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Rent Registry Consequences

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Deputy: Adam R. Lid

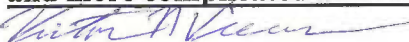
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In 1979, due to a supposed concern to keep rents affordable, the Los Angeles City Council enacted the Rent Stabilization Ordinance. Now, about 36 years later, Los Angeles is one of the five large rent controlled cities **with the highest rents** in the country. The RSO has continued to make it worse. By making it much more difficult and expensive for apartment owners to preserve their property with needed improvements, the RSO consequence is deterioration and demolition, which reduces the affordable housing supply. Since the demolition is subject to the extortive relocation fees, tenants in the resulting newer properties have to cover that extra high, less affordable cost. Not only is it getting more discouraging to continue ownership of the older properties, the regulations discourage people from buying apartments. The City Council supposedly advocates for more affordable housing. But it allows the LADWP to squander ratepayer funds on excessive salaries and employee benefits, as identified by City Controller Ron Galperin, and transfer funds to the General Fund in opposition to Proposition 218. Over the next five years the DWP charges will be increasing by about 25%. Among other policies, **that makes all housing less affordable.**

HCID's January 15, 2016 transmittal reports average asking rents are on page 4 and the "Inadequacy of Existing Data" sources on Rental Rates is recognized on page 5. The page 5 information makes it very clear that the city has no validity in the average rent figures at RSO apartments. Although city officials claim to want to have more affordable housing provided, their proposed registry policy will achieve the opposite. The city officials would probably be very surprised by the lower than anticipated average rents in the RSO controlled apartments. Registry costs that would be billed to apartment owners will increase operating costs, along with the pass through portion which would increase costs to tenants. The escalating DWP costs, increased Registry Costs, increased complexity of the process, and other regulations prove a real lack of sincerity by officials when they claim concern over a need for affordable housing.

The manner in which monthly rents are currently limited is relatively simplistic and has basically been keeping rents limited as legislated. If an owner errs in the rent increase calculation, the tenant is capable of notifying the owner of the error, or calling HCID. If enacted, the proposed Registry would display too much distrust of owners by the City Council.

The foregoing problems and impression of distrust can be prevented by rejecting the expensive and more complicated Rent Registry Program.



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