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Council Districts: Citywide
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Honorable Members of the City Council
City of Los Angeles
c/o the City Clerk, City Hall
200 N. Spring Street, Room 395
Los Angeles, CA 90012

COUNCIL TRANSMITTAL: REPORT BACK ON C.F. 21-0042 AND 21-0042-S3 IN WHICH COUNCIL INSTRUCTS LAHD TO REPORT ON POSSIBLE AMENDMENTS TO THE EVICTION MORATORIUM, DATA RELATIVE TO THE EMERGENCY RENTAL ASSISTANCE PROGRAM, GAPS IN TENANT PROTECTIONS, STAKEHOLDER OUTREACH AND A PHASED-IN TIMELINE

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) respectfully requests authority to amend certain provisions within Chapter IV, Article 14.6 relative to the temporary protection of tenants during the novel coronavirus (COVID-19) pandemic.

At the Council meeting of June 24, 2022, the City Council instructed LAHD to report on recommendations and possible amendments to the eviction moratorium, with a phased-in timeline that aligns with State policies and allows for adequate outreach to tenants; provide data relative to the Emergency Rental Assistance Program (ERAP); report on existing protections and gaps in protections for tenants, as well as options to address those gaps, including the expansion of eviction protections; and that LAHD conduct stakeholder meetings in the development of the report recommendations (CF No. 21-0042 and 21-0042-S3)

The City, County, and state emergency regulations and rental assistance programs summarized in this report were designed to prevent unnecessary housing displacement and to prevent individuals from falling into homelessness due to COVID-19 causing serious impact on City renters' ability to pay rent due to loss of income due to illness, school/child care closures, loss of employment, or reduced hours. The City of Los Angeles is now in the third year of the pandemic, which has exacerbated the affordable housing crisis, especially for low-income households. While Angelenos received approximately \$1.5 billion in rental assistance, many renters had prioritized paying their rent and acquired "shadow" debt, borrowing from

family, friends or on credit before ERAP became available. These debts were not eligible to be reimbursed from ERAP per federal regulations. For these households, economic recovery will not be immediate. Sixty-three percent (63%) of L.A. residents are renters (874,365 households). Even before the pandemic, 56% of L.A. renters (494,749 households) were rent-burdened, paying more than 30% of household income for rent, and 26% (266,191 households) were severely rent-burdened, paying more than 50% of income on rent. In order to afford the average L.A. monthly rent of \$2,219 for a 2-bedroom unit, a household earning the current \$15.00 minimum hourly wage would have to work 123 hours per week; in other words, three full-time workers earning the minimum wage are needed to afford the average L.A. rental unit. Without a limited extension of COVID-19 tenant protections, many Angelenos may be subject to housing displacement or at risk of homelessness.

As we recover to a new normal, the City must provide clarity to both landlords and renters on the timeline when current and past due rent must be repaid and temporary eviction restrictions lifted. Additionally, the City must address the impact of lifting eviction protections for the approximately 221,000 post-1978 multi-family rental units which do not benefit from the current protections of the Rent Stabilization Ordinance (RSO).

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

- I. REQUEST the City Attorney, with the assistance of LAHD, to draft an ordinance to amend Section 49.99, et seq. of the Los Angeles Municipal Code (LAMC) to:
 - a. Sunset sections 49.99.2.A (non-payment of rent) effective December 31, 2022, except that:
 1. Effective November 1, 2022 through December 31, 2022, tenants who are unable to pay rent, due to COVID-19 financial impact, will have continued eviction protection only if they provide their landlord a self-attestation notice under penalty of perjury in the format prescribed by LAHD, within 7 days after rent is due.
 - b. Sunset sections 49.99.2.B (no-fault evictions), 49.99.2.C (unauthorized pets and additional tenants), and 49.99.4 (demolition, permanent removal - Ellis) of the LAMC effective December 31, 2022, except that:
 1. Evictions undertaken in order to comply with a Government Agency Order that requires the rental unit to be vacated, shall be allowed immediately upon the effective date of the ordinance amendment, in accordance with the procedures in LAMC 151.09;
 2. Provide that noncompliance and related inspection fees imposed between March 4, 2020 and December 31, 2022, due to a landlord's inability to comply with a Government Order to Vacate as a result of the City's COVID-19 eviction moratorium shall be waived by both LAHD and LADBS;
 3. Evictions in order to install a resident manager shall be allowed only when an on-site manager is required by law or in order to comply with the terms of an affordable housing covenant agreement;

4. Provide that evictions in order to demolish or permanently remove RSO rental units from the rental market cannot be enforced until 60 days after the expiration of the eviction moratorium (60 days after December 31, 2022).
 - c. Provide that tenants must repay “COVID-19 rental debt” as defined in California Code of Civil Procedure 1179.02(c) (rental arrears accrued from March 1, 2020 through September 30, 2021), by August 1, 2023, in accordance with state law Code of Civil Procedure 1179.05(a)(2)(B) and (C);
 - d. Provide that tenants must repay rental arrears accumulated for rent due from October 1, 2021 through December 31, 2022, due to COVID-19 financial impact by December 31, 2023.
- II. REQUEST the City Attorney, with the assistance of LAHD, to draft an ordinance to regulate evictions (Just Cause) in rental units formerly regulated under the COVID-19 Tenant Protections ordinances as follows:
 - a. Regulate evictions on all non-RSO multi-family rental units; as well as rentals in corporate-owned single-family homes and condominiums subject to California Civil Code 1946.2, to restrict evictions to those reasons allowed under LAMC 151.09;
 - b. Require payment for relocation services and monetary relocation assistance or all “No-Fault” eviction and the filing of Landlord Declarations of Intent to Evict for “no-Fault” reasons in the manner and amounts required under LAMC 151.09;
 1. Provide that a landlord may offset the tenant’s accumulated rental debt against the relocation assistance payment due under this section. This exception to relocation shall not apply to evictions for unpermitted units as they are not registered with LAHD and cannot legally collect rent;
 - c. Require written notification by landlords to inform tenants of their rights at the onset of a tenancy and the posting of a Tenant Protections Notification in a common area of the rental property in the format prescribed by LAHD;
 - d. Allow evictions in order to install a resident manager only when an on-site manager is required by law or in order to comply with the terms of an affordable housing covenant agreement.
 - e. Require the filing of notices to terminate tenancies from both RSO and non-RSO multi-family rental units and corporate-owned single-family homes and condominiums with the LAHD.
 - f. Amend Chapter XV of the LAMC (the RSO) to make the provisions listed in b.1, c, d., and e. above applicable to units subject to the RSO.
- III. INSTRUCT the LAHD in collaboration with the City Attorney to report back in 30 days on the feasibility of:
 - a. Setting a reasonable financial and/or timeliness threshold for rental arrearages as the basis of evictions due to non-payment of rent;
 - b. Requiring the payment of relocation assistance to tenants economically displaced when a landlord increases the rent by more than 10% in a 12-month period.
- IV. AUTHORIZE the LAHD, or designee, to negotiate and execute a sole-source contract with BAE Urban Economics for a period of one-year, commencing on September 30, 2022 through September 30, 2023, in an amount not to exceed \$160,000, to conduct an expedited

updated study and analysis of staffing resources needed and cost recovery for enforcement of expanded eviction protections and tenant anti-harassment programs, enhanced relocation assistance, and implementation of an eviction filing system.

- V. AUTHORIZE the City Controller to establish Appr Account 43WC35 - Study on Eviction /Relocation under Fund 440/43 Rent Trust Fund and Fund 41M/43 Systematic Code Enforcement Trust Fund, and appropriate from the available cash balance, \$80,000 for each fund to cover the cost of BAE Urban Economics study on eviction, anti-harassment and relocation amounting to \$160,000, and expend funds upon written demand of LAHD General Manager or designee.
- VI. INSTRUCT the CLA together with LAHD, LADBS, LADWP and other City departments as needed to conduct a review of mandated City fees (including RSO, SCEP, LASAN, RecycLA, DWP) impacting operating expenses in rental properties and instruct LAHD to incorporate the findings on the study on the RSO annual allowable increase described in V. above;
- VII. INSTRUCT the LAHD to provide information on the Department website and conduct a comprehensive outreach campaign to inform tenants, landlords and other interested parties about the Los Angeles City and County COVID-19 Tenant Protections applicable to Los Angeles City residents, with particular efforts targeted to tenants in areas identified as having high vulnerability as discussed in this report;
- VIII. INSTRUCT the Rent Adjustment Commission with the support of the LAHD to adopt rules and regulations as necessary to implement the provisions in this report.

BACKGROUND

At the beginning of 2020, the State of California, the County of Los Angeles, and the City of Los Angeles initiated steps to limit the impact of the developing public health crisis posed by the COVID-19 pandemic that was to have lasting impacts on residents and the economy. On March 4, 2020, the Governor of the State of California declared a State of Emergency as a result of the threat of COVID-19; the Los Angeles County Board of Supervisors and the Department of Public Health declared a local public health emergency; and Mayor Garcetti declared a local emergency based on the COVID-19 pandemic. As a result of the public health emergency, many residents and businesses in the City experienced a sudden and unexpected income loss. In the interest of protecting public health and preventing transmission of COVID-19, the City of Los Angeles deemed it necessary to protect public health, life, and property during the state of emergency by adopting ordinances to suspend commercial and residential evictions based on non-payment of rent when tenants were affected by the COVID-19 pandemic, as well as disallow no-fault evictions of residential tenants. At-fault evictions continue to be allowed in some instances, such as for destruction of property or unlawful activity. Moreover, rent increases were prohibited for rental units subject to the City's Rent Stabilization Ordinance (RSO) until one year after the lifting of the emergency eviction moratorium that commenced on March 4, 2020. The following is a summary of the City's COVID-19 Tenant Protections:

City Ordinances /Mayoral Order:	COVID-19 Tenant Protections
Ordinance 186585	<p>Beginning March 4, 2020, through the lifting of the emergency eviction moratorium:</p> <ul style="list-style-type: none"> ●Temporarily prohibits evictions of residential and commercial tenants for failure to pay rent due to COVID-19 and temporarily prohibits no-fault evictions of residential tenants during the local emergency. ●Prohibits evictions based on the presence of unauthorized occupants or pets, and for nuisance related to COVID-19 during the Local Emergency Period. ●Prohibits charging interest/late fees on rent not paid due to COVID-19. ●Tenants have up to 12 months following the expiration of the emergency eviction moratorium to pay rental arrears. ●Temporarily suspends withdrawals of occupied residential units from the rental market under the Ellis Act during the declaration of the emergency and prohibits evictions until 60 days after the expiration of the declaration of emergency.
Mayoral Order	Effective March 30, 2022, Mayor’s Order prohibits rent increases on RSO units through 60 days after the expiration of the local emergency period.
Ordinance 186605	Created the Emergency Rental Assistance Subsidy Program Trust Fund for the receipt and disbursement of appropriations and donations to support the COVID-19 Emergency Rental Assistance Subsidy Program.
Ordinance 186606	<p>Adds Notice Requirement: Landlords must provide residential tenants a COVID-19 Renter Protections Fact Sheet in the language predominantly used by the tenant by May 27, 2020. Effective May 12, 2020, a landlord must include the Protections Notice when serving any eviction notice during the local emergency period and for 12 months after the expiration of the Local Emergency Period.</p> <p>Adds private right of action to tenants for harassing and bad faith behaviors.</p>
Ordinance 186607	Effective May 14, 2020, prohibits increasing the maximum adjusted rent for rental units subject to the RSO until 1 year after the expiration of the Local Emergency Period.

Current City of Los Angeles Expiring COVID-19 Eviction Protections

Type	Allowed:	Notice/Timeline
Owner Occupancy	Upon expiration of the emergency eviction moratorium, with 30, 60 or 90 days' notice	Notice Required: <ul style="list-style-type: none"> ● 30 days - tenancies less than 1 year ● 60 days - 1 year + ● 90 days - Section 8 tenancies
Resident Manager	Upon expiration of the emergency eviction moratorium, with 30, 60 or 90 day notice	Notice Required: <ul style="list-style-type: none"> ● 30 days - tenancies less than 1 year ● 60 days - 1 year + ● 90 days - Section 8 tenancies
Demolition Permanent Removal from Rental Market (Ellis)	Allowed 60 after the expiration of the emergency eviction moratorium	Existing law requires a minimum of 120 Days' Notice (Protected tenants may request 1 year.) Ordinance 186606 allows 60 Days after the expiration of the emergency eviction moratorium.
Lease violations, related to the pandemic (pets, additional tenants)	Immediately upon the expiration of the emergency eviction moratorium	Require minimum 3 Day Notice to Cure per State law
Lease violations not due to COVID (drugs, gangs, noise, etc.)	No prohibition	Allowed
Non-payment of rental arrears accrued during the emergency eviction moratorium	Tenants have 12 months after the expiration of the emergency eviction moratorium	Per State law: August 1, 2023 for Rent due 3-1-20 thru 9-30-21) 12 months after expiration for Rent due after 9-30-21
Non-payment of rent due after expiration of the emergency eviction moratorium	Allowed immediately upon expiration of the emergency eviction moratorium	Must provide 3-day notice & follow normal UD process per State law

Current City of L.A. COVID-19 Expiring Protections on Rent Increases

Rental Unit	Type of Rent Increase	When Allowed
RSO Units	Annual Allowable Rent Increase	12 months after the expiration of the Declaration of Local Emergency
RSO Units	LAHD Approved Rent Increases (Capital Improvements, Primary Renovation, Seismic, Rehabilitation)	60 Days after the expiration of the Declaration of Local Emergency
RSO Units	Just and Reasonable Rent Increases	Allowed with LAHD approval
Non-RSO Units Older than 15 Years (AB 1482)	Annual	Not restricted; allowed with limitations (CPI + 5%) with 10% maximum. Currently 10%
Units Built within 15 Year	Any	No limit, other than lease provisions

A summary of the COVID-19 federal and state tenant protections is provided in Attachment 1.

Tenant Protections in Los Angeles County

The County’s COVID-19 Tenant Protections Resolution (formerly the LA County Eviction Moratorium), which went into effect March 4, 2020, extends certain protections to residential and commercial tenants affected by the COVID-19 pandemic in Los Angeles County. The Resolution has since been extended and expanded to include additional tenant protections and applies to all unincorporated areas. It also established the County’s temporary emergency tenant protections as the baseline for all incorporated cities within the County. This includes incorporated cities that have their own local eviction moratoria such as the City of Los Angeles, to the extent the cities’ moratoria do not provide the same or greater tenant protections as the Resolution. On January 25, 2022, the Los Angeles County Board of Supervisors voted to extend the COVID-19 Tenant Protections Resolution through December 31, 2022. However, state legislation (Assembly Bill 2179) preempted the county resolution through June 30, 2022. As a result, the County Resolution was paused from April until July 1, 2022. A summary of the County protections is provided in the following chart:

L. A. County COVID-19 Tenant Protections in Effect July 1, 2022 through December 31, 2022

Rent Increases	Rent increase freeze (for rent-stabilized units and mobile home spaces in unincorporated areas) including new pass-throughs or charges.
Evictions	Protection from eviction for: <ul style="list-style-type: none"> ●No-Fault eviction reasons, except for qualified Owner Move-in Evictions and except for safety and habitability orders ●Nuisance caused by the pandemic ●Unauthorized occupants or pets necessitated by the pandemic
Non-Payment of Rent	Effective July 1, 2022, eviction protections for nonpayment of rent, including self-certification to establish affirmative defenses for all residential and mobile home space renters earning 80 percent AMI or below unable to pay due to COVID-19 financial hardship for rent incurred after July 1, 2022.
Repayment Period	Tenants at or below 80% AMI that are unable to pay rent from July 1, 2022 through December 31, 2022, have up to 12 months to repay rental debt, unless extended further by the Board.
Owner Occupancy	A landlord can evict up to two units, must occupy the property as a principal residence for 36 consecutive months, and be similarly situated to the tenant being displaced. Landlords must first occupy a vacant unit if there are 3 + Units on a lot. If no such vacant unit is available, then the Landlord may displace the most recently occupied Unit(s). Notice Requirement: 60 days’ notice and landlords must provide an eviction notice copy to the County. Landlord to provide an extension if the Tenant's head of household or the Landlord's head of household is diagnosed with COVID-19.

Emergency Rental Assistance - In addition to the myriad protections encompassed in these ordinances, the City of Los Angeles implemented one of the largest emergency rental assistance programs in the country. From 2020 through 2021, LAHD paid \$321 million on behalf of City renters under the locally administered ERAS and ERAP 1 program funding. In August 2021, the City entered into an agreement with the State of California’s “Housing Is Key” program to administer the program for ERAP 2. At that time, 43,963 L.A. City applications were referred to the State program for processing and funding under the State program. All unprocessed eligible households were referred to the State program; therefore, no waitlist was needed. From September 2021 through July 2022, the Housing Is Key program has paid approximately \$1.4 billion for more than 116,000 Los Angeles City renter households. Combined, the City and State have paid more than \$1.5 billion in rental assistance to L.A. City renters impacted by the COVID pandemic since the beginning of the pandemic. Approximately 70% of approved applicants had an income at or below 30% of AMI (less than \$35,450 for a family of four), and about 90% had household income at or below 50% of AMI.

The state “Housing Is Key”/COVID-19 Rent Relief program covered rent and utility assistance to eligible applicants to cover up to 18 months of assistance for rent owed from April 1, 2020, to March 31, 2022.

On February 9, 2022, Governor Newsom signed SB 115 which provided state funding to bridge and, if necessary, supplement federal funding from the U.S. Department of Treasury in order to fund all eligible rental assistance applications submitted by March 31, 2022. Future reallocations of ERAP money by the federal government will be used to pay back this loan. Consistent with federal and state law, program officials prioritized payment for qualified applications based on their time of submission and those at highest risk of eviction. By August of 2022, the “Housing Is Key” program had paid out more than \$4.2 billion in rental assistance on behalf of more than 345,000 households across the state. Approximately 33% of that \$4.2 billion has been paid to L.A. City landlords and renters, the highest amount of any jurisdiction statewide. The State program has funded City applications totaling more than 5 times the \$260 million in ERAP 2 funding originally allocated for the City of Los Angeles from the Federal Treasury.

LAHD was requested to report back on the ERAP waitlist, as well as City residents who may qualify for rental assistance, but were unable to be assisted by the City and State rental assistance programs. As noted above, no waitlist for City applicants was maintained since all eligible applicants were either processed by the City or referred to the State program, which ensured sufficient funding for all applications received by March 31, 2022. In collaboration with the Mayor’s Office of City Homeslessness Initiatives, LAHD obtained a comprehensive analysis of the results for the City and State rental assistance programs (Attachment 2), which reviewed the results of 208,599 applications for rental assistance processed by the City and state rental assistance programs. Key findings include:

- The emergency rental assistance programs administered in the City provided critical relief to low-income households.
- In comparing the Approved ERAP Application Index scores and Housing & COVID Vulnerability Index, patterns of both met and unmet need emerge.
 - Notable areas exhibiting the greatest unmet need, and where the City should focus outreach efforts and any additional support available when the local emergency tenant protections are lifted include: South Central Los Angeles (CD 9); Pico Union, West Adams, Lincoln Heights, and Mt. Washington (CD 1); portions of Boyle Heights and El Sereno (CD 14); Watts, parts of the Harbor Gateway, Wilmington and Harbor City areas of the South Bay (CD 15); several neighborhoods in Pacoima and the southern portions of Sylmar (CD 7); a pocket in Chatsworth (CD 12); near Westwood Park (CD 5); parts of Canoga Park (CD 3); portions of North Hollywood (CD 2); the Sun Valley area (CDs 2 and 6); and neighborhoods in Panorama City (CD 6).
 - High vulnerability areas where the two ERAP programs most effectively met the need with assistance, but which may require additional support and outreach when the emergency tenant protections are lifted include: Historic Filipinotown, Westlake, East Hollywood, Wilshire Center, Little Armenia, Melrose, and into Hollywood (at the borders of CDs 1, 13, and 10); parts of Van Nuys in the San Fernando Valley (the border of CDs 2 and 6); areas from Hyde Park down to Gramercy Place (CD 8); sections of Vernon and Florence (CD 9); parts of Canoga Park (CD 3); Sylmar (CD 7); portions of Boyle Heights and El Sereno (CD 14); San Pedro in the South Bay (CD 15) and portions of Northridge and Granada Hills (CD 12).
- Tenants in neighborhoods with a higher risk of housing insecurity and highly impacted by the pandemic received about 10% less approved applications than tenants in more affluent areas.

- Compared to the overall renter household size composition in the City of Los Angeles, the majority of approved applicants were from single-person households (47.06%), while households with 2 people or more are underrepresented.
- The dataset from the Housing is Key Program collected information on whether applicants received an eviction notice from their landlord; 42,733 City applicants reported receiving an eviction notice.
- Of the City of L.A. applications submitted to the Housing is Key Program, almost half (47.28%) of all applicants resided in an apartment complex with 11 or more units. Nearly 21% of applicants live in a single-family home, and 18 % live in a smaller apartment complex with 10 or less units.

The data obtained on housing vulnerability and unmet need will be shared with the Keep LA Housed Coalition and City contractors under the Eviction Defense Program and utilized for targeted outreach efforts and eviction defense services.

Stakeholder Outreach

Following the City Council's June 24, 2022 instruction to conduct stakeholder meetings in the development of the report recommendations, LAHD held multiple meetings in the month of July with landlord and tenant advocacy groups and individuals. LAHD encouraged participants to submit recommendations in writing and received several papers and written comments as a result.

