

**COUNTY OF LOS ANGELES
TENANT PROTECTIONS WORKING GROUP**

Wednesday, July 11, 2018
Hall of Administration • 500 West Temple Street • Conference Room 140
8:00 a.m. – 10:00 a.m.
PLEASE NOTE ROOM NUMBER

AGENDA

- | | |
|---|------------------|
| I. Welcome and Review of Agenda | Lisa Cleri Reale |
| II. Carryover from Prior Meetings | Working Group |
| <ul style="list-style-type: none">• Review and discuss draft narratives for report to the Board re: recommendations for Eviction Defense• Review final meeting schedule dates and agenda | |
| III. Group Discussion | Working Group |
| <ul style="list-style-type: none">• Draft outline for report to the Board re: recommendations for Tenant Protections• Circle back to all open issues | |
| IV. Public Comment | |
| V. Adjournment | |

Attachments (4):

- Eviction Defense Motion from the City of Los Angeles, June 22, 2018.
- Draft Outline for report to the Board re: recommendations for Tenant Protections
- Letter from Los Angeles Coalition for Responsible Housing Solutions, June 27, 2018.
- Letter from Michael Millman & Associates, June 13, 2018.

ACCOMMODATIONS: Accommodations, American Sign Language (ASL) interpreters, or assisted listening devices are available with at least three business days' notice before the meeting date. Agendas in Braille and/or alternate formats are available upon request. Please telephone (213) 974-1740 (voice) or (213) 633-0901 (TDD), from 8:00 a.m. to 4:30 p.m., Monday through Friday. Para información en español, por favor llame al (213) 974-1431 entre 8:00 a.m. y 5:00 p.m. lunes a viernes.

SUPPORTING DOCUMENTATION: Written agenda materials, including supporting documentation not posted within the 72-hour notice period, can be obtained at the CEO's Office, Kenneth Hahn Hall of Administration, 500 West Temple Street, Room 726, Los Angeles, CA 90012, and at <http://ceo.lacounty.gov/agendas.htm>. Public Comment should not exceed the allotted time for each speaker and must be on items of interest which are within the subject matter jurisdiction of the Tenant Protections Working Group.

HOUSING

MOTION

In recent research published by Tenants Together, a statewide tenants' advocacy group, court records show an average of 166,337 unlawful detainer (UD) eviction cases filed per year over the last three years in California, with an average of 54,239 of them in Los Angeles County. The number for the City of Los Angeles was not broken out, but could be credibly estimated at around 60%, or 30,000. This average annualized figure is considerably higher than the number of units subject to Ellis Act evictions reported by the City's Housing and Community Investment Department (HCID), presumably because it includes other categories of evictions.

With the 2018 Homeless Count showing nearly 10,000 people experiencing homelessness for the first time, it can be reasonably concluded that the combined impacts of evictions and rental housing unaffordability are contributing substantially to the homelessness crisis in Los Angeles.

As the aforementioned report notes, "The data represents the tip of the iceberg when it comes to displacement. Most evictions do not go through the court process since landlords give eviction notices prior to the filing of unlawful detainer eviction lawsuits. Tenants who are served with this first notice to terminate tenancy know that they have limited rights and limited access to legal representation. In many cases, landlords serve a notice and tenants just move out. For every tenant facing a court filed eviction, there are others displaced from their homes who do not show up in court filing data because they moved by the end of the notice period. Currently, there is no statewide data on the number of notices to terminate tenancy served on tenants because California law does not require those notices to be filed with any government agency."

In addition to calling for further tracking of eviction notices, not just court filings, tenant advocates and academic observers are promoting increased statewide protections for tenants (several of which stalled or were defeated in the state legislature during the current term) and a basic "right to counsel" to ensure that legal counsel is available for tenants facing eviction. A right to counsel law was approved by voters in San Francisco in June 2018, and New York City adopted such a law in 2017. Because the rental housing crisis exists throughout California, the state should be encouraged to provide this protection to all tenants who need it, but in the meantime, the City should act to provide the right to counsel as soon as possible for the 60%-plus of its residents who are renters.

I THEREFORE MOVE that the Housing and Community Investment Department be instructed to work with the Chief Legislative Analyst and the City Attorney to develop recommendations, including prospective costs and funding sources, for a City of Los Angeles "right to counsel" ordinance and/or program to ensure that tenants have access to the information and representation they need when faced with alleged landlord harassment, rental agreement and lease issues, and eviction for any reason, and report back to the City Council within 120 days.

