



"Great Apartments Start Here!"

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

July 26, 2021
Via Electronic Mail

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

Re: Mobilehome Rent Stabilization, Rent Stabilization and Rental Housing Oversight Commission Ordinances Amendments (Agenda Items 40 and 55)

Dear Honorable Board of Supervisors:

At the July 27th meeting, the Board of Supervisors will consider adoption of amendments to the County's Rent Stabilization Ordinance (RSO). As these amendments are deliberated, the Apartment Association of Greater Los Angeles (AAGLA or Association) urges Board Supervisors to consider the concerns and recommendations set forth in this letter.

A total of 56 changes to the current RSO are being recommended by the County's Department of Consumer and Business Affairs (DCBA). These changes are being advanced by DCBA based on its implementation of the RSO and administrative observations. Many of the amendments are significant changes that necessitate engagement with all involved stakeholders. While we appreciate that the preliminary redlined ordinance amendments were publicly available well in advance of the Board meeting, vital stakeholder discussion and feedback should have been commenced much earlier in the process.

The Association has repeatedly raised the critical importance of the County engaging with all key stakeholders at every stage of the legislative process. Such engagement must begin when issues are first identified not after extensive amendments have been drafted, so that any amendments advanced are reflective of a comprehensive understanding of the situation and the impact of proposed changes. Such essential engagement remains lacking.

While several of the recommended amendments are technical in nature or for clarification purposes, there are numerous proposed changes to which the Association has serious objections and urges the Board to reject their adoption.

Additional Occupants

A number of amendments are being recommended that would impede a housing provider's ability to cover the added costs incurred when additional occupants move into a rental unit, especially without the housing provider's consent. The first amendment would prohibit a housing provider from receiving a rent or security deposit increase for additional occupants in a rental unit. The second amendment eliminates from the list of factors considered in an application for a rent adjustment a change in the number of renters



“Great Apartments Start Here!”

occupying a rental unit. Together these amendments would take away any avenue for a housing provider to recover costs that are directly attributable to the increase in unit occupancy.

The addition of occupants to any rental unit bears a direct correlation to increased building costs. As the number of individuals residing in a unit increases, so too does the amount of water usage, waste generation, potential wear and tear to appliances and plumbing, and overall usage of other building facilities. It is equally concerning that the language imposes a blanket prohibition “addition of occupants” such that the owner is precluded from issuing a rent or security deposit increase regardless of the number of additional occupants that reside in the unit.

Housing providers should have a means to recover the costs directly associated with the addition of occupants to the unit. Accordingly, we urge the Board to reject these amendments.

Primary Language of the Renter

The proposed RSO amendments include new requirements for the provision of documents in a renter’s primary language. In the context of buy-out agreements housing providers would be required to provide the written disclosure and buy-out agreements in the renter’s primary language.

While an individual may regularly communicate with family and friends in their primary language, they may equally communicate with proficiency in a secondary language when engaging with others in a professional context. From the onset of communication, if a renter effectively communicates with the housing provider consistently in one specific language and does not request that the initial rental agreement be provided in a different language, the housing provider should be able to rely on such understanding. How is the housing provider to know a renter’s primary language? Moreover, it may require the housing provider to inquire, which could be interpreted as alleged harassment under the County’s ordinance. Accordingly, the language of the initial rental agreement should dictate the language to be used for all future documents provided unless the renter specifically requests otherwise in writing.

Knowledge of the renter’s primary language is also raised in the context of harassing conduct. One of the proposed amendments to the anti-harassment provisions would deem a housing provider’s request that the renter sign a new rental agreement not in the renter’s primary language as harassing conduct if the “landlord is otherwise aware that the new Rental Agreement is not in the Tenant’s primary language.” The proposed language is ambiguous as to what exactly constitutes such awareness? Moreover, as mentioned herein, an individual’s primary language does not preclude their competency in communicating in other languages.

The Association has consistently advocated for and stressed the importance of clearly defining harassing conduct to minimize opportunities for misinterpretation and in order to facilitate compliance. The ordinance language as proposed would open responsible housing providers who have not engaged in harassing conduct to costly frivolous litigation.

Anti-Harassment Provisions

The current anti-harassment provisions are founded upon the housing provider engaging in the enumerated actions “in bad faith”. The proposed amendment would make interrupting, terminating, or failing to provide housing services required by the rental agreement or law as harassing conduct regardless of intent. Under the RSO, housing services is defined to include a wide range of services from painting to elevator service and refuse removal. The removal of “bad faith” intent would make any interruption in service



AAGLA

“Great Apartments Start Here!”

harassing conduct by the housing provider. For example, building elevators generally require regular maintenance and at times due to unforeseen mechanical issues go out of service subject to repair resulting in an interruption in service. Under such circumstances, the interruption in service is clearly not harassing conduct on the part of the housing provider. Yet, as written, would open the door to frivolous litigation, placing responsible housing providers who have not engaged in any harassing conduct subject to potential harassment allegations and unwarranted costly litigation.