Tenant Advocates - LAHD met with and/or received testimony from the: Alliance of Californians for Community Empowerment (ACCE), Coalition for Economic Survival, Community Power Collective, Eastside Leads, Eviction Defense Network, Housing Rights Center, Inner City Law Center, InnerCity Struggle, LA Tenants Union, Legal Aid Foundation of Los Angeles, Pacoima Beautiful, Public Counsel, Strategic Actions for a Just Economy, Tenants Together, and others. The primary tenant recommendations were presented in a report issued by a consortium of tenant advocates under the Keep LA Housed (KLAH) umbrella and were the focus of the tenant meetings. Their recommendations (Attachment 3) include:

- Expand just cause eviction protections to cover all tenants and require landlords to file eviction notices with the City
- Enact permanent limits on evictions for failure to pay rent (i.e. establish a minimum threshold for rent owed; KLAH recommends \$10,000, the limit for Small Claims)
- Reduce allowable rent increases allowed under the Rent Stabilization Ordinance (formula for Maximum Allowable Rent Increase)
- Require relocation assistance for non-RSO tenants displaced by large rent increases.
- Enforce the City's Tenant Anti-Harassment Ordinance
- Adopt a codified right to counsel for low-income tenants at risk of eviction with fully funded tenant outreach and education resources
- Strengthen code enforcement programs
- Adopt the Fair Access for Renters package (limits on tenant screening) to remove discriminatory barriers to housing

Tenant advocates state that the pandemic exacerbated the housing crisis for renters, is still on-going, and recovery from the pandemic will be long and difficult for vulnerable low-income families, especially those who lost primary breadwinners and care providers. Because household finances have not stabilized for those at the lowest incomes and tenant protections have been an important tool to keep renters housed, they urge the City not to lift the protections abruptly. Asserting that the emergency eviction protections have not caused significant undue hardship for most landlords and that the level of housing insecurity for renters prior to the pandemic was not acceptable, they urge that the City not lift the COVID-19 tenant protections until permanent protections are strengthened.

Landlord Advocates - LAHD staff also met and corresponded with major landlord organizations, including the Apartment Owners Association of Greater Los Angeles (AAGLA), the California Apartment Association (CAA), the Apartment Owners Association (AOA), Prime Residential (owner of Park La Brea, the largest rental property in the City), the Central City Association and individual “mom and pop” landlords.

Landlords testified that they have endured the brunt of the pandemic and that no other industry has been subjected to the restrictions imposed on the rental housing industry. Apartment owners call for the immediate end of both the City’s eviction moratorium and ban on RSO rent increases. They emphasize that the COVID-19 tenant protections were adopted as interim, temporary emergency measures under unprecedented circumstances and that conditions are very different today, given the availability of vaccines, boosters, and the reopening of schools, businesses, and employment opportunities as well as attendance at large scale events. They also testified about the financial impact of 2.5 years of being unable to collect rent, escalating operating costs, depleting landlord’s retirement savings and forcing landlords to borrow and to defer property and building upkeep. They warn that the continuation of the eviction moratorium facilitates the accumulation of rental debt that tenants will never be able to repay and with no current avenue for either tenants or landlords to obtain financial assistance. Some landlords described instances of tenant fraud; failure to apply for rental assistance even after the landlord applied on their behalf; lavish purchases while not paying rent; and tenants illegally subletting their rental units.

Landlords called for:

- The immediate lifting of the eviction moratorium and freeze on RSO rent increases
- A definitive end date for emergency protections when tenants must resume paying current rent
- Requiring tenants to validate hardship and removing loopholes to prevent tenants from exploiting the pandemic protections
- The ability to properly manage their rental properties and address nuisance behavior that has a detrimental effect on the safety and well-being of all tenants
- Restoration of the right to owner-occupy rental units and evict renters based on a Government Agency Order
- Restoration of annual rent adjustments and the ability to recapture rent adjustments foregone since the inception of the local emergency
- Thoughtful analysis of any complex permanent policy changes, which should be assessed separately from the lifting of the emergency measures

Recommendations from CAA, AAGLA and Prime Residential are submitted as Attachments 4, 5 and 6.

DISCUSSION

While the City has made notable progress in responding to the COVID-19 pandemic that has claimed the lives of approximately 32,000 Los Angeles County residents, working families continue to live with challenges in employment, income, affordable housing, child care and health care access. As reported by the Center for Disease Control (CDC) and demonstrated throughout 2021 and 2022, new variants will continue to emerge and will continue to pose risk to the health and safety of residents.

As the City begins its recovery from the economic impact of the pandemic and City businesses and residents return to pre-pandemic employment levels, the LAHD recommends a limited extension of tenant protections for the most vulnerable renters while the City eviction and rent increase moratoria are phased out, to the extent not preempted by State law.

Additionally, LAHD recommends that, whenever possible, the City conform the continuation of tenant protections with the baseline protections adopted by L.A. County. Many constituents that live in Los Angeles do not know whether City or County laws apply to them. Therefore, aligning the City and County laws as closely as possible will better protect and inform both tenants and landlords and avoid unnecessary confusion and displacement.

Duration of Tenant Protections

The Local Period of Emergency, adopted effective March 4, 2020, is extended monthly by the L.A. City Council, and remains in effect. The City's ordinance preceded state law and is, therefore, not preempted (except limited provisions, explained further below). This consistency in the City's pandemic renter protections has been instrumental in stabilizing L.A.'s renter households and providing an additional layer of protection throughout the duration of the pandemic, amid shifting federal, state and County policies and protections.

L.A. County's COVID-19 Tenant Protections Resolution effective through December 31, 2022, established the County's temporary emergency tenant protections as the baseline for all incorporated cities within the County. Therefore, LAHD recommends a limited extension of emergency eviction protections through December 31, 2022.

Payment of Rent – Under the current provisions of the local L.A. City eviction moratorium, tenants are protected from eviction for non-payment of rent, late charges or interest due to circumstances related to COVID-19. In order to conduct ample public education and outreach, LAHD recommends phasing out the eviction protections beginning on November 1, 2022, while continuing eviction protections for tenants who are currently unable to pay their full rent due to the financial impact of the pandemic through December 31, 2022.

Certification of Inability to Pay

The City's COVID-19 protections do not cancel rent. Rent is owed to the landlord and must be repaid. The City's protections were intended to keep tenants safely housed. The City's current ordinances do not require that tenants certify their inability to pay rent based on COVID-19 impact to their landlord in order to qualify for protection under the City ordinances. However, landlords whose tenants are in arrears and believe their tenants do not meet the criteria of being economically impacted by COVID-19 may file Unlawful Detainers and thereby force tenants to assert an affirmative defense in Court, where they must

submit evidence of COVID impact to the satisfaction of the Court. In fact, the ordinance itself explicitly allows landlords to continue to file evictions, stating, “Except as otherwise specified in this article, nothing in this section shall prohibit an Owner from seeking to evict a residential tenant for a lawful purpose and through lawful means.”

As we transition to lift the current level of tenant protections, LAHD recommends that the City adopt a requirement that effective November 1, 2022, tenants who are currently unable to pay their full rent due to COVID-19 impact be required to provide their landlord with a statement signed under penalty of perjury, that the tenant is unable to pay their rent due to COVID-19, on a form to be published and made available by LAHD. Beginning November 1, 2022, only tenants who are unable to pay their rent due to a COVID-19 financial impact, would continue to be protected from eviction (through December 31, 2022) if they provide their landlord a “Self-Certification” notice, in the format prescribed by LAHD, within 7 days after rent is due. As is currently the case, landlords are still able to pursue Unlawful Detainer actions in Court, where the tenant would need to provide their documentation as part of their eviction defense.

Payment of Rental Arrears – State law requires that rent debt accrued between March 1, 2020 and September 30, 2021 be repaid by **August 1, 2023**. AB 2179 codified at California Code of Civil Procedure § 1179.05 partially preempts local COVID-19 eviction protections. Under § 1179.05(a)(2)(B), the 12-month repayment period in LAMC § 44.99.2(A) for “COVID-19 rental debt” cannot extend beyond August 1, 2023. “COVID-19 rental debt” is specifically defined as rent that was due between March 1, 2020 and September 30, 2021. The City is not preempted from allowing a 12-month repayment period for rent debt accrued after September 30, 2021. For this reason, LAHD is recommending a two-step repayment period:

- August 1, 2023, for rental arrears accrued between March 1, 2020 and September 30, 2021; and
- December 31, 2023 (12 months after the expiration of the local eviction moratorium) for rental arrears accrued from November 1, 2021 through December 31, 2022.

Evictions to Comply with a Government Agency Order - Some “mom and pop” landlords provided testimony indicating they received an order to restore a rental unit to its approved use, but claimed they could not comply due to the no-fault eviction moratorium. These landlords were then subject to fines and penalties for failure to comply by LADBS, and could not obtain an eviction clearance from LAHD. This result was not contemplated at the time the City adopted the protections against no-fault evictions, even when a government agency ordered the vacating of the rental unit. It is imperative that these situations be remedied and tenants removed from uninhabitable and unsafe units. Affected tenants in RSO units have a right to a relocation assistance payment ranging from \$9,200 to \$22,950 upon termination of tenancy. LAHD recommends that this be immediately rectified by allowing a termination of tenancy when there is a government agency order and further recommends a waiver of noncompliance and related inspection fees imposed between March 4, 2020 and December 31, 2022. The lifting of the prohibition on evictions performed in order to comply with a government agency order should take effect immediately upon the effective date of the amending ordinance.

Eviction for Owner Occupancy or to an Install On-site Manager - Under the RSO, Owner Occupancy evictions are limited to property owners or specific family members and monitored by LAHD Rent Division staff to prevent fraud, ensure actual owner occupancy for at least 2 years, and confirm the payment of relocation assistance. Under existing City ordinances, evictions for owner occupancy or installation of an onsite resident manager will be allowed upon the expiration of the eviction moratorium, with legally required notice of 30, 60 or 90 days. LAHD is not recommending a change, except that

evictions that result in the displacement of a tenant in order to install an onsite manager be disallowed unless the property consists of 16 or more rental units and an onsite resident is required by the Los Angeles Municipal Code (LAMC) and/or State law or in order to comply with the terms of an affordable housing covenant.

Evictions for Nuisance and Unauthorized Occupancy or Pets - Under the provisions of LAMC 49.99.C, landlords may not evict a residential tenant based on the presence of unauthorized occupants or pets, or for nuisance related to COVID-19 during the Local Emergency Period. LAHD recommends extending the existing eviction protections for unauthorized occupants or pets or “nuisance” related to circumstances related to COVID-19 through December 31, 2022. This will provide the public with notice of the change and allow renters time to make alternative arrangements.

Termination of Tenancy for Demolition or Permanent Removal from the Rental Market - As provided in LAMC 49.99.4, (Ordinance No. 186606), a landlord can terminate a tenancy in accordance with City and/or State law in order to demolish or remove a rental unit from the rental market (Ellis Act) 60 days after the expiration of the Local Emergency Period.

The following table provides a summary of the updated recommendations for phasing out of the Local Emergency Period and COVID-19 Tenant Protections. LAHD recommends that the City Council partially lift the COVID-19 eviction protections effective November 1, 2022 for tenants who do not certify a new or continuing financial impact due to COVID-19 and through December 31, 2022, for tenants who do.

Recommended Amendments/Timeline for City of Los Angeles Expiring COVID-19 Eviction Protections

Type of Eviction	Currently Allowed:	Current Notice/Timeline	County Provision	Recommended City Amendment
Government Order	Upon expiration of the emergency eviction moratorium	Notice required per State law <ul style="list-style-type: none"> 30 days - tenancies less than 1 year 60 days - 1 year + 90 days - Section 8 tenancies 	Continue prohibition through December 31, 2022. Exception: allowed when necessary to comply with any law or government order concerning the safety and habitability of a rental unit.	Immediately allow in order to comply with a governmental agency’s order to comply, vacate, abate or any other governmental agency’s order that necessitates the vacating of the rental unit due to a violation of the LAMC or any law. Requires relocation assistance to tenants.
Owner Occupancy	Upon expiration of the emergency eviction moratorium, must provide 30, 60 or 90 days’ notice per State law.	Notice Required per State law: <ul style="list-style-type: none"> 30 days - tenancies less than 1 year 60 days - 1 year + 90 days - Section 8 tenancies 	Owner may evict up to 2 units to be used as primary residence for 36 months and be similarly situated (62 years, disability, terminal illness, low income) to the tenant being displaced.	No Change; preserve City rules. Notice of Owner occupancy evictions would be allowed effective January 1, 2023, with a minimum 30-60-90-day notice. Requires relocation assistance for RSO units. Note: L.A. RSO prohibits eviction of seniors with 10-year tenancies and terminally ill; therefore, more restrictive.
Resident Manager	Upon expiration of the emergency eviction moratorium, with 30, 60 or 90	Notice Required per State law: <ul style="list-style-type: none"> 30 days - tenancies less than 1 year 	Continue prohibition on no-fault evictions through December 31, 2022.	Allow evictions for installation of a resident manager only when an on-

	days' notice per State law.	<ul style="list-style-type: none"> 60 days - 1 year + 90 days - Section 8 tenancies 		<p>site resident manager is required by State law or in order to comply with an affordable housing covenant.</p> <p>Requires relocation assistance for RSO units.</p>
Demolition Permanent Removal from Rental Market (Ellis)	<ul style="list-style-type: none"> New filings allowed immediately on expiration of the emergency eviction moratorium Previously filed applications (pre-March 2020) 	<p>Minimum of 120 Days' Notice (Protected tenants may request 1 year.)</p> <p>60 Days after the expiration of the emergency eviction moratorium</p>	Prohibits no-fault evictions through December 31, 2022 (includes the intent to demolish or to substantially remodel unit)	<p>No Change. Withdrawal of rental units from the rental housing market is regulated by state law. Landlords would be allowed to file on January 1, 2023.</p> <p>Requires minimum of 120 day notice and relocation assistance.</p>
Lease violations, related to the pandemic (pets, additional tenants)	Immediately upon the expiration of the emergency eviction moratorium	Require a minimum 3-Day Notice to Cure per State law	Protections on nuisance, unauthorized occupants or pets IF pandemic-related continue through December 31, 2022.	Extend through December 31, 2022, in conformance with L.A. County.
Lease violations not due to COVID (drugs, gangs, criminal activity, etc.)	No prohibition	Allowed	No prohibition	No Change
Non-payment of rental arrears accrued during the emergency eviction moratorium	Tenants have 12 months after the expiration of the emergency eviction moratorium or August 1, 2023, whichever comes first to pay rental arrears for rent due through September 30, 2021.	Evictions for rental arrears accrued during the emergency eviction moratorium allowed the earlier of 12 months after the expiration of the emergency eviction moratorium or August 1, 2023.	Tenants at or below 80% AMI who certify they are unable to pay rent from August 1, 2022 through December 31, 2022, have up to 12 months to repay rental debt.	<p>Per State law, COVID-19 rental debt as defined in state law (accrued through September 30, 2021) must be paid by August 1, 2023.</p> <p>Rental arrears accrued from October 1, 2021 through December 31, 2022 must be paid by December 31, 2023.</p>
Non-payment of rent due after the expiration of the emergency eviction moratorium	Allowed immediately upon expiration of the emergency eviction moratorium	Must provide 3-day notice & follow normal UD process per State law.	Tenants at or below 80% AMI have eviction protection for rent incurred after July 1, 2022 through December 31, 2022, for nonpayment of rent, including self-certification to establish affirmative defenses if unable to pay due to COVID-19 financial hardship. These tenants have until December 31, 2023 to pay rental arrears accumulated from July 1, 2022 through December 31, 2022.	<p>Extend protection through December 31, 2022, for tenants who self-attest to COVID impact on their ability to pay rent, in conformance with County ordinance. These tenants have until December 31, 2023 to pay rental arrears accumulated from October 1, 2021 through December 31, 2022.</p> <p>Tenants who do not self-attest can be evicted for failure to pay rent due on or after November 1, 2022, with proper notice.</p>

Allowable Rent Increases for RSO Units

Under the existing provisions of the RSO, rents may be increased annually in accordance with the Consumer Price Index, with a floor of 3% and a ceiling of 8%. However, under the COVID-19 emergency provisions, Ordinance No. 186607 suspended rent increases for units subject to the RSO, except those necessary to ensure landlords a “just and reasonable” return, until one year following the termination of the local emergency. If the Council approves the recommendations herein, annual increases for RSO units would continue to be paused until January 1, 2024. Under the Mayor’s Order issued on March 30, 2020, other rent increases which require LAHD approval (i.e. for capital improvements, seismic retrofit, and primary renovation work) cannot go into effect until 60 days after the expiration of the emergency period. In effect, landlords of RSO units will be barred from imposing an annual allowable rent increase from March 2020 through 2023.

Input from property owners and managers indicate that trash-hauling fees have increased 14%, water rates 39%, electricity 10%, insurance 40%, property taxes 5%, as well as increasing salary costs. These increases are normally partially offset by the annual allowable RSO rent adjustment, as well as by higher rents upon turnover (vacancy decontrol).

Per Council File No. 20–0200, LAHD and the City Attorney are requested to report back on an ordinance that would limit future annual RSO rent increases to 60% of the Consumer Price Index (currently 100%) and eliminate the 3% floor on annual allowable rent increases. In 2009, an economic study which included a review of the RSO annual allowable rent increase formula concluded that the existing RSO formula was the most accurate and balanced methodology to determine the annual increase. At that time, LAHD recommended that the 3% floor be dropped to 2%; however, the change to 2% was not approved.

The provisions on the calculation of the RSO annual allowable rent increase is a fundamental aspect of the balance between protecting tenants from arbitrary, excessive rent increases and landlords’ needs to maintain sufficient cash flow to maintain, upgrade and reinvest in their rental properties. Over its 45 year history, the LARSO has survived legal challenges and withstood “takings” arguments in part because the ordinance allows landlords to obtain a fair return on their investment in their rental properties. The City as a whole benefits when landlords are allowed sufficient income to reinvest in their rental properties and prevent the deterioration of the aging RSO housing stock (at least 45 years old, with many much older buildings) with old infrastructure and building systems that require upkeep. Given the testimony on the financial impact of the rent freeze and escalating operating costs, LAHD recommends that the City engage in an updated study of the existing rent adjustment formula and report back on recommendations for the potential amendment of the RSO. In view of the City’s current provisions that suspend all annual allowable rent increases for at least 12 months (~2024), and in view of the public input on escalating operating costs, there is ample time to study this issue more thoroughly.

Expanded Eviction Protections for Non-RSO Rental Units

For the past two years, the City of Los Angeles has maintained extensive eviction protections, enabling residents to continue to remain safely housed as they dealt with the impact of the pandemic. In order to address existing gaps in eviction protections for non-RSO units and provide a basic level of tenant protections, LAHD recommends that the City Council instruct the City Attorney, to draft an ordinance to adopt the recommendations in the LAHD report (Council File No. 17-0454) dated January 29, 2020, to expand eviction protections for non-RSO rental units in the City of Los Angeles. The Department’s report was submitted prior to the Declaration of Local Emergency. As the COVID-19 Tenant Protections are

lifted, these recommendations will protect against arbitrary evictions for the approximately 221,000 multi-family and corporate rentals not regulated under the Rent Stabilization Ordinance, by requiring relocation assistance, tenant notification, and mandatory eviction filings for no-fault evictions.

Filing of Eviction Notifications - Under the RSO, landlords must file notifications for no-fault evictions (for owner or resident manager move-in, compliance with a government order, or to demolish or remove the rental unit from the rental market) with LAHD. The Department currently processes about 1,500 annual “landlord declarations of intent to evict.” This ensures that tenants are notified about their rights to notice, relocation assistance, and the possible right to return. It is estimated that approximately 35,000 evictions of all kinds occur citywide. Prior LAHD reports on the Eviction Defense Program (EDP) have recommended the creation of an eviction filing system for non-RSO units and the expansion of the current system to include at-fault evictions from RSO units. Los Angeles County has already adopted such a requirement for both rent-stabilized and non-rent stabilized rental units, since data on evictions is not available in any useful format from the L.A. County Superior Court. The Court shares only annual eviction filings by courthouse; consequently, we cannot distinguish evictions in the County versus those in the City, or derive any other useful information on eviction trends. Similar ordinances have been adopted by the cities of San Jose, Cudahy, and East Palo Alto. As the City lifts the emergency restraints on evictions, it is vital that a method of tracking evictions be implemented in order to evaluate the impact of changing policies, provide timely referrals to legal services, and assist in the assessment of the City’s intervention efforts. In line with our recommendations for expanded Just Cause eviction protections, LAHD recommends the creation of an eviction filing system for both RSO and non-RSO multi-family tenancies. The City Attorney should be directed to draft the ordinance in consultation with LAHD, and LAHD must report back on staffing and implementation needs.

Application to Rentals of Single Family Homes - The renter protections in the City’s COVID-19 emergency ordinances apply to all rentals in the City, including rentals of single family homes. Tenant representatives advocate for the permanent expansion of eviction protections to all rentals, including single-family homes. LAHD has previously recommended expanding eviction protections to multi-family rental properties with 2 or more dwelling units, as well as limited application to rentals in corporate-owned single-family homes, in accordance with the application of renters’ protections in Ca. Civil Code 1947.12 (the Tenant Protections Act of 2019). Rentals by corporations rather than private property owners are more likely operated by profit driven investors and therefore pose greater potential for abuse and need for oversight. The City has not traditionally regulated rentals in single-family dwellings, and there are no staff resources, nor a funding source for these services. Additionally, the significant recommendations for expansion of tenant protection services outlined in this report will be challenging and take time to plan, implement and staff, especially in an environment when LAHD staff resources have dropped significantly, primarily due to the impact of the Separation Incentive Program (SIP) early in the pandemic. At this time, LAHD does not recommend an expansion to regulation of non-corporate single-family rentals.

Assessment of Program Costs - The City Council should instruct the LAHD to execute a sole-source contract with BAE Urban Economics in an amount not to exceed \$160,000, to conduct an analysis to update the recommendations in the 2019 Rent Stabilization Ordinance (RSO) Fee Study related to the staff resources and fees necessary to implement and enforce a citywide eviction protections ordinance to protect against arbitrary evictions in the aftermath of the COVID-19 eviction moratorium and require relocation assistance; options for enhanced relocation assistance; and enforcement of tenant notifications and mandatory eviction filings for no-fault evictions. A sole-source contract is recommended because BAE Urban Economics can utilize and update prior work conducted by this firm in conjunction with the 2019 RSO Fee Study, which examined the projected costs of the expanded eviction protections, as well

as the eviction defense and eviction filing system, and tenant anti-harassment programs. The contract scope of work should include a review of the adequacy of the relocation assistance amounts currently provided in the RSO and provide recommendations to update the necessary level of relocation assistance in line with current rental market conditions. Additionally, a sole source contract will allow the completion of these analyses prior to the expiration of the eviction protections on December 31, 2022. A sole-source fee study contract is the most efficient option to provide policymakers with the timely information necessary to administer these programs.