PRESENTED BY:



 PAUL KORETZ, Councilmember, 5th District

SECONDED BY:



ORIGINAL



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IV. WORKING GROUP'S RECOMMENDATIONS

A. Regulate Rent Increases

1. Issue Overview

- Unregulated rent increases permit landlords to increase rents to any amount, limited only by the notice requirements included in Civil Code section 827.
- Tenants and tenant advocacy groups report that the tenants are currently subject to excessive and/or frequent rent increases, sometimes exceeding tenants' ability to afford their current homes.
- The lack of stability and predictability in the rental market makes it difficult for tenants to budget for rent while balancing other expenses, such as food, utilities, and transportation.
- Regulating the amount and frequency of rent increases can promote stability and predictability for tenants.
- Rent stabilization protects existing tenants from future rapid rent increases, but it does not reduce the cost of housing or increase the supply of available rental units.
- There is concern that excessive regulation of rents can have unintended consequences, including reduced availability of rental units and deferred property maintenance.
- Any rent stabilization program must balance tenant protections with the needs of property owners, including protection of the opportunity for a property owner to earn a fair return from his or her property.

2. Overall Recommendation

- The working group reached consensus with respect to the adoption of robust rent stabilization for all tenants in unincorporated Los Angeles County, to the maximum extent permitted by state law.
- The only units exempt from these protections would be those owner-occupied units that shared kitchen or bathroom facilities with tenants.
 - NOTE: there was an ongoing discussion about other possible exemptions, but none that reached consensus.
- If the November ballot proposition repealing the Costa-Hawkins Act, which limits local rent stabilization policies, passes, the Working Group recommends that the Board of Supervisors reconvene the Working Group to address potential modifications to its rent stabilization recommendations.
 - A majority of the Working Group agreed that should the Costa-Hawkins Act be repealed, the County should extend rent stabilization to units that are currently exempt, however, the Working Group could not agree on specific parameters for including new units.

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- A minority of Working Group members felt strongly that new units should remain exempt from regulation permanently.
- The majority of members who supported additional regulation could not agree on how long newly-constructed buildings should remain exempt.

3. Specific Recommendations

a) Covered Rental Units

- Apply rent increase regulations to all rental units in unincorporated Los Angeles County for which a certificate of occupancy was issued prior to February 1, 1995.
 - For purposes of this recommendation, a "rental unit" means a structure or part of a structure offered or available and legally permitted to be used for rent as a home, residence, or sleeping place, together with the land and appurtenant buildings thereto, and all housing services, privileges, and facilities supplied in connection with the use or occupancy thereof.
 - For purposes of this recommendation, a "rental unit" does not include mobilehomes, mobilehome lots, dwelling units that are alienable separate from the title to any other dwelling unit, or owner-occupied dwelling units where the owner shares kitchen or bathroom facilities with one or more tenants.
- The Working Group considered, and did not object to, the County providing a voluntary, non-binding mediation process for landlord-tenant disputes regarding rent increases, which would be available to tenants in covered rental units and tenants in exempt dwelling units. More detail regarding mediation is provided in Section IV.C.3.c.

b) Rent Increases for Covered Rental Units

- Frequency: Limit rent increases to a single increase per 12 months, regardless of lease terms.
- Amount: Annual pre-approved rent increases shall equal the increase in the previous year of the Los Angeles Area Consumer Price Index, Los Angeles and Orange Counties, Series ID CUURS49ASA0, (CPI), with the following limitations:
 - The minimum pre-approved annual rent increase shall equal three percent (3%) or the CPI increase plus two percent (2%), whichever is lower.
 - The maximum pre-approved annual rent increase shall equal eight percent (8%).
- Banking: If a landlord does not increase rent by the maximum amount allowed by the annual pre-approved increase, the landlord is permitted to

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"bank" the difference between the maximum amount allowed by the annual pre-approved increase and the rent increase actual imposed, provided that the landlord provided the tenant notice of banking prior to commencement of the tenancy, and the tenant agreed in writing to permit banking.

