

Communication from Public

Name: Valley Industry & Commerce Association
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Comments for Public Posting: Please see attached letter.



October 31, 2023

Los Angeles City Council
Los Angeles City Hall
200 N. Spring Street, Suite 415
Los Angeles, CA 90012

Re: Agenda Item #26: Rent Stabilization Annual Adjustment Study

Dear Council President Krekorian and Councilmembers:

The Valley Industry and Commerce Association (VICA) represents over 350 members throughout the San Fernando Valley. Many of our members provide housing to the residents of Los Angeles and maintain an interest in fair and equitable housing policies for property owners and renters alike.

As the council discusses a potential study of the annual rent adjustment on rent stabilized units, we urge the council to ensure any review is comprehensive and includes a cumulative economic analysis of operating costs and circumstances. We have seen a great amount of change in our city and in the world since the last analysis of the RSO and CPI was conducted. The impact of the COVID pandemic on tenants and housing providers alike has been devastating. Without the ability to support their properties, pay the skyrocketing costs of necessities like insurance, maintenance and repairs, there will be less investment and an even greater crisis of affordability and availability of quality housing options.

The current CPI formula and allowable 3% floor were created to account for costs that rise independent of CPI and ensure financial flexibility. CPI alone does not necessarily reflect the myriad of costs housing providers incur, nor account for the varying quality or condition of a property.

There are specific market realities which must be included in any economic analysis, such as the cumulative economic impact of a 4-year rent freeze, COVID rent collection prohibitions and uncollected/bad debt and the resulting court delay costs as well as correlating refinancing issues. We urge you to continue to work with all community stakeholders to create a cumulative list of the fees, wage increases, and other costs that housing providers must bear that must be analyzed within this study.

Although the motion requests an “expedited” study, we believe the goal should not be a rushed study. Rather, it should create a thorough understanding and analysis of costs to operate rental housing in the city of Los Angeles and inform policies that reflect the importance of this issue to every Angeleno. The last study was conducted over 13 years ago and our economy has changed significantly. It is only appropriate that the Council ensure that the new study is comprehensive, thoughtful, and equitable to all the stakeholders who are part of providing housing in our city.



We thank you for your consideration and look forward to participating in the process as it moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Victor Berrellez', with a long horizontal flourish extending to the right.

Victor Berrellez
VICA Chair

A handwritten signature in black ink, appearing to read 'Stuart Waldman', with a long horizontal flourish extending to the right.

Stuart Waldman
VICA President