

MINORITY REPORT

HOUSING AND HOMELESSNESS COMMITTEE MINORITY REPORT relative to economic study findings and drafting an amendment to the Los Angeles Municipal Code (LAMC) to revise the methodology establishing the annual allowable rent increase for the Rent Stabilization Ordinance (RSO); and related matters.

Recommendations for Council action:

1. REQUEST the City Attorney, with the assistance of Los Angeles Housing Department (LAHD), to draft an amendment of the RSO, Article 1 of Chapter XV of the LAMC, to revise the methodology to establish the annual allowable rent increase for RSO rental units as follows:
 - a. Replace Consumer Price Index All-Items for All Urban Consumers with the All-Items Less Shelter Index in the methodology to establish the RSO annual allowable rent increase (LAMC 151.06.D and 151.07. A6).
 - b. Establish a floor of 2% for annual RSO rent increases.
 - c. Establish a ceiling of 5% for annual RSO rent increases.
 - d. Provide that in years when the otherwise permissible rent increase calculated by the formula above exceeds the 5% ceiling, the calculated percent above 5% shall be added (rolled over) to the subsequent years' allowable rent increase, with the total annual increase not to exceed 5%, and provide that the LAHD shall publish the allowable rent increase annually by December 1st of each year.
 - e. Delete the provision that allows an additional 1% or 2% increase for gas and/or electricity.
 - f. With ability to allow rent banking on the low end.
2. INSTRUCT the LAHD to work with the Rent Adjustment Commission (RAC) to update the existing RAC Guidelines governing the Just and Reasonable Rent Increase Program (Program) and conduct an outreach campaign to inform landlords on how to utilize the Program and other cost reimbursement provisions of the RSO in order to ensure a fair return on their rental units.

Fiscal Impact Statement: The LAHD reports that there is no fiscal impact to the General Fund resulting from the recommendations included in this report.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on November 5, 2025, your Housing and Homelessness Committee considered a LAHD report relative to economic study findings and drafting an amendment to the LAMC to revise the methodology establishing the annual allowable rent increase for the RSO; and related matters.

After an opportunity for public comment was held, the Committee discussed the item in detail with representatives from the LAHD and the Economic Roundtable. After discussion, Councilmember Blumenfield introduced an amendment which was seconded by Councilmember McOsker, in courtesy, to amend the LAHD report to include Recommendation No. 1.f, as detailed above. Councilmember Blumenfield's Motion failed, and the Committee moved to note and file the LAHD report and move forward recommendations introduced by Councilmember Raman and seconded by Councilmember Jurado, as detailed in the Housing and Homelessness Committee Majority Report dated November 5,

2025, attached to Council file No. 23-1134. At the request of Councilmember Blumenfield this Minority Report is included in the Council file. Pursuant to Council Rule No. 69, a minority report is submitted for informational purposes only unless by adoption of a motion it is substituted for the majority report.

Respectfully Submitted,

BOB BLUMENFIELD, MEMBER
HOUSING AND HOMELESSNESS COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
RAMAN:	NO
JURADO:	NO
BLUMENFIELD:	YES
HUTT:	NO
McOSKER:	NO

LV 11.5.25

-NOT OFFICIAL UNTIL COUNCIL ACTS-