



"Great Apartments Start Here!"

Janet M. Gagnon, Esq.
Interim Associate Director,
Government Affairs
janet@aagla.org
213.384.4131

September 30, 2022
Via Electronic Mail

Hon. Mayor Lauren Meister and Members of the City Council
West Hollywood City Hall
8300 Santa Monica Boulevard
West Hollywood, California 90069

Re: AMENDMENT TO RENT STABILIZATION REGULATION 60089: ADJUSTMENTS FOR SECURITY RELATED IMPROVEMENTS (Agenda Item 2.L.)

Dear Hon. Mayor Meister and Members of the West Hollywood City Council:

At its October 3rd meeting, the City Council will discuss amendments to Rent Stabilization Regulation 60089: Adjustments for Security Related Improvements. The Apartment Association of Greater Los Angeles (Association) urges the City Council to reject the proposed amendments and instead take this opportunity to completely overhaul this Regulation by fully engaging all stakeholders in its re-drafting.

Regulation 60089 was created to encourage rental housing providers to make security related improvements to their buildings that would improve the safety and security of their renters by allowing recoupment of these costs. However, as it is currently drafted, it is far too complicated and restrictive for rental housing providers to use this Regulation in practice. As Staff's report clearly states,

"Staff had mentioned at its initial presentation to the Commission that the program established by **Regulation 60089 is underutilized**, and the primary purpose of the presentation was to bring attention to its existence. The **only available documentation** of a case that staff could locate related to notification of the termination of the rent increase under the accelerated formula."

As written, the Regulation requires 75% of the affected renters to approve of the formula selected by the rental housing provider using forms provided by the Department. This percentage threshold is simply too high to get agreement on anything and is beyond what is even required by the City Council itself to pass new local laws.

In fact, the entire process is extremely laborious and filled with requirements that are simply too difficult for rental housing owners, especially small business "mom and pop" owners, to successfully navigate. For example, the need to go back to renters for approval using the Department's forms and obtain "original signatures". This is something that is no longer required even to legally purchase property due to DocuSign



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and other online signature platforms. Also, the fee that is required by the City to even submit the application is merely an additional cost and undercuts the purpose of making an application in the first place.

The current process is already administratively burdensome and can take months to complete. Rental housing providers must obtain approval from 75% of the impacted renters on the formula to be used, submit the application to the City with the relevant fee, wait for the City to then send notices to all of the renters that the work is being proposed, wait for 10 days to see if any renter objects, if one does then go through an evidentiary hearing, then finally submit receipts after completion of the work to be able to **start** recouping the costs that were incurred, at that point, now months earlier. This process is so complicated and lengthy that rental housing providers cannot avail themselves of the allowed recoupment and instead are likely to forgo making security improvements to the City's badly aging housing stock.

Now with these new proposed amendments, the already unworkable Regulation will be made even more complicated and unlikely to be utilized. The removal of the accelerated cost recovery formula option coupled with the termination of the surcharge upon a change of ownership further disincentivizes rental housing owners from making any security improvements if they are at all considering selling their building within the amortization period. Based on the amortization period prescribed in Regulation 60040A, items such as gates, doors and security entry telephone intercom systems take 10 years to fully amortize. This is far too long for a rental housing owner to pay for these safety improvements upfront and be expected to wait to fully recoup the costs.

After what will be nearly three years without any rental increases and now with runaway inflation as well as the City Council considering revising the existing Rent Stabilization Ordinance rent increase cap downward to a mere 3%, rental housing providers simply do not have the financial resources to make these security improvements without a substantially revised and streamlined Regulation to enable prompt recoupment.

If the City Council truly wants to encourage rental housing owners to make security related improvements for the safety and security of renters, then it needs to completely start from scratch on this Regulation and engage all relevant stakeholders in the major revision of it.

Thank you for your time and consideration of these matters. If you have any questions, please call me at (213) 384-4131 or contact me via electronic mail at janet@aagla.org.

Sincerely,

A handwritten signature in black ink that reads "Janet M. Gagnon". The signature is written in a cursive, flowing style.

Janet M. Gagnon, Esq.