

MOTION BY SUPERVISOR LINDSEY P. HORVATH

November 7, 2023

Extension of Rental Increase Limits

As Los Angeles County (County) invests unprecedented resources and funding into our homelessness crisis, tenant protections and assistance have been vital tools to keep our residents from falling into homelessness as prevention is the best solution. The Board of Supervisors (Board) has adopted several tenant-centered policies to keep our neighbors in their homes, yet one key tool in our toolbox is about to expire—capping rental increases.

On November 1, 2022, this Board amended Los Angeles County Code Chapters 8.52 and 8.57 establishing a temporary 3% cap on the maximum allowable rent increase for rent stabilized rental units and mobilehome spaces, effective January 1, 2023 through December 31, 2023, promoting and providing housing, while affording landlords the opportunity to earn a fair return on their investments for rental units.

Local jurisdictions throughout the County have adopted similar rental increase limit policies. Sixteen incorporated cities and unincorporated LA County have rent stabilization and tenant protection policies on their books, including rental increase cap policies in cities such as Cudahy (3%), Bell Gardens (4%), Pomona (4%), Los Angeles (temporarily

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3%), Santa Monica (3% or \$70), West Hollywood (3%), Baldwin Park (5%), and Pasadena (2.75%).

Approximately 35,583 Unlawful Detainer (eviction) cases were filed from January to September of 2023 in Los Angeles Superior Court, already eclipsing the total filings for 2022. Eviction filings were tracked in the first six months of the year in the City of Los Angeles and 96% were for nonpayment of rent. The US Government Accountability Office determined that a \$100 median monthly rent increase was correlated with a 9% increase in homelessness in the examined area,¹ further confirmation that rent stabilization is integral to preventing our residents from falling into homelessness.

Considering the influence of the Consumer Price Index on the impending rent increase, tenants in LA County unincorporated rental units and mobilehome spaces will face potential rent increases of over 7% on January 1, 2024. As the interim rental cap is set to expire on December 31, 2023, a comprehensive assessment of rental stabilization policies Countywide is needed, yet the need for the key terms of the interim ordinance to stay in effect is fundamental to the County's homelessness prevention goals and must remain in place while an assessment is conducted.

I, THEREFORE, MOVE that the Board of Supervisors direct the following:

1. Direct the Department of Consumer and Business Affairs (DCBA) to report back in 90 days with recommendations to the Rent Stabilization and Tenant Protections Ordinance, based on an assessment of recently enacted rent

¹ Office, U. S. Government Accountability. "Homelessness: Better HUD Oversight of Data Collection Could Improve Estimates of Homeless Population." www.gao.gov/products/gao-20-433.

increase formulas from jurisdictions in the County of Los Angeles, taking into account the potential economic impacts of rental increases under the current formula for tenants in rent stabilized units in unincorporated Los Angeles County;

2. Extend the current 3% rental increase cap through June 30, 2024, for rent stabilized units and mobilehome owners in mobilehome spaces in unincorporated Los Angeles County instituted by the Board of Supervisors on November 1, 2022; and
3. Direct County Counsel, in consultation with DCBA, to include with the tenant protections ordinance amendments previously requested by the Board on July 11, 2023, amendments to Los Angeles County Code Chapters 8.52 and 8.57 reflecting the extension of the 3% rental increase cap through June 30, 2024.

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