

**Marina del Rey
Lessees Association**

C/o Mr. Timothy C. Riley, Executive Director
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July 7, 2021

The Hon. Janice Hahn
Supervisor, Fourth District
Kenneth Hahn Hall of Administration
500 West Temple Street, Room 822
Los Angeles, CA 90012

Dear Supervisor Hahn:

The purpose of this letter is for the Marina del Rey Lessees Association to urge your colleagues and you to modify the proposed Rent Stabilization Ordinance to incorporate three focused "friendly amendments" which would impact only large apartment complexes which provide a wide range of amenities and services and where the tenants are overwhelmingly high-income households that are not rent-burdened.

The County's residential lessees in Marina del Rey have been working with Board offices and County department staffs since 2019 on these proposed measures.

Upon release of the draft of the proposed Rent Stabilization and Tenant Protections Ordinance on June 28, 2021 in the revised agenda package of the June 23, 2021 Operations Cluster meeting, we were disappointed to discover that the amendments the Association proposed in 2019 and that were understood to have been acceptable to Board offices were not included.

The current July 2021 proposed Rent Stabilization and Tenant Protections Ordinance continues to define a "luxury unit" as one that has two (2) bedrooms or less; is located in a single structure that contains at least twenty-five (25) or more dwelling units; and, as of September 11, 2018, the Landlord received at least four thousand dollars (\$4,000) per month in Rent.

The draft Ordinance allows an annual increase in rent for luxury units that is limited to the average CPI over the previous 12-month period ending in September, with a maximum of 8 percent. There are two circumstances in which an increase above CPI is permitted.

Under Section 8.52.060.A.4.c., a Landlord can seek an increase above CPI in order to receive a "fair and reasonable return," not to exceed 8% or in the case of a "luxury unit" by not more than 10%, unless otherwise determined by the Department of Consumer and Business Affairs. The Landlord bears the burden in making this

showing based on a detailed review of the relevant financial records as set forth in the ordinance.

Under Section 8.52.070.C., a Landlord may seek an increase above CPI, not to exceed 8%, or 10% in the case of a luxury unit, for defined pass-through expenses, such as the Safe, Clean Water Parcel Tax and up to 50% of a Capital Improvement cost, over the prior year's rent, unless approved by the Department of Consumer and Business Affairs. Any capital improvement would have to be collected as a capital improvement pass-through subject to the limitations in Section 8.52.070.

Under Section 8.52.090.C.2., at the conclusion of a term of Tenancy under a Rental Agreement, a Landlord may permit the Tenancy to continue in accordance with California Civil Code Section 1945, which creates a month-to-month tenancy structure where rent is paid on a monthly basis following expiration of a term lease.

The Association resubmits three friendly amendments that would allow for an additional 2% above CPI in annual rent increases for special circumstances that are unique mostly to Marina del Rey and could be applicable to a limited number of larger apartment complexes in other unincorporated communities.

The first proposed modification permits a 2% bump above CPI in annual rent increases for those large apartment complexes which provide a wide variety of amenities and services not normally included in apartment complexes. The proposed wording is as follows:

"An additional 2% above CPI in annual rent increases would be allowed in multifamily developments of 100 or more units, where such multifamily development provides no fewer than two of the following physical amenities and/or services in addition to the basic requirements for an apartment dwelling unit and are provided for the convenience, enjoyment, or comfort of the residential tenants of said multifamily development for which no additional charge is required above the contracted monthly rent to be paid by the tenant. These physical amenities include, but are not limited to, the following: Pool and/or Spa; Fitness Center; Other Recreational Sports Facilities (tennis courts, basketball court, bicycles, and kayaks), Housekeeping Services; Cable and High-Speed Internet; Laundry Facilities inside the units; Business Center/Conference Room/Resident Social Room; Ride-Sharing Services; and/or Public Recreational Amenities and landscaped areas required by the California Coastal Commission and/or the County of Los Angeles in connection with the redevelopment or renovation of the multifamily development, subject to the review and approval by the Department of Community and Business Affairs and the Department of Beaches and Harbors, if within the latter's jurisdiction in the unincorporated areas of Los Angeles County."

The second proposed modification would permit an increase in rent, not tied to a specific formula or the CPI, in the special circumstance of a voluntary agreement between the Landlord and the Tenant for specific improvements and upgrades in a unit that are requested by the Tenant. For example, a Tenant

may request the installation of upgraded plank flooring instead of carpeting or specialized appliances and fixtures not provided in other units.

The proposed wording is as follows:

“A voluntary agreement between the owners and property management of multifamily apartment developments of 100 or more units and individual tenants would be allowed for a mutually-acceptable increase in rent in exchange for the installation of specific tenant unit capital improvements/upgrades agreed to by the tenants subject to the review and approval by the Department of Community and Business Affairs and the Department of Beaches and Harbors, if within the latter’s jurisdiction in the unincorporated areas of Los Angeles County. Such approval is not to be unreasonably withheld.”

Under Section 8.52.090.C.2., at the conclusion of a term of Tenancy under a Rental Agreement, a Landlord may permit the Tenancy to continue in accordance with California Civil Code Section 1945, which creates a month-to-month tenancy structure where rent is paid on a monthly basis following expiration of a term lease.

The third proposed modification would clarify that Landlords and Tenants can agree on mutually-acceptable terms for a month-to-month lease. Many tenants in Marina del Rey, especially high-income young professionals and newly-married couples, are transient in nature and often renters in search of either becoming homeowners or relocating for other job opportunities as they embark on new phases in their careers and lifestyles. A concomitant consideration is that shorter-term leases should be permitted as no Tenant should be compelled to sign a one-year lease when, for whatever reason, the Tenant only wants or needs six months or some other period of time for their own personal reasons and choices. As such, the ability to facilitate a satisfactory arrangement for both Tenants and Landlords may be accommodated by this amending language:

“A voluntary agreement between the owners and property management of multifamily apartment developments of 100 or more units and individual tenants would be allowed for mutually-acceptable terms for a month-to-month lease consistent with the “like term renewal” provision in the City of Los Angeles Rent Stabilization Ordinance, subject to the review and approval by the Department of Community and Business Affairs and the Department of Beaches and Harbors, if within the latter’s jurisdiction in the unincorporated areas of Los Angeles County.”

The Association believes these three proposed modifications to the July 2021 Rent Stabilization and Tenant Protections Ordinance are consistent with the Board’s goal to give renters both protections and flexibility. In no event would these amendments place rent-burdened tenants throughout all unincorporated communities in jeopardy of either displacement or subject to additional financial burdens. These amendments are tailored to the unique

July 7, 2021

circumstances of the large apartment complexes in Marina del Rey or similar developments elsewhere and would prove neither detrimental nor adverse to the welfare of tenants seeking the protections afforded by the Ordinance.

We appreciate your thoughtful consideration of adopting these amendments for inclusion into the Rent Stabilization and Tenant Protections Ordinance at the Board of Supervisors hearing scheduled for Tuesday, July 13, 2021.

Thank you for your contemplation of these reasonable and practical amendments, and we welcome the opportunity to discuss any of the issues raised in this letter.

Sincerely,

A handwritten signature in blue ink that reads "David O. Levine". The signature is written in a cursive, flowing style.

David O. Levine
President, Marina del Rey Lessees Association