



The Voice of Multifamily Housing Since 1917©

June 3, 2016

Councilmember Gil Cedillo
Chair, LA City Housing Committee
200 N. Spring Street, Room 460
Los Angeles, CA 90012

Dear Councilmember Cedillo,

As you know, the Apartment Association of Greater Los Angeles (AAGLA) is an organization that provides industry leadership, legislative advocacy and member services to over 20,000 rental property owners and managers throughout the L.A. basin. Our members provide affordable housing for hundreds of thousands of residents in Southern California and represent over \$50 billion in property assets.

The Housing and Community Investment Department (HCID) recently reported on C.F. 15-0600-S34, a "Buyout Agreement" disclosure program to the Housing Committee. As an industry leader, AAGLA understands the intent of the initiative but urges caution as the committee considers the ordinance as it will lead to unintended consequences.

Creating further regulatory disclosures and filings in regards to voluntary vacancies will create liability for owners, create privacy issues and likely cause owners to step back from the process. This will deter the use of an effective negotiating tool for both tenant and landlord. Yet another regulation on an RSO property will further divert investment in Los Angeles housing stock. It is becoming too burdensome to operate and capital investment is being directed to other endeavors.

If consumer protection is the aim of this ordinance, HCID currently has an education budget and the resources of four tenant outreach contractors that should be utilized to raise awareness of tenant rights with regard to a lease buyout. There may be better ways to accomplish the desired goal while avoiding burdensome regulation and duplicative outreach efforts.



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AAGLA urges the Housing Committee to consider the impacts of well intentioned ordinances that are counterproductive to the quest of creating affordable housing in the City of Los Angeles. This item was not discussed in the RSO working group and we urge the Committee to request that it be fully vetted by the group to discuss the best way forward on such a proposal.

Thank you for your consideration. We look forward to working with the City on this issue. Please do not hesitate to contact me should there be any questions at jim@aagla.org

Sincerely,

Jim Clarke
Government Affairs Consultant
Apartment Association of Greater Los Angeles

cc. Councilmember Cedillo
cc. Councilmember Dawson
cc. Councilmember Huizar
cc. Councilmember Price