



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

June 11, 2019

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The Honorable Board of Supervisors
County of Los Angeles
Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Supervisors:

**INTRODUCTION OF AN ORDINANCE TO PROVIDE SOURCE OF INCOME
PROTECTION TO RENTERS RESIDING IN THE UNINCORPORATED AREAS OF
LOS ANGELES COUNTY
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

This letter recommends that your Board introduce the “Source of Income Discrimination Relating to Residential Rental Properties” ordinance under Title 8 Consumer Protection, Business and Wage Regulation of the Los Angeles County Code.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that approval of this Source of Income Discrimination Relating to Residential Rental Properties ordinance is not a project under the California Environmental Quality Act (CEQA), for the reasons stated in this letter and in the record.
2. Approve the repeal of Chapter 8.58 relating to “Mobilehome Park Tenant Protections” and introduce Chapter 8.58 entitled “Source of Income Protection Discrimination Relating to Residential Rental Properties.”

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On January 15, 2019, the Board of Supervisors (Board) adopted a motion by Supervisors Sheila Kuehl and Mark Ridley-Thomas “*Creating Solutions to Affirmatively Further Fair Housing in Los Angeles County*,” that directed County Counsel, in consultation with the



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Executive Director: Monique King-Viehlund
Commissioners: Hilda L. Solis, Mark Ridley-Thomas, Sheila Kuehl, Janice Hahn, Kathryn Barger



Executive Director of the Los Angeles County Development Authority (LACDA), to prepare a source of income protection ordinance within 120 days that would prevent landlord discrimination against housing applicants with government-provided rental assistance including, but not limited to, Section 8 Housing Choice Vouchers, other Federally-funded rental assistance programs, the Flexible Housing Subsidy Pool and rapid re-housing rental assistance.

Throughout the County of Los Angeles, rents are continuing to rise as market pressures such as the increasing real estate costs, leading to a decrease of affordability and stability of housing stock in unincorporated Los Angeles. According to the California Housing Partnership Corporation, the County needs 586,255 additional housing units that would house lower-income individuals and families to meet current needs. In addition, Section 8 voucher holders in the County are frequently denied housing opportunities by landlords who discriminate based on a tenant's rental subsidy assistance. In a county with less than a three percent (3%) vacancy rate and approximately 38,000 individuals/families on the County's waiting list for Section 8 housing, this form of discrimination further limits the rental inventory for rental subsidy assisted families and is thereby effectively eliminating housing choice options. There are also instances of discrimination against housing applicants who have housing subsidies through other Federal and local rental assistance programs.

Current State of California laws prohibits housing discrimination based on source of income, but does not protect Section 8 voucher holders as established by case law (*Sabi v. Sterling* (2010) 183 Cal.App.4th 916). As a result, housing providers are not mandated to treat Section 8 vouchers or other rental assistance programs as income.

The Board of Supervisors can redress the severe housing crisis in the County and help alleviate the housing crisis by ensuring that all persons with the ability to pay for housing are considered for housing, regardless of whether they receive a housing subsidy or housing assistance of any kind.

FISCAL IMPACT/FINANCING

No impact to the County general fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under this ordinance, "Covered Rental Unit(s)" means any dwelling unit as defined in California Civil Code section 1940, subsection (c), including joint living and work quarters, located in unincorporated areas of the County and used or occupied in consideration of payment of rent with the exception of those units designated in Section 8.58.040 of this ordinance as exempt. This definition applies to any dwelling space that is actually used for residential purposes, including live-work spaces, accessory dwelling units, and mobilehomes rented by the owner of a mobilehome to a tenant, whether or not the residential use is legally permitted. The exemptions apply to nursing, convalescent, or

retirement homes; and to the rental or leasing of any dwelling unit in which the owner or any member of his/her family occupies one of the dwelling units and it is necessary for the owner to use either a bathroom or kitchen facility common with the prospective tenant.

Source of Income is defined as any lawful source of income for rental payment, including from a rental assistance program, security deposit assistance program, or housing subsidy program from any federal, state, or local government, or nonprofit or charitable agency, whether paid directly to the program participant, landlord or representative, including, but not limited to the Section 8 Housing Choice Vouchers, other federally-funded rental assistance programs, the Flexible Housing Subsidy Pool, and rapid re-housing rental assistance.

