



"Great Apartments Start Here!"

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

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Via Electronic Mail

Los Angeles County Board of Supervisors
Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

RE: Hearing on Annual Pass-Through Five-Year Water Rate Adjustment (Agenda Item 3)

Dear Los Angeles County Board of Supervisors:

The Apartment Association of Greater Los Angeles' (AAGLA) strongly opposes Los Angeles County's adoption of a proposed resolution authorizing the Director of Public Works to adjust the water rates annually over a five-year period to pass-through costs due to inflation and/or water purchasing costs. While we certainly recognize the existence of increased costs resulting from inflation and other related costs, **rental property owners that are now and, in the future, will be subject to the County's interim rent freeze and eventually permanent rent control ordinance will be detrimentally impacted by these increased water costs. Because of the interim rent freeze and planned permanent rent increase limitations that are being imposed on rental housing providers, particularly the smaller "mom and pop" owners, the County must ensure that any additional water costs are assessed to and shared among the renters in the building who are the primary users of the water.** By allowing for the sharing of the additional water costs among a building's renters, not only will the County ensure that rental housing providers are not being unduly burdened following the County's imposition of rent control, but the County would also realize the added benefit of encouraging County's renters, who currently do not pay for the cost of their water usage, to conserve water.

The County's current three percent (3%) rent freeze moratorium, in effect since November 2018, has significantly limited owner's ability to recoup costs and receive a fair and reasonable return on their investment. It is critical that the County provide a mechanism for owners to offset increased water costs. Most multifamily rental buildings do not have a submetering system to monitor renter's utility consumption thereby making them accountable for their individual water consumption. **The entire cost of the**



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building's water use is borne by the owner. This situation is further exacerbated for owners of rent controlled buildings who are currently severely limited in passing on any increases in water costs through rent increases to renters.

With the recent enactment of Assembly Bill 1482, statewide rent control and renter protections, coupled with the County's Rent Freeze and eventual enactment of a permanent rent control ordinance, rental housing providers in Los Angeles' unincorporated areas have **no financial means to cover the proposed additional water adjustment costs. The only option for owners to recoup such costs would be to further increase rents following a vacancy, which would result in overall higher County rental rates.** California is experiencing a severe housing shortage and in need of maintaining and increasing affordable housing. Imposing additional financial burdens on rental property owners, particularly those that are "mom and pop" owners that currently provide the bulk of the County's affordable housing, **will only lead to owners being forced out of the multifamily rental housing industry, further depleting much needed affordable housing within the unincorporated areas.**

If Board Supervisors adopt this resolution allowing for the pass through of water costs, **we urge the Board to allow owners to pass through the costs to renters and/or implement other measures to equitably allocate utility costs to their renters.**

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.

Very truly yours,

Danielle Leidner-Peretz