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Council Files: 20-0147-S19

20-0401

18-0610

Council District: Citywide

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Honorable Eric Garcetti
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COUNCIL TRANSMITTAL: REQUEST FOR AUTHORITY TO ALLOCATE FUNDING FOR A CITYWIDE EMERGENCY RENTAL ASSISTANCE SUBSIDY PROGRAM FOR TENANTS UNABLE TO PAY RENT DUE TO CIRCUMSTANCES RELATED TO THE CORONAVIRUS (COVID-19) PANDEMIC

SUMMARY

The General Manager of the Los Angeles Housing + Community Investment Department (HCIDLA), respectfully requests that the Mayor and City Council approve the recommendations in this report, in response to a motion by Councilmembers Martinez, Wesson, Bonin, and Harris-Dawson (CF No. 20-0147-S19), instructing HCIDLA to report back with recommendations to create a citywide rental assistance fund for tenants who are unable to pay rent due to circumstances related to the COVID-19 pandemic. Through this transmittal, HCIDLA seeks approval, and requests authority to allocate \$1,000,000 from AB 1290 Fund No. 53P Account No. 281206 and \$150,000 from Account No. 281210 for emergency response to the COVID-19 pandemic for a rental assistance program which would provide a temporary subsidy for renters suffering a rent deficit due to the coronavirus pandemic. The subsidy will be available to tenants citywide with incomes at or below 80% of Area Median Income (AMI), depending on household size. The rent subsidy would be a grant paid directly to the landlord on behalf of the tenant for up to 50% of the monthly rent, with a maximum of \$1,000 per month for up to three months through the expiration of the declaration of emergency, with a maximum grant of \$3,000 per household. As instructed, the Emergency Rental Assistance Subsidy (ERAS) Program is to be a component of the Eviction Defense Program (CF No. 18-0610), currently pending Council adoption. Through this report

back, HCIDLA requests necessary amendments to the Eviction Defense Program in direct response to COVID-19 to ensure the alignment of the City's efforts to address the needs of COVID-19 impacted tenants.

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

- A. AUTHORIZE HCIDLA to provide program oversight to implement the COVID-19 Emergency Rental Assistance Subsidy Program and conduct a public outreach campaign to inform City residents about the availability of this program to prevent displacement due to drastic economic impacts of the current coronavirus outbreak.
- B. INSTRUCT the City Attorney, in consultation with HCIDLA, to draft an ordinance that will establish within the Treasury of the City of Los Angeles a new fund to be known as the ***Emergency Rental Assistance Subsidy Program Fund (Fund)*** for the purposes of receiving and disbursing monies to support the COVID-19 Emergency Rental Assistance Subsidy (ERAS) Program. Private donations to support the ERAS program shall be deposited to the new Fund. All interest and other earnings attributable to monies in the Fund shall be credited to the Fund and devoted to the purposes of the Fund.
- C. AUTHORIZE the Controller to:
 - 1. Transfer \$1,000,000 from AB 1290 Fund No. 53P Account No. 281206 (CD 6 Redevelopment Projects-Services) and \$150,000 from Account No. 281210 (CD 10 Redevelopment Projects-Services) to the new Fund to provide assistance to tenants facing economic hardship;
 - 2. Establish accounts as necessary to appropriate monies deposited into the new Fund.
- D. AUTHORIZE the HCIDLA General Manager, or designee, to:
 - 1. Execute an amendment to City contract number C-134129 with the Southern California Housing Rights Center to: (a) increase the contract amount by \$7,159,500, to be supported by funds from the AB 1290 Fund and private donations received, for a total contract amount not to exceed \$10,000,000; (b) amend the contract scope of services to include the administration of the COVID-19 Emergency Rental Assistance Subsidy Program; and (c) extend the term of the contract through December 31, 2020, subject to the approval of the City Attorney as to form.
 - 2. Prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and City Council action on this matter, subject to the approval of the City Administrative Officer, and instruct the Controller to implement the instructions.

BACKGROUND

On March 11, 2020, the World Health Organization declared the rapidly spreading coronavirus outbreak (COVID-19) a pandemic. On March 15, 2020, Los Angeles Mayor Eric Garcetti issued an Emergency Order which implemented measures to address the pandemic and protect the public safety and welfare, including a temporary moratorium on evictions, for non-payment of rent for residential tenants who are unable to pay rent due to circumstances related to COVID-19. On March 23, 2020, the Mayor issued a Public Order further expanding the moratorium to prohibit “no-fault” evictions when any household member is ill, in isolation or in quarantine, as well as evictions under the Ellis Act, and also extending the effective period of the moratorium. Subsequently, Ordinance No. 186585 became effective on March 31, 2020, implementing further limitations on evictions during the COVID-19 emergency and extending the repayment period for back due rent to 12 months.