- Any banked rent must be used to increase a tenant's rent within [three (3)? five (5)?] years.
- A banked rent increase, plus the pre-approved annual rent increase, shall not exceed [ten percent (10%)?].
- Any banked rent increases expire upon termination of the tenancy and may not be used as a basis for increasing the rent of subsequent tenants.
- Petitions:
 - A landlord may petition to the Rent Board for rent increases in addition to any pre-approved annual rent increases and any banked rent increases. Petitions will be considered to all owners to pass through all or a portion of capital improvements or where additional rent increases are necessary to provide a property owner with a fair return.
 - A landlord's fair return petition shall be decided on a per-unit basis and shall be determined based on an investment or equity- based calculation.
 - A landlord's capital improvement petition shall exclude the cost of any improvements made to correct code violations would not qualify for adjustment. Debt or refinancing of a unit would not qualify for an adjustment.
 - A landlord or a tenant may petition to the Rent Board to contest the calculation of the maximum allowable rent for the unit. Maximum allowable rent is discussed in more detail in Section IV.A.3.c.
 - A tenant may petition to the Rent Board to request rent reductions for reduced housing services.
 - The Rent Board is discussed in more detail in Section IV.D.3.a.
- Effective Date of Rent Increase:
 - For a rent increase of ten percent (10%) or less, a landlord must provide a tenant with notice of the rent increase at least 30 days in advance of the increase's effective date.
 - For a rent increase of more than ten percent (10%), a landlord must provide a tenant with notice of the rent increase at least 60 days in advance of the increase's effective date.
 - The Working Group recommends that no rent increase may be applied to any unit vacated through eviction and that no rent increase may be applied while a habitability complaint remains unresolved.

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c) Rent Registration

- The Working Group recommends that all rental units subject to rent stabilization be registered with a County oversight body, with all rents and rent increases submitted and made publicly available.
 - The County would calculate the maximum-allowable rent for each rental unit every year based on a base rent plus the maximum pre-approved annual rent increase.
 - The County would publish the maximum-allowable rent in a publically-accessible database. Both the landlord and the tenant of a unit would have the right to contest the calculation via the petition process discussed in more detail in Section IV.A.3.b.
- To calculate the base rent, landlord and tenants would be required to register the rent at the beginning of each new tenancy. For existing tenancies in place at the time the program commences, the base rent would be set to a date immediately prior to the regulation of rent increases.
- In addition to the base rent, the rent registry should reflect what housing services are provided in connection with the rent (e.g., parking, laundry, storage utilities, etc.).
- The rent registry should also be updated to reflect no-fault evictions and habitability complaints.
- The rent registry should be maintained by the County and publically accessible on-line. It should be funded through program fees discussed in more detail in Section IV.D.3.b.

B. Regulate Evictions

1. Issue Overview

- State law generally does not limit the reasons for which a tenancy may be terminated.
- State law provides that a tenancy may be terminated without explanation or reason, so long as minimum notice requirements are followed. State law also defines the process (unlawful detainer) to evict a household from a rental unit after the tenancy has terminated.
- Tenants and tenant advocacy groups report that the tenants are currently subject to terminations of tenancy without explanation and only the minimum notice periods.
- The lack of explanation for terminations and short notice period create instability and unpredictability for tenants in the rental market.

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- Tenants evicted from their homes without cause may not be able to find suitable replacement housing or afford moving costs while balancing other expenses, such as food, utilities, and transportation.
- Regulating the reasons for which a tenancy may be terminated will increase stability and predictability of the rental market generally, and provide greater security for tenants.
- Regulating the allowable reasons to terminate a tenancy is also a necessary policy to support the regulation of rent increases. Without eviction regulation, a landlord could evade rent increase restrictions simply by evicting a tenant and resetting the rent upon the creation of a new tenancy.
- Regulating the reasons to terminate a tenancy protects existing tenants from potentially unreasonable terminations and complements a program to regulate rent increases, but it does not reduce the cost of housing or increase the supply of available rental units.

2. Overall Recommendation

- The working group reached unanimous agreement with respect to the adoption of "Just Cause" eviction requirements.
- The Working Group reached consensus that Just Cause restrictions on evictions should apply for all tenants in unincorporated Los Angeles County, regardless of unit type, ownership type, and any other rent stabilization or additional tenant protections.
 - The Working Group understood these just cause eviction protections to supplement the provisions of California State law that provide for eviction under a set of circumstances already defined by state law.

