



*"Great Apartments Start Here!"*

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November 18, 2024  
**Via Electronic Mail**

Hon. Mayor Tim Sandoval  
and the Members of the Pomona City Council  
City Hall  
200 North Spring Street,  
Pomona, California 90012

Re: Agenda Item 18 – Local Rent Control, Rental Registry, Funding for Attorneys, Anti-Harassment, Relocation Fees, Rental Assistance and Special Tax

Dear Hon. Mayor Sandoval and Members of the Pomona City Council:

The Apartment Association of Greater Los Angeles (AAGLA) has since 1917 represented rental housing providers throughout Los Angeles, Ventura and San Bernardino counties, including the City of Pomona. The vast majority of our member households are small, independent, mom-and-pop housing with fewer than 20 units and many with only a single property. Many of our members are retirees who rely on their rental property as their main source of income during retirement.

These independent rental housing providers are community members who have made a commitment to help their fellow neighbors by providing naturally occurring affordable rental housing. They are small business owners, no different from the local family restaurant or neighborhood grocery store. Just like any small business, these rental property owners must have sufficient income that can adequately cover operating and capital expenses to survive. Accordingly, mom-and-pop rental property owners are dependent upon the rental income they receive to cover a plethora of ever-increasing costs like water, sewer, trash hauling, major repairs and maintenance for the older buildings they operate.

During its upcoming meeting, the City Council will be reviewing the existing temporary rent control ordinance that it passed in response to COVID-19 impacts. We urge the City Council to repeal this ordinance in full, so that the City's rental housing providers can start the long process of recovery due to years of countywide moratoriums and substantial losses due to COVID-era back rent that is owed and will never be able to be collected. Local housing providers are not rushing to evict good renters, they are struggling to move forward with their lives and to hold onto their properties. If they are prevented from doing so, then they will be forced to sell to corporations that will turn older, affordable rental properties often occupied by lower-income families into new, luxury rental units affordable only by higher-income renters and with that, further fueling gentrification. Please allow state law under the Tenant Protections Act (Assembly Bill 1482) the opportunity to operate



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effectively as the fair and equitable compromise that was agreed upon by tenant activists, rental housing providers and legislators.

As was mentioned during the August 2024 study session, a rental housing provider must receive a fair return on investment by law. The “appeals” processes that were mentioned for other jurisdictions are completely unworkable and completely fail to provide any real relief to multifamily owners. This is why there have been basically no applications filed in any of these jurisdictions in years. Small owners do not have the funds to hire lawyers and accountants to provide the reams of detailed information required, if they even exist all anymore based on some requiring decades old information. They also do not have it to waste on a process where it has been shown that they have little to no chance of being successful in their request based on decisions by City staff. The most expedient and certain solution to an ordinance that prevents the math from working to allow owners to stay in business is to simply sell the building to a new corporate owner. Our small owners cannot afford the price tag in trying to navigate a useless system.

As was also mentioned about owners in rent-controlled cities taking the maximum allowed, they do so precisely because the rent increases are set too low for mom-and-pop owners to survive. These unsustainably low rent caps provide no funding when rental housing providers experience major system failures in their older buildings, which frequently require such repairs to continue operating. As such, the property owner must take the maximum rent increases to attempt to build a repair fund large enough to cover when pipes, furnaces, roofs, electrical panels and other systems fail and need to be replaced. If the cap is set so low that they cannot even save up for such unpredictable major expenses, then they will be forced to sell “as is” when these major system failures do occur.

The City trying to guess at setting a rent cap assumes a huge risk that it will be so low that owners cannot properly operate their business, and many will be forced into out of business and their properties lost as affordable housing stock with more renters being displaced. The City cannot control the entire cost chain. In November alone, the County stepped in and voters passed an increase in County sales taxes. That means that the prices that must be paid by rental housing providers for water heaters, furnaces, sinks, toilets, faucets, all go up as well. The state is discussing increasing minimum wage laws, so that will increase the costs for rental housing providers when paying for plumbers, electricians, painters, carpenters, general maintenance works and others for their services. The City itself continues to increase the cost of trash hauling, water, and sewer services and those become higher costs for rental housing providers as well. When income does not cover costs (foreseeable and unforeseeable), then ANY small business will go bankrupt including rental housing providers.

As we have heard, habitability is already an issue in Pomona. It does not need to be made far worse by cutting off the funding needed by small owners to make major system repairs. We agree that habitability deserves a program from the City to ensure that renters live in a healthy and safe environment. Why sufficient code enforcement is not already being done by the City on a question that needs to be addressed. An inspection program should be focused on bad actors and not everyone and IS LEGAL TO DO SO. The way that is achieved is to establish a “complaint based” inspection program that only requires inspection when a renter has filed a complaint with the City. The renter should also be required to first voice that concern to the owner, so that they have the opportunity to remedy the situation prior to the use of City staff time. A complaint-based system is the method used most by smaller cities with limited funding as it requires the fewest number of personnel (that also receive city pensions, healthcare and other benefits). It is also the fastest to implement and helps to capture important data such as the types of issues, number of issues, number of renters impacted,



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specific owners involved, etc. The specific bad actors should also be the only ones paying for the program in the form of citations for violations that have been confirmed by a city inspection. To force good owners that have done nothing wrong to pay for bad actors is unconscionable and is an additional expense that unfairly burdens mom-and-pop owners already struggling to provide affordable housing.

In addition, we recognize that there are some low-income renters who experience unforeseen financial emergencies such as sudden job loss, illness or injury, or unexpected major expenses that result in missed rent payments and we applaud the City Council’s consideration of providing direct rental assistance to help renters. Rental assistance is the only directly targeted solution that is guaranteed to completely prevent evictions due to non-payment of rent (which is the cause of well over 90% of all eviction proceedings) well before any legal action is initiated. As mentioned in the RSG report, 97% of evictions were due to non-payment of rent, so rental assistance funds would be money well spent by the City and much more effective than paying private attorneys to try to delay the highly stressful eviction process and inevitable eviction.

We would also like to point out that no city in Southern California has a stand-alone rent registry as establishing and enforcing one is cost prohibitive and unnecessary where no local rent control exists. The purpose of a rental registry is to help track and enforce a rent control ordinance. Without it, there is no need for such a costly and labor-intensive system. If the City is looking for rental data and trends, that information is available through a license of various national rent database services.

Lastly, we would like to point out that the RSG report is very detailed and has many very complex and substantial policy issues raised within it. Each such issue deserves thorough review and consideration by the City Council as to its likely impact on renters, rental housing providers, rental housing stock and costs to the City. Further, as this is the first time that the full report (43 pages) rather than just a few slides has being made available to the public, we would urge the City Council to allow proper time for all stakeholders to fully review and provide comments on the report before any steps are taken by the City Council to create new ordinances based upon it.

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](mailto:janet@aagla.org).

Sincerely,

*Janet M. Gagnon*

Janet M. Gagnon, Esq.

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