

REVIEWING EVICTION MORATORIUM IMPACTS ON PROPERTY OWNERS UNDER THE COUNTY’S TENANT PROTECTIONS

At the onset of the COVID-19 pandemic in March 2020, the Chair of the Board of Supervisors (Board) issued an eviction moratorium (later renamed "tenant protections") to accompany the Safer at Home public health order, which was later ratified by this Board. The Safer at Home public health order, which was needed to suppress the spread of the virus, was understood to also have the potential to negatively impact the income of residential and commercial tenants.

Thus, the County’s tenant protections were adopted with the understanding that the economic impacts of the pandemic could leave many tenants unable to pay rent. At a time when a virus was spreading throughout the region, immediate action was needed to prevent unnecessary displacement and to protect individuals and families from falling into homelessness. It was critical to ensure that the residents of the County could remain stably housed during this public health crisis.

Over subsequent months, the Board of Supervisors acted to further expand tenant protections to meet the needs of the moment. This included establishing the County’s tenant protections as a baseline for the entire County, to provide regional consistency for more than ten million people across eighty-eight cities and the unincorporated areas.

The tenant protections have also evolved to address the State of California’s preemption of locally-enacted tenant protections related to residential non-payment of rent. In doing so, the State took action to establish consistent regulations statewide to avoid discrepancies between local jurisdictions.

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However, as the tenant protections have continued for nearly 27 months now, the County has seen a significant decrease in the severity of the impact of the COVID-19 pandemic, including significantly lower hospitalization and death rates, and even a dampening of the transmission rates. Accordingly, the County took actions to begin restarting and reopening its economy nearly 15 months ago, as most of the Public Health Officer order restrictions were lifted in the first quarter of 2021, and future closures of the economy are no longer being considered. Additionally, many individuals have accumulated significant debt and will need to start planning for and working towards paying off that debt.

On January 25, 2022, the Board of Supervisors took action to extend the County's tenant protections through the end of 2022 in two phases, with a very gradual phasing-out of the eviction protections, with some exceptions. As adopted by the Board, Phase 1 (February 1 – May 31) added no new protections, however, eviction protections for non-payment of rent for commercial tenants were lifted. In Phase 2 (June 1 – Dec 31), eviction protections were lifted for denial of entry and certain owner move-in requirements. Further, as of July 1, 2022, non-payment of rent protections will be reinstated to establish an affirmative defense for residential tenant households with income at or below 80% Area Median Income (AMI), due to a COVID-19 financial hardship for rent incurred on or after July 1, 2022, with self-certification of income level and financial hardship.

In addition, since the implementation of the County's eviction moratorium, the State and federal governments have allocated hundreds of millions of dollars in funding to the County for emergency rent relief. As of June 19, 2022, the State's CA COVID-19 Rent Relief program has issued nearly one billion dollars, \$947,188,969, in emergency rental assistance to 75,429 households (excluding the cities of Los Angeles and Long Beach). This funding has been critical to help reimburse rental arrears, not only for tenants but also for many small landlords by helping to offset the tremendous financial burden placed on them due to the eviction protections.

The State's Emergency Rental Assistance Program, commonly referred to as CA COVID-19 Rent Relief, accepted applications from landlords and tenants until March 31, 2022, when the State was expected to lift its eviction protections. Notably, the State formally recognized challenges in disbursing relief payments to impacted applicants within a timely manner. Through the emergency implementation of Assemblymember Tim Grayson's AB 2179, eviction protections were extended for applicants that applied by the March 31 deadline. AB 2179 also preempted the County's nonpayment of rent protections from going into effect, as it was originally scheduled to, on April 1, 2022. This means that landlords in most jurisdictions are able to evict for non-payment of rent incurred for the months of April, May, and June. However, with the County's residential non-payment of rent protections set to phase back in for self-certified lower-income tenants on July 1, 2022, landlords will once again be faced with undue financial burden without sufficient financial supports.

As the State is poised to allow their eviction protections to expire, the County's provisions that prevent evictions for residential non-payment of rent will take effect starting July 1, 2022. The County can and should do more to help alleviate the financial burden on our small landlords.

I, THEREFORE, MOVE that the Board of Supervisors (Board) direct the Chief Executive Officer, in coordination with the Executive Director of the Los Angeles County Development Authority, the Director of the Department of Consumer and Business Affairs, and other relevant Departments, in consultation with County Counsel, to report back in 30 days on the following:

1. Identification of other existing State programs or funding available to landlords/rental property owners who have been impacted by the pandemic and any proposed programs/legislation designed to provide support to property owners and their tenants; and
2. A survey of eviction protections implemented nationwide, including comparing the impacts of eviction protections on local jurisdictions and data on jurisdictions that have lifted their protections; and
3. Recommendations for a financial planning assistance program designed to help COVID-19 impacted tenants plan and prepare for budgeting and debt repayment.

I FURTHER MOVE that County Counsel report back to the Board on the following:

- (1) the status of legal challenges to the County's tenant protections; and
- (2) a legal analysis, assessment of potential exposure to the County, and recommendations for the implementation of an earlier phase out plan of the County's tenant protections.

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