UCLA AFFORDABLE HOUSING POLICY BRIEF

May 2020

The UCLA Ziman Center for Real Estate presents the next in a series of Affordable Housing Policy Briefs. This May 2020 Brief summarizes a new study by researchers from UCLA Center for Neighborhood Knowledge in collaboration with analysts from Ong & Associates (a public-interest research organization): Paul Ong, Chhandara Pech, Elena Ong, Silvia R. González and Jonathan Ong. The study assesses the state and local policies to temporarily protect renters from being evicted because of an inability to pay rent due to job losses and other burdens caused by COVID-19. It also identifies neighborhoods with the highest concentration of renters in Los Angeles County at the greatest risk of losing their jobs.

A link to the complete study is here.

The COVID-19 Rent Crisis
Identifying the L.A. County Neighborhoods Most Vulnerable to Homelessness

By Paul Ong, Chhandara Pech, Elena Ong, Silvia R. González and Jonathan Ong

Los Angeles County has nearly two-thirds of a million residents living in low-income renter households that are one paycheck away from being unable to cover their monthly housing cost. The workers in these households are at high risk of losing their jobs because of the COVID-19 crisis, placing them and their family in imminent danger of homelessness.

"Temporary renter protection policies only defer rent payments. We can expect a new wave of evictions and homelessness in the post-COVID-19 era. Our elected officials should prepare for the looming problem after the end of the public health emergency."

Local governments have stepped in by passing ordinances that allow affected renters to defer payments without the risk of eviction during the health emergency. However, there is a daunting problem of effectively implementing the policies because of numerous barriers facing the most vulnerable populations.

This study provides information to public agencies and community organizations to help them better identify neighborhoods with a high concentration of vulnerable renters, to understand the neighborhoods' socioeconomic and demographic characteristics, and to design programs that address the specific challenges in each place.

Specifically, this study utilizes three dimensions to identify vulnerable neighborhoods with:

(1) A disproportionate large number of renters on the edge of financial vulnerability due to high housing cost burden;

(2) A disproportionate large number of workers vulnerable to job displacement due to retail and service-sector closures; and

(3) A disproportionate number of people excluded from the federal Coronavirus Aid, Relief and Economic Security Act, known as the CARES Act.

Some of the most vulnerable neighborhoods are concentrated in South and Central Los Angeles, including areas near downtown such as MacArthur Park, Pico-Union, Harvard Heights, Koreatown, Hollywood and East Hollywood, and Boyle Heights. There are pockets of vulnerability in San Fernando Valley (e.g., Van Nuys) and central Long Beach.

The study also finds that many of the most vulnerable neighborhoods face multiple barriers to learning, understanding, and utilizing the new temporary protections. The findings provide information that local officials and community stakeholders can use to target resources in recovery efforts. While effective and quick implementation is critical, it is important to note that the temporary deferral of rent payment will create a new set of threats to renters.

ASSESSING THE CURRENT POLICIES

The new, well-intentioned state and local policies to temporarily protect renters from being evicted because of COVID-19 burdens are diverse in coverage and requirements. They are also short on details on implementation and enforcement. Given the compressed timeline to react to the unprecedented events, these policies have many limitations, inconsistencies across jurisdictions, and gaps in coverage. There are also numerous barriers to implementing the policies in a timely fashion.

The renters most likely to fall between the cracks are those with limited English-language ability, low educational attainment, and no access to the internet. These are the same households that are mostly likely to face financial hardship during and after the public-health crisis.

Despite the shortfalls of the rapidly evolving policies, they are nonetheless vital to helping renters survive during the COVID-19 crisis. Policy makers, however, should also focus on the looming problem after the crisis, when affected renters have accumulated huge debts and struggle to reestablish themselves in the labor market. There will be a wave of evictions and homelessness in the near-future if the problems are not adequately addressed.

Moving forward, we encourage a more comprehensive survey of all municipal jurisdictions in Los Angeles County to determine how to address these shortfalls.

