

Communication from Public

Name: Zarek Dietz

Date Submitted: 06/23/2020 07:26 PM

Council File No: 19-0623

Comments for Public Posting: I am writing-in opposing the Vacancy Tax and asking City Council to do the same. It will hurt our already damaged economy. We need to create ideas to stimulate our businesses. If we can do that we will get revenue from them.

Communication from Public

Name: E de Carteret

Date Submitted: 06/23/2020 02:55 PM

Council File No: 19-0623

Comments for Public Posting: Dear Council Members, We urge you to not continue on Item 45 on the Wednesday, June 24th agenda. Having only 1 week to draft an ordinance with no stakeholder input, is just too fast. Does the Council even understand what it is voting to put on the ballot? Further study is needed to understand how many units or vacant lots are being held off the market or, more importantly, why. Property owners are always the first targeted when there is a budget deficit. This is not the right time to consider another TAX on them. Supporting a vacancy tax will enact a perpetual cycle that will exacerbate the housing crisis. It will increase the cost of housing development, which has the impact of reducing the amount of housing that a developer could build, thereby making housing scarcer and more expensive. Furthermore, a vacancy tax would create more hurdles to production by adding administrative processes and bureaucracy that didn't exist before. The entitlement process can already be lengthy, expensive and challenging to maneuver, adding a compliance mechanism for a vacancy tax will add another layer to that convoluted system. Mom and Pop owners have been squeezed by statewide rent control, eviction restrictions, as well as further restrictions in the city of L.A., attacks on Prop 13 and Costa Hawkins. Stop over-regulating housing providers and property owners. We are already on the path of losing housing stock due to owners being forced to sell and get out of the market. This TAX will be final nail in the coffin to many of them. This problem can't be solved by more regulations like a vacancy TAX. Let's work together to find a way to fill vacant units and support our housing providers during this challenging time. Thank you for your consideration

Communication from Public

Name: Valley Industry and Commerce Association (VICA)
Date Submitted: 06/23/2020 04:14 PM
Council File No: 19-0623
Comments for Public Posting: Dear Council President Martinez, On behalf of the Valley Industry and Commerce Association (VICA) and the more than 400 businesses and organizations we represent, we are writing to oppose placing a vacancy tax on the November 2020 ballot. Please see the attached letter below.



June 23, 2020

The Honorable Nury Martinez
Los Angeles City Council President
200 N Spring St, Suite 470
Los Angeles, CA 90012

SUBJECT: Council File 19-0623: Empty Homes Penalty / Vacant and Habitable Housing Units – OPPOSE

Dear Council President Martinez,

On behalf of the Valley Industry and Commerce Association (VICA) and the more than 400 businesses and organizations we represent, we are writing to oppose placing a vacancy tax on the November 2020 ballot.

The proposal would impose an additional tax on residential units that are currently not occupied should it be placed on the November 2020 ballot and approved by voters. While Angelenos continue to face the economic hardships brought on by the COVID-19 pandemic, imposing any new tax is simply inappropriate.

According to the City Controller's Office, the average cost of an affordable housing unit is nearly \$700,000. The proposed vacancy tax would only make housing in the City of Los Angeles more expensive, driving away potential housing projects and further burdening property owners.

Placing a rushed ballot measure is expected to cost the City at least \$12 million. In addition to the downstream economic effects of a vacancy tax, the costs of placing the proposal on the November 2020 ballot are unnecessary. The report by the Los Angeles Housing and Community Investment Department, which was rushed, is deeply limited in its analysis. A major policy proposal such as this requires more time to consider stakeholder and public input on its details.

As we continue to address the ongoing COVID-19 pandemic and its effects, we believe City should focus on reducing costs and streamlining housing construction to drive our economic recovery. Proposals which would increase costs should not be rushed and should be given sufficient time for more stakeholder input.

For these reasons, VICA urges you to reject placing a vacancy tax on the November ballot.

