



California Apartment Association

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Date: 2/17/16

Submitted in Housing Committee

Council File No: 14-0268-53

Item No.: 1

Deputy: Adam R. Lid

Hon. Gil Cedillo
Chair, Housing Committee
Hon. Members of the Housing Committee
200 North Spring Street
Los Angeles, CA 90012

Dear Councilmember Cedillo and Members of the Housing Committee:

The California Apartment Association Los Angeles respectfully submits our opposition to the proposed Rent Registry Ordinance. After reviewing the Housing and Community Investment Department's (HCID) **Report Back on the Annual Registration of Rental Units Subject to the Rent Stabilization Ordinance to Include Rate Data** (Report), we contend that many of the assumptions in the report are incorrect and will lead to a costly increase in City resources without addressing the core issues this ordinance claims to solve. In addition to the costs to the City, this burden will be put upon landlords to incur the additional administrative costs as well as increased fees for the tenant and the landlord.

This proposal attempts to address two issues: access to RSO rental data and reducing illegal rent increases that we believe can be accomplished effectively through other measures.

Access to Data

The Report claims that good and accurate data on the RSO housing stock is unavailable. We believe accurate and quality data exists that can be accessed through services such as CoStar or by contracting for a study, which would eliminate the need for a costly increase in City bureaucracy.

We are in the process of connecting appropriate City staff and CoStar so that their services can be included as an alternative to a registry. We know that CoStar has rents for RSO as well as market rate housing in the City of LA going back 15 years that include analytics on rent growth, vacancy/occupancy rates for each building, Section 8 providers, affordable units, etc. This could be a very powerful tool for the entire City as it works on creating housing policies to address the serious supply issue facing our region as well as moving veterans and the chronically homeless into existing supply.

In addition, a registry program would create a host of privacy issues. A tenant should be able to expect that their rental rate is a private matter between the tenant and the landlord. The fact that the rent of every unit identifiable by address will be subject to a public records request is troubling at best. The rents from CoStar are not identified by unit – only by the number of units in the building.

Illegal Rent Increases

There is no evidence that a rent registry program will eliminate or reduce illegal rent increases. We believe that if a landlord is unscrupulous enough to charge illegal rent increases, then they would have no reason to be truthful on their registry.

More importantly, the City's own numbers do not justify the burden this proposal would create for City, owners and tenants. The Report indicates that there were 1,900 complaints of illegal rent increases in 2014 – 2015 out of 7,920 total complaints. This represents less than a half of percent of all RSO units. The report also fails to inform us how many of the 1900 complaints were valid complaints.

The Housing and Community Investment Department can take steps now that would have a much more dramatic impact in stopping alleged illegal rent increases by strengthening their tenant/landlord outreach and education programs that they contract for. The City also has at least 20 inspectors to investigate such complaints – this averages to about 95 illegal rent increase complaints per inspector in a year. If other complaints are taking up their time, maybe adding a few more inspectors would alleviate this problem, which would also eliminate the need for adding a costly and burdensome program.

While we understand the very real housing shortage our region is experiencing, this ordinance will not add one additional unit. It will not address City policies on increasing supply. With viable and effective alternatives to a rent registry, the City can increase their housing data beyond what this registry would provide to create effective and long term solutions to housing supply and crack down on the minority of landlords charging illegal rent increases.

Sincerely,

A handwritten signature in black ink that reads "Beverly Kenworthy". The signature is written in a cursive, flowing style.

Beverly Kenworthy
Executive Director