



LOS ANGELES COUNTY
CONSUMER & BUSINESS AFFAIRS

August 4, 2023

Board of Supervisors

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To: Supervisor Janice Hahn, Chair
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Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Kathryn Barger

From: Rafael Carbajal
Director

Director

Rafael Carbajal

Chief of Staff
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CONSOLIDATED REPORT BACK ON STRENGTHENING THE COUNTY'S PERMANENT PROTECTIONS FOR UNINCORPORATED LOS ANGELES COUNTY IN RESPONSE TO LESSONS LEARNED DURING THE COVID-19 CRISIS AND HOMELESSNESS PREVENTION – CRITICAL TENANT PROTECTIONS (ITEM NO. 26, AGENDA OF SEPTEMBER 27, 2022; AND ITEM NO. 54-A, AGENDA OF MARCH 21, 2023)

On September 27, 2022, your Board adopted a motion¹ directing the Department of Consumer and Business Affairs (DCBA), in consultation with the Chief Executive Office (CEO), to report back on a series of supports that strengthen the housing stability of renters, provide financial relief for landlords, and assist incorporated cities to establish their own local tenant protections. It also directs DCBA and CEO to assess the need to reevaluate the current cost recovery model based on implementation of these supports. Additionally, on March 21, 2023, your Board adopted a motion² directing DCBA, in collaboration with CEO and County Counsel, to research and develop a robust outreach, education, and support strategy ensuring tenants have access to both existing eviction prevention resources and tenant protections literature and information. It also directs DCBA to identify any additional potential eviction prevention supports not currently available to tenants while CEO identifies additional funding for onsite court advocates to provide real-time, in-person support for tenants facing eviction proceedings.

This consolidated report specifically addresses the following directives from the two motions referenced above:

¹ <https://file.lacounty.gov/SDSInter/bos/supdocs/172943.pdf>

² <https://file.lacounty.gov/SDSInter/bos/supdocs/178956.pdf>



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1. Recommendations on a framework to require relocation assistance or other tools to support tenants displaced due to unaffordable rent increases;
2. Opportunities to provide financial support to low-income tenants and mom-and-pop landlords who incur one-time rental arrears, including the encouragement of a repayment plan;
3. Assessment of the need to reevaluate the current cost recovery model for possible increases in necessary programmatic services and duties in support of these changes;
4. DCBA's plan to support incorporated cities interested in creating and adopting their own permanent tenant protections;
5. Determination on how to most effectively connect with persons or households facing eviction in the County of Los Angeles to educate them on their rights and empower them to leverage tenant protections and other County-funded programs to maintain their housing;
6. The development of tenant-friendly literature carefully detailing tenants' rights that offer step-by-step guidance on how to respond to landlord notices, unlawful detainers, and eviction proceedings; and
7. Additional innovative services options to support tenants that do not already exist.

STRENGTHENING THE COUNTY'S PERMANENT PROTECTIONS

1. Recommendations for policy framework requiring relocation assistance for tenants facing economic displacement

Economic Displacement and the Consequences of Unaffordable Rent Increases

The current state of housing affordability for renters in Los Angeles County is precarious at best. With the average monthly rent at \$2,452 per month, renters must earn, at minimum, \$47.15 per hour – 2.8 times the County's current minimum wage³ – to afford the average asking rent in this County.⁴ Meanwhile, Los Angeles County has some of the highest percentages of rent burdened and severely rent burdened tenants (56% and 33%, respectively) in the nation, with the highest rates of burden affecting Black renters (65% and 43%, respectively),⁵ further reflecting the ongoing disparities experienced by one of our County's most marginalized communities. When considered alongside the 9 percent

³ <https://dcba.lacounty.gov/minimum-wage-for-businesses/>

⁴ California Housing Partnership Corporation, [Affordable Housing Needs Report: Los Angeles County, 2023](#)

⁵ California Housing Partnership Corporation, [Housing Needs Dashboard Data Tool](#)

increase in homelessness in Los Angeles County this year,⁶ loss of income as the most common reason that leaseholders fall into homelessness in California,⁷ and DCBA's projection that its COVID-19 Rent Relief program could receive upwards of 89,000 applications when it launches later this year,⁸ there is great urgency for the County to leverage every possible opportunity to stabilize renters' housing and ensure their ability to secure new housing should they be involuntarily displaced by an unaffordable rent hike.