Sincerely,

Brad Rosenheim
VICA Chair

Stuart Waldman
VICA President

CC: Members of the Los Angeles City Council

Communication from Public

Name: bernard fliegelman
Date Submitted: 06/23/2020 06:07 PM
Council File No: 19-0623

Comments for Public Posting: Below is the opinion section of the L.A. Time. Everytime you go off without know the ramifications you make the problem worse. How many times have you predicted huge revenue and it does not appear. Marijuana was suppose to be a big revenue stream. By The Times Editorial Board June 21, 2020 5 AM When Los Angeles City Council members floated the idea last year of a vacancy tax to discourage property owners from holding empty units or lots off the market, the idea seemed worthy of further study. Now the studies are back and the council is considering putting the “empty homes penalty” on the November ballot. But the case for the vacancy tax being considered is, well, unpersuasive. The theory behind the penalty makes sense. The tax could push vacant units onto the market and reduce the shortage of homes. It could also nudge property owners to build housing on their vacant lots or sell them so someone else could develop the land. For those who pay the tax, the money could help fund the construction of more affordable housing. The problem is that despite months of research, the city still doesn’t have a solid understanding of how many units or vacant lots are being held off the market or, more important, why. The city estimated that 1 in 10 high-end units is vacant at the moment. That’s about 1% of the homes in buildings with five or more units in the city, according to real estate data firm CoStar. Is there indeed a glut of empty luxury apartments because speculative investors don’t want to lower their prices? Or are there more vacancies because these are newly built units just waiting to be rented or sold, or sold but not yet occupied? Are wealthy buyers snapping up real estate to park their money without the hassle of tenancy? The reports didn’t answer these questions, so it’s difficult to predict whether the tax will improve the housing market or change property owners’ behavior. Few cities in the U.S. have enacted vacancy taxes, so it’s hard to gauge their effectiveness. L.A. would model its tax on the one that Oakland’s voters approved in November 2018, but that city hasn’t reported how much the tax is raising yet. Westside Councilman Mike Bonin, who proposed L.A.’s tax, predicts it could provide a huge revenue stream for the city. But would it? One study estimated the city had between 85,000 and 100,000 empty residential units, but didn’t assess how many of those would qualify for the tax. Another analysis calculated that the city

has about 19,000 empty units and 2,900 vacant lots that could be subject to the tax. The proposal calls for an annual tax of \$5,000 per residential property and between \$5,000 and \$40,000 per vacant lot. Reports put the potential revenue at \$100 million to \$150 million a year, but that was before the City Council carved out numerous exemptions that shrink the number of taxable properties. For example, the tax would apply only to homes or residential lots that were vacant for more than 10 months of the year. The council also excluded nonresidential commercial properties, properties owned by nonprofits or low-income or disabled people, and properties in the process of being developed, marketed or sold. In addition, the City Council voted to exempt single-family homes from the tax unless the house is owned by a corporation. And under the Oakland model the council is currently following, multi-family buildings would be exempt if at least one unit in the complex is occupied — exempting all the half-rented luxury buildings that proponents say they want to target. With all these exclusions, how many vacant units will be left to tax? OK, you might ask, perhaps this tax proposal won't have a huge effect on the housing market, but what's the harm in trying it? The harm is the possibility that L.A. will squander money and time on a proposal that won't deliver the housing reform that the city truly needs. It will cost \$12 million to put the tax on the November ballot, require a hard-to-reach 66% of the vote to pass, and even if it does pass, may deliver modest revenue and benefit. L.A.'s major housing problem is not the small number of homes sitting empty. It's the shortage of housing affordable to middle- and low-income Angelenos. Council members could make a bigger impact if they focused on streamlining the development process and creating programs that incentivize developers to build housing at all income levels.

