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Via Electronic Mail

Hon. Mayor Tornek and Members of the Pasadena City Council
Pasadena City Hall
100 North Garfield Ave.
Pasadena, California 91101

Re: Tenant Protection Ordinance (Agenda Item 12)

Dear Hon. Mayor Tornek and Members of the Pasadena City Council:

The Apartment Association of Greater Los Angeles' (AAGLA) would like to take the opportunity to commend the Council for seeking balanced solutions that address the concerns of small rental housing providers and renters relative to the adoption of modifications to the City's existing Tenant Protection Ordinance (TPO). We also appreciate the Council's recent revision reducing the time period for a change in ownership from two years to eighteen months. As the Council moves to adopt the modified ordinance, we ask that consideration be given to our remaining concerns, outlined herein.

AAGLA represents thousands of rental housing providers, many of whom are smaller, "mom and pop" owners. Many of our members are retired seniors that for years worked regular 9 to 5 jobs, scrimping and saving to afford their small investment in rental property that secures and supplements their retirement income and at the same time provides housing to the members of their community. Many of our members are multi-generational immigrants, retired teachers and retired first responders that chose to make a small community investment as their way to house themselves and others. Our members are housing providers, seeking to fill vacancies and provide individuals with homes.

We have three outstanding concerns relative to the modifications as set forth in the draft ordinance and ask that the Council consider further amendments prior to adoption.



First, the draft ordinance would require new rental property owners to pay relocation benefits to displaced renters if during the first 18 months following a change in ownership, the new owner increases rent in excess of the area's Consumer Price Index (CPI) plus five percent (5%) within any twelve (12) month period, or notifies the renter of any lease termination or eviction. While AAGLA appreciates the Council's amendment to the time period from 2 years to 18 months, 18 months is still a long period of time for a small property owner to begin recovering the cost of their investment. This extended timeframe will also hamper "mom and pop" owners' ability to identify a potential purchaser in the event that they need to sell their property. We ask that the Council consider a shorter qualifying period of no more than one-year, which would be far more adequate and fairer. Second, we believe that the definition of a "large rent increase" triggering relocation benefits should be in alignment with current State law which deems ten (10%) percent or greater as a substantial rent increase.

Lastly, the ordinance would impose an annual ten (10%) percent increase for relocation benefits payable to long-term renters for each year beyond the 10-years of residency. This percentage is disproportionate to rental rates in Pasadena and its surrounding areas, and when compared to rental rates being charged by smaller "mom and pop" owners in these areas, which are generally far lower. Additionally, long-term renters have often benefitted for years by having received during their tenancy under market rate rents charged when renting from small owners as they have resided in their unit for a longer period while paying lower rent. We encourage the Council to consider a more reasonable, five (5) percent annual relocation fee increase for long-term renters, which is more in alignment with historical average rental increases in the City of Pasadena and its surrounding areas.

Thank you for your consideration of our proposed amendments. If you have any questions, please call me at (213) 384-4131, Ext. 309 or contact me via electronic mail at danielle@aagla.org.

Very truly yours,

Danielle Leidner-Peretz