



# Adrin Nazarian

## Councilmember, Second District

November 5, 2025

### Questions for Housing Committee, re LARSO

- 1.) “Given the recommendation to eliminate the 1–2% annual utility pass-through and not replace it with any additional rent increase, how does LAHD assess the potential financial impact on small ‘mom-and-pop’ landlords—*particularly those operating older, master-metered buildings—especially as LADWP, Sanitation, insurance, and other operating costs continue to rise? What measures will the Department take to ensure these small property owners can still recover legitimate expenses and maintain safe, habitable units without placing additional rent burdens on tenants?*”
- 2.) *Are there any data on how many tenants currently living in RSO units are cost-burdened (paying more than 30% of income on rent)?*
- 3.) *Could a modernization or means-tested rent adjustment approach improve long-term preservation without displacing tenants?*
- 4.) The report recommends using the “All Items Less Shelter” CPI index instead of the current All-Items CPI to avoid circular inflation effects.  
→ *Can LAHD elaborate on how this change would affect tenants’ rent increases and landlords’ cost recovery over time?*
- 5.) The report also recommends setting the RSO floor at 2% and the ceiling at 5% (with CPI “banking”).  
→ *How would these changes alter the average allowable rent increase compared to the existing 3% floor and no banking rule?*
- 6.) Since 65% of other California rent control jurisdictions cap rent increases at 3–5%, how does LAHD assess Los Angeles’ competitiveness and fairness under the proposed revisions?

- 7.) The study found that the **3% floor** caused rents to grow faster than inflation in low-CPI years.  
→ *Should the Council consider tying the floor to actual inflation trends or phasing it out entirely to better align with CPI movement?*
  
- 8.) The report notes concerns that small “mom-and-pop” landlords were disproportionately affected by the COVID rent freeze, yet also benefited from rapid rent growth before the pandemic.  
→ *What data does LAHD have on small landlord financial health post-2020, and how can City policy balance long-term property maintenance with tenant protections?*
  
- 9.) The report says the Just and Reasonable rent increase process is underutilized.  
→ *What steps will LAHD take to simplify and publicize this program, especially to small landlords who may not know it exists?*
  
- 10.) LAHD plans outreach and education for small landlords to use cost-recovery programs.  
→ *What metrics or outreach partners will be used to measure the success of this initiative?*
  
- 11.) The LAHD report notes that landlords lost roughly 16% of allowable rent increases during the COVID rent freeze (2020–2024).  
→ *Has LAHD analyzed whether small landlords have recovered from those lost years, and if not, what relief or cost-recovery tools are most effective?*
  
- 12.) The LAHD report states that the “Just and Reasonable” rent-increase program is underused, even by small landlords who might qualify.  
→ *What are the barriers to participation, and what specific outreach strategies will be used to increase utilization among mom-and-pop owners?*
  
- 13.) LAHD plans new education and outreach about cost-recovery programs (capital improvements, seismic retrofits, etc.).

→ *How will those outreach efforts be measured, and can they be tailored by ownership size or geographic area?*

14.) The study cautions that creating higher allowable rent increases for small landlords would unfairly burden tenants in those units.

→ *Would LAHD support alternative assistance mechanisms—such as rehabilitation grants or low-interest loans—instead of differential rent-increase rules?*

**Economic roundtable study:**

15.) The Roundtable presentation shows RSO landlords have lower turnover and more stable occupancy.

→ *Does LAHD have data on how this stability affected small landlords' financial resilience through the pandemic and recovery period?*

16.) The study finds that small RSO landlords (2–4 units) charge *higher rent per unit* but *lower rent per bedroom* and maintain *lower vacancy rates* than large landlords.

→ *How does LAHD interpret these findings — do they indicate that small landlords are actually performing well financially despite perceptions of hardship?*

*Both reports suggest that small landlords make up **about 30% of all RSO properties.***

→ *Has LAHD tracked whether these owners are selling their properties post-pandemic, and if so, who is acquiring them (institutional vs. local owners)?*

*The study notes concern that **higher rent increases could inflate the market value of small properties**, making them more attractive to outside investors.*

→ *What safeguards could prevent displacement of mom-and-pop owners while maintaining affordability for tenants?*