

MOTION

Amidst a growing and worsening homelessness crisis, our City has an obligation to protect and promote fair and equitable access to housing. Too often, formerly unhoused and otherwise economically disadvantaged individuals are discriminated against when it comes to housing, with landlords screening out those who have past eviction histories or poor credit histories.

According to the University of Southern California's Sol Price Center for Social Innovation, in 2019, three out of four Los Angeles households surveyed were rent burdened, spending more than 30% of household income on rent and utilities; while nearly half of renters were severely rent burdened, spending more than half of their household income on rent and utilities. The study found a majority of renters were significantly cutting back on basic needs in order to afford rent, with more than 60% of renters cutting back on food, 45% on clothing and 33% on transportation in order to afford rent. One in five renters reported being unable to pay for an unexpected \$400 expense. Such households may take on credit card debt or sacrifice other bills to pay rent, while others may be unbanked or rely on cash.

Further, credit reports do not show a tenants' record of paying utility bills and rent on time. Research shows that credit reports are also prone to errors, with the Federal Trade Commission finding that 20% of consumers had verified errors on their reports. The use of credit reports also exacerbates historic racial inequities, as they reflect areas of the economy with a long history of discrimination – housing, employment, and debt collection. In fact, data shows credit scores are often lower in communities of color. In addition, the economic fallout from the pandemic will likely result in a wave of debt collections that will most impact low-income and Black and Brown Angelenos.

Algorithmic and automated tenant screenings services also create barriers to equitable housing access for tenants. Investigations by the New York Times, NBC, and ProPublica into tenant screening services have identified patterns of inaccurate reports that misidentify individuals, pull information irrelevant to a candidates' potential tenancy, and enable racial and disability discrimination. The automated reports produced by these tenant screening services often do not disseminate the underlying records considered, instead offering a "risk" score and a thumbs-up or thumbs-down recommendation for leasing to an applicant.

Cities across the country have stepped up to address these issues through policies that strengthen renter's access to housing opportunities. Philadelphia recently passed a set of Rental Access Ordinances that combat tenant displacement and require that landlords assess applicants holistically instead of relying exclusively on credit reports, consumer reports, or other third-party tenant screening reports when deciding whether to rent to prospective tenants. Landlords will be prohibited from rejecting applicants based on nonpayment of rent or utilities during the COVID-19 pandemic, as well as certain categories of evictions.



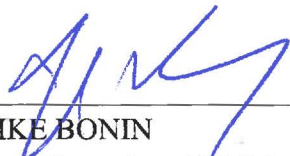
California has adopted some policies to prohibit landlords from using COVID-19 rent debt as a negative factor when evaluating rental applications. The City should build on these protections to ensure a debt free recovery from the pandemic for all and to reduce barriers to housing for Black and Brown communities, low-income Angelenos, and people experiencing homelessness.


I THEREFORE MOVE that the City Council instruct the City Attorney, in consultation with the Housing Department, to prepare and present, within 45 days, a Rental Access Ordinance that:

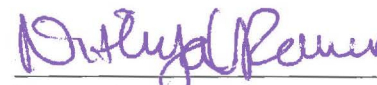
- Prohibits landlords, or their agents, from asking about or using a prospective tenant's failure to pay rent or utility bills during the COVID-19 emergency period in the evaluation of a rental application;
- Prohibits landlords, or their agents, from asking about or using a prospective tenant's prior or ongoing participation in a rental assistance program in the evaluation of a rental application;
- Prohibits landlords, or their agents, from asking about or using a prospective tenant's history of one or more eviction notices served or cases having been filed against the tenant, regardless of the outcomes of the case(s), in the evaluation of a rental application;
- Prohibits landlords, or their agents, from using algorithmic or automated tenant screening or evaluation services, including tenant screening or approval scores, in the evaluation of a rental application;
- Prohibits landlords, or their agents, from using credit checks and/or asking about credit history (including bankruptcy) in the evaluation of a rental application; and
- Includes a private right of action for prospective renters, or organizations acting on their behalf, with attorneys' fees, and implements penalties for violations of the ordinance to encourage adherence to the provisions of the Rental Access Ordinance, discourage discriminatory and/or arbitrary landlord screening practices, and otherwise strengthen the enforceability of the Rental Access Ordinance.

I FURTHER MOVE that the City Council instruct the Housing Department and City Attorney to report back with a plan for education and outreach to renters and landlords regarding the Rental Access Ordinance, including estimated costs and resources needed.

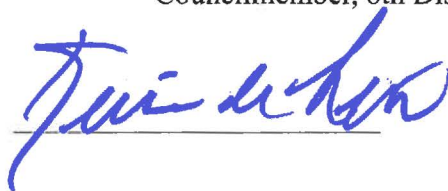
PRESENTED BY:


MIKE BONIN
Councilmember, 11th District


MARQUEECE
HARRIS-DAWSON
Councilmember, 8th District


NITHYA RAMAN
Councilmember, 4th District

SECONDED BY:



MAR 09 2022

ORIGINAL