



***"Great Apartments Start Here!"***

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December 15, 2020

**Via Electronic Mail**

Hon. Mayor Diana Mahmud and  
Members of the South Pasadena City Council  
1414 Mission Street  
South Pasadena, California 91030

**Re:** Continued Public Hearing – Discussion of Additional Tenant Protections; Adoption of Ordinance Extending the 45-day Moratorium on Evictions for Substantial Remodels without Building Permits for an Additional 10 Months and 15 days (Agenda Item 18)

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Dear Hon. Mayor Diana Mahmud and Members of the South Pasadena City Council;

At the December 16<sup>th</sup> City Council meeting, the Council will consider extension of the current 45-day moratorium on evictions for substantial remodels pursuant to Assembly Bill 1482 to November 3, 2021 and discuss the issue of relocation assistance. A majority of the Council, three of the five members, are newly elected members who had not been involved in prior discussions or voted for the initial interim urgency ordinance. The Apartment Association of Greater Los Angeles (AAGLA or Association) urges the new City Council to thoughtfully deliberate these matters, engage in a meaningful dialogue with key stakeholders and not hastily extend the interim ordinance that will be potentially detrimental to the City's affordable and aging housing supply.

On November 4<sup>th</sup>, the previous City Council adopted an urgency ordinance establishing a 45-day moratorium on evictions for substantial remodel unless the owner first secured building permits, provided copies of such permits to the renter with an explanation of why the work cannot be accomplished in a safe manner with the renter in place and why the work cannot be completed within 30 days. The rationale provided for instituting the moratorium was to address a perceived loophole under State law whereby owners may serve no-fault evictions for substantial remodel and then not undertake such renovations. To date, no data has been provided demonstrating that such an issue exists in the City of South Pasadena to warrant the urgency ordinance or the extension thereof.

Of equal importance, Assembly Bill 3088, "the Tenant, Homeowner, and Small Landlord Relief and Stabilization Act of 2020", precludes no-fault terminations for substantial remodels through February 1, 2021 unless necessary to comply with health and safety requirements. Accordingly, there is no urgent need to extend the moratorium, as such tenancy terminations are generally prohibited at this time. Moreover, notwithstanding the current prohibitions in Assembly Bill 3088, under Assembly Bill 1482, if an owner fails to comply with the State law's provisions, the no-fault termination is rendered void and the owner may also be subject to punitive damages. The owner may also be



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subject to litigation initiated by his or her renters. These existing renter protections serve to discourage the likelihood that an owner would issue a baseless notice with no intention to renovate the property.

The current 45-day moratorium fails to account for the various factors and information needed to procure a permit. Requiring issuance of permits prior to serving a tenancy termination will make the permit application process extremely onerous and, therefore, disincentivizing owners from considering moving forward with what are often necessary renovations and upgrades. These requirements are particularly problematic and challenging for the City's small, "Mom and Pop" rental housing providers, who have chosen to make an investment in their community by providing much needed affordable housing. Such burdensome local regulations will make it difficult, if not insurmountable, for these small owners who generally have limited financial resources to rehabilitate and upgrade their building, and as a result, such renovations will not be undertaken, allowing for further deterioration of the City's affordable and aging housing supply. These unnecessary regulations often have the opposite result intended and could potentially compel many small owners to exit the rental housing industry resulting in the further depletion of much needed affordable housing.

The City's Staff report highlighted consensus among stakeholders relative to the provision of additional education and outreach. The Association has always been supportive of education and community outreach to facilitate renters and rental housing providers understanding of their rights and responsibilities. As current State Law under Assembly Bill 1482 provides a clear definition of what constitutes a "substantial remodel" and Assembly Bill 3088 delineates the current limited permissible tenancy terminations, providing community workshops and other educational opportunities will ensure that all stakeholders are properly informed. We also recommend that such education and outreach be inclusive of information relative to the City's permitting process and requirements.

Regarding the "misconceptions" set forth in the Staff report, an important clarification needs to be made, rental housing providers are knowledgeable of the definition of substantial remodel and whether the remodel being contemplated is within the permissible parameters of the state law prior to the issuance of a tenancy termination notice. It is the extent of the substantial remodel which is often best determined upon further review.

State law has effectively balanced the objectives of providing renter protections while recognizing the vital importance of upgrading the State's rapidly aging housing stock. Given the State Law provisions, lack of urgency, and the new composition of the City Council, we urge the new Council to take pause to obtain a comprehensive understanding of the relevant state laws, current city permit process and possible ways to improve the tracking of permits issued prior to any extension of the moratorium. Notwithstanding, if the Council seeks to extend the urgency ordinance, we urge the City Council to limit such extension to no more than six months. Moreover, we ask that the City Council first determine the scope and extent of the substantial remodel issue and whether any further action is needed prior to consideration of other matters.

AAGLA urges the Council to consider the issues raised in this letter. We appreciate the stakeholder engagement that has occurred and ask that the dialogue continue prior to the extension of the urgency ordinance. Moreover, we urge the City Council to seek ways to incentivize



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rehabilitation and investment in the City's housing. Renters and rental housing providers, through no fault of their own, have been experiencing severe financial hardships due to the COVID-19 pandemic. As you look to the future and the post-pandemic period, it is paramount that the City Council recognize the impacts of the actions taken today, seek ways to prevent future economic instability and facilitate the rebound ahead.

Thank you for your time and consideration of these matters. If you have any questions, please call me at (213) 384-4131; Ext. 309 or contact me via electronic mail at [danielle@aagla.org](mailto:danielle@aagla.org).

Very truly yours,

*Danielle Leidner-Peretz*

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