



*"Great Apartments Start Here!"*

Danielle Leidner-Peretz  
Director, Government Affairs &  
External Relations  
danielle@aagla.org  
213.384.4131; Ext. 309

June 10, 2019

**Via Electronic Mail**

Hon. Mayor Butts and Members of the Inglewood City Council  
Inglewood City Hall  
1 West Manchester Boulevard  
Inglewood, California 90301

**Re: CI-1 Regulation of Rent Increases and Just Cause Evictions**

Dear Hon. Mayor Butts and Inglewood City Council Members:

The purpose of this letter is to express the Apartment Association of Greater Los Angeles' (AAGLA) opposition to the draft ordinance being considered by the Council which would (i) limit or "cap" annual rent increases at no more than 8%, (ii) require payment of relocation fees for any rent increases exceeding 4%, and (iii) establish "just cause" eviction requirements. While we recognize the need to expand the availability of affordable housing in Inglewood, we urge the Council to work with the multifamily housing provider industry to meet that objective and not advance the proposed ordinance which will only serve to force small rental housing providers to leave the industry, thereby, depleting an already limited affordable housing supply. We also urge the Council to await acting on this ordinance pending the State's action on Assembly Bill 1482 which would establish statewide limits on rent increases.

AAGLA represents thousands of small rental housing providers, many of whom are "mom and pop" rental property owners within the City of Inglewood. Many of our members are retired seniors that worked regular 9-5 jobs for decades, scrimping and saving to afford their small investment in rental property that secures and supplements their retirement and at the same time provides affordable housing to the members of their community. Many of our members are multi-generational immigrants, retired teachers and retired first responders that chose to make a small community investment as their way to house themselves and others. Our members are housing providers, seeking to fill vacancies and provide individuals with homes, eviction runs counter to that objective.

The proposed ordinance allows for one rental increase per 12-month period not to exceed eight percent (8%). The permissible eight percent (8%) rent increase, however, is further limited as a rent increase which exceeds four percent (4%) and results in the renter's decision to locate alternate housing may subject the rental housing provider to payment of relocation fees of three (3)

times the average Inglewood rent. In addition, renter eligibility for relocation assistance is provided to all renters who have resided in their unit for 24 consecutive months or 720 consecutive days, whichever is shorter. Relocation assistance should be limited to renters based on an assessment of actual financial need (e.g., income, liquidity and assets tests) and only for renters in good standing under their lease. The threshold for assessing need should include household income of either 200% Federal Poverty Level or 80% Average Median Income (AMI). The amount of relocation assistance should be based on actual rent paid or U.S Department of Housing and Urban Development (HUD) Fair Market Rent. Small rental property providers do not have unlimited financial resources and cannot feasibly pay a lump sum payment to a renter who, may be better financially situated and that has greater liquidity than the property owner.

It is important to note that significant rent increases are often advanced by new owners seeking to quickly recoup their investment, not long-term owners. Many small rental housing providers seek to keep good renters in their buildings and generally keep rents below market by going for extended periods of time without an increase. If the Council adopts an eight percent (8%) rent "cap," small rental housing providers will be compelled to issue annual rent increases to ensure that they can cover expected and unanticipated expenses as well as potential relocation fees. Inflation is close to four percent (4%), yet the ordinance remains silent as to how small rental housing providers will cover increased costs.

In addition to the rent increase limitations and relocation fees, the proposed ordinance will institute "just cause" eviction requirements. While the intent of "just cause" eviction requirements may be to prevent a rental housing provider from evicting a renter without reason, it has the unintended consequence of extending the process of evicting a problematic renter who may be engaging in illegal activity or causing disturbances at a property that disrupts the neighboring renters' quiet enjoyment of their rental units.

As the Council moves to adopt a housing ordinance to regulate rent increases and establish "just cause" eviction requirements, we urge the Council to consider the issues and recommendations discussed herein. Small rental housing providers fulfil an important role in the multifamily housing industry. The proposed ordinance will financially constrain "mom and pop" owners, forcing many to leave the industry and further deplete already limited affordable housing available in the City of Inglewood.

Thank you for your time and consideration of these matters. If you have any questions, please call me at (213) 384-4131; Ext. 309 or contact me via electronic mail at [danielle@aagla.org](mailto:danielle@aagla.org).

Very truly yours,

Danielle Leidner-Peretz