On March 17, 2020, the City Council approved a motion by Councilmembers Martinez, Wesson, Bonin and Harris-Dawson (CF No. 20-0147-S19) instructing HCIDLA, the Chief Legislative Analyst, and the CAO to report back with recommendations to create a citywide rental assistance fund for tenants who have experienced a loss or reduction of income due to the effects of COVID-19.

On April 7, 2020, Councilmembers Martinez and Wesson introduced a motion (CF No. 20-0401) to establish the COVID-19 Emergency Renters Relief Program similar to the former Emergency Renters Relief program established to assist renters facing financial difficulties with rent subsidies as a program component of the City’s Eviction Defense Program; transfer \$1 million from the AB 1290 Fund No. 53P Account No. 281206 (CD 6 Redevelopment Projects-Services) and \$150,000 from the AB 1290 Fund No. 53P (CD 10 Redevelopment Projects-Services) for the COVID-19 Emergency Renters Relief program to provide assistance to tenants facing economic hardship; report on sources of funds to supplement the CD 6 and CD 10 AB1290 funds and how program funds will be distributed; and prepare key amendments to the City’s Eviction defense Program, as necessary, in response to COVID-19 emergency orders. This report is prepared in response to motions per Council File Nos. 20-0147-S19 and 20-0401 and is designed to support the rent freeze and eviction protections during the COVID-19 pandemic already implemented by the Mayor and Council.

At a special joint meeting held on December 11, 2019, the Housing and Personnel and Animal Welfare Committees of the City Council approved the HCIDLA recommendations to establish an Eviction Defense Program framework for the City of Los Angeles and adopt Phase One of the Eviction Defense Pilot Program (Program), consisting of outreach and education, rental assistance, legal representation, wrap around services, and an eviction notification system. The City Council approved \$2 million from the General Fund and \$1.087 million in Community Development Block Grant (CDBG) funds, for a total of \$3.087 million for Phase 1 of the Eviction Defense Program. Of these funds, \$83,088.20 was spent for the Emergency Renters Relief Program. In light of the severe economic impact of the current COVID-19 emergency, particularly on low-income renters, the rental assistance component of the Eviction Defense Program has become a critical tool in the City’s response in order to keep Angelenos housed in the aftermath of the pandemic. These initial

program recommendations are designed to address the urgent need for rental assistance in the face of mounting job and income loss during the “Safer at Home” orders.

Sixty percent (60%) of Los Angeles residents are renters, a majority (58%) of whom are rent-burdened, paying over 30% of their income for rent, while about one-third are severely rent-burdened, paying over 50% of their income for rent. Approval of an Emergency Rental Assistance Subsidy Program to prevent evictions for non-payment of rent could prevent massive hardship and displacement of renters, especially lower-income renters, and at the same time abate the ripple effects of severe economic impacts on landlords, particularly “mom and pop” landlords, who rely on rents as a primary or sole source of income.

There are approximately 862,000 renter households in the City of Los Angeles, where the average monthly rent is \$2,500 - \$2,600 (Source: American Community Survey- 5-year summary data 2013-2017). According the RSO Rent Registry data, average rents for RSO units are lower, averaging about \$1,700 for a two-bedroom unit. The ERAS program will be open to any Los Angeles City renter who meets the income limitations (household income at or below of 80% of AMI) and will not be limited to RSO units.

RSO Rent Registry Data	
Number of Bedrooms	2019 Average Rent
0	\$1,086
1	\$1,348
2	\$1,697
3	\$2,344
4	\$2,620

As the economic effects of renters’ loss of wages continue, thousands of households, and their landlords, could be impacted by the eventual loss of housing, even in the face of the City’s temporary prohibition on most types of evictions. Additionally, once the COVID-19 Emergency Declaration is lifted, low-income tenants will continue to struggle to attain financial stability. Los Angeles renters who suffer severe financial impacts will likely be unable to repay past due rents and will contend with the continued negative consequences to their finances and their health for years to come, including the possibility of eviction and homelessness. Landlords as well will suffer from significant loss of income and disruption to their finances and relationships with their tenants, even when landlords wish to accommodate their tenants who have suffered a significant loss in income.

The COVID-19 crisis comes at a time when Los Angeles is already facing record levels of homelessness. Forced relocation and economic displacement impact tenants’ housing stability, both short and long-term, as well as the health of our communities. Households who are evicted are more likely to be forced to accept substandard housing and to relocate to neighborhoods further from their jobs, schools, customary services, and communities.

HCIDLA consulted with tenant and landlord advocates in the development of recommendations for a rental assistance program. While resources to deal with the magnitude of the current crisis are limited, the City must take steps to promote housing stability, prevent displacement and

maintain the viability of the City's affordable housing stock. During this time of great hardship and uncertainty, communication and compromise is necessary on the part of both landlords and tenants. We note that the Apartment Owners Association of Greater Los Angeles (AAGLA) has published guidelines encouraging landlords to work with their tenants to avoid a greater housing crisis, including the suggestion that landlords consider a temporary rent reduction for affected tenants.