3. Specific Recommendations

a) General Policy

- Every notice of termination of tenancy must expressly identify at least one reason for which the tenancy is being terminated.
- No tenancy may be terminated by a landlord unless one or more specific, authorized conditions exist that would allow for termination.
- Any proposed termination of tenancy that does not identify one or more valid reasons to terminate the tenancy would be invalid and unenforceable.

b) Covered Rental Units

- Just cause for eviction protections should apply to all residential rental units in unincorporated Los Angeles County, including single-family homes, accessory dwelling units, and rental units in multi-family buildings.

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- Just cause for eviction protections should apply regardless of the form of ownership of a residential rental unit, and should apply regardless of any other tenant protection and/or rent stabilization policies that may be adopted.
- c) Approved Reasons to Terminate a Tenancy
- The acceptable reasons to terminate a tenancy should be divided into two categories: "For Cause" terminations are based on the conduct of tenant household, and "No Fault" terminations are based on the anticipated conduct of the landlord.
 - "For Cause" terminations are those reasons to terminate defined in California Code of Civil Procedures section 1161 subsections (2) through (4), each summarized below for reference purposes:
 - CCP § 1161.2 (non-payment of rent);
 - CCP § 1161.3 (significant breach of lease);
 - CCP § 1161.4 (tenant is causing or permitting a nuisance).
 - Three additional "No Fault" terminations should be permitted, including the state law requirement allowing a landlord to permanently withdraw a property from the rental market:
 - *Owner Move In*: A landlord may terminate a tenancy if the owner, or an immediate family member of the owner, will reside in the unit for at least 24 consecutive months.
 - *Substantial Rehabilitation*: A landlord may terminate a tenancy to pursue "substantial rehabilitation" of the unit. For purposes of this section, "substantial rehabilitation" means [work that would require the rental unit to be uninhabitable for 60 days or more?].
 - *Ellis Act*: As required by Government Code sections 7060-7060.7, a landlord may terminate a tenancy to withdraw property from the rental market.
- d) Additional Eviction Limitations
- The Working Group further recommends that landlords would not be permitted to use any eviction procedure based solely on property foreclosure.
 - Landlords should be prohibited from pursuing a No Fault termination of tenancy during the Los Angeles Unified School District school year when the rental unit is the primary residence of a school-aged child.

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e) Enhanced Noticing Requirements

- Require any notice of termination of a tenancy include:
 - information related to just cause protections and tenants' rights, including the obligation to identify the cause for termination and summary of termination and eviction proceedings,
 - legal services information,
- All notices must be copied to the County and tracked using the Rent Registry discussed in more detail in Section IV.A.3.b.

f) Relocation Assistance for No Fault Termination

- When a landlord terminates a tenancy based on one of the No-Fault conditions, then the landlord should be required to provide financial assistance to the terminated tenant household.
- Relocation assistance should be made available regardless of the type of tenancy and regardless of coverage under any regulation of rent increases.
- Relocation assistance should equal the relocation assistance required by the City of Los Angeles, with reduced payment obligations for "mom and pop" landlords consistent with the City's practice.

g) Right of Return after No Fault Termination

- A first right of return should be offered to all tenants subject to a No-Fault termination, to the full extent permitted under the Ellis Act and summarized below:
 - Right of first return to unit at negotiated rental price applicable up to ten years from termination of tenancy.
 - Right of first return at the former rental price, plus any authorized adjustments, applicable up to five years from termination of tenancy.
 - Right to seek punitive damages if unit returned to rental market within two years of termination of tenancy after an Ellis Act termination.

C. Additional Laws, Regulations, and Assistance Programs

1. Issue Overview

- In addition to unregulated rent increases and evictions, tenants are concerned with harassment, discrimination, housing conditions and habitability.
- Moreover, tenants do not always have the resources to contest evictions, so even unwarranted evictions can result in a tenant being displaced.

2. Overall Recommendation

- The Working Group recommends specific programs to address potential harassment, discrimination, housing conditions and habitability, and

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assistance for those tenants whose rental units are not subject to rent increase regulations.

