APARTMENT ASSOCIATION OF LOS ANGELES COUNTY, INC.

d/b/a, Apartment Association of Greater Los Angeles



"Great Apartments Start Here!"

Daniel M. Yukelson Executive Director dan@aagla.org 213.384.4131; Ext. 322

April 21, 2025

SCAQMD Governing Board South Coast Air Quality Management District 21865 South Copley Drive Diamond Bar, California 91765

Re: Our Opposition to SCAQMD's Proposed Amended Rules 1111 and 1121

Dear Chair Delgado and the Members of the South Coast Air Quality Management Governing Board:

The Apartment Association of Greater Los Angeles (AAGLA) urges you to oppose the South Coast Air Quality Management District (SCAQMD) Proposed Amended Rules 1111 and 1121. While we understand the intended goal of the proposed new rules under consideration by the SCAQMD Board of Directors, passage and implementation of these proposed new rules would cause severe financial harm to our members who own and manage residential rental housing and the majority of whom are independent, mom-and-pop owners. Many of our members are retirees who are on fixed incomes that are supplemented by the limited income derived from their small income properties, and who could ill-afford the major expense associated with switching out gas appliances and making necessary upgrades in electrical service at their older properties to accommodate the installation of electrical appliances.

Moreover, the implementation of the proposed new rules would sure have a disparate impact on low-income communities as the proposed, costly new mandate would cause the majority of housing providers who are smaller owners to exit the rental housing business entirely, and sell their properties to corporate owners that would redevelop the properties into condominiums or luxury rentals leading to displacement and loss of naturally occurring affordable housing. That result, in turn, will lead to displacement of long-term renters and gentrification of neighborhoods.

Sadly, the proposed new rules follow numerous prior costly government mandates, and the analysis of these proposed new rules fails to account for the compounding costly impact regulations such as these are having on housing affordability and the threat they pose to renters and housing providers that ultimately continues to erode the quality and supply of desperately needed rental housing in California. Following nearly 4 years of COVID-era regulations when housing providers were subjected to moratoriums on rent increases and eviction during a period of rapidly rising inflation, followed by the impacts of the wildfires, the rapidly risings costs of insurance coverage, other new government mandates, and increased risks associated with the rental housing business

621 S. WESTMORELAND AVE., LOS ANGELES, CA 90005 | 213.384.4131 | AAGLA.ORG

"Legislators cannot help tenants by destroying the incomes of those who provide much-needed rental housing." -Steven Greenhut, Orange County Register (April 2020)

APARTMENT ASSOCIATION OF LOS ANGELES COUNTY, INC.

d/b/a, Apartment Association of Greater Los Angeles



"Great Apartments Start Here!"

(e.g., habitability and ADA claims), rental housing providers and California consumers in general can bear little more, and especially cannot afford the costly new mandate you have proposed.

The financial cost to replace gas water heaters and furnaces with electric models is significant. For most multifamily properties, it could cost approximately \$10,000 per unit to "swap-out" gas appliance for electric appliances if, and only if, electrical service and wiring at a property does not require upgrade. Most multifamily properties have multiple sets of appliances that would require replacement at the same time which would exacerbate the financial impact created by the proposed new rules. Moreover, some housing providers may have recently purchased new gas appliances that continue to have a great deal of useful life remaining.

Recently there have been several amendments, changes, and commentaries provided to address these issues as they pertain to single-family homes and the options available to comply with the requirements. Additionally, much has been said about grants and rebates being made available to help offset the costs associated with changing from gas to electric appliances. Unfortunately, funding would seem to only apply to the units themselves and does not address the significant costs of upgrading the electrical panels and wiring for multifamily properties nor the running of power to the property, either overhead or underground, to accommodate the additional electrical load. Additionally, neither the proposed new rules or proposed funding address issue that electrical utilities, like the Los Angeles Department of Water and Power, just never respond and often require months to provide electrical hookups.

Founded in 1917, the Apartment Association of Greater Los Angeles represents approximately 10,000 members who own or manage nearly 350,000 rental units throughout Southern California. The Association seeks to promote the highest levels of professionalism within the multifamily rental housing industry. It provides a wide array of services and benefits that meet the needs of rental housing providers of all sizes, including educational seminars, expert operational advice, and an extensive library of forms needed to successfully own and manage rental properties. The Association also serves as a powerful advocate and lobbyist for rental housing providers at the local, county, state, and federal levels of government. For more information, go to: www.aagla.org.

If you have any questions or wish to discuss your comments, please call me at (213) 384-4131; Ext. 322.

Very truly yours,

Daniel M. Yukelson

Isl Daniel M. Yukelson

Copy to: Matthew Williams, President of Board of Director

621 S. WESTMORELAND AVE., LOS ANGELES, CA 90005 | 213.384.4131 | AAGLA.ORG

"Legislators cannot help tenants by destroying the incomes of those who provide much-needed rental housing." -Steven Greenhut, Orange County Register (April 2020)