

## Communication from Public

**Name:** Brett

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**Comments for Public Posting:** Dear Council President Martinez and Council members, I have provided housing in Los Angeles for decades, well over 1,000 households. My team and I oppose any changes to the Rent Stabilization annual rent formula. Oddly, we don't oppose the 3-5% (right now 4-6%) annual rent increase, but this floor removal will negatively impact what we do for our tenants and will definitely negatively impact what we can do for those most in need. I know you want to do good and guys like Larry Gross are pushing on you, but it's a mistake in the 'dumb as a box of rocks' category. There are other ways to help and this is not it. I help house Los Angeles. The cost to operate housing in this City is increasing significantly. The big four for us are: mortgage, property tax, utilities and insurance. Maintenance varies by site, but is up there too. Mortgage rates are great still, property tax increases annually under P13, utilities you guys keep allowing increases and insurance is up due to their 'just being insurance guys'. The 3% floor has always been a safety mechanism and kept our clients and me from falling into a negative economic position. I can tell you our NOI % decreases annually due to compression. The floor has provided needed flexibility that allows us to make important financial decisions. Costs are rising independent of the CPI. It does not take into account real estate taxes, insurance, the City's GROSS receipts tax, earthquake retro-fitting, waste franchise increases, pest control, repairs and maintenance, painting, cleaning, landscaping, vacancies, management, advertising, legal and a whole host of other expenses I have. Legal has become insanely expensive due to Basta and Bramson. LA's rent control is already very strict and is difficult to operate under. The largest issues are NOI compression and loss of site control. Most of you do not live this, and probably don't much care. You are politicians and want votes, it's OK as that is what you do, or you feel the private sector should house the public sector. This is a business. I know that is not OK to say, but it is. We don't need to make billions, but we need a fair return. There is so much risk in what we do - if any of you own an apartment site and run it yourself you have a slight idea. We own or run exponentially more. I have been doing this since 1994 and you're killing us. I was born in Los Angeles in 1964. I have grown up here, gone to school here and now conduct my life and that of my

family here. Much like many of you. I'm not asking you to ignore the issues, I'm just asking you don't do 'this'. And to keep this brief, I don't want to expand herein. But there are ways to really make a difference and no one seems to be putting them in front of you. The question is: are you more worried about getting re-elected or about doing right. For the latter, we're open to give you all the information you need to do just that. Most of the people I grew up with and conducted real estate have left due to the LA City policies. They went to Texas, Florida and other states. Do you want to drive out the housing providers? Even my clients are calling me now to sell their buildings and move into net commercial out of state. Our State and City are killing those that want to house people and worse, while there is a housing crisis. So they sell and people buy the sites and very high prices and then have to really jam up the rents in order to make ends meet. I'm being direct here - you all are really making errors and compounding them. The Hunger Games of trash, rent control, it's endless insanity. Think more globally, and less like a laser on a single topic. Please, you all are killing my/our city. The removal of the floor will make housing more expensive, of less quality and even harder to find for those in need. The City should focus on lowering operational costs, promoting development (what you have now is a joke, don't get me started) to increase housing for those in need, not stifle it. Please focus on solutions that will not make the housing crises worse! As a person who provides housing in Los Angeles, I oppose any elimination of the 3% floor. Thank you for your consideration.