3. Specific Recommendations

a) Habitability

- The Working Group recommends that the County implement a complain-based inspection program, a rent escrow account program, a tenant habitability program, and engage in systemic code enforcement practices modeled after the City of Los Angeles' programs.

b) Anti-Harassment, Anti-Discrimination Section

- The Working Group reached unanimous agreement with respect to recommending an adoption of an ordinance that prohibited landlords from refusing to rent to Section 8 voucher holders, or other similar federal, state or local rent assistance programs.

c) Voluntary, Non-Binding Mediation

- The Working Group also contemplated and had no objection to the County providing a voluntary, non-binding dispute resolution venue for landlords and tenants as part of the rent increase process, provided that procedure did not create added costs for tenants.
- In particular mediation of rent increases for units subject to Costa Hawkins and a proposed rent increase exceeding that which would otherwise be allowed under the rent stabilization ordinance but for the Costa Hawkins exemption was favored.

d) Eviction Defense

- [TBD – Working Group Draft Pending]

e) Emergency Rent Subsidy

- The County should explore funding mechanisms to support financial assistance and/or emergency rent relief programs as a tenant protection mechanism.

D. Implementation Mechanisms

1. Issue Overview

- The implementation and ongoing oversight of these recommendations will require County staff and administrative resources.
- To administer the tenant protection programs recommended by the Working Group, a new oversight board (the Rent Board) will be required.
- Both the Rent Board and other administrative tasks will require a dedicated funding source.

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2. Overall Recommendation

- The Working Group recommends that the cost of ongoing oversight and enforcement be shared by tenants and landlords with the bulk of those costs applied to those landlords who reap the bulk of the benefits of income-producing property ownership: those with 100 or more units.

3. Specific Recommendations

a) Rent Board

- The Rent Board would be appointed by the Board of Supervisors to hear and rule on petitions, which are discussed in more detail in Section IV.A.3.b.
- The Rent Board would include tenants, tenants' rights advocates, landlords, and other appropriate stakeholders.

b) Program Fees

- The tenant protection policies are recommended to be cost neutral to the County general fund.
- An annual fee should be charged to landlord for each covered unit in unincorporated Los Angeles County. Landlords with 100 units or more shall pay a greater fee. Up to [fifty percent (50 %)?] of the fee shall be allowed to be passed through to tenants, in addition to rent owed.
- A separate fee schedule shall be developed to petition the Rent Board for a rent increase or a rent decrease.

Los Angeles Coalition for Responsible Housing Solutions

June 27, 2018

Ms. Sachi Hamai
Chief Executive Officer
County of Los Angeles
500 West Temple Street, Room 713
Los Angeles, CA 90012

Dear Ms. Hamai,

On behalf of the members of the Los Angeles Coalition for Responsible Housing Solutions, we are writing in advance of the Tenant Protections Working Group meeting for July 27, 2018, to renew our concerns with the proposed policies considered by the working group. By no means does this letter encapsulate the entirety of our concerns, but it does serve as a launching point for further discussion.

While we appreciated the opportunity to present and discuss our position at the June 13, 2018 meeting, we continue to bolster our strongly held belief that the housing crisis, and in particular the issues with rental housing, is a shared challenge with shared solutions. To continue down a path that, in our opinion, excludes the concerns of property owners will not create a viable solution.

We join a growing chorus of research institutions, media outlets and other jurisdictions that suggest implementing rent stabilization may have negative unintended consequences on the housing market. As recently as last week, Chris Nichols, a writer for Capitol Public Radio, wrote that “in San Francisco, the city lost 5 percent of its rental housing after rent control expanded.” Rent will increase in some areas precisely because property owners, even the small owners, will have substantial, demonstrative anxiety about making ends meet, which may cause rent increases. This will not help solve the housing or rental crisis.

There are no guarantees that implementing rent stabilization will help low-income communities; rather as UC Berkeley suggests, “there is also concern that, because rent control rarely means –tested, the benefits don’t always accrue to those who need it most.”ⁱⁱⁱ We should not be asking how to implement a program across the Los Angeles County which will blanket even those who do not need rent stabilization. We are at a point when the County should look for focused, immediate relief for low-income and elderly residents. There is no need to draw an artificial line for market control, when there are abundant ways to financially assist low income renters, like the voucher program we have discussed countless times.

Attention should also be given to the fact that in jurisdictions that have implemented rent stabilization, available housing decreased. It would be contrary to the necessary work the County has engaged in to increase affordable housing if they knowingly enact a policy that might actually reduce the availability of housing for everyone. The Stanford study suggests that “landlords whose properties were exogenously covered by rent control reduced their supply of available rental housing by 15%, by either converting to condos/TICs, selling to owner occupied, or redeveloping buildings.”ⁱⁱⁱ

We continue to raise these issues not as threats, but as information from reliable, verifiable and recent data from two highly regarded institutions. Frequently the working group's own Dr. Richard Green's, Director and Chair of the USC Lusk Center for Real Estate Chair, Department of Policy Analysis and Real Estate^{iv}, suggestions, insights and considerations are continually discussed as a "dissenting opinion." To disregard ample research, institutional knowledge and economic data is to continue to ignore relevant facts.

