



*"Great Apartments Start Here!"*

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June 24, 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 Apartment Association of Greater Los Angeles' (AAGLA) has reviewed the current, proposed ordinance related to regulating rent increases, relocation allowances, and just cause eviction requirements. While we appreciate the Council's amending the proposed ordinance based on stakeholder feedback during the June 11<sup>th</sup> and June 18<sup>th</sup> City Council meetings, AAGLA requests that the ordinance be further revised prior to adoption as set forth herein.

#### **Rent Limitations and Relocation Fees**

We remain opposed to limiting rent increases and ask that the Council consider eliminating the rent "cap" of 5% or the Consumer Price Index (CPI), whichever is greater, and instead establish a rent increase threshold that would "trigger" payment of relocation fees. This change would provide small rental owners with the financial flexibility needed to properly maintain their buildings while also addressing renter concerns by providing renters with relocation fees, if a rent increase above the established threshold resulted in the eligible renter seeking alternate housing. We strongly urge the City Council to establish a threshold in excess of 5%.

In addition, we continue to urge the Council to limit relocation assistance to renters based on an assessment of actual financial need (e.g., income, liquidity and assets tests). The threshold for assessing need should include household income of either 200% Federal Poverty Level or 80% Average Median Income (AMI). 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. We also continue to recommend that the ordinance be amended to state that if the renter fails to voluntarily vacate the unit after a partial or full relocation payment has been made, that the renter reimburse the rental housing provider as



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included in an ordinance recently adopted by the City of Long Beach.

While we appreciate the Council's recognition that there are circumstances where a higher rent increase is warranted, the current ordinance only allows an owner to increase a below market rate rent until it "reaches eighty-one percent (81%) of the average rent then most recently published by RENTcafe." We ask the Council to consider allowing an owner to increase rent up to eight percent (8%) annually until the rent reaches 100% of the average rent as published by RENTcafe.

Further, we ask that rent increases permitted for the completion of capital improvements in excess of \$10,000 be handled through a simply administrative pass-through process or the permissible time frame be extended beyond the two-year limit. Two years is not a sufficient duration to adequately recoup such improvements. Moreover, there must be a mechanism in place whereby owners may petition the Rental Housing Board for an individual adjustment (e.g. higher rent increase) if they believe that the annual general adjustment is not providing a fair return. Several cities, including Los Angeles, West Hollywood, and Santa Monica, provide such a procedure.

#### Just Cause Eviction Requirements

The previous draft ordinance included a two-year vesting period for "just cause" eviction requirements, as established for relocation fees. The draft ordinance stated, "if a tenant has been in the residence for less than 2 years, no relocation allowance will be required, nor will Just Cause be required." It is unclear if this language was omitted in error from the current ordinance, nevertheless, we urge the Council to include this language in the final ordinance prior to adoption.

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 via electronic mail at [danielle@aagla.org](mailto:danielle@aagla.org).

Very truly yours,

Danielle Leidner-Peretz