



"Great Apartments Start Here!"

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Via Electronic Mail

Chair Hilda Solis, and
the Los Angeles County Supervisors
Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Re: Extension of Emergency Price Restrictions – Supplemental Agenda Item 53-B

Dear Honorable Chair Solis and Supervisors:

The Apartment Association of Greater Los Angeles represents nearly 10,000 rental housing providers, including many throughout Los Angeles County. More than 80% of our members own 20 or fewer units as small, independent owners. Many own RSTPO properties in the unincorporated areas of Los Angeles County. We strongly oppose any further extension of the anti-price gouging restrictions based on the County's "super" powers during an emergency. A further extension will only continue to harm rental housing providers and long-term renters.

These anti-price gouging provisions harm rental housing providers who manage rent stabilized properties under the County's Rent Stabilization and Tenant Protections Ordinance ("RSTPO") by blocking them from bringing units to full market rate upon a vacancy. Without this ability to increase income, small owners are unable to keep up with rapidly increasing costs, including costs of repairs, maintenance, trash hauling, sewer service and property insurance and will be forced out of business. Thus, mom-and-pop owners will be forced to sell their properties, and their long-term renters paying significantly below market rents will ultimately lose their housing. Extending these provisions harms mom-and-pop rental housing providers providing the majority of naturally occurring affordable housing, and long-term renters.

These ongoing "emergency" price restrictions have now been in place for an ENTIRE YEAR starting January 7, 2025, and were instituted less than a week after the severely reduced RSTPO formula limiting rent increases to just 60% of CPI went into effect. The math simply does not work for housing providers. This proposed, further extension will only push already struggling independent owners into bankruptcy. We see this same scenario playing out in New York to smaller owners and even large corporations like Pinnacle Group that owned 82 RSO properties with more than 5,200 RSO units and was recently pushed into bankruptcy due to not being permitted to increase rents to keep up with quickly rising costs. Pinnacle Group sold the properties for 46% less than their bankruptcy value. The buyer, Summit Real Estate Holdings, is a large corporation headquartered outside of the United States that already owns dozens of other RSO rent



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stabilized properties. If even large corporations cannot make the math work, then what hope is there for small owners?

In addition, extending the anti-price gauging provisions discourages needed new rental housing from being put on the market. Newly developed or newly available rental housing units are not being made available to renters who need housing because these restrictions artificially limit the amount of rent that can be charged. Due to Just Cause restrictions and state law, owners are locked into initial rents on a long-term basis. Thus, owners are disincentivized from putting additional housing on the market while these "emergency" restrictions are in place.

Price gouging is not occurring in Los Angeles County. This is the third time Supervisor Horvath is making this unsupported claim without providing any data for it. In contrast, the Orange County Register recently published an article by Jonathan Lansner on January 9, 2026, entitled "LA Wildfires Didn't Lead to Soaring Southern California Rents" and provides data showing that prices did not significantly increase after the wildfires in nearby areas. Accordingly, further extension of these restrictions of the emergency and anti-price gauging provisions is unwarranted. Any extension will not suddenly cause compliance with it by bad actors that have ignored prior restrictions. Instead, it only wrongfully harms responsible rental housing providers that have complied with prior restrictions.

If any Supervisor or other parties have proof that specific owners have not complied with prior restrictions, then the Board should submit that information to the County's legal counsel for legal action.

We urge you to vote NO on agenda item 53-B on tomorrow's supplemental agenda to preserve existing affordable rental housing and encourage new units to be made available for renters who need them.

Thank you for your consideration. 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 with any follow-up questions.

Sincerely,

Janet M. Gagnon

Janet M. Gagnon, Esq.

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