



## **Metro PLE Rodeo Station MOA Comments**

July 11, 2018

Re: Comment on Memorandum Of Agreement For Contract C1120 Of The Purple Line Extension Project

Residents near to the Wilshire/Rodeo station will be negatively affected for an extended period due to clearance of staging parcels, station construction and street closures associated with every step of the project. Moreover, those who reside on the 100 block of Reeves immediately proximate to the station work will be most affected by work including pile installation (7am to 8pm weekends) and deck installation (Friday 8pm to Monday 7am). The Wilshire/Reeves staging yard - within 100' of 30 renting households - will see activity 8am to 8pm every day of the week.<sup>1</sup>

I respectfully suggest the consideration of several mitigations and remedies that could apply to residents who rent housing around the Wilshire/Rodeo station project area.

### **Proposal: Resident Impact Mitigation Fund**

Description: All tenants proximate to station construction will find the conditions of their tenancy degraded by impacts related to construction. A mitigation fund for tenants residing within 500' of the staging area (located northwest of the alley at Reeves) would compensate those who rent for quality-of-life impacts during the construction period. Calculated as a percentage of the base rent perhaps, and payable to renting households beginning at the adoption of the memorandum of agreement and continuing through to station completion, a Resident Impact Mitigation Fund would begin to alleviate the impact of construction for the only party not otherwise materially benefitted by the Purple Line extension: those who rent housing.

Rationale: Residents who rent housing enjoy no material benefit from the public investment in the Purple Line extension but we do experience the immediate and unavoidable impacts of station construction. State law is interpreted to allow a tenant the quiet enjoyment of her property, yet within approximately 500' of the future station are 119 households renting on Reeves and approximately 85 renting on Canon. Indeed 36 households rent within 100' of the future station staging area.

These residents will experience a reduction in quality-of-life and the 'quiet enjoyment' of their premises will be materially impacted too. Yet it is impractical and implausible for any tenant to negotiate a reduced rent when asking rents appear to be increasing by a

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<sup>1</sup> Construction schedule (draft MOA p. 19-22).

double-digit percentages year-over-year. Moreover, any Chapter 6 rent-stabilized tenant who would negotiate a rent decrease knows her tenancy can be involuntarily-terminated for raising the question.

Finally, the neighborhood proximate to the future station is unlike other Purple Line extension project areas: this is a quiet residential block of low-to-medium density multifamily housing; Reeves is a low-traffic local street; and it is only 55' wide. Construction of the Wilshire/Rodeo station (and staging area in the meantime) is a disproportionate impact relative to other project areas.

### **Proposal: Displacement Mitigation Fund for Tenants Involuntarily Terminated Near Wilshire/Rodeo Station**

Description: The Purple Line extension portends considerable disruption to existing neighborhoods around station locations. Within one-quarter mile of the future station the threat of dislocation is greatest, yet City of Beverly Hills allows no-just-cause eviction to commence with only 60 days notice. That precludes protections afforded by the state's Ellis Act for redevelopment, condominium conversion, or use of a rental property for any other purpose. City of Beverly Hills should adopt more extensive tenant protections in accord with the Ellis Act, but in the meantime a mitigation fund should be established to provide displaced tenants proximate to the project area with a material remedy to supplement the relocation fee for which a household may already qualify.

Rationale: Tenant displacement as a consequence of transit investment is not a bug but a feature: we anticipate greater residential density around transit hubs yet we know that residents who rent housing will be displaced from their homes. Longtime residents in particular will find it difficult to find replacement housing. And few tenants will be able to return to their community and enjoy proximity to the future station: the neighborhood will become unaffordable. This pattern of investment and redevelopment will play out around the Wilshire/Rodeo station too.

There are two potential remedies:

- 1) The City should consider extending Ellis Act protections to all households displaced from rental housing within one-quarter mile of the Wilshire/Reeves future station. Under Ellis, an owner of residential rental housing is permitted to exit the business only when 120 days notice has been provided to tenants; and upon request any senior (62+) or disabled resident may continue to reside for one year. Currently few tenants (if any) would be able to realize those protections because they can be evicted with 60 days notice. A modified rent stabilization ordinance could extend to them Ellis protections.
- 2) A Tenant Displacement Mitigation Fund would begin to compensate households \*that we know today\* will be dislocated from current residences in the immediate project area.

A fund that would double the City's current relocation fee schedule for tenants in the immediate proximity of station construction (500') would begin to provide displaced tenants with the resources to find replacement housing. There are 204 households renting within 500' of the future station. Of those 119 live on the same block-face as the future station and will likely see the greatest impact over the longer-term.

City of Beverly Hills today mandates a relocation fee for any involuntarily-terminated tenancy. But arguably it is insufficient to secure replacement housing in today's market - let alone in tomorrow's transit-proximate neighborhood where market-rate projects will put housing out-of-reach. Indeed finding replacement housing anywhere in City of Beverly Hills will be a challenge: the City has not permitted enough rental housing and there is also some affordability mismatch: the few units of rental housing that has been constructed (and even what is in the pipeline) is not generally affordable and certainly will present a mismatch given the income of households displaced from this project area.<sup>2</sup>

Moreover, displaced residents will be competing in a tight market for rental housing made even tighter after their own displacement. Adding insult to injury, residents in this moderate-income community would not in most cases be able to relocate here after redevelopment as it will be a mismatch for those tenants.

Up to the time of their displacement, tenants only see the downside of investment in transit: construction impacts and rising rents. Property interests see the long-term upside: higher asset values. A mitigation fund would not blunt the impact but would at least cushion the relocation for all tenants displaced from the immediate vicinity of the project.

A mitigation fund for displaced tenants only seems fair. Project area condominium owners and rental property owners will certainly benefit from the public investment in transit; indeed they will see their asset values increase by the hundreds of thousands (and even millions). Yet the displaced households from the immediate area \*in every case\* will receive less than \$13,000 and most often, given the profile of the housing stock, will receive something less than \$10,000.

Sincerely,

Mark Elliot, Organizer

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<sup>2</sup> Housing within one-quarter mile of the project area is predominantly older small- and medium size rental housing. These properties provide almost the entirety of the city's relatively affordable housing stock. Within 500' of the future station, along Reeves and Canon, some of the city's most affordable rental housing is at the greatest risk for redevelopment.