

Communication from Public

Name: Fred Sutton
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Comments for Public Posting: Attached please find a letter from the California Apartment Association regarding item 13 on today's Housing and Homelessness committee.



California Apartment Association
515 S. Flower Steet 18th Fl.
Los Angeles, CA 90071

January 18, 2022

Via Electronic Mail Only

Chair Raman & Committee Members
Los Angeles Housing & Homelessness Committee
200 North Spring Street
Los Angeles, CA 90012

RE: Item 13 – Housing Regulations and Emergency Extensions

Dear Honorable Committee Members,

The California Apartment Association (CAA) represents local housing providers, operators and suppliers along with business owners and real estate industry experts who are involved with a range of rental properties from those that offer single-family residences to large apartment communities. Our members help house Los Angeles.

We respectfully request the city cease extending any aspect of the COVID eviction moratorium, maintain reasonable statewide laws as implemented through AB 1482 and oppose any policies that prohibit a business owners' ability to collect compensation.

Item 13 has many complex aspects. The various policy proposals should be separated and reviewed individually.

Item 13 A: Is unnecessary and will foster more confusion. The eviction moratorium and related policies are set to expire on January 31st, long after emergency regulations have lifted throughout the country. Extending any aspect of the moratorium at this stage will bring continued confusion and further erode faith in local decision making.

Even with rising winter case counts, our insight into the virus and improved public health response warrant a complete end to all emergency regulations introduced in 2020. When the local emergency was first declared, the world and city were in a state of unknown. This is no longer the case. State and federal governments provided much needed financial relief to those in need and *permanent* eviction protections were enacted. It is long past time to lift all emergency measures related to the city's housing stock. There is no longer justification for any of these measures.

Item 13 B: AB 1482 is a statewide law that implements "for cause" eviction protections to all multifamily units in the state. The city should closely mirror state law. The law balances consumer protections with operational flexibility. The 1-year vesting period before regulations become applicable should be reinserted into the ordinance. This vesting period is a commonsense mechanism to protect communities from nuisance activity without forcing an owner to potentially face frivolous litigation during the first year of a tenancy. Housing providers

have long called for reform in the city's current RSO "just cause" framework. The 1-year vesting period should be expanded to all rent-controlled units in the city.

There has been no stakeholder feedback on this sweeping proposal since it was introduced. This unprecedented expansion could impact people's desire to offer certain types of dwelling units to the general housing stock. Further, the new requirement to file eviction notices with the Housing Department will create a new administrative burden on operators. As the city makes it riskier and more costly to operate, it will ultimately translate into housing that is more expensive and harder to obtain.

Item 13 C-1&2: Should be opposed. This policy has had no formal feedback process since introduction.

It is just to be compensated for your work, labor, and time. The fabric of a trusting and reliable economy depends on the expectation you are paid for services performed. It is common sense. The proposal is picking an arbitrary delinquency threshold which will ultimately hurt those the city intends to help. Screening standards might be raised in response and private rental owners could be hesitant to work with vulnerable populations given the inability to collect compensation in full. Does the city intend on applying this type of policy to other industries or services?

Further, item 13 C-1 requires in depth legal review. The relocation assistance requirement penalizes owners who exercise their rights exclusively defined under state law. It is not uncommon for rental operators to wait several years before requiring a rent increase. Removing financial flexibility will result in more frequent rent increases.

There is a better and proven alternative. The city should create a permanent rental subsidy program which can be drawn upon for those facing a temporary financial gap. Direct monetary assistance is the best way to address the intended aims of this proposal.

Support Housing Providers

The council must stop acting in haste. For years, housing providers have suffered through a series of emergency measures, bureaucracy, changing orders, instability, and slow relief. Operational costs have skyrocketed, and regulations increasingly stifle needed investment in the housing stock. Some have been forced to sell their properties while others continue to face significant duress. The committee should be doing everything it can to support housing providers and incentivize investment in this essential service.

Rental housing providers are not in the eviction business, but eviction is unfortunately, a necessary – and often singular – tool for addressing the most disruptive situations or when someone is no longer paying for service.

Support good housing policy. We urge the committee to cease extending any aspect of the COVID eviction moratorium, maintain reasonable statewide laws as implemented through AB 1482 and oppose any policies that prohibit a business owners' ability to collect compensation.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fred Sutton". The signature is written in black ink on a light-colored background.

Fred Sutton
California Apartment Association