

Communication from Public

Name: Fred Sutton
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Council File No: 21-0042-S3
Comments for Public Posting: Attached, please find the California Apartment Association's letter regarding the forthcoming report from the Housing Department.



California Apartment Association
515 S. Flower Steet 18th Fl.
Los Angeles, CA 90071

July 22, 2022

Via Electronic Mail Only

Assistant General Manager Anna Ortega
Los Angeles Housing Department
1200 West 7th Street
Los Angeles, CA 90017

RE: City of Los Angeles Local Eviction Moratorium & Rent Freeze (C.F. 21-0042-S3 & 20-0291)

Dear Ms. Ortega,

The California Apartment Association (CAA) represents local housing providers, operators and suppliers along with business owners and real estate industry experts who are involved with a range of rental properties from those that offer single-family residences to large apartment communities. Our members have appreciated ongoing communications with the Los Angeles Housing Department throughout the pandemic. As the department finalizes its report regarding ending and phasing out the eviction moratorium and rent freeze, we are relaying our thoughts and concerns.

Despite the enormous progress made in combating and understanding COVID-19, the City of Los Angeles continues emergency housing policies that remain the same as instituted at the very beginning of this pandemic – ignoring entirely both the changed circumstances and the outsized impact such policies have on housing providers. Considering the improved conditions and lifting of emergency measures throughout all segments of society, **CAA urges the department to consider recommending a full and immediate lifting of the eviction moratorium and rent freeze.** Debt repayment plans should align with state timelines. If recommendations other than an immediate lifting of both emergency measures are to be brought forth for consideration, CAA respectfully requests that an immediate lifting be included as an option.

On June 22nd, 2022, an amending motion was put forth which requested an analysis of perceived gaps in the city's housing policy. Any potential permanent regulation that is brought forward should be done so as a separate consideration. They should not be joined with recommendations and included in the lifting and phase out of the eviction moratorium and rent freeze. The eviction moratorium and freeze should be lifted and considered by themselves. Other policy considerations deserve appropriate discussion and analysis as there are potentially counterproductive nuances that should not be rushed. These issues are complex and mixing emergency measures and unrelated regulations without proper review is not appropriate.

Robust Eviction Protections Have Been Enacted

State protections and County emergency measures question the necessity of continuing further emergency regulations in the City of Los Angeles. CAA recognizes that the COVID-19 pandemic created hardships for tenants and landlords throughout California. That is why CAA worked closely with the Legislature to enact robust statewide eviction protections through AB 3088 (August 2020), SB 91 (January 2021), and AB 832 (June 2021).

AB 3088 created the COVID-19 Tenant Relief Act (CTRA), which was then extended by SB 91 and AB 832. CTRA contains key tenant protections, including:

- Permanent eviction protections for non-payment of rent due between March 2020 and September 30, 2021 for tenants with pandemic related hardships. For debt incurred during March 1, 2020 through August 31, 2020, tenants can *never* be evicted for this debt so long as they submitted a hardship declaration to their landlord. For debt incurred during the period between September 1, 2020 and September 30, 2021, tenants can *never* be evicted for this debt so long as they submitted a hardship declaration and paid 25% of the rent. Again, these tenants can *never* be evicted for failing to pay the remainder of the rent owed. This protection is coupled with federal dollars to help tenants make that 25% payment.
- October 2021-March 2022 Extended Protections. Additionally, included in AB 832 is the COVID-19 Rental Housing Recovery Act (Recovery Act) which provides continued protections for renters from October 1, 2021 through March 31, 2022. The Recovery Act requires an owner to apply for emergency rental assistance before pursuing any evictions for non-payment of rent, even if the tenant never demonstrated a COVID-19 hardship. Specifically, the Recovery Act prohibits an owner from being granted an eviction judgment for nonpayment of rent through March 2022 unless the owner has applied for emergency rental assistance and has been denied (and provides proof of denial). This means an owner cannot evict a tenant who receives rental assistance or if there is a pending application for emergency rental assistance. In sum, tenants entitled to rental assistance have had the opportunity to apply for it and owners have been required to wait for those funds to be paid, even when it has taken much longer than expected.

These eviction protections are in addition to:

- AB 1482, enacted by the California Legislature in 2019, which created: (1) statewide rent control that limits rent increases to 5% plus inflation, and (2) eviction protections that apply to most rental properties in the state.
- California's anti-price gouging law, Penal Code Sec. 396, which makes it a crime to raise prices (including rents) by more than 10% during times of a declared emergency.
- Rent relief programs at the state and local level, funded by federal funds, that are paying 100% of low-income tenant's back rent while protecting that renter from losing their home.
- County of LA eviction moratoria, which through emergency power is asserting jurisdiction over all 88 cities within its boundaries.

Circumstances Have Changed Since 2020; Ending the Eviction Moratorium and Freeze are Warranted

On March 31, 2022, the State's Rent Relief Program application period closed. Renters who have not applied can no longer seek State rental assistance and related protections. The ability to defer current rent due must end. Continuing prohibitions on rent collections will merely allow renters who have not met the State's application deadline or qualifications, to continue to not pay rent owed. These residents may presume that since the City's eviction moratorium is in effect so too does the opportunity to seek financial assistance through the State's Rent Relief Program or even through the City.

