


REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: May 19, 2023

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

Council File No: 23-0002-S52
Assignment No: 23-05-0253

SUBJECT: Resolution (Raman – Harris-Dawson) to support SB 567- Homelessness Prevention Act

CLA RECOMMENDATION: Adopt the attached Resolution (Raman – Harris-Dawson) to include in the 2023-2024 State Legislative Program support for the Homelessness Prevention Act, which will build on existing law to better protect California’s low-income renters from unjust evictions and exorbitant rent increases.

SUMMARY

Resolution (Raman – Harris-Dawson), introduced April 12, 2023, advises that the State of California has the largest number of residents experiencing homelessness in the nation at 171,000 constituents and that the City of Los Angeles is home to nearly 50,000 unhoused individuals. The Resolution notes that in addition to prioritizing housing for those constituents experiencing homelessness, the crisis response must endeavor to prevent Angelenos from becoming unhoused in the first place. With an estimated 30,000 eviction notices filed annually in the City, the brunt of the City’s affordable housing crisis disproportionately impacts low income and working-class households, senior citizens, people of color, immigrants, and people with disabilities. In turn, increased homelessness harms neighborhood stability and cohesion. In addition, the Resolution advises that without long-term, sufficient eviction protections, many tenants who receive eviction notices vacate their homes before an action is filed in court prior to securing appropriate alternate housing so as to avoid future eviction proceedings that can impact their ability to find new housing.

The Resolution advises that there are significant gaps in the existing legal protections provided by the Tenant Protection Act of 2019, including the “removal from the rental market” loophole and the “substantial remodel” loophole. Thus, tenants continue to experience significant problems caused by the lack of legal protections, including high rent increases and/or no-fault evictions. Without such protections, these problems will persist. Senate Bill 567, introduced by Senator Maria Elena Durazo, seeks to enhance existing renter protection legislation and close loopholes that allow for the abuse of the no-fault just cause eviction protections, limit permissible rent increases to a more reasonable cap, and provide mechanisms for greater accountability and enforcement.

The Resolution recommends that the City support SB 567 (Durazo) which expresses the intent of the Legislature to enact legislation to enhance existing State law to better protect low-income renters in the State from unjust evictions and unreasonable rent increases, thereby helping address the State's sustained homelessness crisis.

BACKGROUND

California is home to almost 30 percent of the nation's total homelessness population, according to the 2022 Annual Homelessness Assessment Report from the Department of Housing and Urban Development. Furthermore, the Resolution reports that in the 2022 Greater Los Angeles Homeless Count, Los Angeles County was home to nearly 70,000 unhoused individuals, with nearly 50,000 people experiencing homelessness in the City of Los Angeles (City).

Preventing individuals from becoming unhoused is key to tackling the ongoing homelessness crisis in the City. Evictions and rent hikes contribute significantly to homelessness. According to a 2020 study by the U.S. Government Accountability Office, a \$100 median rent increase led to a 9 percent increase in homelessness. Given persistent inflation and lack of eviction protections post COVID-19, existing gaps in legislation will harm more and more tenant Angelenos. While the Tenant Protection Act of 2019 delivered critical protections, many tenants remained unprotected from unreasonably high rent increases and loopholes for potential abuse and displacement.

SB 567 (Durazo) seeks to augment existing legislation by closing loopholes, limiting allowable rent increases to a more reasonable cap, providing accountability and enforcement mechanisms, and expanding the population of protected renters. Existing loopholes place renters further at risk. For example, the "removal from the rental market" loophole allows landlords to evict long-term renters in order to remove the unit from the rental market but provides no safeguards to prevent the landlord from returning the unit to the rental market at a higher price after a tenant is displaced. The "substantial remodel" loophole allows a landlord to remodel a building for the purpose of permanently evicting all tenants from the building in order to raise rents. By closing these loopholes, SB 567 (Durazo) will help prevent these no-fault evictions across the State.

The City Council has also previously established significant renter protections for Angelenos, including prohibiting evictions from any rental property unless specific reasons are justified, such as that there is unpaid rent, documentation of lease violations, owner move-ins, or other specific reasons, thereby eliminating "just cause" no-fault evictions such as those permitted by the loopholes in existing State legislation.


Given the City Council's actions to better protect Angelenos from unjust evictions and exorbitant rent increases, support for SB 567 (Durazo) would be consistent with City efforts to prevent homelessness and buttress tenant protections.

DEPARTMENTS CONTACTED

Los Angeles Housing Department

BILL STATUS

02/15/23	Introduced
03/20/23	Amended and re-referred to the Committee on Rules
04/17/23	Amended and re-referred to the Committee on Judiciary
05/01/23	Amended and re-referred to the Committee on Appropriations
05/18/23	Passed as amended; amended; ordered to second reading



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