

Communication from Public

Name: Michael Shilstone
Date Submitted: 04/20/2020 03:50 PM
Council File No: 20-0404
Comments for Public Posting: Please see attached letter.



April 16, 2020

Council President Nury Martinez
Los Angeles City Council
200 N. Spring Street
Los Angeles, CA 90012

Re: **City Council Housing Motions & Proactive Housing Construction Agenda**

Dear Council President Martinez,

The undersigned Los Angeles regional business groups commend the work and dedication by the Los Angeles City Council to slow the spread of COVID-19 and its efforts to provide relief for residents, employees and businesses. We greatly appreciate all the actions the City Council has taken to blunt the devastating economic impacts of COVID-19 including a policy that prohibits evictions when a tenant cannot pay rent due to economic impacts related to the pandemic. As you know, this policy allows residential tenants 12 months to repay apartment owners for unpaid rent which is a significant government intervention to support the Safer at Home emergency order and prevent homelessness.

While the eviction prohibition may be a necessary short-term measure it is not without impacts. Apartment owners are not being financially assisted to provide rent relief and are under considerable financial stress to comply. Apartment owners are also simultaneously managing multiple and varied rent stabilization regulations, increased waste hauling fees due to Recycla and many also must do city-mandated seismic upgrades. All of these are government requirements imposed on apartment owners without financial support or incentives. **We ask that as you consider additional housing policies that account for the cumulative impacts of these actions and avoid adopting any other policies that place additional financial burdens on housing providers without means for them to cover costs or lost revenue. Additionally, we recommend that the City Council push a proactive housing construction agenda that will help our city address the affordable housing, economic and public health crises we're facing**

We are writing this letter to comment on the housing-related motions introduced at the April 7th City Council meeting and provide recommendations to alleviate our city's housing shortage. We appreciate the complexity of scheduling meetings during this public health emergency and thank you for the all the work you are doing to keep the city running. We hope our comments regarding the motions and proactive housing agenda are informative and productive.

Motion on Unpaid Rent as Consumer Debt & Rent Reduction Agreement (*Councilmember Bonin*)

This motion proposes two actions. First, it instructs the City Attorney and Chief Legislative Analyst (CLA) to draft an ordinance classifying unpaid rent as consumer debt that would not be subject to the unlawful detainer process. Second, it requests the City Attorney and Housing & Community Investment Department (HCID) to draft an ordinance allowing landlords and tenants to create a temporary rent reduction agreement. This motion was referred to Housing Committee for further discussion.

We are concerned about the first instruction within the motion. The city cannot convert debt -- this is unreasonable and most likely not compliant with state or federal law. We understand the intent is to help tenants avoid evictions on credit reports that would make it harder for them to rent an apartment if they are unable to pay deferred rent in the 12-month payback period established by the city; however, this is not an appropriate solution. In fact, and most problematically, the motion does not foster an honest dialogue about what can be done to help those most financially impacted by COVID-19.

We need to spend our time on solutions like providing supplemental rent assistance, building more affordable housing and increasing incomes. We ask that you reject this motion.

Motion on Rent Freezes for All Residential Units (*Councilmember Ryu*)

This motion instructs the City Attorney, HCID, CLA and City Administrative Officer to prepare two ordinances freezing rent increases on occupied units subject to the Rent Stabilization Ordinance (RSO) and residential units not controlled, regulated or subsidized by any government entities. Both ordinances would be retroactive to the March 4, 2020 declaration of local emergency and effective until 90 days after the end of the declaration. The motion also calls on the State to lift legal barriers to enacting the rent freeze on unregulated units and was referred to the Housing Committee for further discussion. **This motion is confusing and unnecessary. RSO units are already prohibited from raising rents during this time and non-RSO units are governed by state law. We ask that you reject this motion.**

Motion on Prohibition of Tenant Lockouts & Utility Shutoffs (*Councilmember Bonin*)

This motion instructs the City Attorney to draft an emergency ordinance prohibiting apartment owners from terminating a tenancy by serving a notice to terminate a tenancy, using lockouts or utility shutoff actions, except to protect the health and safety of other occupants at the property. The ordinance would be retroactive to March 4, 2020 and in effect for 30 days after the declaration of local emergency is lifted. The motion was referred to Housing Committee for further discussion.

State law already prohibits lockouts and utility shutoffs to evict tenants. This is not only necessary during the COVID-19 pandemic but always and is a reasonable requirement. **This motion is redundant, and we ask you to reject this motion**

Motion on the Limitation of Construction (Councilmember Koretz)

This motion instructs the City Attorney and the Department of Building and Safety (LADBS) to restrict hours for construction in residential and multi-residential zones by two hours on the weekdays and by one hour on Saturday and National Holidays. It was referred to Housing Committee for further discussion.

The fact that more people are at home during this time does not warrant such a change to construction in Los Angeles. This sets a bad precedent and could impede critical infrastructure that we desperately need, including affordable and supportive housing.