Without a strategy to keep renters in place, the diversity and character of Los Angeles may be permanently changed to become a city that only the wealthy can afford. Therefore, it is imperative that the City implement a bold intervention in order to keep people housed. The creation and funding of an Emergency Rental Assistance Subsidy Program would prevent displacement of renters and families by providing a temporary subsidy to prevent evictions for non-payment of rent. Because of the enormous scope of financial need and limited resources, HCIDLA's recommendations focus on the assisting our most vulnerable residents and strive to maximize allocated resources.

Emergency Rental Assistance Subsidy Program Framework

The Emergency Rental Assistance Subsidy Program would provide a temporary rent subsidy for renters who are unable to pay their full rent due to a loss or reduction in income due to the citywide response to the COVID-19 emergency. The subsidy would cover 50% monthly lease rent as of March 1, 2020, through a grant of up to \$1,250 per month, available to tenants and families with incomes at or below 80% of Area Median Income (AMI), depending on household size. The subsidy would be a grant paid directly to the current or a new landlord within the City of Los Angeles for a subsidy of up to \$1,000 per month per household, for up to three months, with a maximum grant of \$3,000 per household. In return, landlords would be required to agree:

- Not to impose any interest or late fees for rents owed;
- Not to evict the tenant during the declaration of emergency;
- Not to impose a rent increase during any agreed upon repayment period.

In order to qualify for the rent subsidy program, applicants would need to document that they have suffered a loss or reduction of income due to:

- (1) Workplace closure or reduced hours due to COVID-19, including lay-off, loss of working hours, income reduction resulting from business closure or other economic or employer impacts of COVID-19;
- (2) Loss of income, expenditures or child care needs due to school closures related to COVID-19;
- (3) Sickness with COVID-19 or caring for a household or family member who is sick with COVID-19;
- (4) Extraordinary out-of-pocket medical expenses or health care expenditures stemming from COVID-19 infection of the tenant or a member of the tenant's household who is ill with COVID-19;

- (5) Compliance with a recommendation from a government health authority to stay home, self-quarantine, or avoid congregating with others during the state of emergency;
- (6) Reasonable expenditures stemming from government ordered emergency measures;
- (7) Any additional factors relevant to the tenant's reduction in income as a result of the COVID-19 emergency.

Types of documentation which tenants could use to support their application may include, but are not limited to: employer letters, emails and texts relating to COVID-19 as a reason for reduced work hours, lay-off or termination; paycheck stubs, bank statements; contact information for an employer to allow a case worker to verify a job loss or reduction in income; school notifications; health authority communications about recommendations to stay home, self-quarantine, etc.; medical bills or a doctor's statement; receipts/invoices of child-care costs; and a tenant affidavit signed under penalty of perjury.

The Emergency Renters Assistance Subsidy Program would be a grant for 50% of the rent up to \$1000 per month. Tenants will still be responsible for eventual payment of their share of the rent. Therefore, tenants who can afford it will be encouraged to pay at least partial rent, in order to lower the eventual amount owing to the landlord.

With the current allocation of \$1,150,000, approximately 383 households may be assisted through the ERAS.

Application Process

Based on the current allocation of \$1,150,000, the Housing Rights Center (HRC) will handle the application and subsidy disbursement process. Due to social distancing measures under the "Safer at Home" orders, an online application process is already under development which will include a link for the Emergency Renters Assistance Subsidy program with information on program eligibility. The HCIDLA webpage will also feature a link for private donations to the Emergency Renters Assistance Subsidy Fund. Applications will be accepted online. The HRC will conduct program intake, including determination of eligibility in coordination with HCIDLA, verification of proof of residence, documentation of income and impact by the COVID-19 emergency, determination of the appropriate rent subsidy/grant, and issuing payments to landlords. Special efforts will be made to assist wage earners who are independently employed as domestic workers, day laborers, or seasonal workers etc. and may have difficulties in documenting income.

Due to the urgent need for immediate implementation of a subsidy program, a centralized agency responsible for coordination of payments is recommended in order to expedite the implementation of this emergency program. HCIDLA has recently executed a contract with the HRC (Contract Number C-134129), effective July 1, 2019 through June 30, 2020, with a Scope of Work that can be utilized to provide these services. HRC is charged with providing citywide fair housing services to existing and prospective City residents, including investigating housing discrimination complaints, counseling victims of housing discrimination, researching housing discrimination in Los Angeles, special projects, conducting outreach and education to inform City residents and housing industry groups of their rights and responsibilities related to fair housing, and providing other related services. HRC recently conducted the Emergency Renters Relief program adopted to

prevent tenant displacement in advance of the January 1, 2020 effective date of Assembly Bill 1482. Through this transmittal, HCIDLA is requesting authorization to amend the contract for a new total not to exceed \$10,000,000 and to extend the contract through December 31, 2020.

