

May 21, 2019

Mayor Robert Garcia and Long Beach City Council Civic Center Plaza 333 West Ocean Blvd. Long Beach, CA 90802

RE: Tenant Assistance Ordinance; May 21 City Council, Agenda Item #17

Dear Mayor Garcia and Councilmembers,

Please accept this correspondence on behalf of the Downtown Long Beach Alliance (DLBA) Board of Directors and enter into the public record for the City of Long Beach City Council meeting scheduled for May 21, 2019. The DLBA has long been a champion and advocate for policy initiatives that alleviate the ongoing housing crisis that has not only affected our city but the state as well.

We recognize that the Tenant Relocation Assistance Ordinance is a policy objective that the City has developed to help address the growing concern of many tenants throughout Long Beach. While we know the intent of the policy, we believe there are still unintentional consequences contained in the current proposal and would like to offer outlined suggestions and solutions for the City Council to consider.

The DLBA is a non-profit organization that represents more than 1,600 businesses and 4,000 commercial and residential property owners within the two Business Improvement Districts (BIDs) in Downtown Long Beach. As the proposed ordinance is currently written, of the nearly 500 multi-family properties within the Downtown BID, approximately 97% of them would be impacted by this proposed policy.

The DLBA has sought to encourage policies that support the production of all types of housing including market-rate, workforce, and affordable housing. We have also sought to discourage policies that may negatively hinder housing supply. These core policy values have been in alignment with DLBA's Vision 2020: Strategic Plan and DLBA's 18-19 Policy Agenda.

Moreover, the DLBA continues to engage its stakeholders on various policy initiatives such as tenant relocation. In April, the DLBA conducted a survey of large and small property owners on the previously proposed options regarding tenant relocation assistance. While surveyed property owners did not agree with a requirement for landlords to pay tenant relocation assistance (100% strongly disagreed), many of them did recognize the intent of the policy and saw areas of potential compromise.

With this in mind, we would like to present the City Council with the following suggested changes to the proposed ordinance.

Ask that the City Council consider extending the vesting period from one year to two
years before the "Good Standing" qualifier is applied. A similar practice has been
implemented and tested in cities such as San Diego, where a longer vesting period before
additional regulation took effect alleviated fears of property owners making a mistake
during the screening process.

- Moreover, we encourage the City Council to consider instituting an extended no-cause notice period of six months in lieu of the "Good Standing" provisions and relocation. This will not only allow for significantly more time for our Downtown property owners and their tenants to plan, but it also ensures that tools are available if nuisance activity arises later in tenancy.
- Finally, recognizing that four-unit buildings are inherently different as defined by the federal government and allow for conventional financing instead of commercial financing, as is the case with five units or more, we encourage the City Council to consider a blanket exemption for buildings up to four units as this would protect upward mobility and encourage independent rental ownership.

In addition to surveying Downtown stakeholders, the DLBA discussed the aforementioned recommendations with the Long Beach Chamber, Small Property Owners Alliance and the California Apartment Association, who have coalesced to draft similar suggestions.

We appreciate the opportunity to share these suggestions regarding the proposed ordinance for Tenant Relocation Assistance, and we continue to look forward to partner with the City as we collectively attempt to tackle the many challenges facing housing affordability in Downtown and in Long Beach.

Thank you for your consideration.

Sincerely,

Kraig Kojian President & CEO

cc: DLBA Board of Directors
Linda Tatum, Director of Development Services, City of Long Beach
Long Beach Chamber of Commerce
Small Propoerty Owners Alliance
California Apartment Association