Construction hours should not be reduced as it will only further complicate the management of construction sites now complying with LADBS' new and necessary guidelines to protect workers' health and safety on the job. It is also unclear how this proposal will be mapped or enforced, and we believe implementing it would be a misguided allocation of city resources. **We encourage you to reject this motion as it is counterproductive to supporting the construction industry and the important housing and infrastructure that is being built.**

Recommendations for a Proactive Housing Construction Agenda

As the City Council works to put forth policies to address the immediate crises wrought by COVID-19, our city and region are still deeply imperiled by an affordable housing and homelessness crisis. We urge you to continue to advance policies that will help us overcome our housing shortage and keep more people employed in construction now, which will put the city in a stronger, more resilient position on the other side of the COVID-19 pandemic. Building from our [April 6th letter](#) with recommendations for economic stability, recovery & growth during the COVID-19 pandemic, we recommend the following actions to support housing construction:

- **Increase Site Plan Review thresholds** – this will allow more by-right housing construction, which is critical to speed up construction and necessary as the City's discretionary review bodies like City Planning Commission and City Council Committees aren't meeting.
- **Suspend impact fees** – impact fees should be suspended now and for 12 months following the Local Emergency declaration to support financial feasibility of new development.
- **Support an extension of Mayor Garcetti's recent executive order to toll entitlements** – tolling entitlements from 6 months to 36 months following the Local Emergency declaration will provide needed flexibility to support continued planning and development.
- **Upgrade city systems to allow electronic case processing for plan submittal** – the City's current in-person drop box system is a short-term fix but is outdated for today's technological capacity.

- **Advocate that the State adopt legislation to advance long-range planning items like the Housing Element, Community Plans and Specific Plans without CEQA review** – this would realize savings and resources while responsibly setting the stage for growth and new investment.

Thank you for your commitment to ensuring that Los Angeles is an even better place for all its residents post COVID-19. We greatly appreciate your consideration and stand ready to work with you.

Sincerely,

Building Industry Association (BIA)
California Apartment Association (CAA)
Central City Association (CCA)
Greater San Fernando Valley Chamber of Commerce
Hollywood Chamber of Commerce
Los Angeles Area Chamber of Commerce
Los Angeles Business Council (LABC)
Los Angeles County Business Federation (BizFed)
Valley Industry & Commerce Association (VICA)

Cc: Councilmember Gil Cedillo, Chair, Housing Committee
Honorable Members of the Los Angeles City Council

Communication from Public

Name: Daniel

Date Submitted: 04/20/2020 02:56 PM

Council File No: 20-0404

Comments for Public Posting: There are already very stringent rent freeze laws on the books. As a housing provider it feels as if all the burdens are being placed on the apartment and homeowners to provide housing at levels that are not sustainable. Property tax goes up every year. Insurance goes up every year. Maintenance goes up. Mortgage payments need to be made. You simply cannot pass the burden of some onto another. If people would seek housing in areas they can afford this problem would not exist. The current emergency does not warrant a robin hood approach in housing. If I were to go to a local market, fill my cart with food and tell the checker i cannot pay, i would be arrested for stealing food. Yet the city is allowing the renters to steal housing. These are our homes we paid for and worked hard to secure. These are our homes that were left to us by our now deceased family where we grew up. it is unfair for tenants to be able to beat the system and just not pay rent. Housing providers did not rent houses and apartments to become banks. We all have mortgages to pay and upkeep to maintain. There are countless situations where tenants are living in housing they simply cannot afford even before this crisis began yet they do nothing to better their situation and seek a place more affordable. I understand the need to keep people in their homes and I am sure most if not all landlords are willing to work with their tenants and help. But this approach removes any legal barrier for a tenant to simply state they cannot or will not pay just because they can. This leaves the landlord with no options to save their property from foreclosure if they rely on the rent to pay their mortgage. A better solution is for the city to provide assistance to the renters to help pay for their rent. I am not a big time property owner, I simply own two houses that I rent to families. I rely on the rent to pay the gardener, pool man, property tax, maintenance and the mortgage. If this money does not come in and I am left to fend for myself to get this money back i will lose my property. All situations are not equal. I am dealing with some tenants that for the last year have not been able to pay the rent on time. I have asked them to try and find a house they can afford yet they do not want to move. I have resisted on evicting them because i feel bad but they obviously cannot afford this house. Now they will not return my calls and will not pay rent as they feel empowered to not pay. What do I do? I am being held helpless with people

living in my home without paying and still demanding I pay to keep the house in order. There is simply something wrong with this line of legislation. What this will do is cause property values to decline, properties not be maintained. This will result in lower property tax for the city as values decline. There is no difference between housing, food, medical costs and any essential need for life. You are not asking markets to give away free food, not asking hospitals to do medical care for free. The landlords who are providing the housing cannot be the villians always. Without us there will be no housing.

