

Your Community Impact Statement has been successfully submitted to City Council and Committees.

If you have questions and/or concerns, please contact the Department of Neighborhood Empowerment at NCsupport@lacity.org.

This is an automated response, please do not reply to this email.

Contact Information

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The Board approved this CIS by a vote of: Yea(11) Nay(1) Abstain(0) Ineligible(0) Recusal(0)

Date of NC Board Action: 02/28/2023

Type of NC Board Action: Against unless Amended

Impact Information

Date: 03/02/2023

Update to a Previous Input: No

Directed To: City Council and Committees

Council File Number: 23-0104

Agenda Date:

Item Number:

Summary: The Echo Park Neighborhood Council supports the idea of targeted assistance for landlords who can demonstrate significant hardship as a result of COVID-19. However, to the degree that such funds are disbursed, it must be done with common sense. This motion is only beginning this process by asking for a report back from various departments. Still, the way this motion is written starts the process off so badly that this motion cannot be approved until there are substantial rewrites.



ECHO PARK NEIGHBORHOOD COUNCIL



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COMMUNITY IMPACT STATEMENT IN OPPOSITION UNLESS AMENDED OF COUNCIL FILE 23-0104

CERTIFIED COUNCIL
APRIL 16, 2002

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MARCH 2, 2023

The Echo Park Neighborhood Council supports the idea of targeted assistance for landlords who can demonstrate significant hardship as a result of COVID-19. However, to the degree that such funds are disbursed, it must be done with common sense. This motion is only beginning this process by asking for a report back from various departments. Still, the way this motion is written starts the process off so badly that this motion cannot be approved until there are substantial rewrites.

The first two paragraphs list various programs that the city and state passed to prevent a mass eviction of tenants during COVID-19. This information is unrelated to the matter at hand. Its inclusion implies that we should look at tenant protections and assistance as a reward for tenants, and concludes that, in fairness, we must now give something to landlords (even though many of these tenant assistant programs involved making payments directly to landlords).

The next paragraph of the Motion paints a picture of a hypothetical small landlord as a member of an immigrant or minority group and suggests that a motion to support landlords will "close the racial wealth gap." This is unconscionable to do in the context of a motion that makes no effort to ensure that assistance will be targeted to members of minority groups, and offers no reason that this result should be expected to occur by accident.

This paragraph concludes with the suggestion that owning property is an "alternative to the stock market" for immigrant families, and a "forced saving mechanism." This narrative relies on outdated racial stereotyping; it implies immigrants are unable to access financial markets and require alternate investment vehicles. Worst, it seems to imply immigrant groups in particular require a "forced saving mechanism." This paragraph should be entirely deleted, and probably apologized for.

The motion goes on to use the term "mom and pop" landlord four times. The

purpose of this overly colorful term is to create a prejudice in favor of small landlords. It is disturbing that it is used with such regularity on the council floor. It cannot appear in writing in council motions. "Small landlords," would be a better term, although it does beg the question why the city so frequently targets a subset of landlords for special consideration based on the scale of their real estate investment, rather than the scale of their need.

To address the portion of the motion that is substantive: the neighborhood council understands that this process is beginning and the city council is currently only seeking advice. However, certain ambiguities should be cleared up at the outset.

The current language of the motion treats the following as categorically the same:

1. "Rental debt" owed to landlords; rent that they would have been entitled to expect were there not a force majeure disaster impacting the normal function of the economy.
2. Debt that landlords may have incurred as a result of taking out loans and mortgages to buy into the real estate market, and not paid back due to financial strain from COVID.
3. Debt that landlords may have incurred related to the operating costs of owning a rental property and not paid due to financial strain from COVID.

The council would be in favor of exploring a method of deferring the costs of operational expenses for landlords who lost income as a result of COVID-19.

The Los Angeles County Board of Supervisors also discussed creating a small landlord relief fund; it was agendaized for discussion as the "non-Mortgage Small Landlord, aka Mom-and-Pop, Assistance Program." Loans taken against the property must be classified differently from the operational costs of maintaining housing. The city may have a vested interest in helping small landlords defer mortgage debt, for the reason stated in the motion: to discourage small landlords from selling their properties to corporate investors. However, if this is the case the city must concurrently explore whether it has done enough to regulate corporate landlords. Corporate landlords should not merely be the specter invoked to justify steering funding to small landlords, never to be spoken of in any other context.

This council believes that the city does not have an interest in ensuring that landlords recover every drop of "lost rental income." Real estate is an investment, and it should be expected that investments can be impacted by incredible disasters. This motion treats lost rental income like a great concern in itself, and it simply isn't. If someone has enough money to live comfortably, and they miss out on getting a little more during a disaster that claimed tens of thousands of lives, that is not an issue the city should concern itself with.

Nevertheless, should the city opt to create recovery funds for landlords, the Echo Park Neighborhood Council strenuously recommends that any eligibility for such a program require that applicants be in good standing with respect to the habitability of their rental units and have no outstanding health or code violations against their properties.

Until this motion has been put into more thoughtful and responsible language, this

neighborhood council does not support moving this along even to the report-back stage.

RESOLUTION

On February 28, 2023, the EPNC Board of Governors held a Brown Act noticed-meeting, at 7pm through zoom. With a quorum of 12 board members present and vote count of 11 yeas, 1 nays, and 0 abstentions, the Board resolved to write a letter of opposition unless amended for the application as set forth above.

Respectfully,
Echo Park Neighborhood Council



Nick Marcione
Secretary, Echo Park Neighborhood Council