

**Board of Supervisors** 

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<u>Director</u> Rafael Carbajal

Chief of Staff Joel Ayala July 25, 2022

TO: Supervisor Holly J. Mitchell, Chair

Supervisor Hilda Solis Supervisor Sheila Kuehl Supervisor Janice Hahn Supervisor Kathryn Barger

FROM: Rafael Carbajal

Director

# REPORT ON LESSONS LEARNED DURING THE PANDEMIC RELATED TO TENANT PROTECTIONS (ITEM #5, DIRECTIVE #2, AGENDA OF JANUARY 25, 2022)

On January 25, 2022, your Board approved and adopted amendments to the County's COVID-19 Tenant Protections Resolution with a phase-out plan of its emergency tenant protections through December 31, 2022. In the same motion, your Board directed the Department of Consumer and Business Affairs (DCBA), in coordination with the Chief Executive Officer (CEO), the Los Angeles County Development Authority (LACDA), and in consultation with County Counsel to report back on lessons learned during the pandemic related to tenant protections, recommendations on opportunities to change or strengthen the County's permanent tenant protections, and recommendations for providing guidance and/or technical assistance to incorporated cities interested in creating and adopting their own permanent tenant protections.

DCBA's report responding to your Board's directives is attached, which highlights:

- Feedback from internal and external stakeholders, including: County Departments, landlords, and apartment and mobilehome park association representatives, and tenants and tenant advocates;
- Lessons learned and key takeaways from the pandemic related to tenant protections;
- The County's existing permanent tenant protections, and current efforts underway to enhance those protections;



<sup>&</sup>lt;sup>1</sup> Los Angeles County Board Motion, January 25, 2022: http://file.lacounty.gov/SDSInter/bos/supdocs/165606.pdf

- Opportunities to further strengthen the County's permanent tenant protections; and
- Recommendations to support incorporated cities interested in creating and adopting their own permanent tenant protections.

### SUMMARY OF REPORT

The impacts of the COVID-19 pandemic and economic fallout have been widespread and have amplified deep-rooted links between housing instability and other social, economic and health-related issues. In response to the pandemic, governments at the federal, state, and local levels developed a series of policies and programs to help families stay in their home and limit the spread of the virus. One of the more significant measures of the emergency response has been the adoption of emergency protections through eviction moratoria.

More than two years later with signs of an economic recovery, governments at every level have an opportunity to examine and apply lessons learned during the pandemic toward long-term transformation. As the County looks toward a post-COVID world, it must recognize that a successful recovery depends on the equitable advancement of low-income and communities of color. This moment is critical to ensuring the County does not return to pre-pandemic conditions that disproportionately affected tenants of color. As such, the attached report includes lessons learned related to tenant protections drawn from feedback from key stakeholders, and experiences up to this point in the pandemic. The report also utilizes the lessons learned to identify other potential opportunities to enhance the County's permanent tenant protections, and supporting incorporated cities interested in implementing their own permanent tenant protections.

## Feedback from Stakeholders

Feedback from stakeholders, including County Departments, landlords, apartment and mobilehome park association representatives, tenant and tenant advocates demonstrate the widespread impact of the pandemic across the groups. The report incorporates the main points gathered by DCBA from stakeholder meetings and input with main findings summarized below:

Generally, the pandemic revealed gaps in the County's current infrastructure to effectively keep up with the needs of impacted populations. County Departments were challenged with massive demand surges, inadequate capacity and staffing constraints, while tasked with developing and implementing new programs and policies, and navigating concerns from landlords and tenants.

Landlords and tenants have become increasingly divided over the emergency eviction protections. Tenant and tenant advocates have heavily relied on the protections to prevent increased evictions and displacement, particularly for those most at-risk of eviction. Despite protections in place, tenant advocates report continued eviction filings, and the need for strengthened permanent protections. Conversely, landlords report bearing the economic brunt and calling for an end to the protections, particularly at this point in the pandemic.

# **Lessons Learned and Key Takeaways**

The feedback and input provided from stakeholders helped inform lessons learned during the pandemic included in this report. The lessons demonstrate that eviction moratoria have helped to decrease the spread of the pandemic and keep people housed by limiting evictions. However, the most effective measure has been providing direct financial assistance to households when paired with emergency protections and eviction prevention services. Furthermore, a patchwork of protections across federal, state, and local jurisdictions combined with ongoing amendments and changes to protections in response to the unpredictability of the emergency generated confusion and uncertainty for residents.

# Key Takeaways:

- A phasing-out of protections, rather than lifting them all at once, is necessary given the unpredictability of the pandemic and uneven economic recovery.
- Alignment of emergency protections and programs across the County should be prioritized during a health emergency. Establishing the County's emergency protections as the baseline for all incorporated cities is an effective strategy, providing uniformity across the County to the extent possible.
- Given the unpredictable nature of the pandemic, connecting the timing of emergency protections with local state of emergencies prevents frequent and often last-minute adjustments and changes to the protections. Should changes be made, as much notice as possible should be provided to residents before becoming effective. Additionally, incorporating as many protections earlier in the adoption of protections, including protections for nonpayment of rent due to financial hardships, can also help prevent challenges with state preemptions on local governments, as in the case of the City of Los Angeles.
- Programs should reduce burdensome requirements and procedures, keeping things as simple and easy to understand by all impacted populations. Increased

investments in community-based, linguistically appropriate outreach is needed to achieve maximum level of community awareness of available programs, services, and policies.

- More programs specifically for small mom and pop landlords are needed to ensure they are not disproportionally impacted and inadvertently forced out of the rental market and or threaten available rental stock.
- More access to reliable, representative, and timely eviction data is necessary to effectively plan and target impacted communities.

# <u>Opportunities to Change or Strengthen the County's Permanent Tenant</u> Protections

The County's permanent tenant protections contain critical protections from unjust rent hikes and arbitrary evictions for tenants in unincorporated areas. This includes limits on annual rent increase on applicable units, just cause eviction protections, anti-relation and harassment protections, and annual registration requirements. These protections in addition to those included as part of the emergency eviction protections have provided essential safeguards for tenants in the County. Current efforts underway to further strengthen these tenant protections are outlined in the report, which include the development of a rental housing habitability and rent escrow account program, and recommendations for implementing a Tenant Opportunity to Purchase Act for unincorporated areas.

As your Board looks for additional opportunities to strengthen the County's permanent tenant protections, we provide options implemented or explored by other jurisdictions. These options may require assessments to identify programmatic and financial resources needed to implement, as well as consideration of the potential impacts on small mom and pop landlords. Options are detailed in the report include:

- Exploring an amendment to the County's current rent stabilization and tenant protection ordinance that would establish an affirmative defense on evictions for nonpayment of rent beyond a monetary threshold;
- Adopting and codifying a Right to Counsel ordinance for tenants facing eviction to further expand on the work currently done through the County's branded eviction defense program, Stay Housed LA<sup>2</sup>;
- Requiring relocation assistance to tenants being displaced due to excessive rent increases from units not eligible for rent stabilization by adopting an economic displacement ordinance;

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<sup>&</sup>lt;sup>2</sup> Stay Housed LA Program: <a href="https://www.stayhousedla.org/">https://www.stayhousedla.org/</a>

• Establishing certain limitations on landlord screening practices to prevent unnecessary discriminatory rental application and acceptance criteria.

Additionally, the report describes opportunities for the County to support state laws that enhance tenant protections and remove barriers to local tenant protection policies.

# <u>Supporting Incorporated Cities Interested in Implementing Permanent Tenant Protections</u>

While your Board's motion specifically calls for recommendations to provide guidance and/or technical assistance to incorporated cities, it is worth noting that the County's Rent Stabilization Program, administered through DCBA's Housing and Tenant Protections Division, is designed as a cost recovery program for unincorporated areas intended to be funded entirely through annual rent registration fees. As a result, providing ongoing direct technical assistance to incorporated cities and/or enforcement of other jurisdiction's tenant protections would fall outside the scope of recovery costs for programmatic services and duties, and would thus require a fiscal assessment and the identification of a separate funding source.

Opportunities to support incorporated cities interested in implementing their own permanent tenant protections include creating spaces and materials centered on helpful information and guidance on developing rent stabilization and tenant protection policies. This includes partnering with other jurisdictions to host a countywide tenant protections summit to share best practices, lessons learned, and engage and collaborate with other incorporated cities. Additionally, the development of a policy toolkit for rent stabilization and tenant protections that incorporates helpful tips and policy options made as a publicly available tool could be a beneficial resource for interested jurisdictions. Moving forward with these options would require the County to identify and approve funds to hire an experienced consultant to lead and execute deliverables.

Should you have any questions concerning this matter, please contact me or Dana Pratt, Deputy Director, at (213) 634-5923 or <a href="mailto:dpeak.lacounty.gov">dpratt@dcba.lacounty.gov</a>.

RC:DP:LM

C: Executive Office, Board of Supervisors
Chief Executive Office
Los Angeles County Development Authority
County Counsel



# REPORT ON LESSONS LEARNED DURING THE PANDEMIC RELATED TO TENANT PROTECTIONS

**JULY 25, 2022** 



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# LESSONS LEARNED DURING THE PANDEMIC RELATED TO TENANT PROTECTIONS

### 1. INTRODUCTION

The start of the COVID-19 pandemic brought forth unforeseen disruption and devastation to the health and lives of households across the country and the globe. Within weeks, governments at the federal, state, and local levels were forced to take prompt and decisive action to deter further spread of the pandemic and worsening of an economic crisis. Following a nationwide state of emergency and mandated shutdowns came an unprecedented amount of stimulus and financial relief packages, and a series of adopted policies to support those impacted by the pandemic. One of the more significant responses included federal, state, and local temporary moratoria on evictions for tenants experiencing substantial hardships due to the pandemic.

While the federal-level national moratoria on evictions provided limited temporary protections for certain impacted tenant households, state-based actions provided a higher level of protections for tenants. Executive orders issued by Governor Newsom and rules enacted by the Judicial Council provided protections against evictions and utility shutoffs, temporarily paused court eviction proceedings, and authorized local governments to adopt their own local emergency protections. In Los Angeles County, the Board of Supervisors (Board) exercised their authority and adopted a local eviction moratorium on March 19, 2020, providing critical emergency protections for residential, mobilehome space renters, and commercial tenants during the pandemic. Since then, the COVID-19 Tenant Protections Resolution (Resolution) has gone through a series of amendments and extensions to provide timely and necessary safeguards to impacted tenants. Despite federal and state protections having lifted, the County's Resolution remains in effect through December 31, 2022, unless repealed or further extended by the Board.<sup>3</sup>

The early response established the groundwork for ongoing pandemic preparedness and recovery, but it also brought widespread attention to longstanding inequities massively amplified by the pandemic. Even before the pandemic, low-income tenants, many of whom are disproportionately Black, Indigenous, and people of color (BIPOC) faced higher rates of evictions and housing instability.<sup>4</sup> The pandemic intensified these challenges, with low-income and BIPOC households experiencing higher COVID-19

 <sup>&</sup>lt;sup>3</sup> Los Angeles County COVID-19 Tenant Protections Resolution, Amended January 25, 2022.
 <a href="https://dcba.lacounty.gov/wp-content/uploads/2022/04/EM-Phase-Out-Chart\_3.31.2022\_adopted-motion2.pdf">https://dcba.lacounty.gov/wp-content/uploads/2022/04/EM-Phase-Out-Chart\_3.31.2022\_adopted-motion2.pdf</a>
 <sup>4</sup> NHBI. Eviction, Health Inequity, and the Spread of COVID-19: Housing Policy as a Primary Pandemic Mitigation Strategy. J Urban Health. Feb. 2021. <a href="https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7790520/">https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7790520/</a>

infection and death rates,<sup>5</sup> higher job and wage losses<sup>6</sup>, and continued rent burdens and risks of eviction. Additionally, systemic inequities were revealed during the initial distribution of the Paycheck Protection Program (PPP), with many small business owners of color missing on early pandemic relief and having to close their businesses.<sup>7</sup>

Two years later, the national economy has emerged amidst the pandemic. Yet, despite the mandatory shutdowns from early in the pandemic being behind us, the economic impacts caused by the pandemic continue to be felt by low-income and BIPOC communities. Many tenants now owe considerable sums in back rent and remain uncertain about their ability to pay rent on time. A recent estimate from UCLA's Institute on Inequality and Democracy estimates that half a million residents in Los Angeles County were behind on their March rent 9, and as of April, 12 percent of tenant households in the Los Angeles Metropolitan Area stated they were "not at all confident" that they could pay their next months' rent. The latest data illustrates the reality of an uneven economic recovery for some, worsened by some of the highest inflation rates in history. For this reason, a successful recovery hinges on the equitable and upward mobility and advancement for low-income and communities of color.

