

# Los Angeles Housing Department

September 2022



**Council File 21-0042-S3**

## **Recommendations to the Eviction Moratorium & Gaps in Tenant Protections**



# BACKGROUND

City Council instructed LAHD to report back on Council File 21-0042 & 21-0042-S3 to report on:

- Possible amendments to the eviction moratorium
- Data relative to the Emergency Rental Assistance Program
- Gaps in Tenant Protections
- Stakeholder Outreach
- Phased-In Timeline



# CURRENT COVID-19 EVICTION PROTECTIONS

**Eviction protections have been in place since March 2020.**

**A landlord is unable to evict if:**

- Tenant unable to pay rent due to COVID-19 (including rental debt).
- Tenant has a pet or additional tenants in the unit due to COVID-19.

(Above are Tenant At-Fault Reasons)

**No-Fault Eviction Protections:**

**A landlord is unable to evict for:**

- An owner wants to evict the tenant to move into the unit or install a resident manager.
- To demolish and/or remove the property from the rental housing market (Ellis Act).
- To comply with a Government Order that requires the unit to be vacated.

# CURRENT COVID-19 RENT INCREASE PROTECTIONS

## Rent Increase Protections:

RSO annual allowable rent increase prohibited until 1 year after the local emergency expires. Applies only to units subject to the City's **Rent Stabilization Ordinance (RSO)**.

- Not Allowed:

- RSO annual rent increase
- Interest or late fees on unpaid rent on any residential tenant.

- Allowed :

- RSO and SCEP fees with proper notice.
- Just and Reasonable rent increases approved by LAHD.
- Landlords may collect Primary Renovation increase, Seismic, Capital Improvement surcharges, etc. approved by LAHD 60 days after the Local Emergency Period expires.



# LAHD RECOMMENDATION GOALS

Provide Clarity on Timeline & Harmonize with:

- Adopted City Ordinances & timelines
- State law, primarily AB 2179
- County Tenant Protections Resolution

Address Gaps in Existing Tenant Protections



# SUNSET of COVID-19 EVICTION PROTECTIONS FOR NON-PAYMENT OF RENT

## CURRENT RENT:

- Phase out COVID-19 eviction protections **December 31, 2022**, **except:**
  - Tenants must provide a self-attestation under penalty of perjury if unable to pay rent due to COVID-19 impact (**November 1, 2022** to December 31, 2022).
  - Otherwise, tenants must pay current rent due beginning **November 1, 2022**.

## RENTAL ARREARS - 2 DEADLINES:

Tenants must pay accrued rental debt as follows:

- **August 1, 2023:** Unpaid rent that was due from **3/1/2020 to 9/30/2021**. *Per State law that defines COVID-19 rental debt.*
- **December 31, 2023:** Unpaid rent due from **10/1/2021 to 12/31/2022**. *Per City Ordinance No. 186585.*

# PETS IN RENTAL HOUSING

**Current COVID Protections:** Provide eviction protections for tenants that have a pet or additional tenants in the unit due to COVID-19 (This provision is set to expire on December 31, 2022).

**State & Federal Law:** If a landlord allows pets, they can legally require a refundable pet deposit and a separate monthly charge. Tenants who require an animal for a mental or physical disability (service animals and/or emotional support-companion animals) are allowed to keep an animal regardless if a property has a “No pet policy.” Tenants must prove their need to have an animal by requesting a reasonable accommodation from their landlord. If assistance is needed, constituents can contact the Housing Rights Center (800) 477-5977.

**RSO:** Excluding a reasonable accommodation, landlords have the right to disallow or allow pets. Landlords and tenants can mutually agree to allow a pet & agree to a pet deposit or an additional services agreement. Once a landlord allows a tenant to have a pet, they cannot evict the tenant for having a pet if in the future they decide to prohibit pets, unless the landlord can provide the pet is causing a nuisance.





# JUST CAUSE FOR NON-RSO UNITS (GAP)

## Council file #17-0454 - Just Cause Eviction Protection Program

- 1/29/2020, LAHD provided a report back of recommendations for a Just Cause eviction protection program for non-RSO rental units, as permitted under the Tenant Protection Act of 2019 (AB 1482).





# JUST CAUSE FOR NON-RSO UNITS (GAP)

## Just Cause Eviction Protections to apply to both RSO & Non-RSO Rental Units:

### “At Fault” evictions (Tenant Caused):

- (1) Failure to pay rent
- (2) Breach of rental agreement
- (3) Being a nuisance or causing damage to property
- (4) Using or permitting for illegal purposes
- (5) Failure to renew rental agreement
- (6) Refusal of access to the rental unit
- (7) Subtenant not authorized by the landlord

### No-Fault Eviction Protections:

- (8) Landlord/Resident Manager occupancy
- (9) Primary Renovation
- (10) Demolish or removal from rental market
- (11) Comply with governmental order
- (12) Recovery of HUD owned property
- (13) Demolish or removal of a residential hotel
- (14) Recovery of unit to convert to affordable housing

# JUST CAUSE FOR NON-RSO UNITS (CONTINUED)

## Just Cause Recommendations - New Ordinance to provide:

- Just Cause eviction protections for all multi-family rental units including corporate owned single-family homes and condominium units.
- Relocation assistance for all “No-Fault” evictions
  - Landlord may offset the tenant’s accumulated rental debt against the relocation assistance due under this section (except for unpermitted units).
- Written notification by landlords informing tenants of their rights at the onset of a tenancy and the posting of a Tenant Protection Notification in a common area of the rental property.
- Evictions in order to install a resident manager 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.
- 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.
- Would apply to ~ 247,000 multi-family units.
- ~537,000 SFD’s, 24% rented (~129,000)



# ISSUES FOR FURTHER REVIEW & REPORT BACK

**LAHD in collaboration with the City Attorney to report back on:**

- Limitations on Evictions for Failure to Pay Rent - Setting a reasonable financial and/or timeliness threshold for rental arrearages as the basis of eviction due to non-payment of rent.