Once the Emergency Declaration is expired, HCIDLA will assist landlords and tenants in negotiating suitable repayment options as provided in Ordinance No. 186585.

Future Funding Considerations

Based on estimates and scenarios developed in anticipation of this emergency program, HCIDLA estimates that for every \$10 million allocated, approximately 5,000 to 7,400 tenant households could be assisted for two months, or approximately 3,333 to 4,900 households for three months, depending on actual rents. According to available HUD data, 113,000 of the 862,000 renter households in Los Angeles (~13%) have incomes at or below the poverty level, demonstrating the extensive need for a subsidy program. The actual number of renters assisted will depend upon total funds allocated, actual rents of applicants, and the number of months of rent relief needed. Sample scenarios are presented in the following table:

	Total Households Assisted @ 50% Subsidy \$1,000 Monthly Cap					
Monthly Rent	\$1,350		\$1,700		\$2,000	
50% Subsidy	\$675		\$850		\$1,000	
Months Supported	2	3	2	3	2	3
\$1,150,000	852	568	676	451	575	383
\$10,000,000	7,407	4,938	5,882	3,922	5,000	3,333
\$20,000,000	14,815	9,877	11,765	7,843	10,000	6,667
\$30,000,000	22,222	14,815	17,647	11,765	15,000	10,000
\$40,000,000	29,630	19,753	23,529	15,686	20,000	13,333
\$50,000,000	37,037	24,691	29,412	19,608	25,000	16,667
\$60,000,000	44,444	29,630	35,294	23,529	30,000	20,000
\$70,000,000	51,852	34,568	41,176	27,451	35,000	23,333
\$80,000,000	59,259	39,506	47,059	31,373	40,000	26,667
\$90,000,000	66,667	44,444	52,941	35,294	45,000	30,000
\$100,000,000	74,074	49,383	58,824	39,216	50,000	33,333

Outreach

A public outreach campaign about the Emergency Renters Assistance Subsidy Program will be launched immediately and information will be available through HCIDLA's Hotline, website and social media outlets, the Southern California Housing Rights Center and shared with landlord and tenant advocacy groups and community-based organizations. These efforts will build on the ongoing outreach activities launched since the declaration of the citywide emergency including: specialized pages and an online informational webinar, COVID-19 Emergency Renters Protections Fact sheet, Frequently Asked Questions (FAQ's) and a Tenant-Landlord Notification template on the HCIDLA webpage; information flyers; webinars and tele-town hall meetings; outreach to Spanish, Korean and other language media; and specialized social media campaigns focusing on the newly adopted renters protections and restrictions on rent increases in RSO units and evictions on platforms such as Facebook, Instagram, and Twitter. HCIDLA is also partnering with the Mayor's communications team on design of easy-to-understand bulletins and information flyers. HCIDLA will continue to partner with elected officials, HRC, the Los Angeles Unified School District (LAUSD), and community-based organizations to distribute information and conduct informational webinars.

Creation of a Dedicated Special Fund for Public Donations

In order to augment available funding, HCIDLA's recommendations include the creation of a special fund in order to accept private donations for the new Emergency Renters Assistance Subsidy Program from individuals and philanthropic organizations who wish to assist with the City's efforts to prevent homelessness and displacement in response to the unprecedented COVID-19 emergency. Therefore, the City Attorney, in consultation with HCIDLA, should draft an ordinance that will create and establish within the Treasury of the City of Los Angeles a separate fund to be known as the COVID-19 Rental Assistance Subsidy Program Fund ("The Fund") to support and accept monies donated to support the Rental Assistance Subsidy Program. Public access to make donations to the special fund can be featured through links at multiple webpages, including HCIDLA, Mayor and Council webpages, and through HRC and other appropriate agencies.

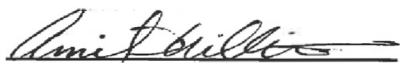
Potential Expansion of the ERAS Program

If significant additional funding becomes available, the ERAS program could expand in scope and leverage a recent procurement conducted by HCIDLA which selected eight FamilySource Centers to implement a new Homelessness Prevention Program. Depending on the additional funding available, contracts for one or more FamilySource Centers could be increased by \$125,000 each to add two full-time intake staff to screen for eligibility, collect required documentation, and package referrals for the HRC. The new Homeless Prevention Program directly aligns with the proposed scope of work for the Rental Assistance Subsidy program in that the focus is also prevent new cases of homelessness by stabilizing housing and working with the households to build a more financially secure future. Through this program, FamilySource Center staff will help rent-burdened, low-income households resolve a crisis that would otherwise lead to a loss of housing. This involves an assessment of the household's current housing crisis, along with the provision of various forms of individualized and client-driven assistance, including short term financial assistance, budgeting/financial coaching, and housing search and connection.

