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Eric Garcetti, Mayor

September 26, 2022

Honorable Members of the City Council
City of Los Angeles
200 N. Main Street
Los Angeles CA 90012

Dear Council Members and Mayor:

As you may know, in June of this year, the City Council directed the Los Angeles Housing Department (LAHD) to report back on a number of issues in connection with the Council's consideration of changes to the City's eviction moratorium ordinance (Council File No. 21-0042-S3). LAHD was directed to, among other things, report back on actions needed to eliminate gaps in existing tenant protection and, working with the City Attorney, report on recommendations for the establishment of new protections related to economic displacement as well as to set thresholds for evictions related to non-payment of rent.

On September 14, 2022, Councilmember de Leon submitted a letter in response to the report back that proposes four actions "to create a work plan to set a realistic date for ending the moratorium protections." Due to the breadth and scope of the actions recommended in Councilmember de Leon's letter, LAHD is responding in writing to allow the Council and Mayor time to consider this information.

Action 1: Implementation of the Eviction Defense Program / Right to Counsel

In September 2020, the Council and Mayor approved the adoption of an Eviction Defense Program (EDP) that provides funding to a collaboration of legal services providers and community outreach nonprofits overseen by the Legal Aid Foundation of Los Angeles (LAFLA) to mitigate the potential disproportionate eviction impact on low-income communities after tenant eviction moratoriums expire. A contract for \$7,114,510 in federal CDBG-CV was executed effective April 26, 2021. Subsequently, additional funding for a total of \$27,676,824 has been approved and the contract extended through June 2024.

The EDP provides a combination of full representation and limited scope services for tenants threatened with eviction. Additionally, under the umbrella of the Stay Housed L.A. platform, the City's EDP partners with the County, as well as local community and legal service providers to keep City residents housed by providing information and resources about tenant rights, legal assistance, and educational workshops through the Stay Housed L.A. platform, which can be accessed at <https://www.stayhousedla.org>.

Since July 1, 2021, EDP has reached over 340,000 City renters through direct tenant outreach, hosted over 300 community educational events, and assisted approximately 3,000 tenants in navigating rental assistance. EDP has assisted City tenants in 3,500 eviction cases, resulting in 70% of tenants remaining in their homes after the involvement of EDP.

The September 14, 2022 letter also recommends the expansion of Just Cause for eviction protections to all tenants. LAHD's recommendations, which date back to January 2020 and precede the pandemic, are to expand Just Cause protections to all tenants in multifamily buildings with two or more units, as well as all tenants in single-family homes or condominiums that are owned by corporations. Additionally, LAHD recommended:

1. Relocation assistance for all "No-Fault" evictions
2. Filing of copies of eviction notices with LAHD to build a database and assist with EDP outreach
3. Landlords to notify tenants of their rights at the onset of their tenancy and post a Tenant Protections Notification in a common area of the rental property
4. Modify the rules related to evicting tenants to allow a resident manager to move into a building only when an on-site manager is required by law or in order to comply with the terms of an affordable housing covenant agreement.

Status: The Eviction Defense Program has been launched and funded. The supply of legal services providers is limited and additional, longer-term funding would help address more of the need. Staff anticipates that additional funding will be available in this coming budget year. The expansion of the Just Cause Protections were addressed in LAHD's August 25, 2022 transmittal (C.F. No. 21-0042-S3) as well as C.F. No. 17-0454 which provides the original LAHD recommendations for the adoption of Just Cause protections.

Action 2: Data Collection and Reporting for Proactive Intervention

This recommendation had four components:

A. Finish the work of the Renters Relief Registry to ensure that tenants who are in greatest need are proactively helped and kept track of across different units of departments and different agencies.

There are approximately 650,000 renter households in units covered by the City's Rent Stabilization Ordinance (RSO), 247,000 renter households in units built since 1978 not covered by the RSO, and an estimated 129,000 renters in single-family homes and condominiums. LAHD's first step in communicating with these estimated one million households has been to establish a registry of the RSO tenants. Work on the City's Rent Registry Ordinance was launched on January 1, 2017, requiring landlords to provide the rent amount and tenancy information for every rental unit subject to the City's RSO. This was implemented as part of the mandated annual registration of RSO units and rents.

In Fiscal Year 2021-2022 LAHD received funding for the second phase of the Rent Registry, which includes building an online public portal for tenants to provide their email addresses, report their rents, and dispute the amount of rent that is reported by their landlord. The Information Systems work to create the online tenant portal was completed, and in July 2022, LAHD launched Phase 2. As part of Phase 2, LAHD began to send notifications to tenants providing information that their rental units are subject to the RSO, the rent amount of their rental unit as provided by the landlord, information on how to dispute the rent, and other tenant notifications and resources. Notifications to tenants will continue throughout 2022, and a new cycle will commence in 2023, as landlords are required to fill out a new Rent Registry at the beginning of the new year. These notifications to tenants will be customized and enhanced as additional systems work is completed.

