"Great Apartments Start Here!"

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Via Electronic Mail

Theadora Trindle
City Planner
200 North Spring Street, Room 750
Los Angeles, California 90012

Dear Ms. Trindle:

This letter is in response to the draft Resident Protections Ordinance, CPC-2024-388-CA, discussed via Zoom on July 25, 2024. This is the first opportunity that the Apartment Association of Greater Los Angeles (AAGLA) had been provided to address you on this topic despite the Planning Department having reached out to dozens of other community organizations well in advance of last week's presentation. AAGLA is the largest local organization representing multifamily property owners throughout Los Angeles, Ventura and San Bernardino counties with approximately 10,000 members who own and/or manage in excess of 350,000 rental units. We are hereby requesting that in the future, AAGLA be included on your list as one of the interested parties for all ordinances concerning multifamily rental properties.

AAGLA is strongly opposed to this proposed new ordinance in its entirety. The ordinance is a clear violation of any multifamily property owners' rights as provided under state law via the Ellis Act as intentional interference with owners' rights to exit the rental housing business. Substantial case law already exists on this issue via **Javidzad v. City of Santa Monica** (Cal. App. 2d Dist. 1988), 204 Cal. App. 3d 524 and **Los Angeles Lincoln Place Investors, Ltd. v. City of Los Angeles** (Cal. App. 2d Dist. 1997), 54 Cal. App. 4th 53. We strongly encourage the Planning Department to review these cases and discuss this obviously flawed draft ordinance with the City Attorney's Office immediately as it will likely generate considerable litigation if passed.

In light of the likely violation of state law, we request that the definition of "Protected Units' under Section 16.60(A)(2) be substantially revised to remove subsections (b) Rent Stabilization Ordinance (RSO) units, (c) low or very-low income during past 5 years, and (d) Ellis Act units during last 10 years be deleted in their entirety. This ordinance should **only** apply to those properties that have received direct financial benefits from the City either as loans or tax credits as contemplated under subsection (a).

It is also unconscionable to include RSO units under this ordinance in any form as these owners are already struggling under the City's grossly restrictive requirements that prevent them from keeping up with inflationary pressures and soaring costs, including trash hauling, sewer and water, inspection fees, and other imposed fees all of which are under the City's control and approval. Owners of older buildings did not willingly choose to be under the RSO, as these regulations have been forced upon them by the City. In stark

contrast to those owners choosing to sign covenants with the City, RSO owners receive no benefits from the City and their ownership rights are already substantially damaged by the RSO itself. The City itself via the RSO is primarily to blame for many of these owners being forced out of business leaving them as their only choice to sell out as a last attempt to salvage their remaining retirement years and income in order to survive. It is truly heinous for the City to now come forward and attempt to knee cap an owner's ability to exit a rental housing business made so difficult by the City's oppressive regime.

This proposed ordinance also does a violent disservice to basic legal principles of fairness by attempting to institute retroactivity against owners who have long ago exited the rental housing business. Both Section 16.60 (A)(2) in subsection (c) and (d), the City attempts to impose these new damaging limitations upon owners that have left the rental housing business up to 5 years or 10 years ago, respectively. This is contemplated on top of the fact that punishment is completely unjust and unfair providing no advanced notice for actions that have already been taken long ago and consequently, instill more risk and uncertainty for those in the rental housing business that will surely cause more housing providers to exit the rental business.

Further, Section 16.60(A)(2) subsection (c) now creates a perverse **disincentive** for rental housing providers to rent to low- or very-low-income households for fear of being subjected to these new detrimental restrictions. Such perverse and backwards thinking like this is in part why the City is suffering from a lack of affordable rental housing and new housing starts.

Lastly, this ordinance is unfair and inequitable on its face. All other draft ordinances presented seek to provide new incentives and loosen existing regulations to promote housing and development. However, this ordinance is the glaring exception and takes an openly hostile position towards rental housing providers that is unwarranted and misconceived. Rental housing providers are not the "enemy" and should be viewed by the Planning Department as **partners,** and in the same light as developers are considered the City's customers as a vital and necessary means for providing badly needed rental housing throughout the City of Los Angeles.

We urge that this draft ordinance be completely stricken and replaced with a new ordinance that focuses on creating new, positive incentives to assist rental housing providers, especially mom-and-pop owners with fewer than 20 units, to stay in the business of providing naturally occurring affordable housing.

We look forward to continuing an open and productive dialogue with the Planning Department to create positive mechanisms that will encourage and enable rental housing providers throughout the City to continue providing necessary housing. Thank you for your time and consideration of these matters. Please feel free to reach out to me directly by telephone at (213) 384-4131; Ext. 309 or via electronic mail at janet@aagla.org.

Sincerely,

Janet M. Gagnon

Janet M. Gagnon, Esq.

CC: Daniel Yukelson, Executive Director, Apartment Association of Greater Los Angeles