FISCAL IMPACT STATEMENT

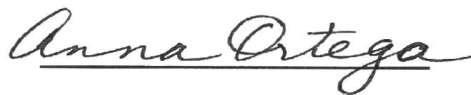
HCIDLA's proposed actions have no impact on the General Fund. The Fair Housing Services contract is currently supported by Community Development Block Grant (CDBG) funds and the Rent Trust Fund. However, the proposed Emergency Rental Assistance Subsidy Program exceeds the scope of these sources. HCIDLA is recommending that the City Council allocate and transfer \$1,150,000 in funds, comprised of \$1 million from the AB 1290 Fund No. 53P Account No. 281206 (CD 6 Redevelopment Projects-Services) and \$150,000 from the AB 1290 Fund No. 53P Account No. 281210 (CD 10 Redevelopment Projects-Services) for the City's COVID-19 recovery efforts to fund the Emergency Rental Assistance Subsidy Program.

Prepared By:



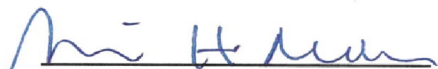
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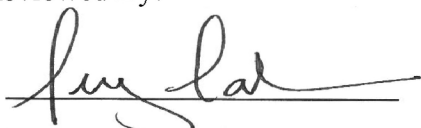
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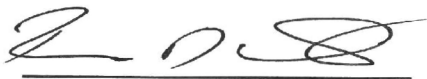
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SECOND AMENDMENT
TO AGREEMENT NUMBER C-134129 OF CITY OF LOS ANGELES CONTRACT
BETWEEN
THE CITY OF LOS ANGELES
AND
SOUTHERN CALIFORNIA HOUSING RIGHTS CENTER

FAIR HOUSING SERVICES

THIS SECOND AMENDMENT to Agreement Number C-134129 ("Agreement") of City of Los Angeles Contract is made and entered into by and between the City of Los Angeles, hereinafter referred to as the City, and Southern California Housing Rights Center, a California Non-Profit Corporation hereinafter referred to as the Contractor.

WITNESSETH

WHEREAS, the City and the Contractor have entered into an Agreement wherein Contractor shall provide certain services, said Agreement effective July 1, 2019 and subsequently amended, which together with all amendments thereto shall hereinafter be referred to as the Agreement; and

WHEREAS, on December 18, 2019, the City and the Contractor entered into the First Amendment for the purpose of (1) adding additional funds for a new total amount of Two million Eight Hundred Forty Thousand Five Hundred Dollars (\$2,840,500); and (2) updating the standard contract provisions; and

WHEREAS, Section 405 of the Agreement provides for amendments to the Agreement; and

WHEREAS, the City and the Contractor are desirous of amending the Agreement as authorized by the City Council and the Mayor (Council File Number XX-XXXX, adopted by City Council on XXXX XX, 2020, and concurred by the Mayor on XXXX XX, 2020), which authorizes the General Manager of the City's Housing and Community Investment Department to prepare and execute an amendment to the Agreement for the purpose of: (a) adding additional funds in the amount of **Seven Million One Hundred Fifty-Nine Thousand Five Hundred Dollars (\$7,159,500)** for a new total of **Ten Million Dollars (\$10,000,000)**; (b) making such other changes as are required in connection with the foregoing, all as detailed elsewhere in this Amendment; and

WHEREAS, this Amendment is necessary and proper to continue and/or complete certain activities authorized under the Agreement.

NOW, THEREFORE, the City and the Contractor agree that the Agreement be amended as follows:

SECOND AMENDMENT

- §1. Amend Section 301.A, “Compensation and Method of Payment” by deleting the contract total of Two Million Eight Hundred Forty Thousand Five Hundred Dollars (\$2,840,500) and replacing it with the new total of **Ten Million Dollars (\$10,000,000)**.

This amendment adds Seven Million One Hundred Fifty-Nine Thousand Five Hundred Dollars (\$7,159,500).

- §2. Amend to add Section 202, “Services to be Provided by the Contractor” by deleting it in its entirety and replacing it to read as follows:

“§202 Services to be Provided by the Contractor

The Contractor shall provide contractual services, which are supported by the work task schedule identified in this section. All work is subject to prior City approval. Failure to receive approval may result in withholding compensation pursuant to §301.

The Contractor shall provide services as follows:

A. Housing Discrimination Services

1. Discrimination Inquiries

- a. Fair Housing and Anti-Predatory Lending Hotline: The Contractor shall be required to maintain a toll-free fair housing and anti-predatory lending hotline to field calls when necessary and make referrals to appropriate agencies for further assistance. A voicemail or answering machine service/system must be in place to receive messages when phone calls cannot be answered. The Contractor shall disclose procedures and systems for record keeping, tracking (include Council District number, whether the unit is subject to the Rent Stabilization Ordinance, highlighting repeat offenders, trends by type of discrimination), reporting and addressing inquiries in a timely manner and how the hotline number shall be advertised and a referral list kept current.
- b. Internet/website accessibility: The Contractor must be able to accept inquiries and complaint filing through the company website or internet-

based system. The website should have a referral page for other housing related agency issues (HCID, Code Enforcement, HOPWA, Affordable Housing, something similar to HCID website page for Referrals for all Rental Housing).

