



*“Great Apartments Start Here!”*

Janet M. Gagnon  
Director, Government Affairs  
and External Relations  
janet@aagla.org  
213.384.4131; Ext. 309

April 3, 2023  
**Via Electronic Mail**

Hon. Mayor Tim Sandoval, and  
Members of the Pomona City Council  
505 South Garey Ave.  
Pomona, CA 91766

Re: Introduction and Adoption of Urgency Ordinance No. 4329 Related to Relocation Assistance  
(Agenda Item 15)

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

At tonight’s City Council meeting, the Council will consider the adoption of an Urgency Ordinance No. 4329 that will amend the existing Urgency Ordinance No. 4320 to radically increase the relocation fee burden on rental housing providers for No-Fault terminations of tenancy. The Apartment Association of Greater Los Angeles (AAGLA) is strongly objects to the ordinance being proposed as an “urgency” and strongly opposes the ordinance for a complete lack of facts, research, and analysis by the City and failure to hold substantial discussions with all impacted stakeholders.

There has been no data presented in the staff report indicating that the existing urgency ordinance passed in August 2022 is in any way insufficient for covering the legitimate costs to renters in relocating due to No Fault tenancy termination. The current ordinance requires the payment of relocation fees in the amount of two months of current rent in effect PLUS \$1,000. The existing ordinance has been in place now for **8 months**, yet there is no data on how many renters have been relocated due to No Fault tenancy termination, actual costs such renters experienced in moving, specific reason given for relocation (owner move-in, etc.), size of properties from which they were relocated, type of ownership for such property (individual/trust, corporation, REIT) and length of ownership. Further, there is **no data** around the new mechanisms being proposed such as: 1) number of renters that are seniors that were relocated, 2) number of renters that are disabled that were relocated, 3) number of renters that have minor children that were relocated, and 4) number of renters that are at or below 80% Area Median Income (AMI) that were relocated. Until such data has been gathered and analyzed it is extremely premature for the City Council to now be considering modifying the existing urgency ordinance with less than a year of it being put in place.

Based on the extremely complicated new system being proposed, it appears that the City Council is now attempting to change the legitimate function of relocation fees from covering moving costs into a new form of private welfare for renters that is inappropriate and extremely damaging to small business owners in Pomona that are providing needed rental housing. The average effective



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rent in Pomona is just \$1,659 per unit according to CoStar (a third-party rental housing data aggregator) for properties they track. The newly proposed dramatically increased relocation fee would equate to **over five (5) months’ worth of rent at the lowest amount proposed** which is for a non-qualified renter who has lived in their rental unit for fewer than three years and at its highest amount it would be over one entire years’ worth of rent.

Relocation fees are not supposed to be a windfall to the renter or a substitute for government welfare, they are supposed to match the actual costs incurred by the renter due to the relocation. Almost 20% of Pomona’s rental housing are properties with 4 or fewer units. These are typically owned by independent, mom-and-pop rental housing providers that are retirees or very often recent immigrants or first generation families relying on their property for daily living expenses and medical care. It is wrong for the City to place a private welfare burden onto their backs rather than the City itself providing financial assistance directly via general funds as a needed government paid safety net.

Many small owners are already facing substantial financial losses due to the over 3 years of statewide and Countywide eviction moratoriums resulting in non-payments of rents and as a result are on the brink of being forced to sell their properties or move into them themselves to save on expenses. The proposed ordinance would push mom-and-pop owners into the choice between struggling to pay **up to \$17,580** to move into their own privately owned property or sell the entire property. This is grossly unfair as it unjustly enriches the renters for housing they have already received in forcibly returning 5 months’ worth of rent PLUS \$1,000 and severely punishes rental housing owners for merely providing rental housing to those that seek it.

Further, when a mom-and-pop rental property owner is financially forced into selling the property to a developer it is often torn down and replaced with a far more profitable development such as condominiums or other uses and no longer used for long term rentals. Thus, many more renters must relocate than had the relocation fees been low enough for the existing owner to keep the building himself/herself. This can easily be the result in smaller buildings with 20 or fewer units and if the City Council moves forward with the new proposed structure, it should include a substantial reduction in relocation fees for mom-and-pop owners with 20 or fewer units.

While we applaud the City Council’s recognition that not all renters earn 80% AMI or less, this proposal fails to fully recognize the results of such acknowledgement. Relocation fees are a form of government created financial aid, even though they are not being paid by the government itself. All government financial aid is targeted to be received by only those most in need to reduce the overall costs of providing such unearned funding. Similarly, by creating this new system on the backs of a single small business segment, rental housing owners, rather than via the City’s own rental subsidy program, it is the City Council’s obligation to minimize the cost of the program to the greatest extent possible.

All other such government assistance programs are limited to low-income households, including CalFresh, Medi-Cal, and Supplemental Security Income (SSI). Thus, while the new mechanism recognizes that low-income renters being defined as 80% AMI or less should be receiving relocation fees, those renters making **above** this amount should **not** be receiving any relocation fees whatsoever as such assistance is inappropriate as a government created program. Therefore, the



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City Council should eliminate all categories of relocation fees for renters that do not fall within the stated 80% AMI or less requirement.

It appears that City staff are recommending that the City Council adopt a far more complicated and inappropriate relocation fee structure from a much larger city – City of Los Angeles -- with no stated reasoning as to why Pomona specifically needs such a structure. In addition, there is no analysis of the extremely high administrative costs of managing such a far more complicated system. The City should conduct a detailed analysis as to new computer systems that would need to be purchased up front to monitor such a complicated system, staff time needed in managing it and any new staff positions that might be needed to determine the extent of the financial costs to the City in making such a significant change to the existing program at this time.

Based on the lack of data evidencing any need for a change at this time and the significant additional financial burden it would create on mom-and-pop rental housing providers, we strongly urge the City Council to reject the adoption of this newly proposed urgency ordinance in its entirety. Instead, we urge the City Council to conduct outreach to all impacted stakeholders to develop new programs that would assist renters without damaging rental housing providers, such as the City creating a new local direct rental subsidy for renters at or below 80% AMI.

We would welcome the opportunity to work with the City Council on rental subsidies and other programs that would be of benefit to all residents in Pomona, including renters and rental housing providers alike. 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 email at [janet@aagla.org](mailto:janet@aagla.org).

Yours sincerely,

*Janet M. Gagnon*

Janet M. Gagnon, Esq.