Issues for Further Review and Report Back

Relocation Assistance for Economic Displacement - Currently, the RSO and state law limit rent increases for units built more than fifteen years ago, and relocation ranging from \$8,850 to \$22,950 is required for no-fault evictions from RSO units. California law (Ca. Civil Code 1947.12) limits annual allowable rent increases to 10%; however, this does not apply for renters of units built less than 15 years ago. These tenants can be economically displaced by large rent increases without any relocation assistance. LAHD, together with the City Attorney, should review policies requiring relocation assistance for economic displacement adopted in other cities including: Long Beach, Baldwin Park, Glendale & Pasadena and report back on the feasibility of adopting a similar ordinance in the City of Los Angeles.

Limitations on Evictions for Failure to Pay Rent - The emergency measures adopted during the pandemic dramatically reduced the number of evictions filed and provided a safety net from displacement and homelessness for thousands of renters. Once the emergency protections are lifted, any amount of unpaid rent can result in eviction. Tenant representatives advocate that eviction is an extraordinary legal remedy and should not be used as a debt collection tool to recover relatively small sums. Therefore, they recommend that the City Council amend the City's just cause protections so that failure to pay rent is only cause for termination if the tenant fails to pay for multiple months such that the amount exceeds the jurisdictional threshold of \$10,000 for small claims court. Tenants would still owe this money, but failing to pay relatively small amounts would not be grounds for eviction and these cases would be handled in small claims court rather than eviction court, in the same way other debts under this amount are treated under the law. The District of Columbia has barred evictions when a tenant owes less than \$600.00. LAHD recommends further analysis of this proposal, including a review of the appropriate level of rent arrears that could lead to eviction. The City should consider policies that limit evictions for failure to pay rent to those cases where the amount of rent owed is more than a de minimis amount of arrears (for example, twice the amount of rent of an average monthly rental).

CONCLUSION

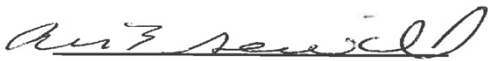
As protections which have kept L.A. households safe throughout the pandemic emergency are lifted, the implementation of the recommendations in this report provide a timeline to normalize the rules affecting residential tenancies in the aftermath of the COVID-19 pandemic. These recommendations are designed to continue to protect low-income renters still impacted by the COVID pandemic and harmonize the rules and protections in the City with those afforded to Los Angeles County residents. The recommendations address gaps in protections for renters in non-RSO properties against arbitrary evictions and excessive rent increases, to the extent permitted by law. It is vital that adequate time be allowed for noticing and outreach be assured so that both landlords and renters have ample time to plan and make adjustments needed as the eviction and rent increase protections are lifted. The proposed December 31, 2022 sunset of the majority of current COVID-19 protections provides this needed time for outreach. In addition, LAHD

can report back on pending items with ample time before the sunseting of the tenant protections on December 31, 2022.

FISCAL IMPACT

There is no impact to the General Fund through the actions recommended in this report.

Approved By:



ANN SEWILL
General Manager
Los Angeles Housing Department

ATTACHMENTS:

- Attachment 1 – State and Federal Protective Rulings
- Attachment 2 – Eviction Risk and Rental Assistance Needs Analysis Report
- Attachment 3 – KLAH Comment Letter re City Emergency Tenant Protection
- Attachment 4 – CAA_C.F. 21-0042-S3_7.22
- Attachment 5 – AAGLA_LAHD
- Attachment 6 – Prime Residential

ATTACHMENT 1

	State & Federal Protective Rulings
<p>Judicial Council (Emergency Rule 1)</p>	<p>Effective April 6, 2020, Judicial Council adopted Emergency Rule 1 that prohibited courts from:</p> <ul style="list-style-type: none"> ● Issuing a summons on a complaint for unlawful detainer unless necessary to protect public health and safety. ● Entering a default judgment in an unlawful detainer action for failure to appear unless the court finds: <ol style="list-style-type: none"> (1) The action is necessary to protect public health and safety; and (2) The defendant has not appeared in the action within the time provided by law. ● Setting a trial date earlier than 60 days after a request for trial is made unless necessary to protect public health and safety. ● Any trial set in an unlawful detainer proceeding as of April 6, 2020, must be continued at least 60 days from the initial date of trial. <p>Note: Expired September 1, 2020</p>
<p>Assembly Bill 3088 (AB 3088)</p>	<p>Effective August 31, 2020, the <i>Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020</i>:</p> <ul style="list-style-type: none"> ● Provides protection to tenants facing eviction as a result of non-payment of rent between March 1, 2020 and January 31, 2021. ● Extends the time period for a notice of nonpayment of rent from 3 days to 15 days. ● For rent not paid between March 1 and August 31, 2020, tenants cannot be evicted provided they provide a signed declaration to the landlord that the reason was due to COVID-19 hardship. ● For rent not paid between September 1 and January 31, 2021, tenants must provide the same declaration and also pay at least 25% of any rent that is due. ● Tenants who pay all past due rent by January 31, 2021, cannot be evicted, if they pay 25% of rent due. ● Rent not paid from March 1, 2020 to January 31, 2021, becomes consumer debt for which landlords can file small claims court action starting on March 1, 2021.
<p>Center for Disease Control Order (CDC)</p>	<ul style="list-style-type: none"> ● September 1, 2020, the Center for Disease Control and Prevention (CDC) announced a temporary national eviction moratorium to prevent the further spread of COVID-19. ● Landlords and property owners were prohibited from evicting certain tenants impacted by COVID-19. ● Tenants who declared they were unable to pay rent due to COVID-19 income loss or increased expenses could not be evicted. Applicable to tenants who earn less than \$99,000 or \$198,000 for a family, tenants must state they would have to double up or that they would be at-risk of becoming homeless if evicted. ● The protections were from September 1, 2020 through August 2021.

<p>Senate Bill 91 (SB 91)</p>	<p>Effective January 29, 2021, extended California's COVID-19 Tenant Relief Act of 2020 (AB3088) which was to expire on January 31, 2021.</p> <ul style="list-style-type: none"> ●Created the Emergency Renters Assistance Program (ERAP) to pay up to 80% of a tenant's back rent accumulated between April 1, 2020 through March 31, 2021. Provided that landlords must forgive the remaining 20% unpaid rent for that period. If the landlord refused, the subsidy dropped to 25% to be paid to the tenant. ●Tenants impacted by COVID-19, were required to pay 25% of rent to avoid eviction until June 30, 2021. ●On or before February 28, 2021, required landlords to provide an informational notice to tenants with outstanding rent due on or after March 1, 2020. Failure to provide the notice compromised the landlord's ability to evict. ● Beginning August 1, 2021, landlords could file a small claims court action for unpaid COVID-19 rent debt accrued between March 1, 2020 and June 30, 2021. (This date was later extended.)
<p>Assembly Bill 832</p>	<p>Effective June 28, 2021, extended the COVID 19 Tenant Relief Act protections under Senate Bill 91 and Assembly Bill 3088, through September 30, 2021.</p> <ul style="list-style-type: none"> ●Extends protections for tenants impacted by COVID-19. Tenants are required to pay 25% of rent from April 1, 2020 through September 30, 2021, by September 30, 2021, and sign a monthly Declaration of COVID-19 Financial Hardship to be protected from eviction. ●Rental assistance funding increased from 80% of past due rent to 100%. Those who previously applied for the 80% were not required to reapply as the process was streamlined to automatically pay the remaining 20%. ●October 1, 2021, a court may not issue a summons or enter a judgment for nonpayment of COVID-19 rental debt incurred between October 1, 2021 and March 31, 2022, until the landlord applies for rental assistance under the state emergency rental assistance program and the application has been denied or the tenant has failed to complete their section. ●Required that all terminations of tenancies have "Just Cause" protections through September 30, 2021. ●Delays landlord access to small claims court to pursue collection of COVID19 rental debt to November 1, 2021.
<p>Assembly Bill 2179</p>	<ul style="list-style-type: none"> ●Effective March 31, 2021, extended specific COVID 19 Tenant Relief Act protections under Senate Bill 91 and Assembly Bill 3088, through June 30, 2022. ●Extended non-payment of rent protections through June 30, 2022 to tenants awaiting determination of state rental assistance, Housing Is Key, application filed by March 31, 2022. ●Notices issued after April 1, 2022 through June 30, 2022 providing information on eviction protections if a rental assistance application was submitted on or before March 31, 2022. ●New protections enacted by local govts are barred from taking effect prior to July 1, 2022 ●Prior to a court issuing an eviction summons, a landlord is required to file a statement under penalty of perjury that a determination for government rental assistance is not pending for an application filed prior to April 1, 2022. ●New law extended the repayment period for rental arrears in jurisdictions that conditioned the repayment of deferred rent upon the termination of a local state of emergency until August 1, 2023, for rent as defined in the statute.

EVICTION RISK & RENTAL ASSISTANCE NEEDS ANALYSIS REPORT

CITY OF LOS ANGELES

Housing Solutions Team

Mayor's Office of City Homelessness Initiatives (MOCHI)

August 2022

EXECUTIVE SUMMARY

To understand the impending potential of an eviction crisis and outstanding need for rental assistance when emergency tenant protections are lifted in the City of Los Angeles, the Mayor's Office of City Homelessness Initiatives (MOCHI) completed this analysis to help assess the reach and impact of the COVID-19 emergency rental assistance programs (ERAP) in the City of Los Angeles in 2021 - 2022.

Comparing the demographic, socioeconomic, and geographic characteristics of approved ERAP applications with indicators for housing instability, COVID impact, and market trends for gentrification, this analysis considers trends observed pre-COVID and during COVID to address systemic housing inequalities across the city. The following key findings and detailed report can be used to inform policy decisions and determine where additional resources should be prioritized.

KEY FINDINGS

- » The emergency rental assistance programs administered in the City in 2021-2022 provided critical relief to households with incomes at or below 30% of the Area Median Income (AMI), or less than \$35,450 for a family of four. Seventy percent of approved applicants had an income at or below 30% AMI, and 20% had an income between 30-50% AMI.
- » Tenants in neighborhoods with a higher risk of housing insecurity and were highly impacted by the pandemic received about 10% less approved applications than tenants in more affluent areas. Additional research is needed to identify and address barriers that have led to this finding.
- » Compared to the overall renter household size composition in the City of Los Angeles, the majority of approved applicants were from a single-person household (47.06%), while households with 2 people or more are underrepresented.
- » The dataset from the Housing is Key Program collected information on whether applicants received an eviction notice from their landlord; 42,733 applications reported receiving an eviction notice.
- » Of the applications submitted to the Housing is Key Program in the City of Los Angeles, almost half (47.28%) of all applicants resided in an apartment complex with 11 or more units. 20.92% of applicants live in a single-family home, and 18.22% live in a smaller apartment complex with 10 or less units.

In comparing the Approved ERAP Application Index scores and Housing & COVID Vulnerability Index, patterns of both met and unmet need emerge.

- » Notable areas and neighborhoods exhibiting the greatest unmet need, and where the City ought to focus their outreach efforts and any additional support available when the local emergency tenant protections are lifted include:
 - » South Central Los Angeles (CD 9);
 - » Pico Union, West Adams, Lincoln Heights, and Mt. Washington (CD 1);
 - » Boyle Heights and El Sereno (CD 14);
 - » Watts, parts of the Harbor Gateway, Wilmington and Harbor City areas of the South Bay (CD 15);
 - » Neighborhoods in Pacoima and the southern portions of Sylmar (CD 7);
 - » A pocket in Chatsworth (CD 12);
 - » Near Westwood Park (CD 5);
 - » Parts of Canoga Park (CD 3);
 - » Portions of North Hollywood (CD 2);
 - » The Sun Valley area (CDs 2 and 6); and
 - » Neighborhoods in Panorama City (CD 6).
- » High vulnerability areas where the two ERAP programs most effectively met the need with assistance, and will still require additional support and outreach when the emergency tenant protections are lifted include:
 - » Historic Filipinotown, Westlake, East Hollywood, Wilshire Center, Little Armenia, Melrose, and into Hollywood (at the borders of CDs 1, 13, and 10);
 - » Parts of Van Nuys in the San Fernando Valley (the border of CDs 2 and 6);
 - » Areas from Hyde Park down to Gramercy Place (CD 8);
 - » Sections of Vernon and Florence (CD 9);
 - » Parts of Canoga Park (CD 3);
 - » Sylmar (CD 7);
 - » Portions of Boyle Heights and El Sereno (CD 14);
 - » San Pedro in the South Bay (CD 15); and
 - » Portions of Northridge and Granada Hills (CD 12).

DATA SOURCES & METHODOLOGY

To explore eviction risk and outstanding rental assistance need during this critical time, this responsive analysis creates three (3) indices:

1. Approved ERAP Application Index
2. Housing & COVID Vulnerability Index
3. Gentrification Index.

First, this analysis uses applications submitted to two emergency rental assistance programs that were open to all renting households in the City of Los Angeles that were impacted by COVID-19: (1) the City of Los Angeles Local Rental Assistance Program (“Local Program”) administered by the Los Angeles Housing Department (LAHD) which accepted applications from March 30th to April 30th, 2021 and (2) the California Housing is Key Rental Assistance Program (“Housing is Key Program” or “HIK Program”) administered by the California Department of Housing and Community Development (HCD) and accepted applications from September 1st, 2021 to March 31st, 2022.

Second, the Housing & COVID Vulnerabilities Index references methodology from the Urban Institute’s Emergency Rental Assistance Priority Index (2021) to identify populations that (1) have a higher risk of housing instability, (2) have been disproportionately impacted by the COVID-19 pandemic, and (3) considerations for populations that have historically experienced discrimination in housing, such as people of color, emphasize an equitable implementation process. A complete list of indicators used for this index is in Appendix I. Percentages of each indicator are standardized into z-scores in order to compare across census tracts. Then, the

weighted averages of the indicators are calculated within each subindex (see Table 1 for weighting structure). This analysis uses the predetermined indicator weighting structure created by the Urban Institute, adjusted for the addition of current rates of COVID infection and linguistic isolation, and excluding outdated datasets. More information on the Urban Institute’s methodology can be found at:

<https://www.urban.org/features/where-prioritize-emergency-rental-assistance-keep-renters-their-homes>.

Lastly, the methodology for the Urban Displacement Project’s Displacement, Gentrification, and Exclusion Typologies (2020) is also used in the Gentrification Index to identify (1) affordability of neighborhoods by income and housing cost, (2) change in neighborhood characteristics over time, and (3) adjacency to gentrifying neighborhoods. This analysis uses the “At Risk Of Gentrification” type to indicate areas in danger of experiencing gentrification. This type includes low income or mixed-low income census tracts where housing is affordable to low or mixed-low income households that haven’t experienced gentrification in the past but are experiencing marginal increases in housing costs or are located near other gentrifying neighborhoods. It also shows the “Early Ongoing Gentrification” and “Advanced Gentrification” types as a combined “Experiencing Ongoing Gentrification” layer to show where gentrification is already occurring. This type includes census tracts at any income level where housing is affordable to moderate, mixed moderate, mixed high, or high income households that are experiencing increases in housing costs in the last five (5) years and show

TABLE 1: HOUSING & COVID VULNERABILITY INDEX WEIGHTING STRUCTURE

INDICATOR (ALL PERCENTAGES)	WEIGHT WITHIN SUBINDEX	WEIGHT WITHIN TOTAL INDEX
Housing Instability Risk		0.5
People living in poverty	0.2	0.1
Renters	0.2	0.1
Severely cost-burdened households	0.2	0.1
Severely overcrowded households	0.2	0.1
Unemployed people	0.2	0.1
COVID-19 Impact		0.1
Adults without health insurance	0.5	0.05
COVID-19 infection rate (by neighborhood)*	0.5	0.05
Equity		0.4
People of color	0.5	0.2
Households receiving public assistance	0.25	0.1
Linguistic isolation*	0.25	0.1

signs of gentrification in the last two (2) decades. For more information about these typologies, including definitions of income levels and gentrification and limitations to the data, please see Appendix I. More information on the Urban Displacement Project's methodology can be found at:

<https://www.urbandisplacement.org/maps/sf-bay-area-gentrification-and-displacement/>.

The Approved ERAP Application Index and the Housing & COVID Vulnerability Index are then combined to produce nine (9) descriptive typologies that are applied to each census tract in the City of Los Angeles (see Chart 1). For both indices, Very High is defined as the top 25th percentile, High is defined as between the 50th and 75th percentiles, and Low is the bottom 50th percentile of the range. The Gentrification Index is added as a contextualizing layer to

understand changes in market indicators that suggest ongoing or potential for gentrification. Comparing the three indices through the various typologies can be used to identify where to prioritize policy considerations to minimize displacement and provide additional resources to prevent homelessness.

CHART 1: NINE (9) TYPOLOGIES

	LOW APPROVAL	HIGH APPROVAL	VERY HIGH APPROVAL
VERY HIGH VULNERABILITY			
HIGH VULNERABILITY			
LOW VULNERABILITY			



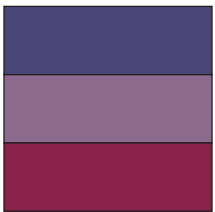
The *Very High Vulnerability - Low Approval* areas in bright red are of particular importance to this analysis. These are the areas where the Housing and COVID indicators point to the greatest need for rental assistance, but where application success is lowest.



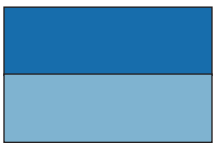
These areas, along with areas identified as *High Vulnerability - Low Approval* in pink, are areas with the greatest unmet need, and where the City ought to focus their outreach efforts and any additional support available when the local emergency tenant protections are lifted.



The *Very High Vulnerability - Very High Approval* areas in dark purple are neighborhoods where there is the highest Housing and COVID vulnerability and successfully submitted and received emergency financial assistance.



These, and the *High Vulnerability - Very High Approval* in deep lavender, the *High Vulnerability - High Approval* in light purple, and the *Very High Vulnerability - High Approval* in mauve are areas where the two ERAP programs most effectively met the need with assistance. However, these are still areas with high vulnerability and will still require additional support and outreach when the emergency tenant protections are lifted.



The *Low Vulnerability - Very High Approval* areas in bright blue and *Low Vulnerability - High Approval* areas in light blue indicate tracts where financial support was distributed to households in neighborhoods with the lowest rates of households living in poverty, overcrowding, unemployment, linguistic isolation, receiving public assistance among other housing and COVID indicators. This does not signify that households in those neighborhoods should not have received support; instead it suggests that qualifying households were more likely to have had their rental assistance needs met than those in other neighborhoods. Differences in internet access, language access or other barriers may account for these outcomes, and should be investigated further.



Finally, the *Low Vulnerability - Low Approval* areas in gray show tracts where the need for emergency assistance and aid provided were both low. These are neighborhoods where the vulnerability shows a lower need for assistance, and, as one would expect, fewer rental assistance applications were approved. Although these areas have lower vulnerability, there are still vulnerable households in this area. Therefore, if tenant protections are lifted, the vulnerable households in these neighborhoods should not be overlooked as they would benefit from increased awareness of available support.

RESULTS

ERAP APPLICATIONS

There were 208,599 total applications processed for this analysis that were submitted to either the Local Program or the Housing is Key Program. 229 applications were dropped due to incomplete geographic information. 58,202 applications were from the Local Program and 150,626 applications were from the Housing is Key Program (208,828 total applications). A breakdown of the applications by status can be seen in Table 2, and a complete list of how statuses have been grouped into each category can be found in Appendix II.

Of approved applications, the majority (33.00%) identified as Hispanic/Latinx, followed by Black/African American (21.65%) and White (19.36%); see Chart 2 for more details. To better understand how this compares to Angeleno residents who might need rental assistance, these values are compared to the race and ethnicity of the total population in the City of Los Angeles. A more precise comparison would examine the race and ethnicity of low income renter households, as the demographic characteristics of renters differs from the entire population, and the total population counts individual residents rather than households (only one application is allowed per household). However, the Census aggregates race and ethnicity separately for all but a few variables; the combined race and ethnicity breakdowns are available for the total population. Previous research about racial disparities in housing affordability from the University of Southern California Sol Price Center for Social Innovation provides added context for these shortcomings.

TABLE 2: APPLICATIONS CATEGORIZED BY STATUS

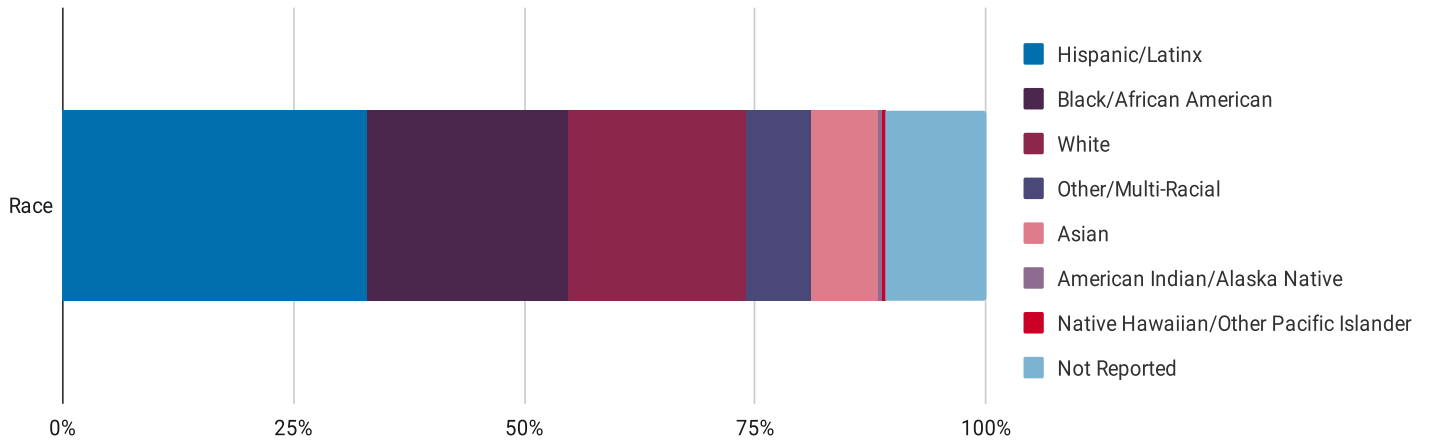
STATUS	TOTAL	PERCENT
Approved	106,068	50.85%
Not Approved		
Denied	32,143	15.41%
Ineligible	3,218	1.54%
Other	116	0.06%
Under Review	26,622	12.76%
Referred	40,432	19.38%
Total	208,599	100.00%

The comparison of the overall demographics in the City of Los Angeles to the ERAP program reveals the following. Blacks/African Americans makeup 8.43% of the overall racial and ethnic composition of residents within the City of Los Angeles, about 14% less than the rate of approved applications for Black/African American renters. Conversely, the Hispanic/Latinx population in the City of Los Angeles (48.07%) is about 15% higher than approved applications (33.00%) and the overall Asian population (11.60%) is about 4% higher than approved applications (7.28%). Los Angeles' White population makes up approximately 28.51% of the entire population; 19.36% of approved applications were awarded to White residents.

