

Communication from Public

Name: Jenna Payne

Date Submitted: 06/12/2020 09:14 PM

Council File No: 19-0623

Comments for Public Posting: For the past three months, we have been asked to stay in our small apartments with none of the perks of living in a big city available to us. Entertainment, small businesses, and even jobs have dried up. I know several people who have already quit LA permanently because what are we even paying for as a second wave spikes here in Los Angeles with fully half of the entire state's Covid cases? Please put the vacancy tax - for commercial as well as residential units - on the ballot and enacted as quickly as possible. Otherwise, there won't be much of Los Angeles left, but we know most of you only care about the rich.

Communication from Public

Name: Jack Humphreville
Date Submitted: 06/19/2020 12:41 AM
Council File No: 19-0623
Comments for Public Posting: The Vacancy Tax: A Rush to Ballot

The Vacancy Tax: A Rush to Ballot

JACK HUMPHREVILLE

18 JUNE 2020



LA WATCHDOG--Without any hearings, the City Council voted to ask the City Attorney to draft a ballot measure to place a vacancy tax on the November ballot. This ballot measure will need to be approved by the City Council not later than July 1.

However, the City Council has not held any hearings on this highly complex ballot measure which will have a major impact on the housing market. Furthermore, the sponsors, led by Mike Bonin (*photo above*), are relying on a \$75,000 report prepared for the Revenue Generation Commission (of which I was a member) by a political consulting firm that did not have a very good grasp of the complexities of the residential and commercial real estate markets, especially the Los Angeles market and its many submarkets. The City Council's lack of knowledge was also clearly evident in its 90-minute discussion of the vacancy tax.

Rather, the rush to the ballot is fueled by the prospect of over \$125 million of new revenue that will be directed to affordable housing and the homeless. This will require two-thirds of the voters to approve this measure.

On the other hand, the City Council refused to even consider a simple ballot measure to amend the City Charter to “limit opportunities for corruption and reduce the discretionary land use powers exercised by the City Council for individual site-specific development projects.”

This David Ryu sponsored measure is easy to understand and does not require complex wordsmithing and extensive public hearings. But the City Council has ignored this reform because it would jeopardize its ability to feast on the developers’ dime, whether through campaign contributions, the control of community benefit slush funds, or the ability to recommend their campaign funding lawyers and consultants to guide real estate developers and their tens of billions of projects through the City’s byzantine planning process.

See: [LA’s Corrupt City Council: Silence Is Deafening](#)

This rush to the ballot is reminiscent LAUSD’s hastily prepared Measure EE, its \$500 million parcel tax, which was rejected by 54% of the voters on June 4, 2019.

Come to think of it, by placing this measure on the ballot - at a cost of \$12 million to our cash strapped City - will present Angelenos with an opportunity to send the City Council and the Mayor a message that it is time for them to clean up their act because we are fed up with their fiscal irresponsibility, their kowtowing to the public sector unions, and pay-to-play corruption.

<https://www.citywatchla.com/index.php/la-watchdog-hidden/19951-the-vacancy-tax-a-rush-to-ballot>

Communication from Public

Name: Alina Kutsevol

Date Submitted: 06/19/2020 11:23 AM

Council File No: 19-0623

Comments for Public Posting: To whom it may concern: I am a homeowner in Los Angeles and I have a few pressing issues that I would like to get your attention on. Pandemic hit landlords very hard and it's imperative that some new measures are implemented in order to keep small moms-and-pops landlords afloat. Rental business is our livelihood and the only source of income to feed our families. Small landlords need protection from banks because didn't gave any forgiveness for loans and property taxes, as well as from tenants who hadn't paid rent before the pandemic started. There is enough housing in Los Angeles, however, homeowners don't want to rent out their guest houses and/or single family houses to several roommates, because the current laws are not protecting the homeowners. If a tenant stops paying rent, the eviction process could take up to almost a year and cost a fortune in legal fees for the landlord. Oftentimes the court just orders the eviction for a tenant that hadn't been paying for a whole year or more, and makes the landlord pay relocation fee (\$11,000 or more in Los Angeles) on top of the lost rent income, plus expenses for the attorney and court fees, which may add up to \$35,000 in expenses, not including mortgage payments, property taxes and utilities. On average, the expenses per one "bad" tenant may accumulate up to \$50,000. It has also been my experience that some of the tenants' law firms solicit their services by approaching low-income tenants and convincing them to engage in lawsuits. They promise the tenants free services because the landlord or the government would have to cover their expenses, as the tenants have no resources to afford an attorney. I would like to propose a modification to current housing law, where if a tenant does not pay rent for more than 90 days, they lose their right for relocation fee as well as their security deposit. If they cause damage to the property, then the homeowner has the right to declare this in their credit report. If such a tenant is protected by the government, then the government has to cover the landlord's expenses, including utilities and attorney fees. I feel very strongly that all tenants who had stopped paying rent before the pandemic started and have not been paying since, automatically lose their right for relocation fee. After 6 months of non-paying, they should face mandatory eviction. We need emergency hearings for such tenants starting mid-July of 2020. They may submit proof documents that they

