



December 3rd, 2025

Los Angeles City Council
200 North Spring Street
Los Angeles, California 90012

Re: Councilmember Hernandez Recommendations For Concentration Of Ownership And Corporatization Of The City's Housing Stock Cf 23-0840

Dear Colleagues,

The legislation before us provides a great opportunity to address the most pressing issue our City faces: housing. While this council rightly focuses on creating new housing stock through incentive programs like CHIP, we must also ensure that the housing we have remains affordable and habitable for the approximately 2.5 million Angelenos who are renters, as well as those looking to step into homeownership for the first time. What good is having first-time homebuyer programs like that supported by Measure ULA if they remain unaffordable?

We, as a council, have long heard stories about naturally occurring affordable housing in our city being gobbled up by corporations and the cascading negative effects, whether it be K3 holdings, who “agreed to pay \$2.2 million to settle a discrimination and harassment lawsuit alleging...[they]...displaced long-term Latinx renters from rent-stabilized units in Koreatown and Highland Park”¹, or Invitation Homes, who “reached a \$3.7 million settlement with the State of California over allegations of illegal rent increases in nearly 2,000 homes in violation of the State Tenant Protection Act.”² I commend Councilmember Rodriguez for putting forth the original motion to study the data behind those stories.

By examining the nuances of property transfers, the Housing Department illuminated the patterns behind these headlines and the limitations inherent in investigating large-scale ownership, namely the lack of transparency enabled by the widespread use of organizational entities such as limited liability corporations (LLCs).

Recent state legislative history has seen the failure of SB 1201, introduced by our own State Senator Maria Elena Durazo, which sought to ensure transparency in the beneficial ownership of LLCs. But as a city we have taken, via the Resident Protections Ordinance (RPO) and its

¹ LAHD Report, pg. 3

² Ibid, pg. 3

Anti-Harassment Violators Database, a first important step into ensuring we know who exactly is profiting from the rental market, as it defines in the LAMC [16.60](#) A.6 a “beneficial owner”.³

The LAHD report presents five different options for further investigation. The first three options—1. Renter Displacement, 2. Property Flipping, and 3. Acquisition of Properties from Distressed Small Landlords and Homeowners—are noble areas for investigation. However, these efforts will be inherently limited in scope without a more thorough analysis of the underlying property ownership structures. As this Council already lays a heavy investigative and enforcement burden on LAHD, it would be wise to be as focused as possible in our follow-up request. **I call upon my fellow Councilmembers to adopt the final two options presented in LAHD’s staff report — to investigate the Use of Organizational Entities by Small Landlords and Better Distinguish a Small Landlord from a “Large” Landlord.**

I also ask the Committee to **add a recommendation that studies the adoption of the same beneficial ownership disclosure requirement found in the Resident Protections Ordinance to properties placed into REAP.**

In a city with a housing crisis this acute, we cannot allow land surrounding high-quality jobs and transit to be underutilized. We must take care of our most vulnerable residents and create housing accessible to all income brackets.

Thank you for your consideration,



Eunisses Hernandez
Los Angeles City Councilmember, District 1

³ [Los Angeles Municipal Code](#)

ATTACHMENT A

CD 1 Recommended Amendments to CF-23-0840

Recommendation for Council action:

1. INSTRUCT the Los Angeles Housing Department (LAHD) to establish an ongoing process to assess and regularly report back to City Council on trends related to size of ownership inventories, ownership organizational entity structures, and owner business models or behaviors that may negatively impact renters, limit small landlord ownership opportunities, and limit first-time homebuyer opportunities. Additionally, instruct LAHD to report to City Council on the following options to expand the foundational analysis of this report:
 - a. OPTION 4 - Use of Organizational Entities by Small Landlords: To better understand the extent to which organizational entity ownership is associated with portfolio size, analyze the extent to which small landlords create organizational entities, such as limited liability companies (LLCs) Report on the Concentration of Ownership and Corporatization of the City’s Housing Stock from 2018 to 2023 Page 3 and trusts to hold their properties (typically done via Quitclaim Deed transfers). Data to be examined includes First American’s non-sale transfer data.
 - b. OPTION 5 - Better Distinguish a Small Landlord from a “Large” Landlord: Before determining whether an owner is a “small” owner, expand the assessment of the size of a property owner’s inventory to include all of Los Angeles County, not just the City. A countywide understanding of an owner’s portfolio size will give the City a better understanding of ownership size and how they are changing. The distribution of housing ownership can then be analyzed to identify the percentages of ownership at different threshold levels, for example, how many landlords own 10 or fewer units, 5 or fewer units, 2 or fewer units. Data to be examined includes Rent Stabilization Ordinance (RSO) and Just Cause Ordinance (JCO) Registration Data, and Los Angeles County Assessor Data.

ADD the following instruction:

2. INSTRUCT the Los Angeles Housing Department to report back on the adoption of the same beneficial ownership disclosure requirement found in the Resident Protections Ordinance (RPO) to properties placed into REAP.