


REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: December 10, 2019

TO: Honorable Members of the Housing Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No: 18-0610
Assignment No: 19-12-1103

PHASE 1 OF THE EVICTION DEFENSE PILOT PROGRAM

SUMMARY

On August 17, 2018, the City Council adopted Motion (Koretz-Wesson; C.F. 18-0610) instructing the Housing & Community Investment Department (HCID), with the assistance of the Chief Legislative Analyst (CLA), to report relative to the feasibility of enacting a Right to Counsel Ordinance and/or program to ensure that tenants have access to information and the representation they need when faced with alleged landlord harassment, rental agreement and lease issues, and eviction.

As part of the Fiscal Year 2019-20 Budget, the City Council approved \$2M in the Unappropriated Balance (UB) for Eviction Prevention and Homelessness contingent on Council approval of a policy and program. Additionally, the Council approved \$937,000 as part of the Program Year (PY) 45 Housing and Community Development Block Grant Consolidated Plan (Community Development Block Grant) for Eviction Prevention and Homeless Prevention (Right to Counsel Program), and \$150,000 to Inquilinos Unidos to provide eviction prevention services (Table 1). In total, HCID anticipates \$3.087M for Phase 1 of the Eviction Defense Program (Program). The requested budget HCID proposes is for a six month term for implementation of the Program. The proposed budget and the staffing request will be addressed by the City Administrative Officer (CAO) under a separate cover.

TABLE 1

Proposed Eviction Defense Funding Source	Amount
FY 2019-20 Unappropriated Balance – Eviction Prevention and Homelessness	\$2,000,000
PY 45 Consolidated Plan (CDBG) – Eviction Prevention and Homelessness Prevention	\$937,000
PY 45 Consolidated Plan – Inquilinos Unidos	\$150,000
TOTAL	\$3,087,000

On October 30, 2019, the City Council reallocated funds previously designated for the Program to fund the Emergency Renters Relief Program for a total of \$2.937M. The Council also instructed staff to report with options to replace these funds. An update on the status of the Emergency Renters Relief Program is included in this report.

On November 1, 2019, HCID released a report detailing the components of a Right to Counsel Program which consists of legal representation, rental assistance, outreach and education, wrap-around services, and an eviction notification system. According to HCID, some of the services would be offered through a contracted legal service provider and the remaining services through the FamilySource Centers (FSC). All services under the Program would be restricted to residents living in Zip Codes 90003, 90006, and 90011 (Attachment 1) who are within 80 percent of Area Median Income (AMI).

HCID requests that the Council: 1) Approve the Phase 1 of the Eviction Defense Pilot Program (Program) and associated new staff to implement the program as further described below; 2) Authorize HCID to enter into a Memorandum of Understanding (MOU) with the County of Los Angeles (County) to develop and implement a joint Eviction Defense Program; and, 3) Adopt an ordinance to require landlords to notify the City whenever an eviction is filed.

This report contains recommendations to proceed with implementation of the Program, including options to procure legal services contract, instructions for HCID to negotiate and draft an MOU with the County of Los Angeles, and an eviction notification system.

RECOMMENDATIONS

That the City Council:

1. Adopt Phase 1 of the Eviction Defense Pilot Program in the Housing and Community Investment Department (HCID), consisting of outreach and education, rental assistance, legal representation, wrap around services, and an eviction notification system as described in this report, for residents living in Zip Codes 90003, 90006 and 90011 who meet program qualifications.
2. Authorize HCID to:
 - a. Issue a Request for Proposals (RFP) to procure at least one contractor for the implementation of Phase 1 of the Eviction Defense Pilot Program, and report to Council with the selected contractor/s for approval and authority to execute the contract; OR, if feasible, utilize the County of Los Angeles existing contract procured for the Eviction Defense Program, to provide the services as described in this report to qualifying residents in zip codes 90003, 90006, and 90011, for an amount not to exceed \$2.012M for a six month term with two one-year options to renew, subject to funding availability, and subject to review and approval by the City Attorney as to form and legality, and compliance with the City's contracting requirements, including Charter Section 1022 Determination, prior to contract execution;
 - b. Negotiate a Memorandum of Understanding with the Los Angeles County that will establish a clear process, protocols, scope, service areas and budget for the implementation of a Joint City/County Eviction Defense Program and report to Council for approval; and,
 - c. Authorize the HCID to prepare Controller instructions, technical adjustments, or amend the Consolidated Plan, if necessary, consistent with the Council action, and Authorize the Controller to implement the instructions, subject to approval by the City Administrative Officer.
3. Instruct HCID to utilize the balance of the Emergency Renters Relief Program for Phase 1 of the Eviction Defense Program and report to Council if additional funds are necessary.
4. Request the City Attorney, in consultation to HCID, to prepare and present a Citywide Eviction Filing Ordinance.
5. Instruct the Chief Legislative Analyst and the City Administrative Officer to identify funds to continue and/or expand the Eviction Defense Pilot Program and report to Council.

