

Date: April 11, 2023

To: Thomas B. Modica, City Manager *TM*

From: Christopher Koontz, Director of Development Services *CK*

For: Mayor and Members of the City Council

Subject: **Overview of Rental Assistance Programs and Resources**

On March 7, 2023, the City Council requested the City Manager to work with the Development Services Department (Department) to provide a report regarding current tenant and rental assistance, rental assistance programs policies and other resources available to disadvantaged tenants. The Los Angeles (LA) County COVID-19 Tenant Protections Resolution (Resolution) expired on March 31, 2023 and many have expressed concern about potential impacts of that change to landlord/tenant law and eviction procedures. Although the LA County Resolution expired, certain tenant protections remain in effect. This memo outlines the recent history of tenant protection laws and tenant assistance programs applicable to City of Long Beach (City) tenants.

A Recent History of Tenant Protections

On June 11, 2019, City Council adopted a Tenant Relocation Assistance Ordinance (Ordinance) (Long Beach Municipal Code [LBMC] Chapter 8.97) to establish rent increase limits and eviction protections for certain rental units within the City. The Ordinance required rental property owners with four units or more to pay relocation assistance payments between \$2,706 and \$4,500 to tenants that:

- Received a notice of rent increase of 10 percent or more in any 12 consecutive month period,
- Received a notice to vacate due to the landlord's rehabilitation of the unit, or
- Were in good standing and received a notice of non-renewal or notice to vacate.

The Ordinance was chiefly a tenant relocation assistance program and did not restrict rent increases or require just cause for termination.

However, in 2020, the California State Legislature passed Assembly Bill (AB) 1482, which established statewide rent increase limits and just cause eviction protections. The policy triggers in AB 1482 were more stringent, making LBMC 8.97 effectively inoperable. In response to AB 1482, the City Council voted to repeal LBMC 8.97 on December 3, 2019. The City Council determined that the statewide rent control law provided stronger and more comprehensive tenant protections, so it was in tenants' best interest to repeal the local ordinance. Further, the City Council desired to adopt an ordinance with just cause termination of tenancy provisions that were more protective than those of AB 1482, and proceeded to adopt the Just Cause for Termination of Tenancies Ordinance (Just Cause Ordinance) (LBMC Chapter 8.99) on March

10, 2020. The Just Cause Ordinance provides additional tenant protections as described later in this memo.

California Tenant Protection Act of 2019

The California Tenant Protection Act of 2019 (AB 1482) establishes statewide rent control and eviction protections for tenants. The key provisions of this law include:

- A statewide cap on annual rent increases at 5 percent plus the change in Consumer Price Index (CPI), or 10 percent, whichever is lower.
- Just cause eviction protections, which require landlords to have a valid reason for evicting a tenant, such as failure to pay rent or violation of a lease agreement.
- Protections against retaliation for tenants who assert their rights under the law.
- A requirement for landlords to provide certain disclosures to tenants, including notice of rent increases and just cause for eviction.
- Enforcement mechanisms and penalties for landlords who violate the law.
- Exemptions for certain types of housing, such as single-family homes and condos, as well as properties that are less than 15 years old.

AB 1482 went into effect on January 1, 2020, and is set to expire on January 1, 2030, unless renewed.

With the emergence of the COVID-19 pandemic, the tenant protections landscape had to quickly evolve to address the fact that people all over the country were experiencing substantial losses of income as a result of business closures, the loss of hours or wages, or layoffs related to COVID-19, hindering their ability to keep up with their rent, and leaving them vulnerable to eviction. Minimizing evictions was critical to reducing the spread of COVID-19 in vulnerable populations by allowing all residents to stay home or at their place of residence.

Before passing the COVID-19 Tenant Relief Act of 2020, (AB 3088), Governor Newsom issued a series of Executive Orders aimed at mitigating the impacts of widespread job interruptions due to the COVID-19 pandemic. These Executive Orders authorized local governments to halt evictions of renters, encouraged financial institutions to slow foreclosures, and protected renters and homeowners against utility shutoffs. They also extended the period for response by tenants to unlawful detainer actions and prohibited evictions of tenants who satisfied certain requirements, among other things. Furthermore, on April 6, 2020, the California Judicial Council, the policymaking body of the California courts, issued eleven temporary emergency measures, of which Rules 1 and 2 effectively provided for a moratorium on all evictions and judicial foreclosures.