In Unincorporated Los Angeles County, 60 percent of tenants are renting Single Family Dwellings (SFDs), compared to the average of 35 percent in incorporated cities. SFDs cannot be subject to rent stabilization policies or ordinances due to the Costa-Hawkins Rental Housing Act,⁹ precluding local municipalities from establishing caps on rent increases for this segment of the housing stock. Moreover, while the state's Tenant Protections Act¹⁰ includes caps on rent increases and just-cause eviction protections for certain dwellings not otherwise subject to local RSOs, it does not extend to properties constructed less than 15-years ago. As a result, it is estimated that approximately 200,000 renters – over half of all renters in unincorporated areas – could face displacement from their homes should they experience a sudden unaffordable increase in their monthly rent.¹¹ With SFDs often housing larger families, many of them multigenerational, tenants in unincorporated Los Angeles County are especially vulnerable to falling into homelessness in the face of surges in their existing housing costs and those they would invariably incur if thrust into the current rental market.

Housing displacement also comes with broader societal implications. For example, low-income mothers with children are the most likely demographic group to receive an eviction judgement in court, with consequences ranging from increased scarcity and economic hardship to declining health among the entire family and an increased likelihood of recurrent depression among the mothers.¹² Moreover, involuntary displacement negatively impacts supportive parenting and employment stability and increases the likelihood that those affected will end up relocating to housing with substandard conditions.¹³ With an eviction's negative impact upon one's financial stability and

⁶ Los Angeles Homeless Services Authority, [2023 Greater Los Angeles Homeless Count](#)

⁷ University of California San Francisco, [Toward a New Understanding: The California Statewide Study of People Experiencing Homelessness](#)

⁸[https://file.lacounty.gov/SDSInter/bos/bc/1138365_2023-03-02ReportBackonDevelopmentofCountyRentReliefProgram_rc.pdf#search="rent relief"](https://file.lacounty.gov/SDSInter/bos/bc/1138365_2023-03-02ReportBackonDevelopmentofCountyRentReliefProgram_rc.pdf#search=)

⁹https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=CIV&division=3.&title=5.&part=4.&chapter=2.7.&article=

¹⁰ https://leginfo.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB1482

¹¹ <https://publiccounsel.org/publications/priced-out-pushed-out-locked-out-how-permanent-tenant-protections-can-help-communities-prevent-homelessness-resist-displacement-in-la-county/>

¹² [Eviction's Fallout: Housing, Hardship, and Health, 2015](#)

¹³ Ibid.299-300

decreasing income levels strongly predictive of declining health over time,¹⁴ unaffordable rent increases without the option for relocation assistance will invariably compound upon and worsen the racial, socioeconomic, and health disparities that Unincorporated Los Angeles County communities already experience.

Recommended Policy and Program Parameters

DCBA recommends the development and adoption of an Economic Displacement Ordinance that would require landlords to provide relocation assistance to tenants who are displaced from their homes due to unaffordable rent increases, not otherwise fully regulated by the County's Rent Stabilization and Tenant Protections Ordinance (RSTPO) or the state's Tenant Protections Act (TPA). This ordinance would complement existing DCBA tenant protections and significantly increase the likelihood that those constructively evicted from their existing homes are able to afford and secure new housing at current market rate rental prices and avoid falling into homelessness.

