

Communication from Public

Name: Fred Sutton

Date Submitted: 06/12/2025 10:06 AM

Council File No: 24-1225

Comments for Public Posting: Please review the attached letter from the California Apartment Association regarding this matter.



California Apartment Association
Los Angeles County

June 12th, 2025

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

Re: Item 4- Substantial Rehabilitation Changes (C.F. [24-1225](#))

On behalf of the California Apartment Association (CAA), which represents a broad spectrum of housing providers and industry-supporting businesses, we are committed to promoting fair, balanced, and sustainable housing policies in the City of Los Angeles.

We respectfully urge the City Council to reject the current recommendations and preserve a streamlined process that allows housing providers to reclaim units for substantial rehabilitation in properties governed by AB 1482. Additionally, we encourage the Council to reevaluate the City's Primary Renovation Program under the Rent Stabilization Ordinance (RSO) to facilitate a more practical pathway for restoring aging housing stock.

According to the Los Angeles Housing Department (LAHD), from January 27, 2023, through April 9, 2025, only 80 properties citywide were approved for work under the substantial remodel provisions of AB 1482, averaging just 40 per year. Despite anecdotal claims of misuse, these numbers clearly show the program is not being used abusively or excessively. Instead, it serves as a vital mechanism for addressing significant infrastructure and core building issues.

Under AB 1482, the "substantial remodel" provision offers a defined legal pathway to upgrade aging properties while ensuring tenant protections, including compensation. Though some have labeled this a "loophole," it is in fact a carefully crafted, prescriptive tool designed by the state legislature to encourage responsible investment and long-term habitability. As buildings age, critical systems often require replacement, and in some cases, such work cannot proceed with occupants in place.

However, the City's Primary Renovation Program under the RSO lacks a comparable mechanism. Currently, there is no streamlined option for a housing provider to reclaim a unit for substantial rehabilitation. This may be contributing to financial infeasibility and discouraging critical upgrades.

The LAHD report raises further questions. It notes that the average processing time for all "Just and Reasonable" rent increase requests is over a year, an excessive delay for owners seeking to recover essential costs. Is the same timeline impacting recovery under the Primary Renovation Program for this type of work? According to LAHD, only 21 properties during this period met the criteria for substantial remodel, roughly 10 per year. Of those, how many proceeded to completion? Given RSO is a much larger percentage of the housing stock, and older than AB 1482 properties, why does the primary renovation for substantial rehabilitation have significantly less applications?



California Apartment Association
Los Angeles County

A functional and streamlined renovation pathway is essential for maintaining housing quality and livability. Without further review, the city may be inadvertently discouraging reinvestment in precisely the buildings that need it most.

We respectfully ask the Council to:

1. Reject the proposed recommendations and maintain a clear and streamlined path for substantial rehabilitation for AB 1482 properties.
2. Initiate a review and reform of the RSO's Primary Renovation Program, especially for cases that meet substantial remodel criteria.

Thank you for your attention to these important matters. We welcome continued dialogue on how to modernize policy tools to preserve and improve Los Angeles' vital rental housing stock.

Sincerely,

Fred Sutton
California Apartment Association