

POLICY MOTION

COMMITTEE: Planning and Land Use Management (PLUM)

TITLE: Support for Council File 22-0277

PURPOSE: This motion is to support Council File (CF) 22-0280 that the City Council instruct and authorize LAHD to AMEND the existing contract (C-136109) with Cask NX, LLC for the amount of \$750,000 and extend the end date to June 30, 2023, for upgrades associated with the Rent Registry Program to fulfill tenant outreach goals in a timely manner for the current service year 2022, by creating a one-stop shop for landlords and tenants where landlords can report rent amounts, tenants can dispute rent amounts, and tenants can view registration information about their rental unit. The additional term of the contract should allow for continuation of system development from March 1, 2022 to June 30, 2023, and authorize LAHD to utilize \$750,000 for contract services that was allocated to LAHD from the General Fund in the 2021-2022 fiscal year. This amount should be re-allocated to LAHD to fund the contract services for the remainder of 2021-2022 and 2022-2023 fiscal years.

BACKGROUND:

The City of Los Angeles's Rent Stabilization Ordinance (RSO) regulates, among other things, allowable rent increases for all units built and occupied before October 1, 1978. But a 2009 study by the Economic Roundtable found that 27 percent of Los Angeles's RSO tenants had experienced rent increases higher than permitted, while 37 percent were not aware their rents were stabilized. Moreover, a quarter of all complaints in 2014-15 to the City's Housing and Community Investment Department (HCID)'s Rent Division were based on illegal rent increases.

In response to a motion from City Council in 2015, the HCID outlined the creation of a Rent Registry that would require the owners of buildings with rent-stabilized units to report data on an annual basis, including a list of all units owned, the rent for each unit, and the move-in dates of all tenants. In the department's transmittal to Council in 2016, the HCID stated that the registry would "provide a monitoring system which could flag illegal rent increases."

To accomplish this, the HCID proposed "to verify the accuracy of rents reported by notifying tenants ... of the rent reported by their landlord and providing tenants the opportunity to dispute the reported rent information." Additionally, landlord-reported information would be available to tenants "online and through the HCID's normal communication channels."

The City's Rent Registry Ordinance (#184529) became effective on October 4, 2016, and was implemented on January 1, 2017, requiring landlords to annually report the rent amount and tenancy information for every rental unit in the City subject to the Rent Stabilization Ordinance (RSO). To implement the Rent Registry Ordinance, the City created an online Rent Registry public portal for landlords to report the required information. (A paper form is also available for landlords who are unable to complete the form online.) The original vision of the Rent Registry, however, has yet to be fully implemented.

POLICY MOTION

With the City's eviction moratorium is currently in place-and in future months as emergency tenant protections are lifted-it is critical for the City to document rent amounts reported by landlords in order to prevent illegal rent increases, to ensure rents charged for RSO units comport with City ordinances, and to make sure tenants are aware of their rights. To do so, the recently renamed Los Angeles Housing Department (LAHD) has developed a plan to mail individual notifications to every RSO tenant in the City, informing them of the rent amount for their unit as reported by their landlords and providing additional information about tenant protections.

In order for LAHD's planned mailing to be effective and to facilitate the department's investigation of disputes on reported rent, LAHD must develop an online public portal for tenants to report their rent amounts when they dispute the amount reported by the landlord. This portal should also include an external dashboard report feature for tenants to view registration information about their rental unit. This will complement the online public portal that is already available for landlords.

THE FINAL MOTION:

The Mar Vista Community Council Supports Council File (CF) 22-0277 if amended to include all covenanted affordable units, and to separately identify them to create a one-stop shop for landlords and tenants where landlords can report rent amounts, tenants can dispute rent amounts, and tenants can view registration information about their rental unit.

AMENDMENT VOTE COUNT:

The Mar Vista Community Council Supports Council File (CF) 22-0277 if amended to include all covenanted affordable units, and to separately identify them, and include outreach to people who live in RSO or Affordable units, notifying them of the existence and how to use the portal, and protections from retaliatory evictions in order to create a one-stop shop for landlords and tenants where landlords can report rent amounts, tenants can dispute rent amounts, and tenants can view registration information about their rental unit.

MVCC PLUM Committee meeting, April 5th, 2022

Motion of amendment moved by **Andrew P.**, seconded by **Tyler Laferriere**

Motion of amendment **opposed** by MVCC PLUM **03-04-02**

POLICY MOTION

AMENDMENT VOTE COUNT:

The Mar Vista Community Council Supports Council File (CF) 22-0277 if amended to include all covenanted affordable units, and to separately identify them to create a one-stop shop for landlords and tenants where landlords can report rent amounts, tenants can dispute rent amounts, and tenants can view registration information about their rental unit.

