



"Great Apartments Start Here!"

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Via Electronic Mail

Hon. Mayor Jose Gonzalez, and the
Members of the Cudahy City Council
City Hall
5240 Santa Ana Street
Cudahy, California 90201

Re: Rental Registry Program and Fee

Dear Mayor Gonzalez of the Cudahy City Council:

This letter concerns the new rental registry program and fee that is being considered tonight at the City Council meeting (Agenda Item 13B). The program being proposed is far too costly for the City and surely not affordable for the single group of small business owners providing affordable housing within the community. There are false comparisons being made between East Palo Alto and Oakland that have far greater financial resources available to run a full "bells and whistles" rental registry that is clearly not affordable for Cudahy nor necessary for the small number of rental properties in the City. We, therefore, urge the City Council to be financially responsible and greatly reduce the program to one that is "**complaint-based**" that will focus exclusively on bad actors rather than punishing good owners and their renters with this new, grossly excessive fee.

The proposal discusses several high paying positions within the City to run this program. These salaries with full City benefits are high even for the most affluent cities in Los Angeles County.

- **Housing Specialist (100% of time) = \$124,100 Total Salary with Benefits**
- Associate Planner (50% of time) = \$128,922
- Senior Planner (35% of time) = \$154,685
- Community Preservation Manager (10% of time) = \$129,640
- Director Community Development (15% of time) = \$238,613

The report from RCS states that it is using East Palo Alto and Oakland as comparisons for staffing and workload purposes. This comparison is completely inappropriate as neither city has anything in common with Cudahy. East Palo Alto's average rent is \$2,795 or nearly DOUBLE compared to Cudahy's average rent of \$1,476. Oakland's average rent is \$2,581, which is also far greater than Cudahy's average rent. Further, East Palo Alto's median household income is \$103,248 more than DOUBLE compared to Cudahy's \$49,596. Oakland's median household income is \$96,828, which is also far greater than Cudahy's. Thus, it is no



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wonder that these cities can well afford to charge higher rental registry fees and create a huge new bureaucracy to run a proactive rental registry.

However, it is noteworthy that Oakland is actually charging a LOWER registration fee of \$101 per unit, compared to the proposed \$126 per unit fee for Cudahy. Cudahy cannot afford to place such a substantial new cost burden on rental housing providers struggling to keep their rents affordable for local residents. It is also completely inappropriate and unjustified to charge a fee of \$91 to owners who are living in their own units and, as such, have no compliance issues that could arise from their conduct.

In addition, the number of City staff working on the proposed new "proactive" program is excessive based on the small number of rental properties and units in the City. Also, there is no data whatsoever from the City showing that such an aggressive and costly program is necessary for Cudahy or that there has been widespread non-compliance with the new ordinances. As such, it is completely unfair and unnecessary to burden all owners and their renters with this huge new program and its extremely high rental registry fee.

It would make far more sense to run this new rental registry program as a "complaint-based" program that would specifically target bad actors based on the receipt of complaints by the City from renters. The filing of a complaint would trigger an investigation by the City and, if confirmed, would trigger penalties for specific owners. Such a complaint-based program would drastically reduce the number of City staff needed to run the program and greatly reduce the cost of the program as it would not require that every rental housing provider (good or bad) pay a rental registry fee for each unit. This is the standard mechanism for smaller cities to enforce new ordinances as it is the most affordable for everyone involved.

A complaint-based program would also provide needed data including the number of non-compliant owners, number of renters impacted, locations of problematic properties, and types of non-compliance (rent stabilization, specific number of each No-Fault eviction, etc.). With this complaint-based data, the City would then be able to make informed decisions as to whether any additional actions are necessary and what, if any, specific occurrences need to be addressed.

In conclusion, it is financially irresponsible for the City to place itself in the position of being responsible for creating a huge new bureaucracy costing nearly \$520,000 without first attempting a program that is far more cost effective for everyone, including the City, mom-and-pop rental housing providers and renters via a complaint-based program.

Thank you for your time and consideration of these matters. 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