



"Great Apartments Start Here!"

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September 15, 2025
Via Electronic Mail

Honorable Mayor Chelsea Lee Byers
and Members of the West Hollywood City Council
West Hollywood Park Public Meeting Room
Council Chambers
625 N San Vicente Boulevard
West Hollywood, California 90069

Re: Building Performance Standards – Agenda Item B5

Honorable Mayor Byers and Members of the West Hollywood City Council:

The Apartment Association of Greater Los Angeles (AAGLA) represents rental housing providers throughout Los Angeles, Ventura and San Bernardino counties, including many in West Hollywood. We urge the City Council to remove properties that are rent stabilized from the proposed new building performance standard requirements. RSO units are already scarce, and these new requirements will impose a new and costly administrative burden on rent stabilized housing that will be difficult for many owners to afford under the City's current rent limits. Accordingly, this additional financial and administrative burden may cause some independent owners to exit the rental housing business, which then reduces the already limited supply of affordable housing in West Hollywood.

The cost analysis supplied by staff is woefully outdated as it is already 6 years old having been created prior to COVID-19 – the cost impacts on owners will be far worse. The cost data is from a study that was conducted back in 2019. While the staff report references a 2022 study, it only updated the building energy efficiency standards and not the actual costs of the devices or systems being installed. 2019 costs were prior to COVID-19 and since that time, there has been huge increases in all types of supplies, including insulation, lighting, heat pump hot water heaters and heat pump heating systems. Prices have only continued to increase since that time and will substantially increase again under the new federal tariffs. ***We, therefore, urge the city council to hold off on these new requirements until a more recent cost study can be conducted.***

The cost discrepancy is particularly large in the outer year requirements for 2028 and 2032. For example, solar PV as a 2028 requirement is estimated to cost \$51,880 as of 2019. Today this cost has easily tripled to over \$150,000. In 2032, the replacement of an HVAC system is estimated at \$64,900. Again, a tripling of these costs results in a current cost of almost \$200,000.

In addition, rental housing providers have not yet caught up following the moratoriums on rent increases



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and evictions, and continue to be under financial stress after years of unpaid rent during the pandemic as well as recent skyrocketing costs, such as property insurance that has quadrupled this year alone due in part to the recent wildfires throughout Los Angeles County. This is in addition to 6 years' worth of increases from the city for trash hauling (Athens Services as the sole franchise provider), sewer and property taxes. Property owners receive NO "savings" on utilities as they are not the ones utilizing these devices on a day-to-day basis.

As staff rightfully notes, independent rental housing providers do not have the same access to capital as large corporations. When independent owners are forced to sell due to this expensive new retrofit mandate, corporations will purchase the properties and replace them with luxury housing with far superior returns on investment. As a result, West Hollywood will lose more affordable housing on a permanent basis.

While we appreciate that the city has obtained a grant of \$250,000, that is a small amount compared to the many rent-stabilized properties that will have to incur the costs for these expensive new retrofits. Even with the 2019 data, the cost for a 20-unit building starting in 2026 would be \$8,000 for a new heat pump water heater. So, the grant would only help 31 property owners. If we update the numbers to current costs of \$24,000 that would reduce the number of property owners to only 10.

We understand that there may be a patchwork of local, state and federal funds available, but obtaining such limited funds is extremely time-consuming and difficult for independent owners to navigate successfully. Furthermore, many of these programs may not exist due to shortfalls in government budgets and the federal government's desire to eliminate many such programs for the new outer year requirements.

We urge the City Council to limit the new requirements to only non-RSO properties and only for 2026-2027 requirements. Anything beyond 2027 is simply too speculative given the much higher costs involved in compliance and uncertainty of available funding. At a minimum, the City should build in an automatic review process a year prior to the implementation of additional requirement to obtain current cost data and available funding information.

RSO properties should not be included at this time as these requirements are too new to fully understand how they will impact the supply of housing. RSO owners have the least ability to adjust to these huge new costs. If such properties are included, then rental housing providers should be allowed a 100% pass through of these costs, since renters will be receiving the benefits of increased efficiency on their utility bills.

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.

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