



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

November 9, 2021

Via Electronic Mail Only

Hon. Council President Martinez & City Council
City of Los Angeles
200 N. Spring Street
Los Angeles, CA 90012

RE: City of Los Angeles Local Eviction Moratorium & Rent Freeze

Dear Council President Martinez & City Council,

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 help provide a majority of the obtainable housing throughout the city.

In March and May 2020, CAA expressed concerns about the local eviction moratorium and rent freeze, which the Mayor initiated on March 23, 2020 and were expanded by City Council through subsequent ordinance No.186585, 186606 and 186607. These ordinances - which aim to prevent evictions and rent increases in the City of Los Angeles - were adopted at a time when the novel coronavirus pandemic presented a significant and unknown health and financial crisis to all Californians.

Since these open-ended actions in 2020, much has fortunately changed. These new circumstances warrant a re-evaluation of the City's current eviction moratorium & rent freeze ordinance.

The improving public health environment, the availability of vaccines, the lack of any shelter-in-place orders, and the much-improved economy, calls into question the necessity of the City of L.A. eviction moratorium ordinance, especially when evaluated against the protections enacted by the California State Legislature as outlined in this letter.

Since the City's eviction moratorium was adopted, we have learned much about the virus. Science has brought us vaccines. California has re-opened. The County's Health Officer rescinded the local shelter-in-place order. State and federal governments provided much needed financial relief to renters and business owners. California adopted comprehensive, statewide protections for renters. **Considering these significantly improved conditions, CAA respectfully requests the City of Los Angeles to immediately lift its local residential eviction moratorium & rent freeze.**

Robust Emergency Eviction Protections Exist Statewide that Did Not Exist in March 2020

CAA recognizes that the COVID-19 pandemic created hardships for tenants and housing providers throughout California. That is why CAA worked closely with the Legislature to enact robust statewide protections through AB 3088 (August 2020), SB 91 (January 2021), 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:

- 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 residents 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.
- Extended Protections into 2022: 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 resident who receives rental assistance or if there is a pending application for emergency rental assistance. In sum, tenants who are entitled to rental assistance will receive it and owners must wait until it is received, even if it takes much longer than expected. Even though CTRA has expired, the Recovery Act provides an enhanced safety net for tenants experiencing COVID-19 financial impact both before October 2021 and beyond.

These eviction protections are in addition to:

- AB 1482, enacted by the California Legislature in 2019, which created: (1) statewide rent control 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 emergency.
- Rent relief programs at the state and local level, funded by federal funds, that will pay 100% of a tenant's back rent while protecting that resident from losing their home.

In enacting CTRA, the Legislature found the issue of COVID-19 eviction protections to be a matter of statewide concern and preempted further actions by most local governments to enact, extend, or expand COVID-19 eviction moratoria. While the City's Ordinance was largely exempt from this pre-emption because it was enacted prior to August 19, 2020, the continued applicability of the ordinance has only caused further confusion and uncertainty for Los Angeles residents and housing providers who are struggling to comply with various protections that differ from nearly every other jurisdiction in

California. To provide clarity to renters and housing providers, Los Angeles must rescind the eviction moratorium and rent freeze while allowing the state and county protections to apply prospectively in the City.

Circumstances Have Changed Since March 2020; Los Angeles is on the Rebound

In adopting the eviction moratorium & rent freeze ordinances in March and May 2020, the City cited numerous “findings” to justify their action, finding that the financial effects and the local public health orders would impede Los Angeles residents’ ability to properly pay their housing expenses (rent). The Council found in March & May 2020 the following:

- *“Non-essential businesses have been ordered to close”*
- *“The Governor and the Mayor have ordered people to stay at home and only leave their homes to visit or work in essential businesses”*
- *“Many residents are experiencing unexpected expenditures or substantial loss of income as a result of business closures, reduced work hours, or lay-offs related to these government-ordered interventions”*

These stark findings from more than a year ago are far different from our reality today. As of November 9, 2021:

- 72% of all eligible LA County residents are fully vaccinated.
- 80% of eligible county residents have received at least one dose of the COVID-19 vaccine.
- Unemployment in the Los Angeles area as of September 2021 stands at 8.2%, down from 10.2% in July 2021 and down from 18.8% in May 2020. Clearly the economy is on the rebound.
- There are no shelter-in-place orders in effect and all businesses are permitted to be open at full capacity.
- COVID-19 cases in LA County are on the decline.
- Over \$350,000,000 in rental assistance was made available for City of LA renters to assist in repaying rental debt that accrued during the pandemic. Additional assistance dollars are available through the state’s “housing is key” program. Tenants who either made a payment of 25% of their rent due from September 2020-September 2021 or were awarded rental assistance cannot be evicted for failure to pay this rent.

L.A. housing providers continue to navigate uncertain times and are facing significant financial pressure. Debt has been incurred as some tenants who do not face hardship refuse to pay rent and have not applied for assistance. Operational costs are skyrocketing. It is not reasonable to prohibit normal operations and force housing providers (businesses, employers) to go without income especially when their residents do not have to prove hardship, the circumstances facing our community have vastly improved and the State Legislature has taken bold action. An indefinite moratorium on evictions and rent freeze for all residents was the wrong approach. The moratorium & freeze should have been tailored and targeted to helping those impacted by COVID-19.

Given the comprehensive statewide eviction protections, millions of dollars in assistance for Los Angeles residents, and the significantly improved public health and economic circumstances, the continued application of the eviction moratorium & rent freeze is no longer proper. These ordinances should be untethered from the local emergency declaration. CAA strongly urges the City of Los Angeles to rescind the residential moratorium and rent freeze as soon as possible.

CAA stands ready to partner with the City on its efforts to wind down the local moratorium & freeze and ensure continued housing stability for residents through education and use of the emergency rental assistance funds.

Sincerely,



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

CC: Councilmember Gil Cedillo
Councilmember Paul Krekorian
Councilmember Bob Blumenfield
Councilmember Nithya Raman
Councilmember Paul Koretz
Councilmember Monica Rodriguez
Councilmember Marqueece Harris-Dawson
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