COVID-19 Tenant Relief Act of 2020 (Tenant Relief Act)

The Tenant Relief Act was signed into law on August 31, 2020 in response to the COVID-19 pandemic and its economic fallout and aimed to provide relief to renters and homeowners struggling to make payments during the crisis. It contained several tenant protection provisions—

principal among them was preventing tenant eviction due to failure to pay rent from COVID-19-related hardship. AB 3088 prevented evictions for non-payment of rent due between March 1, 2020 and January 31, 2021 (Covered Time Period). Additional provisions of AB 3088 included:

- Creating a repayment plan system that allows tenants who are unable to pay rent to repay missed payments in installments over time.
- Providing relief to small landlords, defined as those owning fewer than four units, through anti-foreclosure protections as well as a fund established by the state to compensate landlords for up to 80 percent of unpaid rent from tenants experiencing COVID-19-related financial hardship.
- Establishing new notice requirements for landlords seeking to evict tenants, including that the notice include an unsigned copy of a declaration of COVID-19-related financial distress and that the notice advise the tenant that the tenant will not be evicted if the tenant delivers a signed declaration of COVID-19-related financial distress.

AB 3088 was intended to provide a temporary solution to the economic crisis caused by the COVID-19 pandemic, but its broad protections for non-payment of rent were extended multiple times by subsequent legislation. Senate Bill (SB) 91 extended and modified the broad protections provided by AB 3088 until June 30, 2021, and established the state-run rental assistance program, which provided financial assistance to eligible low-income tenants and landlords who experienced financial hardship due to the COVID-19 pandemic. The program allowed eligible tenants to receive up to 80 percent of their unpaid rent between April 1, 2020, and March 31, 2021, if the landlord agreed to forgive the remaining 20 percent.

AB 832 extended those broad protections provided by SB 91 until September 30, 2021. It also established March 31, 2022 as a deadline for rental assistance application submission, while allowing limited eviction protection—protection for renters who had applied for rental assistance by that date. It also expanded the rental assistance program to cover 100 percent of unpaid rent between April 1, 2020, and March 31, 2022 and allowed landlords that were paid 80 percent to retroactively receive the remaining 20 percent.

AB 2179 extended the March 31, 2022 protection for rental assistance applicants to June 30, 2022 but did not extend the application deadline established by AB 832.

In summary, broad eviction protections for non-payment of rent through State legislation ended on September 30, 2021, while eviction protection for renters that applied for rental assistance continued through June 30, 2022.

Los Angeles County's COVID-19 Tenant Protections Resolution

The Resolution which went into effect on March 4, 2020, provided certain protections to residential tenants, commercial tenants and mobile home space renters affected by the COVID-19 pandemic in LA County. The Resolution provided protections against eviction for non-payment of rent by residential or commercial tenants impacted by COVID-19, froze rent increases, and established anti-harassment and retaliation protections, among other things. The

Board of Supervisors modified and extended these protections on numerous occasions in response to the evolving nature of the pandemic.

The Resolution was last amended on January 24, 2023 and was extended through March 31, 2023. The Resolution prevented evictions for non-payment of rent due between July 1, 2022 and March 31, 2023 (Rent Protection Period) due to a COVID-19 financial hardship, for tenant households with an income at or below 80 percent of the Area Median Income. For tenants who utilized this non-payment of rent protection or for tenants with unauthorized occupants or pets, the following protections are being extended beyond March 31, 2023:

- Protections against no-fault evictions, except for qualified owner move-ins;
- Qualified tenants that had notified their landlords before March 31, 2023 of their inability to pay rent during the Rent Protection Period, and made a payment plan, would not be evicted and remain protected after the expiration of the Resolution. Such residential tenants have up to 12 months to repay any past due rent that was accrued during the Rent Protection Period;
- Starting April 1, 2023, landlords are required to provide tenants with a 30-day notice to “cure or quit” prior to filing an eviction based on back due rental payments accrued prior to March 31, 2023 and for the presence of unauthorized occupants and pets; and,
- Anti-harassment and retaliation protections.