Continuing 2020's local emergency measures after the State's supportive programs have ended not only serves to encourage renters to incur increased rental debt without a safety net, but it also leaves rental housing providers, who are already under severe financial duress, in an untenable position. Los Angeles is one of last jurisdictions in the nation to continue this practice of deferral and no declaration of any kind is required by the resident. **The State's closure of the COVID-19 Rent Relief Program reflects the dramatic shift in circumstances, and acknowledgement that residents must resume paying current financial obligations.**

The Los Angeles region is experiencing the highest inflation rate in 40 years. Operational costs are skyrocketing, yet the City continues to maintain a universal rent increase freeze regardless of COVID impacts a renter may or may not be experiencing. This is wrong. The City's RSO was created during an inflationary environment similar today. Financial flexibility for operations must be restored.

While COVID-19 will remain part of our lives for the foreseeable future, we have obtained significant knowledge since its onset in 2020 and we have gained many essential tools needed to safely treat and navigate the disease through the coming months and years. At this juncture, all business sectors have resumed normal operations, the rental housing industry, must also be allowed to do so as well. We urge the department to recommend rescinding the local emergency eviction moratoria and rent increase freeze.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred Sutton". The signature is fluid and cursive, written over a light blue circular stamp.

Fred Sutton
Senior Vice President, Los Angeles County
California Apartment Association

CC: General Manager Ann Sewill

Communication from Public

Name:

Date Submitted: 08/03/2022 06:00 PM

Council File No: 21-0042-S3

Comments for Public Posting: SO ECHO PARK NEIGHBORHOOD COUNCIL DOESN'T WANT TO LIFT THE EVICTION PROTECTION SO I WANT TO ASK THEM. ARE YOU GUYS PAYING THE TENANT'S RENT. IF YOU WILL PAY TO THE LANDLORDS ALL THE RENTS PAST DUE AND CURRENT THEN PLEASE GO AHEAD WITH THE EVICTION MORATORIUM. THE ONLY PEOPLE STILL AFFECTED BY COVID19 FINANCIALLY ARE THE LANDLORDS BECAUSE FOR OVER TWO YEARS THEY HAVE NO ABLE TO COLLECT RENT BUT THEY ARE FORCE TO PAY PROPERTY TAXES, HOA FEES, MAINTAIN THE PROPERTIES AND FIND OTHER SOURCE OF INCOME TO COVER THEIR PERSONAL EXPENSES. REMEMBER LANDLORDS ARE HUMANS AND THEY HAVE FAMILIES AND OBLIGATIONS. THE TENANTS THAT YOU ARE SUPPORTING LEAVE ON WELFARE, AND FREE MONEY PROVIDED BY THE CITY. I HEARD THE LIVE MEETINGS AND THESE PEOPLE DON'T EVEN SPEAK ENGLISH BUT YOU ARE SUPORTTING THEM. I WILL TELL THEM GO TO WORK AND START DOING SOMETHING PRODUCTIVE INSTEAD OF LOOKING FOR FREE HOUSING BECAUSE THIS NEED TO STOP. CITY OF LOS ANGELES COUNCIL MEMBERS NEED TO DO THE FOLLOWING: 1. END THE EVICTION PROTECTION FOR NON PAYMENT OF RENT. THERE IS NO COVID OR EMERGENCY DECLARATION ANY LONGER IN LOS ANGELES. WHO ARE YOU LYING. 2. ASSIST TENANTS ON FINDING AFFORDABLE HOUSING WITHIN THEIR MEANS 3. ASSIST TENANTS ON FINDING JOBS AND STOP THE WELFARE EVEN WELFARE SHOULD HAVE A LIMITED TIME 4. TEACH THE TENANTS ENGLISH, IF YOU COME TO THIS COUNTRY YOU NEED TO EDUCATE YOURSELF AND BECOME A BETTER CITIZEN 5. INCENTIVATE LANDLORDS, MOM AND POP AND CORPORATE LANDLORDS ON CONTINUE PROVIDING RENTAL HOUSING. HOW YOU DO THIS? WELL MAKING EASIER ON APPLICATION PROCESS, ASSIST WITH MARKETING, ASSIST WITH 50% PAID BY THE CITY AND 50% PAID BY TENANT ON LEASE PRICE, IN CASE TENANT DEFAULTS THE CITY AND THE CITY

ATTORNEY'S START THE EVICTION PROCESS AT THEIR EXPENSE. IN CASE OF ANY DAMAGE TO THE PROPERTY BY THE TENANT THE CITY NEEDS TO FULLY MAINTAIN RESPONSIBILITY AND FIND RESPONSIBLE AND LIABLE TO THE TENANTS CREATING THE NUISANCE. WHEN CITY COUNCILS AND THE MAYOR START WORKING IN FAVOR OF TENANTS AND LANDLORDS , WE HAVE A SOLUTION. RIGHT NOW ALL THE LANDLORDS WANT TO LEAVE THE BUSINESS IN CITY OF LOS ANGELES BECAUSE THEY DON'T HAVE SUPPORT OR REPRESENTATION AND IF THIS HAPPENS THE CITY OF LOS ANGELES WILL HAVE A MAJOR HOUSING PROBLEM.