



"Great Apartments Start Here!"

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July 15, 2022
Via Electronic Mail

Hon. Mayor Tim Sandoval, and
Members of the Pomona City Council
Council Chambers
505 South Garey Avenue
Pomona, California 91766

Re: Adoption of Resolution Directing Staff to Prepare Regulatory Framework and Infrastructure Necessary to Implement Residential Rent Stabilization, Just Cause Eviction, and Other Protections for Residents Facing Housing Instability and Discussion of Potential Interim Urgency Ordinance Regarding the Same (Agenda Item 22)

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

At its July 18th City Council meeting, the Council will discuss and consider for adoption a resolution directing staff to explore what is needed to implement rent stabilization and just cause eviction regulations, and an urgency ordinance establishing local rent stabilization and just cause eviction regulations. The Apartment Association of Greater Los Angeles (AAGLA or Association) strongly opposes any form of rent control and rent regulations and we urge the City Council to reject the advancement of the resolution and/or urgency ordinance. Alternatively, we urge the Council to further assess the scope of the issues identified, seek targeted solutions and strategies that foster rather than hinder the availability of affordable housing, encourage further housing production, and enhance the City's community education and outreach efforts on existing state and local laws and resources.

AAGLA, established in 1917, is a non-profit association consisting of rental housing providers and residential management professionals throughout the Southern California region. Today, our association has grown to assist more than 10,000 members, each of whom own or manage over 250,000 rental units throughout Los Angeles, Ventura, and San Bernardino counties.

Hundreds of our members are small business, "mom and pop" housing providers within the City of Pomona. Many of our members are retired seniors that worked regular "9-5" jobs for decades, who made sacrifices over the years so that they could afford to make a small investment in rental property that secures and supplements their retirement, medical and other needed costs of living, and at the same time provides affordable housing to the members of their community, or in some cases, themselves. Our members chose to make an investment in their community, to house themselves and others and as a means to provide financial security during their retirement years.

Our Association is extremely concerned with the manner in which these matters have been brought forth and the lack of extensive prior City Council deliberation. Important and necessary components of the legislative

process are government transparency and stakeholder engagement which serves to inform the Council on the key issues involved and facilitates the adoption of balanced solutions for the betterment of all City residents. The proposed urgency ordinance to be before the Council has been brought forward with little City Council discussion and is being undertaken without essential stakeholder engagement and feedback from all involved stakeholders.

There has also been no evidence of an emergency to warrant the Council's hastened action to consider the adoption of an urgency ordinance at the sacrifice of critical stakeholder outreach and engagement and thoughtful City Council deliberation. We urge the City Council to pause and first evaluate the expansive protections that are currently in place. Renters in the City of Pomona are already provided significant protections under the Statewide rent control and renter protection law, Assembly Bill 1482. In addition, the Los Angeles County "COVID-19 Tenant Protections" which the County has stated applies countywide, has been and continues to provide renters in Pomona with protections against evictions for nuisance, no-fault reasons with limited exceptions for owner move-in, unauthorized occupants and pets, and as of July 1, 2022 has reinstated such protections to cover non-payment of rent for renters with household incomes at 80% or below area median income (AMI). The Los Angeles County eviction moratorium is currently to remain in place through the end of 2022 with some protections to continue potentially through June 30, 2023. **These is simply no justification to warrant adoption of the proposed urgency ordinance.**

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 Pomona 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, numerous emergency measures and eviction prohibitions were established and as a result Assembly Bill 1482's full implementation has yet to be fully realized. As discussed, herein, the Los Angeles County's eviction moratorium remains in effect and provides Pomona renters with extensive protections. Accordingly, we strongly urge the City Council to reject the adoption of the proposed resolution and urgency ordinance and allow for the State law to be in place for a sufficient period of time following the end of the countywide moratorium, in order to properly evaluate the overall impact and effectiveness of the State law within the city of Pomona and only then determine, what if any, additional local regulation is needed.

The Association has long recognized the importance of community outreach and education, we respectfully recommend that the City Council institute a robust educational campaign to ensure that Pomona renters and rental housing providers are knowledgeable of their rights and responsibilities under Assembly Bill 1482, the County's eviction moratorium and related available resources. Such a campaign is a cost-effective targeted solution that can have an immediate and beneficial impact on the residents of Pomona in bringing awareness of key existing state laws and local ordinances. It is through such awareness that individuals are empowered to takes steps to utilize the protections afforded by the law.

Additionally, we urge the City Council to consider the multitude of harmful impacts of local rent control. The issue of housing affordability is a complex issue, however what is clear is that a local rent control ordinance is not the solution to the affordability gap. Rent control measures never equate to housing affordability and implementation will not result in the construction of a single new rental housing unit in Pomona. Over the long-term, rent control only exacerbates housing shortages, housing quality declines, and rental prices increase due to the shortages rent control inevitably creates and resulting lack of available units on the market. Rent control will decrease the quantity and quality of affordable rental housing in the City and will only discourage development of new rental units. Rent control measures provide a benefit to a small number of individuals that are in place at



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the time of passage who then have incentive to remain in their lower-cost apartments even after their financial earnings significantly increase, at the expense of lower-income residents in need of affordable housing who must now move elsewhere. Absent such measures they would have moved to more expensive housing or purchased a home of their own, making those lower-cost, affordable units available to individuals in actual financial need. Rent control also discourages renters from moving even after children have grown and a larger apartment (e.g., 3 bedrooms) is no longer necessary which results in shortages of adequate housing for the next young family that wishes to live in Pomona.

While we have numerous concerns with the proposed urgency ordinance, among the most problematic ordinance provisions is the proposed rent increase limitation of 3% or 80% of the change in the Consumer Price Index (CPI). The Association urges the City Council to consider the negative consequences of imposing such a limitation, particularly at this time of hyperinflation and tremendous economic instability. Rental housing providers are already reeling from the financial impacts caused by the COVID-19 pandemic and related governmental mandates of the last several years, and many small business, "mom and pop" property owners are already on the verge of selling or losing their property. This adverse financial situation has only been compounded by challenging rent collections during the past 2 plus years, and now runaway inflationary pressures effecting the whole economy that has caused costs for all types of goods and services to rapidly escalate under the current inflation rate which is at 8% or more.

Our members have often worked with their renters who have been financially impacted by COVID-19, but have also witnessed circumstances where renters, who have not been impacted by the pandemic, have taken advantage of the situation, and simply not paid rent due despite having the financial ability to do so. At this same time, small business rental housing providers continue to struggle to pay a myriad of expenses such as mortgages, property taxes, insurance, and other building expenses in addition to living expenses for themselves. **The proposed rent increase limitations will leave the City's small business housing providers with no means to cover these mounting costs and will predictably result in a loss of the City's much needed affordable housing** as owners, particularly smaller independent owners, facing ongoing financial constraints will be compelled to leave the rental housing business, and with their exit, the City will lose important naturally occurring affordable housing that is already in short supply.

Can the City of Pomona afford to administer an expansive rent control and renter protection ordinance? Other local jurisdictions that have implemented such comprehensive measures have been required to hire new personnel and have cost these jurisdictions from \$2 million to \$5 million per year.

To reiterate, we urge the City Council to understand the current dynamics, review existing state law and County protections, well established detrimental impacts of rent control and initiate extensive engagement with all affected stakeholders. AAGLA welcomes the opportunity to participate in this important dialogue, share our wealth of industry knowledge, understanding of housing issues and rent control towards the advancement of targeted solutions that directly benefit Pomona 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.

Very truly yours,

Danielle Leidner-Peretz

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