As the pandemic shifts, it provides an opportunity to re-examine how governments at every level can move from emergency response toward long-term transformation. Integral to this process is capturing and analyzing the insights and experiences gained up to this point in the pandemic. Understanding lessons learned can allow the County to more appropriately identify and implement improved policies, programs, and services that better help residents gain stability. Accordingly, this report focuses on key lessons learned related to tenant protections during the pandemic, particularly from impacted populations. The report also includes opportunities and recommendations for the Board to consider as the County looks to build on these lessons learned toward a pathway forward in a post-COVID era.

<sup>&</sup>lt;sup>5</sup> Centers for Disease Control. Racial and Ethnic Disparities in COVID-19 Incidence. March 19, 2021. https://www.cdc.gov/mmwr/volumes/70/wr/mm7011e1.htm

<sup>&</sup>lt;sup>6</sup> Urban Institute. *Don't Overlook the Importance of Unemployment Benefits for Renters*. April 23, 2020. https://www.urban.org/urban-wire/dont-overlook-importance-unemployment-benefits-renters

<sup>&</sup>lt;sup>7</sup> CBS News. *Minority-owned businesses were last in line to receive loans, latest PPP data show.* January 4, 2021. https://www.cbsnews.com/news/minority-owned-businesses-were-last-to-receive-ppp-loans-adding-to-their-despair/

<sup>&</sup>lt;sup>8</sup> U.S. Census Bureau, Household Pulse Survey, Week 44 (Mar. 30-Apr. 11, 2022), Housing Table 2b, Los Angeles-Long Beach-Anaheim, CA Metropolitan Area,

https://www2.census.gov/programs-surveys/demo/tables/hhp/2022/wk44/housing2b\_week44.xlsx.

<sup>&</sup>lt;sup>9</sup> CBS Los Angeles News, *Rental relief's lagging systems lead to tsunami of evictions*, March 31, 2022. https://www.cbsnews.com/losangeles/news/rental-reliefs-system-may-lead-to-tsunami-of-evictions/

<sup>&</sup>lt;sup>10</sup> U.S. Census Bureau, Household Pulse Survey, Week 44 (Mar. 30-Apr. 11, 2022), Housing Table 2b, Los Angeles-Long Beach-Anaheim, CA Metropolitan Area,

https://www2.census.gov/programs-surveys/demo/tables/hhp/2022/wk44/housing2b\_week44.xlsx.

# 2. LESSONS LEARNED RELATED TO TENANT PROTECTIONS DURING THE PANDEMIC

Staff from the Department of Consumer and Business Affairs (DCBA), Chief Executive Office (CEO), and County Counsel (collectively, County Departments) met with internal and external stakeholders to gather relevant perspectives and experiences for the formulation of lessons learned during the pandemic. This included representatives from the Los Angeles County Development Authority (LACDA), as well as representatives from apartment and mobilehome park associations, tenant advocacy groups. Central to the conversations was the examination of the impact of the County's temporary emergency tenant protections and on the resources and services offered in response to the pandemic.

## A. Stakeholder Feedback

Discussions with the stakeholders provided valuable insight into the different views and experiences up to this point during the pandemic. At the height of the pandemic, County Departments were tasked with juggling competing priorities and resources to ensure the safety of its workers, shift to remote work, and quickly implement numerous new programs and initiatives in response to the health and economic crises. The County Departments' ability to respond quickly was undoubtedly impacted with a significant uptick in demand in services, while also faced with limited staff capacity. As examples, DCBA was in the midst of implementing the County's permanent rent stabilization and mobilehome rent stabilization ordinances when having to shift attention and resources to develop, execute and administer the County's temporary emergency protections- just one month before the permanent ordinances took effect on April 1, 2020. LACDA also had to promptly reallocate resources to develop and implement countywide pandemic-relief programs, which included commercial and residential rental assistance programs. Ultimately, Departments faced substantial challenges keeping up with the needs from the economic damage caused by the pandemic.

The hardships caused by the pandemic have had a deep effect on the lives of tenants and landlords alike. Over the course of the County's emergency eviction protections, landlords and tenants became increasingly more divided over the scope and timeline of the protections in place, particularly with delays in financial relief. Tenants and tenant advocates have relied on emergency protections to avoid eviction and displacement, while low-income tenants in particular continue to struggle with large amounts of backrent owed. Recognizing the pre-existing housing instability exacerbated by the pandemic, tenant advocates are calling for stronger permanent tenant protections to address longstanding challenges impacting vulnerable tenants throughout the County. Conversely, landlords state they are not recovering back-rent owed and continue to feel they bear the economic brunt of the pandemic. Landlords and apartment and

mobilehome park associations want an end to the emergency protections, particularly two years later with a recovering economy.

The stakeholder feedback is further summarized in *Figure 1* below. A more detailed description of the feedback is also included in *Attachment I*.

Figure 1

Stakeholder Groups	Summary of Feedback				
County Departments	<ul> <li>County Departments experienced a significant uptick in demand of services, while also facing challenges with limited capacity (i.e., staff retention, and lack of interest for temporarily funded positions).</li> <li>County Departments had to quickly shift focus and resources from existing programs to develop and implement pandemic-related programs and services.</li> <li>County Departments implementing pandemic-related policies and programs have been impacted by state and federal restrictions, such as state preemptions on eviction protections, and federal regulations (e.g., policies impacting Section 8 housing).</li> <li>Delivery of programs and services shifted to incorporate more online and virtual capabilities.</li> <li>Data is critical for program/policy design to target most vulnerable populations.</li> <li>Programs related to impacted populations should incorporate enough funding to include financial assistance, technical assistance (commercial businesses), and legal assistance (tenants), and increased outreach.</li> </ul>				
Apartment and Mobilehome Park Association, Rental Property Owners	<ul> <li>Landlords have carried the brunt of the Resolution, and not recovering rental arrears.</li> <li>After two years and a recovered economy, polices should not be a "one-size-fits all" approach, and should have more carve-outs to prevent tenants that are taking advantage of protections.</li> <li>Financial support has been insufficient and delayed, especially impacting small landlords.</li> <li>Landlords are strongly opposed to emergency protections, specifically regarding: <ul> <li>Nonpayment of rent protections and self-certification requirements (no proof required or way to validate hardship);</li> <li>Rent increase freeze on rent-stabilized units, as property taxes have not been frozen, on top of high inflation rates;</li> <li>Nuisance protections limiting landlord's ability to address issues of nuisance;</li> <li>Owner move-in requirements still too restrictive; and</li> <li>A lack of definitive end date to emergency protections.</li> </ul> </li> <li>Landlords have had to shift rental/business practices and behaviors, including being more hesitant to approach tenants out of fear of being accused of being retaliatory, more cautious/selective of new tenant applications, and scaling back on unnecessary property/building upkeep.</li> </ul>				

**Tenant Advocates** 

•	Emergency te	enant protecti	ons has <sub>l</sub>	provided	critical	safety 1	for tenants across	the (	County.
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- Despite protections in place, tenants continue to face unlawful evictions during the emergency protected period.
- More communication and outreach for tenants is needed to increase awareness of rights, and limit confusion regarding protections.
- As County eventually lifts Resolution, conditions should not return to pre-pandemic status quo, where thousands of low-income tenants faced eviction each year.
- Call for stronger permanent protections, including:
  - o Limitations on evictions for failure to pay rent;
  - Codified right to counsel for tenants at risk of eviction;
  - Relocation assistance for tenants displaced for no fault of their own, including due to unaffordable rent increases;
  - Strong, proactive code enforcement;
  - o Transparent and reasonable screening practices; and
  - Universal just cause eviction protections for all incorporated cities.

# B. Lessons Learned and Key Takeaways

The feedback and experiences from stakeholders were utilized for the development of lessons learned and key takeaways related to tenant protections during the pandemic outlined below.

# Eviction Moratoria have helped decrease the spread of the pandemic and limit eviction filings

Eviction moratoria across the country was part of the overall response to the public health emergency to combat the COVID-19 pandemic. Studies have demonstrated the correlation between evictions and overcrowding, transience, and homelessness, all factors for increased exposure and inability to adhere to public health recommendations. Ongoing analyses of eviction moratoria have supported this fact, showing moratoria played a critical role in helping decrease the spread of COVID-19 and mortality. In an analysis among the cities tracked without moratoria, eviction filings rose as high as 395% above historical weekly averages after the CARES Act expired.

<sup>&</sup>lt;sup>11</sup> Benfer, Vlahov, et al. (2021). Eviction, Health Inequity, and the Spread of COVID-19: Housing Policy as a Primary Pandemic Mitigation Strategy. <a href="https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7790520/">https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7790520/</a>

<sup>&</sup>lt;sup>12</sup> Jowers, K., Timmins, C., Bhavsar, N., Hu, Q., & Marshall, J. (2021). Housing precarity & the Covid-19 pandemic: Impacts of utility disconnection and eviction moratoria on infections and deaths across US Counties. National Bureau of Economic Research. <a href="https://www.nber.org/papers/w28394">https://www.nber.org/papers/w28394</a>

<sup>&</sup>lt;sup>13</sup> Eviction Lab. The eviction tracking system. Eviction Lab website. Updated September 26, 2020. http://evictionlab.org/eviction-tracking.

Studies have shown that policies that limited evictions reduced COVID-19 infections by 3.8 percent and reduced deaths by 11 percent.<sup>14</sup>

In addition to helping decrease the spread of the pandemic, there is also evidence demonstrating the role of moratoria in limiting eviction filings. Researchers at the Eviction Lab at Princeton University estimate that the moratoria prevented at least 1.36 million cases from being filed. However, eviction filings began rising as rental assistance programs started to end, with some filings nearly reaching pre-pandemic levels. In this further highlights the importance of aligning eviction moratoria timelines with rental assistance distribution. As an example, the State of California (State) COVID-19 Rent Relief program (Rent Relief program) linked the timing of receipt of rental assistance with the State's tenant protections through June 30, 2022. However, with the lifting of the State's tenant protections, we are yet to see the true impact on tenants at risk of eviction, including selectively self-evicting, who have not yet received their rent relief payment.

# Government funding was often delayed due to lack of infrastructure and administrative barriers, but is the most needed support combined with emergency protections and eviction prevention services

One of the most effective ways that helped people stay in their homes early in the pandemic was providing direct financial assistance to households. <sup>17</sup> One analysis found that policies such as unemployment insurance through the CARES Act, which replaced lost income for the unemployed with supplementary \$600 per week, combined with stimulus payments helped prevent rental debt to those that received payments. Specifically, it is estimated that for every unemployed worker that received unemployment insurance with stimulus payments between March 2020 and August 2020, only 0.4 percent of households (125,000) would have rental debt by December 2020 versus 10.6 percent of renter households (3.4 million) that did not receive the financial assistance. <sup>18</sup> Additionally, direct financial assistance to help tenants stay current on their rent is overall a much more cost-effective strategy than catching up on accrued rental debt.

Lessons from the pandemic demonstrated the challenges with government implementing new programs in a quick manner. The flow of funds, in particular, between

<sup>18</sup> Ibid, 11.

<sup>&</sup>lt;sup>14</sup> National Low Income Housing Coalition. Eviction and Utility Disconnection Moratoriums Led to Fewer COVID-19 Cases and Deaths, February 8, 2021. <a href="https://nlihc.org/resource/eviction-and-utility-disconnection-moratoriums-led-fewer-covid-19-cases-and-deaths">https://nlihc.org/resource/eviction-and-utility-disconnection-moratoriums-led-fewer-covid-19-cases-and-deaths</a>

<sup>&</sup>lt;sup>15</sup> Eviction Lab. Preliminary Analysis: Eviction Filing Patterns in 2021. March 8, 2022.

