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Subject: in search of a common understanding of the problem

-EXTERNAL-

Hi Housing Advocates, Owners and City Staff,

After watching the Property Owners and Managers Stakeholder meeting, I wanted to attempt to reframe the problem we're addressing in a way that makes sense to everyone so we're trying to solve the same set of problems, because it seems we're communicating at cross-purposes.

CONTEXT

The issue pre-dates that pandemic and the eviction moratoriums and has nothing to do with the specific limitations of the last 2 years. We have been talking to City Council (and County and State reps) about this issue ever since AB 1482 went into effect, and before. At its basis, here are the issues and context.

1. Long Beach has an affordable housing shortage. Rent under \$1000/month for a 1-bedroom apartment on the market is virtually unheard of. Average is \$1900.
2. Older properties with long-term tenants have lower rents, and may also be in most need of repair (sometimes not).
3. Every low rent tenant displaced for substantial remodel removes an affordable unit from the market, and sends that person or family into a marketplace they may not be able to afford, putting low income families and individuals at risk of homelessness.
4. Older buildings with low rents are being targeted by investment companies who know they can kick everyone out for substantial remodel and double the rents.
5. **Data:** From December 2019 through March 2020, **over 100 families in a dozen apartment complexes** received 60-day notices to terminate tenancy for substantial remodel (I have addresses, real data, real people, 48 units in my complex alone). The ones who could afford to move, did. Dozens, who couldn't afford to move, have been temporarily protected by the eviction moratoriums, and are still fighting to be able to stay in their homes, schools and neighborhoods. Ask the Council members who have spent hours listening to tenants address this issue at Council meetings if there have been "no complaints."
6. Although there are a few bad actors (owners and managers) who don't do necessary repairs or owners who claim a remodel is substantial when it's not, they are NOT the ones being addressed here. **This is about using substantial remodeling to eliminate affordable housing with no viable replacement housing available.**

7. I don't have documentation of how many apartment buildings have been sold in Long Beach in the last 2 years that would be eligible to evict everyone for substantial remodel if there's no protection in place when the moratorium expires, but one of you in real estate might be able to look that up to estimate how many more buildings are at imminent risk. A new owner is not a guarantee that the building would be substantially remodeled and the rent doubled if permitted, but there is a strong likelihood.
8. The URGENCY is that when the temporary moratoriums expire, more real people are at risk of immediately receiving 60-day notices for all the projects that have been held off due to the temporary moratoriums.

THE PROBLEMS TO SOLVE

In my view, the problems we are trying to solve are: how can we

1. Keep people in their homes (or provide equivalent housing (size, location, quality) at the same rent)
2. Prevent the loss of affordable units in Long Beach
3. Allow owners to provide necessary upgrades to old housing stock without going broke or displacing tenants.
4. Discourage over-paying for apartment buildings by corporations seeking to double the rents, and incentivize investment by non-profit affordable housing developers and local landlords who care about the community.

SOLUTIONS WE HAVEN'T DISCUSSED

While protecting tenants who are most vulnerable is the priority, and I think a THP/RAP program would best do that, there are other things that might be discussed to balance out what landlords might be giving up, such as:

1. Potential grants for repairs for small owners who can't afford the repairs without raising rent
2. Potential "split the difference" property tax breaks for new owners who maintain existing rents in affordable buildings so they would pay more than the previous owner, but less than the new rate based on purchase price (County would have to do that)
3. Finding funds to qualify more properties for tax credit or Section 8

I appreciate the majority of landlords in Long Beach who try to be fair to tenants and provide reliable housing. Mike Murchison said that it's unnecessary to create a law that protects only the 1 or 2% of tenants affected, but I would argue that the good property owners who aren't trying to exploit the substantial remodel exemption to raise the rent on low rent units to market rate have nothing to be concerned about under a new ordinance. So there should be no barrier to putting a new program in place that would require landlords to give tenants the option of temporarily relocating and coming back under the same rent terms. It's only the handful of "bad actors" who should be concerned that their plans will be thwarted.

Just my 2 cents (and a few dollars more)

Kayte

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