PROPOSED PHASE 1 OF THE EVICTION DEFENSE PROGRAM

The Council approved \$3.087M for the proposed Program (pending balance of the ERRP Program). HCID proposes to use the funds for the Phase 1 of the Eviction Defense Program as listed on Table 2. To qualify, participants must reside in zip codes 90003, 90006, or 90011 and be at 80 percent AMI.

TABLE 2 – PROPOSED ACTIVITIES

Major Components	PROPOSED EVICTION DEFENSE ACTIVITIES	HCID PROPOSED BUDGET	HCID PROPOSED BUDGET
Contracted Services	A. Assessment & Legal Representation	\$1,381,435	\$2,012,370
	B. Short Term Rental Assistance	\$236,000	
	C. Education and Public Awareness	\$394,935	
FamilySource Centers	D. Wrap Around Services	\$140,000	\$549,166
	E. Up To 3-Month Rental Assistance	\$409,166	
HCID	F. Eviction Filing System	\$200,000	\$525,464
	G. HCID Educational Material Update	\$30,000	
	H. HCID Staffing	\$295,464	
	TOTAL	\$3,087,000	\$3,087,000

For Phase 1 of the Program, HCID proposes to provide the above services in three zip codes that were selected based on factors related to eviction vulnerability, housing conditions and neighborhood displacement. Other factors used to select the zip codes include the number of renters and the number of renters in poverty in those zip codes. Lastly, zip codes that were not entirely in the City were not selected.

- 90003 (Southeast Los Angeles)
 - Council District 8 and Council District 9
- 90006 (Pico Union/Harvard Heights)
 - Council District 1 and Council District 10
- 90011 (Historic South Central)
 - Council District 9

According to HCID, the number of zip codes selected was based on funding availability. HCID recommends maintaining the same geographic areas for Phase II of the Program while allocating substantially more resources. However, adding more zip codes to expand the Program in the future is at the discretion of the Council. Additionally, a potential future partnership with the County of Los Angeles may expand services to other areas of the City.

Below is a discussion of the Program components proposed by HCID which include the RFP Scope of Work, amendment to the FamilySource Centers, eviction filing system, updated campaign material, and staffing request.

1. RFP Contracted Scope of Work

HCID requests Council authority to issue the Request for Proposals (RFP) attached to the November 1, 2019 transmittal to procure contractors for the implementation of the Phase 1 of the Eviction Defense Pilot Program. Should the Council wish to expedite the contract procurement process, the Council may also consider utilizing existing contracts procured through Los Angeles County which provide similar services. This report includes recommendations that provides HCID with the authority and flexibility to either utilize an existing contract or to issue a new RFP for the services listed below.

A. Assessment, Legal Representation and Evaluation

The contractor is to provide assistance to tenants at three different levels: Early Action Steps, Urgent Response and Emergency Assistance. During the Early Steps level, the contractor will determine the types of services that are needed. In the Urgent Response level, the contractor will have the ability to provide rental assistance if necessary. In cases when individuals have received unlawful detainers, the legal service provider will provide full-scope legal representation until the case is solved. The contractor will also facilitate conflict resolution between tenants and landlords and refer clients to other services as appropriate, including legal representation and rental assistance. The legal service provider will be required to evaluate and report on service outcomes, develop reports and gather data.

B. Short-Term Rental Assistance

Rental Assistance refers to funding to cover the whole or the part of rental arrears and regular rental payments for a limited period of time which would be paid directly to the landlord. The contractor would be authorized to manage and disburse an estimated \$236,000 to manage and disburse to qualifying individuals. These funds would be available on an emergency one-time basis.

C. Education and Public Awareness

The contractor will be required to launch an education and public awareness strategy through contracted partners that includes a “Know Your Rights” Campaign, targeted education to landlords to discourage the issuance of Unlawful Detainers and three-day notices, and staffing tenant clinics.

2. FamilySource Center Services (Contract Amendment)

Below is a summary of the services to be provided by the FamilySource Centers under this program. There are 16 FamilySource Centers in the City. HCID has indicated that two FamilySource Center contracts will be amended to incorporate two Tenant Stability Advisors (TSAs) and offer rental assistance.

