

AAGLA

"Great Apartments Start Here!"

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September 9, 2019
Via Electronic Mail

Hon. Mayor Gleam Davis, and
Members of the Santa Monica City Council
City Hall
1685 Main Street
Santa Monica, California 90401

Re: Permanent Tenant Relocation Expenses for Triplexes and Duplexes (Agenda Item 7.C.)

Dear Mayor Davis and Members of the City Council;

This letter is written to express the Apartment Association of Greater Los Angeles' (AAGLA) strong opposition to the proposed ordinance under consideration by the Council which would require owners of buildings of three units or less, who are exempt from the City's rent control provisions as set forth in the City Charter, to pay relocation fees to renters when the renter is provided written notice of a rent increase in excess of the amount permitted pursuant to the Rent Stabilization Ordinance.

The proposed ordinance is in direct conflict with the City Charter as these owners are exempt from the rent control ordinance, and as a result, are permitted to increase rent at their discretion. The proposal serves to override the City Charter by, in effect, imposing rent control upon rent-controlled exempt properties. Furthermore, the ordinance as drafted, necessitates the payment of relocation fees triggered merely by the owner's notice of "intent to increase the rent" in excess of the permitted Rent Stabilization Ordinance amount.

Accordingly, this language creates a presumption that the renter will be moving without any evidence of such intent and that the renter is vacating the unit specifically due to the rent increase. If the Council moves to adopt this ordinance, it should be amended to require that following receipt of a notice of a rent increase, the renter must provide the owner with written notice of intent to vacate the unit due to the rent increase.

Additionally, small, "mom and pop" rental housing providers often have limited financial resources to make large, lump sum relocation payments to renters that may be better financially situated. Relocation benefits should be based on actual financial need (e.g., income, liquidity and

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assets test) and only for renters in good standing under their lease. The threshold for assessing need should include household income of either 200% Federal Poverty Level or 80% Average Median Income (AMI). The amount of relocation assistance should be based on actual rent paid or U.S Department of Housing and Urban Development (HUD) Fair Market Rent.

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