Research conducted by the University of Southern California Sol Price Center for Social Innovation in 2019 speaks to the precarious state of rental housing affordability prior to the COVID pandemic. It found that "White and Asian households were less likely to be rent-burdened than Latino and Black households,"² which suggests substantial need for the Black/African American and Hispanic/Latinx renters. This is reflected in the percentage

CHART 2: APPROVED APPLICANTS BY RACE AND ETHNICITY

Approved Applicants by Race and Ethnicity
Local LA ERAP & CA Housing is Key ERAP Combined, 2021-2022



of application and distribution of ERAP for Black/African American renters, larger than the overall population breakdown. However, rental assistance that was distributed to Hispanic/Latinx population falls below the overall population breakdown, suggesting greater unmet need for the Hispanic/Latinx population.

Overall, the distribution of rental assistance funds by race and ethnicity suggests varying results. Generally, the racial distribution of ERAP funds based on need aligns with prior housing research findings, with the exception of Hispanic/Latinx renters. Additional research and analysis is needed to understand racial disparities in ERAP and identify barriers that might have inhibited the completion of applications by renting

Angelenos in need of assistance. Statewide research completed by the The Housing Initiative at University of Pennsylvania found that lack of internet access, language barriers, difficulty providing documentation, among other challenges were potential reasons for more than 200,000 incomplete applications across the state.³

Of denied applications, 29.71% identified as Hispanic/Latinx, 22.36% White and 21.65% Black/African American. No race or ethnicity saw disparate rates of approvals to total applications submitted; all approval rates were between 45% and 52%.

The majority of approved applications (69.89%) had an income at or below 30% of the Area Median Income (AMI), or less

² Rosen, Jovanna, Sean Angst, Soledad De Gregorio, and Gary Painter. "Rent Burden: How Do Renters Cope with Unaffordability?," 2021. <https://socialinnovation.usc.edu/rent-burden/>.

³ Nelson, Katharine, Cypress Marrs, and Yihan Zhang. "California's COVID-19 Rent Relief Program Analysis of Applications, as of April 24, 2022," July 2022. <https://www.housinginitiative.org/californiarsquos-covid-19-rent-relief-program-july-2022-landing-page.html>.

than \$35,450 for a family of four,⁴ 19.66% of approved applicants had an income between 30-50% AMI (between \$35,451 and \$59,100 for a family of four) and 10.44% had an income between 50-80% AMI (between \$59,101 and \$94,600 for a family of four) - evidence that the two emergency rental assistance programs provided critical relief to extremely low income households across the City.

47.06% of approved applications were from one-person households, followed by 21.92% two-person households, 13.11% three-person households and 17.91% were four or more-person households. Compared to the overall renter household size composition in the City of Los Angeles, one-person households are overrepresented, with the actual rate being 35.26%. All other household sizes are underrepresented.

The dataset from the Housing is Key Program collected information on whether applicants received an eviction notice from their landlord. 42,733 applications reported receiving an eviction notice. It is unclear what type of eviction notice, or whether notices were received within the six-month timeframe that the HIK Program was open to City of Los Angeles renters (September 2021 - March 2022). It is important to note that the total number of applicants that indicated receipt of an eviction notice exceeds estimates of Unlawful Detainer filings in 2019 totalling 40,572 across the County of Los Angeles (12,766 were filed in the Stanley Mosk/Central Courthouse). In contrast,

13,796 and 12,646 Unlawful Detainers were filed in the County during the pandemic in 2020 and 2021, respectively. While the receipt of an eviction notice precedes the filing of an Unlawful Detainer, the large sum of eviction notices reported by HIK Program applicants that requested rental assistance is an estimate of evictions that could occur when tenant protections are lifted.

Furthermore, of the applications submitted to the Housing is Key Program in the City of Los Angeles, almost half (47.28%) of all applicants resided in an apartment complex with 11 or more units. 20.92% of applicants live in a single-family home, and 18.22% live in a smaller apartment complex with 10 or less units. Currently, many of the City's key tenant protections do not extend to renters who live in single-family homes, such as the Rent Stabilization Ordinance and just cause protection for rentals. However, research finds that around 11 percent of all renter households live in single family homes and Los Angeles is a high growth single-family renter (SFR) region. Single-family renter households house a disproportionate share of children living in poverty, may experience overcrowding conditions, and are vulnerable to harassment. Evidence suggests that "investment in SFRs in the context of underdeveloped tenant advocacy and protections may be contributing to rising home prices and higher rates of property mismanagement, abandonment, eviction, and displacement in lower income communities."⁵

⁴ Department of Housing and Community Development. "Revised State Income Limits for 2021." CA, 2021. <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/income-limits-2021.pdf>.

⁵ Deirdre Pfeiffer, Alex Schafran & Jake Wegmann (2021) Vulnerability and opportunity: making sense of the rise in single-family rentals in US neighborhoods, *Housing Studies*, 36:7, 1026-1046, DOI: 10.1080/02673037.2020.1739235

Refer to Appendix III for a complete list of application statuses by various demographics.

EMERGENCY RENTAL ASSISTANCE APPLICATIONS APPROVED BY HOUSING & COVID VULNERABILITY

In comparing the Approved ERAP Application Index scores and Housing & COVID Vulnerability Index, patterns of both met and unmet need emerge. Of all approved applications, 38.78% are categorized as Low Vulnerability, 28.95% are High Vulnerability, and 32.27% are Very High Vulnerability. Areas that have tenants that are at higher risk of housing insecurity and are highly impacted by the pandemic received about 10% less approved applications than in the more affluent areas. This signifies a gap in the programs' reach into high vulnerability areas across the City.

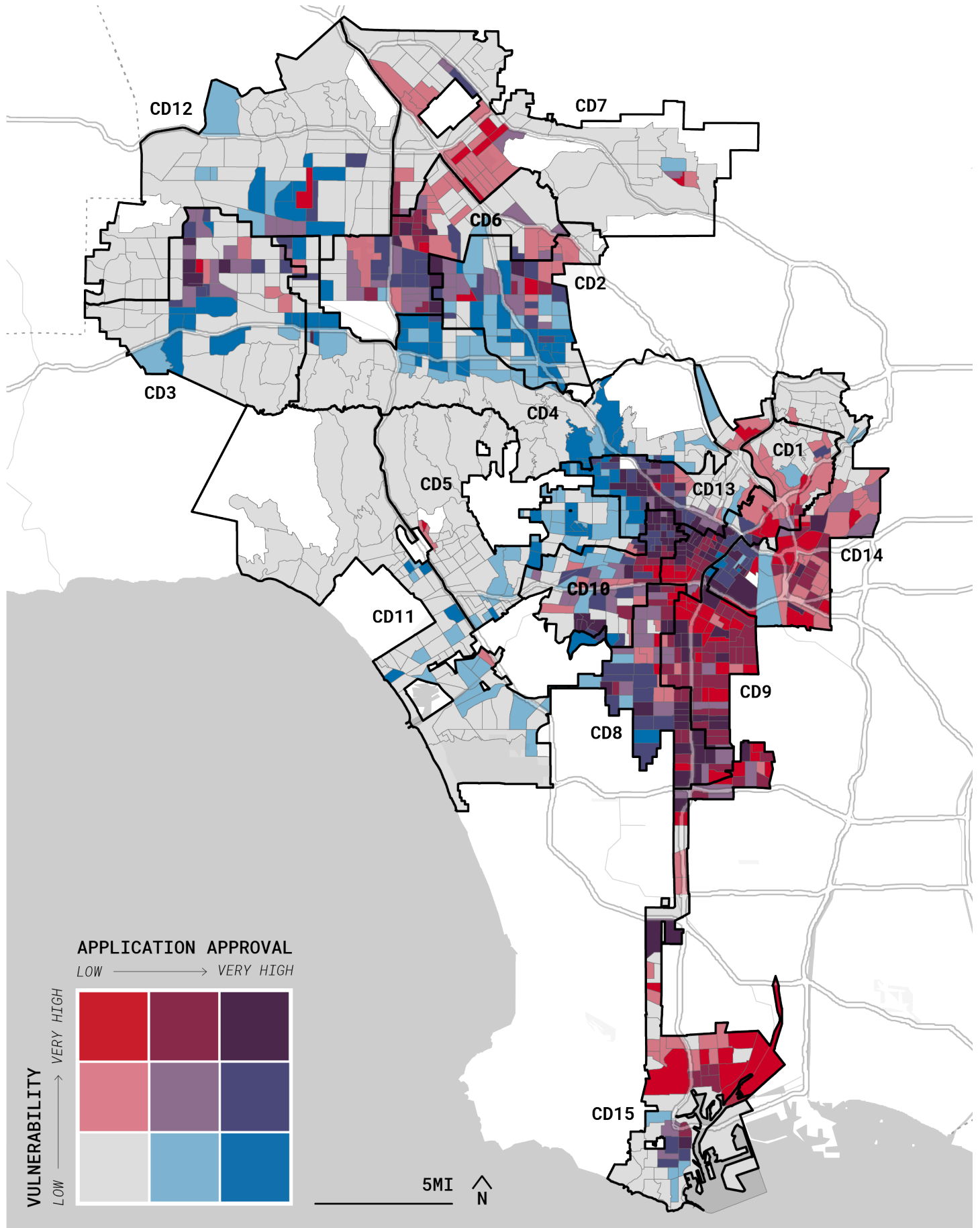
Map 1 shows the distribution of the nine (9) typologies across the City of Los Angeles, with an overlay of the Los Angeles City Council Districts (CD). As described in the Data and Methodology Section, the bright red and pink census tracts have the greatest unmet need and should be targeted for intervention through additional outreach, pre-eviction support, and financial resources. The dark purple, light purple, deep lavender, and mauve areas received support but are still highly vulnerable. Concentrations of these two indicator groupings are described below. The dark blue, light blue, and light gray have renters that are less vulnerable and more affluent, considered more housing secure and less impacted by COVID.

Areas with the greatest unmet rental assistance need and highest vulnerability in bright red and pink are concentrated in several areas highlighted in Map 2, including: (1) around East Los Angeles (CD 14), Downtown (CD 1), and South Los Angeles (CD 9); (2) in the South Bay area (CD 15); and (3) in the San Fernando Valley (CDs 2, 6, and 7).

- » CD 9 shows several areas with *Very High Vulnerability - Low Approval*, notably in the northwestern corner of the district in South Central Los Angeles and neighborhoods along the eastern boundary of the district bordering Vernon and Huntington Park. CD 1 shows some *Very High Vulnerability - Low Approval* areas near the shared border with CD 9 in the Downtown area abutting the 10 Freeway (Pico Union and West Adams), and several *High and Very High Vulnerability - Low Approval* areas in the Mt. Washington and Lincoln Heights neighborhoods. Several tracts in Boyle Heights and El Sereno in CD 14 are also categorized as *Very High Vulnerability - Low Approval*.
- » The northernmost arm of CD 15 in Watts, parts of the Harbor Gateway, Wilmington and Harbor City areas of the South Bay also have unmet rental assistance needs and would benefit from additional pre-eviction support.
- » Several neighborhoods in Pacoima (CD 7) have High and Very High Vulnerability - Low Applications. The Sun Valley area in CDs 2 and 6 and Panorama City are also *High Vulnerability - Low Approval*.

Neighborhoods which received a proportionate amount of approved rental assistance applications but are still considered highly vulnerable in the dark purple, light purple, deep lavender, and mauve concentrate in several areas, including (1) a concentration at the borders of CDs 1, 13, and 10, in the neighborhoods of Historic Filipinotown, Westlake, East Hollywood, Wilshire Center, Little Armenia, Melrose, and into Hollywood; and (2) in the San Fernando Valley at the border of CDs 2 and 6 in Van Nuys, as well as in parts of CD 3 in Canoga Park.

MAP 1: APPROVED RENTAL ASSISTANCE APPLICATIONS BY HOUSING & COVID VULNERABILITY
City of Los Angeles By Council District



GENTRIFICATION

Map 2 identifies three areas where the Emergency Rental Assistance Applications Approved By Housing & COVID Vulnerability Indices identify concentrations of High and Very High Vulnerability - Low Application census tracts in parts of East LA, Downtown, South LA, South Bay, and the San Fernando Valley, with an overlay of the Gentrification Index symbolized by the diagonal stripes and dots.



A large majority of the area categorized as High and Very High Vulnerability - Low Application is experiencing ongoing gentrification, or an increase in housing costs in the last five (5) years and shows signs of neighborhood change that signifies displacement of existing low income residents in the last two decades. The diagonal lines indicating ongoing gentrification run across almost all of CDs 8 and 9; large portions of CDs 1, 10, 13, and 14; and parts of CDs 2, 3, 6, 7, and 15. Where areas of ongoing gentrification overlap with the bright red census tracts where tenants are both very vulnerable and did not apply or receive assistance, the tenants are likely at high risk for displacement via eviction.


Adjacent to areas already experiencing gentrification, the dotted symbols on the map signifying areas that are at-risk of gentrification are located in parts of CDs 1, 8, 9, 14, and 15. While these areas are merely experiencing marginal increases in housing costs and/or are at risk due to being located near other gentrifying neighborhoods, tenants who live in an area in danger of gentrification also have a higher likelihood of receiving a notice to evict.

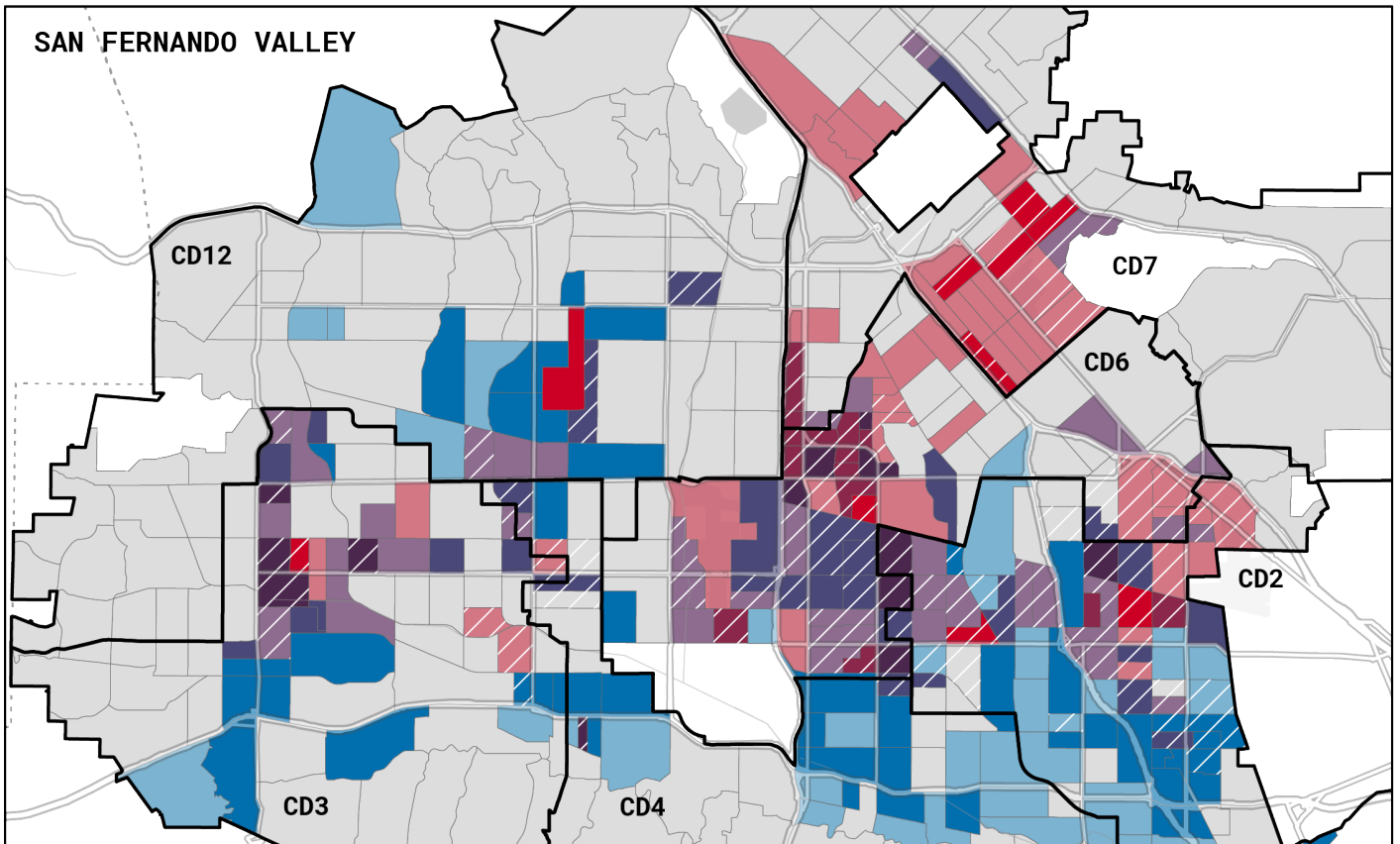
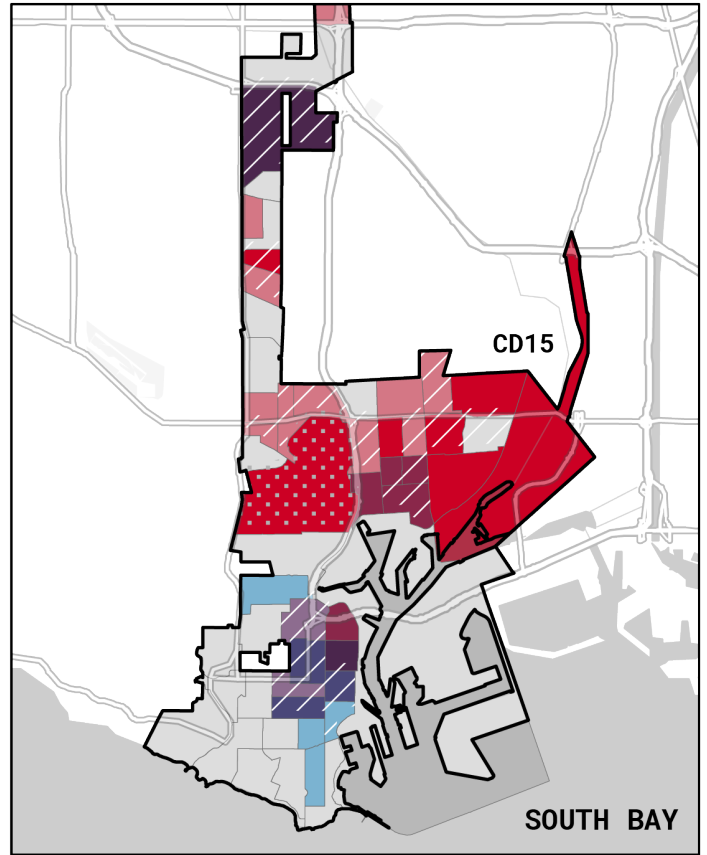
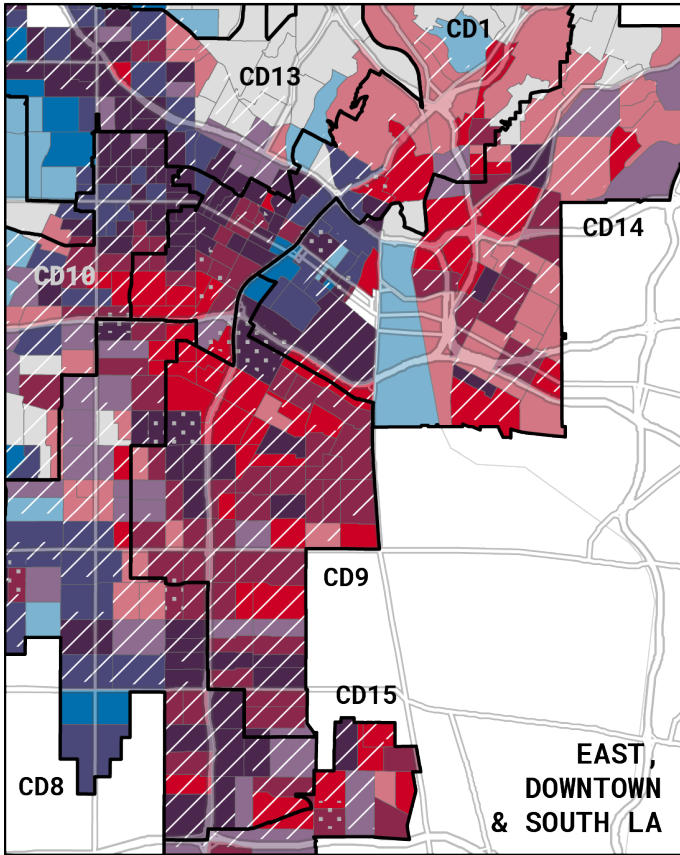
Map 1 Sources: ACS 5-Year Est (2016-2020); LA County Dept of Public Health; Los Angeles Housing Dept; CA Dept of Housing & Community Dev. Map created by Regina Joy Alcazar, July 2022.

Map 2 Sources: ACS 5-Year Est (2016-2020); LA County Dept of Public Health; Los Angeles Housing Dept; CA Dept of Housing & Community Dev. Map created by Regina Joy Alcazar, July 2022.

MAP 2: GENTRIFICATION IN THE CITY OF LOS ANGELES

-  EXPERIENCING ONGOING GENTRIFICATION
-  AT RISK OF GENTRIFICATION

5MI 



POLICY RECOMMENDATIONS

Additional tenant protections and pre-eviction support services should prioritize the City's most vulnerable residents who are at risk of displacement and who continue to be impacted by the ongoing pandemic. Based on the results of this analysis, merging the three indices provides an opportunity to identify where allocation of rental assistance was expected based on need, yet went unmet.