<sup>&</sup>lt;sup>16</sup> NPR. Eviction filings are up sharply as pandemic rental aid starts to run out, May 4, 2022. https://www.npr.org/2022/05/04/1095559147/eviction-filings-are-up-sharply-as-pandemic-rental-aid-starts-to-run-out

<sup>17</sup> Federal Reserve Back. Household Rental Debt During COVID-19, October 2020. https://www.philadelphiafed.org/media/frbp/assets/community-development/reports/household-rental-debt-during-covid-19.pdf

government agencies requires arduous administrative and reporting requirements that cause delays. Such delays are a result of a lack of appropriate infrastructure to keep pace with the assistance needed. As in the case of the State's Rent Relief Program, funds were disbursed slowly, resulting in many tenants waiting for decisions and payments. A study in March showed that only 16% of nearly half of million tenants that had applied for the states program had received payment. Since then, the state's program had increased the amount of applications processed and as of June 19, 2022, disbursed almost \$1 billion in assistance to 75,429 households in the County (excluding City of Los Angeles and Long Beach).

Collectively, financial relief, along with emergency protections, as well as eviction prevention programs are part of a package that better protects vulnerable residents from eviction.

# Patchwork of protections across federal, state, and local jurisdictions creates uncertainty and confusion, and have a ripple effect on local government emergency protections

There was considerable variability in moratoria across federal, state, and local jurisdictions. The U.S. Department of Health and Human Services, Centers for Disease Control and Prevention (CDC) eviction moratorium, extended protections to tenants behind on rent and residing in communities experiencing substantial or high COVID-19 transmission rates. <sup>20</sup> The CDC-issued eviction moratorium expired on October 3, 2021, but many state and local governments across the country also issued eviction moratoria. These varied in duration, in what types of tenants are protected, and in which stage of eviction the process was halted. In many locations, state and local moratoria have halted evictions altogether, while a handful of jurisdictions may be gradually phasing out protections. As a result, understanding the protections, rights and responsibilities has caused significant confusion among tenants and landlords alike.

In the County, many incorporated cities adopted their own eviction moratorium, which may have resulted in differing protections than the County's Resolution. Consequently, in September 2020, the Board amended the Resolution to establish the County's temporary emergency tenant protections as the baseline for all incorporated cities within the County. This proved to be one of the more influential components in the County's emergency protections, which provided uniformity across the County to the extent possible, particularly for those incorporated cities within the County with no or expired eviction moratoria. According to Keep LA Housed, a local coalition, the baseline

<sup>&</sup>lt;sup>19</sup> Cal Matters. How long are Californian's waiting for rent relief. March 3, 2022, <a href="https://calmatters.org/housing/2022/03/california-rent-relief-wait/">https://calmatters.org/housing/2022/03/california-rent-relief-wait/</a>

<sup>&</sup>lt;sup>20</sup> National Housing Law Project. Federal Moratorium on Evictions for Nonpayment of Rent. August 2021. https://nlihc.org/sites/default/files/Overview-of-National-Eviction-Moratorium.pdf

provided protections for approximately 2.7 million tenants who were not covered by any local emergency protections, as presented by Keep LA Housed in Table 1. A more detailed description of the presentation is also included in *Attachment II*.

Jurisdiction	Number of Tenants
Los Angeles County, California	5,077,757
City of Los Angeles (RSO)	1,666,119
Santa Monica city, California	59,395
West Hollywood city, California	28,960
Culver City city, California	17,386
Beverly Hills city, California	17,330
Inglewood city, California	66,172
Maywood city, California	19,449
Baldwin Park city, California	32,131
Unincorporated areas	400,124
Remainder (no local protections)	2,770,691

Table 1: Tenants in Los Angeles County jurisdictions with local tenant protections that are substantially more protective than state law. Remainder is the number of tenants not covered by such local protections. Estimates based on ACS 2019 5-year data. Estimate for tenants in RSO units in the City of Los Angeles based on RSO unit data from LAHD available at https://housing.lacity.org/RSO and ACS household size and vacancy rate estimates.

Despite the baseline protections in place, any additional amendments that have followed continued to spark confusion among residents. During any changes or when approaching expiration of the most recent extension resulted in an influx of calls to DCBA's Rent Stabilization Program. Furthermore, the City of Los Angeles (City) also has its eviction moratorium in place, which differs from the County's in that the City's protections are directly connected to the expiration of its local state of emergency. Unlike the County, the City's eviction moratorium also predated state preemptions on local jurisdictions from enacting new or amending existing residential tenant protections pertaining to evictions for nonpayment of rent due to financial hardship related to COVID-19. Due to the preemption language contained in Assembly Bill 2179, the County could not enact nonpayment of rent protections until July 1, 2022, which is now in effect for tenant households at/below 80 percent of the Area Median Income (AMI) who are unable to pay rent incurred on or after July 1st due to financial impacts related to the pandemic. The differing protections, timelines and lack of familiarity with jurisdictional boundaries across the County have also presented challenges for landlords and tenants.

This experience demonstrates that during state of emergencies, alignment of protections and programs across the County and its incorporated cities, particularly the City, can be one of the most impactful strategies to pursue. The City's approach of connecting its eviction moratorium to its local state of emergency may have been more effective than ongoing monthly extensions of emergency protections. Lastly, the unpredictable nature of the pandemic required ongoing amendments and extensions to

the County's protections, often within days and weeks of expected sunset dates. Consequently, amending protections with little warning contributes to resident's confusion, and should incorporate as much time as possible to before taking effect to sufficiently prepare tenants ahead of changes.

# <u>Phasing out emergency protections, rather than lifting all at once, is necessary</u> given the unpredictability of the pandemic and uneven economic recovery

The pandemic has magnified the wealth gap and disparity for low-income and communities of color, potentially leaving them further behind in an uneven economic recovery. And despite successful distribution and access to vaccinations that have helped stabilize COVID-19 infection and hospitalization rates, variants of the virus remain a public health concern. On July 14, 2022, the County moved to the "high" COVID-19 community level status in response to a surge in new positive cases with the new subvariant B.A.5 and related deaths, with potential plans to reinstate mask mandates. This highlights the harsh reality among vulnerable populations who continue to experience ongoing economic and health disruptions, and the associated risks of lifting protections too soon. However, the challenge for the County has been balancing the benefits and harms of the emergency protections to both tenants and landlords. Additionally, economic and public health indicators may not align or present a true depiction for those facing ongoing financial and health-related hardships. As a result, a phasing out of emergency protections is essential to preserve the housing stability of those most vulnerable rather than lifting them all at once. Simultaneously attempting to phase-out protections that are balanced and equitable, while difficult, should be prioritized to the extent possible.

# <u>Programs should reduce burdensome requirements and procedures, while also increasing investments in community-based, linguistically appropriate outreach</u>

A series of new countywide initiatives, policies and programs aimed at assisting impacted populations were introduced throughout the pandemic. Subsequently, these programs and policies have had to ensure they were not unintentionally creating overly burdensome eligibility requirements and procedures. As examples, the State's COVID-19 Rent Relief program reevaluated and subsequently simplified its application process, which decreased time to complete and review; in addition to fully translating its website in six languages. A local example is the County's emergency protections allowance of tenant self-attestation to reduce onerous documentation requirements.

In addition to ensuring programs minimize burdensome processes by keeping things simple and accessible, more investments are needed in community-based, linguistically appropriate outreach. Outreach is essential to communicate and increase awareness regarding programs and policies that directly impact communities in need. Throughout

the pandemic, community partnerships were essential not only in expanding service capacity, but also in conducting linguistically appropriate outreach, as in the case of Stay Housed LA,<sup>21</sup> the County's branded eviction defense program. The County would benefit from increased investments in community-based outreach tailored to a linguistically diverse demographic to achieve the maximum level of community awareness of County programs, services, and policies.

# More programs need to be designed specifically to support small mom and pop landlords

The County's commitment to an equitable economic recovery means recognizing the importance of supporting small mom and pop landlords. A recent nationwide study by UC Berkeley found that most small apartment buildings are owned by individuals, and not corporate landlords. This study found that many of these small rental property owners lack the financial cushion to withstand months of missed rent. With many small mom and pop landlords having been heavily impacted by the pandemic, more incentives are needed to ensure they are not inadvertently forced out of the rental market and threaten available rental stock. More programs should be designed specifically to support small mom and pop landlords that, in addition to financial aid, incentivize these landlords to stay in the market. Additionally, the County should ensure equitable consideration of any adverse impacts on small mom and pop landlords in the development of future housing-related policy decisions.

# <u>Data is critical to target services for most impacted populations, but limited access to eviction data inhibits full grasp of problem</u>

The pandemic has helped governments realize the importance of timely eviction data. However, many governments, including at the federal level, do not track this information. One analysis found that one in three counties across the country have no available annual eviction figures. <sup>23</sup> Limited access to eviction and court related unlawful detainer data has highlighted an important data gap that needs to be addressed throughout the country and state (see Section 3B in this report regarding County eviction-related data). This has left many jurisdictions and organizations to piece together as much information possible with what limited data is available.

<sup>&</sup>lt;sup>21</sup> Stay Housed LA Program: <a href="https://www.stayhousedla.org/">https://www.stayhousedla.org/</a>

<sup>&</sup>lt;sup>22</sup> UC Berkeley Terner Center for Housing Innovation. The Uneven Impact of the Pandemic on the Tenants and Owners of Small Rental Properties, July 13, 2021. <a href="https://ternercenter.berkeley.edu/research-and-policy/pandemic-impact-tenants-owners-small-rental-properties/">https://ternercenter.berkeley.edu/research-and-policy/pandemic-impact-tenants-owners-small-rental-properties/</a>

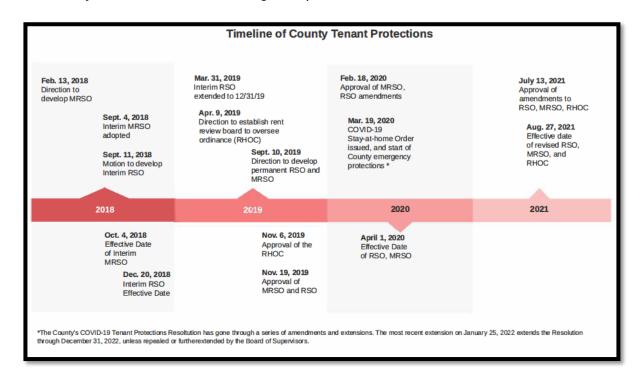
<sup>&</sup>lt;sup>23</sup> Bloomberg, We Have to Close the Eviction Data Gap, February 3, 2021, https://www.bloomberg.com/news/articles/2021-02-03/why-is-it-so-hard-to-collect-good-eviction-data

The County needs more reliable, representative, and timely data. Eviction-related data helps provide a sense of how many eviction cases are filed each year, and those neighborhoods impacted, while allowing jurisdictions to effectively design eviction prevention and anti-displacement strategies. However, this will require state mandates and investments toward creating and sustaining an infrastructure that make relevant eviction data publicly available. Without an investment and mandate in place, governments will continue to face the same pre-pandemic challenges with a limited understanding of the true impact of evictions on our local communities.

### 3. OPPORTUNITIES TO CHANGE OR STRENGTHEN TENANT PROTECTIONS

# A. Existing Tenant Protections in the County

Prior to the pandemic, the County began its path toward establishing stronger tenant protections within unincorporated areas. Beginning with the adoption of the Interim Mobilehome Rent Stabilization Ordinance (MRSO) and Interim Rent Stabilization Ordinance (RSO) in September 2018 to the eventual adoption of permanent ordinances and a Rental Housing Oversight Commission in November 2019, the process included a succession of adjustments to execute a robust set of tenant protections (see Timeline of County Tenant Protections - Figure 2).



The permanent ordinances, now titled the Rent Stabilization and Tenant Protections Ordinance<sup>24</sup> (RSTPO) and the Mobilehome Rent Stabilization and Mobilehome Owner Protections Ordinance<sup>25</sup> (MRSMOPO), contain critical protections from unjust rent hikes and arbitrary evictions for hundreds of thousands of tenants in the unincorporated County. Along with placing limits on annual rent increases on applicable units, the RSTPO specifically includes provisions that extend "just cause" eviction protections to tenants in nearly all rental units in the unincorporated County. These protections ensure tenants can maintain their tenancy except in the case of "just cause" reasons for eviction (i.e., protections from evictions for arbitrary or legally invalid reasons) outlined in the RSTPO, such as non-payment of rent or non-compliance with lease terms. The "just cause" eviction protections also require landlords to provide relocation assistance to tenants who are temporarily or permanently displaced or evicted for no fault of their own, such as when a landlord intends to occupy the rental unit or withdraw the property from the rental housing market altogether. The RSTPO and MRSMOPO also incorporate additional protections against retaliatory evictions and harassment, and requires rental property and mobilehome owners in the unincorporated County to register their rental units and mobilehome spaces on an annual basis in the County's Rent Registry.