It has been widely suggested that the only way to ensure affordability is to build more housing. Countless articles and research from across the state and Nation suggest that in order to keep up with population and household growth, California needs about 180,000 housing units annually.^v Respectfully, the CEO and Board of Supervisors need look no further than the California Legislative Analyst office when it warns "a substantial expansion of rent control in California could result in economic effects more dramatic than those suggested by research on rent control to date, including significant reductions in construction of new housing."^{vi}

Just last week ballot measures in Pasadena, Long Beach, and Inglewood failed to gather sufficient signatures from voters to qualify for the November ballot.^{vii} All three measures failed to garner enough signatures from registered voters in each City, all well located within Los Angeles County. Perhaps the message is that legislative solutions are too broad and not supported by the electorate.

There are no easy solutions to the housing crisis, but blindly advancing towards unintended consequences for potential short-term gain is a slow march towards uncertainty. The same uncertainty that has caused the current crisis.

We appreciate your consideration,

The Los Angeles Coalition for Responsible Housing Solutions, including:

Apartment Association of Greater Los Angeles
Apartment Association, California Southern Cities
Arcadia Association of REALTORS®
Beverly Hills Greater Los Angeles Association of REALTORS®
Building Owners and Managers Association Greater Los Angeles
Burbank Association of REALTORS®
California Apartment Association
Greater Antelope Valley Association of REALTORS®
Greater Downey Association of REALTORS®
Los Angeles County Business Federation
Long Beach Chamber of Commerce
NAIOP – Commercial Real Estate Development Association
Pacific West Association of REALTORS®
Pasadena Foothill Association of REALTORS®
Rancho Southeast Association of REALTORS®
South Bay Association of REALTORS®
Southland Regional Association of REALTORS®
Tri Counties Association of REALTORS®
United Chambers of Commerce San Fernando Valley Region
Valley Industry and Commerce Association

ⁱ <https://www.scpr.org/news/2018/06/21/84153/exploring-the-promise-and-unintended-consequences/>

ⁱⁱ <https://ternercenter.berkeley.edu/finding-common-ground-rent-control>

ⁱⁱⁱ http://conference.nber.org/confer/2017/PEf17/Diamond_McQuade_Qian.pdf

^{iv} <https://priceschool.usc.edu/richard-k-green/>

^v http://www.hcd.ca.gov/policy-research/plans-reports/docs/SHA_Final_Combined.pdf

^{vi} <http://www.lao.ca.gov/BallotAnalysis/Initiative/2017-041>

^{vii} <https://la.curbed.com/2018/6/22/17442778/rent-control-inglewood-long-beach-pasadena>

Law Offices of
Michael Millman & Associates

Attachment IV

June 13, 2018

Mailing Address: P.O. Box 64637
2100 Sawtelle Boulevard, Suite 105
Los Angeles, California 90064

(310) 477-1201
FAX (310) 477-0260

Lisa Cleri
Tenants Protection Working Group
County of Los Angeles
500 W. Temple Street, Room 713
Los Angeles, CA 90012

Re: L.A. County: Rent Stabilization

Dear Lisa:

My email is michaelmillman@gmail.com. Please put me on your list.

Now, I am a Member of AOA, CAA, AAGLA, the Minority Owner Apartment Association, and of course ACTION Apartment Association, Santa Monica.

My Family owns rental units.

I believe that the existing County Supervisors suggest that they will adopt some form of RENT MEDIATION, RENT CONTROL OR RENT STABILIZATION.

Rents are high.

There are incredibly wealthy individuals who live in County-managed or operated Apartments in Marina del Rey. The County owns the property. They provide a land lease to the operators. All of these units are luxury and the rents are incredibly high.

There are many Tenants who live on their yachts or boats, within the Marina.

So, I believe Rent Stabilization is a reality and will come to the County.

