

HOUSING COMMITTEE REPORT relative to protecting affordable housing opportunities for renters utilizing rental assistance or other sources of income as payment.

Recommendations for Council action:

1. NOTE and FILE the November 16, 2018 Housing Authority of the City of Los Angeles (HACLA) report, attached to the Council file, relative to protecting affordable housing opportunities for renters utilizing rental assistance or other sources of income as payment.
2. REQUEST the City Attorney to prepare and present an Ordinance to make it unlawful for any person offering for rent or lease, renting, leasing or listing any housing accommodation or any authorized agent or employee to do or attempt to do any of the following:
  - a. Refuse to rent or continue to rent, a housing accommodation based upon source of income.
  - b. Refuse to enter into or renew a rental agreement or housing assistance payment contract or execute any documents required to do so, based on source of income.
  - c. Require any clause, condition or restriction upon a tenancy based on source of income.
  - d. Refuse access to or use of a common area of facilities associated with a housing accommodation based upon source of income.
  - e. Serve a notice of termination of tenancy, seek to terminate or terminate a tenancy based on source of income.
  - f. Refuse to make repairs or improvements to a housing accommodation based on source of income.
  - g. Deny or withhold a housing accommodation or housing service or amenity based on source of income.
  - h. Apply different terms or conditions in connection with the rental of a housing accommodation based on a person's source of income.
  - i. Represent the unavailability of a housing accommodation based upon a person's source of income.
  - j. Make, print or publish in any manner, any materials having to do with the rental of a housing accommodation that indicates any preference, limitation or discrimination based a person's source of income.
3. REQUEST the City Attorney to include in the Ordinance detailed above in Recommendation No. 2 the following:

- a. Defining *Source of Income* to include any rental assistance subsidy or financial aid from any person whether paid directly to the program participant, landlord or representative, including but not limited to the Section 8 voucher program, the Los Angeles Homeless Services Authority's Rapid Re-Housing program or any other housing subsidy program, homeless assistance prevention program or security deposit assistance program.
  - b. Civil liability and equitable relief; Civil damages may be 3 times the amount of actual damages and special damages or 3 times the amount of one month's rent for the housing accommodation at issue, whichever is higher.
  - c. Attorney fees, court costs and punitive damages may also be awarded.
  - d. Provide that a violation of this Ordinance shall constitute an affirmative defense for a tenant against any unlawful detainer action brought under California Code of Civil Procedure Section 1161.
4. AUTHORIZE the City Attorney to make any technical modifications and/or legal corrections to the requested draft Ordinance in order to further the objectives as described in this recommendation and in accordance with current case law.
  5. AUTHORIZE the Los Angeles Housing and Community Investment Department to amend the scope of work for Contract No. C-128714 with the Southern California Housing Rights Center for Fiscal Year (FY) 2019-20 to include enforcement of the Source of Income Discrimination Ordinance.
  6. INSTRUCT the City Administrative Officer (CAO), with the assistance of the Chief Legislative Analyst (CLA) and the HCIDLA, to identify a source of funds for enforcement of the proposed source of income discrimination Ordinance under the fair housing services contract for FY 2019-20.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: Yes

For:  
East Hollywood Neighborhood Council  
Los Feliz Neighborhood Council

Summary:

On January 23, 2019, your Committee considered a November 16, 2018 HACLA report relative to protecting affordable housing opportunities for renters utilizing rental assistance or other sources of income as payment. According to HACLA, as of October 26, 2018, HACLA has 1,168 vouchers on the street for new applicants searching for housing and an additional 2,490 vouchers for current participant families who have requested to move. Due to a combination of factors including source of income discrimination, low vacancy rates and the high cost of housing, at present only 53 percent of Section 8 voucher holders are successful in finding a unit. Even

with increases in the voucher payment standard for the US department of Housing and Urban Development Veteran Affairs Supportive Housing (HUD-VASH) Program for veterans, only 45 percent of them are successful in finding a unit.

While those applicants in HACLA's special programs, like HUD-VASH, who do not locate housing can be re-referred for assistance, those from the Section 8 waitlist cannot and lose their opportunity to participate in the Section 8 program. Utilized vouchers have a direct impact on the amount of federal funding HACLA receives the following year. It is very important to successfully utilize all vouchers allocated in order to house the greatest number of families and maintain the level of funding that will assist them over time. HACLA is funded for Housing Assistance Payments and Administrative Fees based on the total number of families assisted. If totals decrease and vouchers are not fully utilized, HUD reduces the federal funding proportionately. HACLA administers over 58,000 vouchers across its portfolio of housing assistance programs. Over the past five years, HACLA has experienced a decline in the number of landlords who participate in the various housing assistance programs. After consideration and having provided an opportunity for public comment, the Committee moved to continue this matter pending a report from the CLA.

Subsequently, on April 10, 2019, the Committee considered an April 9, 2019 CLA report. According to the CLA, the City currently provides Fair Housing services through a contract with the Southern California Housing Rights Center (HRC), including: counseling, discrimination complaint investigation, outreach/education, and legal services or legal referrals (Contract No. C-128714). Complainants that require further assistance are referred to State Department of Fair Employment and Housing (DFEH) by the HRC for assistance through the State process. State fair housing laws are governed by the Fair Employment and Housing Act of 1986 (FEHA), which the City is largely unable to enforce due to the pre-emption clause of FEHA. Therefore, the City must largely depend on remedies provided by the DFEH. FEHA provides protections from housing discrimination for 15 protected classes, including: race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, or genetic information of that person.

Although FEHA includes a "source of income" protection, the definition does not include Section 8 vouchers or any other type of housing assistance, and therefore does not prohibit discrimination against voucher or housing assistance holders. The previous fair housing services contract was approved on October 11, 2016 and has been extended by amendment for two additional 12-month terms and one additional 6-month term with HRC. The service term for the last amendment will end on June 30, 2019. An Request for Proposals for a new fair housing services contract was released by the Los Angeles Housing and Community Investment Department on July 23, 2018 and one response was received from HRC. Approval of the contract will be facilitated through the 45th Year Consolidated Plan. The contract has been funded annually for \$700,500 by the Community Development Block Grant and the Rent Stabilization Trust Fund revenues. Of the total annual contract compensation amount, \$370,500 (52.8 percent) is programmed for Fair Housing through the Consolidated Plan, and the remaining \$330,000 (47.2 percent) is funded by the Rent Stabilization Trust Fund. Although the City Attorney does not formally administer any programs directly involving enforcement of fair housing laws or any other types of discrimination-based laws, they assist residents with inquiries and file civil actions on behalf of those who experience discrimination or unfair business practices.

After consideration and having provided an opportunity for public comment, the Committee

moved to recommend approval of the recommendations contained in the CLA report, as amended, and detailed in the above recommendations. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES
KREKORIAN:	YES
HARRIS-DAWSON:	YES

ARL  
4/10/19

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**