The rent stabilization ordinances were further strengthened in July 2021 through amendments that accounted for lessons drawn following a year of the permanent ordinances being in effect. Among some of the amendments included elimination of certain Section 8 exemptions; tightened owner move-in requirements; increased penalties for retaliation and harassment of special populations; and provision of a private right of action to tenants or their representatives seeking civil penalties for violations of the ordinances. Combined, the permanent ordinances and the temporary emergency protections have helped prevent unnecessary housing displacement for tenants in the County, and are arguably among some of the strongest tenant protections in the state.

# **B. Current Efforts Underway**

In the past year, the Board also adopted motions to explore additional opportunities to enhance County ordinances, policies, and procedures aimed at further strengthening the rights and protections of tenants. These include developing recommendations for purchase opportunity policies to preserve rental housing, and directives to move forward

<sup>&</sup>lt;sup>24</sup> Los Angeles County Code, Chapter 8.52:

https://library.municode.com/ca/los angeles county/codes/code of ordinances?nodeId=TIT8COPRBUWARE DIV3 HO CH8.52RESTTEPR

<sup>&</sup>lt;sup>25</sup> Los Angeles County Code Chapter 8.57:

https://library.municode.com/ca/los angeles county/codes/code of ordinances?nodeId=TIT8COPRBUWARE DIV3 HO CH8.57MORESTMOOWPR

with establishing a rental housing habitability and rent escrow account program.

## **Exploring Recommendations for Tenant Opportunity to Purchase Act**

On August 10, 2021, the Board approved a motion to develop recommendations for a Tenant Opportunity to Purchase Act (TOPA) for unincorporated areas of Los Angeles County. The passage of the motion directed DCBA, along with LACDA, Department of Regional Planning (DRP), and County Counsel, to work with local, community-based, mission-driven entities, housing providers, real estate professionals, and other relevant stakeholders to review best practices and lessons learned to develop recommendations for a TOPA policy for the County's unincorporated areas. To support this directive, the motion also provided DCBA with delegated authority to enter into agreements with consultants to produce a comprehensive report with policy considerations and community engagement strategies for a TOPA.

Since the passage of the motion, DCBA exercised its delegated authority to select a consultant through a competitive Request for Information (RFI) process for the development of a report with recommendations to implement a TOPA ordinance for the unincorporated areas of the County. The most recent interim report, dated June 24, 2022, outlines the latest progress, including information on the agreement executed with the selected consultant.<sup>27</sup> DCBA will continue to work with the consultant on stakeholder outreach and engagement plans, research existing TOPA models across the country, and confer with relevant County departments to inform a recommended policy and program framework. A final report with recommendations is anticipated to be submitted by late November/early December 2022.

## Establishing a Rental Housing Habitability and Rent Escrow Account Program

On April 5, 2022, the Board approved a motion calling for the establishment of a rental housing habitability and rent escrow account program. Recognizing the current patchwork enforcement processes in place and the challenges it presents for tenants living in substandard living conditions, the motion instructs the Department of Public Health (DPH), in consultation with County Counsel, DCBA, LACDA, the CEO, Department of Public Works (DPW), DRP, Treasurer and Tax Collector (TTC), the Office of the Assessor, and landlord and tenant stakeholders to develop an ordinance to implement a Rental Housing Habitability Program and include a rent escrow account program with a strategy to ensure that properties that enter the program do not remain indefinitely. The motion also directs, DPH, DPW, DRP, DCBA, and LACDA to develop

<sup>&</sup>lt;sup>26</sup> Board Motion to Develop Recommendations for TOPA: <a href="http://file.lacounty.gov/SDSInter/bos/supdocs/160848.pdf">http://file.lacounty.gov/SDSInter/bos/supdocs/160848.pdf</a>

<sup>&</sup>lt;sup>27</sup> Interim Report on Developing Recommendations for TOPA from DCBA, June 24, 2022: http://file.lacounty.gov/SDSInter/bos/supdocs/160947.pdf

<sup>&</sup>lt;sup>28</sup> Los Angeles County Board motion to Establish Rental Housing Habitability and Rent Escrow Account Program: <a href="https://file.lacounty.gov/SDSInter/bos/supdocs/167688.pdf">https://file.lacounty.gov/SDSInter/bos/supdocs/167688.pdf</a>

a coordinated strategy that includes the integration of case management systems, and to determine types of cross-training in inspection modalities needed among departments.

The departments have since convened to discuss the creation of a centralized, routine and proactive program. On June 14, 2022, the CEO submitted an initial report to identify an estimated \$1.44 million bridge funding needed for the initial development of the program.<sup>29</sup> The departments will continue meeting with the goal of developing an ordinance within 18 months as outlined in the motion. A written report with progress updates from the departments is anticipated to be submitted in October 2022.

# C. Additional Opportunities to Change or Strengthen Tenant Protections

In alignment with the Board's vision to build on the ongoing efforts to strengthen tenant protections, especially in light of lessons learned during the pandemic, the Board may consider additional amendments to the County's rent stabilization and tenant protection ordinances, as well as potential adoption of new ordinances. These include:

- Possible amendments to the County's rent stabilization ordinances:
  - Establish an affirmative defense to evictions for nonpayment of rent beyond a monetary threshold.
- Possible adoption of new ordinances:
  - Adopt a Right to Counsel ordinance for tenants facing eviction;
  - Require relocation assistance to tenants displaced due to unaffordable rent increases; or
  - Establish certain limitations on landlord screening practices.

These are further outlined below, including key considerations should the Board decide to pursue any of the potential options.

The following also includes relevant state laws the County may support, in addition to other legislative advocacy opportunities that could further enhance tenant protections and remove barriers to local tenant protections policies.

# <u>Possible Amendments to County Rent Stabilization and Tenant Protection</u> <u>Ordinance</u>

 Establish a Monetary Threshold for Eviction for Nonpayment. Failure to pay rent is the most common cause of eviction. Studies of eviction cases across the country reveal that many of these eviction cases are for relatively small amounts.

<sup>&</sup>lt;sup>29</sup> Report from CEO, June 14, 2022: <a href="http://file.lacounty.gov/SDSInter/bos/supdocs/167866.pdf">http://file.lacounty.gov/SDSInter/bos/supdocs/167866.pdf</a>

In a study from the Eviction Lab analyzing data across 22 states, a third of judgement amounts for eviction cases between 2014-2016 were for less than the local median rent (approx. \$1,253).<sup>30</sup> In another analysis of three different counties in Ohio, Texas, and Arizona, half of all cases were filed for less than \$1,200, \$1,411, and \$1,643, respectively.<sup>31</sup>

A strategy to help combat eviction cases being filed for small judgement amounts, is to establish monetary thresholds for evictions for nonpayment. The District of Columbia is an example of a jurisdiction that recently banned evictions filed to the Superior Court of the District of Columbia in situations where the tenant owes less than \$600.<sup>32</sup>

It is important to note that for the County to take an action such as the enacted by D.C. would require a change to state legislation. However, the Board could explore an amendment to the RSTPO to incorporate an affirmative defense on evictions for nonpayment of rent beyond a monetary threshold. Currently, a lack of accessible eviction-related data within the County presents a challenge in identifying and understanding judgement amounts occurring in local eviction filings. Rather than specify an amount, the Board may consider adopting language that stipulates the amount be equivalent to one month's rent. Additionally, special consideration should be made for small mom and pop landlords in determining a threshold to prevent significant fiscal impacts and be paired with tenant supportive services and rental/mortgage assistance.

# Possible Adoption of New Ordinances to Strengthen Tenant Protections

• Adopt a Right to Counsel Ordinance. Tenants facing eviction nearly always lack legal representation throughout the eviction process. On average, fewer than 10 percent of tenants are represented by legal counsel versus 90 percent of landlords with representation at eviction hearings. In fact, one analysis of County unsealed eviction cases showed that approximately 97 percent of tenants were unrepresented, while landlords were only unrepresented in 12 percent of unsealed cases.<sup>33</sup> The challenges that tenants in eviction cases encounter when seeking legal aid are indicative of a large gap between the civil legal needs of low-income people and the resources available to meet those needs. Cities across the country are increasingly looking to Right to Counsel ordinances to

<sup>&</sup>lt;sup>30</sup> New York Times. *Many Renters Who Face Eviction Owe Less than \$600*. Dec. 12, 2019. https://www.nytimes.com/2019/12/12/upshot/eviction-prevention-solutions-government.html

<sup>&</sup>lt;sup>31</sup> Louis, R., Durana, A., & Hepburn, P., *Preliminary Analysis: Eviction Claim Amounts During the COVID-19 Pandemic* (Aug. 27, 2020) Eviction Lab, <a href="https://evictionlab.org/covid-eviction-claims/">https://evictionlab.org/covid-eviction-claims/</a>.

<sup>&</sup>lt;sup>32</sup> District of Columbia Official Code § 16-1501(b). <a href="https://code.dccouncil.us/us/dc/council/code/sections/16-1501#:~:text=(a)%20When%20a%20person%20detains,may%20issue%20a%20summons%20in">https://code.dccouncil.us/us/dc/council/code/sections/16-1501#:~:text=(a)%20When%20a%20person%20detains,may%20issue%20a%20summons%20in</a>

<sup>&</sup>lt;sup>33</sup> STOUT, Cost-Benefit Analysis of Providing a Right to Counsel to Tenants in Eviction Proceedings (Dec. 10, 2019), p. 10. https://info.stout.com/hubfs/PDF/Eviction-Reports-Articles-Cities-States/Los%20Angeles%20Eviction%20RTC%20Report 12-10-19.pdf

break incessant patterns of unequal representation between tenants and landlords. New York City, San Francisco, Newark, Cleveland, and Philadelphia are among some of the cities that have established the civil right to legal representation. Early data from those that have enacted Right to Counsel legislation have shown significant promise. In New York City, eviction orders are declining five times faster in zip codes where the right to an attorney in eviction court has rolled out than in zip codes without a right to an attorney.<sup>34</sup> In San Francisco, eviction fillings were down 10 percent after a year that the "No Eviction Without Representation Act" ballot measure went into effect; and among those tenants facing an eviction filling, 67 percent that received full representation successfully remained in their homes.<sup>35</sup>

A Right to Counsel ordinance not only makes a substantial difference in the lives of vulnerable tenants facing eviction but is also a more cost-effective approach. A study of proposed Right to Counsel programs in Los Angeles found that, for every \$1 invested, the program would generate returns of approximately \$4.80 to the County of Los Angeles.<sup>36</sup> The study further estimates that an annual investment in a right to counsel program could result in cost-savings to the County.

Adopting a Right to Counsel ordinance in the County would effectively recognize the County's Eviction Defense Program, also known as Stay Housed LA, as a permanently codified program. Since its inception in 2020, Stay Housed LA has already reached nearly 285,000 tenants through direct outreach, providing over 5,500 full-scope legal representation and limited scope legal assistance (976 and 4,529 respectively) to qualifying low-income tenants facing eviction. These services have proven even more critical during the pandemic, while continuing to demonstrate the need for legal representation throughout the eviction process. Should the Board pursue a Right to Counsel ordinance, the scope and focus of a Right to Counsel program would need to be defined (e.g., eligibility criteria, and provision of legal services), and a sustainable funding source for the program must be identified.

 Require Relocation Assistance to Tenants Who Would be Displaced due to Unaffordable Rent Increases. In September 2019, the Board adopted a motion that instructed DCBA and LACDA to report back on the feasibility of requiring

<sup>&</sup>lt;sup>34</sup> Oksana Mironova, NYC Right to Counsel: First Year Results and Potential for Expansion, CMTY. SERV. SOC'Y (Mar. 25, 2019), https://perma.cc/DJT5-CYGR; see also Editorial, L.A. Renters Deserve a 'Right to Counsel' for Evictions, L.A. TIMES (Apr. 23, 2019), https://perma.cc/5VPF-QZQV.