LAHD also received funding to provide an external dashboard for the public to easily look up property information (Phase 3). Once completed, this feature will provide an at-a-glance feature allowing tenants and landlords to search by property address for information such as open code enforcement complaints, whether a unit is subject to the RSO or AB 1482, whether the property is registered, cost recovery applications approved; eviction and Buyout Agreements filed; whether a property is in the Rent Account Escrow Program (REAP); upcoming General Manager hearings, and other housing-related resources for constituents.

A key piece of data collected in the annual mailings communications with landlords and tenants - the monthly rent amount - has not yet been posted publicly. In consultation with stakeholders, LAHD heard frequently that there was a concern this information could be misused by building purchasers or marketing companies, and as such could lead to displacement and harassment. Although these are valid concerns, there is also a strong interest from other stakeholders in obtaining the data for research and preservation purposes. LAHD has made the data available to interested researchers by masking unit numbers and identifiers, and will work with the City Attorney to develop a research agreement to protect the unit-specific data while making it available for research purposes that align with the City's housing goals. LAHD will also explore the feasibility of making the data available to the public on a building basis, while masking individual unit information.

Expansion of the Registry to additional (non-RSO) tenants (Phase 4) was recommended in a LAHD report dated February 4, 2020, regarding expansion of tenant protections to units subject to the Tenant Protections Act of 2019, recommending a new ordinance, registration of non-RSO rental units, and enforcement of Tenant Protections for non-RSO units (CF No. 19-1305).

As noted above, the City of Los Angeles has approximately one million renter households. About 440,000 of them are rent-burdened low income households. Many renters, especially low income households, are very mobile. One USC study found that half of very low income tenants in Los Angeles moved every two years. As our database of renters responding to our annual notifications grows, LAHD will be able to document tenant turnover and mobility in neighborhoods and citywide. This mobility makes it difficult to use the Registry as a means of staying up to date on current tenant needs. However, the Registry does provide an effective means to keep tenants informed about important information regarding programs or other opportunities and can be used to outreach to tenants as such opportunities or needs arise.

Status of Rent Registry: Phase 1 is completed; Phases 2 and 3 are underway. Notifications and information sharing to tenants will continue on an annual basis. Further expansion to non-RSO rental units requires further authorization from City Council as well as resources for implementation. Recommendation IV of the August 25th report requests resources to start a study of resources and cost recovery needed to support this work.

B. Create a comprehensive local eviction filing requirement

Status: This recommendation is included in Recommendation II.e of LAHD's August 25, 2022 report.

C. Publish all public data in a system similar to the Planning Department's Case Filing System or the Housing Progress Dashboard.

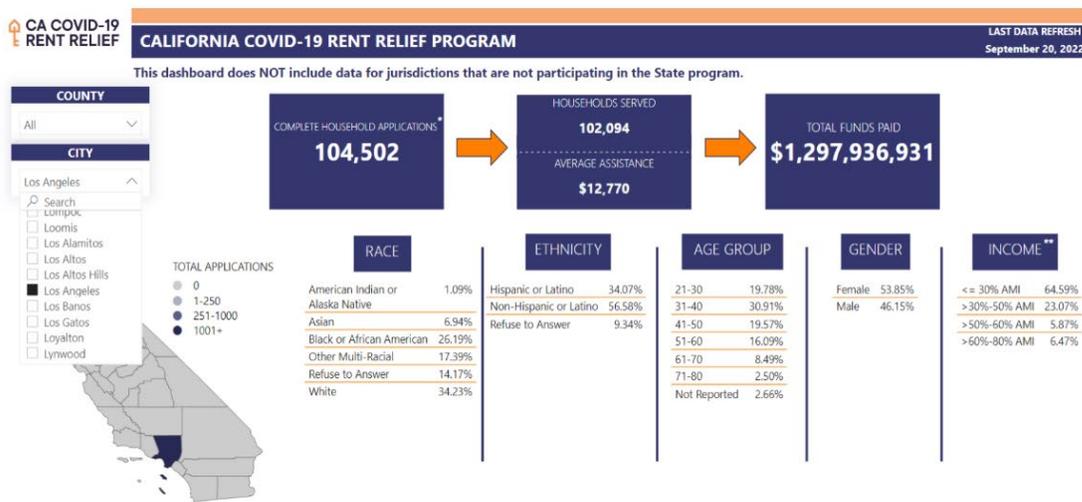
Status: Significant programmatic data is currently available on the LAHD website and will be expanded as the initiatives described above are completed. One example of several types of data dashboards currently available to the public can be found at: <https://housing.lacity.org/rso>.

D. Track the cost effectiveness of the interventions as compared to re-housing recently unhoused persons and study the relationship between the Eviction Defense program and the yearly Homeless Count.

Status: LAHD is working closely with the EDP and Stay Housed LA Coalition on tracking program outcomes. Future analytics will provide additional data on the effectiveness of the interventions and impact on the homeless count numbers.

