

November 3, 2025

Hon. Nithya Raman, Councilmember and Chair  
Housing and Homelessness Committee  
Los Angeles City Hall  
200 N. Spring Street  
Los Angeles, CA 90012

Re: Opposition to Proposed Changes to the Rent Stabilization Ordinance (RSO)

Dear Chair Raman,

On behalf of the Los Angeles Area Chamber of Commerce, the largest business organization in the Los Angeles region, we urge the City to reject the proposed amendments to the Rent Stabilization Ordinance (RSO) formula. The Chamber is committed to promoting housing stability and affordability; however, the proposed changes risk unintended consequences that will reduce investments in RSO properties, raise rent changes during turnover, and lead to a less flexible rental market.

The Chamber is particularly concerned with removing the “shelter” component of the Consumer Price Index, which would further disconnect rent adjustments from the real-world costs of providing housing. Property insurance, utilities, materials, and labor have risen dramatically in recent years. While excluding shelter may sound like a technical solution, property owners will fall further behind on expenses, and housing quality will deteriorate.

Economists and substantial [empirical evidence](#) consistently find that tightening rent control does not reduce rents. Current residents in place may benefit temporarily, but new renters will pay more and existing occupants will lose mobility while new construction slows, maintenance is deferred and housing providers exit the market. This pattern is already apparent in Los Angeles. Developers have effectively redlined the city for investment due to political instability. Permit activity for multifamily construction has fallen, and rental owners are leaving the business as regulations and costs mount. These amendments will be a temporary betterment for some while exacerbating the underlying issue in the long-term.

The Chamber encourages the City to treat the rental housing sector as a partner in solving our affordability crisis. As things stand, Los Angeles already enforces stricter rent controls than state law AB 1482. Tightening price controls further will only strain the critical partnership between renters and housing providers. The Chamber urges the City to focus on pragmatic solutions that expand the housing supply and provide targeted assistance by streamlining approvals and supporting the production of new units.

We respectfully urge you to reject the proposed RSO changes and work with all housing stakeholders to craft policies that support both renters and providers. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Singer', with a stylized flourish at the end.

Carlos A. Singer  
Chief Policy Officer