Eligibility/Applicability

DCBA recommends that all rental units that are not considered 'Fully Covered,' as defined in Chapter 8.52 of the County's RSTPO be subject to this proposed Economic Displacement Ordinance, and that the amount of relocation assistance be determined by a uniform formula regardless of dwelling type. With the majority of renters in Unincorporated Los Angeles County residing in SFDs, it will be critical that all affected households are provided equitable relocation assistance amounts that allow tenants to secure comparable replacement housing in the current rental housing market. The threshold for when relocation assistance would be triggered under the proposed ordinance would be developed based on an analysis of precedent programs and local need and a final recommendation would be included as part of a draft ordinance presented to the Board for adoption.

Precedent

Recognizing the housing affordability crisis that this nation is currently experiencing, many municipalities have adopted economic displacement ordinances as part of their homelessness prevention strategies. In 2020, DCBA provided examples to your Board of the Pasadena and Glendale ordinances in its memo, *Analysis for Economic Displacement Ordinance*.¹⁵ Since then, several additional incorporated cities have adopted such ordinances, including the City of Los Angeles, Baldwin Park, and Long Beach.

¹⁴ [Stress, Life Events, and Socioeconomic Disparities in Health: Results from the Americans' Changing Lives Study, 2005](#)

¹⁵ https://file.lacounty.gov/SDSInter/bos/bc/1079371_2020-10-1AnalysisforEconomicDisplacementMemoFinal_rc.pdf#search=%22economic%20displacement%22

Additionally, on March 28, 2023, following a lawsuit alleging Pasadena's economic displacement relocation assistance requirement was preempted by the Costa-Hawkins Rental Housing Act, a trial court entered a judgment denying this challenge, asserting the relocation assistance requirement "does not restrict the ability of a landlord to increase rents for exempt units."¹⁶

The City of Los Angeles, Baldwin Park, and Long Beach ordinances are outlined below.

City of Los Angeles

On February 7, 2023, the City of Los Angeles (City) adopted the Relocation Assistance for Economic Displacement Ordinance.¹⁷ Under this Ordinance, relocation assistance is triggered when a rent increase exceeds either the Consumer Price Index (CPI) plus five percent or ten percent, whichever is less, within a 12-month period in all units not otherwise subject to its RSO. The relocation assistance amount due under the Ordinance is three times the Fair Market Rent (FMR) as established by the U.S. Department of Housing and Urban Development plus \$1,411 in moving costs. For landlords of SFDs who own no more than four additional dwelling units in the City, relocation assistance is reduced to the one month's rent calculated as the amount due at the time of written notice.

Baldwin Park

In 2019, the City of Baldwin Park adopted Ordinance 1447,¹⁸ which, among other tenant protections, codified relocation assistance for eligible tenants¹⁹ facing no-fault evictions, including large rent increases. Under this ordinance, relocation assistance is triggered when a rent increase exceeds the Consumer Price Index (CPI) plus five percent within a 12-month period for units on a property with three or more units built prior to January 1, 1995. The relocation assistance amount due under the ordinance is 2.5 times the FMR as established by the U.S. Department of Housing and Urban Development plus moving costs, the latter of which are calculated based on household composition and adjusted annually in accordance with the CPI.

Long Beach

In 2019, the City of Long Beach adopted the Tenant Relocation Assistance Ordinance.²⁰ Under this Ordinance, relocation assistance is triggered when a rent increase totals more than ten percent within a 12-month period for units on a property built prior to February 1,

¹⁶ <https://caanet.org/u/2023/03/Scanned-from-a-Xerox-Multifunction-Printer-00E.pdf>

¹⁷ https://codelibrary.amlegal.com/codes/los_angeles/latest/lamc/0-0-0-361694#JD_165.09.

¹⁸ <https://www.baldwinpark.com/docssidemenu/public-notice/ordinances/1924-ordinance-1447-rso/file>

¹⁹ Eligible tenants are those who a) do not meet any of the "at fault" reasons for eviction and b) have household incomes at or below 140% of median income.

²⁰ https://library.municode.com/ca/long_beach/codes/municipal_code?nodeId=TIT8HESA_CH8.99JUCATETE

1995. Duplexes where the landlord continuously occupies one of the units are exempt, as are certain SFDs, and income-restricted affordable housing units.