Communication from Public

Name: Horace H Heidt
Date Submitted: 06/23/2020 02:24 PM
Council File No: 19-0623

Comments for Public Posting: Dear Councilmembers: Proposed tax on vacant units in multi-family buildings has no application in California. NO multi-unit building would intentionally be left vacant due to the high cost of owning and operating apartment complexes, i.e., real estate taxes, insurance, maintenance and mortgage payments. Vacant lots are mainly vacant because of bureaucratic and governmental processes which is costly and takes years of processing time. The only real solution to the housing shortage is to streamline permitting, governmental restrictions and limiting Neighborhood Councils from making barriers and conditions which result in further costs and delays. Any rational person would wish to build on vacant land if they can make a profit and provide housing for people, including housing for the homeless. Therefore, the proposed Vacancy Tax makes no sense and is against good policy and hinders the creation of apartments and housing.

Communication from Public

Name:

Date Submitted: 06/23/2020 02:28 PM

Council File No: 19-0623

Comments for Public Posting: I am strongly opposed to item 45 on the City Council Meeting Agenda for June 24, 2020. The proposal to place a vacancy tax on the November 2020 ballot is irresponsible because it does not provide enough time to stakeholders to adequately assess its impact. While it nobly aims to mitigate LA's housing crisis, the vacancy tax presents an incredible financial and administrative burden on both property owners and the city without tackling the root causes of the high number of vacant units. With 11 exceptions to the special tax and the estimated \$12 million budget, the proposed tax aims to resolve the issue of vacant homes by penalizing housing providers instead of providing critically-needed support to all citizens, especially during this pandemic. Housing providers need city council members with the conviction and big-picture view to avoid divisive, narrow demands and provide the thoughtfulness required for highly-impactful legislation. I am asking the City Council to approach LA's vacancy issue with a systems-oriented lens while providing enough time, research, and critical analysis to address the root causes, and not merely the symptoms, of our region's housing crisis.

Communication from Public

Name: Nitzan Barlev

Date Submitted: 06/23/2020 10:54 AM

Council File No: 19-0623

Comments for Public Posting: I strongly support the Healthy LA Coalition in calling for the City Council to invest \$300 million of the CARES Act Funding, to buy housing in areas where low income residents are vulnerable to displacement driven by Wall Street speculators. By selling that land to Land Trusts and nonprofits, it can be permanently preserved as affordable housing and the proceeds can be invested in new land purchases to remove housing from the speculative market, benefitting existing residents in the long-run and creating permanently affordable housing. Thank you for your leadership on this.

Communication from Public

Name:

Date Submitted: 06/23/2020 11:16 AM

Council File No: 19-0623

Comments for Public Posting: I am a lifelong Angeleno and strongly support the Healthy LA Coalition in calling for the City Council to invest \$300 million of the CARES Act Funding, to buy housing in areas where low income residents are vulnerable to displacement driven by Wall Street speculators. By selling that land to Land Trusts and nonprofits, it can be permanently preserved as affordable housing and the proceeds can be invested in new land purchases to remove housing from the speculative market, benefitting existing residents in the long-run and creating permanently affordable housing. I look forward to your leadership.

Communication from Public

Name: Stef Hirsch

Date Submitted: 06/23/2020 10:38 AM

Council File No: 19-0623

Comments for Public Posting: My name is Stef Hirsch and I stand in Solidarity with BLM LA and I am also voicing my support for the Healthy LA Coalition in calling for the City Council to invest \$300 million of the CARES Act Funding, to buy housing in areas where low income residents are vulnerable to displacement driven by Wall Street speculators. By selling that land to Land Trusts and nonprofits, it can be permanently preserved as affordable housing and the proceeds can be invested in new land purchases to remove housing from the speculative market, benefitting existing residents in the long-run and creating permanently affordable housing. This is so necessary because of the glacial movement with which this body has moved to enact protections needed to ensure that Angelenos will not face devastation as a consequence of the economic fall out of this pandemic. People are defying authoritarian curfews and risking their health to pour out into the streets en masse in response to decades of apathetic response to the systemic harm due to the Public Health Crisis that is Racism. These funds should go towards addressing one of the roots of this disease that we have ignored for too long. An LA Times article dated June 12th cites a study which paints the dire situation for Black and Brown folks in the city who live on the cusp of losing the bare minimum of protections that Eviction Moratorium provides. To quote the article titled "Racism is the reason Black people are disproportionately homeless in L.A." despite the fact that the Black population is only 8% of population they make up more than a third of the homeless count of 64 thousand in this city (notably this figure comes from a pre-pandemic survey). An expert on homelessness former UCLA Professor Gary Blusi warns that because of this the "likelihood for Black people to become homeless is 10 times greater than for white people.... [and this virus has] unleashed a cataract of unemployment and potential evictions that ... could hurl 36,000 primarily Latino and Black households, including 56,000 children, into homelessness." I can't think of any clearer evidence that our society is truly rotten and plagued by chronic and unchallenged Racism if we refuse to take the necessary bold action in defense of black life to ensure that we do not double the population of unhoused people and children who are left to the streets.

