Item 11.1 - Melanie Woods

From: Melanie Woods
To: Public Comment

Subject: Item 11.1: Discussion and Direction Regarding a Temporary Local Emergency Ordinance Prohibiting Evictions and

Rental Increases, Providing Relocation Assistance, and a Right to Return During the Local Emergency Related to

the Recent Floods

Date: Tuesday, March 5, 2024 10:42:26 AM

Attachments: image001.png

National City Tenant Protections Letter 030524.pdf

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Honorable Mayor and City Council,

RE: Item 11.1: Discussion and Direction Regarding a Temporary Local Emergency Ordinance Prohibiting Evictions and Rental Increases, Providing Relocation Assistance, and a Right to Return During the Local Emergency Related to the Recent Floods

CAA is the nation's largest statewide trade association representing owners, investors, developers, managers, and suppliers of rental housing. Our membership is diverse representing individual "momand-pop" owners of rental housing to the largest apartment operators throughout San Diego County and California. This membership represents providers of over 70,000 rental homes across San Diego County. We appreciate the opportunity to provide insight on a potential tenant protection ordinance.

During the February meeting, Councilmembers asked for concrete evidence that evictions or foul play have occurred. No such data has been provided. The County moratorium continues to be in effect. Further action on behalf of National City will create confusion for both tenants and property owners.

Temporary/Permanent Relocation Benefits

Property owners are making large scale unanticipated repairs to their properties. They are also not receiving rental income while units are uninhabitable. This is a massive financial strain for many property owners. Being asked to pay for relocation benefits in addition is too much of a financial burden to put on mom and pop landlords. It will drive people out of the rental housing market.

The vast majority of tenants are receiving emergency relocation assistance. There is no data that anyone would not qualify for these benefits. By creating an additional relocation benefit you incentivize tenants to forgo state and federal assistance and/or double dip.

The staff report states "Under State law, relocation benefits are provided in the case of a "no-fault just cause" eviction under Civil Code Section 1946.2. These relocation benefits are either one-month rental payment or waiver of the final month of tenancy." It's important to clarify that these relocation benefits referenced are when a tenant is being permanently relocated.

Instead of setting up a relocation assistance program, National City could clarify that tenants are not required to pay rent while the unit is uninhabitable and use resources to further promote the state

and federal relocation assistance available.

Rent Increases

Property owners are not allowed to randomly increase rents throughout the year. Rent increases can only occur when a tenant is signing a new lease. A short-term limitation on rental increases will incentivize landlords to delay signing new year-long leases. This short-term cap could actually result in less housing stability for tenants. Property owners may consider putting tenants on month-to-month leases until the temporary rent cap has been lifted and they can collect full rents.

Rent increases should be allowed to move forward in accordance with state and local laws. State law and the county ordinance already address rent increases and provide protections for tenants. AB 1482 limits rent increases to 5% plus CPI or 10% whichever is lower. Since nearly all impacted units are under these existing rent caps, a short-term rental cap decreases the long-term potential earnings on the unit.

Tenant Right to Return

Right of return laws are only applicable if a tenancy ends. Under current law, no tenancy of a flood impacted unit is allowed to end. There can be no first right of refusal because the terms of the existing lease already dictate that a tenant must be allowed to return. By putting right of return language into an ordinance, you are implying that a tenancy can end. This weakens the existing protections that tenants have under the eviction moratorium.

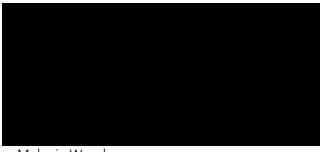
The tenant should not have to take any action to ensure their tenancy continues. Noticing requirements on the part of the landlord and the tenant overcomplicate what is already a simple fact: the tenant is allowed to return to the unit under their current lease once habitability is restored.

By creating a procure to facilitate right of return, you are undermining the universal right that the tenant already has to return to the unit. You are implying the tenancy is ending. You are also creating a pathway where a tenant, by being unresponsive to notices, could not be allowed to return.

Instead of confusing right of return language, National City could clarify that, under the eviction moratorium, the property owner is unable to end a current tenancy, regardless of the habitability of the unit.

The California Apartment Association opposed a duplicative National City ordinance. Remedies are already provided through state and local laws. No data on evictions or justification for the ordinance has been provided. Please let me know if you have any questions or an interest in further discussion.

Sincerely,



Melanie Woods Vice President, Local Public Affairs California Apartment Association

Melanie Woods Vice President, Local Public Affairs

CAA Services: Events and Education Insurance Tenant Screening



March 5, 2024

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Sincerely,

Melanie Woods Vice President, Local Public Affairs

California Apartment Association

Item 11.1 - Molly Kirkland

From: <u>Esther Clemente</u>

To: <u>Shelley Chapel</u>; <u>Tonya Hussain</u>

Subject: FW: SCRHA Letter re: Agenda 11.1 - March 5, 2024

Date: Tuesday, March 5, 2024 1:45:01 PM

Attachments: image001.png

SCRHA Ltr Local Emergency Ordinance 3-5-2024.pdf

From: Molly Kirkland

Sent: Tuesday, March 5, 2024 1:40 PM

To: Ron Morrison <RMorrison@nationalcityca.gov>; Luz Molina <lmolina@nationalcityca.gov>; Marcus Bush <mbush@nationalcityca.gov>; Jose Rodriguez <jrodriguez@nationalcityca.gov>; Ditas Yamane <dyamane@nationalcityca.gov>

Cc: Attorney <attorney@nationalcityca.gov>; CMO <CMO@nationalcityca.gov>; Clerk <Clerk@nationalcityca.gov>

Subject: SCRHA Letter re: Agenda 11.1 - March 5, 2024

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Hello,

I am respectfully submitting the attached letter in advance of this evening's meeting.

