

# A DEAL TO REDUCE A \$75 RENT INCREASE IN L.A. JUST GOT TWISTED

BY DENNIS ROMERO

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Northridge '94

*Ted Soqui/L.A. Weekly*

A sizable rent increase is probably coming your way. So is a sizable earthquake.

The L.A. City Council last week [approved a deal that will force landlords to upgrade earthquake-prone buildings](#) and force tenants to pay for it with rent increases as high as \$75 a month.

Council leaders promised that they'd get back to the table and work out an after-the-fact compromise, likely one in which landlords and tenants would split the upgrade costs. In that scenario, renters in upgraded buildings would see rent increases of \$38 or less for about seven years.

A key part of that compromise, however, was a bill, passed by the California Legislature, allowing landlords to get a 30 percent tax break on the cost of such earthquake retrofit work. The legislation by Valley Assemblyman Adrin Nazarian was vetoed over the weekend by Gov. Jerry Brown.

The governor vetoed a number of bills that would have provided tax credits to various industries. He said, "I cannot support providing additional tax credits that will make balancing the state's budget even more difficult."

The veto likely will complicate efforts to get that \$75 rent hike, approved by the council Friday, down to a manageable level.

Jim Clarke, executive vice president of the landlords group known as the Apartment Association of Greater Los Angeles, said previously that the tax break was part of "a funding stew that would take a lot of ingredients to get right."

He also indicated low-interest loans and low- or no-cost permits for the upgrade work would be needed to avoid larger rent increases. Such increases, which would hit tens of thousands of renters, will come at a bad time for low-income tenants, half of whom pay more than 50 percent of their income for rent.

Last year UCLA researchers declared that Los Angeles had the least affordable rental market in the nation. This year city officials declared a homeless state of emergency after data showed a sharp increase in street encampments and people living in their cars.

The earthquake retrofit mandate approved last week also comes as L.A. is playing catch up with San Francisco in upgrading about 13,500 "soft-story" apartment buildings and 1,451 or so concrete structures so they might withstand a 7.8 earthquake that will inevitably strike the area.

It's been estimated that as many as 1,800 Angelenos could die in such buildings in the Big One strikes.





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The tax credit was a key part of the landlords' apparent willingness to go along with a 50/50 split on the costs of keeping renters alive.

In a statement over the weekend, Nazarian acted as if the City Council's rent increase and mandate wasn't already a done deal. It is, for now.

"I am disappointed Gov. Brown vetoed legislation that would have protected property and saved lives when an earthquake strikes," he said. "Often I agree with the governor on fiscal issues; however, California is on borrowed time. An earthquake will strike and the cost we pay for preventable damage will far exceed this modest tax credit.

"I look forward to working with Governor Brown to ensure California prioritizes seismic retrofitting in next years budget," Nazarian said.

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