Communication from Public

Name: Brady Collins

Date Submitted: 06/23/2020 08:11 AM

Council File No: 19-0623

Comments for Public Posting: My name is Brady Collins and I'm with KIWA (Koreatown Immigrant Workers Alliance). We strongly support the Healthy LA Coalition in calling for the City Council to invest \$300 million of the CARES Act Funding, to buy housing in areas where low income residents are vulnerable to displacement driven by Wall Street speculators. By selling that land to Land Trusts and nonprofits, it can be permanently preserved as affordable housing and the proceeds can be invested in new land purchases to remove housing from the speculative market, benefitting existing residents in the long-run and creating permanently affordable housing. Thank you for your leadership on this.

Communication from Public

Name: roger ades
Date Submitted: 06/22/2020 06:55 PM
Council File No: 19-0623

Comments for Public Posting: I am a small apartment property owner here in Los Angeles. Please vote no the vacancy tax proposal. There are a number of reasons that I have had vacancies in the past. I do not like them and have to rent them as fast as I can in order to stay solvent. Especially now when my rent has been cut due to Covid-19. Putting that aside, I sometimes have to have an apartment vacant for at least four months or more in order to remodel it when a long time tenant moves out. I had two like that last year. In addition, I am trying to get some unpermitted dwelling units (UDU) legalized. I've been in the process for a year and a half with the city of Los Angeles. I've had to have three units vacant in order to do this process. The city of LA is the reason its takes so long. The city assures me it will be done soon. They tell me they don't want to lose the units. So, as I go through the city's process of legalization, the apartments stay vacant. So, to put a tax on me while the city takes so long in their process is ridiculously unfair to say the least. If there is a vacancy tax as well in this process for the UDU's, I may have to reassess my efforts and the Los Angeles City could lose three apartments! I don't think this is what we all want! Please vote no on any vacancy tax. Thank you.

Communication from Public

Name: NS Los Angeles Resident

Date Submitted: 06/23/2020 10:10 AM

Council File No: 19-0623

Comments for Public Posting: "to fund homeless services and programs, affordable housing, and other specific purposes through a parcel tax on certain vacant and/or unoccupied properties." I notice our Los Angeles City Council members NEVER suggest reducing the budget in their offices. Or in their salary. Future Behavior is predicated on past behavior. And what we have seen with the amount of money being squandered to big developers towards our homeless situation is the Past Behavior we are paying attention to. Why does it cost over \$700,000 PER UNIT to build the scant housing? Those of us that are actually affected by the homeless are fully aware that the numbers increased when Prop 47/57 and AB109 were pushed through. We are fully aware that enabling the criminals has taken money and services away from the truly down and out homeless. Leave people on the street long enough and watch their mental health suffer. I have yet to see ONE thing that addresses getting the Mentally Ill into safe Institutions to be treated. I have yet to see ONE proposal that forces the drug addicted into rehab. What I have seen is coddling and hand holding. When we complain about the filth and mess, a clean up team comes out to basically give them maid service. They are just this shy of leaving mints on their pillows. We see the creation of yet more and more "committees" with NO results. As long as you get paid, right?

