Communication from Public

Name:	Gabbie Metheny
Date Submitted:	11/09/2025 01:36 PM
Council File No:	23-1134
Comments for Public Posting:	I support the 3% cap on rent increases, with a 0% floor, as do advocacy groups throughout the city. LA is in a housing and homelessness crisis, where we not only lack adequate housing for residents, but we are failing to keep people in their homes. Landlords have been allowed to raise rents in years where there is no inflation for so long that all rents are bloated, even while many landlords fail to address safety and quality of life concerns from their tenants. Los Angeles is a majority renter city, and renters demand protection. There is much to be done to correct the imbalances between renters and owners in our city, but capping the rent at 3% with a 0% floor is a start and a necessary step to protect the vast majority of Angelenos.

Communication from Public

Name:	Jacob
Date Submitted:	11/09/2025 03:51 PM
Council File No:	23-1134
Comments for Public Posting:	LA tenants support stronger rent stabilization! Art district represent :)

Communication from Public

Name: Miracle Mile Democratic Club
Date Submitted: 11/09/2025 09:18 PM
Council File No: 23-1134
Comments for Public Posting: Dear Members of the Los Angeles City Council: Please be advised that the Miracle Mile Democratic Club has voted to endorse the motion that passed the Housing Committee (Council File 23-1134) on November 5, 2025, amending the City's Rent Stabilization Ordinance ("RSO") in the following respects: Cap rent increases to 0-3%, based on 60% of CPI, eliminate the 1% "bump" for landlords that pay for utilities, and eliminate the 10% penalty for additional residents. We base our support for this long-overdue step on a number of factors. First, many of our members have lived experience demonstrating that the current RSO ordinance allows landlords such as ours to increase rents at a rate that is significantly in excess of inflation. Many landlords have not hesitated to take advantage of this feature of Los Angeles law. The changes that will be implemented by the Committee's motion will bring a badly needed balance to this dynamic. Indeed, a recent study by the Economic Roundtable showed that Los Angeles permits rent increases that are significantly larger than the increases permitted by other similarly situated cities, and that even the smaller increases advocated by the LARSO Campaign still will allow landlords to enjoy a healthy profit on their investments. On the flip side, as you discussed frequently during your campaign and as the Economic Roundtable study confirms, a primary cause of homelessness is evictions due to a loss of the ability to pay ever-increasing rents. Courts consistently confirm the legality of similar ordinances. Again, even the lower caps, in cities that have adopted them, still allow landlords (including small landlords often referred to as mom-and-pop landlords) to make a significant profit. In Los Angeles (according to the Economic Roundtable), net operating income has averaged 65% of rental income, and net operating income has grown faster than inflation. Let us repeat that. Inflation-adjusted rental income has grown faster than inflation-adjusted operating expenses, leading to an increase in inflation-adjusted profits. This profit comes at the expense of tenants, whose housing expenses have increased faster than inflation, but whose incomes have struggled to keep pace with inflation. At best, this disparity results in a decreased standard of living for the average tenant. At worst, it can lead to eviction. In addition, as Councilmember Yaroslavsky stated during her campaign, there is no sound economic basis to "bump"

the allowable percentage rent increase when the landlord supplies utilities. The cost of utilities will already have been factored into the original rental price, so any increase in the cost of utilities will be captured by the inflation adjustment already permitted the RSO. We understand you have expressed concern that the caps in the Committee's motion might accelerate the trend of small landlords selling out to large corporate interests, thereby concentrating the market. The evidence refutes that concern. As you know, many sister cities such as Santa Monica and West Hollywood have already limited rent increases to 0-3%. If this cap were an economic burden on landlords, we would expect that numerous landlords in those jurisdictions would have filed numerous "fair return" applications. Instead, notwithstanding the rent freeze in effect during the pandemic, Santa Monica has not received a completed fair return application since 2021, and West Hollywood has not received such an application since 2019. It is therefore clear from landlords' conduct that they do not find a 0-3% cap a significant financial burden. Finally, we would like to address an issue raised by Councilmember McOsker during the Committee hearing. As we understand Councilmember McOsker's concern, he believes that the constitutionally mandated "fair return" must guarantee landlords a profit margin that keeps pace with inflation. As you may know from your own prior experience as a land use attorney, that is simply not the case. The case law is very clear that fair returns need only avoid being "confiscatory," and must only be high enough "to encourage good management, reward efficiency, discourage the flight of capital, and enable operators to maintain their credit." Colony Cove Props., LLC v. City of Carson, 220 Cal. App. 4th 840, 866 (2013). See generally id. at 866-69 (discussing the "rules of the road" for determining fair return). That standard does not require that profits keep pace with inflation, particularly when net operating income is generally in excess of 60% of gross income, as stated by the Economic Roundtable report. We urge you to publicly announce your support for the Committee's motion, and then to vote in favor of that motion on the Council floor. Thank you for your attention. Sincerely, Miracle Mile Democratic Club