

Janet M. Gagnon  
Senior Vice President, Government  
Affairs & External Relations  
janet@aagla.org  
213.384.4131; Ext. 309

February 19, 2025  
**Via Electronic Mail**

Hon. Mayor Janet Braun  
and the Members of the South Pasadena City Council  
Amedee O. “Dick” Richards Jr. Council Chambers  
1424 Mission Street  
South Pasadena, California 91030

Re: Rent Stabilization – Agenda Item 10

Dear Mayor Braun and Members of the South Pasadena City Council:

The Apartment Association of Greater Los Angeles (AAGLA) represents rental housing providers throughout Los Angeles, Ventura and San Bernardino counties. More than 80% of our membership are mom-and-pop owners with 20 or fewer units. We have extensive experience with many forms of rent stabilization, including in Culver City, Cudahy, Maywood and Ojai and are eager to share our knowledge with you as you review this issue for South Pasadena.

First, we would like to point out a substantial error in HR&A Advisors’ report regarding rent increases for rental housing in South Pasadena. The report relies solely upon Zillow ZORI Index. As it states, this index is composed of both single-family houses and multifamily properties. As discussed, rents charged for single family houses are not governed by state law Assembly Bill 1482 (AB1482) unless they have a corporate owner or did not provide necessary notice to renters. As single-family houses have no limitations on rent increases under state law, the use of this index artificially inflates the increases being experienced by those in multifamily housing that are already limited by statewide limitations under AB1482. The HR&A report compares apples to oranges as the only housing that is being discussed for rent stabilization are multifamily properties.

Real estate research firm, CoStar, is the leading aggregator of rental housing data for commercial and residential properties nationwide. CoStar’s data clearly shows that rent increases for multifamily properties within the City of South Pasadena have remained flat from 2024 to 2025 and only have had slight increases since 2020. Even during a peak rent increase from 2021 through 2022, a period when consumers experienced extreme inflationary pressures, the average increase for multifamily properties with 20 or fewer units was below 5% for all sizes of multifamily properties. This is a far cry from the “almost 15%” claimed in the HR&A Advisors report, which uses the Zillow ZORI Index. Given the low level of increases for multifamily properties and the fact that they already covered under statewide increase limitations, it is completely unnecessary for South Pasadena to now adopt local rent stabilization restrictions that would only apply to multifamily properties.

This is the lesson that the City of Ojai painfully learned when it passed its rent stabilization ordinance. Like South Pasadena, Ojai too has a very small number of multifamily rental properties. However, in that city’s zeal to help renters, the City Council passed a costly and completely unnecessary rent stabilization ordinance. Immediately

*“Great Apartments Start Here!”*

following the passage of the ordinance, the City Council was bombarded with many angry emails and phone calls from renters complaining that they were not covered by the ordinance. What the Ojai City Council discovered was that the only renters receiving large rent increases were those living in single family houses that are exempt from state rent limitations.

In Ojai, the reason for the large increases was due to the fact that the value of the properties had greatly increased. As a result, many owners decided to sell these houses rather than continue owning them as rentals. This put a downward strain on single family rental housing that pushed remaining owners to increase their rents. While AAGLA attempted to educate the Ojai City Council about this fact before passage of the ordinance, the City Council stubbornly refused to conduct their own research to confirm this fact. As a result, renters felt betrayed by the City Council and their “remedy” had absolutely no impact on the real issue – single family property rental prices.

We strongly urge this City Council not to make the same catastrophic mistake made by the City of Ojai by passing rent stabilization that would only further harm existing multifamily, mom-and-pop owners, discourage new multifamily development and does nothing to address substantial increases being experienced by single-family renters.

Further, outreach on this issue was extremely minimal. Only two community stakeholder meetings were held in total. The meeting for owners had 13 participants and the meeting for renters had 10 participants. This compared to 3,840 multifamily properties and an additional 1,620 single family houses occupied by renters. Thus, it is clear that if the City were to decide it was worth additional staff time and financial resources substantially more outreach would need to be conducted before taking any further steps towards rent stabilization.

Rather than pursuing an unnecessary and ineffective rent stabilization policy, we strongly urge the City Council to instead consider the creation of a rental assistance program for low-income renters modeled on the program that currently existing in Claremont called the Temporary Housing Stabilization and Relocation program. This program has been extremely successful in Claremont and has also provided valuable information to the City regarding the number and characteristics of renters in need as well as housing types involved in significant increases.

Thank you for your time and 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](mailto:janet@aagla.org).

Sincerely,

A handwritten signature in black ink that reads "Janet M. Gagnon". The signature is written in a cursive, flowing style.

Janet M. Gagnon, Esq.

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