*Example, the District of Columbia has barred evictions when a tenant owes less than \$600.00.*

- Relocation Assistance for Economic Displacement - 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, including options for setting the financial threshold, not limited to 10%.

*Example, Long Beach & Pasadena require the payment of relocation if a tenant receives a rent increases totaling 10% or greater in a 12-month period. Pasadena requires tenants must be in good standing and household income must not exceed 140% of the AMI.*



# ISSUES FOR FURTHER REVIEW & REPORT BACK

## Additional Review - LAHD to report back on:

- UPDATED STUDY - Analysis of staffing resources and cost recovery for enforcement of expanded eviction protections (Just Cause) for non-RSO rental units, tenant anti-harassment, enhanced relocation assistance & implementation of an eviction filing system. Additional housing units ~ 376,000+ (44%) (Recommendation IV)
- ECONOMIC STUDY OF RSO RENT ADJUSTMENT FORMULA - LAHD to report back on next steps to engage a consultant to conduct an economic study of the formula for setting th RSO annual adjustment. (Recommendation VI) &
- REVIEW OF CITY-MANDATED FEES - LAHD, CLA, LADBS, LADWP to review City-mandated fees impacting the operation of rental properties and incorporate findings in the study of the RSO annual allowable rent adjustment. (Recommendation VI)



# TIMELINE

## RECAP:

- On December 31, 2022, all **no-fault** eviction protections expire.
- On December 31, 2022, all **at-fault** eviction protections expire. Tenants must pay their current rent beginning on **November 1, 2022**.
  - Tenants unable to pay their current rent from November 2022 to December 2022, will have eviction protections if they provide their landlord with a self-attestation notice.

## REPAYMENT OF RENTAL DEBT:

- Tenants must pay accrued rental debt as follows:
  - Unpaid rent (3/1/2020 to 9/30/2021) due by **August 1, 2023**.
  - Unpaid rent (10/1/2021 to 12/31/2022) due by **December 31, 2023**.

## RSO ANNUAL ALLOWABLE RENT INCREASE:

- Paused until January 2024

## LAHD APPROVED RENT INCREASES:

- May go into effect 60 days after lifting of protection - March 1, 2023  
(i.e. capital improvements, seismic retrofit, primary renovation work)

## EVICCTIONS BASED ON GOVERNMENT AGENCY ORDER:

- Allowed immediately upon effective date of ordinance & fees to be waived.  
(Recommendation 1.b.1 & 2)

**ELLIS EVICTIONS:** 60 Days after December 31, 2022 (March 1, 2024)

## OWNER MOVE-IN & RESIDENT MANAGER EVICTIONS:

May file January 2, 2023



# TECHNICAL CORRECTIONS - REVISED RECOMMENDATIONS

1. **Self certification of Inability to Pay Rent (Recommendation I.a.1)**: Revise to read:

*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 the Tenant has provided notice to the Landlord of their inability to pay rent due to Financial Impacts Related to COVID-19, within seven (7) days after the date that rent was due.*

LAHD will provide a sample notice on the LAHD website for this purpose, but it is not the only acceptable notification that tenants may use to notify their landlords.

2. **Just Cause Exemption for Single-Family Rental Homes (Recommendation II.a)**: The LAHD and City Attorney should report back and provide options on the definition of “corporate-owned” single family rentals to be exempted from the Just Cause evictions protections ordinance.
3. **Report Back on Economic Displacement (Recommendation III.b)**: The report should discuss options to establish the threshold for economic displacement, not limited to 10%.
4. **Economic Study of the Formula for Setting the RSO Annual Allowable Rent Adjustment (Recommendation VI)**: Strike the last 4 words & revise to read:

*INSTRUCT the CLA together with LADH, 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 in an economic study of the RSO annual allowable adjustment formula.*

Note: The sole-source study in Recommendation IV for implementation/enforcement of Just Cause, Tenant Anti-Harassment, Relocation Assistance and and Eviction Filing System is separate from the Economic Study on landlord mandated fees and the formula for establishing the RSO annual allowable rent increase in Recommendation VI.



# TECHNICAL CORRECTIONS - REVISED RECOMMENDATIONS Continued

5. **RSO Annual Allowable Rent Increase** - Specify when landlords may once again collect the RSO annual allowable rent adjustment. Ordinance No. 186607, which became effective May 4, 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.

Add Recommendation IX. to:

REQUEST the City Attorney to draft an ordinance to sunset the Ordinance No. 186607 effective December 31, 2022 and allow landlords to resume annual allowable rent increases for RSO rental units 12 months after the expiration of the eviction protections.

This would allow landlords to resume the imposition of RSO annual allowable rent increases effective January 1, 2024.







*City of Los Angeles*

## Report on Recommended Amendments on COVID-19 Eviction Moratorium (C.F. 21-0042-S3)

# LOS ANGELES HOUSING DEPARTMENT