These areas are highlighted in Map 1, marked in bright red, where socioeconomic, housing and COVID indicators suggest the renter population has a very high vulnerability, and unfortunately saw low application approval and participation in ERAP. While the darker purple areas successfully received higher rates of rental assistance, these areas are still considered highly vulnerable to changes in the housing market, particularly in areas that are identified as experiencing or at risk of gentrification in Map 2.

Further study is needed to determine potential factors that yielded these preliminary results, including any challenges like language and technological barriers that might have hindered the High and *Very High Vulnerability - Low Approval* communities from applying to ERAP.

Per these initial results, the City could consider the following policies to help address the needs of these highly vulnerable renters:

- » Prioritize eviction prevention and defense resources, program outreach, translation and other access services, and other City resources in High and Very High Vulnerability - Low Application communities. Seek additional rental assistance to provide support in *High and Very High Vulnerability - Low Approval* communities.
- » Extend renter protections, including the Rent Stabilization Ordinance and Just Cause protections, to renters that live in single family homes.
- » Increase resources for the City's Eviction Defense Program to meet the outstanding need for pre-eviction services.
- » Require that landlords submit notices of terminations to LAHD within five (5) days of serving renters so that the City has better data to analyze actual eviction trends, adjust pre-eviction strategies with citywide eviction data, and most importantly, immediately connect renters to pre-eviction services.
- » Expand relocation assistance eligibility to tenants in non-Rent Stabilized units who are displaced due to excessive rent increases. Areas that are at-risk of or currently experiencing gentrification are anticipated to receive rent increases of up to 10%, amounts that rent burdened households would not be able to afford. Given that 56.23% of renter households are already rent burdened and 30.26% are severely rent burdened in the City of Los Angeles (2020 ACS 5-Year Estimates), the anticipated rent increases may trigger displacement. To help mitigate the threat of this displacement and prevent homelessness, the City should explore extending relocation assistance eligibility to households that are displaced by significant and out of reach rent increases.
- » To address gentrifying neighborhoods, the City should consider policies that limit evictions for failure to pay rent to those cases where the amount of rent owed is more than a de minimis amount of arrears (e.g. twice the amount of rent of an average monthly rental).

APPENDIX I: TYPOLOGIES

ANTICIPATED EVICTION RISK & OUTSTANDING RENTAL ASSISTANCE NEED INDICES

	Approved ERAP Applications	Housing & COVID-19 Vulnerability	Gentrification
Indicators	<p>Local LA City Rental Assistance Program (ERA1) All Approved Applications</p> <p>CA Housing is Key Rental Assistance Program (ERA2) All Approved Applications</p>	<p>Housing Instability Risk</p> <ul style="list-style-type: none"> » People living in poverty (ACS 2016-2020) » Renters (ACS 2016-2020) » Severely cost-burdened households (ACS 2016-2020) » Severely overcrowded households (ACS 2016-2020) » Unemployed people (ACS 2016-2020) <p>COVID-19 Impact</p> <ul style="list-style-type: none"> » Adults without health insurance (ACS 2016-2020) » COVID-19 infection rate by neighborhood* (LA County Department of Public Health) <p>Equity</p> <ul style="list-style-type: none"> » People of Color (ACS 2016-2020) » Households receiving public assistance (ACS 2016-2020) » Linguistic isolation* (ACS 2016-2020) 	<p>Housing Affordability by Income</p> <ul style="list-style-type: none"> » Tract Income Levels (Decennial Census 2000, 2010, & 2020; ACS 2011-2015 & 2016-2020) » Median Home Value (ACS 2011-2015 & 2016-2020, PUMS 2011-2015 & 2016-2020, Zillow 2014 & 2019) » Median Rent (ACS 2011-2015 & 2016-2020, PUMS 2011-2015 & 2016-2020, Zillow 2014 & 2019) <p>Gentrification or Nearby Gentrification</p> <ul style="list-style-type: none"> » Change in College Education Levels (Decennial Census 2000 & 2020; ACS 2006-2010) » Increases in mortgage or rent payments compared to regional median (ACS 2011-2015 & 2016-2020, PUMS 2011-2015 & 2016-2020, Zillow 2014 & 2019) » People of Color (Decennial Census 2000 & 2020; ACS 2006-2010)
Definition of Typologies	<p>Low Application Approval</p> <ul style="list-style-type: none"> » Bottom 50th percentile of approved applications <p>High Application Approval</p> <ul style="list-style-type: none"> » Between the 50th and 75th percentiles of approved applications <p>Very High Application Approval</p> <ul style="list-style-type: none"> » Approved applications above the 75th percentile 	<p>Low Vulnerability</p> <ul style="list-style-type: none"> » Bottom 50th percentile of vulnerability <p>High Vulnerability</p> <ul style="list-style-type: none"> » Vulnerability between the 50th and 75th percentiles <p>Very High Vulnerability</p> <ul style="list-style-type: none"> » Vulnerability above the 75th percentile 	<p>At Risk of Gentrification</p> <ul style="list-style-type: none"> » Low or mixed-low income tract in 2020 » Housing affordable to low or mixed-low income households 2020 » Didn't gentrify 2000-2010 OR 2010-2020 » Marginal change in housing costs OR Zillow home or rental value increases in the 90th percentile between 2015-2020 » Local and nearby increases in rent were greater than the regional median between 2015-2020 OR the 2020 rent gap is greater than the regional median rent gap <p>Ongoing Gentrification</p> <ul style="list-style-type: none"> » Housing affordable to moderate, mixed moderate, mixed high, or high income households in 2020 » Increase or rapid increase in housing costs OR above regional median change in Zillow home or rental values between 2015-2020 » Gentrified in 2000-2010 or 2010-2020 » Marginal change, increase, or rapid increase in housing costs

** Two indicators were added to the Housing & COVID-19 Vulnerability Index to improve the measurement using local, timely COVID-19 data, and to identify communities that are more likely to experience challenges when accessing services with linguistic isolation (replacing the indicator for people born outside the United States). They are both weighted equally within their corresponding subindices. In addition, two indicators were removed from the Housing & COVID-19 Vulnerability Index due to outdated and insufficient data, including low-income jobs lost to COVID-19, a dataset created by the Urban Institute, and low-income renter households, from HUD's Comprehensive Housing Affordability Strategy (CHAS) dataset.*

TABLE A1: GENTRIFICATION INDEX INCOME CLASSIFICATION THRESHOLDS

Income Level Classification Thresholds by AMI		
Income Level Classification	AMI	% Households
Predominantly Low	< 80%	> 55%
Mixed-Low	< 80%	< 55%
Predominantly Moderate	80 - 120%	> 55%
Mixed-Moderate	80 - 120%	< 55%
Predominantly High	> 120%	> 55%
Mixed-High	> 120%	< 55%

DEFINITION OF GENTRIFICATION INDEX INCOME CLASSIFICATION

Low, Moderate, and High Income categories are percentages of Los Angeles County Area Median Income (AMI). However, because neighborhood income levels are not homogenous within neighborhoods, the classifications account for nuance in mixed-income areas. Census tracts with 55% or more of the population within a given income category are defined as predominantly low, moderate, or high-income while those lacking a predominant income category were classified as “mixed” and then identified as low, moderate, or high-income mixed tracts according to the greatest median household income category. All income classifications are described in Table A1. For more information, see the Urban Displacement Project’s Displacement, Gentrification, and Exclusion Typologies (2020) at:

https://www.urbandisplacement.org/wp-content/uploads/2021/07/udp_replication_project_methodology_10.16.2020-converted.pdf

DEFINITION OF GENTRIFICATION

As classified within the Urban Displacement Project's Displacement, Gentrification, and Exclusion Typologies (2020), a tract gentrified from 2000-2010 or 2010-2020 if the following criteria were met:

1. The tract was vulnerable to gentrification in the base year (2000 for gentrification between 2000 and 2010, or 2010 for gentrification between 2010 and 2020). Vulnerability is defined as tracts with:
 2. Below regional median housing values or rents
 3. Two or more of the following criteria is met:
 - » Above regional median percent of population that is low income
 - » Above regional median percent of population that is non-white
 - » Above regional median percent of population that rents
 - » Below regional median percent of the population that is college educated
 4. The tract experienced an above regional median change in percent college educated population
 5. The tract experienced an above regional median percent change in median income
 6. The tract experienced above regional median percent change in housing values or rents
 7. For non-urban tracts: tract experienced an above regional median loss in low income households (absolute loss). Non-urban tracts are those with < 3,000 people per square mile.

DATA LIMITATIONS & CONSIDERATIONS

It is important to note limitations to the data informing this analysis:

1. This analysis utilizes methodologies from the Urban Institute and the Urban Displacement Project to design a model that can be used as a proxy for identifying areas with housing insecurity and eviction risk due to the lack of available citywide eviction data.
2. The United States Census Bureau changes geographic boundaries as the population changes, which causes analyzing changes over large periods of time, as in the Gentrification Index, to be slightly imprecise. Geographic boundaries changed in 2000, 2010, and 2020; data for the Gentrification Index were reallocated according to area in the Census Bureau's published census tract relationship files and Logan, Xu, and Stults' interpolation methods (2012), which can be found here: <https://s4.ad.brown.edu/projects/diversity/researcher/LTBDDload/DataList.aspx>.
3. Data used to quantify the impact of ERAP application and rental assistance distributed across the city, includes both the City's Local Program and the State's Housing is Key Program (see page 2 for more information). Data from both programs are combined in this analysis, and used to design typologies that categorize census tracts by approved applications and housing vulnerability. Some residents were referred to the State's Housing is Key Program after applying for the Local Program if their application was not approved due to limited funds. While it is possible that a household could have applied for both programs, this analysis uses the unique number of applications in order to account for the complete extent for the demand and need for rental assistance while the programs were available to COVID-impacted, low income households.

APPENDIX II: APPLICATION STATUSES CATEGORIZED

APPROVED	Total	Percent
<i>Housing is Key Program</i>		
Paid	64,029	60.30%
Recertification Under Review	4,832	4.55%
Recert - Pending Applicant Information	3,328	3.13%
Approved: Pending Payment	3,190	3.00%
Recertification Submit to QC	2,963	2.79%
Recert: Pending Landlord Information	2,554	2.41%
Recertification Approved	2,130	2.01%
Recertification Submitted	1,926	1.81%
Utilities Approved: Pending Payment	1,724	1.62%
Paid: Ineligible for AFR	999	0.94%
Recertification Utilities Only	485	0.46%
Recert - Pending Proof of Ownership	116	0.11%
Paid - AFR in Progress	103	0.10%
Recertification Non-Responsive - Tenant	58	0.05%
Recertification Non-Responsive - Landlord	44	0.04%
Resubmitted to Recertification Submit to QC	2	0.00%
Resubmitted to Recertification Under Review	1	0.00%
<i>Local Program</i>		
Closed Landlord Paid	15,659	14.75%
Closed Tenant Paid	2,035	1.92%
TOTAL	106,178	100.00%

DENIED	TOTAL	PERCENT
<i>Housing is Key Program</i>		
Denied	29,233	90.82%
Appeal Submitted	2,675	8.31%
Non-Responsive	281	0.87%
TOTAL	32,189	100.00%
REVIEW (PENDING / UNDER REVIEW)		
<i>Housing is Key Program</i>		
Application Under Final QC Review	11,410	42.83%
Utilities Pending Applicant	6,152	23.09%
Application Under Final Review	4,775	17.92%
CM Review in Progress	3,118	11.70%
Utilities Submit to QC	356	1.34%
Submitted to QC Review	346	1.30%
QC Returned for Corrections	272	1.02%
QC Under Review	92	0.35%
Resubmitted to QC	76	0.29%
Utilities: Pending Data Verification	19	0.07%
Returned for Corrections	13	0.05%
Utilities QC Review	11	0.04%
TOTAL	26,640	100.00%

INELIGIBLE	TOTAL	PERCENT
<i>Housing is Key Program</i>		
Pre-denial	2,191	67.96%
Flagged – Program Evaluation	740	22.95%
Recapture	293	9.09%
TOTAL	3,224	100.00%

REFER	TOTAL	PERCENT
<i>Local Program</i>		
Referred to apply to Housing Is Key	40,480	100.00%

OTHER	TOTAL	PERCENT
<i>Housing is Key Program</i>		
Referred to External Resources	70	59.83%
Duplicate	8	6.84%
Withdrawn	6	5.13%
Denied -Option B	5	4.27%
<i>Local Program</i>		
Closed	28	23.93%
TOTAL	117	100.00%

APPENDIX III: APPLICATION STATUSES BY DEMOGRAPHICS

APPLICATIONS FROM BOTH LOCAL AND HOUSING IS KEY PROGRAMS:

The following are summary tables of responses and application outcomes from both the Local Los Angeles ERAP and the State Housing is Key Programs. It is important to note that all application questions were voluntary.

STATUS	TOTAL	PERCENT
Approved	106,068	50.85%
Denied	32,143	15.41%
Review	26,622	12.76%
Refer	40,432	19.38%
Ineligible	3,218	1.54%
Other	116	0.06%
Total	208,599	100.00%

RACE & ETHNICITY	APPROVED	DENIED	INELIGIBLE	OTHER	REFER	UNDER REVIEW	CITYWIDE POPULATION (ACTUAL)
American Indian/ Alaska Native	373	169	16	0	82	132	6,037
Asian	7,722	1,909	247	8	4,110	947	460,730
Black/African American	22,962	6,958	704	24	6,848	6,462	334,969
Hispanic/Latinx	35,004	9,550	889	37	14,704	6,732	1,909,808
Native Hawaiian/ Pacific Islander	410	125	17	2	157	84	4,938
Other/Multi-Racial	7,463	1,560	166	13	5,779	1,287	124,190
White	20,535	7,188	748	16	8,562	6,890	1,132,606
Not Reported	11,599	4,684	431	16	190	4,088	-
Total	106,068	32,143	3,218	116	40,432	26,622	3,973,278
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

ETHNICITY	APPROVED	DENIED	INELIGIBLE	OTHER	REFER	UNDER REVIEW	CITYWIDE RENTERS (ACTUAL)							
Hispanic/Latinx	35,866	36.92%	9,550	33.47%	889	31.11%	40	38.46%	16,392	40.54%	6,732	28.73%	360,207	40.74%
Non-Hispanic/Latinx	52,608	54.16%	16,193	56.75%	1,702	59.55%	51	49.04%	20,691	51.17%	14,470	61.76%	523,969	59.26%
Declined to Answer	8,012	8.25%	2,792	9.78%	267	9.34%	10	9.62%	1,930	4.77%	2,226	9.50%		
Unknown	649	0.67%	0	0.00%	0	0.00%	3	2.88%	1,419	3.51%	0	0.00%		
Total	97,135	100.00%	28,535	100.00%	2,858	100.00%	104	100.00%	40,432	100.00%	23,428	100.00%	884,176	100.00%

RACE & ETHNICITY	APPLICATION APPROVAL RATE
American Indian/Alaska Native	48.32%
Asian	51.68%
Black/African American	52.24%
Hispanic/Latinx	52.31%
Native Hawaiian/Pacific Islander	51.57%
Other/Multi-Racial	45.88%
White	46.74%
Not Reported	55.21%
Total	50.85%

AMI (ROUNDED)	APPROVED	DENIED	INELIGIBLE	OTHER	REFER	UNDER REVIEW						
30% AMI	74,128	69.89%	21,554	67.06%	1,930	59.98%	92	79.31%	3,994	58.61%	17,680	66.41%
50% AMI	20,858	19.66%	5,697	17.72%	722	22.44%	12	10.34%	2,438	35.78%	5,347	20.08%
80% AMI	11,075	10.44%	3,299	10.26%	447	13.89%	7	6.03%	382	5.61%	3,321	12.47%
Over	7	0.01%	1,593	4.96%	119	3.70%	5	4.31%	0	0.00%	274	1.03%
Total	106,068	100.00%	32,143	100.00%	3,218	100.00%	116	100.00%	6,814	100.00%	26,622	100.00%

HOUSEHOLD SIZE	APPROVED	DENIED	INELIGIBLE	OTHER	REFER	UNDER REVIEW	CITYWIDE RENTERS (ACTUAL)
1	49,911 47.06%	18,196 56.62%	1,796 55.83%	74 63.79%	15,578 38.72%	16,077 60.39%	311,729 35.26%
2	23,244 21.92%	5,873 18.27%	654 20.33%	19 16.38%	9,327 23.18%	4,278 16.07%	246,949 27.93%
3	13,908 13.11%	3,520 10.95%	337 10.48%	4 3.45%	6,145 15.27%	2,639 9.91%	125,877 14.24%
4+	18,994 17.91%	4,549 14.15%	430 13.37%	19 16.38%	9,185 22.83%	3,628 13.63%	199,621 22.58%
Total	106,057 100.00%	32,138 100.00%	3,217 100.00%	116 100.00%	40,235 100.00%	26,622 100.00%	884,176 100.00%

APPLICATIONS FROM HOUSING IS KEY PROGRAM ONLY:

The following are summary tables of responses from only the State Housing is Key Program; these questions were not included in the Local ERAP application.

RECEIVED NOTICE	TOTAL	PERCENT
No	107,893	71.63%
Yes	42,733	28.37%
Total	150,626	100.00%

PROPERTY	TOTAL	PERCENT
Apartment Complex (11-50 units)	37,583	24.95%
Apartment Complex (50+ units)	33,637	22.33%
Single-Family Home	31,506	20.92%
Apartment Complex (0-10 units)	27,440	18.22%
Duplex/Townhome	10,889	7.23%
Bedroom in an apartment or home	5,376	3.57%
Other	1,348	0.89%
Garage Conversion	860	0.57%
Accessory Dwelling Unit (Granny Flat)	607	0.40%
Hotel/Motel Unit	464	0.31%
I no longer live at the unit where I am requesting assistance	425	0.28%
Mobile Home	262	0.17%
Unhoused or Currently Homeless	148	0.10%
Motor Home	80	0.05%
Total	150,625	100.00%

ABOUT THE HOUSING SOLUTIONS TEAM

The mission of the Housing Solutions Team (HST) is to catalyze affordable and supportive housing development and to help address the growing number of families falling into homelessness through evictions and/or other displacement pressures in the City of Los Angeles through central hub in the Mayor's Office. This work is accomplished by streamlining and expediting the development process through changes in policies and procedures within multiple City Departments, by creating innovative financing and construction methods, and through local land use plans and initiatives that result in greater density, affordable housing production, as well as the preservation of existing affordable housing.

ACKNOWLEDGMENTS

This analysis was completed by Sr. Housing Policy Analyst, Regina Joy Alcazar, and Housing Policy Analyst, Tiffany Green, with guidance from the Mayor's Office of City Homelessness Initiatives (MOCHI) Deputy Mayor Jose "Che" Ramirez and Chief Housing Officer Claudia Monterrosa, and assistance from MOCHI's Housing Security Director Greg Spiegel, and Performance and Data Analyst, Sandra Zavala.



To: Los Angeles Housing Department

From: Keep LA Housed Coalition

Re: Recommendations for LA City Emergency Tenant Protections (CF 21-0042-S3)

Date: July 15, 2022

The COVID-19 pandemic exacerbated the crisis Los Angeles renters have been experiencing for years. Local emergency eviction protections have staved off the worst consequences of the pandemic and economic crisis for low-income tenants, but these communities have not yet recovered. Household finances have not recovered for those at the lowest incomes, and tenants are still waiting for emergency rental assistance. Low-income communities are still at risk of COVID-19, with thousands of residents under quarantine or isolation orders each day. The most recent surge has driven up hospitalizations and pushed the LA County COVID-19 community level into the “high” category.¹ Many lives have been lost because of the virus, including primary breadwinners and care providers. Recovery for these families will be long and difficult.

On June 24, 2022, the City Council approved a motion instructing the Housing Department, with the assistance of the City Attorney, to report back in 30 days on recommendations and possible amendments to the City of LA’s eviction moratorium.² The motion, as amended, requires the Housing Department to conduct outreach with tenants during the development of the report, as well as include in the report a phased-in timeline that allows for adequate outreach to tenants and aligns with state policies. Very importantly, the motion also requires the Housing Department to report back on existing protections for tenants, gaps in those protections, and options to address those gaps, including the expansion and strengthening of just cause protections. The County Board of Supervisors is also reviewing options to strengthen post-pandemic permanent tenant protections.³

Emergency eviction protections have kept tens of thousands of Angelenos in their homes during the pandemic, and should remain in place while COVID-19 continues to impact our communities. At the same time, we acknowledge that the City must be prepared for an eventual

¹ Money, L. & Lin II, R., *L.A. County on verge of indoor mask mandate as deaths, hospitalizations rise*, L.A. Times (July 14, 2022),

<https://www.latimes.com/california/story/2022-07-14/l-a-county-on-track-for-new-indoor-covid-mask-mandate>

² Los Angeles City Clerk, *Emergency Rental Assistance Program (ERAP) / Waitlist / Eviction Moratorium / May 2023 Rental Repayment / COVID-19 Pandemic*, Council File: 21-0042-S3 (June 28, 2022),

<https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=cfi.viewrecord&cfnumber=21-0042-S3>.

³ Board of Supervisors of the County of Los Angeles, *Statement of Proceedings*, item 5, pg. 11 (Jan. 25, 2022), http://file.lacounty.gov/SDSInter/bos/sop/1119222_012522.pdf.

end to the state of emergency. But phasing out emergency protections should not mean a return to a pre-pandemic world where tens of thousands of low-income tenants faced eviction each year, paid an unsustainable amount of income to rent, and perpetually lived on the brink of homelessness. These issues disproportionately affect tenants of color, contributing to a widening racial wealth gap. We must recognize that the status quo prior to the pandemic was not acceptable and use the lessons from this crisis to build a more just, healthy, and equitable Los Angeles.

