



May 21, 2019

Honorable Mayor Garcia and Members of the City Council
City of Long Beach
333 W. Ocean Blvd. 14th Fl.
Long Beach, CA 90802

Subject: Agenda Item #17: Tenant Relocation Assistance Ordinance

Dear Mayor Garcia and Councilmembers:

We write to you as representatives of local housing owners, managers, operators and business owners who are involved with a range of existing rental properties from those that offer single-family residences to large apartment communities. Together our members provide the vast majority of affordable housing in the City and represent thousands of owners. Although we recognize the various goals and policy options the City Council is trying to balance, we continue to have deep concerns regarding the Tenant Relocation Assistance Ordinance. We believe there are unintentional consequences contained in the current proposal and offer our thoughts, suggestions and solutions to consider as the City continues to explore this issue.

Extend the Vesting Period & Implement Noticing Options

We encourage the city to institute an extended no-cause noticing period of 6 months in lieu of the “For-Cause” provisions and relocation. This not only creates significantly more time for community members to plan but also ensures tools are available if nuisance activity arises. Creating a menu of options for the housing provider as they review operational needs while ensuring either time or monetary assistance is available for an individual adheres to the spirit and intent of the ordinance. This would not apply to rehabilitation or increases in excess of 10%. No community is the same and we urge the city to avoid one size fits all measures to avoid counterproductive effects known to occur.

We encourage the City to extend a vesting period of 2 years before “Just-Cause” policies apply. Cities such as San Diego have included longer vesting periods before additional regulation take effect, understanding the need to protect communities from nuisance and illegal activity. Instituting a longer vesting period alleviates fears of making a mistake during the screening process and will curb the unintended consequence of higher screening standards throughout the City. Housing providers will be more willing to take a chance on applicants knowing they have practical tools at their disposal should disruptions or illegal activity threaten the community upon a tenancy.

“Just-Cause” proposals require a property owner to provide a “cause” when terminating ANY tenancy and would require the owner to prove in court that the “cause” was legitimate while securing third- party witnesses – who must testify at trial. It is difficult to have tenants that complain about conduct to appear in court. Consequently, an eviction becomes very hard, if not impossible should an owner pursue an eviction due to misconduct. This is negative for everyone in the community. Housing providers should not be put in a position to either face costly litigation or pay a monetary award to those who disrupt communities. Community members are hurt as housing providers are handcuffed from protecting the quiet enjoyment of the building. Extended vesting and noticing options are a reasonable request that will deter the negative consequences associated with the proposed ordinance.

Exemption of 4 Units

The severe housing shortage and its correlating effects will only be alleviated by creating more housing. As a city we should be encouraging individuals to become housing providers. The more regulation that is put on providing housing, the harder it will be for independent rental owners to understand and thrive in the industry. The ordinance that is being considered will require ever more administrative understanding and costs. Not only is supplying housing a critical service, it is an important part of the economic ladder for those that invest their time and energy into housing operations.

Four-unit buildings are recognized as inherently different by the federal government and allow for conventional financing as lenders underwrite off an owner’s personal finances. Five units and above require commercial financing. A blanket exemption for buildings up to four units should be put in place. This protects upward mobility and encourages independent rental ownership.

Partners with the City

Our members house the vast majority of Long Beach and provide the bulk of affordable housing. We continue to stand ready to work on a balanced and targeted ordinance that can be developed in such a manner that addresses both the operational concerns while achieving the goals of the City. Please do not hesitate to contact us with any questions, concerns or feedback.

Sincerely,

Long Beach Area Chamber of Commerce
California Apartment Association
Small Property Owners Alliance