THE MOST RENTER-VULNERABLE NEIGHBORHOODS
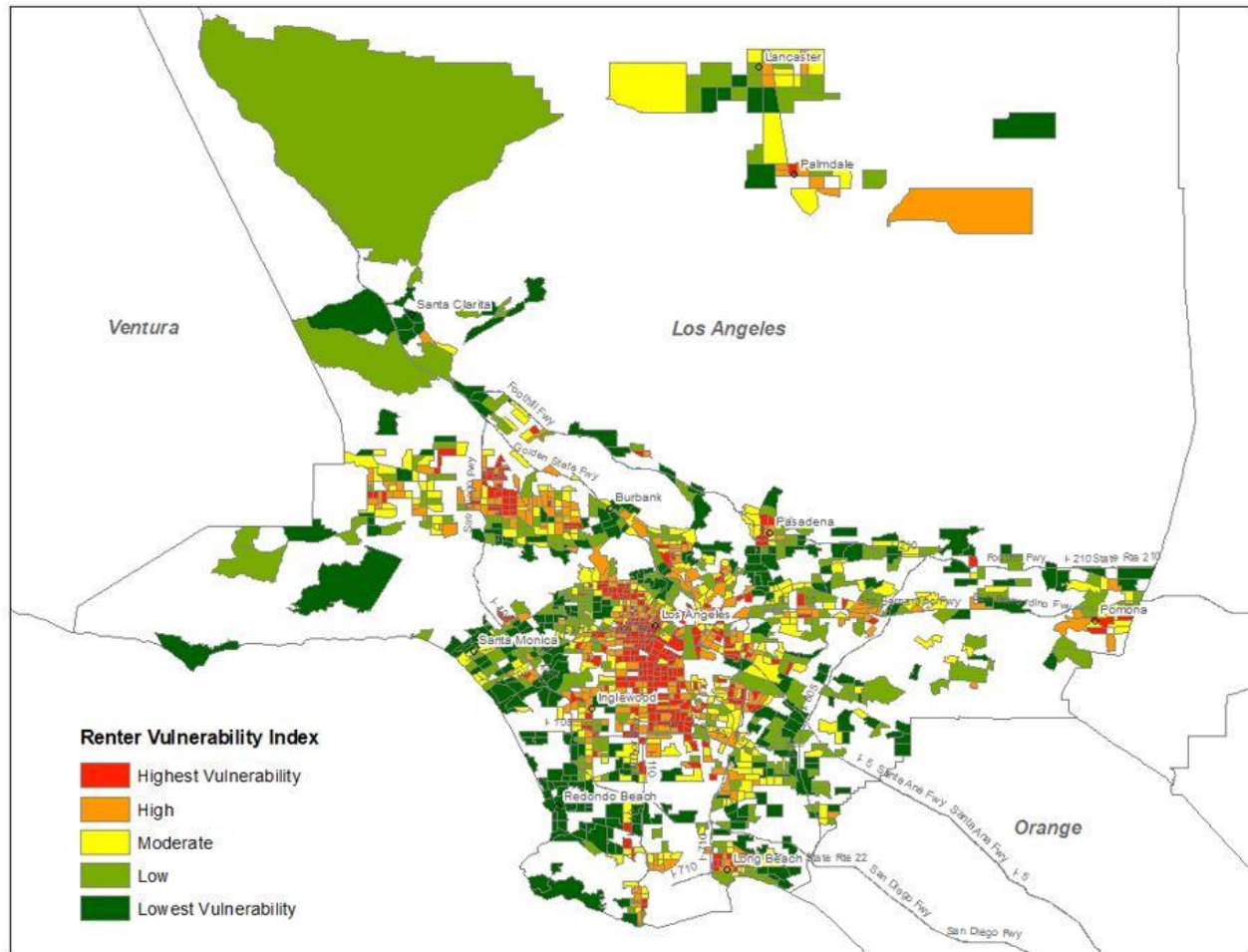
Note: Only census tracts with at least 500 renter households are displayed.

The orange areas represent neighborhoods that are vulnerable, with darker shades denoting the greatest vulnerability. The green areas represent neighborhoods that are less vulnerable, with the darker shade denoting the lowest vulnerability.

The study also identifies rent-vulnerability by demographic, socioeconomic status, and housing characteristics, including: race, household income, the percentage of rented units in tracts surveyed, percentage of household income spent on rent, unemployment rates, COVID-19 job displacement, lack of unemployment insurance, education levels, households with children, lack of access to broadband, English-language proficiency, and access to CARES Act rebates.

CONCLUSION

This study identifies a concentration of vulnerable neighborhoods in South and Central Los Angeles and pockets of vulnerability in San Fernando Valley and central Long Beach. Residents in many of the most vulnerable neighborhoods are also likely to face multiple barriers to learning, understanding, and utilizing the new temporary protections due to limited English proficiency and limited access to the Internet.

California and Los Angeles now have in place several new temporary renter protection policies. They were developed quickly, and still need further refinement and stronger provisions.

An immediate and urgent need is to implement and enforce the existing policies. The most vulnerable renters and neighborhoods to the disruptions being created by COVID-19 are also the ones facing multiple barriers to utilizing the protections. It is critically important to continually monitor developments in real time, particularly by identifying the renters who fall behind in their payment during the COVID-19 crisis and their ability to utilize the temporary protection.

This can only be done by greater collaboration among public agencies, community groups, and researchers to gather and analyze the data. It may also require new ways to gather information through social media and crowdsourcing. Such information is vital to effectively implement the policies.

Our elected officials should also prepare for the looming problem after the end of the public health emergency. The temporary renter protection policies only defer rent payments. A real and frightening outcome is a new wave of evictions and homelessness in the post-COVID-19 era.

Affected renters must pay their regular rent and the accumulated debt. The most affected renters are exactly the ones who will come out the least able to survive financially. Today, they are suffering from COVID-19 unemployment and exclusion from COVID-19 financial relief (CARES Act rebates and UI benefits). They are likely to be among the last to recover economically. It is not too early to start developing policies and strategies to ensure a more just recovery for these households.