The Keep LA Housed coalition⁴ makes the following recommendations to strengthen permanent tenant protections in the City of Los Angeles. These recommendations are consistent with and stem from our demand for a countywide Tenant Bill of Rights for all tenants in Los Angeles County.⁵ While some of these components of the Tenant Bill of Rights are already in place in the city, the City should strengthen existing policies and programs and adopt the following additional policies:

- ✓ Expand just cause eviction protections to cover all tenants and require landlords to file eviction notices with the City.
- ✓ Enact permanent limits on evictions for failure to pay rent.
- ✓ Reduce allowable rent increases allowed under the Rent Stabilization Ordinance.
- ✓ Require relocation assistance for non-RSO tenants displaced by large rent increases.
- ✓ Enforce the City’s Tenant Anti-Harassment Ordinance.
- ✓ Adopt a codified right to counsel for low-income tenants at risk of eviction with fully funded tenant outreach and education resources.
- ✓ Strengthen code enforcement programs.
- ✓ Adopt the Fair Access for Renters package to remove discriminatory barriers to housing.

I. Emergency eviction protections have reduced evictions without causing undue hardship for landlords.

Before state, local, and federal governments adopted emergency eviction protections in response to the COVID-19 pandemic, eviction lawsuits were distressingly common. Data shows that since 2010 there has been an average of 171,733 evictions filed annually in California. Los Angeles County accounts for approximately one third of those filings. In 2019, landlords filed

⁴ Keep LA Housed is a coalition of tenants, tenant rights advocates, public interest lawyers, and community based organizations with the goal of eliminating rent debt, eviction, and other harmful consequences of rent debt accrued during the COVID-19 pandemic in the City and County of Los Angeles. For a list of the steering committee organizations and endorsing organizations, see <https://www.keeplahoused.org/coalition>.

⁵ Keep LA Housed, *We’re Not Going Back: Recommendations for Countywide Post-Pandemic Tenant Protections in Los Angeles* (May 10, 2022), https://www.keeplahoused.org/s/KLAH-Report_Not-Going-Back-xrbj.pdf.

40,572 evictions against tenants in Los Angeles County.⁶ Based on analysis of formal filing rates versus informal evictions, it is likely that several times as many renter households faced eviction through informal processes.⁷ During the pandemic, emergency protections limited evictions for failure to pay and on no-fault grounds, dramatically reducing the number of evictions filed. In Los Angeles County, **the number of evictions filed decreased by 67%.**⁸

The emergency protections during the pandemic, while imperfect, have proven effective at reducing evictions and have not caused significant long-term hardship for landlords. According to analysis by JP Morgan Chase, landlords across the country recovered short term rental revenue losses by mid 2020 and, overall, experienced higher cash flows during the pandemic years than years prior.⁹ Moreover, in Los Angeles County, landlords experiencing financial hardship due to the pandemic could receive partial property tax deferment; mortgage and rent relief; and access to foreclosure prevention, dispute resolution, small claims, and real estate fraud assistance.¹⁰ And residential property values have increased substantially during the pandemic, adding to the wealth of many landlords.¹¹

The reduction in evictions during the pandemic—despite unprecedented economic and public health impacts on low-income communities—was accomplished through several interrelated local, state and federal policies. These include emergency eviction protections largely prohibiting “no-fault” evictions and evictions for failure to pay for tenants impacted by COVID-19; converting some financial obligations of tenants to consumer debt; preventing the issuance of summonses for eviction cases by the courts; strengthening anti-harassment measures; placing limits on rent increases; and expanding tenant education, legal services, outreach and emergency rental assistance. Elected leaders at all levels of government recognized the need to prevent evictions during the pandemic and local, state, and federal restrictions on evictions for failure to pay were enacted.¹² There was a broad recognition that tenants who could not pay rent

⁶ Los Angeles Superior Court data collected and maintained by Kyle Nelson for LA Renters’ Right to Counsel Coalition.

⁷ Utilizing Mathew Desmond’s analysis of evictions at the Eviction Lab, we assume for every formal eviction there are five informal evictions. Gromis, A., & Desmond, M., *Estimating the Prevalence of Eviction in the United States: New Data from the 2017 American Housing Survey* (2021) *Cityscape*, 23(2), 279–290.

⁸ *Supra*, note 5.

⁹ Demsas, J., *The landlords are (largely) all right*, Vox (Nov. 4, 2021),

<https://www.vox.com/2021/11/4/22759224/landlords-rent-relief-eviction-moratorium-cash-balance-covid-19>.

¹⁰ Los Angeles County Treasurer and Tax Collector, *BOARD MOTION JANUARY 25, 2022, AGENDA ITEM NO. 5 – REPORT BACK – PROPERTY TAX PAYMENT FORGIVENESS* (Feb. 8, 2022),

<http://file.lacounty.gov/SDSInter/bos/supdocs/165821.pdf> (summarizing property tax deferment options and other resources for landlords).

¹¹ See S&P Dow Jones Indices LLC, S&P/Case-Shiller CA-Los Angeles Home Price Index [LXXRSA], Federal Reserve Economic Data, Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/LXXRSA>, [retrieved July 11, 2022].

¹² See, e.g., Coronavirus Aid, Relief, and Economic Security (“CARES”) Act (15 U.S.C.A. § 9058), H.R.748, 116th Cong. § 4024 (2020); Temporary Halt in Residential Evictions To Prevent the Further Spread of COVID-19, 85 Fed. Reg. 55292 (Sept. 4, 2020) (extended by Pub. L. 116-260, § 502 (Dec. 27, 2020), extended by 86 Fed. Reg. 8020 (Feb. 3, 2021), extended by 86 Fed. Reg. 16731 (April 1, 2021), invalidated by *Alabama Association of Realtors v. Department of Health and Human Services*, 21A23 (Aug. 26, 2021)) (“CDC Eviction Moratorium”); Cal. Rules of

because they became ill, or lost income due to necessary public health measures, should not be evicted. While these measures were far from perfect, and many tenants were subjected to unnecessary uncertainty and hardship due to the lack of a total ban on evictions or equitable measures to completely resolve rent debt, these emergency measures did effectively reduce the number of evictions and meaningfully prevent homelessness for renters.¹³ In states that did not adopt restrictions on eviction for failure to pay, the majority of non-payment evictions were for relatively small amounts of money. In one study, in all jurisdictions examined, the majority of cases filed during the pandemic were for less than \$1,643.¹⁴

When the City’s emergency protections expire, low-income tenants that experience illness or sudden loss of income due to COVID-19—or any other reason—will be at risk of eviction if they cannot pay their rent in full and on time. Even two years into the pandemic, low-income tenants continue to struggle to pay rent. As of April, 2022, 12% of renter households in the Los Angeles Metropolitan Area were “not at all confident” that they could pay their next month’s rent on time.¹⁵ Evictions fuel the homelessness crisis; as we house and shelter people experiencing homelessness, others continue to replace them. The Los Angeles County homelessness count continues to rise and over half of those surveyed experiencing homelessness for the first time report financial crisis as the cause.¹⁶ The City should build upon the precedent set by pandemic-related tenant protections and ensure we never go back to a status quo where temporary illness or income disruption leads one to lose their home and possibly experience homelessness. Adopting a Tenant Bill of Rights for LA City tenants is a step toward mitigating those harms and addressing underlying structural racism in the housing market, and should be a cornerstone of the City’s recovery actions.

Court, Emergency Rule 1 (adopted April 6, 2020, rescinded Sept. 1, 2020); Cal. Assem. Bill 3088 (2021-2022 Reg. Sess.) Sept. 1, 2020; Cal. Sen. Bill 91 (2021-2022 Reg. Sess.) Jan. 29, 2021; Cal. Assem. Bill 832 (2021-2022 Reg. Sess.) June 28, 2021; Cal. Assem. Bill 2179 (2021-2022 Reg. Sess.) March 31, 2022; Los Angeles Mun. Code § 44.99 et seq. (Temporary Protection of Tenants During COVID-19 Pandemic); Resolution of the Board of Supervisors of the County of Los Angeles Further Amending and Restating the County of Los Angeles COVID-19 Tenant Protections Resolution (Jan. 25, 2022).

¹³ Despite the emergency protections, a significant number of eviction cases were filed and tenants were evicted during the pandemic. For example, 24,699 evictions were filed between March 2020 and March 2022. While most evictions do not require a sheriff lockout, there were nonetheless 13,780 lockouts between March 2020 and September 2021, according to Los Angeles Sheriff’s Department data. Los Angeles Superior Court and Los Angeles Sheriff’s Department Lockout Data (2021) collected and maintained by Kyle Nelson for LA Renters’ Right to Counsel Coalition.

¹⁴ Louis, R., Durana, A., & Hepburn, P., *Preliminary Analysis: Eviction Claim Amounts During the COVID-19 Pandemic*, Eviction Lab (Aug. 27, 2020), <https://evictionlab.org/covid-eviction-claims/>.

¹⁵ U.S. Census Bureau, *Household Pulse Survey, Week 44* (Mar. 30, 2022 - Apr. 11, 2022), tbl. 2b, Los Angeles-Long Beach-Anaheim, CA Metropolitan Area, https://www2.census.gov/programs-surveys/demo/tables/hhp/2022/wk44/housing2b_week44.xlsx.

¹⁶ Los Angeles County Homeless Services Authority, *2020 Greater Los Angeles Homeless Count Results* (Sept. 3, 2020), <https://www.lahsa.org/news?article=726-2020-greater-los-angeles-homeless-count-results&ref=hc>.

II. The City should maintain the Local Emergency Period and its emergency tenant protections while COVID-19 continues to impact our community and until stronger permanent protections are adopted.

While everyone is anxious for the world to get back to normal, the City must not abruptly end its life saving protections. Prematurely lifting protections will displace many workers from the region, harming these families and the businesses that rely on them, and undermining our economic recovery. The City should continue to maintain its emergency protections so long as COVID-19 continues to pose a significant public health risk and cause widespread disruptions. As case rates remain high, and ongoing disruptions to businesses, schools, and childcare appear likely, the City's emergency eviction protections will remain an important tool to stabilize households during the ongoing pandemic. Our pandemic recovery is not equitable and ensuring that vulnerable tenants continue to be protected from predatory and speculative forces should remain a priority. Furthermore, while we recognize that some small landlords are struggling to keep up with their costs, the solution should be to provide additional relief to keep them afloat, not to let them evict struggling tenants and further exacerbate our housing and homelessness crisis.

Nearly all COVID-19 eviction protections in state law have expired, leaving only local protections standing between vulnerable tenants and the severe disruptions caused by eviction and displacement. These protections should not be lifted abruptly or prematurely. And the City should strengthen its permanent protections before eventually ending its emergency protections. Nothing in state law requires the City to end its emergency protections by a specific date.¹⁷

In addition to strengthening the City's permanent protections as outlined below, the City should also "grandfather in" occupants and pets currently protected by the emergency measures and allow them to continue in their live units without a risk of eviction. Two years into the pandemic, it does not make sense to rip families apart, especially ones who have settled into safe and stable living conditions.¹⁸

¹⁷ Cal. Code of Civ. Proc. § 1179.05 partially preempts local COVID-19 eviction protections, but the preemptive effect on the City's protections is very narrow. Under § 1179.05(a)(2)(B), the 12-month repayment period in LAMC § 44.99.2(A) for "COVID-19 rental debt" must begin on August 1, 2022. "COVID-19 rental debt" is a defined term in state law that only includes rent that was due between March 1, 2020 and September 30, 2021. The City is not preempted from allowing a 12-month repayment period for rent debt accrued after September 30, 2021. For example, if the City keeps its emergency nonpayment protections in place through the end of 2022, rent that came due after Sep. 30, 2021 would not need to be repaid until the end of 2023 under the City's 12-month repayment period. State law only requires that rent debt accrued between March 1, 2020 and September 30, 2021 be repaid by August 2023.

¹⁸ Furthermore, the City should adopt permanent protections in rental housing to help keep pets and people together, such as prohibiting pet rent and enacting reasonable rules to allow tenants to have pets. The City has recognized the need to protect tenants with pets by adopting policies to allow pet ownership in publicly financed buildings. L.A. Mun. Code § 51.20 et seq.

III. The City should strengthen its permanent protections before emergency protections are lifted.

Before the emergency protections are scaled back, the City should adopt permanent measures as part of a Tenant Bill of Rights for LA City tenants, protecting tenants from arbitrary eviction, harassment, discrimination, and unreasonable rent increases. We must recognize that the status quo prior to the pandemic was not acceptable and use the lessons from this crisis to build a more just, healthy, and sustainable city for low-income tenants.

A. Expand just-cause eviction protections to cover all tenants and require landlords to file eviction notices with the City.

All tenants deserve the basic guarantee of just cause eviction protections. Without just cause eviction protections, tenants can be evicted for unfair or arbitrary reasons, or for no reason at all. The City’s Rent Stabilization Ordinance (LARSO) provides just cause eviction protections for tenants that live in rent stabilized units.¹⁹ When the City’s emergency eviction protections expire, the approximately 650,000 tenants that do not live in rent stabilized units²⁰ will not be covered by any local just cause protection. Before the emergency measures are lifted, the City should expand the eviction protections in its rent stabilization ordinance to apply to all tenants, and strengthen those protections as discussed below.

The City Council has adopted a motion to explore expanding the just cause protections in LARSO to cover additional units, but the recommendations in the initial report on this motion did not go far enough and would leave thousands of tenants vulnerable to eviction.²¹ The January 2020 recommendations would needlessly leave out tens of thousands of tenants living in single family homes not owned by corporations, REITs, or LLCs with a corporation or REIT member. And the tenants in single family homes that would nominally be covered by the protections would need to determine the ownership structure of the entity that owns the property where they live. In many cases, the membership of an LLC is not public information. For equal protection and ease of implementation and enforcement, we urge the City to apply just cause protections to all rental units.

Further, to ensure the requirement for just cause and other City eviction protections are meaningful and can be properly enforced, the City should require landlords to submit copies of

¹⁹ L.A. Mun. Code § 151.09.
²⁰ Estimate based on American Community Survey 2019 5-year data for tenant household size and number of rental units, and vacancy rate, and LAHD data on number of rental units covered by LARSO. See U.S. Census Bureau, *American Community Survey*, tbl. B25003, B25008, DP04, <https://www.census.gov/programs-surveys/acs>. LAHD, Report Dashboard for RSO, <https://housing.lacity.org/RSO> [retrieved July 1, 2022].
²¹ L.A. City Council Motion No. 17-0454 (Apr. 19, 2017).

notices to terminate tenancy to be filed with the City in order to evict a tenant from any unit.²² The City should use this data to connect tenants at risk of eviction with legal support and resources.

B. Enact permanent limits on evictions for failure to pay rent.

Without the local emergency eviction protections, tenants can be legally evicted from their homes for missing *any* portion of their monthly rent that remains unpaid after the expiration of a three day notice.²³ This draconian law does not care if the tenant is only short by one dollar, does not care if the tenant is able to pay the unpaid rent between the expiration of the notice and the Unlawful Detainer trial, and does not care if the tenant is waiting on rental assistance to help cover their arrears. There are no exceptions for tenants that fall ill or unexpectedly lose income. Any unpaid rent can result in eviction.

During the pandemic, temporary changes to local, state and federal law acknowledged that tenants should not be evicted if they were unable to pay rent because they became ill with COVID-19, were unable to work because of needed public health measures, or were otherwise unable to pay rent due to the pandemic.²⁴ And unprecedented rental assistance programs relieved the burden from landlords. These were lifesaving measures that prevented countless evictions. Fundamentally, these protections separated the legal question of whether a tenant contractually owes money to their landlord from the legal consequence of losing one's home—allowing missed rent to be addressed through emergency rental assistance programs, voluntary repayment agreements, or small claims court rather than eviction courts. But the COVID-19 pandemic was not the first time that tenants struggled to pay rent because they fell ill, experienced an unexpected loss of income, or faced some other unforeseen or unavoidable circumstance. These scenarios are common and would often lead to a household being evicted prior to the enactment of COVID-19 eviction protections.

The emergency measures adopted during the pandemic have demonstrated that limits on evictions for failure to pay dramatically reduce the number of evictions filed and that such limits can be implemented so as not to cause undue hardship for landlords. Therefore, we recommend that the City adopt a modified form of these protections on a permanent basis to ensure that tenants do not lose their homes just because they missed a small amount of rent. Eviction is an extraordinary legal remedy and should be reserved for extraordinary circumstances - not as a debt collection tool to recover relatively small sums.²⁵

²²The cities of Cudahy and East Palo Alto, along with L.A. County, already have this requirement. *See* Cudahy Mun. Code § 5.12; East Palo Alto Mun. Code § 14.04.160(D) | L.A. County Code § 8.52.090(B)(4).

²³ Cal. Code of Civ. Proc. § 1161(2).

²⁴ *See supra*, note 8.

²⁵ For example, Small Claims Court provides an accessible venue for parties to resolve disputes and recover amounts up to \$10,000 without needing an attorney. *See* California Department of Consumer Affairs, *The Small Claims Court: A Guide to its Practical Use*, https://www.dca.ca.gov/publications/small_claims/small_claims.pdf.

Specifically, we recommend that the City Council amend the City’s just cause protections so that failure to pay rent is only cause for termination if the tenant fails to pay for multiple months such that the amount exceeds the jurisdictional threshold of \$10,000 for small claims court. Tenants should have a reasonable amount of time to repay missed rent, after which the landlord may collect the rent as a contractual obligation either through small claims court, civil court, or other civil collection. In short, the tenant would still owe this money, but failing to pay relatively small amounts would not be grounds for eviction and these cases would be handled in small claims court rather than eviction court, in the same way other debts under this amount are treated under the law.

Reasonable limits on evictions for failure to pay will dramatically increase housing stability for low-income tenants without creating an undue burden on landlords. Over a third of adults in the United States report that they would need to borrow money or sell something in order to cover an unexpected \$400 expense.²⁶ Common situations that can lead to eviction can often be remedied by allowing tenants time to get back on their feet. However, the existing social safety nets that would help tenants cover unpaid rent do not provide relief within the 3 day window state law requires to avoid eviction. For example, if a tenant unexpectedly loses their job, it may take several weeks to receive unemployment insurance - but benefits are backdated to the date of application, which would allow tenants to repay rent owed to their landlord.²⁷ However, under the current rules, if an eviction is filed against a tenant in this situation, they lose the right to repay their rent obligation and remain in their housing,²⁸ and eviction judges are prohibited from awarding landlords unpaid rent without displacing the tenant.²⁹ By establishing a monetary threshold for eviction for nonpayment, tenants that experience a temporary loss of income or unexpected expense will be far less likely to lose their housing and landlords will ultimately be made whole through voluntary repayment or small claims court judgment.

Eviction regulations should also work in coordination with rental assistance for low-income tenants and mortgage assistance for small landlords who are at risk of foreclosure to support tenants and landlords experiencing financial hardship. This rental and mortgage assistance should be conditioned on an agreement that the tenant will not be evicted, and should be in addition to other forms of relief that state and local government has provided to property owners, such as foreclosure prevention services and waiver of penalties for failure to pay property taxes on time for owners experiencing financial hardship.

²⁶ Board of Governors of the Federal Reserve System, *The Fed—Report on the Economic Well-Being of U.S. Households in 2020—May 2021—Dealing with Unexpected Expenses* (May 19, 2021), <https://www.federalreserve.gov/publications/2021-economic-well-being-of-us-households-in-2020-dealing-with-unexpected-expenses.htm>.

²⁷ California Employment Development Department, *Unemployment Insurance – After You Apply* (Feb. 17, 2022), https://edd.ca.gov/en/Unemployment/After_you_Filed [retrieved May 9, 2022] (“It takes at least three weeks to process a claim for unemployment benefits and issue payment to most eligible workers.”).

²⁸ Cal. Code of Civ. Proc. § 1161(2).

²⁹ Cal. Code of Civ. Proc. § 1179 (allowing a judge to prevent forfeiture in cases of hardship only if the tenant has made full payment of rent).

The City has the legal authority to regulate substantive grounds for eviction, including removing certain reasons as grounds for eviction. The City’s own Rent Stabilization Ordinance already regulates such substantive grounds.³⁰ California courts have consistently ruled that local jurisdictions have the power to regulate eviction, so long as the regulations are substantive in nature, rather than procedural.³¹ In addition, the state COVID-19 Tenant Relief Act of 2020 implicitly acknowledges a local jurisdiction’s power to regulate evictions based on failure to pay rent.³²

Cities across the country have begun to adopt similar measures to restrict evictions for nonpayment of rent. For example, the District of Columbia recently banned evictions in situations where the tenant owes less than \$600.³³ The San Francisco Board of Supervisors voted to require an additional 10 day cure period before landlords can file evictions for many reasons, including nonpayment of rent.³⁴ The American Bar Association has also called for policies to allow tenants more time to repay missed rent in its “Ten Guidelines for Residential Eviction Laws.”³⁵ The City can build on this momentum and adopt an ordinance to prohibit evictions based on nonpayment of relatively small amounts of money, paired with tenant support services, such as access to counsel and educational resources, rental assistance programs for tenants, and mortgage relief programs for landlords.

C. Reduce allowable rent increases allowed under the Rent Stabilization Ordinance.

Rent increases on RSO units have been prohibited during the state of emergency.³⁶ This has spared rent-burdened tenants from unaffordable rent hikes and likely contributed to the reduction in evictions during the emergency period. Tenants not covered by a rent freeze have seen significant rent increases. According to estimates from the Census Bureau’s Household Pulse Survey, most renter households in California experienced a rent increase in the last 12 months, and about a third experienced a rent increase over \$100 per month.³⁷ Nationally, rents

³⁰ L.A. Mun. Code §151.09.

³¹ See *Tri Cty. Apartment Ass'n v. City of Mt. View*, 196 Cal. App. 3d 1283 (1987); *S.F. Apartment Ass'n v. City & Cty. of S.F.*, 20 Cal. App. 5th 510 (2018); *Birkenfeld v. City of Berkeley*, 500 P.2d 1006 (Cal. 1976).

³² Cal. Code of Civ. Proc. § 1179.05(b).

³³ D.C. Off. Code § 16-1501(b) (“The person aggrieved shall not file a complaint seeking restitution of possession pursuant to this section for nonpayment of rent in an amount less than \$600. Nothing in this subsection shall prevent the person aggrieved from filing a complaint to recover the amount owed.”).

³⁴ S.F. Admin. Code § 37.9(o).

³⁵ American Bar Association, *Ten Guidelines For Residential Eviction Laws* (Feb. 14, 2022), <https://www.americanbar.org/content/dam/aba/directories/policy/midyear-2022/612-midyear-2022.pdf>

³⁶ L.A. Mun. Code § 151.32. Before the pandemic, landlords were allowed to increase the rent in excess of inflation year after year. For *nine consecutive years* in the 2010’s, the annual allowable rent increase exceeded inflation. See LAHD, *Rent Stabilization Bulletin: Allowable Rent Increases* (Dec. 7, 2021), [Allowable Rent Increase Bulletin](#).