MVCC PLUM Committee meeting, April 5th, 2022

Motion of amendment moved by **Drew Ruesch**, seconded by **Tyler Laferriere**

Motion of amendment **approved** by MVCC PLUM **06-02-00**

ACTION/VOTE COUNT:

MVCC PLUM Committee meeting, April 5th, 2022

Motion of Support moved by **Andrew P.**, seconded by **Tyler Laferriere**

Motion of Support **approved** by MVCC PLUM **08-01-00**

MVCC Board Meeting, April 20th, 2022

Motion of XXXXX moved by XXXXX, seconded by XXXXX

Motion of XXXXX approved by MVCC PLUM XX-XX-XX

MOTION

The City of Los Angeles's Rent Stabilization Ordinance (RSO) regulates, among other things, allowable rent increases for all units built and occupied before October 1, 1978. But a 2009 study by the Economic Roundtable found that 27 percent of Los Angeles's RSO tenants had experienced rent increases higher than permitted, while 37 percent were not aware their rents were stabilized. Moreover, a quarter of all complaints in 2014-15 to the City's Housing and Community Investment Department (HCID)'s Rent Division were based on illegal rent increases.

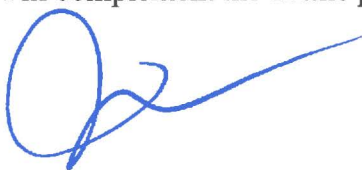
In response to a motion from City Council in 2015, the HCID outlined the creation of a Rent Registry that would require the owners of buildings with rent-stabilized units to report data on an annual basis, including a list of all units owned, the rent for each unit, and the move-in dates of all tenants. In the department's transmittal to Council in 2016, the HCID stated that the registry would "provide a monitoring system which could flag illegal rent increases."

To accomplish this, the HCID proposed "to verify the accuracy of rents reported by notifying tenants . . . of the rent reported by their landlord and providing tenants the opportunity to dispute the reported rent information." Additionally, landlord-reported information would be available to tenants "online and through the HCID's normal communication channels."

The City's Rent Registry Ordinance (#184529) became effective on October 4, 2016, and was implemented on January 1, 2017, requiring landlords to annually report the rent amount and tenancy information for every rental unit in the City subject to the Rent Stabilization Ordinance (RSO). To implement the Rent Registry Ordinance, the City created an online Rent Registry public portal for landlords to report the required information. (A paper form is also available for landlords who are unable to complete the form online.) The original vision of the Rent Registry, however, has yet to be fully implemented.

With the City's eviction moratorium is currently in place—and in future months as emergency tenant protections are lifted—it is critical for the City to document rent amounts reported by landlords in order to prevent illegal rent increases, to ensure rents charged for RSO units comport with City ordinances, and to make sure tenants are aware of their rights. To do so, the recently renamed Los Angeles Housing Department (LAHD) has developed a plan to mail individual notifications to every RSO tenant in the City, informing them of the rent amount for their unit as reported by their landlords and providing additional information about tenant protections.

In order for LAHD's planned mailing to be effective and to facilitate the department's investigation of disputes on reported rent, LAHD must develop an online public portal for tenants to report their rent amounts when they dispute the amount reported by the landlord. This portal should also include an external dashboard report feature for tenants to view registration information about their rental unit. This will complement the online public portal that is already available for landlords.



In addition, LAHD will need to develop an internal system for staff to capture and analyze tenants' reported rent amounts stemming from the department's notification mailing and to facilitate outreach and training about the Rent Registry for City staff and community partners.


These improvements to the City's Rent Registry will be a critical enforcement tool to prevent illegal rent increases and illegal evictions under the RSO, as well as to provide tenants with important resources for a myriad of other housing issues such as discrimination, rodent infestation, habitability, affordable accessible housing, and legal referrals.

The City has begun the process of collecting valuable data regarding tenancy and rents in Los Angeles. Only by following through on its stated goals of verifying said information by providing it to tenants, as well as collecting and disseminating new vital pieces of information, can the City fulfill its promise to proactively monitor and enforce the rules and regulations provided under the Rent Stabilization Ordinance.

I THEREFORE MOVE that the City Council instruct and authorize LAHD to AMEND the existing contract (C-136109) with Cask NX, LLC for the amount of \$750,000 and extend the end date to June 30, 2023, for upgrades associated with the Rent Registry Program to fulfill tenant outreach goals in a timely manner for the current service year 2022, by creating a one-stop shop for landlords and tenants where landlords can report rent amounts, tenants can dispute rent amounts, and tenants can view registration information about their rental unit. The additional term of the contract should allow for continuation of system development from March 1, 2022 to June 30, 2023, and authorize LAHD to utilize \$750,000 for contract services that was allocated to LAHD from the General Fund in the 2021-2022 fiscal year. This amount should be re-allocated to LAHD to fund the contract services for the remainder of 2021-2022 and 2022-2023 fiscal years.

I FURTHER MOVE that the City Council authorize the CAO to make technical corrections to the above as necessary to implement Council intentions.

PRESENTED BY:



NITHYA RAMAN
Councilmember, 4th District

SECONDED BY:



MAR 09 2022

ORIGINAL