



Apartment Association of Greater Los Angeles Files Lawsuit in Federal Court Against the City of Los Angeles Challenging the City’s Alleged Monopolistic Trash Hauling Scheme

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LOS ANGELES--(BUSINESS WIRE)--The Apartment Association of Greater Los Angeles (AAGLA) has filed a lawsuit against the City of Los Angeles on behalf of the City’s housing providers. The lawsuit, filed in Federal Court is a constitutional challenge that essentially argues that the City’s trash hauling ordinance, both on its face and as applied to members of the Apartment Association, constitutes a regulatory taking of property that unconstitutionally goes too far in violation of the Fifth Amendment, and by blocking the members ability and opportunity to contract without outside waste haulers, violates the Equal Protection Clause and Contract Clause of the U.S. Constitution. The lawsuit further asserts that housing providers’ opportunity and ability to contract in a free marketplace has been unconstitutionally infringed upon by the ordinance. In addition to the Apartment Association of Greater Los Angeles, named plaintiffs include AIHM Hotel/Motel Association, Balubhai Patel, and Harold Greenberg, a member of AAGLA’s Board of Directors.

AAGLA files lawsuit vs. City of L.A. over alleged trash hauling monopoly. Our members have seen 200% to 400% or more price increases. This is unfair and illegal. #advocatestrong

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On April 8, 2014, the City passed an ordinance that fundamentally changed how solid waste would be collected from commercial establishments and multifamily dwellings in the City by moving from a free market, highly competitive system to a system that awarded waste haulers the exclusive right to provide collection services within their “franchised zones.” The exclusive franchise system that was ultimately created was originally labeled “Zero Waste L.A.” or more specifically, the “Zero Waste L.A. Exclusive Franchise System.” However, in or around 2017, the exclusive franchise system was renamed “RecycLA,” which is how the program is referred to today. The City’s waste hauling ordinance requires that all commercial and virtually all multifamily residential property owners to contract with the exclusive waste hauling franchisee within the “franchised zone” where their property is located, and makes it illegal for non-franchisee waste haulers to provide collection services within City limits.

Prior to the establishment of RecycLA, property owners could choose from one of hundreds of waste haulers operating within the City and were able to take advantage of highly competitive pricing. Following the establishment of RecycLA, property owners

could only contract with one of the exclusive waste hauling monopoly franchisees per the City's seven "franchised zones." As a result, the City's RecycLA monopoly has led to systematic abuses by the City, which continue to this day, including awarding contracts in exchange for millions of dollars in annual franchise fees that are now being passed-through and burdening property owners through waste hauling fees that have increased 200% to 400% or more per year. Multifamily rental property owners that were already saddled with price controls that curtail annual rent increases to a mere 3% per year and that are now subject to a City ordered "rent increase freeze" for the duration of the declared emergency and one year thereafter, have been severely burdened while the City seeks to close its pension gap on the backs of property owners by passing along millions of dollars in franchise fees collected from waste haulers.

AAGLA's President of the Board, Earle Vaughan, stated: "The City's waste hauling monopoly is clearly unconstitutional and constitutes a regulatory taking in violation of the Fifth Amendment of the U.S. Constitution." AAGLA's Executive Director, Daniel Yukelson, stated: "The RecycLA monopoly rolled out with severe service issues, which to this day, have not been addressed. It is just another assault on the City's hard-working rental housing providers who are the only group of people providing affordable housing to the members of our Los Angeles community. It is pathetic that the City has sold its price-gouging regional trash collection monopoly to the public as boosting recycling. Yet, it exists merely to cover the City's severe pension deficits."

AAGLA is represented by attorney Frank A. Weiser of Los Angeles. Mr. Weiser stated: "The City's ordinance unconstitutionally goes way too far in violation of the U.S. Constitution's Fifth Amendment by blocking ability and opportunity of AAGLA members to contract with competitive, outside waste haulers."

The Apartment Association of Greater Los Angeles promotes the highest levels of professionalism within the rental housing industry. It accomplishes this objective by offering a wide array of educational seminars and member events throughout each year, by providing expert operational advice available daily, and by supplying and maintaining virtually every conceivable agreement form and notice rental housing providers require 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. Owning and operating rental housing today has become a highly regulated industry, and accordingly, owning and managing rental property has become far more challenging and riskier than ever before. Without an organization such as the Apartment Association of Greater Los Angeles, there would be no other voice fighting for the rights of property owners within city halls, county offices, and at state and federal capitols. **AAGLA IS THE VOICE THAT EFFECTS CHANGE!**

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