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Tenants get relocation funds after eviction from illegal units

The I.A. City Council approves up to \$322,000 for dozens of people who were living in an illegally remodeled apartment building. Lawmakers are still trying to determine what went wrong with inspections.

By Jessica Garrison
and David Zahniser

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The Los Angeles City Council voted Friday to provide up to \$322,000 in relocation money to dozens of low-income tenants who must move from a South Los Angeles apartment building deemed unsafe by city inspectors.

Tenants were given eviction notices last month after housing officials concluded that owner John Callaghan had illegally converted what was supposed to have been a three-unit apartment building on 49th Street into as many as 44 separate living spaces — a warren of narrow hallways; tiny, shared bathrooms; and communal kitchens, much of it laced with unpermitted electrical and plumbing work.

Housing officials said they intended to demand repayment from the landlord. If he doesn't pay, the Los Angeles Housing Department will place a lien on the property, which could make it more difficult to sell.

Still, city officials have no guarantee that they will get the money back. If the

property falls into foreclosure — and ultimately is returned to the lender — the city will not be able to pursue those costs, said Rushmore Cervantes, the No. 2 official at the Housing Department.

"If it's foreclosed, then we would be wiped out," he added.

Tenants and their representatives expressed relief at the council's unanimous decision. Without the money, "I could have been homeless," said Ruben Duran Palafox, 41, one of the tenants.

Neither Callaghan nor his attorney could be reached for comment.

The payments, which will range from \$7,300 to \$18,300, will come from a fund established by the Housing Department for tenants who must move out because of hazardous conditions. Those who receive the maximum must have lived in the apartment for more than three years and qualify as low income.

The payments are designed to cover the first month's rent, a rental deposit, moving costs and the likelihood that tenants will be charged a higher rent at their next apartment, said Sonia Pflaster, a lawyer with the Inner City Law Center. Some renters have been paying as little as \$350 per month and are finding that similarly sized apartments are now going for \$700 to \$900, said Pflaster, who represents 35 tenants at the 49th Street property.

Although the city's action goes a long way toward helping the tenants, council members still want to know why it took inspectors so long to figure out what had happened at the building — and how many other similar properties might exist.

Councilwoman Jan Perry, whose district includes the property, has summoned officials from the Department of Building and Safety before a council committee next week to explain the building's inspection history.

"My question is, did anyone notice that the building had an unapproved third floor and 40 units in a three-unit building?" Perry said.

Of particular concern is how Callaghan received an updated permit in November from the Department of Building and Safety allowing occupancy of the building. That permit, which department officials say cleared up a clerical error, was reissued despite repeated orders to correct violations issued in the preceding months by the Housing Department, which regulates multiple-unit apartment buildings.

In recent weeks, city officials have required that the owner pay for an around-the-clock security guard on the property to make sure the unpermitted electrical work doesn't spark a fire.

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Tenants Ordered to Relocate

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