³⁷ Census Bureau, *Household Pulse Survey, Week 46, tbl. 2 Change in Monthly Rent During the Last 12 Months, Cal.*, https://www2.census.gov/programs-surveys/demo/tables/hhp/2022/wk46/housing2_week46.xlsx.

See also, Jha, S., *Think rent is rising fast? It’s worse than you think (and inflation might be too)*, L.A. Times (July 11, 2022) [Think rent is rising fast? It’s worse than you think \(and inflation might be too\)](#).

are rising at the fastest pace in decades, with rents for new tenants rising at the highest rate on record.³⁸ When the emergency protections expire, Los Angeles tenants could face historically high rent increases. If the current rate of inflation continues, landlords will be allowed to impose **8%** rent increases after the emergency protections expire - an increase that many households cannot afford. For the City's quarter-million renter households that are already paying more than half their income to rent,³⁹ an increase of this size can be tantamount to an eviction.

Before the emergency rent freeze expires, the Rent Stabilization Ordinance should be amended to **limit the annual allowable rent increase to 60% of the change in CPI or 3%, whichever is lower**.⁴⁰ This will spare countless tenants from financial hardship and displacement, without depriving landlords of a fair return on their investment. Landlords who can show that this limitation is depriving them of a fair and reasonable return on their investment could continue to apply for an individual waiver. This change would bring the City of LA into line with many of its neighboring jurisdictions with rent stabilization ordinances that allow increases at only a percentage of CPI.⁴¹ The city of Oakland also recently adopted a similar protection.⁴²

D. Require relocation assistance for non-RSO tenants displaced by large rent increases.

All tenants should have access to relocation assistance when they are required to move for no fault of their own. The City requires relocation assistance as part of its Rent Stabilization Ordinance.⁴³ Currently, when a tenant is being evicted for a no-fault just cause reason, such as an owner move-in or Ellis Act eviction, tenants are entitled to relocation assistance at an amount set by the City.⁴⁴ This requirement should be expanded, consistent with an expansion to universal just cause protections, to cover all rental units in the City. However, additional protections are needed for tenants not covered by the City's rent stabilization ordinance to prevent a loophole that would allow tenants to be forced out through large rent increases and receive no relocation assistance. While the City cannot prevent rent increases in units ineligible for rent stabilization under Costa-Hawkins, the City *can* still do more to protect the tenants living in these units.

³⁸ *Id.*; Boesler, M. & Gopal, P., *Rents in US Rise at Fastest Pace Since 1986, Buoying Inflation*, Bloomberg (July 13, 2022),

<https://www.bloomberg.com/news/articles/2022-07-13/rents-in-us-rise-at-fastest-pace-since-1986-buoying-inflation>.

³⁹ According to the U.S. Census Bureau, *American Community Survey, 2019 5-yr tbl. B25070: Gross Rent as a Percentage of Household Income in the Past 12 Months*, <https://www.census.gov/programs-surveys/acs>, an estimated 267,572 renter households in the City of Los Angeles are paying more than half their income to rent.

⁴⁰ A version of this, limiting the allowable increase to 60% of the change in CPI and removing the 3% floor on rent increases, was already introduced by the City Council in 2020. L.A. City Council Motion. No. 20-0200 (Feb. 12, 2020).

⁴¹ Santa Monica City Charter § 1805(a)(1) (setting Annual General Adjustment at 75% of CPI); West Hollywood Mun. Code § 17.36.020 (setting Annual General Adjustment at 75% of CPI).

⁴² Oakland Mun. Code § 8.22.070.

⁴³ L.A. Mun. Code §§ 151.09 G., 151.30.

⁴⁴ L.A. Housing Dep't, *Rent Stabilization Bulletin: Relocation Assistance* (July 11, 2022), <https://housing.lacity.org/wp-content/uploads/2022/01/Relocation-Assistance.pdf>.

Requiring landlords to provide tenants financial assistance if the tenant is displaced due to a large rent increase will greatly increase the likelihood that displaced tenants find adequate housing and can avoid homelessness. For example, if a landlord issues a rent increase above the amount allowed under the City’s RSO, the tenant household would have two options: 1) accept and pay the increased rent, or 2) terminate their tenancy and request financial assistance from the landlord to relocate. Tenants would need to notify the landlord of their need for assistance within a reasonable time and, if the landlord does not rescind or reduce the rent increase, the landlord would be required to pay the tenant relocation assistance. This type of policy has been adopted in other jurisdictions for units not covered by rent stabilization, including the cities of Long Beach⁴⁵ and Baldwin Park,⁴⁶ and the County Board of Supervisors has studied the policy as well.⁴⁷ This policy would mitigate the harm caused to tenants from having to incur unexpected moving expenses due to large rent increases and significantly increase the likelihood that a tenant successfully finds replacement housing. The policy would not cause an undue burden on landlords, as the annual rent increases allowed under the RSO generally allow landlords a fair return. Requiring landlords to pay financial assistance to tenants in non-rent stabilized units who are displaced by large rent increases will meaningfully increase housing stability for the approximately **650,000 tenants** in Los Angeles that do not live in units covered by the City’s rent stabilization ordinance.⁴⁸

E. Enforce the City’s Tenant Anti-Harassment Ordinance.

Landlord harassment contributes to tenant displacement, gentrification, residential instability, and homelessness. Even if a tenant is not facing eviction in court, they may still face harassment, including coercion to leave their home without court process through tactics such as refusal to make repairs, utility shut offs, and/or illegal lockouts. Recent data suggests that tenants in the City of Los Angeles faced increased landlord harassment and illegal lockouts during the pandemic. Landlord harassment remains an issue for tenants as communities continue to recover from the effects of the pandemic. In 2021, an estimated 500 or more tenants experienced landlord harassment in the City of Los Angeles *each month*.⁴⁹

⁴⁵ City of Long Beach Ordinance No. ORD-19-0014 (adopted June 11, 2019), https://library.municode.com/ca/long_beach/ordinances/municipal_code?nodeId=962139 (repealed by City of Long Beach Ordinance No. ORD-19-0035 (adopted Dec. 10, 2019), https://library.municode.com/ca/long_beach/ordinances/municipal_code?nodeId=995716).

⁴⁶ Baldwin Park Code of Ordinances § 129.11(d)(5) (applies within 18 months of a change in property ownership).

⁴⁷ County of L.A. Department of Consumer and Business Affairs, *Analysis for Economic Displacement Assistance: Item No. 10, Agenda of September 10, 2019* (Oct. 1, 2020), <http://file.lacounty.gov/SDSInter/bos/supdocs/140418.pdf>.

⁴⁸ See *supra*, note 20.

⁴⁹ Cantong, J., *Landlord Harassment & Illegal Eviction*, USC Price Center for Social Innovation, tbl. 2 “Landlord/Tenant Dispute Calls by Month, 2010-2021” (Mar. 22, 2022), <https://usc-ndsc-wordpress.azurewebsites.net/landlord-harassment-illegal-eviction/>. See also, Dillon, L. & Poston, B., *Despite protections, landlords seek to evict tenants in Black and Latino areas of South L.A.*, L.A. Times (June 18, 2020), <https://www.latimes.com/homeless-housing/story/2020-06-18/despite-protections-landlords-attempting-to-evict-tenants-in-south-l-a-black-and-latino-neighborhoods-data-shows>.

In August 2020, the City adopted a strong Tenant Anti-Harassment Ordinance (TAHO). However, despite calls from advocates for amendments, the law continues to be challenging to administer and enforce. Therefore, in order to ensure that TAHO protects tenants, the City should both amend the law and provide resources tailored to enforcement.

TAHO requires several amendments to make it more readily enforceable. First, while the private right of action should be secondary to City enforcement, the remedies should be modified to better encourage the private bar to accept anti-harassment cases. Specifically, the language in LA Municipal Code (LAMC) § 45.35(B) and (C) should be amended to read that prevailing tenants “shall” be awarded damages and fees, rather than “may.” Using the permissive language “may” prevents the private bar from being willing to take on these cases. The civil penalties should also be revised. In addition to the flat penalty, the ordinance should also include mandatory treble actual damages (including for mental/emotional distress) if larger than the applicable penalty. This should be accompanied by an explicit 3 year statute of limitations for bringing TAHO claims.⁵⁰ If private attorneys are incentivized to represent tenants in TAHO lawsuits, it would be easier for tenants to find counsel to enforce their rights.

Second, the standard for harassing conduct in LAMC § 44.33 should be changed from “a landlord’s knowing and willful course of conduct directed at a specific tenant or tenants that causes detriment and harm, and that serves no lawful purpose” to “bad faith.” This is an easier-to-understand standard that can encompass what the law currently says, and can be further defined in implementing guidelines. Oakland has already adopted this standard in its Tenant Protection Ordinance.⁵¹

Third, language should be added to TAHO stating that “irreparable harm is presumed by violation of this statute.” This language will not affect the underlying merits of a tenant’s claims or a landlord’s defense, but it will better enable tenants to obtain preliminary injunctions forcing landlords to halt the allegedly harassing behavior at the start of litigation, rather than allow tenants to be subject to continuing harassment while they litigate anti-harassment lawsuits.

Last, the law should be amended to retroactively apply starting on March 4, 2020, the beginning of the COVID-19 “Local Emergency Period” as defined in LAMC § 44.99.1(C). These temporary COVID-19 tenant protections include a similar aim and purpose to prevent tenant harassment, but TAHO is more inclusive and will lead to greater enforcement.

Further, a law is only helpful if it can be enforced. In addition to the above changes to the ordinance language, the City must commit to providing resources to ensure that TAHO can be enforced and becomes a meaningful right for all Angelenos. As advocates have previously mentioned, the Housing Department must be equipped to process complaints regarding landlord

⁵⁰ Without this, tenants will only have 1 year to bring their claims, which will reduce the number of enforcement actions filed. Cal. Code of Civ. Proc. § 340.

⁵¹ Oakland Mun. Code § 8.22.640(A).

harassment. This requires, at a minimum, 1) a public awareness campaign to make sure tenants know their rights and landlords know what conduct is prohibited; 2) a complaint system that can receive complaints online, via phone, or in-person and confirms to the complainant that it has been received and assigns a case number; and 3) staff that are dedicated to investigating complaints and working up cases for prosecution.

In addition to the Housing Department receiving and investigating complaints, the City Attorney must be empowered to be the primary enforcer of TAHO. While private enforcement is important and the law should be strengthened to encourage it (as described above), TAHO is first and foremost a public protection statute, and the City's public prosecutor should be tenants' first line of defense. City Attorney prosecution is also important because it is high profile and provides a greater deterrent effect than private enforcement, especially with the threat of both civil and criminal charges. TAHO and other tenant protections are key homelessness prevention strategies – the City should be responsible for enforcing TAHO and making sure tenants aren't harassed out of their homes and onto the streets. Resources to fund the City Attorney and LAHD in this important work could come from a variety of sources, including landlord fees (similar to SCEP), a City ballot measure, or ARPA funds.⁵²

F. Adopt a codified right to counsel for low-income tenants at risk of eviction with fully funded tenant outreach and education resources.

In order to prevent the inflow into homelessness and to ensure tenants are not unjustly evicted, the City should follow the recommendations of the Los Angeles Right to Counsel Coalition and codify a Right to Counsel for tenants at risk of eviction. As numerous studies have indicated, including a report by the City's own Housing Department, a Right to Counsel can help prevent default judgments and inappropriate evictions and reduce ensuing homelessness.⁵³ Right to Counsel should be a codified right for low-income renters that includes outreach, education, and free legal representation in eviction actions.⁵⁴ A Right to Counsel would prevent homelessness; affirmatively further fair housing; create a more level playing field between tenants and landlords; reduce eviction filings and default judgments; preserve housing that is affordable to tenants; reduce displacement and stabilize communities; conserve public and private resources by stabilizing housing; and educate tenants and landlords on their rights and responsibilities.

The City already funds the StayHousedLA program, which is currently serving thousands of tenants with eviction prevention and defense services. However, thousands of tenants' needs still go unmet because it does not yet provide sufficient funding to guarantee Right to Counsel

⁵² ARPA funds are not an ongoing source of support, but could be used for initial start-up costs.

⁵³ L.A. Dep'tm of Housing & Cmty. Investment, *Report Back Regarding Recommendations for a City of Los Angeles Eviction Defense Program* (Nov. 1, 2019), https://clkrep.lacity.org/onlinedocs/2018/18-0610_rpt_MAYOR_11-01-2019.pdf

⁵⁴ *Id.*

for all low income tenants facing eviction. By leveraging the service provision infrastructure of StayHousedLA, the City could realize a true Right to Counsel by codifying the right to counsel through an ordinance and guaranteeing access to eviction prevention and defense.

If this is not a codified right, access to legal representation will be subject to increases and decreases of funding in response to political ebbs and flows. Further, a permanent, codified right is more likely to be known and understood by tenants than a mere program; consequently, more tenants will not only have access to, but also take advantage of, the legal services available. Without representation, the data paints a clear picture of the inevitable outcome: tenant protections will go unenforced and tenants remain unprotected. Yet, where tenants have a right to counsel, data shows that evictions decrease. In New York City, where there is such a law, 86% of renters facing eviction that receive legal representation are able to stay in their homes, and the eviction filing rate has been decreased by 30%.⁵⁵

Independent studies have found that a right to counsel is a highly cost-effective homelessness prevention strategy. A study of proposed right to counsel programs in Los Angeles found that, for every \$1 invested, the program would generate returns of approximately \$3.48 to the City of Los Angeles.⁵⁶ The analysis found that this return on investment would be generated primarily by the avoidance of public costs related to shelter and housing programs, school funding, public health, and that a right to counsel program could provide numerous additional, unquantifiable benefits in terms of tenant health, education, employment, and more.⁵⁷ To utilize the Right to Counsel resource effectively, the City should additionally require that tenants are notified about the availability of legal representation and education at all possible intervention points, including whenever a notice of termination is served.⁵⁸

G. Strengthen code enforcement programs.

Substandard housing has detrimental effects on the health and safety of tenants. Communities where housing is riddled with mold, pest infestations, and other habitability issues have higher rates of asthma and other respiratory illnesses, especially in children.

The City's Systematic Code Enforcement Program (SCEP), while a nationwide model, is not currently functioning as intended.⁵⁹ Despite the program's mandate, the City has been unable

⁵⁵ Office of Civil Justice, N.Y. City Dep't of Social Services/Human Resources Administration, *Annual Report*, 23 (2020), https://www1.nyc.gov/assets/hra/downloads/pdf/services/civiljustice/OCJ_Annual_Report_2020.pdf.

⁵⁶ Stout, *Cost-Benefit Analysis of Providing a Right to Counsel to Tenants in Eviction Proceedings*, 8 (Dec. 10, 2019), https://info.stout.com/hubfs/PDF/Eviction-Reports-Articles-Cities-States/Los%20Angeles%20Eviction%20RTC%20Report_12-10-19.pdf.

⁵⁷ *Id.*, at 93.

⁵⁸ We are recommending that copies of termination notices be sent to the City, which will facilitate and could automatically trigger this notification. See section III.A.

⁵⁹ See Dillon, L., *Mold and sewage plague South L.A. apartments even after inspections, tenants say*, L.A. Times (Apr. 21, 2022),

to fulfill this mandate. This appears to be the result of several factors. One is that the program relies on the landlord to provide notice. As a result, tenants regularly receive no notice of a pending inspection. In larger properties, even if the landlord acts in good faith, they may provide a notice that an inspector will be coming over 5 to 7 days, without specifying which day the inspection will occur in a unit. Tenants cannot guess when the inspection will take place and cannot afford to take off that many days of work. Some landlords have even encouraged tenants to deny inspections, using the pandemic as an excuse to evade accountability for dangerous conditions. Further, even when inspections occur, inspectors are not citing clear habitability issues. Finally, early in the implementation of SCEP, outreach workers would contact tenants ahead of the inspections to notify and provide tenants with education and answer questions, but this no longer happens.

To fix these issues, the City must ensure that two inspectors carry out all inspections to ensure validity and deter corruption. The City should also ensure larger landlords have all their properties inspected around the same time. On top of these reforms, it is imperative that the City educate tenants through clear notices and outreach programs. City code enforcement officers should have clear communication channels with the health department and be trained to identify and test for toxic mold and other health-threatening conditions. In addition, once an inspector identifies violations that may require permits, landlords should be required to fill out a tenant habitability plan regardless of whether they obtain a permit. These changes, along with more enforcement from the City Attorney's office, are needed to preserve Los Angeles' housing stock in a habitable condition. Lastly, SCEP should be expanded to cover all rental units - not just units in multifamily buildings. This will improve housing quality for the hundreds of thousands of tenants renting single family homes.

The City could also strengthen the Rent Escrow Account Program (REAP). REAP is intended to resolve persistent health and safety issues, but currently the program is not an effective tool for holding landlords accountable. Some properties are in REAP for over 20 years with no meaningful compliance from landlords. To strengthen REAP, the program should include, beyond notices, fines and penalties for non-compliance, a strategy to ensure that properties that enter the program do not remain in escrow indefinitely, and an option for the City or qualified mission-based affordable housing providers or community land trusts to acquire the properties in particularly egregious cases of slum housing and non-compliance.⁶⁰

<https://www.latimes.com/homeless-housing/story/2022-04-21/mold-broken-pipes-health-problems-apartment-compl-ex>.

⁶⁰ The County Board of Supervisors is also considering similar proposals to strengthen code enforcement programs. See Bd. of Supervisors of the Cnty. of L.A., *Statement of Proceedings*, item 5 (Apr. 5, 2022), http://file.lacounty.gov/SDSInter/bos/sop/1122935_040522.pdf.

H. Adopt the Fair Access for Renters package to remove discriminatory barriers to housing.

A comprehensive approach to the housing crisis and our recovery must also include policies which address challenges to renters accessing new housing. Enacting policies which ensure fair access to prospective housing for renters, while allowing landlords to evaluate tenants based on appropriate factors, helps stabilize communities and prevent discrimination. The City should strengthen its anti-discrimination laws protecting tenants by adopting the Fair Access for Renters motions recently introduced and authored by Councilmembers Bonin, Raman, and Harris-Dawson.⁶¹

Landlord screening practices have expanded in recent years to require tenants to submit a range of personal information, much of which is not relevant to the question of whether the applicant can afford to pay the rent or will comply with their lease. For example, landlords often rely on the use of credit reports to assess whether an applicant will be a good tenant, but numerous studies have shown racial disparities in credit scores due to centuries of discrimination that have contributed to a wide wealth gap between racial groups.⁶² Further, credit reports include information other than a tenant's income and history of rent payments, including other debt records that could be erroneous. Much of the information in a credit report is not relevant to a tenant's ability to afford housing, and on-time rent payments are typically not factored into an individual's credit score. Similarly, many landlords require tenants to disclose whether an eviction has been filed against them, without asking whether the tenant may have ultimately won the eviction case. Finally, criminal records screening has become a standard practice which creates a barrier for many housing applicants despite strong evidence that stable housing reduces recidivism, and many records are simply not indicative of whether someone will be a good tenant.

These arbitrary and discriminatory screening practices make it harder for vulnerable tenants, and in particular Black and brown tenants, to secure the housing they need, cause many tenants to expend considerable resources repeatedly applying for housing, and make our communities less safe by compounding our challenges with respect to housing insecurity. In addition, despite existing source of income discrimination protections, these barriers continue to stand in the way of Section 8 voucher holders and others receiving housing assistance accessing housing to exit homelessness.⁶³

⁶¹ L.A. City Council Motion No. 22-0265 (Mar. 9, 2022), https://clkrep.lacity.org/onlinedocs/2022/22-0265_mot_3-08-22.pdf; L.A. City Council Motion No. 22-0279 (Mar. 9, 2022), https://clkrep.lacity.org/onlinedocs/2022/22-0279_mot_3-09-22.pdf; L.A. City Council Motion No. 22-0280 (Mar. 9, 2022), https://clkrep.lacity.org/onlinedocs/2022/22-0280_mot_3-09-22.pdf.

⁶² See National Consumer Law Center, *Past Imperfect: How Credit Scores and Other Analytics "Bake In" and Perpetuate Past Discrimination* (May 2016), https://www.nclc.org/images/pdf/credit_discrimination/Past_Imperfect050616.pdf (citing to several studies).

⁶³ See Wagner, D., *As Landlords Intensify Tenant Background Checks, Some Lawmakers Want New Limits On Screening*, LAist (May 2, 2022),

As we emerge from the pandemic, these concerns are increased by the fact that many struggling tenants made use of emergency eviction protections or rental assistance, which were put in place in recognition of the way COVID suddenly impacted millions of tenants' ability to make rent and stay housed. We must not now allow those tenants to be punished for making use of these resources, and must ensure that screening practices are reasonably related to whether a renter will be a suitable tenant. We simply cannot afford to allow tenants to be denied housing based on discriminatory and arbitrary factors, especially given the increased homelessness which will result from allowing such practices to continue.

IV. Conclusion

The pandemic has demonstrated the fundamental flaws in our eviction system, as well as the merits of protecting vulnerable tenants from harassment, housing insecurity, and eviction with a uniform set of policies. We must not falter in our commitment to protecting tenants for the duration of the public health emergency, and we must seize on the lessons learned during the pandemic to advance a more uniform, equitable and just set of housing policies for the future.

As we plan for a post-pandemic world, we must address the inequities which have caused uneven impacts of the pandemic and our preexisting housing crisis on low-income tenants and communities of color. We call for a Tenant Bill of Rights to be adopted for LA City tenants to ensure a more just and equitable recovery.

