

# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: June 9, 2022

TO: Honorable Members of the Rules, Elections, and Governmental Affairs Committee

FROM: Sharon M. Tso *KEK*  
Chief Legislative Analyst *for*

Council File No. 22-0002-S84  
Assignment No. 22-05-0304

SUBJECT: Resolution (O'Farrell – Martinez) to SUPPORT extending COVID-19 renter protections

CLA RECOMMENDATION: Adopt Resolution (O'Farrell – Martinez) to include in the City's 2021-2022 State Legislative Program, SUPPORT for extending COVID-19 renter protections and assistance, such as Housing is Key, or any other initiative that provides funding for renters and landlords to ensure that people stay housed without eviction.

## SUMMARY

Resolution (O'Farrell – Martinez), introduced on May 24, 2022, advises that the State of California enacted the COVID-19 Tenant Relief Act (SB 91) on January 29, 2021 that extended tenant protections and established the Emergency Rental Assistance Program for tenants impacted by the COVID-19 pandemic. Despite State and local assistance, more than 20 percent of rent-burdened households in the City remain at risk of falling into homelessness if additional emergency rental assistance is not provided. The Resolution further reports that the State has a projected \$97.5 billion budget surplus for the 2022-2023 fiscal year and must further invest in residents, renters, and landlords who are in need of assistance. The Resolution therefore recommends that the City support the extension of COVID-19 renter protections, assistance, and other initiatives to keep people in the City housed.

## BACKGROUND

On March 4, 2020, Governor Newsom declared a state of emergency in response to the COVID-19 pandemic. Measures necessary to contain the spread of COVID-19 disrupted lives as well as the local and global economy. As a result, on August 31, 2020, the Governor approved the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020 (AB 3088) to provide California renters with temporary eviction protections if they experienced financial hardship related to COVID-19 and were unable to pay their rent. AB 3088 prohibited evictions from March 1, 2020 until August 31, 2020 for tenants who submitted a "Declaration of COVID-19-related financial distress" to their landlord confirming under penalty of perjury that they were unable to pay their rent due to financial hardship from the COVID-19 pandemic, and from March 1, 2020 until January 31, 2021 for tenants who submitted a COVID declaration and paid at least 25 percent of their rent owed during that time. AB 3088 also delayed rental recovery by landlords until March 2021.

On January 29, 2021, Governor Newsom approved SB 91, which extended tenant eviction protections provided by AB 3088 until June 30, 2021 and appropriated \$2.6 billion for rental assistance. On June 28, 2021, Governor Newsom approved AB 832, which further extended temporary eviction protections until September 30, 2021 for tenants who submitted a COVID declaration and paid at least 25 percent of their

rent owed, and until March 31, 2022 for tenants who submitted a COVID declaration and a timely-filed rental assistance application to the State.

Under SB 91, local ordinances put in place to prevent evictions in response to COVID-19 continue to apply until they expire. The City established Ordinance Nos. 186585 and 186606 to extend tenant protections up to one year after the end of the City's Declaration of Local Emergency, or August 1, 2023, whichever date comes first, as well as Ordinance No. 186607 to prohibit rent increases for rent-controlled units until one year after the expiration of the City's Local Emergency period. On March 31, 2022, Lieutenant Governor Eleni Kounalakis approved AB 2179 to extend a ban on local governments from adopting new COVID-19 eviction moratoria before July 1, 2022. The original ban was set to expire on March 31, 2022.

On February 10, 2022, the Governor signed SB 115, an early budget action that invested \$1.9 billion to bolster the state's ongoing emergency response to the pandemic. According to data from the California Department of Housing and Community Development (HCD), more than half (52 percent) of the rental assistance paid statewide went to Los Angeles City and County renters, and 28 percent of all Housing is Key payments were made to City residents. With SB 115 bridge funding, HCD projects to have sufficient funding to pay all applications from eligible tenants with household incomes at or below 80 percent of Area Median Income received by the March 31, 2022 deadline.

