



"Great Apartments Start Here!"

Janet M. Gagnon
Senior Vice President, Government
Affairs & External Relations
janet@aagla.org
213.384.4131; Ext. 309

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Via Electronic Mail

Mayor Jeannette Sanchez-Palacios
and the Members of the Ventura City Council
City Hall
501 Poli Street
Ventura, California 93001

Re: Agenda Item 12 – Rental Housing Provider Restrictions

Dear Hon. Mayor Sanchez-Palacios and Members of the Ventura City Council:

The Apartment Association of Greater Los Angeles (AAGLA) represents rental housing providers throughout Ventura, Los Angeles and San Bernardino counties. More than 80% of our members are mom-and-pop owners with 20 or fewer units. We have extensive experience with rental housing policies and programs, including anti-harassment, legal representation expansion, direct rental assistance, relocation fees, rental registries, right to purchase, and rent stabilization.

This letter will provide our organization's perspective on each of the very complex and harmful impacts of the policies that have been raised for consideration under Agenda Item 12 during tonight's City Council meeting.

Anti-Harassment

Anti-harassment ordinances in other cities have allowed unscrupulous attorneys to "shake down" small rental housing providers by filing frivolous lawsuits that merely extort quick, wrongful settlements. No data has been provided by either the Housing Rights Center or city staff showing that an anti-harassment ordinance is needed in the City of Ventura. Further, there are already existing state criminal laws against assault, battery and unwanted touching. Lastly, such an ordinance will only escalate feelings of animosity between renters and rental housing providers and lead to a breakdown in communication. Housing providers will be reluctant to speak with renters for fear of later mischaracterization of discussions and renters will no longer be able to resolve minor issues quickly and amicably.

Moreover, as we have seen in numerous instances, harassment is not a "one-way" street. Often, younger and physically stronger renters verbally threaten, intimidate or physically harm housing providers who are often seniors and not capable of defending themselves, yet seldom are anti-harassment protections afforded to housing providers to be equally protected against such harassment.

Instead, we urge the City Council to consider the **creation of a mediation program** where disputes can be discussed and amicably resolved. Such a program already exists in Santa Barbara and is called the Rental Housing Mediation Program ("RHMP"). It is free for both renters and rental housing providers. Santa Barbara utilizes volunteers who are trained as mediators to keep costs extremely low.

Housing Rights Center Contract Expansion (a/k/a Right to Counsel Program)

The data provided by Housing Rights Center ("HRC") shows a total of just 34 cases in the first quarter and 39 cases in the second quarter. The number of cases could be further reduced by removing the "L/T Info and Seeking Housing" as categories because they are unrelated to actual disputes. This would result in only 25 cases in the first quarter and 31 cases in the second quarter. Compared to the 18,938 total rental units available in the city. That means that less than 00.1% of rental units have registered an issue with the HRC per quarter (not including any duplication resulting from a renter in a single unit filing multiple concerns). Based on these totals, there is clearly no overwhelming problem of any type being faced by renters in the City of Ventura at this time that would warrant a further expansion of the existing HRC contract.

Instead, the City Council should consider **creating a permanent rental assistance program** to help low-income renters stay current on rent during times of sudden emergency such as illness, injury or job loss. Such a program currently exists in the City of Claremont and is called the "Temporary Housing Stabilization and Relocation Program" and is available to extremely low-, very low- and low-income renters facing sudden emergency and also provides assistance for renters facing "No-Fault" relocations.

Additionally, the Claremont program provides funding for small rental housing providers with 20 or fewer units to conduct repairs and maintenance at their properties. The Claremont program has been extremely successful since it was implemented in April 2023 and still has funding available for new applicants. As part of this program, the City of Claremont receives valuable insight into potential rental issues and whether they are widespread or specific to particular neighborhoods or properties.

Relocation Fees

Relocation fees unfairly burden rental housing providers for merely being in business. No neighborhood grocery store is required by local government to refund monies for food already bought and ingested for customers they are no longer serving, so the customers can purchase food in other grocery stores. No family restaurant is required by local government to refund monies for meals already consumed for customers they are no longer serving, so the customers can dine in other restaurants.

Relocation fees can be a major financial burden and often require rental housing providers to fund private financial aid to former customers from housing that they have already received. How can any small business be expected to stay in business under such government mandated financial obligations? For mom-and-pop owners, such relocation fees may make staying in business unsustainable.

Further, the state has already mandated that relocation fees be paid by rental housing providers under the Tenant Protection Act of 2019 (a/k/a, Assembly Bill 1482). So, for any "No-Fault" eviction to substantially repair a rental unit, housing providers would face the double financial burden of paying for such major

repairs in addition to relocation fees that will likely require taking out high interest loans to do so. For the City of Ventura to now consider DOUBLING the fees already required by state law is simply untenable, especially for small mom-and-pop owners with 20 or fewer units that do not have access to Wall Street to raise additional capital.

