

Communication from Public

Name: Concerned Citizen

Date Submitted: 08/26/2022 10:42 AM

Council File No: 20-0291

Comments for Public Posting: Per the Judicial Council of California, the sun set on all statewide emergency rules. The clock is now ticking for our council members not to run afoul with the state's law. Continuing to extend the Covid-19 Declaration of Local Emergency isn't fiscally responsible. Here's why: Lawsuits against the City of LA will flood the courts, taking up financial resources that can be better spent on affordable housing. The longer tenants do not have to pay landlords, foreclosures will increase, thereby putting the very tenants you aim to protect at risk of losing the ability to stay in their homes. In addition, "An especially grave effect of this moratorium could be the impact of unpaid mortgages on pension funds. In fact, Carol Galante, faculty director for the Terner Center for Housing Innovation at the University of California, Berkeley, explained, "[t]hose mortgages are often securitized. They're packed up into bonds and they're sold as investments, and those investors are expecting a certain interest payment off of those securities on an ongoing basis. If they do not get those, then those investors suffer... the fact is that many of those investors are things like pension funds'." And, these pension funds often "benefit teachers, first responders and others, in ways that may not be immediately apparent." Thus, while on the surface this moratorium involves the landlord-tenant relationship, it doesn't just negatively affect landlords—on top of that we must take into account its effect on investments and pension funds. At first glance it seems like we are providing relief to tenants and only temporarily negatively impacting landlords, however, the problem goes much broader than that and can derail our entire economy."

Communication from Public

Name: Andres

Date Submitted: 08/31/2022 11:41 PM

Council File No: 20-0291

Comments for Public Posting: In an LA Times report from today it states that the City of LA is an outlier, being one of the very longest and most severe moratoriums locally, statewide and nationally. This fact alone exposes the city to a significant amount of legal liability in terms of landlord claims of unconstitutional takings. This city council continues to knowingly allow rampant fraud among tenants who can pay their rent but choose not to simply because the city has made it fully legal to do so. All while knowing there is no longer any funding to help cover these mounting losses. The entire legal justification for this law rests on there being a valid need for a state of emergency. As that dissipates the city has become more and more exposed. This has been a poorly thought out and illegal scheme to transfer what should be the government's financial obligation to house people during an emergency onto the backs of private citizens who own property in the city. It has been so easy for this council to simply gift away what was never owned or earned by the city. Why does this council continue to ignore the financial devastation that small landlords are facing? Now per the new LAHD recommendations there will still be 4 more months of the moratorium and 15 more months of a rent freeze? If there is no longer a Covid related justification for a moratorium, there is also no longer a legal justification to extend the rent freeze for another 15 months. This also violates the rules of the city's own Rent Stabilization Ordinance. Most owners had their last rent increase sometime in 2019. Pushing the freeze out to 2024 means we will go almost 5 years without a rent increase during multiple years of high inflation. The city cannot continue to force this burden on its majority of small to medium landlords into 2024 while ignoring our dramatically escalating costs and large unpaid rent balances. Reinstating rent increases on 1/1/2023 would be a small but reasonable step towards allowing landlords to start the process of recovery. The council members need to seriously consider how these policies and their sheer length of time is affecting the ability of landlords to afford and keep up with badly needed maintenance and repairs. We're going to have a city of decaying and dilapidated housing in the years to come if the city does not address this. We're talking about an actual 25-35% increase in operating costs with 0% increase in rents plus large amounts of unpaid rent. I don't understand why more council

members are not concerned about this risk. As it is, this moratorium and the financial damage it continues to inflict, are already forcing many mom and pop owners out of business. You are setting the stage for an exodus of small owners in exchange for corporate and private equity firms.