had suffered loss of income due to Covid-19, then the LA government has to cover their expenses to the landlord. If utilities are paid by the landlord, then the landlord has the right to disconnect all utilities after 90 days of non-payment. (The utility company will stop the service for non-payment. The owner should be able to do the same: disconnect the service and evict the tenants). Also, all private houses, including single family houses, guest houses and adjacent houses, should not be subject to rent control. Owners are afraid to rent them out, because the law is completely on the tenants' side who are abusing the system. We also need to abolish rent control requirements for those who had bought their properties that were not subject to rent control at the time. Homeowners should have the right to choose whether they want their properties to be under rent control or not. What are the benefits for landlords why they should agree to rent control? I also feel strongly about tightening the rules about tenants who rent separate rooms in a single family house. Usually they are young people, such as students or young professionals. They should not be able to sue the owner and demand a relocation fee for each room! As I have said, homeowners feel very vulnerable. We need protection for homeowners who rent out single family houses, guest houses or rental properties up to 6 units. Then these old properties would be remodeled and put on the market because the owners would feel secure to rent them out. They also should not be overly taxed. Most of the mom-and-pop landlords are people of the retirement age. We should cancel the taxes for schools for residents who are over 60 years old. Property taxes should be lowered at least 40%, so that homeowners can survive and not lose their investments and take care about their future in retirement. Another issue has to do with the department of Building and Safety. They should not have the right to force a new owner to restore the building to the original condition if the building is more than 70 years old, considering that original blueprints for old houses do not exist. Building and safety cannot demand to demolish all internal structures, including bathrooms and closets. Because of such requirements it is easier to demolish an old beautiful heritage house completely, rather than reconstruct it according to the new codes. In such cases the city can lose old architectural buildings.

Communication from Public

Name:

Date Submitted: 06/19/2020 11:47 AM

Council File No: 19-0623

Comments for Public Posting: It's very easy to sit in a (tax subsidized) office and spend other people's money, a practice the Council seems quite accomplished in. In all the emails I've received from my Council Representative (or, more accurately, his tax subsidized personal assistant) there has never been the slightest hint that any members of the Council are taking money out of their own pockets, the policy being proposed to inflict on ALL Housing Providers, to ameliorate the Housing shortage being pandered to for blatant political advancement and/or re-election (a play right out of Donald's playbook). What seems to be neglected is the recognition, consciously or otherwise, that with the combination of the Pandemic and the dire economic situation that has sent Unemployment through the roof (other than for government employees), vacancies are rampant throughout the City, and both tenants and potential tenants are bailing out of town or simply not paying their rent, putting small property owners in jeopardy of losing their sole source of income. What happens next is Corporate Structures will swoop in like vultures to absorb the Mom & Pop entities, and in conjunction with their legal department, will find ways around the already Draconian and unbalanced Housing Department Regulations that never, ever favor any but the Tenant, because this is the only way they can justify keeping THEIR appointed, tax subsidized positions. As opposed to the personal relationship I have with my tenants, the door being opened for Corporate take over will exacerbate rather than solve the Housing Crisis, as rents will be increased to the maximum allowable amount each and every year. I have a general policy of keeping my rents below market value in order to encourage my tenants to stay long term, and have only instituted a rent increase when my expenses have increased, such as when Waste Collection Companies were granted Monopoly status and my bill tripled. This may come back to bite me given that the Housing Department is tracking previous years rents in order to have the option of rolling them back, as happened in Santa Monica some decades ago (and look how that turned out). There is a movement to modify Prop 13, which, if passed, will do the same for Property Taxes, and there is also noise about jacking up Capital Gains, another devastating hit to my retirement (I'm 62 years old and haven't time to start all over again) should the

circumstance of selling my one and only property become a necessity out of desperation. Just yesterday I made a "Gentleman's Agreement" with a tenant who lost his job and couldn't pay rent; I told him he could stay, rent free, until he's back on his feet, because I would rather have a tenant of honesty and integrity in a non income producing apartment than a potential trouble maker that won't pay rent and cause problems, particularly with the Fraud that has surfaced with the ludicrous "No Fault Don't Pay Rent if You Simply Prefer Not To" Ordinance of LA City - something I'm reasonably sure the Council had a hand in sponsoring. I have a 7 unit building, now with a vacancy (a tenant broke his lease and moved out of state. He was refunded his full deposit as I understood and related to the reality of the panic caused by the pervasive Covid Virus Pandemic and the unpredictable Protests that twice marched directly in front of my building, though legally I could have kept it), in addition to the aforementioned zero income from the other unit, and now there is a proposal to add a Vacancy Tax for an apartment I can't fill because of the widespread universal fear and apprehension we are all experiencing. How does penalizing a specific segment of Constituents for a situation none of us have control over make one bit of logical sense for ACTUALLY addressing the issue of Homelessness?! It reeks of self serving political ambition. You can be sure I will be watching the ballot for Council names and share in any way I can the shortsightedness being demonstrated by this Council that is going to negatively affect both Small Business Landlords and ultimately the Tenants they provide homes for. Not that this will register, as it is clear that Politics are being put ahead of Human Empathy or even a Reasonable Remedy that benefits ALL constituents of the City, as opposed to specifically targeting Property Owners who seem to be the first line of attack when Government is short of funds....Shame On You. Truly, Shame On You.

Communication from Public

Name:

Date Submitted: 06/19/2020 02:19 PM

Council File No: 19-0623

Comments for Public Posting: Why add a Vacancy Tax when the LA vacancy rate is amongst the lowest it has ever been? To add a Vacancy Tax to LA rental units will not solve the problem of why landlords leave units vacant. City regulatory policies, fees, taxes, costs of maintenance and compliance, government-required retrofits - all are making it almost impossible to safely operate a rental unit in LA for the rents we are allowed to charge. This bill has now been amended to exclude corporate units - because it is so much easier to slam small landlords with excessive regulation and fees while corporate entities have plenty of legal assistance to fight and lobby this kind of over-reach by the government.