Members of the Los Angeles City Council
City Hall
200 North Spring Street
Los Angeles, California 90012

Re: 19-0646: Drafting an Interim Control Ordinance requiring an initial 12-month minimum lease in Rent Stabilization Ordinance (RSO) buildings, the impact of corporate housing, and related matters (Agenda Item 8)

Dear Members of the Los Angeles City Council:

At the October 20th City Council meeting, the Council will consider advancement of a motion requesting that the City Attorney draft an ordinance requiring a minimum 12-month lease for new rentals in buildings subject to the Rent Stabilization Ordinance (RSO). As the Council deliberates on this item, the Apartment Association of Greater Los Angeles’ (AAGLA or Association) requests that the Council consider the concerns and recommendations outlined in this letter.

Requiring an initial 12-month lease in RSO buildings would negatively impact both rental housing providers and renters by eliminating any flexibility to determine the tenancy duration that best suits each party’s circumstances. Renters may not be able to commit to one-year or longer lease terms due to anticipated employment, relocation, or other life changes. The Association and its membership recognize that individuals seeking rental housing do so for a variety of reasons and work to provide tenancy options based on a renter’s expressed needs. Renters seeking short-term (less than one year) housing options do so for a number of legitimate reasons, among them, academic studies, temporary employment, active military duty, temporary relocation to care for loved ones, temporary displacement from a primary residence following a natural disaster and homeowners who have sold their primary residence and are in need of temporary housing pending move-in to a new residence. For many of these individuals, a mandatory one-year lease is not feasible, financially, or otherwise.

Flexible lease terms are vital for so many renters who are working in the entertainment, construction, sales, and medical industries, for students studying at local colleges and universities
and those participating in short-term foreign exchange programs, for individuals going through a transitional period and those who have just experienced the loss or damage to their homes following a natural disaster.

During these uncertain and challenging times, housing flexibility has even greater relevance as many individuals are reevaluating their needs, finances, and overall priorities. Now more than ever, renters with limited financial resources may not wish to commit to one-year or longer lease terms. Additionally, rental housing providers also may not wish to offer longer term leases for various business reasons, including planned major renovations, usage of dwelling unit by family members, or acceptance of applicants that fail to meet desired financial criteria.

The COVID-19 pandemic has also significantly changed how and where we work, with many businesses shifting to remote work, individuals are no longer compelled to live in urban areas and are relocating. Many employees are working remotely often far outside of the City of Los Angeles limits. Due to the impacts of the global pandemic and resulting economic conditions, many renters have now downsized, moved into roommate situations, or moved back home with parents. As a result, there has been an increase in apartment vacancies within the City, rental prices are declining, and it has become more and more challenging for housing providers to rent vacant units. Accordingly, allowing housing providers the ability and flexibility to market their vacant units to renters that may not wish to commit to a minimum one-year lease is imperative in today’s rental market.

In light of the above circumstances, the Association urges the Council to reject advancement of this motion in favor of providing renters and rental housing providers with essential housing options. 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

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