

AD HOC COMMITTEE ON COVID-19 RECOVERY AND NEIGHBORHOOD INVESTMENT REPORT relative to the City's eviction moratorium, Emergency Rental Assistance Program (ERAP), tenant protections, and related matters.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. 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 January 31, 2023, except that:
 - i. Effective December 1, 2022 through January 31, 2023, 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 the rent was 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 January 31, 2023, except that:
 - i. 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;
 - ii. Provide that noncompliance and related inspection fees imposed between March 4, 2020 and January 31, 2023, 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;
 - iii. 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;
 - iv. 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 January 31, 2023).
 - v. REQUEST the City Attorney to include a new provision that RSO tenants whose no-fault evictions were paused due to the eviction moratorium under 49.99.2.B and who continue to reside in their units be provided with a minimum 60-day notice and an opportunity to refile an appeal of the relocation amount due to them based on a change in disability status that affects the tenant's qualification for a higher relocation payment.

- vi. Provide that no-fault evictions for unauthorized pets and/or tenants can be enforced only after January 31, 2024 and after the landlord has provided a 30 day notice for the tenant to remedy the situation.
 - 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 January 31, 2023, due to COVID-19 financial impact by February 1, 2024.
2. REQUEST the City Attorney, with the assistance of LAHD, to draft an ordinance for implementation on or before January 31, 2023, 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 rental units 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;
 2. Provide an amount of relocation assistance or rent waiver equal to one month of the tenant’s rent that was in effect when the owner issued the notice to terminate the tenancy if the “No-Fault” eviction occurs in a single-family home rental owned by a natural person where the landlord owns, in the City of Los Angeles, no more than four units of residential property and a single-family home on a separate lot, inclusive of natural persons who have their properties in a trust.
 - 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 with the LAHD and report back to Council on the evictions, including number of evictions, reason, cost of rent, etc.

- 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.
3. 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. Options to establish a threshold for relocation assistance to tenants for economic displacement.
4. 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.
5. 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.
6. INSTRUCT the LAHD to conduct an expedited economic study of the formula for setting the RSO annual allowable rent increase (as mentioned in Recommendation 5), analyzing, in particular, the recent changes in RSO allowable rent increases in the California cities, including but not limited to, Oakland, Bell Gardens, Antioch, Pomona, Santa Ana, and Oxnard; including a review of mandated City fees (i.e. RSO, SCEP, LASAN, RecyclA, DWP, etc) impacting operating expenses in rental properties.
7. INSTRUCT the LAHD to provide information on the Department website and report back in 30 days on 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 consideration for language access, and particular efforts targeted to tenants in areas identified as having high vulnerability as discussed in this report;
8. 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.
9. REQUEST the City Attorney to draft an ordinance to sunset the Ordinance No. 186607 effective January 31, 2023 and allow landlords to resume annual allowable rent increases for RSO rental units 12 months after the expiration of the eviction protections, and provide that rent increases foregone during the moratorium may not be imposed retroactively.

10. REQUEST the City Attorney to report back with language that would delete LAMC Section 49.99.3 and related sections to effectuate that the commercial tenant protections are no longer in effect, consistent with the state.
11. INSTRUCT the LAHD, with assistance from the City Attorney as needed, to report back in 60 days on:
 - a. Which sums of COVID-19 rental debt or rental arrears are consumer debt and which are evictable debt;
 - b. What steps would need to be taken by the City or the State of California to categorize all COVID-19 rental debt or rental arrears as consumer debt;
 - c. A framework for ensuring that a tenant's repayment of COVID-19 rental debt or rental arrears is applied first to any evictable portions of debt before application to any portions categorized as consumer debt; and
 - d. Options for the establishment of an ongoing rental assistance program
 - e. Report back on the status of the Rental Relief registry, the number of pending Ellis Eviction filed during the moratorium, and the number of non-corporate single-family dwellings used as rental in the City of Los Angeles.
12. DIRECT the Los Angeles Department of Animal Services (LAAS) to report on policies and procedures for renters who have adopted pets during the emergency order who are in full compliance with all LAAS ordinances and regulations regarding pets, to retain—rather than relinquish—their companions.
13. DIRECT the LAAS report back on and include recommendations regarding potential changes to LAMC 49.99.C to require landlords and building managers to make an exception of any pets in violation of a lease that predates the emergency order and treat the pet as an Emotional Support Animal (ESA) companion animal or therapy animal using the guidelines such as those predicated by the Federal Fair Housing Act for the rest of their natural lives, the duration of the tenancy of the tenants lease, or until such time the tenant voluntarily relocates the pet or themselves.
14. DIRECT the LAAS to report back on policies in other jurisdictions that educate and regulate adoptions of pets by residents who are subject to lease agreements that may restrict or prohibit pets in rental properties further reducing rates of relinquishment.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on September 28 , 2022, your Ad Hoc Committee on COVID-19 Recovery and Neighborhood Investment considered a report from the LAHD dated August 25, 2022 relative to proposed LAMC amendments pertaining to the City's eviction moratorium, data relative to the ERAP, tenant protections, stakeholder outreach, phased-in timeline, and related matters.

Previously, the Housing Committee considered the matter on September 14, 2022. The Committee also considered and voted on proposed amendments to the recommendations contained in said LAHD report submitted by Councilmembers Cedillo, Lee, and Raman. After providing an opportunity for public comment, the Committee moved to adopt the recommendations contained in said LAHD report, as amended; however, the motion failed due to the lack of a majority vote.

After an opportunity for public comment was held in your Ad Hoc Committee on COVID-19 Recovery and Neighborhood Investment, the Committee recommended to approve the recommendations, as amended, as detailed above. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

AD HOC COMMITTEE ON COVID-19 RECOVERY AND NEIGHBORHOOD INVESTMENT

<u>MEMBER</u>	<u>VOTE</u>
MARTINEZ	YES
HARRIS-DAWSON	YES
PRICE	ABSENT
CEDILLO	YES
O'FARRELL	YES

MM 9/28/22

-NOT OFFICIAL UNTIL COUNCIL ACTS-