A. Wrap-Around Services

HCID proposes to use two TSAs (\$140,000) to be stationed at FSC sites to provide wrap-around services to tenants in crisis and at-risk of homelessness including longer term rental assistance (three to six months), financial coaching, pre-employment and employment support, food distribution, etc.

B. Up to Three - Month Rental Assistance

These funds would be distributed to FamilySource Centers (FSC) to assist tenants in becoming current on rent balance and/or finding tenants to find alternative housing. Recipients would also receive case management services. HCID requests authority to amend the existing FSC contracts to expand case management services and provide ongoing rental assistance.

3. HCID ACTIVITIES

A. Eviction Filing System Ordinance

HCID recommends that Council require landlords to file a notification for all evictions within the City. The filing notification system will enable the City to more accurately track the number of eviction related filings in the City. A one-time cost of \$200,000 to design a system to collect, monitor and report on the data is anticipated.

B. Educational Material Update

HCID proposes \$30,000 to update its existing educational campaign materials with information on the Eviction Defense Program.

C. HCID Staffing

To implement the proposed Eviction Prevention Program, HCID is requesting Council approval of the following new positions:

TABLE 3- Proposed Staffing

Positions	Funding		Function
1 Management Assistant	\$37,573	\$149,044	Eviction Filing System
1 SR Senior Admin Clerk	\$45,315		
1/2 Systems Analyst	\$66,156		
1 SR Project Coordinator	\$72,889	\$146,421	HCID Admin Staff
½ Housing, Planning & Economic Analyst	\$73,531		
TOTAL	\$295,464		

Note: The above salaries as proposed by HCID are for a six month period.

HCID states that the SR Project Coordinator and Housing, Economic and Planning Analyst are required for coordination and implementation of the Eviction Prevention Program. The Management Assistant, SR Administrative Clerk and Systems Analyst positions are required for the administration and maintenance of the data collection and eviction filing system. The budget and staffing components of the programs will be discussed by the CAO under a separate cover.

EMERGENCY RENTERS RELIEF PROGRAM

On October 8, 2019, Governor Newsome signed into law a bill that will limit rent increases to five percent each year plus inflation beginning January 1, 2020. The law bans landlords from evicting people without justification and is retroactive to March 15, 2019. The law had an unexpected impact on tenants throughout the state inasmuch as landlords, in anticipation of the new law, began to raise rents to very high levels. In response, on October 30, 2019, the City Council adopted Motion (Martinez-Koretz-Krekorian) to reallocate funds previously designated for the Eviction Prevention Program to fund the Emergency Renters Relief Program for a total of \$2.937M. To date, nearly \$12,000 has been spent on this program. Upon completion of the program, December 31, 2019, HCID and the CLA, will report to Council with an update on the remaining unexpended funds.

NEXT STEPS

Should the Council wish to expand the program by adding more zip codes and/or continue to provide the same level of service through Phase 1 of the Eviction Defense Program, HCID recommends that the Council consider the following funding resources to allow the program transition to a citywide program:

- State Homeless Housing, Assistance and Prevention Program
- Senate Bill 2
- Taxes-Fees
- Community Development Block Grants

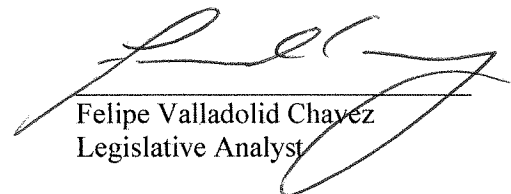
We recommend that the CLA and the CAO, with the assistance of HCID, to identify funds to continue and/or expand the Program.

Joint City and County Program

HCID requests authority to enter a Memorandum of Understanding (MOU) with Los Angeles County to develop and implement a joint comprehensive eviction defense program. However, at this time more information is needed with regard to the service area, funding, and scope of the services the County intends to provide. It is therefore recommended that HCID report to Council with a draft MOU that specifies service areas, scope of services, and funding commitment for Council review and approval.

FISCAL IMPACT

Approval of the recommendations in this report will not result in an additional fiscal impact. The City Council approved \$2M from the General Fund, \$1.087M in CDBG funds, for a total of \$3.087M for Phase 1 of the Eviction Defense Program. Availability of funds will be determined upon the completion of the Emergency Renters Relief Program on December 31, 2019.



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Attachment: Map – Eviction Vulnerability

