HOUSING & HOMELESSNESS

MOTION

Low-income tenants who are severely rent-burdened and without steady income are unable to pay unpaid debt that accumulated during the pandemic. This rent debt crisis is disproportionately affecting Black and brown Angelenos at the lowest income levels.

On February 1, 2024, rent owed from October 1, 2021 to January 31, 2023 was due. Rental assistance programs only reached a fraction of the tenants who needed support. As of April 2, 2024, LAHD reported that over 60,000 tenants in Los Angeles submitted applications to the most recent round of rental assistance, reporting more than $531 million in rental arrears. Only $221 million has been paid from the program, leaving more than half of the requested rent assistance still unpaid. Almost 70 percent of the applications for rental assistance were from families who are below 30 percent of the Area Median Income.

Unpaid rent debt has and will continue to lead to evictions, despite the knowledge that many landlords do not expect this debt to be repaid and are forgiving it to force move-outs or evictions. As evidenced in a recent Los Angeles Times article, landlords are trying to avoid going through eviction court and are instead "offering the tenant some money, either in the form of forgiven rent or some cash, just as an incentive to move out rather than go through a prolonged court process."

The layered protections at the City, County, and State level during the pandemic have left tenants, landlords, and lawyers to figure out which debt is owed from which period and what implications the debt has on collection and potential evictions. Some of this debt is unevictable due to State restrictions; some is preempted by State law; some is unevictable, but only if the tenant submitted certain paperwork, which creates confusion for tenants and landlords if or until they go through an eviction trial. The confusion over rental debt also puts further stress on eviction defense lawyers and continues to create hardship in implementation of the Right to Counsel program.

There are already multiple sources of data in the City, including the report from CF #23-1274, that lend a clearer understanding of past due rent and the relevant time period, however we must ensure that we are creating a comprehensive understanding of the landscape and coming up with the most appropriate solutions based on the most current data..

I THEREFORE MOVE that the Los Angeles Housing Department (LAHD), in coordination with the Los Angeles Homeless Services Authority (LAHSA), Los Angeles County, and Los Angeles Superior Court - Civil Division, and the City Controller, report in 60 days with the most comprehensive data available on the current amount of residential tenant rent debt owed within the City of Los Angeles, drawing upon County, State, Federal, and other sources to ensure the greatest accuracy possible, and breaking the debt down by period owed (March 1, 2020 - June 30, 2022, July 1, 2022-January 31, 2024, February 1 onward), tenant demographics, including but not limited to age, race, household size, and income, and number of units owned by the landlord. The data should pull from resources including but not limited to,

APR 2 6 2024

- Eviction filings with LAHD
- Eviction data from LA Superior Court - Civil Division
- Housing Initiative at University of Pennsylvania rent debt study (January 2024)
- United to House Los Angeles Emergency Rental Assistance Program application and distribution data
- We Are LA program

I FURTHER MOVE that the Chief Legislative Analyst (CLA) report in 60 days with an analysis of different options the City may pursue for resolving, acquiring, assigning, converting or creating support programs to address outstanding pandemic-related rent debt and continuing rent debt owed by residential tenants. The analysis should include reviewing the debt conversion policies that Alameda County, San Francisco County, Solano County, and Sonoma County previously implemented.

I FURTHER MOVE that LAHD, with the assistance of the CLA, report within 60 days on the estimated fair market value of residential rental debt if sold on the market, based on typical collection rates, prices paid by those who purchase rental debt, the unique restrictions on collection and resale of COVID-19 rental debt pursuant to applicable law, and any other appropriate data sources.

PRESENTED BY: ______________________
EUNISSES HERNANDEZ
Councilmember, 1st District

SECONDED BY: ______________________

ORIGINAL