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May 17, 2019

Councilmember Paul Krekorian, Chair
Budget and Finance Committee

RE: Council File No. 14-0268-S13

On May 8, 2019, the Housing Committee considered a December 3, 2019 Los Angeles Housing and Community Development Department report relative to adopting an anti-tenant harassment Ordinance. After consideration, the Committee moved to recommend requesting the City Attorney to prepare and present an Ordinance to prohibit the harassment of renters in both Rent Stabilized Ordinance (RSO) and non-RSO multifamily housing units. Also, the Committee further made a number of detailed recommendations concerning the definition of "Tenant Harassment" for the Ordinance as well as a number of supporting recommendations. A detailed summary of the Committee's recommendations are attached for reference. This file is now transmitted to the Budget and Finance Committee.

Adam R. Lid
Legislative Assistant

Vote:

Cedillo:	Yes
Krekorian:	Absent
Harris-Dawson:	Yes

HOUSING COMMITTEE REPORT relative to adopting a anti-tenant harassment Ordinance to prohibit the harassment of renters in multi-family housing.

Recommendations for Council action:

1. REQUEST the City Attorney to prepare and present an Ordinance to prohibit the harassment of renters in both Rent Stabilized Ordinance (RSO) and non-RSO multi-family housing units with said Ordinance to incorporate the following:
 - a. Tenant Harassment shall be defined as a knowing and willful course of conduct directed at a specific person that seriously alarms, annoys, or harasses the person, and that serves no legitimate purpose (Code of Civil Procedure 527.6(b)(3)), including but not limited to:
 - i. Reducing or eliminating housing services required by a lease, contract or law, including the elimination of parking services if provided in the tenant's lease or contract.
 - ii. Failing to perform and timely complete necessary repairs and maintenance required by State, County or local housing, health, or safety laws or failure to follow appropriate industry standards to minimize exposure to noise, dust, lead paint, asbestos or other building materials with potentially harmful health impacts.
 - iii. Abuse of the right of access into a rental housing unit as established and limited by California Civil Code Section 1954, including entering or photographing portions of a rental housing unit that are beyond the scope of a lawful entry or inspection.
 - iv. Threatening a tenant, by word or gesture, with physical harm.
 - v. Misrepresenting to a tenant that the tenant is required to vacate a rental housing unit or enticing a tenant to vacate a rental housing unit through an intentional misrepresentation(s) or the concealment of a material fact.
 - vi. Threatening or taking action to terminate any tenancy including service of any notice to quit or other eviction notice or bringing action to recover possession of a rental housing unit based on facts which the landlord has no reasonable cause to believe to be true or upon a legal theory which is untenable under the facts known to the landlord. No landlord shall be liable under this subsection for bringing an action to recover possession unless and until the tenant has obtained a favorable termination of that action.
 - vii. Threatening to or engaging in any act or omission which interferes with the tenant's right to use and enjoy the rental unit or whereby the premises are rendered unfit for human habitation and occupancy.

- viii. Refusing to acknowledge or accept receipt of lawful rent payments as set forth in the lease agreement or in the absence of a rental agreement, by the usual practice of the parties.
- ix. Inquiring as to the immigration or citizenship status of a tenant, prospective additional tenant, occupant or prospective additional occupant of a rental unit, or requiring any of these to make any statement, representation or certification concerning his or her immigration or citizenship status.
- x. Disclosing or threatening to disclose to any person or entity information regarding the immigration or citizenship status of a tenant.
- xi. Threatening to report tenants to immigration authorities, whether in retaliation for engaging in legally protected activities or to influence them to vacate.
- xii. Engaging in an activity prohibited by federal, state or local housing discrimination laws.
- xiii. Retaliating, threatening or interfering with tenant organizing activities, including forming or participating in tenant associations and unions.
- xiv. Interfering with a tenant's right to privacy or requesting information that violates a tenant's right to privacy including, but not limited to, residence or citizenship status or social security number, except as required by law or, in the case of social security number, for the purpose of obtaining information for the qualifications for a potential tenancy.
- xv. Offering payments to a tenant to vacate without providing written notice to the tenant of his or her rights under Los Angeles Municipal Code Section 151.31 (Tenant Buyout Notification Program), using the form prescribed by the Los Angeles Housing and Community Investment Department (HCIDLA) with the provision that this shall not prohibit offers made in pending unlawful detainer actions.

- b. Language as found in California Civil Code Section 527.6(b)(3) by adding the following:

The course of conduct must be that which would cause a reasonable person to suffer substantial emotional distress, and must actually cause substantial emotional distress to the petitioner.

