

Communication from Public

Name: Aaron Taxy
Date Submitted: 02/03/2021 04:48 PM
Council File No: 21-0034
Comments for Public Posting: Attached is a letter on behalf of the Building Owners and Managers Association Greater Los Angeles (BOMA/GLA) on Council File 21-0034.

City of Los Angeles Energy, Climate Change, Environmental Justice, and River Committee
Los Angeles City Hall
200 North Spring Street, Room 1060
Los Angeles, California 90012

Sent electronically via email

Subject: 21-0034: *Agenda Item 5* – Motion and Bureau of Sanitation report relative to the RecycLA Service Providers efforts to work with customers impacted by the RecycLA Program rate adjustment (effective January 2021) during the COVID-19 pandemic; including the provision of service adjustments, payment arrangements, or other remedies, that can be offered to customers to help alleviate potential impacts

February 3, 2021

Dear Honorable Chair O’Farrell and Committee Members,

I write on behalf of the Building Owners and Managers Association Greater Los Angeles (BOMA/GLA), which represents over 135 million square feet of commercial office space throughout Los Angeles County. Our members contribute an estimated \$3.5 billion to California’s economy.

I write in response to the staff report from the Bureau of Sanitation (LASAN) provided under *Agenda Item 5* to express BOMA/GLA’s concern over the recent RecycLA rate increase.

Before outlining these concerns, let me begin by expressing gratitude to Chair O’Farrell making the motion that led to LASAN’s report, and for his considering the impact of a 6.15% fee increase on buildings who have been hit hard by the COVID-19 pandemic and economic downturn.

We also appreciate LASAN’s staff for their outreach to RecycLA Service Providers (RSPs) to discuss mechanisms to assist struggling customers.

Any Increase in Operating Cost is Damaging During the COVID-19 Pandemic

Like other businesses, many property owners are struggling to meet basic costs during the COVID-19 emergency.

As businesses continue to struggle, many are unable to meet their rent obligations. Furthermore, parking revenues have declined by more than half on average in Class A office buildings, according to a survey of BOMA/GLA members distributed in July of last year.

Despite reduced revenue, most office buildings surveyed by BOMA/GLA last summer indicated that they are actively providing rent relief in the forms of deferrals, abatements, permanent negotiated rent reductions, and early lease terminations to tenants in need.

As revenues decline and our members attempt to provide relief to their tenants, their ability to pay existing operating expenses narrows. Such expenses include mortgages, payroll, repairs, enhanced cleaning, and utilities – such as waste hauling.

The imposition of a 6.15% fee increase to solid waste hauling at this juncture is therefore unfair and unreasonable. We urge the committee to suspend this fee increase.

LASAN's report on this motion identifies that only 1% of RecycLA customers will pay \$200 or more with this fee increase. This statistic, however, misrepresents the depth and scope of the impact of such an increase.

For example, a BOMA/GLA member in the San Fernando Valley, who wishes to remain anonymous, stated that this rate increase will cost the campus he manages \$5,000 more than last year – *and that is just for one property in his company's portfolio.*

How will this damage buildings and portfolios like his, who will pay significantly more for waste hauling as a result of this increase, and are be squeezed by decreased revenue?

How will this impact business tenants on triple-net leases, who will absorb these costs in many instances, as well as businesses who own and operate their own properties?

How will struggling building owners absorb new costs?

How will it impact buildings' ability to maintain their current levels of personnel and avoid cutting hours when every additional dollar spent matters during an economic downturn?

While LASAN's report is a begins to answer these questions, many remain unanswered. We believe City Council should diver deeper into these questions to assess how to navigate this challenge.

Financial Feasibility

The Department's report also outlines the increased financial burden on RSPs caused by new state mandates and asserts that suspending this fee increase is not feasible for them.

While we sympathize with any financial strain our service providers are experiencing, other sectors like ours have been forced to make financial sacrifices in these trying times.

That is why BOMA/GLA accepted a limited, temporary eviction moratorium at the onset of the COVID-19 pandemic despite the adverse impacts of nonpayment of rent or what might be outlined in individual lease contracts, which we expressed in our [letter to City Council on March 20, 2020](#).

And, Council has continued to prolong and expand the moratorium – inserting itself into mutually agreed upon contracts between our members and their tenants – despite our repeated concerns. It has been done regardless of our own financial concerns, the debt in rent that is building up for business tenants, and impact on building owners, managers, and their staffs.

Working Toward a Solution

We are heartened that RSPs indicated that they are willingness to work with struggling building owners to LASAN. We hope they will offer a similar approach to providing their customers with relief as we have to our tenants, and

that Council will consider a similarly active approach and intervene to assist struggling RecyclA customers as it has for our tenants.

Collaboration is essential during these tough times. We look forward to working with all parties to develop long-term solutions to this issue. I can be reached any time at ataxy@bomagla.org or at 213-629-2662 ext. 104.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Aaron Taxy". The signature is fluid and cursive, with the first name "Aaron" written in a larger, more prominent script than the last name "Taxy".

Aaron Taxy
Director of Government and Public Affairs
BOMA Greater Los Angeles
(213) 332-4776
ataxy@bomagla.org

Communication from Public

Name: JASON ROCHA

Date Submitted: 02/03/2021 03:18 PM

Council File No: 21-0034

Comments for Public Posting: Landlords are struggling to cover costs with large amounts of delinquent rent due to Covid-19 job losses and hardships. Trash costs have already gone up considerably due to the Shelter in Place orders in Los Angeles as landlords had to increase frequency of pick-ups and bin sizes to accommodate more residents working from home producing more trash. This increase will add to the existing hardships landlords are already facing. Please give landlords a breather and suspend this increase.

Communication from Public

Name: Tami Luna

Date Submitted: 02/03/2021 01:34 PM

Council File No: 21-0034

Comments for Public Posting: City of Los Angeles housing providers are seeing up to a 6.15% increase in their waste hauling services in 2021. In 2017, the City of Los Angeles eliminated a landlord's ability to negotiate and choose their waste-hauling services. I opposes implementing these increases at this time as rental operators remain unable to collect any rent during the pandemic and have had their existing rents frozen.

Communication from Public

Name: Jeffrey Palmer

Date Submitted: 02/03/2021 02:30 PM

Council File No: 21-0034

Comments for Public Posting: I oppose an increase in waste hauling : Rents are falling 12% of my tenants are not paying rent due to eviction moratoriums Rents are falling off a cliff

Communication from Public

Name: Josh P

Date Submitted: 02/03/2021 02:55 PM

Council File No: 21-0034

Comments for Public Posting: Landlords are struggling to cover costs with large amounts of delinquent rent due to Covid-19 job losses and hardships. Trash costs have already gone up considerably due to the Shelter in Place orders in Los Angeles as landlords had to increase frequency of pick-ups and bin sizes to accommodate more residents working from home producing more trash. This increase will add to the existing hardships landlords are already facing. Please suspend this increase.