- c. Provide in-depth counseling to clients on all fair housing and housing discrimination related matters including, but not limited to, fair housing laws, rights and responsibilities, complaint investigation services, and training and volunteer opportunities. Counseling must be advertised and available via telephone and in person.

2. Housing Discrimination Complaints

- a. Accept and investigate complaints alleging illegal housing discrimination based on federal, state, and local fair housing laws, including but not limited to the rental, sales, financing, insuring, and advertising of private and public housing.

- b. Investigate housing discrimination complaints in a timely manner using industry-accepted testing methods (John Marshall Law School Tester's Guide to Fair Housing and Fair Lending Laws or other similar standard). At the City's request, the contractor shall submit a flow chart and timeline showing how complaints shall be handled and supervised from initial filing to disposition. It must also describe the staff resources that shall be used to provide this service for home-seekers (rent or sales), in-place tenants, and homeowners who allege harassment or other types of discrimination.

- c. The Contractor shall be able to explain their commitment to industry standards in handling cases of alleged denial to rent or sell and how investigations shall be conducted.

- d. Provide or facilitate resolutions for valid discrimination complaints including conciliation and mediation by the fair housing agency, litigation, or administrative remedy through the State Department of Fair Employment and Housing, HUD, or the U. S. Department of Justice.

- e. Thoroughly document each housing discrimination complaint investigation, and disposition in a separate and named complaint file. The contractor shall provide in detail the type of information that will be collected in the complaint file (constituent's address, whether the rental unit subject to the RSO, allegation, resolution, etc. Additionally, reports should be organized in sync with HCID offices jurisdictions: East LA, South LA, Central LA, West LA & North LA).

f. The Contractor shall be able to explain the methods used by them, and any subcontractors, to recruit, train, and deploy testers to investigate alleged discrimination. Create and maintain a tester training manual. Also, the Contractor must demonstrate an understanding of the importance of having diverse categories of testers trained and available.

g. Implement oversight methods to ensure quality and timeliness of investigations and enforcement. The Contractor must describe the oversight methods and the staff resources that shall be used.

3. General Housing and Landlord/Tenant Referrals

a. General housing, landlord/tenant, habitability, code enforcement, and Los Angeles City Rent Stabilization Ordinance (RSO) inquiries should be briefly but adequately screened to determine if the problem may be a fair housing issue or complaint. Inquiries that are not related to housing discrimination should be referred to the appropriate agency, after basic information about RSO rights, responsibilities, and remedies has been provided to the client.

b. Landlord/tenant, habitability and code enforcement, and RSO issues that are part of a housing discrimination complaint or are the basis of the complaint must be thoroughly addressed as part of the complaint investigation and resolution.

4. Patterns of Practice Audits, Special Projects, and Impediments to Fair Housing

a. Pursue, through quarterly and annual audits, housing discrimination complaints including, but not limited to, owners of numerous units and suspected patterns and practices of housing discrimination.

b. Under the direction of the City, propose and implement special projects in response to findings of the City's Analysis of Impediments to Fair Housing Choice (AI).

B. Public Information, Education, and Outreach

The Contractor must design and implement citywide public information, education and outreach program (Outreach Program) relating to fair housing in rental and sales. The outreach program shall include efforts to address specific fair housing needs of the protected classes listed in state, federal, and local fair housing laws, different geographic areas in the City, and limited English speaking and immigrant communities. Prior to distribution, outreach materials shall be submitted to HCID for review.

The contractor shall provide outreach efforts to address the most commonly reported types of housing discrimination. The City's AI may also uncover other fair housing problems involving housing discrimination, underreporting of housing discrimination, and other sources or causes of potential discrimination.

The Contractor shall have an overall understanding of fair housing needs and trends in Los Angeles, creative approaches to address the needs and trends, and innovative methods to encourage victims of housing discrimination to file complaints.

The Outreach Program must show how fair housing subcontractors (if applicable) shall participate and how they shall collaborate to avoid duplication of outreach efforts, media contracts, literature production and distribution, and so forth.

C. Training

1. **Tester Training:** The Contractor (and subcontractors if applicable) must maintain a list of properly trained, available, and reliable testers to conduct investigations of housing discrimination using on-site testing, surveys, full application tests, and patterns and practice audits throughout the city of Los Angeles.

Tester training courses shall be advertised and conducted throughout the City. Training shall be offered according to industry-accepted training standard, and shall include instructions for on-site testing and surveys. The Contractor must explain how they will coordinate the development and/or use of a tester training manual.