2. REQUEST the City Attorney to:

- a. Draft specific amendments to the RSO to deter tenant harassment by amending the provisions on reductions in services and penalties and remedies for violations of the RSO as detailed in pages 5 through 7 of the December 3, 2018 HCIDLA report, attached to the Council file.
- b. Draft any additional Ordinances necessary to deter tenant harassment in non-RSO

housing units and provide similar remedies to renters of non-RSO multi-family rental housing units.

3. DIRECT the HCIDLA to report in regard to staff resources and funding necessary to implement an anti-tenant harassment Ordinance.
4. INSTRUCT the HCIDLA to work with the Rent Adjustment Commission (RAC) to adopt rules and regulations to implement an anti-tenant harassment Ordinance.

Fiscal Impact Statement: The HCIDLA reports that under the first option as detailed in Recommendation I of the December 3, 2018 HCIDLA report, attached to the Council file, which would prohibit tenant harassment in RSO units, all necessary funding would derive from the Rent Stabilization Trust Fund. Consequently, there would be no impact to the General Fund. Should the City Council wish to expand anti-harassment protections to tenants in non-RSO units multi-family units, a funding source would need to be identified for those additional services. HCIDLA will report back under separate cover with additional recommendations, including a review of potential funding sources, to expand the scope of the proposed Ordinance.

Community Impact Statement: None submitted.

Summary:

On January 23, 2019, your Committee considered a December 3, 2018 HCIDLA report relative to adopting a anti-tenant harassment Ordinance to prohibit the harassment of renters in multi-family housing. According to the HCIDLA, Council adopted the Rent Stabilization Ordinance (RSO) in May 1979 to safeguard tenants from excessive rent increases while providing landlords with just and reasonable returns from their rental units. The RSO requires the registration of rental units, regulates allowable rent increases and evictions, and requires payment of relocation assistance for tenant no-fault evictions. The RSO regulates rents for in-place tenants, but allows rents to be reset at market after a voluntary vacancy. Since the adoption of the RSO in 1979, the Ordinance has been amended to clarify and strengthen its provisions and adapt to new laws and changes in practices in the rental housing market and a list of amendments is provided in the HCIDLA report.

The HCIDLA currently investigates approximately 10,000 annual tenant complaints of possible RSO violations for illegal rent increases, illegal evictions, failure to post the RSO notification, non-registration of rental units, illegal tenant buy-out agreements, and denial of relocation assistance. 36 percent of complaints filed are for illegal evictions, 23 percent are for illegal rent increases, and 20 percent are based on reductions in housing services. However, as rents skyrocket, increasing demand for affordable housing, there is growing evidence of a need to amend the RSO to prohibit harassment of tenants. As summarized in the Council motion:

In today's growing real estate market, housing advocates are reporting an increase in harassment by landlords in order to encourage tenants to 'voluntarily' move out.

Testimony describing landlord intimidation was provided by housing advocates involved in the preparation of the City's 2017 Assessment of Fair Housing Plan. Similar testimony has been presented to the RAC. A minority of unscrupulous landlords are reported to employ coercive tactics such as reducing housing services, issuing eviction notices based on false grounds or

refusing to conduct repairs required by law, in order to induce tenants to vacate their RSO housing, which then allows rents to be raised to market rate. Often, these activities are conducted by new owners of long-time rent-stabilized properties interested in profiting in a rapidly expanding real estate market. In response to similar trends statewide, several jurisdictions such as San Francisco, Santa Monica and West Hollywood have adopted anti-tenant harassment statutes.

The HCIDLA initially recommended the adoption of the proposed Anti-Tenant Harassment Ordinance as an amendment to the RSO, which regulates approximately 640,000 rental units. Tenants living in RSO units are more vulnerable to harassment due to the financial incentive to decontrol rents in RSO units. Council and Mayor may further elect to provide anti-harassment protections to renters in all multi-family rentals, including non-RSO units and this would cover approximately 200,000 additional rental units. If Mayor and Council wish to adopt a program that extends these protections to non-RSO renters, the City Attorney should be instructed to prepare the additional ordinances necessary to protect tenants in both RSO and non-RSO multi-family rental units and HCIDLA should report back on costs and potential funding sources for the administration and enforcement of a general ordinance against harassment of renters in multi-family rental housing. After consideration and having provided an opportunity for public comment, the Committee moved to continue this matter.

Subsequently, on May 8, 2019, the Committee reconsidered this matter and after having provided an opportunity for public comment, moved to recommend approval of the recommendations as contained in the HCIDLA report, as amended. Specifically, the Committee recommended to apply the proposed anti-tenant harassment Ordinance to both RSO and non-RSO renters. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

HOUSING COMMITTEE

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

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5/8/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-