February 28, 2020

Via Electronic Mail

Hon. Mayor D’Amico and Members of City Council
West Hollywood City Hall
8300 Santa Monica Boulevard
West Hollywood, California 90069

Re: Resolution in Support of the Rental Affordability Act Ballot Initiative (Agenda Item 2. R.)

Dear Hon. Mayor D’Amico and Members of the West Hollywood City Council:

2018’s Proposition 10, the “Affordable Housing Act” ballot initiative, was advanced and rejected by a large majority of voters. Proposition 10 called for the repeal of the Costa-Hawkins Rental Housing Act, a bi-partisan state law passed in 1995 that permits, among other things, rental housing providers to establish an initial rental rate following a vacancy. Had Proposition 10 passed, it would have had devastating effects on multifamily property owners and would have forced small “mom and pop” owners out of business, drastically changing California’s rental housing landscape. Proposition 10 did not supply a single unit of housing, let alone affordable housing, and would have caused even greater housing shortages by discouraging construction of new housing and lacking the ability to realize a reasonable return, forcing housing providers to leave the business.

The introduction of this year’s Rental Affordability Act ballot initiative once again seeks to significantly curtail vacancy de-control, and further diminish rental housing provider income and their ability to “keep-up” with ever increasing maintenance and operating costs. Particularly, in cities like West Hollywood where owners of rent controlled buildings are subject to rent increase limitations of 2.25%, these owners are struggling to maintain their properties and remain in the industry. Vacancy de-control is vital, the alteration of which would have catastrophic consequences for owners and renters alike through the loss of an already limited supply of affordable rental housing. Vacancy de-control is only mechanism that allows property owners subject to West Hollywood’s RSO to remain in business today.

The West Hollywood City Council’s support of the Rental Affordability Act is extremely disheartening. The Apartment Association of Greater Los Angeles (AAGLA) represents thousands of small rental housing providers, many of whom own properties in West Hollywood. Our members represent a diverse demographic of individuals who worked hard to earn a living, save their earnings, invest in rental property and provide housing to fellow community members. Many of our
members are retirees and their rental property is their primary source of retirement income.

We urge the City Council to recognize the value and contribution of small rental housing providers who have invested in the City’s neighborhoods. At a time when California is experiencing serious housing shortages and there’s an urgency for additional housing development, the City Council’s support of the Rental Affordability Act will only serve to discourage investment in rental housing and result in further small property owner disillusionment. Please show your support and appreciation for small property owners that work hard to provide housing in West Hollywood and that have made substantial investments in the City’s neighborhoods.

Thank you for your time and consideration of this letter. 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