Communication from Public

Name: Rabeya Sen

Date Submitted: 06/23/2020 10:10 AM

Council File No: 19-0623

Comments for Public Posting: Dear Honorable City Councilmembers, My Name is Rabeya Sen with Esperanza Community Housing Corporation. As proud members of the Healthy LA Coalition, we strongly support the coalition in calling for the City Council to invest \$300 million of the CARES Act Funding, to buy housing in areas where low income residents are vulnerable to displacement driven by Wall Street speculators. By selling that land to Land Trusts and nonprofits, it can be permanently preserved as affordable housing and the proceeds can be invested in new land purchases to remove housing from the speculative market, benefitting existing residents in the long-run and creating permanently affordable housing. We cannot afford a repeat of the inequities that followed prior crises – such as the '92 uprising and the 2008 housing crisis – that destabilized our neighborhoods and led to the housing and homelessness crises we saw before this pandemic hit and that are getting worse through these times. We cannot afford a repeat of watching land speculators and corporations buy up the land and stripping families and communities of equity. Homes are not a commodity. They are where families live and neighbors create community. So, now is the time to support neighborhood partnerships that will provide long term, affordable homeownership for Black families and communities of color that have suffered from years of disinvestment and gentrification. And, we urge you to do so by: • By partnering with affordable homeownership providers, and neighborhood-based CDCs, to acquire single and multi-family properties; • Supporting HUD-approved housing counselors to help prepare families for homeownership; • Providing down-payment and closing cost assistance to families who are ready to buy, and • Providing mortgage relief/assistance to homeowners to avoid default and foreclosure, the City can stop the takeover of our neighborhoods by corporate investors and predatory lenders who have no vested interest in the long-term stability of our communities. Please stand up for our communities with true, transformative policies and public investments that increase housing stability and uplift public health. Thank you for your leadership on this. ~Rabeya

Communication from Public

Name: Linda Lucks

Date Submitted: 06/23/2020 10:24 AM

Council File No: 19-0623

Comments for Public Posting: My name is Linda Lucks on behalf of Venice Community Housing, a 32 year old nonprofit developer of low income housing on the Westside of LA, and we strongly support the Healthy LA Coalition in calling for the City Council to invest \$300 million of the CARES Act Funding, to buy housing in areas where low income residents are vulnerable to displacement driven by speculators. By selling that land to Land Trusts and nonprofits, it can be permanently preserved as affordable housing and the proceeds can be invested in new land purchases to remove housing from the speculative market, benefitting existing residents in the long-run and creating permanently affordable housing. Thank you for your leadership on this. Linda Lucks
Venice Community Housing

Communication from Public

Name: Claire

Date Submitted: 06/23/2020 10:24 AM

Council File No: 19-0623

Comments for Public Posting: My name is Claire and I strongly support the Healthy LA Coalition in calling for the City Council to invest \$300 million of the CARES Act Funding, to buy housing in areas where low income residents are vulnerable to displacement driven by Wall Street speculators. We have had a housing and homelessness crisis for years and it has already gone too far. The COVID pandemic is only going to make things worse for the families of this city. Are you not elected to serve the well-being of Los Angeles families? This is a chance for you to have an impact on improving lives. This is what public service looks like. You can lead us to a more humane city. Your colleague got arrested this morning for selling his support to rich developers thereby absconding his duty to Angelenos. We deserve a council that will represent the families of this city and not greedy busniessmen. We are literally begging you to do right by your constituents and prevent further families having to live on the street. P L E A S E . By selling that land to Land Trusts and nonprofits, it can be permanently preserved as affordable housing and the proceeds can be invested in new land purchases to remove housing from the speculative market, benefitting existing residents in the long-run and creating permanently affordable housing. It is not fair that affordable housing developers have to compete with market rate developers to acquire property. That is designed to fail. PLEASE help. Thank you for your leadership on this. Claire