

Los Angeles Rent Freeze Rejected!

By Richard H. Close, Esq.

Property owners normally do not get involved in local politics until there is a crisis. Often it is too late.

Richard Close and *Susy Forbath* of Gilchrist & Rutter, both registered lobbyists with the State of California and the City of Los Angeles, recently obtained a major victory with the City Council of Los Angeles.

Los Angeles was about to impose a “temporary” rent freeze on all rent-controlled properties. This issue is of importance to all California rental property owners, as it provides an important lesson.

In less than three weeks, Richard Close and Susy Forbath, on behalf of a group of property owner clients, were able to establish a strong political voice with Los Angeles City government on this issue.

In a City Council Meeting that led to a near riot, the Los Angeles City Council rejected the Rent Freeze Motion and Committee recommendation—to the shock of the hundreds of tenants in the Council Chambers.

The “temporary” rent freeze was only the beginning of the process. The City's ultimate goal is to re-write the

Los Angeles rent control law with many tenant favorable changes such as elimination of the 3% rent increase floor, less than 100% CPI rent increases, elimination of capital and fee pass-throughs, etc.

If your property is not in Los Angeles, why is this important to you?

It is important to know the value of political relationships and education of city agencies and elected officials, and what it takes to establish and maintain these alliances.

This victory was the result of a tireless three week battle against the City's proposed rent freeze. What quickly became apparent was the lack of knowledge by Councilmembers regarding operational cost issues faced by rental property owners. While our campaign entailed both political relations and legal arguments, a strong emphasis was placed on educating Councilmembers and their staff.

We encourage all property owners to take an active role in engaging political relationships so that when the threat of adverse changes in the law arise in your city or county you have the political clout and goodwill to gain the votes needed.

Whether you have rental, commercial, or residential properties, the Gilchrist & Rutter Governmental Relations & Entitlement Group goes beyond the legal arena. Our expertise allows us to anticipate and resolve issues which arise as a result of community, political or subjective factors. We have successfully spearheaded legislative and regulatory campaigns needed to get our clients projects approved and/or to protect property rights.

If you have any questions, please call *Richard Close* or *Susy Forbath* at (310) 393-4000.



Richard H. Close is a partner at Gilchrist & Rutter in Santa Monica, Calif. His practice focuses on real estate, financial & business transactions and formation of & advising professional entities.