2. **Property Management and Landlord Training:** The Contractor will be required to conduct fair housing training for property managers and landlords in English, Spanish, and other language as needed using training manual(s) that is/are available in those languages. Training sessions must be coordinated with HCID and take place within the city of Los Angeles. The Contractor shall disclose the neighborhoods in which management training will be offered in Spanish and another language; English training sessions should be offered throughout the city of Los Angeles.

3. **Fair Housing Training for City Agencies:** The Contractor must conduct fair housing training for City agencies at the request of the City. It may also include requests to train other vendors under contract with the City involved with the development or management of housing, landlord/tenant services, or other aspects of housing.

D. Legal Staff

The Contractor must have at least one full-time fair housing attorney on staff to oversee a litigation program, housing discrimination investigations, tester training programs, and related legal activity. The Contractor must indicate how they will fulfill this contract requirement and describe the role and duties of the attorney in the citywide fair housing program. The Contractor must disclose how subcontractors, if applicable, will coordinate with the prime contractor to ensure oversight of any subcontractor legal activity. If outside attorneys are contracted, the Contractor must provide clear details of the arrangement and demonstrate oversight capacity and authority.

E. Documentation and Monitoring

1. Database: Develop and/or maintain a database to document and track all incoming calls, walk-in requests and website inquiries for information, housing discrimination complaints, investigations, resolutions, and patterns and practice audits.
2. Documentation of Requests for Assistance: Document all incoming calls, Internet-based or walk-in requests. Contractor shall disclose the type of client and demographic information (including Council District) that shall be collected and the methods of tracking.
3. Documentation of Discrimination Complaints: Thoroughly document all housing discrimination complaints and keep detailed statistics on the complaint type, investigation, resolution, and other relevant data such as whether the unit is subject to the Rent Stabilization Ordinance, Council District etc., as requested by the City.
4. Monitoring: Program and fiscal monitoring must be conducted and address quality as well as quantity, including housing discrimination complaints, investigations, resolutions, education and outreach, training sessions and collaborative efforts. It shall be the responsibility of the Contractor to conduct fiscal and programmatic monitoring of subcontractors and implement corrective action.
5. Records: The Contractor, and any subcontractors, must maintain records for at least five (5) years after case closure. After this period, the Contractor and subcontractors should dispose of records via shredding or similar technique to ensure the destruction of private information.

Records and documentation shall be available for inspection upon the request of HCID.

F. Location Requirements

The Contractor must have, or plan to establish, an office that is centrally located within the city of Los Angeles from which the City program shall be both programmatically and fiscally administered and implemented. Staff that provides direct services (complaint investigations, outreach, legal services, counseling, training, etc.) must be located in the city of Los Angeles, either in main offices, satellite offices, or subcontractor offices. Information about provision of services and office hours during holiday periods must be described.

G. 2019 Emergency Renters Relief Program

1. Administer Emergency Renters' Relief Program (the Program) in accordance with the program guidelines approved under Council File No. 19-1239. Eligible households must:
 - a. Be renters in the City of L.A. in a rental unit with a Certificate of Occupancy issued between October 2, 1978 and December 31, 2004;
 - b. Have received one or more rent increases totaling more than 8% since March 15, 2019;
 - c. Provide documentation of income at or below 80% of Area Median Income;
 - d. Apply by December 31, 2019;
 - e. Still be in possession of the rental unit for which the rent was increased greater than 8%, with no court adjudication requiring surrender of the rental unit; and
 - f. Provide contact information for their landlord, who must be willing to accept the rental subsidy as payment of rent owed.
2. Create systems for tracking and administering the Program in accordance with the above criteria. System should track applications received; addresses and date of construction of rental units of tenants approved for rental assistance, household incomes and landlord information for tenants determined to be eligible; applicants determined to be ineligible; types of assistance or referrals provided to both accepted and rejected applicants; outcome of applications; total of funds advanced to landlords by household and in total; and any other data recommended by the contractor or requested by HCID.
3. Develop and distribute application forms and training materials, which must be approved by HCID.
4. Provide support and assistance to the screening partner agencies.
5. Conduct education and outreach for the Program.
6. Draft required documentation and materials in furtherance of the Program.

7. Review and process Program applications received on or before December 31, 2019.
8. Determine eligibility of Program applicants and level of subsidy allowed under program criteria.
9. Communicate with the Landlord and obtain required documentation from the Landlord.
10. Issue rent payments to the Landlords.
11. Track and monitor release of emergency rent subsidy checks.
12. Maintain a detailed accounting of all payments made in furtherance of this Program.
13. Submit weekly invoices to HCID; HCID will reimburse the Contractor for rent subsidy payments issued to landlords.
14. Prepare and submit weekly reports on applications received, approved and the number and amount of rent subsidy payments processed.
15. Prepare and provide reports regarding Program outcomes, as requested by HCID and a final summary, evaluation and close out report at the conclusion of the Program.