Thank you,

Molly Kirkland, Director of Public Affairs

Southern California Rental Housing Association

www.socalrha.org





March 5, 2024

Mayor Morrison and City Councilmembers National City 1243 National City Blvd. National City, CA 91950

Re: Agenda Item 11.1 - Discussion and Direction Regarding a Temporary Local Emergency Ordinance Prohibiting Evictions and Rental Increases, Providing Relocation Assistance, and a Right to Return During the Local Emergency Related to the Recent Floods

Dear Mayor and Councilmembers:

On behalf of the Southern California Rental Housing Association (SCRHA) I am writing to express our concerns with Item 11.1. As we have stated before, in writing and via public comment, a local ordinance is not necessary because of the layered protections provided by the San Diego County Emergency Eviction Moratorium and Rent Cap Ordinance, existing state law, and industry best practices. SCRHA encourages National City to avoid adding another layer of complication and instead rely on the County's Ordinance.

Relocation Benefit Options

We wish to reiterate that under existing law housing providers are already mandated to provide displaced tenants temporary housing or a rent credit when a tenant chooses to arrange their own accommodation. When temporarily relocating tenants to alternative accommodations pending repairs, housing providers must find a hotel or short-term rental that is similar in size to the resident's unit. Additionally, best practice is to find a location with a kitchen, however, this is often a challenge and meal credits or stipends are provided when a kitchen is not available. Housing providers are also required to provide accommodations that allow pets or assistive animals when applicable.

Option 1 is silent as to the payment of rent. Also of concern is the requirement to find alternative housing within the city. National City has limited hotel options and certainly very few that would meet the requirement for size and bedrooms. With housing remaining in high demand, it will also be difficult for a housing provider to find short-term rental housing within the city limits. This limitation is simply unreasonable and unmeetable and fails to recognize the lack of options within the city.

Option 2 presents similar concerns regarding the requirements for temporary accommodation within the city limits. It is also concerning to set a specific amount for each household. It is unclear what this figure it based on and may force a housing provider to pay an amount that may be significantly higher than the listed nightly rates at most area hotels.



Both option 1 and 2 seem to be designed to force housing providers to pay money out of pocket rather than find temporary accommodations for residents, which should be the priority. Existing law allows the flexibility needed for housing providers and tenants to work together to find the best temporary solution.

Rent Increases

The San Diego County Ordinance already limits rent increases to no amount greater than the CPI for the previous year. Furthermore, rent increases cannot be arbitrarily served at any time. State law places limits on how much and how often rent increases can occur. This proposal seems to assume that every unit/tenancy can be subject to a rent increase at any time, and more specifically, when the tenant returns to their unit. This is simply not the case, and it is extremely prejudicial to assume that housing providers will increase rent in the wake of this disaster. Assisting property owners with disaster resources is the best way to help them repair their units, return units to the existing residents, and mitigate future rent increases.

Right of First Refusal

The option presented in the staff report is of great concern. It must be reiterated in no uncertain terms that a temporary displacement and relocation pending necessary repairs DOES NOT end a rental agreement, lease, or rental contract. Rather, residents' rental agreements remain intact, as do all the terms and conditions, including the existing rental amount. **Tenants already have the right to return to their unit.** Adding another layer of law and paperwork does not protect tenants. It complicates matters.

We believe there are legal issues that would arise from this policy. Section 5 (1) states "...at the time the Tenant vacates..." The affected residents are not vacating. They are being temporarily relocated or displaced. Vacating a unit can mean terminating a tenancy. We encourage the city to avoid this misinformation and uncertainty. Furthermore, most tenants have already been moved out temporarily, so housing providers will not be able to comply with notice "at the time the Tenant vacates."

Section 5 (4) is very problematic and will create significant legal complications. A tenant's right to reoccupy the unit CANNOT be forfeited because again, they have rental agreements in place that guarantee their tenancy and right to possession. We believe the adoption of such a policy is tantamount to bad legal advice. Housing providers must allow tenants to return their units after repairs. Only tenants can provide written notice to their landlord to terminate their tenancy. The city cannot take away a tenant's right to reoccupy their unit.

There is simply no need to address Right of First Refusal. But to address it in a way that takes away rights from tenants and confuses housing providers is irresponsible and will likely lead to legal issues.



Moving Forward

SCRHA appreciates all the city has done and continues to do to help affected residents. However, creating legislation for the sake of creating legislation is bad public policy. As we have outlined in writing and in public comment, the issues before you are already addressed by existing laws and best practices. We believe the city can accomplish more by focusing on outreach to affected residents. Specifically, provide them with notice of their rights, such as notifying them of their existing right to return. This can be provided to housing providers to give to their residents as well.

We respectfully urge you to adopt Recommendation 2: Take no action and rely on existing San Diego County Ordinance.

Sincerely,

Molly Kirkland Director of Public Affairs

CC: City Attorney

T: 858.278.8070