City of Long Beach – Substantial Remodel and Just Cause for Termination of Tenancies

During early 2000 the Development Services Department concluded a study of landlord and tenant policies impact the City’s residents and reported to City Council will specific recommendations. While the update and resulting ordinance involves regulation of all evictions, including requiring a just-cause for eviction, the primary focus of this particular ordinance was updating the substantial remodel rules by which a tenant is evicted for the owner to complete improvements to the unit and building.

The resulting ordinance tighten rules and clarified that evictions related to substantial remodels are only allowed for construction projects requiring permits, lasting over 30 days and where the tenant could not otherwise be accommodated during the period of construction. The ordinance also increased required relocation payments in the case of a substantial remodel. Upon adoption of the ordinance the Department began requiring disclosure of evictions in connection with building permits and tracking of such evictions.

Though a number of the aforementioned other special pandemic protections have expired, local ordinances, such as the Just Cause Ordinance, will continue to provide tenants with protection against arbitrary evictions by requiring landlords to have a just cause for evicting tenants, and establishing relocation assistance and notice requirements. Just cause reasons for eviction include:

At-Fault Reasons for Eviction

- Non-payment of rent

- Breach of lease agreement
- Criminal activity on the property
- Nuisance or disturbance of other tenants
- Assigning or subletting the unit without landlord's consent
- Failing to vacate the unit after the lease term has ended

No-Fault Reasons for Eviction

- Owner or relative move-in
- Demolition or substantial rehabilitation of the property
- Withdrawal of the unit from the rental market
- Compliance with a government order to vacate the property

Other provisions of the Just Cause Ordinance include the following:

- **Notice Requirements:** Landlords must provide tenants with a written notice of termination that includes the reason for the eviction. The notice must be given at least 30 days before the termination date. If the tenant has lived in the unit for at least one year, the notice period is extended to 60 days.
- **Relocation Assistance:** Landlords are required to provide relocation assistance to tenants who are displaced due to a no-fault eviction. The amount of relocation assistance or rent waiver shall be equal to the greater of \$4,500 or two months of the tenant's for substantial remodel cases, and one month of the tenant's rent for all other no-fault just cause terminations.
- **Exemptions:** Some rental properties may be exempt, depending on factors such as the age and type of the property.

The combined effect of the Just Cause Ordinance, that provides relocation assistance, and AB 1482, which includes rent control provisions, brings stability and security to Long Beach residents and their tenancies. At the time of adoption, the primary concern of the Just Cause Ordinance was to prevent evictions related to remodeling or upgrading apartment units, however the mandatory tracking of those evictions has shown that less than five have occurred since the 2020 adoption of the ordinance.

Tenant Relocation and Code Enforcement (Order to Vacate) (LBMC 18.25)

The Tenant Relocation and Code Enforcement (Order to Vacate) protects tenants from severe code violations that threaten the life and safety of occupants. In some circumstances, the hazardous living conditions have required that tenants vacate their homes to allow for extensive repairs or demolition. The difficulty of finding affordable replacement housing and the burden of incurring moving-related expenses creates a financial hardship for tenants, particularly those who are low income. If relocation is necessary to abate a substandard building or condition, the Building Official issues and serves an "order to vacate" and the owner is required to provide the eligible tenant household monetary relocation assistance in the amount of \$3,366, as well as a

move-back option. This is meant to ensure that adequate relocation assistance is available to tenants who face displacement through no fault of their own. The requirement for owners to pay relocation costs facilitates the correction of code violations and likewise protects the public health, safety, and general welfare of the residents of the City. While this ordinance has not been modified, Code Enforcement Bureau staff did modify their operational procedures in early 2023 in conjunction with the Homeless State of Emergency in order to reduce any potential evictions from Code Enforcement activities.

