



California Apartment Association
Los Angeles County

October 15, 2024

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

Re: Item 8- Substantial Remodel Changes ([C.F. 24-1225](#))

Dear Chair Raman,

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 and equitable housing policies within the City of Los Angeles. We respectfully request that the council include additional items in the department's forthcoming report.

The Tenant Protection Act established a streamlined process for renovating and remodeling aging buildings, which guarantees monetary assistance to tenants if specific rehabilitation conditions are met. "Substantial Remodels" go well beyond cosmetic changes; they address critical repairs that improve safety, habitability, and the long-term viability of rental housing.

62% of the city's housing stock was built before 1970, and over 75% before 1980. As a result, Los Angeles' housing infrastructure is aging, yet there is no efficient process for upgrading these properties. The city's existing solution, the Primary Renovation Program, is underutilized by housing providers due to its complexity and prohibitive costs. Furthermore, we have received reports indicating that applications for "Just and Reasonable" rent increases under the Rent Stabilization Ordinance (RSO) are experiencing significant delays.

The complexity of the Primary Renovation Program, combined with the delay in processing rent increase requests, may be discouraging necessary improvements. Therefore, the city should assess whether the current program is functioning as intended and why it may be underused.

As part of the department's report and recommendations, we respectfully request the inclusion of the following data points:

- 1. The number of applications filed for Substantial Remodel for applicable properties.**
- 2. The number of applications filed under the Primary Renovation Program.**
- 3. The number of completed Primary Renovation Program projects.**
- 4. The number of "Just and Reasonable" rent increases granted under the RSO by year.**
- 5. The number of pending "Just and Reasonable" rent increase applications, along with the average processing time.**

Eliminating the Substantial Remodel provisions, a key aspect of the Tenant Protection Act, without fully understanding the efficacy of the existing processes for RSO properties would be premature. It is critical that the city avoids adopting programs or processes that do not work as intended, especially when some older buildings are in urgent need of rehabilitation.



California Apartment Association
Los Angeles County

We urge the committee to incorporate an exploration of these items into any recommendations or proposals put forth by the Housing Department.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Fred Sutton". The signature is written in a cursive style with a long horizontal stroke at the end.

Fred Sutton
California Apartment Association