

Communication from Public

Name: Fred Sutton

Date Submitted: 06/02/2025 01:39 PM

Council File No: 24-1225

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



California Apartment Association
Los Angeles County

June 3rd, 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 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. 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

Communication from Public

Name: California Center for Movement Legal Services
Date Submitted: 06/02/2025 02:47 PM
Council File No: 24-1225
Comments for Public Posting: Public comment letter attached.

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June 6, 2025

Housing & Homelessness Committee
200 North Spring Street
Los Angeles, CA 90012

**Re: Substantial Remodel Amendments to the Just Cause for Eviction Ordinance
(CF 24-1225)**

Dear Members of the Housing & Homelessness Committee,

The California Center for Movement Legal Services (“Movement Legal”) submits this letter to provide technical assistance and public comment regarding proposed amendments by Los Angeles Housing Department (“LAHD”) to the Just Cause for Eviction Ordinance (“JCO”). Based on our expertise litigating these sections of the Los Angeles Municipal Code and serving tenants experiencing substantial remodel evictions, Movement Legal strongly supports LAHD’s preferred option – Option 1 – which removes the substantial remodel cause of the JCO in its entirety, unless required to comply with a Government Agency Order (“GAO”).

Option 1 Accomplishes the City Council’s Intent

Option 1 is the only policy that fulfills the intent of City Council’s motion: allowing tenants to maintain their tenancies. At the same time, Option 1 only allows substantial remodel evictions when **required** by a GAO. If LAHD or another agency orders a landlord to make necessary repairs to a rental unit, an eviction will only be authorized if it is in fact necessary in order to comply with the GAO. This is an important safeguard against the common landlord practice of evicting a tenant “pursuant to a government order,” when the order itself only demands modest repairs that do not involve or require eviction of an existing tenancy.

Option 1 also mirrors an analogous policy passed by the City of Los Angeles decades ago in response to a similar problem. On March 18, 2005, the City enacted Ordinance No. 176544, which removed the ability of landlords to allege substantial remodel as a basis of eviction for rent-stabilized units. This ordinance followed years of City-sponsored reports and studies, each of which found evidence that landlords employed the substantial remodel “provisions of the RSO to improperly evict long-term, low-rent paying tenants and reposition their markets as high-rent buildings through high-end renovations.”¹

¹ “Analysis of City of Los Angeles Rent Stabilization Ordinance Major Rehabilitation Program.” David Paul Rosen & Associates, prepared for the Los Angeles Housing Department. March 1, 2023. Pg. 4.

Almost exactly 20 years later, the City is extending the same protections to non-RSO units in response to the proliferation of evictions that once plagued LARSO units. As such, Option 1 enjoys twenty years of proven precedent and is poised to fulfill the legislative intent of Los Angeles's Just Cause Ordinance.

Options 2 and 3 Will Fail to Preserve Tenancies

In contrast to Option 1, Options 2 and 3 are expensive, infeasible, and limit their scope to allegedly bad-faith substantial remodel evictions. Option 2 requires a vast expansion of LAHD's existing workload to include verifying a landlord's proposed substantial remodel scope of work, including on-site visits and follow-up to ensure that proposed work was completed. Option 3 is substantially the same, merely adding a tenant's right of first refusal to the substantially remodeled unit. Neither accomplish City Council's intent of preserving existing tenancies.

Both Options 2 and 3 are tailored to target landlords who propose pretextual substantial remodel work and thereafter never complete the proposed work. Implicitly, these Options contend that landlords who propose and complete significant substantial remodels of rental units are operating in good faith. But every instance of a landlord remodeling a rental unit in order to raise the rent to market-rate – regardless of its legality – is a bad faith circumvention of existing tenant protections. Given that landlords are already required to comply with applicable building and safety codes, there is no public benefit to continuing to authorize evictions based on unnecessary remodels of a rental unit.

Conclusion

Movement Legal has litigated several substantial remodel evictions in Los Angeles since they became legal in the wake of the expiration of pandemic-era protections. In each instance, the eviction was entirely motivated by the landlord's desire to eliminate a below-market tenancy. With respect to this policy, history is repeating itself: the City of Los Angeles faced a virtually identical policy problem in 2005 when RSO units were being lost to substantial remodel evictions. The City should act today as it did twenty years ago by adopting Option 1 and permanently closing the substantial remodel loophole.

Sincerely,

A handwritten signature in black ink, appearing to read 'SM', followed by a horizontal line.

Stephano Medina
Managing Attorney