A Recent History of Tenant Assistance Programs

The Senior and Disabled Security Deposit Program

Upon repealing LBMC 8.97 on December 3, 2019, the City Council also established the Senior and Disabled Security Deposit Program. This program is designed to assist low-income seniors and individuals with disabilities by providing a one-time grant to cover the security deposit required by landlords when moving into a new rental unit. This income-qualified program provides up to a maximum of \$3,000. The program is funded by the City's Community Development Block Grant Program and is administered by the Housing Authority. The goal of the program is to help seniors and individuals with disabilities secure safe and affordable housing and to reduce homelessness among these vulnerable populations. This program has served 110 households, totaling \$245,624 dollars to date.

Long Beach Coronavirus Aid, Relief, and Economic Security Act (LB-CARES)

On June 9, 2020, City Council approved the creation of LB-CARES, a rental assistance program linked to those losing their source of income due to COVID-19, funded by the Community Development Block Grant Cares Act and the HOME-Investment Partnership Grant (HOME). The Combined \$4.2 million program provided up to \$3,000 per household to 1,431 income-qualified renter applicants before it ended and was replaced by the Long Beach Emergency Rental Assistant Program (LB-ERAP) in December 2020.

In addition, during this time, the LA County COVID-19 Rent Relief program (LA County Rent Relief Program), which was later expanded to cover incorporated cities, and was run by several LA County non-profit agencies, assisted 1,154 Long Beach households for a total amount of \$9.3 million.

Long Beach Emergency Rental Assistance Program (LB-ERAP)

On December 27, 2020, the Federal Consolidated Appropriations Act of 2021, authorized the Emergency Rental Assistance Program (ERAP) and appropriated \$25 billion in federal rental assistance (ERA1). SB 91, as previously mentioned, established the State's program for administering its share of ERAP funds. On February 9, 2021, the City Council directed staff to request the City's reserved Block Grant amount of \$16.4 million from the State, conform the City's program to the State ERAP rules, and self-administer a local tenant assistance program combining the State Block Grant with the previously received \$13.8 million direct Federal Allocation, totaling \$30.2 million in new funding to the City.

On March 11, 2021, the American Rescue Plan Act (ARPA) established the federal Emergency Rental Assistance Program (ERA2); in this round, the City received a total direct federal allocation of \$22.1 million. In addition, the City received its reserved \$13.1 million State Block Grant, totaling \$34.3 million in combined ERA2 funding.

California SB 115 established the State Rental Assistance Cashflow Loan Program, which provided the City with immediate funding of \$13 million, in the form of a forgivable loan, to continue providing rental relief to all eligible households as the City awaited additional federal funding from either ERA1 or ERA2 recaptured funds to fund LB-ERAP.

The two programs administered by the City, LB-CARES followed by LB-ERAP, provided rental assistance to approximately 7,911 Long Beach renter households and their landlords, totaling more than \$74.5 million in assistance. Although these programs are ending, the breadth and depth of these programs have greatly softened the potential impact of displacement on renter households.

Right to Counsel and Other Tenant Assistance Programs

A special partnership between the City and the County allows City residents to access right to counsel and other services offered by the County. This model allows the City to make these services available at a lower cost and greater effectiveness than would be possible with a city-only program. The Department will continue to work closely with LA County through its Memorandum of Understanding-driven contract to mutually support the provision of legal services, right to counsel, and tenant outreach and education to qualified Long Beach citizens through the County's existing Stay Housed LA Program. The eviction defense services are available to individuals at various income levels with a focus on lower-income renters. Services are available in multiple languages and regardless of immigration status. While eviction defense and litigation, in some respects, is confrontational, it can sometimes also be beneficial to landlords as the goal of the tenant's attorney is to resolve their situation, including improving communication with the landlord, mediating or settling disputes and achieving rental assistance or other assistance, as available, to both the tenant and landlord. The program was funded with an initial \$250,000 in general fund dollars in January of 2021 and the Memorandum of Understanding was executed in February of 2021, followed by \$680,400 in Long Beach Recovery Act (LBRA) funds in October 2021 and more recently, additional funding of \$200,000 from the City's emergency funding for homeless prevention is being added to the contract. The contract is expected to serve Long Beach residents until June 30, 2023, or until funding is exhausted.

