



*"Great Apartments Start Here!"*

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February 7, 2022  
**Via Electronic Mail**

Hon. Mayor John C. Zaragoza, and  
Members of the Oxnard City Council  
Council Chambers  
305 West Third Street  
Oxnard, California 93030

**Re: Review of Rent Stabilization and Just Cause Eviction and Tenant Protection Draft Ordinances  
(Agenda Item C.1)**

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Dear Hon. Mayor Zaragoza and Members of the City Council;

At the February 9<sup>th</sup> Special City Council meeting, the Council will review two draft ordinances: one to establish local rent stabilization and another to establish local just cause tenancy termination regulations and provide City Staff with further direction. The Apartment Association of Greater Los Angeles' (AAGLA or Association) remains strongly opposed to any form of rent control and eviction regulations and urges the Council to seek targeted solutions and strategies that foster rather than hinder the availability of affordable housing and that encourage further housing production.

In October 2021, when this matter was presented to the City Council, the core issues identified related to housing affordability, substandard housing conditions, and lack of awareness and/or utilization of existing state laws and local regulations. We commend the City Council for directing staff to establish a robust public education program which will enhance the City's community education and outreach efforts on existing laws, programs, and resources. During the October 19, 2021 City Council meeting, the Council also provided clear direction relative to the parameters for the drafting of a local version of Assembly Bill 1482 with a 5% annual rent increase limit, and to include a local enforcement mechanism and a 2030 expiration date. The two draft ordinances under consideration go far beyond the Council's clear instruction.

On January 1, 2020, the State's comprehensive rent control and renter protection law, Assembly Bill 1482 "The Tenant Protection Act of 2019," went into effect. This statewide rent control law provides significant protections to renters in the City of Oxnard and throughout the state of California, including placing limitations on annual rent increases, institutes "Just Cause" eviction requirements, and requires relocation fees for no-fault tenancy terminations. This State law was the result of extensive negotiations and input from key stakeholders, including both housing providers and renter groups. Shortly after it went

into effect, in March 2020, as a result of the COVID-19 pandemic, numerous emergency measures and eviction prohibitions were established and as a result Assembly Bill 1482’s full implementation was not effectuated until October 2021. Accordingly, we urge the City Council to allow for the State law to operate unfettered for a reasonable amount of time in order to properly evaluate the overall impact and effectiveness of the State law within the City of Oxnard and only then ascertain, what if any, additional local action is needed.

The Association urges the City Council to redirect its focus and attention to innovative housing solutions. Notwithstanding, if the City Council continues along the rent control path, we urge the Council to advance a measured approach that provides for equity and minimizes the negative consequences of such ordinances. As the Council deliberates the elements of the draft ordinances, the Association urges the Council to consider the specific concerns and recommendations set forth in this letter.

### **Draft Tenant Protection Ordinance**

- **“Just Cause” Eviction -Vesting Period**

The draft ordinance proposes a 30-day vesting period for eligibility for “just cause” terminations, a significantly shorter period than is provided under Assembly Bill 1482 and a seemingly arbitrary time frame, as the City Staff report provides no rationale for such 30-day designation. We urge the City Council to maintain the one-year period established under State law. The proposed 30-day vesting period fails to address a key factor of the phase-in period, which is to minimize litigation. Under a 30-day vesting period, if an issue arose after the first month, the owner would have to engage in litigation to terminate the tenancy. Generally, any issues that arise related to a tenancy occur during the first year. Providing a one-year grace period, would allow housing providers to terminate the tenancy of a problematic renter without the added costs and/or hurdles of litigation. It would also result in housing providers affording renters who may not fully meet eligibility requirements such as due to poor credit scores and who would otherwise be rejected to be approved, as there would be adequate time to assess the new renters’ ability to meet their responsibilities.

- **Tenancy Terminations**

The draft ordinance proposes additional limitations and/or conditions not found under State law on the reasons for a just cause eviction. Moreover, the Staff report provides no justification for imposing such conditions which are not included in Assembly Bill 1482 and were not directed by the City Council for inclusion.

The draft ordinance defines a breach of a material term of the lease to exclude the adding of additional occupants under certain circumstances. It is important to note that adding occupants often results in additional utility and maintenance costs and potentially additional wear and tear to a rental unit. To account for this additional cost the housing provider should be allowed to enforce the freely negotiated lease provisions or be permitted to institute a one-time rent increase of up to 10% per additional occupant, similar to the City of Los Angeles’ Rent Stabilization Ordinance.

Included in the “at-fault” grounds for eviction for breach of a material term of the lease and



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assigning or subletting in violation of the lease, the draft ordinance provides an opportunity for the renter to make a written request to the owner for approval to add an occupant or to sublet under limited circumstances. In both contexts, the language specifies that if the owner fails to respond to the renter’s written request in a reasonable time it will be deemed approved. To facilitate communication between the parties, we request that the provision be modified to require that the written request and response be submitted via certified mail return receipt.

One of the grounds for an “at-fault” tenancy termination is where the renter engages in criminal activity. The proposed ordinance specifies that this basis for eviction would only apply where the owner within a reasonable time period has reported the activity to law enforcement and further states that the renter, if acquitted or not prosecuted within the statutory period, be afforded a right to return if the same rental unit is available. There are a variety of factors that should be considered including instances where the case may or may not be prosecuted or the charges are reduced and depending on the severity of the crime and complexity of the case, it may take years for the case to be completed. There are also multiple challenges related to criminal activity within a multifamily residential property, particularly when the activity is directed towards other renters in the building who may be fearful to report or to testify against another renter in the building. Where the situation has risen to the level where the renter has been evicted for criminal activity, for which a civil judge or jury has found that the criminal behavior did exist, and where there is likely tension and concerns among the renters in the building what is the rationale for providing a problematic renter with a “right to restore the tenancy” and reside in the building. We urge the City Council to reject the inclusion of these conditions and maintain the language as set forth in Assembly Bill 1482.

