



"Great Apartments Start Here!"

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Via Electronic Mail

Santa Monica Rent Control Board
City Hall
1685 Main Street
Santa Monica, California

Re: Consideration of imposing a \$44.00 "Ceiling" on the 2019 Annual General Adjustment of 2% (Agenda Item 11A)

Dear Members of the Santa Monica Rent Control Board:

The purpose of this letter is to express the Apartment Association of Greater Los Angeles' (AAGLA) opposition to the imposition of a \$44.00 per month limitation or "ceiling" on the 2019 annual general adjustment of 2%. As stated in the General Counsel's memorandum to the Board "for most renters, the difference between a 2% adjustment and one capped at \$44.00 is likely to be under \$300.00 per year." While imposition of the "cap" would marginally effect renters, as its applicability is limited to a small number of renters; it would only serve to further chip away at the limited funds received by small rental housing providers subject to ever increasing expenses and costs to properly maintain their buildings. In reality, the cap would only serve to assist the more affluent renters while presumably lower-income renters, paying lower rents, are subject to the full increase.

AAGLA represents thousands of smaller rental housing providers, including many that own rental housing within Santa Monica. Most of our Santa Monica members are small, "mom and pop" owners that come from many different backgrounds and income levels, including those that are retired seniors on fixed incomes, recent immigrants, teachers or first responders. So many of our members once worked or continue to work regular "9-5" jobs through which they have made a small investment in their community by purchasing rental property, which they acquired through hard work, sacrifice and risk in order to secure and supplement their retirement.

Small rental housing providers are struggling to maintain their buildings and provide their renters with safe, clean homes. Water and electric rates are ever increasing and insurance premiums such as fire insurance have been subject to premium increases due the California fires. Many small owners are reaching the point where they are facing a difficult but somewhat inevitable decision to

The logo for the Apartment Association of Greater Los Angeles (AAGLA) features the acronym "AAGLA" in a bold, blue, sans-serif font. To the right of the text is a solid gold square.

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sell their building which only serves to further deplete the limited affordable housing supply. We urge the Board to approve the 2% annual adjustment without the imposition of a "cap" or consider varying "cap" adjustments based upon unit size (e.g., studio, one-bedroom, etc.).

Thank you for your consideration. If you have any questions, please call me at (213) 384-4131; Ext. 309 or contact me via electronic mail at danielle@aagla.org.

Very truly yours,

Danielle Leidner-Peretz