3. Rental Assistance Program Completion

As of September 20, 2022, the California Housing Is Key (HIK) Program has paid almost \$1.3 billion in rental assistance for 102,094 renters out of 104,502 (97%) of completed applications. Included in these 104,502 applications are the 40,432 referred to the state program by LAHD.



The rental assistance payments cited above are in addition to the \$221 million paid by the City on behalf of 17,992 renters in 2021. Additionally, LAHD paid \$98 million for 49,000 renters in 2020. Combined, these efforts represent over \$1.6 billion in COVID-19 pandemic rental assistance for Los Angeles City renters.

LAHD issued payments for all eligible applications in 2021. Effective October 1, 2021, LAHD referred 40,432 ERAP applications which exceeded the City’s available funds to the state program. In turn, all eligible applications were funded by the state program. It should be noted that the total funding of \$1.3 billion provided to Los Angeles City residents represents 500% of the \$260 million in ERAP 2 funding originally allocated to the City of Los Angeles. At this time, all ERAP funding has been exhausted in accordance with ERAP program rules and timelines. Should additional rental assistance funding be made available for future programs, LAHD stands ready to assist to maximize assistance for our residents.

The assertion that only one of two ERAP applications has been funded represents a misinterpretation of the data. The Eviction Risk and Rental Assistance Needs Analysis referenced in LAHD’s August 25, 2022 report was based on the status of applications as of July 2022, before HIK had completed processing all eligible applications. Additionally, the 40,432 applications referred by LAHD to the state HIK program are included in the applications subsequently processed by the HIK. It is incorrect to assume that these 40,432 applications were not funded. Reasons for any applications not funded include the fact that

applications were received from tenants who did not live in the City of Los Angeles, tenants who submitted duplicate applications, applications that were withdrawn, or applications that were not eligible because they did not meet the requirements of the program.

Status: 97% of eligible applications have been funded by the California HIK and 100% of eligible applications retained by the City were funded by LAHD. Additional funding would be required from State or local sources to serve additional applicants. At an average payment of \$12,500, \$12.5 million in additional funding would be needed for every 1,000 households seeking assistance.

4. Equity Focused Policy and Programs

This had two components:

A. Develop and fund proactive outreach to the Housing and COVID Index areas of met and unmet need to ensure that when the moratoriums end tenants and landlords who do not speak English as a primary language have outreach to support them through the changing rules.

LAHD maintains a Landlord-Tenant hotline with bilingual Spanish-English operators, as well as immediate access to interpreters in multiple languages. Staff at our 6 public counters, located in neighborhoods throughout the City, are also bilingual. The LAHD hotline handles approximately 200,000 annual calls and LAHD conducts over 50 well-attended workshops throughout the year. The LAHD webpage provides translation to multiple languages. Educational tenant workshops and outreach conducted throughout the City by the Stay Housed Coalition under the EDP (approximately 20 workshops per month) also focus on high needs areas and outreach to non-English speakers. As reported above, in the past 15 months, EDP has reached over 340,000 City renters through direct tenant outreach, hosted over 300 community educational events, and assisted approximately 3,000 tenants in navigating rental assistance. The community groups currently funded for outreach through the EDP include:

- Alliance of Californians for Community Empowerment (ACCE)
- Communities for a Better Environment
- Los Angeles Community Action Network
- Los Angeles Center for Community Law and Action
- Strategic Actions for a Just Economy
- Coalition for Economic Survival
- Inquilinos Unidos
- People Organized for Westside Renewal (POWER)
- Koreatown Immigrant Workers Center (KIWA)

Status: Recommendation VII in LAHD's August 25, 2022 report and the discussion on page 9 advocate targeting of future outreach efforts to areas identified as having higher unmet need.

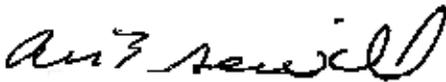
B. Provide a Tenant Bill of Rights for all tenants and develop greater overall consistency in regulation and enforcement actions for tenants who live in non-RSO units.

Status: Adoption of the recommendations in LAHD's previously submitted reports under Council Files 17-0454 (Just Cause), 19-1305 (Implementation of Tenant Protections Act of 2019 and Tenant Notification), and August 25, 2022 report on the Expiration of the Eviction Moratorium (21-0042-S3), would significantly expand tenant protections and overall consistency in regulation for ALL tenants

citywide, regardless of RSO status. Recommendation IV of LAHD's August 25, 2022 report would provide an assessment of funding and staff resources needed to implement and enforce strengthened tenant protections. It is estimated that the completion of this study would be completed by January 2023.

Thank you for the opportunity to review and comment on these recommendations. In summary, of the nine actions recommended in the September 14th letter, the majority are completed, in progress, or are currently included in LAHD's August 25, 2022 report back. Adoption of the recommendations in the LAHD report in CF-21-0042-S3 will allow the City to make significant progress on creating the additional tenant protections recommended, and will provide clear guidance for tenants and property owners on the next steps that aligns with County and State guidelines.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Sewill". The signature is written in a cursive, flowing style.

Ann Sewill
General Manager