<sup>&</sup>lt;sup>35</sup> ACLU, *Tenants' Right to Counsel is Critical to Fight Mass Evictions and Advance Race Equity During the Pandemic and Beyond*, January 12, 2021. <a href="https://www.aclu.org/news/racial-justice/tenants-right-to-counsel-is-critical-to-fight-mass-evictions-and-advance-race-equity-during-the-pandemic-and-beyond">https://www.aclu.org/news/racial-justice/tenants-right-to-counsel-is-critical-to-fight-mass-evictions-and-advance-race-equity-during-the-pandemic-and-beyond</a>

<sup>&</sup>lt;sup>36</sup> See STOUT, p. 8. <a href="https://info.stout.com/hubfs/PDF/Eviction-Reports-Articles-Cities-States/Los%20Angeles%20Eviction%20RTC%20Report">https://info.stout.com/hubfs/PDF/Eviction-Reports-Articles-Cities-States/Los%20Angeles%20Eviction%20RTC%20Report</a> 12-10-19.pdf

relocation assistance for tenants who are displaced from their homes due to excessive rent increases in units not covered by the County's rent stabilization ordinances. On October 1, 2020, DCBA submitted a report with an analysis on an economic displacement ordinance for unincorporated areas of the County.<sup>37</sup> Under an economic displacement ordinance, a jurisdiction can establish a rent increase threshold that, if exceeded, will trigger rights to relocation assistance similar to other types of no-fault evictions. Tenants have an option to either accept and pay increased rent or terminate their tenancy and request relocation assistance from the landlord. A landlord that receives notification from a tenant of their need for relocation assistance and does not rescind or reduce the rent increase, will be required to pay the tenant for the costs of relocation as defined by the jurisdiction.

In recent years, more jurisdictions have adopted economic displacement ordinances as an additional layer of support for tenants displaced from units that are ineligible for rent stabilization. The cities of Santa Cruz, Pasadena, and Glendale are examples of jurisdictions that have enacted different forms of economic displacement policies. The report submitted to the Board, concluded that an economic displacement ordinance was feasible for the County to implement, as it does not fall under the classification of rent control and is not subject to Costa-Hawkins restrictions. Rather, such ordinances are meant to afford tenants that are not subject to rent stabilization with important safeguards in the face of a large rent increase without infringing on a landlord's right to increase rents on non-rent stabilized units.

The Board may choose to adopt an economic displacement ordinance for unincorporated areas of the County. Such an ordinance would complement the relocation assistance provisions included in the current RSTPO (Los Angeles County Code, Section 8.52.110), but would establish a separate rent increase threshold before activating rights to relocation assistance. Further, the Board may look to other jurisdictions to help determine eligibility requirements, and also consider smaller relocation assistance amounts for certain rental property owners, such as smaller mom and pop landlords.

• Establish Certain Limitations on Landlord Screening Practices. Tenant screening is a subtype of credit reporting, subject to specific federal and some state rules that apply both to landlords and tenant screening companies. As an example, in California, landlords cannot reject applicants, or otherwise discriminate against them, based on their use of a government-funded

<sup>&</sup>lt;sup>37</sup> Analysis for Economic Displacement Ordinance Report from DCBA, October 1, 2020. http://file.lacounty.gov/SDSInter/bos/supdocs/140418.pdf

voucher.<sup>38</sup> Recognizing the impact of the pandemic resulting in heightened tenant background checks, local jurisdictions are also exploring methods to increase screening transparency. In January 2020, the City of Oakland adopted an ordinance to prohibit landlords from conducting criminal background checks on tenants for more public and private rental housing<sup>39</sup>, and the City of Berkeley followed in March 2020.<sup>40</sup> In July 2021, the City of Philadelphia adopted the "Renters' Access Act"<sup>41</sup> that prohibits landlords from denying housing solely based low credit scores, evictions more than four years old, failure to pay rent or utilities during the pandemic, or criminal history. Additionally, landlords must provide tenants with written criteria used to evaluate prospective tenants, and require reasons for denial be in writing.

On March 8, 2022, the City also approved a motion to move forward with preparing and presenting a Rental Access Ordinance within 45 days. The ordinance, similar to the one adopted by the City of Philadelphia, would prohibit landlords from screening tenants based on credit scores, eviction records, applications for rent relief and failure to pay rent or utility bills during the pandemic in the evaluation of a rental application.<sup>42</sup> The ordinance would also ban the use of algorithmic or automated tenant screening services to evaluate rental applicants.

The County may use this opportunity to align with the City to establish more uniform and consistent rental application screening and acceptance criteria for a large segment of the County. If the Board determines they would like to pursue such an ordinance, it may also be beneficial to consider including a provision similar to Philadelphia's that requires revisiting the ordinance within a specified timeframe (18 months for Philadelphia) to ensure it is not adversely impacting apartment owners and managers whose businesses depend on responsible tenants.

# Support State Laws that Enhance Tenant Protections and Remove Barriers to Local Tenant Protections Policies

<sup>&</sup>lt;sup>38</sup> California Senate Bill 329, Discrimination: housing: source of income (2019-2020): https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\_id=201920200SB329

<sup>&</sup>lt;sup>39</sup> The Los Angeles Times, *Oakland bans criminal background checks for rental housing*, Jan. 23, 2020. https://www.latimes.com/california/story/2020-01-23/oakland-fair-chance-housing-ordinance-newsletter

<sup>&</sup>lt;sup>40</sup> San Francisco Chronicle, Berkeley bans criminal background checks in most rental housing applications, Mar. 10, 2020. <a href="https://www.sfchronicle.com/bayarea/article/Berkeley-bans-criminal-background-checks-in-most-15121949.php">https://www.sfchronicle.com/bayarea/article/Berkeley-bans-criminal-background-checks-in-most-15121949.php</a>

<sup>&</sup>lt;sup>41</sup> WHYY, *Aiming to 'protect renters'*, *Philly Council limits landlords' use of eviction records*. June 24, 2021. https://whyy.org/articles/aiming-to-protect-renters-philly-council-limits-landlords-use-of-eviction-records/

<sup>&</sup>lt;sup>42</sup> Los Angeles City Council Motion No. 22-0265, March 9, 2022, <a href="https://clkrep.lacity.org/onlinedocs/2022/22-0265">https://clkrep.lacity.org/onlinedocs/2022/22-0265</a> mot 3-08-22.pdf

The County may also support state laws that align with the Board's mission to enhance tenant protections and remove barriers to local tenant protections policies. Below are some housing bills that are still active in the State Legislature, including one bill that is already County-supported.

- SB 1335 (Eggman): Discrimination: housing: credit history of persons receiving housing subsidies As amended on 4/21, this bill would require landlords to consider and accept alternate evidence of financial responsibility and ability to pay as an alternative to credit history for housing applicants using a government rent subsidy. First hearing set for June 15, 2022 was canceled at the request of the author. In Senate Appropriations Committee.
- SB 649 (Cortese): Local governments: affordable housing: local tenant preference. This bill would allow local governments and developers to create a local tenant preference in an affordable housing rental development for developments funded with state or local funds or tax programs. Second reading ordered with the Assembly Housing and Community Development Committee on June 30, 2022.
- <u>SB 679 (Kamlager):</u> Los Angeles County: affordable housing. This bill is already County-Supported. This bill would establish a new Los Angeles County Affordable Housing Solutions Agency (LACAHSA) and authorize the agency to propose new fees or taxes for the purpose of funding tenant protections, and affordable housing preservation and production. *Re-referred to the Assembly Appropriations Committee on June 29, 2022.*
- AB 1961 (Gabriel): Affordable housing: Department of Housing and Community Development. This bill would require HCD to create a statewide database for affordable housing listings, information, and applicants, in coordination with state and local partners. Re-referred to the Assembly Appropriations Committee on June 22, 2022.

In addition to the bills active in the State Legislature, the County should continue pursuing other identified legislative advocacy opportunities that could further enhance local tenant protections.

Support mandates requiring court systems to make critical eviction-related data publicly available. Currently, there is no State or local requirement to report or share eviction-related data to the Judicial Council or to local government entities that deliver housing or eviction prevention services. The Judicial Council of California asks the 58 county Superior Court systems for two data points to be reported by the end of each fiscal year: 1) the number of eviction filings in the

county; and 2) the number of dispositions (meaning the number of cases closed) in the county. Based on public records from the Judicial Counsel, 14 of the 58 superior court county systems, including Los Angeles, San Diego, Sacramento and San Francisco, only report data on the aggregate number of cases that were filed and disposed of in a given fiscal year. The remaining 44 superior court systems report 15 types of aggregate case outcomes throughout an eviction's life cycle, as well as 13 subcategories (under an "Other" category). The data currently reported by these 44 county courts include: pre-trial, bench trial, jury trial, and other outcomes such as dismissals or transfers.

The lack of consistent and comprehensive data limits the understanding of the full scope of the eviction crisis both statewide and countywide, and the best practices to address the problem. Access to this data, including the number of evictions over time or during specified periods, and how or where the evictions are occurring, is fundamental for implementing effective policies and eviction prevention programs.

Previous attempts at the state level to address this matter have been unsuccessful. The most recent was AB 2271 (Gabriel) *Appointed Legal Counsel in Civil Matters: unlawful detainer cases.* In addition to affording low-income individuals, regardless of citizenship or immigration status, with much-needed access to legal services during times of distress, the bill would have required courts to provide specific information to the Judicial Council relating to unlawful detainer cases. However, the bill failed to pass the Judiciary committee. DCBA has since continued to submit recommendations for legislative proposals to improve access to court unlawful detainer data to the County Chief Executive Office - Legislative Affairs and Intergovernmental Relations.

### 4. RECOMMENDATIONS TO SUPPORT INCORPORATED CITIES

The pandemic revealed the potential impact of providing uniform and consistent policies across the County by establishing temporary baseline emergency tenant protections among all incorporated cities under the County's Resolution. While the County's permanent rent stabilization and tenant protections only apply to unincorporated areas, the County is still positioned to support incorporated cities interested in creating and adopting their own permanent tenant protections.

While the Board motion specifically calls for recommendations to provide guidance and/or technical assistance to incorporated cities, it is worth noting that the County's current Rent Stabilization Program, administered through DCBA's Housing and Tenant Protections Division, is designed as a cost recovery program intended to be funded

entirely through annual rent registration fees. 43 Consequently, the fees only incorporate reasonable regulatory and enforcement costs associated with implementing the County's ordinances. Nevertheless, DCBA's Housing and Tenant Protections Division has and continues to be a resource for jurisdictions requesting more information on the County's processes for adopting tenant protections. However, providing ongoing direct technical assistance to incorporated cities and/or enforcement of other jurisdiction's tenant protections would fall outside the recovery costs for programmatic services and duties, and would thus require a fiscal assessment and the identification of a separate funding source. As another option, the County could support incorporated cities by expanding opportunities to develop and share helpful tools to interested jurisdictions. DCBA has identified the following recommendations for the Board's consideration:

- Host a Countywide Tenant Protections Summit. Cities that have not adopted tenant protections would benefit from learning about existing rent stabilization and tenant protection ordinances adopted by other jurisdictions throughout the County. The County could partner with other cities that have adopted ordinances to host a Tenant Protections Summit for jurisdictions countywide. This would provide an opportunity to share best practices and lessons learned, engage and collaborate with other cities, and ultimately galvanize a unified effort amongst jurisdictions countywide. The Summit could also include roundtable discussions, as well as workshops to assist interested jurisdictions in crafting plans for adopting their own tenant protections.
- Develop a Policy Toolkit for Rent Stabilization and Tenant Protections. The County could also develop a policy toolkit that highlights key lessons learned in creating tenant protections, and include a blueprint of policy options available within rent stabilization and tenant protection ordinances. Similar toolkits have been developed to assist policymakers, such as PolicyLink's Equitable Development Toolkit Rent Control.<sup>44</sup> Other examples can also be taken from tobacco control and prevention efforts. ChangeLab Solutions partners with communities to help and design and implement equitable laws and policies, and has created a model comprehensive smokefree to help local jurisdictions create smoke-free and tobacco-free places.<sup>45</sup> The County may look to these examples for the purposes of a publicly available tool that could be utilized by other local jurisdictions.

<sup>43</sup> As a result of financial hardships caused by the pandemic, the Board approved motions waiving the rent registration fees through 2023 for rental property owners that register their units/spaces by September 30, 2022.

<sup>&</sup>lt;sup>44</sup> Policy Link, *Equitable Development Toolkit Rent Control*. December 2001, <a href="https://www.policylink.org/resources-tools/rent-control">https://www.policylink.org/resources-tools/rent-control</a>

<sup>&</sup>lt;sup>45</sup> ChangeLab Solutions, *Comprehensive Smoke Free Places: Checklist and Model Ordinance*, <a href="https://www.changelabsolutions.org/publications/comp-smokefree-places">https://www.changelabsolutions.org/publications/comp-smokefree-places</a>

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These recommendations would require assistance from an experienced consultant, such as those listed above, to lead and execute deliverables. Should the Board desire to pursue either opportunity, it is advised to first identify and approve funding for the hiring of a consultant as part of the directive to move forward with the recommendation(s).

