

MOTION BY SUPERVISORS HILDA L. SOLIS
AND JANICE HAHN

January 5, 2021

Enhancing the Los Angeles County Rent Relief Program and Providing Flexibility to Tenants

The Board of Supervisors has authorized a total of up to \$110 million to the Los Angeles County Development Authority (LACDA) from the County's allocation of Coronavirus Relief Funds (CRF) pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, to administer the Los Angeles County Rent Relief Program (Rent Relief Program) and meet the needs of income-eligible households who have been unable to pay rent due to economic impacts caused by the COVID-19 pandemic between March 1, 2020 and December 30, 2020.

The Rent Relief Program continues to assist income-eligible households who have filed applications for rental assistance. However, more flexibility in the Rent Relief Program is necessary to assist tenants in need that qualify for relief but have not been able to receive rental assistance for various reasons. For example, some landlords refuse to receive direct payments from LACDA, which locks renters out of the Rent Relief Program. In other cases, households in need have chosen to pay rent by taking out loans

MOTION

MITCHELL _____

KUEHL _____

HAHN _____

BARGER _____

SOLIS _____

or using credit cards despite them being eligible for rental assistance. There have also been situations where a household is in need of rental assistance for the time period after December 30, 2020, but with the CARES Act program end date of December 30, 2020, it was not possible to provide them the needed rental assistance.

Recently, Congressional leaders have reached a deal on an emergency COVID-19 relief bill that includes \$25 billion in emergency rental assistance and an extension of CARES CRF through December 31, 2021 (Relief Bill). The President signed the bill on December 27, 2020, allowing much more flexibility in meeting the needs of tenants in 2021. This flexibility, combined with program enhancements, will ensure tenants remained housed in the new year. Such program enhancements could include, but are not necessarily limited to, the following:

- a. Providing all eligible households up to 50% Average Median Income (AMI) up to \$10,000 in rental assistance, rather than limiting households between 30% and 50% AMI to \$7,500 in assistance, as currently designed;
- b. Allowing rental assistance payments for arrears, current and/or future rents made on behalf of an eligible household to landlord/property management agent or company;
- c. In cases where landlords/property management companies refuse to participate in the program, making payment directly to the eligible household to pay rent, with appropriate controls in place;
- d. Allowing rental assistance payments for tenant households that have remained current on rent payments at the expense of their financial wellbeing

by paying rent via credit card or by accessing a high-cost loan product, again with appropriate controls in place; and

- e. Making additional (but not duplicative) payments directly to property owners to supplement partial payments previously made on behalf of eligible households. Partial payments will supplement prior payments not to exceed the maximum of \$10,000 in rental assistance. Approximately 70% of eligible households that qualified for rental assistance received partial assistance.

In alignment with the Relief Bill, the Rent Relief Program period would be extended through December 31, 2021 and provide rental assistance to income-eligible households who are experiencing financial hardship due to the COVID-19 pandemic. In addition, the Chief Executive Office and the Auditor-Controller will work with LACDA to ensure maximum programmatic flexibility and appropriate controls to stabilize eligible tenant households in need.

I, THEREFORE, MOVE that the Board of Supervisors:

1. Authorize LACDA to extend the Rent Relief Program through December 31, 2021;
2. Authorize LACDA, through its Executive Director, to make any necessary program changes to the Rent Relief Program to achieve the objectives described above, in consultation with County Counsel, as allowed by state or federal law, including the CARES Act; and

3. Find that the Rent Relief Program and any programmatic changes to it is authorized pursuant to Government Code Section 26227, among other applicable laws.

I FURTHER MOVE THAT the Board of Supervisors, acting as the Board of Commissioners of the Los Angeles County Development Authority, authorize and delegate authority, as well as reaffirm prior delegations of authority, to the Acting Executive Director, or his designee, in consultation with County Counsel, to do the following:

1. Extend the Rent Relief Program through December 31, 2021; and
2. Make any necessary program changes to the Rent Relief Program to achieve the objectives described above as allowed by state or federal law, including the CARES Act, in order to maximize participation and ensure rental assistance to eligible households.

#

HLS:wr