

HOUSING COMMITTEE REPORT relative to establishing a Rent Stabilization Ordinance (RSO) Rent Registry Program.

Recommendations for Council action:

1. APPROVE the RSO Rent Registry Program Option A as detailed in the Los Angeles Housing and Community Investment Department (HCIDLA) report to the Mayor dated January 15, 2016.
2. DIRECT the City Administrative Officer along with the HCIDLA and the City Attorney to report relative to a fee analysis for the development of a rent registry system and to determine the staff resources necessary to implement the RSO Rent Registry Program.
3. REQUEST the City Attorney:
 - a. In consultation with the HCIDLA, to prepare and present an ordinance to amend the RSO to establish a Rent Registry Program in accordance with Option A.
 - b. To report relative to privacy concerns regarding public rent registries, and whether legal challenges have been raised against the rent registry programs in the cities of West Hollywood and Santa Monica.
4. DIRECT the HCIDLA to report relative to the feasibility, cost and benefits of using a third party to provide comparable RSO rent data.

Fiscal Impact Statement: The HCIDLA reports that the proposed changes to the RSO will not impact the General Fund, but will require an increase in the annual rental unit registration fee.

Community Impact Statement: None submitted

SUMMARY

In a report to the Mayor dated January 15, 2016, the HCIDLA presents several options to amending the RSO to establish a rent registry program. The Department states that the purpose of a rent registry is to obtain accurate and reliable data on the actual rents in RSO units and monitor the affordability of the City's rental housing stock. The rent registry would also discourage illegal rent increases in the City's RSO rental units and provide tenants a measure of protection against unwarranted rent increases. Data collected by the Department will be used to assess the City's housing stock and to assist tenants, landlords, and policy makers to evaluate trends and changes in the City's rent stabilized housing stock. Rental rates, market conditions, the rent differential between RSO and non-RSO rents, low vacancy rate for RSO units, and the pressure for evictions of low-income renters and gentrification in certain areas of the City, support the need for better monitoring of rent levels and rent increases in RSO units.

HCIDLA recommends approval of Option A. Option A balances the need to track rent rate information on an annual basis by requiring an additional ministerial step to the current RSO registration process and would be the least burdensome to landlords, while still providing yearly

data on rent rates for RSO units citywide. The Department presents two other options in its report.

At its meeting held February 17, 2016, the Housing Committee discussed this matter with HCIDLA staff. Department staff stated the proposal expands the City's existing registration of rental unit data to include rent amounts. It is believed that the creation of a rent registration program will discourage illegal rent increases and assist the Department in its outreach efforts to landlords and tenants. The Department representative went on to discuss the report's preliminary fee amounts and potential staff needs. It is estimated that the additional cost to implement and operate the Option A registry would be \$3.21 per unit per year, to be split equally by the landlord and tenant. Landlords retain the right to charge a monthly rental rate less than the maximum rent allowed by law. Staff stated that landlords will report that maximum permissible amount of rent.

During the public comment period, support for the rent registry was expressed by residents and community advocates. It was stated that establishing a rent registry will protect tenants and preserve rent-stabilized housing units. Opponents stated that the proposal violates privacy rights and is burdensome for landlords.

The Housing Committee recommended that Council approve Option A and the related recommendations of the HCIDLA report as amended to request the City Attorney to report relative to privacy issues and whether legal challenges have been raised against the rent registry programs in West Hollywood and Santa Monica. Committee further recommended that Council instruct HCIDLA to report relative to the feasibility, cost, and benefits of using a third party to provide comparable RSO rent data.

Respectfully Submitted,

HOUSING COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
CEDILLO:	YES 
FUENTES:	ABSENT
HUIZAR:	ABSENT
PRICE:	YES
HARRIS-DAWSON:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-