### 5. CONCLUSION

The experiences during the pandemic offers the County an opportunity to reimagine the way it delivers and implements programs, services, and resources that better support its residents. The County's emergency tenant protections have served as temporary stop-gap, predicated on the unprecedented health emergency and uncertainty of the COVID-19 virus. As the County prepares for a post-pandemic world and an eventual lifting of emergency tenant protections, it should build on the current momentum to improve the housing stability of hundreds of thousands of tenant households. The lessons learned and recommendations included in this report could help the County make long-term impacts through increased investments and strengthened tenant protections, particularly for low-income tenants and communities of color.

### Attachment I

#### I. COUNTY DEPARTMENT FEEDBACK

**Shifts in work and priorities:** Pandemic shifted the focus of many County Department's work. Departments were no longer able to provide in-person services, causing delays as programs shifted to virtual platforms. Communities they wanted to serve were hard to connect with, so more flexible options were necessary.

**Capacity Issues**: Departments all discussed having limited staffing capacity to respond to higher volumes of work and demand in services. Even with new pandemic funds, such as the American Recovery Plan, finding, filling vacancies, and retaining additional staff has been a huge challenge. It has been important to examine the structures of our current workforce and understand what employees want, such as Telework.

*Impacts from state and federal rules and restrictions:* Preemptions at the state level have significantly impacted the County's ability to implement new protections, such as nonpayment of rent. Similarly, some policies at the federal level, such as the U.S. Department of Housing and Urban Development (HUD) regulate policies pertaining to Section 8, and thus restrict local governments from creating new policies.

**More support and capacity-building is needed for communities:** Financial support and protections have helped people stay housed. Programs should continue to have aspects of rental assistance to continue supporting tenants and landlords. Additionally, programs should also ensure to build in enough funding to include technical assistance for small business owners, and small mom and pop landlords.

# II. APARTMENT AND MOBILEHOME PARK ASSOCIATION, RENTAL PROPERTY OWNER FEEDBACK

Representatives from apartment and mobilehome park associations, as well as from rental property owners attending the County's Rental Property Owner Roundtable virtual public meetings expressed their frustrations with the continuation of the County's emergency tenant protections. Specifically, these groups emphasized their opposition with the duration of the emergency tenant protections in place given the current state of the economy, with lower employment rates, lifting of mask mandates, and reopening of businesses, stating "we're in a different position than we were two years ago". Discussions with this stakeholder group included the following common themes:

### Insufficient and delayed resources specifically for landlords and rental property owners

Representatives and rental property owners pointed out the significant backlog of applications with the state's Rent Relief Program, which ended in May 2022. Consequently, they continue to highlight the lack of financial resources available to them while the emergency protections remain in place and while applications for rent relief are pending determination. They state property owners are not recovering backrent owed and continue to bear the economic brunt of the pandemic. Additional economic relief for rental property owners is needed, particularly for small mom and pop landlords relying on rent as their primary income.

### Strong opposition to extended emergency protections

While the preference was to end the emergency protections altogether, the groups stated that the protections in their current form should not be a "one-size fits all" policy. The groups reported that this approach has resulted in increased patterns of "opportunistic tenants" that are taking advantage of the protections in place. Despite the County's phase-out plan in effect, the groups argued that the phasing out of protections are insufficient and provide little recourse for property owners dealing with tenants that are abusing the system. Among the most contested emergency protections included:

- Non-payment of rent protections and self-certification requirements As the County reinstates non-payment protections for those at or below 80% of the Area Median Income (AMI) on July 1, 2022, rental property owners state that they are unable to validate eligibility without documentation requirements. According to this group, the self-certification requirements for tenants to claim economic hardship incentivizes ineligible tenants to not pay rent without having to provide proof to their landlord. The group emphasized the need to provide proof of eligibility and income, in addition to signing under penalty and perjury, similar to the requirements stipulated as part of the state's COVID-19 Rent Relief program.
- **Rent increase freeze** Rental property owners disapproved of the continuation of the rent increase freeze for rent-stabilized units under the emergency protections. While the rent increase freeze remains in effect, property owners highlighted mortgage and property taxes have not stopped, placing the financial burden primarily on landlords.
- Nuisance Rental property owners communicated their frustration with protections for acts of
  nuisance. According to the property owners, this provision is too broad and hinders a landlord's
  ability to handle issues of nuisance. While property owners preferred to remove nuisance
  protections entirely, some also addressed the need to incorporate specific carve-outs as part
  of the phasing-out plan. They believe specific carve-outs for certain problematic behaviors
  could help landlords in their specific situations and when going before a judge in court.
- Owner move-in restrictions Despite modifications to the emergency protections lifting some
  owner move-in restrictions, rental property owners stated that the owner move-in provisions
  are still too restrictive. They explained at this juncture many owners in financial distress need
  to consider moving back into their buildings but are unable to do so based on this provision still
  in place.
- No definitive end date to emergency protections The groups stressed the need to have a
  definitive end date and expiration to the emergency protections rather than ongoing extensions.

### Rental/business practices shifting with emergency protections

Representatives and rental property owners shared that the emergency protections resulted in a shift in their rental/business practices. After two years of state and local eviction protections and more tenants staying in their units, landlords say they're fearful of taking in non-paying tenants and more selective of new applicants. Additionally, they explained they have scaled back on non-essential property/building upkeep due to decreases in revenue, and for some larger buildings, capital projects have come to a stop. Representatives from larger apartment groups also claim that development companies are being deterred from work/projects in Los Angeles as a result of no known end date of emergency protections and decreases in revenue.



# We're Not Going Back: Recommendations for Countywide Post-Pandemic Tenant Protections in Los Angeles

May 10, 2022

## I. Introduction

On January 25, 2022, the Los Angeles County Board of Supervisors directed County Departments to report back on "lessons learned during the pandemic related to tenant protections and recommendations on opportunities to strengthen the County's permanent protections, and assist incorporated cities in adopting their own permanent tenant protections." This effort presents a critical opportunity to address long-standing challenges that Los Angeles County tenants have faced regarding housing stability, housing affordability, and enforcement of tenant protections and habitability standards. While we are still in the midst of the pandemic and emergency protections should remain in place for the remainder of the emergency, we acknowledge that the County must be prepared for an eventual end to the state of emergency. But an end to emergency protections should not mean a return to a pre-pandemic world where 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 County.

We must emerge from this crisis with a stronger, uniform countywide framework for tenant protections. All tenants across Los Angeles County have a right to affordable, secure, and habitable housing free from harassment and discrimination. We demand an LA Tenant Bill of Rights for all tenants in Los Angeles County:

- ✓ Rent stabilization to the maximum extent allowed by state law
- ✓ Universal just cause eviction protections
- ✓ Limitations on evictions for failure to pay rent
- ✓ Relocation assistance for tenants displaced for no fault of their own
- ✓ Effective tenant anti-harassment protections
- ✓ Safeguards when landlords attempt to buyout tenants
- ✓ Codified right to counsel for tenants facing eviction
- ✓ Strong proactive code enforcement
- ✓ Removal of discriminatory barriers to housing access

<sup>&</sup>lt;sup>1</sup> Board of Supervisors of the County of Los Angeles, *Statement of Proceedings* (Jan. 25, 2022) Item 5, <a href="http://file.lacounty.gov/SDSInter/bos/sop/1119222\_012522.pdf">http://file.lacounty.gov/SDSInter/bos/sop/1119222\_012522.pdf</a>.

The Board of Supervisors has the power to lead a countywide Tenant Bill of Rights. Although the Board has enacted just cause protections and a rent stabilization ordinance for unincorporated areas, the Board can enact and strengthen other permanent tenant protection policies. In addition, to help protect tenants in incorporated cities, the Board can take actions to ensure that incorporated cities adopt the policies in the LA Tenant Bill of Rights.

# II. 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 33% of those filings. In 2019, landlords filed 40,572 evictions against tenants in Los Angeles County.<sup>2</sup> 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.<sup>3</sup> 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 was reduced by 67.4%.<sup>4</sup>

The emergency protections during the pandemic, while imperfect, have proven effective at reducing the number of evictions and have not caused significant long-term hardship for landlords. According to recent 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. 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. And residential property values have increased substantially during the pandemic, adding to the wealth of many landlords.

<sup>5</sup> Demsas, J., *The landlords are (largely) all right* (Nov. 4, 2021) Vox,

<sup>&</sup>lt;sup>2</sup> Los Angeles Superior Court data collected and maintained by Kyle Nelson for LA Renters' Right to Counsel Coalition

<sup>&</sup>lt;sup>3</sup> 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.

<sup>&</sup>lt;sup>4</sup> Footnote 2, *supra*.

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

<sup>6</sup> 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).

<sup>&</sup>lt;sup>7</sup> 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; <a href="https://fred.stlouisfed.org/series/LXXRSA">https://fred.stlouisfed.org/series/LXXRSA</a>, [retrieved May 9, 2022].

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, including 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. 8 There was a broad recognition that tenants who could not pay rent 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.9 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 \$1,643.10

One of the most important aspects of the County's emergency eviction protections is that the protections apply to incorporated jurisdictions under the County's emergency authority granted by the California Emergency Services Act.<sup>11</sup> As illustrated by Table 1, this expanded authority protected millions of tenants throughout the pandemic, including over **2.7 million** 

<sup>&</sup>lt;sup>8</sup> 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 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).

<sup>&</sup>lt;sup>9</sup> 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.

<sup>&</sup>lt;sup>10</sup> Louis, R., Durana, A., & Hepburn, P., *Preliminary Analysis: Eviction Claim Amounts During the COVID-19 Pandemic* (Aug. 27, 2020) Eviction Lab, https://evictionlab.org/covid-eviction-claims/.

<sup>&</sup>lt;sup>11</sup> Cal. Gov. Code § 8634 ("During a local emergency the governing body of a political subdivision, or officials designated thereby, may promulgate orders and regulations necessary to provide for the protection of life and property...."); *see also* 62 Ops. Cal. Atty. Gen. 701, 701 (1979) ("Cities within a county are bound by county rules and regulations adopted by the county pursuant to section 8634 of the Government Code during a county proclaimed emergency....").

tenants who are not covered by any local eviction protection or rent regulations.<sup>12</sup> When the County's emergency eviction protections eventually expire, these tenants will be extremely vulnerable to displacement.

T 1 11 11	N. 1 C.FD .
Jurisdiction	Number of Tenants
Los Angeles County, California	5,077,757
City of Los Angeles (RSO)	1,666,119
Santa Monica city, California	59,395
West Hollywood city, California	28,960
Culver City city, California	17,386
Beverly Hills city, California	17,330
Inglewood city, California	66,172
Maywood city, California	19,449
Baldwin Park city, California	32,131
Unincorporated areas	400,124
Remainder (no local protections)	2,770,691

Table 1: Tenants in Los Angeles County jurisdictions with local tenant protections that are substantially more protective than state law. Remainder is the number of tenants not covered by such local protections. Estimates based on ACS 2019 5-year data. Estimate for tenants in RSO units in the City of Los Angeles based on RSO unit data from LAHD available at https://housing.lacity.org/RSO and ACS household size and vacancy rate estimates.

An increase in the number of evictions of tenants in incorporated cities, spurred by the expiration of the County's emergency eviction protections, could have significant fiscal impacts on the County. Preventing eviction and promoting housing stability creates considerable municipal savings. For example, an independent study of Los Angeles County finds that for each dollar the County invests in legal representation for tenants facing eviction, it could receive \$4.80 in costs avoided or revenue generated. The same study found that the City of Los Angeles would receive \$3.48 in costs avoided or revenue generated for every dollar invested in tenant right to counsel in eviction. Similar studies in New York, Philadelphia, and Baltimore demonstrate that protecting tenants and promoting housing stability generate significant savings. On the other hand, housing insecurity spurred by evictions increases public costs related to shelter and housing programs, school funding, health care, child welfare, and more.

<sup>&</sup>lt;sup>12</sup> For example, approximately 28% of rental units in the the City of Los Angeles are not covered by the city's Rent Stabilization Ordinance and just cause eviction protections to properties. (Calculated using data from the Los Angeles Housing Department and the American Community Survey 2019 5-year estimate of renter occupied household. *See* Los Angeles Housing Dept., *Report Dashboard for RSO*, <a href="https://housing.lacity.org/rso">https://housing.lacity.org/rso</a> [retrieved May 9, 2022]; US Census Bureau, *American Community Survey*, <a href="https://www.census.gov/programs-surveys/acs">https://www.census.gov/programs-surveys/acs</a> [retrieved May 9, 2022].) Based on the authors' review, the vast majority of cities in Los Angeles County do not have any local tenant protections.