As of June 7, 2022, the State's COVID-19 Rent Relief program, Housing is Key, has provided more than \$3.6 billion to 320,000 households throughout California, including over \$1.06 billion to almost 89,500 households in the City. In addition, the City's Emergency Rental Assistance Program has paid \$221 million to almost 18,000 households in the past year, totaling almost \$1.29 billion in State and local assistance for 107,462 City households in 2021-2022.

Despite legislation to stabilize housing and protect renters from eviction, rents in the City have continued to increase since the beginning of the pandemic. The current median rent for a two-bedroom apartment in the City is \$2,750, which requires an annual income of at least \$111,000 to be affordable. Less than 29 percent of Los Angeles households can afford this rent. According to the U.S. Census Bureau's 2020 American Community Survey 5-Year Estimates, 56 percent of renters in the City, or 497,000 households, are rent-burdened or are paying more than 30 percent of their income on housing.

Almost 118,000 households in the City have submitted an application to the State for emergency rental assistance due to COVID-19, and 17,992 households received rental assistance from the City in the past year. With increasing rents and inflation, more than 20 percent of rent-burdened households remain at risk of homelessness if additional rental assistance is not provided. In May 2022, the Governor released revisions to his 2022-2023 fiscal year budget and projected a record \$97.5 billion surplus.

DEPARTMENTS NOTIFIED

Los Angeles Housing Department

  
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Susan Oh  
Analyst

Attachment Resolution (O'Farrell – Martinez)

# ATTACHMENT 1

## RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal government body or agency must first have been adopted in the form of a Resolution by the City Council with the Concurrence of the Mayor; and,

WHEREAS, the COVID19 pandemic has had drastic impacts to everyday life, including employment, housing, and food access; and

WHEREAS, in March 2020, Governor Newsom declared a state of emergency in California, placing restrictions on all residents ability to travel and interact with others, even at the workplace; and,

WHEREAS, the State enacted the COVID19 tenant relief act, comprising of three laws AB 3088, SB 91 and AB 832; placing reasonable accommodations for renters who are in need of assistance; and,

WHEREAS, the City enacted some of the first renter protections in the nation for renters, designed to avoid evictions, allow for payment of rent, and ensure that the COVID19 pandemic did not force more people to experience homelessness, over \$1.2 billion in rental and utility assistance has assisted over 149,000 renting Angelenos impacted by the COVID-19 pandemic.

WHEREAS, the State currently administers the Housing is Key program, which has paid nearly \$974 million on behalf of 82,800 Los Angeles City households; and,


WHEREAS, due to the passage of SB 115, the state continues to fund any gaps found for eligible applicants with household incomes at or below 80% AMI, and received no later than March 31, 2022, however no new applicants are being accepted or processed; and,

WHEREAS, the median rent for a two-bedroom apartment in Los Angeles is about \$2,750, which requires an income of about \$111,000 annually to be affordable. Fewer than 29 percent of Los Angeles households can afford this rent. Additionally, according to the 2020 ACS 5-Year Estimates, about 497,000 renter households (56%) in the City of Los Angeles are rent-burdened, paying 30% or more of their monthly income on housing costs. Rent-burdened households are significantly impacted by life-altering duress, such as the pandemic, resulting in a higher risk of housing insecurity and displacement; and,

WHEREAS, including the total number of Angelenos who received rental assistance and those who have an application in process with the State (about 192,000 renter households), about 38% of rent-burdened households remain at risk of homelessness if additional emergency rental assistance is not offered as a housing stabilization resource; and,

WHEREAS, the State of California has an over \$97.5 Billion dollar surplus, and needs to further invest in residents, renters and landlords who are in need; and,

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2021-2022 State Legislative Program SUPPORT for extending COVID19 renter protections such as Housing is Key, or any other initiative that provides funding for renters and landlords to ensure people stay housed without eviction.

Presented By:   
Mitch O'Farrell  
Councilmember, 13th District

Seconded By: 

ORIGINAL