Instead, we urge the City Council to **allow state law to govern**. Alternatively, as recommended by the Housing and Homelessness Subcommittee, we would urge the creation of a complete exemption from such increased relocation fees for mom-and-pop owners with 20 or fewer units.

Rental Registry

A rental registry is an extremely costly endeavor for any city. Any rental registry requires substantial upfront costs for software development and implementation, hardware acquisition and additional full-time City employees with full benefits and pensions. While the staff report mentions that there are a few cities in Southern California with a rental registry, including Oxnard, City of Los Angeles, West Hollywood and Santa Monica, it fails to point out that all those cities also have rent stabilization (a/k/a, rent control). The reason is that without such a policy, there is no legitimate need for the city to create such an expensive and intrusive program.

In Pasadena, which recently adopted rent stabilization by ballot measure, it costs **\$4.7 million per year and 17 full time employees** to administer their rental registry. Pasadena is comparable with City of Ventura in terms of total population (133,000 v. 109,000), percentage of renters (41% v. 44%) and Area Median Income (AMI) (\$104,000 v. \$107,000). So, it is likely that a rental registry for the City of Ventura would result in comparable costs.

Based on the raw data from the three outreach workshops conducted by the City, only 7 people were in favor of a rental registry and 4 people were against it. These numbers are anemic compared to the population at large or even the total number of participants at the outreach workshops. Further, the extremely low turnout for the workshops themselves shows that there is no burning issue in the City of Ventura warranting moving forward with a registry or any type of additional tenant protection.

As acknowledged in the staff report, a rental registry poses significant privacy and security concerns as it involves substantial personal and proprietary information. We are aware of two substantial breaches in Beverly Hills and Culver City of private information for rental housing providers being wrongfully disclosed and exposing rental housing providers to potential harassment, intimidation and threats by radical activists. This has happened repeatedly in the City of Los Angeles towards housing providers, elected City Council members, and City staff.

Rental housing providers are a small business like any other local business and should **not** be subject to greater disclosure required by the City regarding proprietary information than any other small business, including client lists, pricing and personal contact information. Further, it would create a new and unnecessary financial burden upon all rental housing providers. It would be unjust and inequitable to create a rental registry and will only drive more mom-and-pop rental property owners out of the City of Ventura.

Instead, rental rates can be easily tracked by the City simply by **paying for a subscription** to a national data



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aggregator for residential and commercial properties such as CoStar, circulating voluntary City surveys or using other online resources. We would urge any such data to clearly distinguish between multifamily properties and single-family properties as only multifamily properties are covered by existing statewide rental increase limitations under Assembly Bill 1482 (AB1482) and Senate Bill 567 (SB567).

Right to Purchase (a/k/a Tenant Opportunity to Purchase Act, "TOPA")

Any renter can offer to purchase a building when the owner has placed the property on the market for sale just the same as any other potential buyer. However, renters, either as individual households or as cooperatives, are highly unlikely to be able to purchase the building due to lack of financial resources for a down payment on a mortgage, credit history, and lack of savings for property taxes, insurance, repairs and maintenance. Mom-and-pop owners rely on their multifamily property as their main source of retirement income and only sell during times of financial or personal distress. To force any delay in a sale is an undue hardship on existing rental housing providers and would discourage them from staying in business as well as new owners and developers from entering the business to provide additional housing.

Rent Stabilization

Rents in the City of Ventura have NOT been increased significantly in recent years, either during or after the COVID-19 pandemic. City staff's rental figure is grossly inaccurate and likely contains rental rates for single-family properties that are NOT currently subject to and limited by state law rent limits under Assembly Bill 1482. Further, most rentals in the City are for one-bedroom units and NOT two-bedroom units as utilized in the City staff's report. This data artificially inflates rental rates in Ventura. According to data from CoStar, the leading national aggregator of residential and commercial rental data, increases have been in the low single digits for the past 5 years. Rent stabilization is not needed now and will not be needed one year from now either.

The City should be extremely cautious when discussing rent stabilization. Economic studies have shown that rent stabilization can have severely detrimental consequences on the supply and quality of housing stock, discourages investment in new housing, and promotes gentrification. Even merely discussion this extreme policy may cause some existing housing providers to leave the housing industry out of fear that it may be adopted.

Thank you for your time and consideration. Please feel free to reach out to me directly by telephone at (213) 384-4131; Ext. 309 or via electronic mail at janet@aagla.org.

Sincerely,

Janet M. Gagnon

Janet M. Gagnon, Esq.

CC: Daniel Yukelson, Executive Director, Apartment Association of Greater Los Angeles