However, the following are my suggestions to be incorporated in the new regulations:

1. Do not adopt CPI as the operating expense Formula;
2. Each of the Tenants, regardless of their status, must be held responsible for paying for water, sewage and trash, and administrative fees, including systematic code inspection charges and fees;
3. Single family homes, condominiums, granny flats and triplexes should be exempt from Rent Control;
4. Fast track amnesty program for illegal bootlegged units, including illegal garage conversions;
5. Pre-eviction filing mandate wherein all Tenants must identify with specificity any evidence or information pertaining to health, safety or habitability issues with the Rental premises;
6. Just cause eviction protocol with the exception of rental payment disputes not exceeding \$5,000 to be litigated exclusively in Small Claims Court;

7. The annual rental adjustment or increase not to exceed 10%, and of course, this shall not include the utilities discussed above;
8. Parking and laundry facilities are not included as "essential housing services";
9. Authorized and approved roommate - rent to increase by a factor of 10%;
10. Comfort animals and/or pets - rent to increase by a factor of 10%;
11. Aggressive, creative and unique Voucher program for rent burdened Tenants;
12. All Landlords must present a certificate of compliance from a licensed apartment association evidencing their working knowledge and understanding of FAIR HOUSING PRACTICES.

CONCLUSION

The Tenant activists are certainly "dramatic and theatrical." 80% of the persons who spoke probably live in Rent Controlled units, Los Angeles. Others owned a house where they failed to make their payments, and went into foreclosure. Companies purchased the default/foreclosure mortgages, and initiated lawful and appropriate evictions.

Gentrification has come to Highland Park and East Los Angeles. Beautiful, new apartment complexes that comply with earthquake mandates and requirements have been built. They're expensive.

In each of those projects, 20% of the units have been set aside for very low income Tenants. Your friends failed to make that disclosure.

Again, Rent Stabilization will be enacted by the County. It failed before.

Most recently, Stanford University conducted a study of San Francisco Rent Control and determined that housing was lost.

A very special class of people live in the Rent Control units, and never move. This is the same example for West Hollywood and Santa Monica.

Rent Control is really driven by a handful of Tenant eviction Lawyers who were losing their Court cases. They wanted the 12-step just cause eviction protocols so they would have a litigation advantage.

You have a lady who is a Director of Legal Aid. She's nice. Her information and facts are all inaccurate and wrong.

She suggested that after an answer to an eviction action was filed, over 50% of the cases were dismissed. Yes, this is true. Because the Landlords and the Tenants or others made a settlement and thereafter dismissed the case. Typical.

False data.

During the Tenant presentation, your Group were advised that well over 70% of the evictions have increased in Los Angeles County? That statement was patently untrue and false. In 2017, all eviction records, including filing, was "sealed" so there is no access to any of this material, either at the Hub Courts or any of the satellite evictions Courts. Los Angeles has five Courthouses dedicated to evictions. None of the data can be disclosed or revealed. None. That information was either fabricated or, in the middle of the night, some people snuck into the Courthouse and hacked into the Courthouse computer system and removed or converted this confidential and private material.

SHRIVER ACT LAWYERS

L.A. City has Shriver Act Attorneys who, through extortion, will tell a Landlord to pay \$5,000 or more, and the Tenant will move, all the back rent will be waived, and of course the eviction records Sealed.

Some of our activist friends are very "liberal" in their presentation of facts and other material.

Yes, there are bad Landlords. Slumlords. Find them, issue citations, and prosecute the slumlords. However, most, if not all, of the Owners are decent, appropriate and responsible.

Culver City, Inglewood, Long Beach, Pasadena and Glendale have avoided Rent Control by having a powerful Rent Mediation Bureau.

Now, to establish a Housing Department with a Rent Control component will probably run approximately \$30,000,000 or more per year.

RENT CONTROL DESTROYS JOBS AND HOUSING

You're aware that Los Angeles had 1,200,000 units 40 years ago when the Rent Control was adopted. Today, less than 600,000 units.

Please scan this letter and send it to others. Please put it in the Commissioner's files.

So, I believe Rent Stabilization is coming to Los Angeles County. However, I believe that certain fundamental changes need to be installed. Obviously, when your staff begins to examine the Consumer Price Index, they will agree that none of the operating expenses associated with apartments are captured: property taxes, business license, insurance, mortgage payment, bonds, parcel taxes, administrative municipal fees, water, sewage, trash, pest control, landscaping, plumbing, roofing and electrical.

So, the overriding and substantial expenses are never addressed by CPI.

Finally, if you adopt a systematic code inspection program, certainly include the fact that a "Tenant" may be cited for committing waste and/or damage to the premises.

Very Truly Yours,

Michael Millman

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