

Communication from Public

Name:

Date Submitted: 02/21/2020 06:17 AM

Council File No: 20-0200

Comments for Public Posting: Dear Council President Martinez and Councilmembers, First, thank you for the hard work you all do every day. Managing a City, particularly one as large and as dynamic as Los Angeles, is not an easy task – and I know the efforts each of you make are done so with the best interest of the City as a whole in mind. That said, sometimes there are proposals that seem well intentioned, but carry significant and irreparable negative impacts if implemented. The proposal to eliminate the 3% floor in RSO would be one of those proposals. For many years I have proudly provided quality housing in Los Angeles. LA's rent control is already remarkably strict, and complicated to operate under; the proposal to further reduce the current rent floor would only make housing more expensive, reduce housing quality and make housing even more scarce – worsening the housing crisis. As such, I oppose any changes to the Rent Stabilization annual rent formula. It is expensive to operate housing in Los Angeles, and costs continue to escalate. The 3% floor has always been a critical safety mechanism, helping to prevent a negative economic position, and has allowed me to plan ahead regarding important financials decisions that relate to my communities. This proposal fails to recognize that 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. I would encourage the City to focus on lowering operational costs to provide housing, and identify ways to make it easier to increase supply which will combat scarcity. Housing is a supply and demand issue – we have substantially more demand than supply. Pave the way for people to increase supply in a meaningful way, and solve the housing crisis. The proposal to lower the floor will do nothing but worsen the current situation. Again, I oppose any elimination of the 3% floor. If I can be of any assistance to help create solutions, please don't hesitate to reach out to me. Thank you for your consideration.

Communication from Public

Name:

Date Submitted: 02/21/2020 08:50 AM

Council File No: 20-0200

Comments for Public Posting: Please oppose the motion brought by council member Mike Bonin regarding the elimination of the 3% floor in the Rent Stabilization Ordinance. I can appreciate that the motion is well intentioned to help those currently renting an apartment. That being said, this motion does nothing to help the housing crisis Bonin described in his formal motion. What we need is a greater supply of housing, we need to incentive more building by pulling back on regulation and hurdles in order to flood the housing market with new rentals. I appreciate your time and consideration.

Communication from Public

Name: Matthew Novobilski
Date Submitted: 02/21/2020 10:02 PM
Council File No: 20-0200

Comments for Public Posting: My name is Matt Novobilski and my company has provided rental housing in Los Angeles for years. Many of our properties operate under the Los Angeles RSO ordinance. I would like to voice my opposition to the elimination of the 3% floor for annual increases as currently provided in existing RSO. Lowering or eliminating the floor will make it harder for owners and operators to provide quality housing and will make the housing crisis worse. The cost to operate housing in this City is increasing significantly. The 3% floor has always been a safety mechanism to keep property owners from falling into negative economic positions and/or to keep properties from falling into disrepair. It has provided needed flexibility that allows us to make important financial decisions as it relates to our rental communities. An adjustment to anything less than full CPI by definition does not fully take into account rising expenses. Additionally, some costs rise independently of the CPI such as real estate taxes, insurance, DWP utilities, the City's gross receipts tax, earthquake retro-fitting, waste franchise increases, pest control, deferred maintenance, capital improvements, vacancies, legal costs, and a whole host of other expenses our properties regularly incur. Even the state rent control as dictated by AB1482 (with its CPI+ formula) seems to take this into account. LA's rent control is already very strict and is difficult to operate under. The proposed changes will make housing more expensive, of lesser quality, and even harder to find. The City should instead focus on lowering development costs and fees to make it easier to increase supply to combat scarcity. The proposal to lower the RSO floor will do nothing but worsen the current housing under-supply situation. Thank you for your consideration.