Recommended Next Steps

Should your Board decide to move forward with the recommended policy and program parameters, DCBA requests the Board pass a motion directing County Counsel, in collaboration with DCBA, to draft an economic displacement ordinance that reflects the recommendations outlined in this report. With current data demonstrating a multitude of vulnerabilities among renters in Unincorporated LA County and the risks associated with unaffordable rent increases, DCBA formally endorses the adoption of a comprehensive economic displacement ordinance that will prevent individuals and families from falling into homelessness while protecting against the harms that constructive evictions can have upon the health and wellbeing of entire communities.

2. Providing financial support to low-income tenants and mom-and-pop landlords who incur one-time COVID-19-related rental arrears

Because the ongoing economic fallout from the COVID-19 pandemic continues to impact renters' ability to stay current with monthly rent payments, increasing their risk of eviction and homelessness, and because low-income mom-and-pop landlords may find themselves unable to service their mortgages as a result, placing them at increased risk of foreclosure, DCBA has launched a series of programs that provide financial assistance to tenants and landlords experiencing pandemic-related financial hardship. The goal of these programs is to ensure sustained home ownership for landlords while preventing housing instability for their tenants and decreasing their risk of falling into homelessness. DCBA currently offers financial assistance for eligible landlords with delinquent mortgage and/or utility payments via the Mortgage Relief Program²¹ and anticipate the launch of the following financial assistance programs this year:

- **Rent Relief Program:**²² provision of up to \$120,000 in direct financial assistance for eligible landlords whose tenants are delinquent in rent payments.
- **Non-Mortgage Rent Relief Program:**²³ provision of up to \$30,000 in direct financial assistance for eligible landlords with tenants delinquent in rent payments to cover qualifying non-mortgage expenses related to preservation, maintenance, or property upkeep.

²¹ <https://dcba.lacounty.gov/mortgagerelief/>

²² [https://file.lacounty.gov/SDSInter/bos/bc/1138365_2023-03-02ReportBackonDevelopmentofCountyRentReliefProgram_rc.pdf#search="rent relief"](https://file.lacounty.gov/SDSInter/bos/bc/1138365_2023-03-02ReportBackonDevelopmentofCountyRentReliefProgram_rc.pdf#search=)

²³ [https://file.lacounty.gov/SDSInter/bos/bc/1136314_2023-01-20ReportBackonDevelopmentofSmallMomandPopLandlordAssistanceProgram_rc.pdf#search="non-mortgage"](https://file.lacounty.gov/SDSInter/bos/bc/1136314_2023-01-20ReportBackonDevelopmentofSmallMomandPopLandlordAssistanceProgram_rc.pdf#search=)

In addition to DCBA's financial assistance services, the California Department of Housing and Community Development continues to deliver the statewide Mortgage Relief Program, providing up to \$80,000 in financial assistance to property owners who have fallen behind in their mortgage, property taxes, and/or homeowners insurance payments due to the pandemic.

3. Assessing the need to reevaluate the current cost recovery model

Given the County's expansion of tenant protections and landlord-tenant initiatives in recent years and DCBA's leading role in launching, managing, and providing enforcement oversight to these efforts, the opportunity to assess the current cost recovery model is welcomed. Staffing and funding levels have not kept pace with DCBA's growing body of housing services and supports, which has resulted in increasing urgency to undertake a review of existing funding levels and staff capacity, complete any applicable fee studies, and identify funding opportunities that would cover the costs of much needed additional staff.

To achieve this, DCBA plans to conduct an analysis of the staffing levels needed to more effectively address and implement the Board's priorities and will consult with CEO and other relevant County departments to facilitate this process.