Communication from Public

Name: William Mark Hafeman

Date Submitted: 04/20/2020 12:36 PM

Council File No: 20-0404

Comments for Public Posting: Dear Honorable Council Member, I am a real estate broker and work in Los Angeles. I notice during the current crisis that there are a lot of buildings up for sale. Many buildings were former AirBnB's that are now closed. I am afraid that the ITEM # 38 would reclassify rent as consumer debt not subject to the unlawful detainer process would force landlords with fixed bills for water/sewer and mortgages to go into default on their bills. The primary hold landlords have to ensure tenants pay bills is the unlawful detainer process. if you eliminate this then tenants won't pay and landlords will go broke. Item 39 that eliminates nearly all types of eviction proceedings goes beyond the Judicial Council's proposals. This is likely to increase bankruptcy, foreclosure and cause a catastrophic chain of events that will poison the economy, and have a detrimental impact on housing quality, maintenance, health and safety of residents. If landlords go broke, who will pay for maintenance of buildings? Your proposals are an unconstitutional public taking of property and violate the US Constitution. Items 37-39 are a regulatory taking in which LACC limits the uses of private property to such a degree that the regulation effectively deprives the property owners of economically reasonable use or value of their property to such an extent that it deprives them of utility or value of that property. The Fifth Amendment of the US Constitution states: "No person ...(Shall be) deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation." Item 39 violates the US Constitution. LACC proposals threaten to change the laws in a manner that contractual relationships between landlords and tenants are no longer enforced. Tenants may stay in property without paying rent and may not be evicted from those properties. A suspension of the Landlord's right to evict a non-rent-paying tenant for a long period of time is unconstitutional. Furthermore, Item 39 is unconstitutionally vague. It seeks to extend the prohibition on evictions for 30 days following the end of the local emergency. There is no way to know when the emergency will end and 30 days beyond the end is unconstitutionally vague. If LACC adopts Items 37-39 it is likely that expensive court battles will ensue and the City of Los Angeles should be liable for each and every bankruptcy that results from landlords inability to collect rents.

Passing Items 37-39 will likely increase bankruptcy, foreclosure, decreased maintenance, and reduce available housing in Los Angeles. The fact that LACC is considering these Items makes it unlikely that buildings will be sold, that will lower the chances that buildings with distressed balance sheets will avoid loan defaults. It will suppress property values. As buildings go into default, there will be fewer housing options for the people of Los Angeles. Investors are not likely to invest in Los Angeles.
Sincerely, Mark Hafeman

Communication from Public

Name: Robert Peppey

Date Submitted: 04/20/2020 12:44 PM

Council File No: 20-0404

Comments for Public Posting: Yes on 20-0404 Dear CM's Harris-Dawson, David Ryu and Mike Bonin, I would like to stress my family's strong support for your motion prohibiting termination of a tenancy until 30 days after the end of the Mayor's State of Emergency Declaration. It will be a great injustice to the renters of Los Angeles if this motion is not adopted. Please ask Mitch O'Farrell our Councilmember whose side is he on? Sincerely, Robert Peppey

Communication from Public

Name: eric ross

Date Submitted: 04/20/2020 06:37 PM

Council File No: 20-0404

Comments for Public Posting: I write to express my dismay and horror at motions 37,38,39, which will decimate my livelihood and is absolutely unfair and unjust. Please vote against these motions and find a better way. There are already more than robust tenant protections. You must think of ALL your constituents. This is already an unfair burden on small mom and pop landlords as myself. This is comes just after we spent tens of thousands of dollars on property taxes, which the government did not waive. You cannot expect landlords to bear the entire burden.

Communication from Public

Name:

Date Submitted: 04/20/2020 06:53 PM

Council File No: 20-0404

Comments for Public Posting: To whom it may concern, I am writing to formally oppose Item 38 - Consumer Debt Motion & Item 39 - Tenancy Termination Prohibition Motion. These motions are completely unfair, and infringe on free enterprise. My family earns income from rental units. This income pays for my kids, my mortgage, my expenses and puts food on the table for my family. This rent income pays the enormous property taxes in addition to my mortgages which have not been deferred since they are investment properties financed by small banks. Most tenants are currently receiving stimulus checks in addition to unemployment. With the \$600 weekly unemployment increase, the tenants are receiving more money per week than when they were working. And should have no problem paying rent. The proposed motions would stop rent payments, stop income and bankrupt my business and my family. I hope you remove these motions from consideration. Thank you,

Communication from Public

Name: Shadow Hills Resident

Date Submitted: 04/20/2020 08:42 PM

Council File No: 20-0404

Comments for Public Posting: If most banks only defer payments or offer a forbearance for 3 months (which means a lump sum is due at that time), I think that requiring a landlord (who likely has a mortgage on the rental property), to wait 12 months is too long for receiving deferred rent. Also, what happens if the tenant moves during that time? Landlords are not banks and this ordinance is forcing them to be lenders without the ability to charge interest. I believe the time frame for deferred rent should be 9 months or less, and that the landlord should have the right to charge interest, accrued monthly, calculated on the prime rate each month.