<sup>&</sup>lt;sup>13</sup> STOUT, Cost-Benefit Analysis of Providing a Right to Counsel to Tenants in Eviction Proceedings (Dec. 10, 2019) (hereinafter STOUT (2019)), p. 8.

<sup>14</sup> Ibid.

<sup>&</sup>lt;sup>15</sup> See STOUT, Eviction Right to Counsel Resources, <a href="https://www.stout.com/en/services/transformative-change-consulting/eviction-right-to-counsel-resources">https://www.stout.com/en/services/transformative-change-consulting/eviction-right-to-counsel-resources</a> [retrieved May 9, 2022].

Many of these increased expenses will be borne by the County, even if the eviction takes place in an incorporated city.

When evictions take place on a large scale, the effects are felt beyond the family being evicted; eviction becomes a social problem that destabilizes the community. Workers who experience displacement are 20% more likely to lose their jobs compared to workers who do not experience displacement. Eviction not only adversely affects unemployed and employed tenants' job prospects, but also the potential future earnings of children. In Massachusetts, the cost burden for state-supported services that an individual experiencing homelessness acquires is \$9,372 greater per year than someone who has stable housing. Preserving housing stability through permanent tenant protections saves public dollars for Los Angeles County.

When the County's emergency protections expire, low-income tenants that experience illness or 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. 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. Los Angeles County 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.

Without action, Los Angeles County faces increased wealth disparities and displacement following the hardships of the pandemic. While most property owners were shielded from the worst economic impacts of the pandemic and grew their wealth as land values increased,<sup>21</sup> low-income tenants were most financially impacted, lost family members that were wage earners and care providers to the virus, and are now saddled with unresolved rent debt and shadow debt.<sup>22</sup> The County's recovery efforts must address the racial, economic, and social disparities

<sup>18</sup> Wood-Boyle, L., *Facing Eviction: Homelessness Prevention for Low-Income Tenant Households* (Dec. 1, 2014) Federal Reserve Bank of Boston.

https://www2.census.gov/programs-surveys/demo/tables/hhp/2022/wk44/housing2b\_week44.xlsx.

<sup>&</sup>lt;sup>16</sup> Desmond, M., *Unaffordable America: Poverty, housing, and eviction* (Mar. 2015) Institute for Research on Poverty.

<sup>&</sup>lt;sup>17</sup> Ibid.

<sup>&</sup>lt;sup>19</sup> U.S. Census Bureau, *Household Pulse Survey, Week 44* (Mar. 30-Apr. 11, 2022), Housing Table 2b, Los Angeles-Long Beach-Anaheim, CA Metropolitan Area,

<sup>&</sup>lt;sup>20</sup> 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.

<sup>&</sup>lt;sup>21</sup>See JPMorgan Chase & Co., *How did landlords fare during COVID?* (Oct. 2021), Figure 2, https://www.ipmorganchase.com/institute/research/household-debt/how-did-landlords-fare-during-covid.

<sup>&</sup>lt;sup>22</sup> Reina, V. & Goldstein, S., Housing Initiative at Penn, *An Early Analysis of the California COVID-19 Rental Relief Program* (July 2021), <a href="https://www.housinginitiative.org/uploads/1/3/2/9/132946414/hip\_carr\_7.9\_final.pdf">https://www.housinginitiative.org/uploads/1/3/2/9/132946414/hip\_carr\_7.9\_final.pdf</a> (nearly

that have been magnified by the pandemic. Advancing a countywide Tenant Bill of Rights is a step toward mitigating those harms and addressing underlying structural racism in the housing market, and should be a cornerstone of the County's recovery actions.

# III. The County should build on lessons learned during the pandemic and strengthen permanent tenant protections, creating an LA Tenant Bill of Rights

We must not return to a world of fewer tenant protections and less housing security after the pandemic. All tenants in Los Angeles have a right to affordable, secure, and habitable housing free from harassment and discrimination. We demand a countywide LA Tenant Bill of Rights to preserve critical protections that have effectively prevented eviction and displacement over the last two years and enable the County to address long-standing challenges regarding housing stability, housing affordability, and enforcement of tenant protections and habitability standards. The LA Tenant Bill of Rights, as described below, is a set of proven policies – many of which the Board of Supervisors has already adopted for unincorporated areas – that protect tenants from eviction, displacement, homelessness, and violations of their rights. The LA Tenant Bill of Rights includes:

- ✓ Rent stabilization to the maximum extent allowed by state law
- ✓ Universal just cause eviction protections
- ✓ Limitations on evictions for failure to pay rent
- ✓ Relocation assistance for tenants displaced for no fault of their own
- ✓ Effective tenant anti-harassment protections
- ✓ Safeguards when landlords attempt to buy out tenants
- ✓ Codified right to counsel for tenants facing eviction
- ✓ Strong proactive code enforcement
- ✓ Removal of discriminatory barriers to housing access

The Board of Supervisors has already adopted several of these policies for unincorporated areas, including a just cause and rent stabilization ordinance, tenant buyout protections, anti-harassment provisions, and studying measures for stronger code enforcement. Below are recommendations on how the Board can strengthen policies to adopt the full LA Tenant Bill of Rights for unincorporated areas.

## A. Limitations 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.<sup>23</sup> 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

<sup>30%</sup> of rental assistance applicants took on additional "shadow" debt to pay for housing, at an average of \$3.050 per family).

<sup>&</sup>lt;sup>23</sup> Cal. Code of Civil Proc. § 1161(2).

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.<sup>24</sup> 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 circumstances. These scenarios are common and would often lead to a household being evicted.

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. The County should 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.<sup>25</sup>

Specifically, we recommend that the Board amend County Code section 8.52.090 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

<sup>&</sup>lt;sup>24</sup> See footnote 8, supra.

<sup>&</sup>lt;sup>25</sup> 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*, <a href="https://www.dca.ca.gov/publications/small\_claims/small\_claims.pdf">https://www.dca.ca.gov/publications/small\_claims.pdf</a>.

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. 47 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, 48 and eviction judges are prohibited from awarding landlords unpaid rent without displacing the tenant. 49 By increasing the 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 the County 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.

The County has the legal authority to regulate substantive grounds for eviction, including removing certain reasons as grounds for eviction. The County's own Rent Stabilization Ordinance already regulates such substantive grounds.<sup>30</sup> 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.<sup>31</sup> 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.<sup>32</sup>

Cities across the country have also begun to adopt similar measures to restrict evictions for nonpayment of rent. For example, the District of Columbia recently banned evictions in

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<sup>&</sup>lt;sup>26</sup> 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), <a href="https://www.federalreserve.gov/publications/2021-economic-well-being-of-us-households-in-2020-dealing-with-unexpected-expenses.htm">https://www.federalreserve.gov/publications/2021-economic-well-being-of-us-households-in-2020-dealing-with-unexpected-expenses.htm</a>.

<sup>&</sup>lt;sup>27</sup> California Employment Development Department, *Unemployment Insurance – After You Apply* (Feb. 17, 2022), <a href="https://edd.ca.gov/en/Unemployment/After\_vou\_Filed">https://edd.ca.gov/en/Unemployment/After\_vou\_Filed</a> [retrieved May 9, 2022] ("It takes at least three weeks to process a claim for unemployment benefits and issue payment to most eligible workers.").

<sup>&</sup>lt;sup>28</sup> Cal. Code of Civil Proc. § 1161(2).

<sup>&</sup>lt;sup>29</sup> Cal. Code of Civil Proc. § 1179 (allowing a judge to prevent forfeiture in cases of hardship only if the tenant has made full payment of rent).

<sup>&</sup>lt;sup>30</sup> Los Angeles County Code § 8.52.090.

<sup>&</sup>lt;sup>31</sup> 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).

<sup>&</sup>lt;sup>32</sup> Cal. Code of Civil Proc. § 1179.05(b).

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.<sup>34</sup> 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 County can build on this momentum and adopt a model policy 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.

## B. Codify enhanced tenant anti-harassment protections

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 experience landlord harassment in the city Los Angeles each month.<sup>36</sup>

The County strengthened tenant anti-harassment protections in its emergency protections by including additional examples of prohibited activities. The emergency resolution states that "[t]hese Protections shall survive this Resolution," but the County should now codify these protections within its existing tenant anti-harassment ordinance (Los Angeles County Code § 8.52.130). Both the currently codified protections and the emergency protections include lists of prohibited activity. While the two lists are substantially similar, the County should merge them and resolve any disparities in favor of providing the greatest number of protections. This would include retaining the protection currently in the County Code against landlords communicating with tenants in their non-primary language in order to harass, and removing the "bad faith"

<sup>&</sup>lt;sup>33</sup> District of Columbia Official 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.").

<sup>&</sup>lt;sup>34</sup> San Francisco Admin. Code § 37.9(o).

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

<sup>&</sup>lt;sup>36</sup> Cantong. J., Landlord Harassment & Illegal Eviction (Feb. 28, 2022) Neighborhood Data for Social Change, USC Price Center for Social Innovation, at Table: Landlord/Tenant Dispute Calls by Month, 2010-2021, 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. (June 18, 2020) Los

Angeles Times,

https://www.latimes.com/homeless-housing/story/2020-06-18/despite-protections-landlords-attempting-to-evict-tena nts-in-south-l-a-black-and-latino-neighborhoods-data-shows.

<sup>&</sup>lt;sup>37</sup> 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), § IX (Harassment and Retaliation Protections).

requirement currently in the County Code for certain landlord behaviors to be actionable. Tenant Anti-Harassment protections should additionally include protection from harassment for outstanding rental debt as well as additional penalties for harassment of a tenant with a pending or approved rental assistance application.

## C. Codified right to counsel for tenants at risk of eviction

In order to ensure tenants are not unjustly evicted, the County should follow the recommendations of the Right to Counsel Coalition and codify the right to counsel for tenants at risk of eviction. Right to counsel should be a codified tenant right for low-income renters (household income of 80% of AMI or less) in the form of outreach, education, and free legal representation in eviction actions. 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 get to stay in their homes, and the eviction filing rate decreased by 30%.<sup>38</sup>

Right to Counsel, as found by independent studies, is highly cost-effective homelessness prevention. A study of proposed right to counsel programs in Los Angeles found that, for every \$1 invested, the program would generate returns of approximately \$4.80 to the County of Los Angeles.<sup>39</sup> 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, health care and foster care, and that a right to counsel program could provide numerous additional, unquantifiable benefits in terms of tenant health, education, employment, and more. 40 To utilize the Right to Counsel resource effectively, the County 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.<sup>41</sup>

<sup>&</sup>lt;sup>38</sup> Office of Civil Justice, New York City Department of Social Services/Human Resources Administration, Annual Report (2020) at p. 23,

https://www1.nyc.gov/assets/hra/downloads/pdf/services/civiliustice/OCJ Annual Report 2020.pdf.

<sup>&</sup>lt;sup>39</sup> STOUT (2019), *supra*, at p. 8.

<sup>&</sup>lt;sup>40</sup> *Id.*, at p. 93.

<sup>&</sup>lt;sup>41</sup> For example, the Los Angeles County Department of Consumer and Business Affairs is already required to be notified of all notices of termination served, and could send information to the affected tenants. See Los Angeles County Code § 8.52.090(B)(4).

# D. Relocation assistance for tenants displaced for no fault of their own, including due to unaffordable rent increases

All tenants should have access to relocation assistance when they are required to move for no fault of their own. In unincorporated areas, the Board has adopted relocation assistance as part of its just cause protections.<sup>42</sup> When a tenant is being evicted for a no-fault just cause reason, such as an owner move-in, tenants are entitled to relocation assistance at an amount set by the County.<sup>43</sup> However, there is a loophole that allows tenants in units not covered by the County's rent regulations to be forced out through large rent increases and receive no relocation assistance. While the County cannot prevent rent increases in units ineligible for rent stabilization under Costa-Hawkins, the County can do more to protect the tenants living in these units.

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 by the County's Rent Stabilization Ordinance, 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 Beach<sup>44</sup> and Baldwin Park,<sup>45</sup> and the County has already studied the policy in response to a board motion. 46 This policy would mitigate the harm caused to tenants from having to move 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 rent stabilization ordinance 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 the housing stability for the over 60% of tenants in unincorporated areas that do not live in units covered by the County's rent stabilization ordinance.<sup>47</sup>

Assistance (Item No. 10, Agenda of September 10, 2019) (Oct. 1, 2020), http://file.lacounty.gov/SDSInter/bos/supdocs/140418.pdf.