For more information, please contact:

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Keep LA Housed Steering Committee:

[Alliance of Californians for Community Empowerment](#)

[Community Power Collective](#)

[Eastside LEADS](#)

[Inner City Law Center](#)

[InnerCity Struggle](#)

[Legal Aid Foundation of Los Angeles](#)

[Public Counsel](#)

[Strategic Actions for a Just Economy](#)

[Tenants Together](#)

<https://laist.com/news/housing-homelessness/los-angeles-la-renter-tenant-screening-credit-score-check-landlord-voucher-income-housing-apartments-bonin-ramn-city-council-rental-access-ordinance>



California Apartment Association
515 S. Flower Steet 18th Fl.
Los Angeles, CA 90071

July 22, 2022

Via Electronic Mail Only

Assistant General Manager Anna Ortega
Los Angeles Housing Department
1200 West 7th Street
Los Angeles, CA 90017

RE: City of Los Angeles Local Eviction Moratorium & Rent Freeze (C.F. 21-0042-S3 & 20-0291)

Dear Ms. Ortega,

The California Apartment Association (CAA) represents local housing providers, operators and suppliers along with business owners and real estate industry experts who are involved with a range of rental properties from those that offer single-family residences to large apartment communities. Our members have appreciated ongoing communications with the Los Angeles Housing Department throughout the pandemic. As the department finalizes its report regarding ending and phasing out the eviction moratorium and rent freeze, we are relaying our thoughts and concerns.

Despite the enormous progress made in combating and understanding COVID-19, the City of Los Angeles continues emergency housing policies that remain the same as instituted at the very beginning of this pandemic – ignoring entirely both the changed circumstances and the outsized impact such policies have on housing providers. Considering the improved conditions and lifting of emergency measures throughout all segments of society, **CAA urges the department to consider recommending a full and immediate lifting of the eviction moratorium and rent freeze.** Debt repayment plans should align with state timelines. If recommendations other than an immediate lifting of both emergency measures are to be brought forth for consideration, CAA respectfully requests that an immediate lifting be included as an option.

On June 22nd, 2022, an amending motion was put forth which requested an analysis of perceived gaps in the city's housing policy. Any potential permanent regulation that is brought forward should be done so as a separate consideration. They should not be joined with recommendations and included in the lifting and phase out of the eviction moratorium and rent freeze. The eviction moratorium and freeze should be lifted and considered by themselves. Other policy considerations deserve appropriate discussion and analysis as there are potentially counterproductive nuances that should not be rushed. These issues are complex and mixing emergency measures and unrelated regulations without proper review is not appropriate.

Robust Eviction Protections Have Been Enacted

State protections and County emergency measures question the necessity of continuing further emergency regulations in the City of Los Angeles. CAA recognizes that the COVID-19 pandemic created hardships for tenants and landlords throughout California. That is why CAA worked closely with the Legislature to enact robust statewide eviction protections through AB 3088 (August 2020), SB 91 (January 2021), and AB 832 (June 2021).

AB 3088 created the COVID-19 Tenant Relief Act (CTRA), which was then extended by SB 91 and AB 832. CTRA contains key tenant protections, including:

- Permanent eviction protections for non-payment of rent due between March 2020 and September 30, 2021 for tenants with pandemic related hardships. For debt incurred during March 1, 2020 through August 31, 2020, tenants can *never* be evicted for this debt so long as they submitted a hardship declaration to their landlord. For debt incurred during the period between September 1, 2020 and September 30, 2021, tenants can *never* be evicted for this debt so long as they submitted a hardship declaration and paid 25% of the rent. Again, these tenants can *never* be evicted for failing to pay the remainder of the rent owed. This protection is coupled with federal dollars to help tenants make that 25% payment.
- October 2021-March 2022 Extended Protections. Additionally, included in AB 832 is the COVID-19 Rental Housing Recovery Act (Recovery Act) which provides continued protections for renters from October 1, 2021 through March 31, 2022. The Recovery Act requires an owner to apply for emergency rental assistance before pursuing any evictions for non-payment of rent, even if the tenant never demonstrated a COVID-19 hardship. Specifically, the Recovery Act prohibits an owner from being granted an eviction judgment for nonpayment of rent through March 2022 unless the owner has applied for emergency rental assistance and has been denied (and provides proof of denial). This means an owner cannot evict a tenant who receives rental assistance or if there is a pending application for emergency rental assistance. In sum, tenants entitled to rental assistance have had the opportunity to apply for it and owners have been required to wait for those funds to be paid, even when it has taken much longer than expected.

These eviction protections are in addition to:

- AB 1482, enacted by the California Legislature in 2019, which created: (1) statewide rent control that limits rent increases to 5% plus inflation, and (2) eviction protections that apply to most rental properties in the state.
- California's anti-price gouging law, Penal Code Sec. 396, which makes it a crime to raise prices (including rents) by more than 10% during times of a declared emergency.
- Rent relief programs at the state and local level, funded by federal funds, that are paying 100% of low-income tenant's back rent while protecting that renter from losing their home.
- County of LA eviction moratoria, which through emergency power is asserting jurisdiction over all 88 cities within its boundaries.

Circumstances Have Changed Since 2020; Ending the Eviction Moratorium and Freeze are Warranted

On March 31, 2022, the State's Rent Relief Program application period closed. Renters who have not applied can no longer seek State rental assistance and related protections. The ability to defer current rent due must end. Continuing prohibitions on rent collections will merely allow renters who have not met the State's application deadline or qualifications, to continue to not pay rent owed. These residents may presume that since the City's eviction moratorium is in effect so too does the opportunity to seek financial assistance through the State's Rent Relief Program or even through the City.

Continuing 2020's local emergency measures after the State's supportive programs have ended not only serves to encourage renters to incur increased rental debt without a safety net, but it also leaves rental housing providers, who are already under severe financial duress, in an untenable position. Los Angeles is one of last jurisdictions in the nation to continue this practice of deferral and no declaration of any kind is required by the resident. **The State's closure of the COVID-19 Rent Relief Program reflects the dramatic shift in circumstances, and acknowledgement that residents must resume paying current financial obligations.**

The Los Angeles region is experiencing the highest inflation rate in 40 years. Operational costs are skyrocketing, yet the City continues to maintain a universal rent increase freeze regardless of COVID impacts a renter may or may not be experiencing. This is wrong. The City's RSO was created during an inflationary environment similar today. Financial flexibility for operations must be restored.

While COVID-19 will remain part of our lives for the foreseeable future, we have obtained significant knowledge since its onset in 2020 and we have gained many essential tools needed to safely treat and navigate the disease through the coming months and years. At this juncture, all business sectors have resumed normal operations, the rental housing industry, must also be allowed to do so as well. We urge the department to recommend rescinding the local emergency eviction moratoria and rent increase freeze.

Thank you for your consideration.

Sincerely,



Fred Sutton
Senior Vice President, Los Angeles County
California Apartment Association

CC: General Manager Ann Sewill



"Great Apartments Start Here!"

Danielle Leidner-Peretz
Director, Government Affairs & External
Relations
danielle@aagla.org
213.384.4131; Ext. 309

July 22, 2022
Via Electronic Mail

Anna Ortega, Assistant General Manager
Regulatory Compliance and Code Bureau
Los Angeles Housing Department
1200 West 7th Street
Los Angeles, California 90017

Re: Los Angeles Eviction Moratorium and Rent Increase Freeze

Dear Ms. Ortega:

This letter is written to express the Apartment Association of Greater Los Angeles' (Association) concerns and recommendations as the Los Angeles Housing Department (LAHD) works to finalize the City Council requested report with recommendations for amendments to the City's eviction moratorium and other existing housing policies. We urge LAHD to develop a plan for the immediate end of both the City's eviction moratorium and broad ban on rent increases. We also recommend that the evaluation of existing housing regulations and potential revisions be addressed separately and with stakeholder input.

- **COVID-19 Moratorium on Eviction and Rent Increases**

The City's "temporary" moratoriums on evictions and rent increases adopted in 2020, were precipitated by the unprecedented events of the COVID-19 pandemic, emergency stay at home orders and other emergency measures put in place to address tremendous public health and safety concerns. While the events of 2020 will long be marked in our collective memories, the circumstances of today are simply not what they were over two years ago.

We appreciate LAHD's thoughtful evaluation of the City's moratorium and stakeholder engagement. As LAHD continues to assess the moratorium and current circumstances, we urge LAHD to conduct its review within the framework of the current dynamics and enormous advancements that have been made since the onset of the COVID-19 pandemic more than two years ago, the availability of vaccines, a vaccine booster, the re-opening of schools, business sectors back to normal operations, and individuals working and/or with employment opportunities, mass attendance at large scale events such as the Superbowl, and the re-opening of Los Angeles City Hall and City Council Chambers to the public, to name but a few.

Equally important, there was the enactment of comprehensive State law which has provided significant eviction protections and a COVID-19 Rent Relief Program that has distributed billions of dollars in financial assistance to qualified renters and rental housing providers. In addition, for a period of time the City instituted, and LAHD administered and distributed millions of dollars to qualified City renters and rental housing providers through the Emergency Rental Assistance Program (ERAP) prior to closing the City's ERAP program and diverting City residents to the State program. Lastly, renters who have been impacted by the pandemic and have



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been unable to pay rent will have over a year to pay their unpaid COVID rent, and they cannot be evicted during such time for this rental debt, and if they have complied with State requirements, they cannot be evicted for past due COVID rent ever.

At this time, the State’s Rent Relief Program application period has been closed since March 31, 2022, with no further opportunity for renters and owners alike to seek State rental assistance and related protections. The State’s closure of the Rent Relief Program serves as a further indication that circumstances have changed and the acknowledgement that renters must resume paying current rent due. The City’s continuation of local emergency measures that have remained unchanged since 2020 and after the State’s supportive programs have ended, only facilitates the accumulation of additional rental debt with no ability on the part of renters or housing providers to obtain financial assistance. This is a situation which will also leave small business rental housing providers at grave risk of foreclosure or losing their property, and with that the further erosion of already scarce rent stabilized, naturally occurring affordable housing, which in turn hurts everyone.

For the past two plus years, no other service provider has been subjected to greater government restrictions than the rental housing industry. Many of our members are small business housing providers who have endured dire financial challenges, collecting little, if any, rental income these past two plus years, and consequently depleted retirement and other savings or financed critical items with credit cards in order to maintain building operations and pay for essential personal expenditures, with many housing providers now contemplating or being forced into leaving the business entirely. Our members have generally worked with their renters who have been financially impacted by COVID-19, but have also witnessed circumstances where renters, who have not been impacted by the pandemic, have taken advantage of the situation, and simply not paid rent due despite having the financial ability to do so.

This adverse financial situation resulting from City mandates has been further compounded by tremendous increases in building operational and related costs which now include runaway inflationary pressures effecting our economy as costs for all types of goods and services rapidly escalate, with the current inflation rate at 8%-9% or more. Additionally, over the last two years, City rates and fees including for the Systematic Code Enforcement Program (SCEP), RecycLA, and Los Angeles Department of Water and Power have also increased.

While the City’s small business rental housing providers have been struggling to cover enormous operational cost increases and City mandated cost increases, simultaneously, they have been banned from issuing any rent increases as the ordinance does not require any demonstration by the renter of financial hardship due to COVID-19 and related documentation. This ban, which is currently to remain in place for one year following the end of the City’s local emergency, must be terminated immediately without the imposition of the one-year post local emergency period freeze. At the time the rent increase freeze was imposed, no one anticipated that it would remain in place for more than two and a half years, and accordingly, the additional year prohibition on increases should be removed. Annual general rent adjustments are necessary and critically needed at this time, and the City should permit housing providers the ability to recapture any increases that were forgone since inception of the local emergency. Moreover, there are housing providers who had forgone rent increases in the years prior to the pandemic and the imposition of the City’s emergency measures who may have now gone 3 or more years without rent increases. It is imperative for owners to maintain a fair return, guaranteed to them by the Federal and State constitutions.

We urge LAHD to consider the concerns raised herein and advance recommendations and options for the City Council’s consideration that includes the immediate lifting of the moratoriums and that are reflective of what is known today and not based on speculation of what may or may not occur in the future.

- **Existing Housing Policies**

The moratoriums were adopted as interim emergency measures to address an unprecedented set of circumstances, that necessitated an immediate response. As part of the requested report, LAHD is to evaluate the City's current permanent housing regulations and any identified deficiencies. Permanent policy changes require thoughtful analysis and meaningful stakeholder feedback and should not be merged with the termination of the emergency actions put in place temporarily. Accordingly, we urge LAHD to recommend that these matters be reviewed individually with the immediate focus on lifting the moratoriums. Following the end of the moratoriums, further assessment of the current situation should be conducted to determine what, if any, permanent regulatory changes are warranted.

Throughout the COVID-19 pandemic, the Association has advocated for balanced, equitable solutions that help all City residents. It is long overdue for the temporary emergency measures of 2020 to be lifted and to allow for the rental housing industry to resume normal operations. We urge LAHD to recommend the immediate lifting of the City's moratoriums on evictions and rent increases and a return to a deliberative mode of policymaking in place of the reactionary mode of recent years.

Thank you for your time and consideration of these matters. If you have any questions, please call me at (213) 384-4131; Ext. 309 or contact me via electronic mail at danielle@aagla.org.

Very truly yours,

Danielle Leidner-Peretz

Danielle Leidner-Peretz

VIA EMAIL

August 8, 2022

Anna Ortega
Assistant General Manager
Los Angeles Housing Department
Regulatory Compliance and Code Bureau
1200 W. 7th Street, Eighth Floor
Los Angeles, CA 90017

Dear Ms. Ortega,

We at Prime Residential own rental properties throughout the City of Los Angeles, including Park La Brea in Council District 5 and other rental properties in Council Districts 3 and 12, and are writing you regarding Motion No. 21-0042-S3, dated February 2, 2022, which asks for recommendations and possible amendments to the eviction moratorium. **We urge you to recommend an immediate end to the eviction moratorium (the “Moratorium”) and rental increase freeze (“Rental Freeze”)**, as articulated in Ordinance Nos. 186606 and 186607, respectively. While there was once a clear justification for these ordinances, that time has clearly passed. The ordinances have outlived their purpose, are now being wildly exploited by people who do not need these protections and are causing real harm to residents who are in actual need of financial assistance as well as the hard-working citizens who are paying their rent.

We share with you below some examples of the egregious behavior the Moratorium and Rental Freeze have engendered, as well as the harms they are creating within residential communities, and other excessive burdens we must deal with as a result of these no longer effective laws. We implore you to advise immediate suspension of the Moratorium and Rental Freeze while still allowing rent previously protected under the moratorium to remain due in August of 2023, consistent with statewide guidelines.

I. Tenants are Committing Fraud and Taking Advantage of the Moratorium

a. Instead of Paying Rent, Tenants Are Making Lavish Purchases Such as Rolls Royce and Tesla Cars, Embarking on International Vacations

Park La Brea and our other Prime apartment communities in Los Angeles currently have millions upon millions of dollars in rental delinquency. Prime has consistently adhered to relevant statewide and local laws pertaining to eviction and has also applied for rental assistance on behalf of all residents who are delinquent on rent. Unfortunately, what has become evident is that a number of residents have been relying on the moratorium to forego paying rent while clearly able to pay rent and instead making lavish purchases. For example, one resident who owes \$76,000 in rent recently purchased a Rolls Royce while another resident who owes \$32,000 in rent recently registered a brand-new Tesla. Many more residents who are over \$30,000 in delinquency have purchased new Toyotas or other vehicles. Another resident has embarked on European vacations all the while being delinquent on rent throughout the pandemic. Notably, these are only the lavish expenditures we have been made aware of and understand there are many more residents who are still exploiting the Moratorium.

Not only are we appalled that the Moratorium is facilitating this type of fraud, but this is demoralizing for our staff and other hardworking individuals who are paying their rent and seeing others arbitrarily withholding rent to make such lavish purchases. The Moratorium has clearly outlived its effectiveness as it is now giving rise to egregious and unchecked fraudulent behavior.

b. Tenants Are Illegally Subletting Units and Not Paying Rent

Tenants are also withholding rent while subletting to others, in violation of their lease, often at rates much higher than our rental rates. They are outright exploiting the Moratorium and profiting off it. For example, we discovered that one resident who lives in Las Vegas and has tens of thousands of dollars in rental delinquency was illegally subletting their unit to someone else. Another tenant also withholding rent and in arrears was illegally subletting to several nurses at much higher rates. Particularly stunning is that some of the units we have discovered are subleasing have also received rental assistance. **Public funds are being misused for personal profit because of the Moratorium.**

Subletting has become increasingly difficult to catch and prove with the Moratorium protecting unauthorized occupants. It is problematic not only for Prime, those subtenants being charged rent well above our rental rates, but for those actually in need because public funds that could be given to them are being misused by these subletting tenants committing fraud. We cannot emphasize enough that this Moratorium no longer serves its purpose and is resulting in exploitation of landlords and public funds.

c. Many Residents Who Owe Rent Have Not Applied for Rental Assistance

As mentioned, Prime has taken on the significant administrative burden of applying for rental assistance for all of our residents who were delinquent in paying rent. But the application process still requires tenant participation and provision of relevant information from the tenant. As counterintuitive as it sounds, currently, 40% of the tenants we applied for did not participate in procuring rental assistance for themselves despite multiple reminders and proactively encouraging participation. This suggests these people did not want to attest under the penalty of perjury that they needed rental assistance because they are actually in a position to pay their rent. Yet they have no compunction about refusing to pay their rent to us because the Moratorium protects them without any kind of upfront requirement.

II. Our Staff Has Been Harassed Because of the Moratorium

On several occasions, our staff has been harassed due to the Moratorium because many tenants assume they are entitled to forego paying rent without regard to the requirements of the Moratorium. For example, one resident who admitted having COVID when vaccines were not yet readily available, insisted on having an in-person meeting to discuss whether Park La Brea was going to waive his rent. He continued insisting on in-person meetings, and our staff was subsequently terrified. Other tenants have also insisted on in-person discussions regarding the operation of the Moratorium while admitting to having COVID. More broadly, tenants do not understand the requirements of the moratorium and our office is barraged by calls and emails from hundreds of units daily whenever they have a legal question pertaining to the moratorium.

Another issue comes from unauthorized occupants, who are allowed under the Moratorium, and despite the fact they are not even legally registered tenants, they have treated our staff atrociously. For example, one unauthorized occupant frequents the lobby area at one of our assets and maligns our staff in front of residents and prospects. Other unauthorized occupants have berated our staff for a variety of reasons – this is harassment we would not suffer but for the Moratorium.

III. Our Costs Have Skyrocketed While We are Still Unable to Collect Rent or Impose Increases

It is one thing for the City of Los Angeles to prevent us from collecting rent or impose any kind of rental increase; it is another to do so while our costs are going through the roof. The increase in costs are well known – especially as it pertains to utilities. As everyone is well-aware, trash hauling has increased 14% over the past two years pursuant to contractual increases agreed to by the City of Los Angeles prior to the pandemic. Despite repeatedly informing the City of Los Angeles that it is inequitable for them to implement a Moratorium and Rental Freeze that interferes with third-party contracts between housing providers and residents by prohibiting evictions and rental increases, but at the same time insist on blindly adhering to their own contractual obligations that imposes utility rate increases on housing providers and consumers, the City of Los Angeles has turned a blind eye to these massive increases. Further, water rates have shot up, with increases up to 39%, as announced by DWP and covered by the media. Electricity is up by as much as 10%, as announced by SoCal Edison.

Beyond that, our other costs including labor have gone up as well. Park La Brea employs about 100 SEIU employees who received a 5% salary increase this year. Park La Brea also employs a sizable guard service that received a large increase this year. Building and maintenance supplies, in particular, have been in low supply and costs have increased significantly, by as much as 20-30%. Other increases include: 5% increase in property taxes, 7% for licenses/fees to the City of Los Angeles, as well as a 40% increase in insurance costs. Business and services that housing providers rely on, including fees to the City and County of Los Angeles, have been increasing substantially, and yet housing providers are still unable to impose any increases themselves to recoup these losses. It defies reason why that is the case.

IV. Housing is Less Available Because of the Moratorium

With no consequences to not paying rent, residents have no incentive to look for something more affordable while they find a long-term solution. For example, there are some residents who are sole lessees of their units, yet they live in high-end, three-bedroom units, and have not paid their rent since March 2020. More people could make better use of a three-bedroom unit, yet because of the Moratorium, lone residents are hoarding large units because they do not have to pay rent.

V. The City of Los Angeles is Receiving Less Business Tax Income Due to the Moratorium and Rental Freeze

The City of Los Angeles City Business Tax is assessed on revenues of companies doing business in the City of Los Angeles. The less rent that is paid to housing providers in Los Angeles means the less tax revenue that is generated for the city. For example, from 2020 to 2022, Park La Brea's business taxes dropped 10%. Lower revenues lead to lower budgets for important city services and could also have more significant consequences, like lowering the city's bond rating, which would make it more difficult for the city to procure financing for its projects.

VI. The Moratorium and Rent Freeze are No Longer Necessary Given the Current State of Affairs

We are in a wildly different environment than we were in March of 2020, when the pandemic commenced, and emergency measures were necessary. There were stay-at-home orders preventing people from leaving their homes and going to work, schools were shut down, taking away much-needed childcare

for working parents, and no vaccines or treatment were available for COVID-19. And that clearly impacted the ability to work -- unemployment was 19.2% in August of 2020. Now all of that has changed -- unemployment has plummeted to 5.2%, given that stay-at-home orders have lifted, schools have opened, and over 70-75% of citizens in the County are vaccinated. It is clear that people are back to work and can pay their rent.

Indeed, hundreds of millions of dollars were made available for rental assistance up until March of 2022. That is no longer the case, which is an explicit recognition by our federal government that assistance or protections are no longer needed. In fact, the further the Moratorium proceeds without any rental assistance, the more debt tenants will accumulate, and the likelihood of tenants being able to repay these debts becomes increasingly unlikely to impossible.

VII. We Are Requesting an End to the Moratorium Now, While Back Rent Can Still be Due in August 2023

For the reasons outlined above, the continued extension of the Moratorium and Rental Freeze is causing direct harm by giving rise to fraudulent and exploitative behavior. Moreover, it is no longer necessary -- stay-at-home orders are no longer in place, schools are open, vaccines are available -- and most importantly -- unemployment is at all-time lows. It strains belief as to why people are being told they do not need to pay rent and housing providers are being forced to shoulder the burdens of the pandemic alone, while utilities and other service providers are increasing their prices at will. Please end the Moratorium and Rental Freeze immediately. This will place an end to future abuses, while allowing residents until August 2023 to pay back rent and/or make other arrangements as necessary.

Thank you for your consideration.

Sincerely,



Elif Kimyacioglu
Senior Counsel & VP
Risk Management
Prime Residential