Once adopted, the ordinance will prohibit any person, or any authorized agent or employee of such person, to do any of the following as wholly or partially based on Source of Income:

- 1) Interrupt, terminate, fail or refuse to initiate or conduct any transaction in real property, including, but not limited to, offering for rent or lease, renting, leasing, or listing any Covered Rental Unit; or falsely represent that a Covered Rental Unit is not available for transaction;
- 2) Include or apply terms or conditions, in connection with the rental of a Covered Rental Unit, any clause, condition or restriction, which unlawfully indicates preference, limitation, or discrimination based on Source of Income;
- 3) Refuse or restrict facilities, services, repairs, or improvements for any current or prospective tenant or lessee of a Covered Rental Unit; or
- 4) Make, print, publish, advertise, or disseminate in any way, or cause to be made, printed or published, advertised or disseminated in any way, any notice, statement, or advertisement with respect to any Covered Rental Unit offered for rent, or with respect to financing related to any such transaction, which unlawfully indicates preference, limitation, or discrimination based on Source of Income.

The ordinance will also prohibit economic discrimination and make it unlawful for any person offering for rent or lease, renting, leasing, or listing any Covered Rental Unit, or any authorized agent or employee of such person, to use a financial or income standard for the rental of a Covered Rental Unit that does either of the following:

- 1) Fails to account for any rental payments or portions of rental payments that will be made by other individuals or organizations on the same basis as rental payments to be made directly by the tenant or prospective tenant; or
- 2) Fails to account for the aggregate income of persons residing together or proposing to reside together or an aggregate income of tenants or prospective

tenants and their cosigners or proposed cosigners on the same basis as the aggregate income of married persons residing together or proposing to reside together.

Actions for civil injunctive and equitable relief may be brought by any aggrieved person, by county counsel, the district attorney, or by any person or entity, which will fairly and adequately represent the interest of the protected class. Any person who violates any provisions of this ordinance or who aids in the violation of any provisions of this ordinance is:

- 1) Liable for, and the court must award to the individual whose rights are violated, three times the amount of special and general damages, or, in the case of unlawful discrimination in the rental unit, three times the amount of one month's rent that the landlord charges for the unit in question. The court may award in addition not less than two hundred dollars but not more than four hundred dollars, together with attorneys' fees, costs of action, and punitive damages;
- 2) Liable for a separate civil action for each provision of this ordinance that he or she violates, and for each instance in which he or she violates this ordinance; and
- 3) Remedies provided in this ordinance are not exclusive, and nothing in this ordinance shall preclude any person from seeking any other remedies, penalties, or procedures provided by law.

Any person who violates any provision of this ordinance shall be deemed guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than one thousand dollars or imprisonment in the county jail for a period not exceeding six months, or both.

Actions filed pursuant to this ordinance must be filed within one year of the alleged discriminatory acts.

Expanded Fair Housing Services will be funded in the 2019-2020 fiscal year to educate landlords and tenants about this new ordinance. In addition, the LACDA will be implementing a Customer Service/Incentive Program for Landlords as a complement to this ordinance to assist with participation and to streamline the workflow process for landlords participating in the Section 8 Housing Program.

ENVIRONMENTAL DOCUMENTATION

This recommended action is not subject to CEQA because it involves activities that are excluded from the definition of a project by section 21065 of the Public Resources Code and section 15378(b) of the State CEQA Guidelines. This proposed action to adopt a new ordinance to provide source of income protection to renters in unincorporated Los

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Angeles County is an organizational or administrative activity of government which will not result in direct or indirect physical changes to the environment.

Upon your Board's approval of the recommended actions, the LACDA will file a Notice of Exemption with the County Clerk in accordance with section 21152 of the California Public Resources Code.

CONCLUSION

With the adoption of this ordinance, the Board will significantly augment the County's efforts to end homelessness, create more access to housing, and more importantly, expand housing choice.

Respectfully submitted,



MONIQUE KING-VIEHLAND
Executive Director

Enclosure