“No-Fault” Tenancy Termination - Owner Occupancy

The County’s current RSO places limitations on a housing provider or a housing provider’s family member’s ability to recover possession of a rental unit. The proposed amendments would result in a number of significant changes to these provisions. These recommendations include providing renters with a right of first return to the unit if the housing provider or their family member leaves the unit within three years after the renter’s tenancy has ended. The Association is opposed to such a transfer of a housing provider’s rights without compensation.

Pursuant to the amendments, housing providers would also be required to “first seek to occupy a vacant Dwelling Unit”. This requirement fails to account for the size or location of the vacant unit. A vacant studio apartment or one located on the top floor of the building may not be a viable option for a large family or where the housing provider or family member has a health condition and limited mobility. We request that the Board of Supervisors modify this language to state that the housing provider first seek a comparable vacant unit that addresses the specific housing needs.

Lastly, we request an extension on the timeframe in which the housing provider must move-in to the unit from within sixty (60) days after the renter vacates to ninety (90) days to afford additional time for unit rehabilitation and repairs and any other delays that may arise, including the uncertainty of when the renter may actually vacate the unit.

Withdrawn Dwelling Units Reoffered for Rent

The proposed amendments would impose unlawful noticing requirements mandating that the housing provider provide renters with a notice to renew their tenancy when the housing provider re-offers a withdrawn dwelling unit for rent. Pursuant to the Ellis Act, which preempts local law regulating withdrawal of rental units from the housing market, if the withdrawn unit is returned to the rental market within two (2) years, the housing provider is required to provide the displaced renter with notice to renew the tenancy only if the renter had evidenced a desire to re-rent in writing. After two years, the housing provider has no obligation to notify the renter as proposed in Section 8.52.90. Accordingly, the Association believes that the County does not have the legal authority to institute such notice requirements.

We also recommend that the proposed RSO language on the top of page 61 (vi)(a)(1) be revised to read:

“Any owner who offers accommodations again for rent or lease shall first offer the unit for rent or lease to the tenant or lessee displaced from that unit by the withdrawal pursuant to this chapter, if the tenant has advised the owner in writing within 30 days of the displacement of the tenant’s desire to consider an offer to renew the tenancy and has furnished the owner with an address to which that offer is to be directed. That tenant, lessee, or former tenant or lessee may advise the owner at any time during the eligibility of a change of address to which an offer is to be directed.”

Buyout Agreements

The revisions modify the time frames for the provision of the buy-out documents. It is unclear why the process is being prolonged to ninety (90) days and would require that the housing provider give a copy of the proposed buy-out agreement to the renter at least forty-five (45) days before it is executed by the parties. The process already allows for sufficient time for review. The housing provider should be required to provide the agreement and a copy of the renter's rights prior to the execution of the agreement with no specific time period. Moreover, we recommend that the rescission period be reduced from forty-five (45) to thirty (30) days.

Definitions

The amendments include several definitional revisions including defining "Service Reductions." This definition would make the most minor decrease in service fall within the scope of a service reduction. Accordingly, we recommend that the language be revised to specify that the decrease or diminution in housing services be substantial and not include minor changes as already required by the California Appellate Court.

Additionally, as the Board considers amendments to definitions, we urge the Board of Supervisors to revisit and amend the ordinance's definition of rent to include authorized pass-throughs fees. Pass-through fees are fees that the housing provider is permitted to collect, and the renter is obligated to pay in the same way that the renter is obligated to pay rent. If the renter does not pay the pass-through fee, the housing provider should be able to bring an action through the same court process utilized for non-payment of rent actions and not be compelled to initiate proceedings in a different court or multiple courts.

Relocation Assistance

Currently, the RSO requires that the housing provider deposit the relocation assistance into an escrow. The proposed amendment would require that the payment be made as a direct payment to the renter or into an escrow account "only upon mutual agreement between the housing provider and the renter." We encourage the Board to maintain the current process of placement in escrow which is beneficial to both parties and minimizes the opportunity for disputes and potential litigation. Placing the payment in an escrow account protects the housing provider should the renter not vacate the unit while at the same time the renter would still be able to access funds from the account for the purpose of covering moving expenses.

Remedies – Third Party Right of Action

Section 8.52.170 sets forth the RSO's civil and criminal penalty provisions. The proposed amendment would expand the availability of civil remedies well beyond County Counsel to include "any Tenant or any other person or entity acting on behalf of the Tenant who will fairly and adequately represent the Tenant's interests." The language provides an extremely broad-based third-party right of action and would likely invite litigation and potentially effectuate a cottage industry for unscrupulous lawyers whereby litigation could be initiated on behalf of a renter or multiple renters without the need of such renter's involvement. Moreover, as the Board of Supervisors contemplates expansion of the right of action, we request that the Board take a balanced approach and include an opportunity for owners to cure alleged violations, just as renters have a right to cure before commencement of the tenancy termination process.

Housing providers should be given written notice and an opportunity to cure alleged violations within



"Great Apartments Start Here!"

a reasonable timeframe. The inclusion of a written notice and opportunity to cure provision enables a housing provider to address a situation prior to the commencement of litigation, which may serve to eliminate the need for litigation entirely.

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

Danielle Leidner-Peretz