

# CITY OF LOS ANGELES

CALIFORNIA



KAREN BASS  
MAYOR

Agenda Item No. 5

TONY M. ROYSTER  
GENERAL MANAGER  
AND  
CITY PURCHASING AGENT

DEPARTMENT OF  
GENERAL SERVICES  
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October 31, 2024

Honorable City Council  
City of Los Angeles  
c/o City Clerk  
Room 305, City Hall  
Los Angeles, CA 90012

Attention: Adam Lid, Legislative Assistant

**REQUEST FOR AUTHORITY TO NEGOTIATE AN OFFER SETTLEMENT  
AGREEMENT BETWEEN THE CITY OF LOS ANGELES (LANDLORD)  
AND SELMA LERNER ESTATE (TENANT) FOR PROPERTY  
LOCATED AT 17909 PORTO MARINA, PACIFIC PALISADES, CA 90272**

The Department of General Services (GSD) requests approval to negotiate an Offer of Compromise and Mutual General Release for all known and unknown claims under the rental agreement (C-113031) by and between the City of Los Angeles (Landlord) and Selma Lerner (Tenant) for the single-family residence located at 17909 Porto Marina, Pacific Palisades, CA 90272 in Council District 11.

**BACKGROUND**

In 1985 the City of Los Angeles acquired the single-family home located at 17909 Porto Marina, Pacific Palisades due to an inverse condemnation action. The original homeowner, Selma Lerner, entered into a month-to-month rental agreement (C-94027) for this property and originally provided a security deposit to the City of \$2,500 (Accounting verified security deposit of \$2,500).

Twelve years later, the City reissued a new month-to-month rental agreement (C-113031) to provide rental credits to Tenant for general maintenance and upkeep costs of the property in exchange for reduced rent. Under this successor rental agreement, the City increased the Tenant's security deposit from \$2,500 to \$6,000 (Accounting does not have a record of receiving the increased security deposit of \$6,000).

In February 2024, Tenant's representative contacted GSD Real Estate Services Division (RES) to terminate the current rental agreement (C-113031) due to Selma Lerner's passing and scheduled a final walkthrough to turn over possession of the property.



RES collaborated with the GSD Accounting Division to prepare a final accounting for Selma Lerner's Estate and realized that there was a security deposit discrepancy, offset of rental credits (gardening invoices) as well as past due rent totaling \$6,124.

On June 10, 2024, RES sent out the final accounting to the Tenant's representative stating there was a rent balance due as well as an issue with the security deposit. On June 15, 2024, her representative responded and rejected the City's claims. The representative contends that the Estate is owed both security deposits (\$2,500 + \$6,000) totaling \$8,500. However, the representative did not provide proof of payment of the \$6,000 deposit, which GSD does not have a record of receiving.

### **TERMS AND CONDITIONS**

The City and Selma Lerner Estate propose a Mutual General Release of all known and unknown claims under the month-to-month rental agreement (C-113031) due to the accounting discrepancies and the passage of time. Both Tenant's representative and GSD Accounting have limited accounting history in order to correctly identify and settle the rental dispute.

The Tenant's representative has identified themselves as the trustee of the Lerner Family Estate and as such authorized to act as representative for the Selma Lerner's estate.

This proposed Mutual General Release achieves a beneficial outcome for both parties.

### **FISCAL IMPACT**

There is no fiscal impact to the General Fund associated with the Mutual General Release.

### **RECOMMENDATION**

That the Los Angeles City Council, subject to the approval of the Mayor, authorize the Department of General Services to negotiate an Offer of Compromise and Mutual General Release for all known and unknown claims under the rental agreement (C-113031) by and between the City of Los Angeles (Landlord) and Selma Lerner (Tenant) for the single family residence located at 17909 Porto Marina, Pacific Palisades, CA 90272 in Council District 11 under the terms and conditions substantially outlined in this report.



Tony M. Royster  
General Manager