<sup>&</sup>lt;sup>42</sup> Los Angeles County Code § 8.52.110.

<sup>&</sup>lt;sup>43</sup> County of Los Angeles Department of Consumer and Business Affairs, *Relocation Assistance FAQs* (Sept. 17, 2021), <a href="https://dcba.lacounty.gov/wp-content/uploads/2021/09/Relocation-Assistance-FAQ-9.17.21.pdf">https://dcba.lacounty.gov/wp-content/uploads/2021/09/Relocation-Assistance-FAQ-9.17.21.pdf</a>.

<sup>&</sup>lt;sup>44</sup> City of Long Beach Ordinance No. ORD-19-0014 (adopted June 11, 2019), <a href="https://library.municode.com/ca/long">https://library.municode.com/ca/long</a> beach/ordinances/municipal code?nodeId=962139 (repealed by City of Long Beach Ordinance No. ORD-19-0035 (adopted Dec. 10, 2019), <a href="https://library.municode.com/ca/long">https://library.municode.com/ca/long</a> beach/ordinances/municipal code?nodeId=995716).

<sup>&</sup>lt;sup>45</sup> Baldwin Park Code of Ords. § 129.11(d)(5) (applies within 18 months of a change in property ownership). <sup>46</sup> County of Los Angeles Department of Consumer and Business Affairs, *Analysis for Economic Displacement* 

<sup>&</sup>lt;sup>47</sup> Estimate based on American Community Survey 2019 5-yr data for number of renters in buildings with only one unit. *See* US Census Bureau, *American Community Survey*, Table B25033, <a href="https://www.census.gov/programs-surveys/acs">https://www.census.gov/programs-surveys/acs</a> [retrieved May 9, 2022].)

# E. Strong proactive code enforcement<sup>48</sup>

Substandard housing is prevalent in unincorporated Los Angeles County with strong concentrations in underserved communities like South and East Los Angeles. 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.

On April 5, 2022, the Board of Supervisors unanimously adopted a motion to study Rental Housing Habitability and Rent Escrow Account Programs. <sup>49</sup> Consistent with and in response to this motion, the County should implement a proactive code enforcement system centralized under a single program in order to foster clear understanding of County department roles and responsibilities and increase efficiency for code violation resolutions. This Rental Housing Habitability program should include best practices from the Los Angeles Housing Department's Systematic Code Enforcement Program (SCEP), the Rent Escrow Account Program (REAP), and the Tenant Habitability Plan (THP), and learn from the challenges in implementation and enforcement. Other code enforcement tools like health and safety receiverships—which are historically underutilized in Los Angeles, despite being an immediate and effective tool to eradicate slum housing and motivate compliance downstream from negligent property owners—should be integrated into the program. In particularly egregious cases of slum housing and non-compliance, there should be opportunities for acquisition of such properties by community land trusts and mission-based affordable housing providers.

## F. Removal of discriminatory barriers to housing access

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 access to prospective housing for renters, while allowing landlords to evaluate tenants based on appropriate factors, helps stabilize communities and prevent discrimination.

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. 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 disparaties in credit scores due to centuries of discrimination that have contributed to a wide wealth gap between racial groups. <sup>50</sup> Further, credit reports include information other than a

https://www.nclc.org/images/pdf/credit\_discrimination/Past\_Imperfect050616.pdf (citing to several studies).

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<sup>&</sup>lt;sup>48</sup> See generally Strategic Actions for a Just Economy, Recommendations to Improve Los Angeles County's Residential Code Enforcement (Apr. 2021),

https://www.saje.net/wp-content/uploads/2022/05/L.A.-County-Code-Enforcement-Final-Recommendations-.pdf.

49 Board of Supervisors of the County of Los Appeles Statement of Proceedings (Apr. 5, 2022) Item 5

<sup>&</sup>lt;sup>49</sup> Board of Supervisors of the County of Los Angeles, *Statement of Proceedings* (Apr. 5, 2022) Item 5, http://file.lacounty.gov/SDSInter/bos/sop/1122935 040522.pdf.

<sup>&</sup>lt;sup>50</sup> See National Consumer Law Center, Past Imperfect: How Credit Scores and Other Analytics "Bake In" and Perpetuate Past Discrimination (May 2016),

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. 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 accessing housing to exit homelessness.<sup>51</sup>

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 factors or the increased homelessness which will result from allowing such practices to continue. The City of Los Angeles has introduced a package of Fair Access for Renters policies, 52 and the County has an opportunity to lead by doing the same.

# IV. The County should ensure that incorporated cities adopt policies in the LA Tenant Bill of Rights so that every tenant in the county has minimum, universal tenant protections and the support to enforce them

For the foreseeable future, COVID-19 will continue to pose a serious public health threat and cause significant economic disruptions. The County's emergency eviction protections should remain in effect to protect tenants that cannot pay rent. Nonetheless, we acknowledge that the County must begin taking steps to prepare for the eventual expiration of its emergency eviction protections. The expiration of the County's state of emergency will not only affect unincorporated areas, but incorporated cities as well.

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<sup>&</sup>lt;sup>51</sup> See Wagner, D., As Landlords Intensify Tenant Background Checks, Some Lawmakers Want New Limits On Screening (May 2, 2022) LAist,

 $<sup>\</sup>frac{https://laist.com/news/housing-homelessness/los-angeles-la-renter-tenant-screening-credit-score-check-landlord-vou \\ \underline{cher-income-housing-apartments-bonin-ramn-city-council-rental-access-ordinance}.$ 

<sup>&</sup>lt;sup>52</sup> Los Angeles City Council Motion No. 22-0265 (Mar. 9, 2022), https://clkrep.lacity.org/onlinedocs/2022/22-0265\_mot\_3-08-22.pdf; Los Angeles City Council Motion No. 22-0279 (Mar. 9, 2022), https://clkrep.lacity.org/onlinedocs/2022/22-0279\_mot\_3-09-22.pdf; Los Angeles City Council Motion No. 22-0280 (Mar. 9, 2022), https://clkrep.lacity.org/onlinedocs/2022/22-0280\_mot\_3-09-22.pdf.

During the COVID-19 pandemic, many cities in the County relied on the County's emergency actions to protect tenants from eviction. Some cities let their own local emergency protections expire, opting to follow the County's protections. But when the County's protections expire, many tenants across the county will suddenly lose protections that have kept them housed in the past two years. Over 2.7 million tenants in the county are not covered by any local eviction protections or rent regulations. Before the Board allows the emergency protections to expire, it should encourage and support every city in Los Angeles County to adopt the basic, universal set of tenant protections included in the LA Tenant Bill of Rights. Some cities in the County have already started adopting components of the LA Tenant Bill of Rights in recent years, including Baldwin Park<sup>53</sup>, Bell Gardens, <sup>54</sup> Cudahy<sup>55</sup>, Culver City<sup>56</sup>, Inglewood<sup>57</sup>, and the City of Los Angeles. <sup>58</sup> And, this November, voters in the City of Pasadena will consider a measure to adopt rent stabilization and universal just cause protections. <sup>59</sup>

To help protect tenants in incorporated cities, the Board should explore all available options to encourage incorporated cities to adopt the policies in the LA Tenant Bill of Rights. Tenants in cities that do not have local tenant protections are more likely to be involuntarily displaced or become unhoused. When tenants are displaced or become unhoused, there are spillover costs imposed on the County related to shelter and housing programs, health care, child welfare, and more. For all of these reasons, the Board has an interest in *strongly* encouraging incorporated cities to adopt local tenant protections.

The Board could encourage cities to adopt the LA Tenant Bill of Rights as follows:

• Encourage cities to adopt the County's tenant protection ordinances and enforce these ordinances through a service agreement with the County. 62 Cities should be able to adopt the County's tenant protection ordinances and contract with County departments to provide administrative services, fee collection, and enforcement. The County should

<sup>&</sup>lt;sup>53</sup> Baldwin Park Code of Ords. § 129 (rent stabilization; just cause eviction protections; relocation assistance for no-fault evictions, including large rent increases).

<sup>&</sup>lt;sup>54</sup> April 11, 2022 Regular Meeting of the City of Bell Gardens City Council, Agenda Item #13, <a href="https://agenda.bellgardens.org/AgendaPublic/DisplayAgendaPDF.ashx?MeetingID=510">https://agenda.bellgardens.org/AgendaPublic/DisplayAgendaPDF.ashx?MeetingID=510</a> (directing city staff to prepare a rent stabilization and just cause eviction ordinance).

<sup>&</sup>lt;sup>55</sup> Cudahy Mun. Code § 5.12 (obligation of landlords to notify the City prior to an eviction).

<sup>&</sup>lt;sup>56</sup> Culver City Mun. Code § 15.09.200 et seq. (rent stabilization; just cause eviction protections; relocation assistance for no-fault evictions).

<sup>&</sup>lt;sup>57</sup> Inglewood Mun. Code Article 10 (rent stabilization; just cause eviction protections; relocation assistance for no-fault evictions).

<sup>&</sup>lt;sup>58</sup> See, for ex., Los Angeles Mun. Code Chapter IV, Article 5.3 (Tenant Anti-Harassment Ordinance)

<sup>&</sup>lt;sup>59</sup> Coleman, A., Sufficient Signatures for Rent Control Initiative Are Verified to Put Measure on Ballot (May 9, 2022) Pasadena Now,

https://www.pasadenanow.com/main/sufficient-signatures-for-rent-control-initiative-are-verified-to-put-measure-on-ballot.

<sup>&</sup>lt;sup>60</sup> Nelson, K., Garboden, P., McCabe, B. J., & Rosen, E., *Evictions: The Comparative Analysis Problem* (Mar. 4, 2021) Housing Policy Debate, *31*(3–5), 696–716, <a href="https://doi.org/10.1080/10511482.2020.1867883">https://doi.org/10.1080/10511482.2020.1867883</a>.

<sup>&</sup>lt;sup>61</sup> STOUT (2019), *supra*, at p. 30.

<sup>&</sup>lt;sup>62</sup> The County's cannabis facilities regulations include such a provision. Los Angeles County Code § 11.37.220.

secure funding to address any startup costs for cities. This will lower the barrier for smaller cities to enact tenant protections, streamline enforcement, and improve awareness among tenants and landlords by having uniform regulations across jurisdictions.

- Explore accounting for costs caused by housing instability when setting prices for service agreements with cities that lack local tenant protections. The County already provides a wide variety of services to cities on a contract basis. Research demonstrates that protecting tenants from eviction results in considerable cost savings, including for services such as foster care, healthcare and other services for those experiencing homelessness, and school funding.<sup>63</sup> The County should consider whether the costs created by weak tenant protections should be accounted for in service agreements with cities without local tenant protections.
- Consider conditioning certain contract services on the city adopting local tenant **protections**. The County provides numerous services on a contract basis to many cities in the county. The County should consider whether provision of some of these services should be conditioned on the city adopting local tenant protections if this can be done without causing harm to residents.
- Condition, or embed incentives within, County funding sources to encourage cities to adopt local tenant protections. The County could explore conditioning certain funding for cities on the city adopting local tenant protections, in order to reflect the increased County-borne costs which are incurred in the absence of those protections.
- Explore whether any taxing entities that the County has influence over should remit a portion of revenue to jurisdictions that have adopted local tenant protections. This will ensure that existing discretionary tax revenue is spent in jurisdictions that share the County's goals of ending homelessness and providing stable homes to tenants and account for the added costs created by a lack of local tenant protections.

#### V. Conclusion

For too long, Los Angeles County tenants have experienced vastly different rights and protections depending on where in the County they live. The pandemic has demonstrated the fundamental flaws in our eviction system, as well as the merits of protecting vulnerable tenants countywide 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. The County's direction for a report back on lessons learned and a longer-term set of eviction protections presents that opportunity.

<sup>&</sup>lt;sup>63</sup> STOUT (2019), *supra*, at p. 8.

Throughout the pandemic, local jurisdictions have relied on the County's leadership to protect renters from preventable eviction, inappropriate rent increases, and violations of their tenants' rights. 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, and we call for a Tenant Bill of Rights to be advanced throughout the County to ensure that all tenants, regardless of which city or neighborhood they live in, have equal protection against eviction, unaffordable rent increases, and violation of their rights.

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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