Stay Housed LA serves renters in need of eviction assistance and other tenant-landlord disputes in three general ways. Firstly, Stay Housed LA proactively, through their community-based organizations, conducts outreach to tenants. Secondly, Stay Housed LA also provides extensive workshops once or twice a day, including on weekends. For tenants that are responding to unlawful detainers and other issues, Stay Housed LA provides services that include direct representation or that put them in a position to help themselves by providing online assistance, telephone assistance, or referrals to a walk-in service to the nearest courthouse self-help centers. In general, the two main approaches to access eviction or other related assistance is through their toll-free number and their website. Stay Housed LA also has legal clinics in several

areas, including in Long Beach, by working in collaboration with Long Beach Residents Empowered and the Los Angeles Foundation for Legal Aid.

According to Stay Housed LA to-date 125,243 Long Beach tenants have received either a call, text, or in person outreach about Stay Housed LA and tenant protections. However, at a deeper level, Stay Housed LA, between March 2021 and February 2023, has provided legal services to 862 Long Beach households. 181 tenants were represented in court eviction cases, while 681 tenants received legal advice, or proper legal assistance. Stay Housed LA estimates, for their budgeting and contracting purposes, that a full-scope representation can cost up to \$5,000, as this cost includes many other services the organization provides. So far, for Long Beach, the cost per household served is \$1,100, of which 21% of the cases are full-scope representation cases.

Additionally, many tenants may face issues other than eviction, such as repairs needed in the unit, disputes about lease terms or costs, discrimination, harassment or questions regarding landlord or tenant rights. For resolution of these uses, the City funds a contract with the Fair Housing Foundation of Long Beach, providing tenants with information and support needed to exercise their rights so that they can remain safely in their homes.

The Department also has a staff-member dedicated to housing services and referrals, assisting both tenants and landlords in navigating housing policy and understanding their rights and responsibilities. Furthermore, the Long Beach Resource Line, operated by trained and knowledgeable Resource Navigators from the Health and Human Services Department, provides support to all Long Beach residents through information and assistance in topics such as housing, food access, and legal aid. Four Housing and Resource Navigators work as part of the Resource Line and were funded by the LBRA.

Conclusion

The COVID-19 Tenant Relief Act of 2020 (AB 3088) provided temporary relief to renters and homeowners struggling to make payments during the pandemic, and its protections were extended multiple times by subsequent legislation, including SB 91, AB 832, and AB 2179. The State's broad protections for non-payment of rent ended on September 30, 2021, and other limited protections for rental assistance applicants ended on June 30, 2022. Since then, Long Beach tenants were mostly protected by LA County's COVID-19 Tenant Protection Resolution, which expired on March 31, 2023. The Resolution, though expired, will continue to protect those who used its non-payment of rent protection during the Rent Protection Period.

The recent history of tenant protections in the City has seen the adoption and subsequent repeal of the Tenant Relocation Assistance Ordinance, as the California Tenant Protection Act of 2019 (AB 1482) established stronger and more comprehensive tenant protections. In addition, the subsequent adoption by the City of LBMC 8.99 makes the tenant protections provided by AB 1482 more effective.

Although the tenant protection laws for renters affected by the COVID-19 pandemic in LA County have sunset, the protections that remain are more effective in protecting tenants than those that existed before the COVID-19 pandemic. It is important to remember the initial impetus for these

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programs in 2020 was to offset the extremely high number of individuals that immediately lost their source of income and employment through stay at home orders. With all closure orders lifted and the economy and employment levels in recovery, these programs have accomplished their goal.

As before the pandemic, now after the pandemic there are still many disadvantaged individuals and families that struggle to pay their rent. This is a function of the City and region's shortage of affordable housing, shortcomings in the federal and state social safety net, wages, employment, and other complex issues. Staff recommends that the City Council continue to address these issues but through the established policy pathways outlined in the Everyone Home report rather than within any type of COVID-emergency ordinance or policy.

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