H. COVID-19 Emergency Rental Assistance Subsidy Program

1. Administer COVID-19 Emergency Rental Assistance Subsidy Program (ERAS Program) in accordance with the program guidelines approved under Council Files 20-0147-S19 and 20-401. Eligible households must:
 - a. Be renters in the City of Los Angeles and provide documentation that they have suffered a loss or reduction of income due to:
 - i. Workplace closure or reduced hours due to COVID-19, including lay-off, loss of working hours, income reduction resulting from business closure or other economic or employer impacts of COVID-19;
 - ii. Loss of income, expenditures or child care needs due to school closures related to COVID-19;
 - iii. Sickness with COVID-19 or caring for a household or family member who is sick with COVID-19;
 - iv. Extraordinary out-of-pocket medical expenses or health care expenditures stemming from COVID-19 infection of the tenant or a member of the tenant's household who is ill with COVID-19;
 - v. Compliance with a recommendation from a government health authority to stay home, self-quarantine, or avoid congregating with others during the state of emergency;
 - vi. Reasonable expenditures stemming from government ordered emergency measures; or
 - vii. Any additional factors relevant to the tenant's reduction in income as a result of the COVID-19 emergency

- b. Provide documentation of income at or below 80% of Area Median Income;
 - c. Still be in possession of the rental unit for which the subsidy is requested, with no court adjudication requiring surrender of the rental unit; and
 - d. Provide contact information for their landlord, who must be willing to accept the rental subsidy as payment of 50% of rent owed
2. Create systems for tracking and administering the ERAS Program in accordance with the above criteria. System should track applications received; addresses and date of construction of rental units of tenants approved for rental assistance, household incomes and landlord information for tenants determined to be eligible; applicants determined to be ineligible; types of assistance or referrals provided to both accepted and rejected applicants; outcome of applications; total of funds advanced to landlords by household and in total; and any other data recommended by the contractor or requested by HCID
 3. Develop and distribute application forms and training materials, which must be approved by HCID.
 4. Provide support and assistance to the screening partner agencies.
 5. Conduct education and outreach for the ERAS Program.
 6. Draft required documentation and materials in furtherance of the ERAS Program
 7. Review and process ERAS Program applications received
 8. Determine eligibility of ERAS Program applicants and level of subsidy allowed under program criteria.
 9. Communicate with the Landlord and obtain required documentation from the Landlord.
 10. Issue rent subsidy payments to the Landlords.
 11. Track and monitor release of emergency rent subsidy checks.
 12. Maintain a detailed accounting of all payments made in furtherance of this ERAS Program
 13. Submit weekly invoices to HCID; HCID will reimburse the Contractor for rent subsidy payments issued to landlords.
 14. Prepare and submit weekly reports on applications received, approved and the number and amount of rent subsidy payments processed
 15. Prepare and provide reports regarding ERAS Program outcomes, as requested by HCID and a final summary, evaluation and close out report at the conclusion of the ERAS Program
- §3. Amend Section 502, “Number of Pages and Attachments” by deleting it in its entirety and replacing it to read as follows:

“§502 Counterparts and Electronic Signatures

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same

agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.”

- §4. Amend to add Section 503, “Number of Pages and Attachments” to read as follows:

“§503. Number of Pages and Attachments

This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes thirty-six (36) pages and Five (5) Exhibits, which constitute the entire understanding and agreement of the parties. Alternatively, this Agreement may be executed with electronic signatures, resulting in an electronic final original, which shall be uploaded to the LACityClerk Connect website.”

- §5. Except as herein amended, all terms and conditions of the Agreement shall remain in full force and effect.
- §6. This Amendment is executed in three (3) duplicate originals, each of which is deemed to be an original. This Amendment includes eleven (11) pages which constitute the entire understanding and agreement of the parties. Alternatively, this Amendment may be executed with electronic signatures, resulting in an electronic final original, which shall be uploaded to the LACityClerk Connect website.

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this Agreement to be executed by their duly authorized representatives.

APPROVED AS TO FORM: Executed this _____ day of _____, 2020

MICHAEL N. FEUER, City Attorney

By _____
Deputy/Assistant City Attorney

For: THE CITY OF LOS ANGELES

RUSHMORE D. CERVANTES
Housing and Community Investment
Department

Date _____

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By _____
Laura K. Guglielmo
Executive Officer

By _____
Deputy City Clerk

Executed this _____ day of _____, 2020

Date _____

For: SOUTHERN CALIFORNIA
HOUSING RIGHTS CENTER

(Contractor's Corporate Seal)

By _____
Chancela Al-Mansour
Executive Director

City Business License Number: 0000948688-0001-6

Internal Revenue Service Number: 952572642

Council File/CAO File Number: XX-XXXX Date of Approval XXXX XX, 2020

Said Agreement is Number C-134129 of City Contracts Amendment 2