The proposed ordinance also expands upon the no-fault tenancy terminations provisions set forth in the State law regarding substantial remodel, through the provision of a right of first refusal to reoccupy the unit following the completion of the repairs or remodeling work. Rent control by its very nature perpetuates reductions in investment in existing housing as housing providers subject to significant decreases in rental revenue are forced to substantially reduce their investment. Substantial remodels serve an important community benefit through reinvestment and upgrading of the City’s aging housing stock. Moreover, such renovations are expensive and when an owner makes an investment in the community there should be an ability to recover these costs in order to earn a reasonable return. Following the renovation, the renter is also returning to a much improved and modernized rental unit. We recommend that the proposed ordinance be amended to specify that where a renter seeks to reoccupy the unit following the substantial remodel that it be at market rent. Such an amendment serves to encourage essential rehabilitation and renovations which is beneficial to all the residents of the City of Oxnard, in promotion of safe and habitable housing and necessary in order to preserve the City’s existing housing stock.

- **Relocation Assistance**

Current State law provides one month relocation assistance. The proposal would set the minimum amount at \$2,500. We urge the City Council to establish means testing and limit the provision of relocation assistance to renters in actual financial need. The current parameters allow all renters to receive assistance. The threshold for assessing need should be a household income of either 200% of the Federal Poverty Level or 80% Area Median Income (AMI). Small business rental housing providers

do not have lump sum payments to make to renters who may be better financially situated than the owner. It is also important to recognize that due to the pandemic, rental property owners have also faced loss of full-time employment, loss of rental income, contracted, or cared for a loved one who has been ill with the virus. Accordingly, at the conclusion of the pandemic, some rental housing providers may be in a situation whereby they must seek housing in their investment property and simply will not have the resources to pay significant relocation fees.

- **Notice Requirements**

The proposed ordinance sets forth that “the Owner must provide the notice in the language that the Owner and tenant used to negotiate the terms of the Tenancy, in addition to English.” We urge the City Council to replace the proposed requirement with one that provides for greater consistency and clarity by directing that any notice to the renter be provided in the same language as the language of the lease agreement and in English. Such an amendment aligns with the provisions of California Civil Code section 1632. Moreover, owners are required to provide renters with notice of the ordinance and related protections “no later than thirty (30) days after the effective date of this ordinance.” As this would be a new local regulation and for which penalties may be imposed for violations, it is critical that rental housing providers have adequate time to be aware of the ordinance and related requirements. 30 days of the ordinance’s adoption is not a sufficient amount of time. Accordingly, we request that the notice period be extended to no later than 90 days after the effective date of the ordinance.

### **Draft Rent Stabilization Ordinance**

- **Permissible Rent Increases**

The proposed ordinance limits annual rent increases to no more than one increase of up to 5%. As we are in a highly inflationary period where cost of all goods and services are rapidly escalating, we urge the City Council to modify the annual rent limitations to 5% or the Consumer Price Index (CPI) whichever is greater. This amendment meets the Council’s objective, while recognizing extreme cost fluctuations and the severe financial challenges rental housing providers experience during such periods in maintaining essential building operations.

- **Notice Requirements**

As stated in greater detail above, we urge the City Council to require that any notices be provided to renter in the same language as the lease agreement and in English.

- **Definition of Rent**

The proposed ordinance definition of rent is very vague. Moreover, it includes payments that are not and should not be defined as rent. Security deposits are not rent and should not be classified as rent. A security deposit is the renter’s money held in trust to be returned at the end of the tenancy with deductions made for damages and related costs where applicable. We urge the City Council to modify the proposed definition and remove the following language “including all payment and consideration demanded or paid for parking, pets, furniture, subletting, and security deposits for damages and

cleaning."

In addition to the concerns raised related to specific ordinance provisions, establishment of a local rent stabilization program is an extremely costly endeavor. The City's staff report estimates the cost to administer the programs at \$1.2 million annually which is foreseeably likely to increase in the coming years based upon the experience of other cities located in Southern California. We urge the City Council to seriously assess the enormous fiscal impact of these programs and the overall detrimental long-term effects that rent control will have on the City of Oxnard.

In the end, rent control will not alleviate the financial circumstances of rent burdened renters nor does expansive rent regulation bring about affordable housing. This is recognized throughout the City's September 14<sup>th</sup> Staff report and is exemplified by the Santa Monica case study presented, local rent control has not resulted in housing affordability. Further, the Staff report asserts "as evident in cities with rent control ordinances, such as Santa Monica, **rent control have failed to provide affordable housing** for the majority of renters living in rent-controlled units, while creating negative, unintended consequences..." Rent control measures provide a benefit to a small number of individuals who are encouraged to remain in their lower-cost apartments even when their financial earnings significantly increase, at the expense of lower-income residents in need of affordable housing who must now move elsewhere. The benefit of these ordinances is temporary at best – these policies have existed for more than four decades and have only led to the severe housing shortages and affordability issues we are experiencing today throughout Southern California. Rent control is not the solution.

AAGLA urges the Council to contemplate the matters set forth in this letter and continue to seek stakeholder feedback prior to the adoption of these ordinances and welcomes the opportunity to continue this important dialogue towards the advancement of targeted solutions that directly benefit Oxnard residents in need. 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,

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