

Communication from Public

Name: Stuart Waldman
Date Submitted: 10/31/2025 10:58 AM
Council File No: 23-1134

Comments for Public Posting: The Valley Industry and Commerce Association (VICA) opposes the proposed amendments to the Rent Stabilization Ordinance (RSO) formula, which would lower rent caps and alter the Consumer Price Index (CPI) calculation by removing the “shelter” component. These changes would directly harm Los Angeles’ diverse community of rental housing providers, many of whom are local families, teachers, and retirees who take pride in maintaining safe, quality homes for their tenants. Shelter costs are the most relevant measure for property owners because they reflect real housing expenses such as insurance, utilities, materials, and labor, all of which have dramatically increased. Replacing this with “CPI Less Shelter” would distort rent adjustments by tying them to unrelated consumer goods like clothing or fuel, severing the link between rental income and the actual cost of providing housing. Los Angeles already imposes tighter rent controls than the state and further restricting adjustments would make it increasingly difficult for owners to meet rising expenses. When owners cannot recover operating costs, they are forced to defer maintenance, sell, or withdraw units from the market—reducing the overall quality and availability of affordable housing. The City should not enact policies that inadvertently accelerate housing deterioration or discourage participation in the rental market. Additionally, VICA urges the Committee to preserve the existing utility pass-through provision. The Economic Roundtable report does not recommend eliminating this mechanism but instead suggests the City consult with utility providers. The Los Angeles Housing Department’s recommendation to remove the pass-through fails to acknowledge the reality that utility costs are skyrocketing, particularly for owners of master-metered properties who have no way to offset those rising expenses. For these reasons, VICA urges your opposition to the proposed RSO formula changes: including the removal of the shelter component from CPI and any reduction in allowable rent adjustments. The City must work collaboratively with its housing partners to maintain a stable and sustainable rental market in Los Angeles.



October 31, 2025

The Honorable Nithya Raman
Chair, Housing and Homelessness Committee
Los Angeles City Council
200 N. Spring Street
Los Angeles, CA 90012

Re: Proposed Changes to the Rent Stabilization Ordinance (RSO) – OPPOSE

Dear Chair Raman and Members of the Housing and Homelessness Committee,

The Valley Industry and Commerce Association (VICA) opposes the proposed amendments to the Rent Stabilization Ordinance (RSO) formula, which would lower rent caps and alter the Consumer Price Index (CPI) calculation by removing the “shelter” component. These changes would directly harm Los Angeles’ diverse community of rental housing providers, many of whom are local families, teachers, and retirees who take pride in maintaining safe, quality homes for their tenants.

Shelter costs are the most relevant measure for property owners because they reflect real housing expenses such as insurance, utilities, materials, and labor, all of which have dramatically increased. Replacing this with “CPI Less Shelter” would distort rent adjustments by tying them to unrelated consumer goods like clothing or fuel, severing the link between rental income and the actual cost of providing housing. Los Angeles already imposes tighter rent controls than the state and further restricting adjustments would make it increasingly difficult for owners to meet rising expenses.

When owners cannot recover operating costs, they are forced to defer maintenance, sell, or withdraw units from the market—reducing the overall quality and availability of affordable housing. The City should not enact policies that inadvertently accelerate housing deterioration or discourage participation in the rental market.

Additionally, VICA urges the Committee to preserve the existing utility pass-through provision. The Economic Roundtable report does not recommend eliminating this mechanism but instead suggests the City consult with utility providers. The Los Angeles Housing Department’s recommendation to remove the pass-through fails to acknowledge the reality that utility costs are skyrocketing, particularly for owners of master-metered properties who have no way to offset those rising expenses.

For these reasons, VICA urges your opposition to the proposed RSO formula changes: including the removal of the shelter component from CPI and any reduction in allowable rent adjustments. The City must work collaboratively with its housing partners to maintain a stable and sustainable rental market in Los Angeles.

Stuart Waldman
VICA President