

Communication from Public

Name: Fred Sutton

Date Submitted: 05/13/2025 09:43 AM

Council File No: 24-1586

Comments for Public Posting: Attached please find a letter from the California Apartment Association regarding this item.



California Apartment Association
Los Angeles County

May 13, 2025

Councilmember Nithya Raman
Chair, Housing & Homelessness Committee
City of Los Angeles
VIA Email

Re: Single Family Rental Taxation (C.F. 24-1586)

The California Apartment Association (CAA) represents a broad range of housing providers and industry partners committed to advancing fair and equitable housing policies in the City of Los Angeles. As you consider proposals that may increase taxes on single-family rental homes, we urge caution and a thorough analysis of the potential impact on the city's housing ecosystem.

While we share your commitment to addressing Los Angeles' housing challenges, the implementation of the ULA tax has highlighted the risks of unintended consequences. Measures that increase costs often lead to higher rents for residents. Housing providers operate on narrow margins amid rising operational expenses. Tax increases may ultimately be passed through to tenants.

It is critical to understand that "corporate" ownership is not a one-size-fits-all designation. Many families and individuals use LLCs for basic liability protection. Far from being a "boogeyman," LLCs serve important and practical purposes that support housing providers and contribute to rental housing stability.

Regulatory unpredictability is increasingly cited as a reason for declining interest in housing development and acquisitions. In a city already grappling with a severe housing shortage, discouraging new or continued investment further constrains supply and obtainability. The city must take seriously the growing chilling effect that repeated regulatory actions are having on the local housing market

We urge you to pursue thoughtful, targeted solutions that support housing stability, avoid unintended consequences, and encourage the critical private capital needed to expand and maintain our housing stock.

Sincerely,

Fred Sutton
California Apartment Association

Communication from Public

Name: Iris Craige

Date Submitted: 05/13/2025 03:05 PM

Council File No: 24-1586

Comments for Public Posting: Re: Council Motion 24-1586 Date: May 13, 2025 Dear Housing and Homelessness Committee, On behalf of Strategic Actions for a Just Economy (SAJE), I am writing in strong support of the motion instructing the Chief Legislative Analyst and the Housing Department to report on the number of homes owned by limited liability companies and corporations in Los Angeles, explore the feasibility of a tax on corporate ownership of single-family homes, and study similar models from other jurisdictions. SAJE's research over the last several years has shown a clear and alarming pattern: institutional landlords, including LLCs and corporations, are amassing large portfolios of housing throughout Los Angeles, displacing long-term residents, inflating home prices, and undermining neighborhood stability. These actors often operate with anonymity and minimal accountability, leaving tenants and aspiring homeowners at a severe disadvantage. Our work has tracked these trends across multiple neighborhoods, revealing targeted acquisitions in historically disinvested communities and during periods of heightened vulnerability—such as post-disaster or in areas facing rezoning or speculative interest. Additionally, we would like to strongly urge the Council to expand the scope of the forthcoming report to include additional policy tools that address the structural incentives driving this consolidation. Two recommendations from SAJE's analysis are especially relevant: A Strengthened and Progressive Gross Receipts Tax on rental income earned by business entities, with higher rates applied to large-scale landlords. This approach would reduce foreclosure risk for small landlords, generate meaningful revenue from large portfolio holders, and disincentivize speculative accumulation of housing. The proposed Homes for Families Act in the California Assembly is one model that reflects this vision. An Out-of-State Transactions Fee levied on business entities based outside California when they acquire property in Los Angeles. This would specifically target Wall Street-backed firms and international investors who extract profit from local housing markets without contributing to community stability. Revenue from this fee could support deeply affordable housing and services for unhoused and rent-burdened residents. British Columbia's Speculation and Vacancy Tax provides a precedent for such a measure. This

motion is a critical first step toward understanding the full scale of corporate ownership in our single-family housing stock and identifying policy tools to curb its harmful impacts. A tax on corporate landlords who own significant numbers of single-family homes would help level the playing field for everyday Angelenos and create a revenue stream that can be reinvested in housing justice initiatives. We urge the Committee to move this motion forward and ensure that Los Angeles homes are used to house people, not to maximize profit for absentee investors. Sincerely,
Iris Craige Assistant Director of Policy and Research SAJE



Re: [Council Motion 24-1586](#)

Date: May 13, 2025

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On behalf of Strategic Actions for a Just Economy (SAJE), I am writing in strong support of the motion instructing the Chief Legislative Analyst and the Housing Department to report on the number of homes owned by limited liability companies and corporations in Los Angeles, explore the feasibility of a tax on corporate ownership of single-family homes, and study similar models from other jurisdictions.

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¹ Alex Ferrer, *Beyond Wall Street Landlords: How Private Equity in Real Estate Harms Tenants and Undermines Housing Stability*, SAJE (Strategic Actions for a Just Economy), March 2024, saje.net/wp-content/uploads/2024/03/Final_A-Just-Recovery-Series_Beyond_Wall_Streetet.pdf



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Sincerely,

Iris Craige

Assistant Director of Policy and Research

SAJE