one owner of residential property is required to submit a property status declaration to determine if their property is subject to the tax. Properties deemed empty will be subject to a tax of 1% of the property's 2018 assessed taxable value. Most homes will not be subject to the tax, as it does not apply to principal residences or homes rented for at least six months of the year; however, all homeowners are required to submit a declaration.

Net revenues from the Empty Homes Tax will be reinvested into affordable housing initiatives.

We stand resolved that such a Tax would be a vital tool in our ongoing efforts to solve the affordable housing crisis which greatly affects the quality of life for residents and stakeholders in Central Hollywood.