4. Supporting incorporated cities in creating and adopting their own permanent tenant protections

DCBA has been very proactive in its efforts to provide ongoing support to incorporated cities who wish to adopt their own tenant protections. On May 25, 2023, DCBA hosted its first-ever Tenant Protections Policy Summit at the University of California, Los Angeles (UCLA). With over 100 attendees, including the mayors of Burbank and San Fernando, DCBA facilitated two panel discussions examining the lessons learned from tenant protections that were implemented during COVID-19 and best practices for policy makers when pursuing permanent tenant protections. Moreover, panelists underscored the urgency for enacting tenant protections given our County's current housing and homelessness crises and the disparate impact these crises have upon the health and wellbeing of our most vulnerable residents. Panelists included community-based advocates and attorneys, policy experts, and representatives from the Los Angeles Housing Department and the cities of West Hollywood and Santa Monica.

During the Summit, DCBA previewed its *Tenant Protections Policy Toolkit*²⁴, which went live in August and is now available and accessible to the public on the DCBA website. The Toolkit is a guidebook that provides its readers with a comprehensive overview of the County's rent stabilization and tenant protections ordinances, the benefits of

²⁴ https://dcba.lacounty.gov/wp-content/uploads/2023/08/Tenant-Protections-Policy-Toolkit_v01_08_2023.pdf

implementing strong housing and tenant protections, and recommendations for best practices toward implementing these protections. Additionally, the Toolkit provides a robust set of policy and ordinance examples, links to local and national tenant protections resources, and discussion of support and collaboration opportunities between DCBA and the County's incorporated municipalities.

DCBA will continue to be available to our county's incorporated cities as they develop their own tenant protections policies. As advocates for regional alignment across the county's growing housing and tenant protections ordinances, DCBA foresees some capacity to support these cities through a variety of mechanisms including direct consultation, potential for DCBA/County-contracted enforcement, and ensuring the Policy Toolkit remains consistently relevant and up to date as a living, breathing resource. Because the type and volume of demand for DCBA's support is dependent upon such factors as city size, scope of any proposed or actual tenant protections policies, and specific support needs, the cost estimates for programmatic services and staffing requirements will vary greatly and warrant the need to individually cost out any contract services.

HOMELESSNESS PREVENTION – CRISIS TENANT PROTECTIONS

As part of the Stay Housed LA (SHLA) coalition, DCBA closely partners with its community-based organization (CBO) members, who provide robust, culturally congruent outreach, engagement, and support for all tenants. The SHLA website²⁵ has been a critical resource for those who find themselves facing an eviction and on June 27, 2023, a new and improved version of the website went live and is now available to the public. Through this website, tenants can apply for legal help if they've received a summons from the courts; they can access an expansive body of self-help resources that provide step-by-step guidance and instructions on the eviction process; and they can locate tenants' rights, small claims, and eviction trial preparation workshops in their area. The updated website also includes the following new features:

- **Integrated mapping tool** – tenants can view personalized information on tenant protections and workshops/clinics based on the address they enter.
- **Updated notification and communication efforts** – tenants now have the option to receive tailored text messages (e-mail was the only option previously) regarding updates to their application, information on steps to take while waiting on the initial contact, and reminders about workshops or clinics. In addition, when a tenant selects a language other than English when enrolling into a workshop, an e-mail will automatically be sent to organizers notifying them that an interpreter will be needed for the event.

²⁵ <https://www.stayhousedla.org/>

- **Self-help resources** – the updated website provides detailed steps on how to file an Answer to an Unlawful Detainer action (eviction) and directs to the Tenant Power Toolkit.²⁶ This provides tenants access to an Answer Tool to aid them in generating an answer (response) to an Unlawful Detainer action and provides details on how to enroll in our partner Eviction Defense Network's Tenant Empowerment Program.
- **Coming summer 2023** – the Tenant Power Toolkit will be translated into County access languages.

In addition to the SHLA website, and as part of the larger SHLA mission, DCBA has substantially funded SHLA strategic and legal services partners to conduct on-the-ground outreach and education about existing housing and tenant protections, deliver the workshops and legal clinics advertised on the website, and outreach through phone/text banking. Moreover, DCBA's Housing and Tenant Protections Bureau provides direct services to the residents of Los Angeles County to ensure they are receiving accurate information about the County's Rent Stabilized Ordinances, other tenant-landlord rights and responsibilities, and connect residents to available referrals and resources. To ensure residents have multiple methods to connect with DCBA, services are offered over-the-phone (via its Tenant-landlord Hotline), in-person (headquarters and branch office locations), and virtual appointments. To conduct outreach and inform a wider targeted audience, especially with the end of emergency tenant protections, the bureau continues to increase their presence at community events throughout the County and engage with the public through virtual webinars.

Because the SHLA coalition is comprised of over a dozen tenant-serving advocacy organizations whose missions and visions are rooted in tenant empowerment and given its collective sensitivity to the ongoing and emerging needs of the community, DCBA will continue to leverage the SHLA space and engage with our partners to identify the most effective ways to connect with – and best serve – persons and households facing eviction.

Lastly, DCBA's website includes additional tenant-friendly literature, such as:

- FAQs and comprehensive guidance on the state of housing and tenant protections following the March 31, 2023 expiration of the LA County COVID-19 Tenant Protections Resolution.
- Detailed information about the County's Rent Registry and Rental Housing Oversight Commission (RHOC) including their role in monitoring and preventing unlawful rent increases and evictions.
- Ability to contact and receive assistance from DCBA directly for housing and tenant-landlord issues.

²⁶ <https://abolition-tools.debtcollective.org/run/eviction>

CONCLUSION AND RECOMMENDED NEXT STEPS

DCBA is committed to providing renters with a robust portfolio of services that will support them in remaining stably housed while also ensuring that vulnerable landlords can access rent relief resources to ensure their ability to maintain both ownership of their property and its basic upkeep. Moreover, DCBA has worked closely with its partners to ensure renters are able to easily access tenants' rights information, literature, and direct services supports by housing these resources in one central, online location. In addition to the DCBA tenant and landlord programs coming online this year, DCBA plans to continually improve upon and expand its homelessness prevention and tenant protection resources as gaps are identified, stakeholders provide feedback, and the housing landscape changes.

Building upon DCBA's leadership in establishing robust housing and tenant protections, DCBA has and will continue to support the County's incorporated municipalities as they journey toward adoption and implementation of their own housing and tenant protections.

Given the County's rapidly expanding body of housing, tenant, and landlord programs and supports, DCBA will conduct an assessment of its current cost recovery model and recommend additional staffing and explore funding mechanisms to more adequately implement strong tenant protections in Unincorporated Los Angeles County and provide support to our incorporated cities.

Lastly, and as part of the County's efforts to prevent an increase in homelessness, protect the housing stability of vulnerable renters, and narrow existing disparities experienced by our most marginalized communities, DCBA recommends that your Board consider taking the following actions as part of developing and adopting an Economic Displacement/Relocation Assistance Ordinance for Unincorporated Los Angeles County:

1. Direct County Counsel, in consultation and collaboration with DCBA, to draft an Economic Displacement Ordinance and return to your Board within 180 days for Board adoption that incorporates the following program parameters:
 - a. Require that all non-fully covered rental units in Unincorporated Los Angeles County be subject to the Ordinance; and
 - b. Require landlords to provide relocation assistance to all tenants who elect to relinquish their tenancy following an unaffordable rent increase in an amount determined by a uniform formula regardless of dwelling type.

2. Direct CEO, in collaboration with DCBA, to identify additional funding sources that will ensure proper staffing levels to implement this ordinance and report back to the Board within 90-days.
3. Grant DCBA Director delegated authority to enter into agreements with consultants should there be the need to further explore the development and implementation of this Ordinance.

Should you have any questions, please contact me or Dana Pratt, Deputy Director, at (213) 634-5923 or dpratt@DCBA.lacounty.gov.

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c: Executive Officer, Board of Supervisors
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