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Subject: RE: Substantial Remodel Displacement Solutions

-EXTERNAL-

Hi Patrick and Team,

I reviewed the notes from the tenant and landlord meetings. I don't know how well the landlords' comments were represented, but I feel that the summary of the Tenant Representatives and Housing Advocates meeting left out major concerns we discussed - like the rapid loss of affordable units due to substantial remodel and lack of rental stock at the rental rates of the units being "upgraded". It also framed some things in a way that missed the point or leaves out significant context.

- The first statement - "Would like to remove incentives that prompt some property owners to use "substantial remodel" as a means of eviction" should continue..."in order to double the rent and flip the building for a huge profit, removing affordable housing units from the market, increasing neighborhood density and causing parking shortages due to higher occupancy per apartment to afford higher rents." The issue is also removing the incentive for real estate speculators to overpay for buildings based on their plans to do this, driving up prices so that people who want to own rental property as a long-term investment rather than flipping it, can't buy into the market.
- The statement - "Current relocation payment is not enough for families...etc." implies there should still be some dollar amount set, when our discussion was primarily that there should not be. There is no restriction to a landlord offering a tenant a financial incentive to leave voluntarily, so there is no need to set a dollar amount that would allow a landlord to force a tenant out permanently instead of providing temporary re-housing during remodel. The tenant always has the option of accepting a payment offered to permanently relocate rather than a temporary relocation option if the financial incentive makes economic sense to them. That was the actual discussion.
- The statement "Prefer the adoption of a Tenant Habitability Program" is accurate, but fails to provide the context provided by the Assistant City Attorney that a Tenant Habitability Program or Renovation Administration Program is the best legal option for removing substantial remodel as a just cause for eviction, and is the only option that protects tenants and maintains affordable housing while facilitating landlords' ability to make substantial renovations.

To address a few issues in the summary of the Property Owners and Managers meeting:

- I'd like to see quantitative data too, but the City hasn't collected data on how many of the units where remodel permits were pulled were occupied prior to remodel, and property owners have not been required to report when they issue notices to terminate tenancy for remodel, so I don't know where you'd be able to find any data to compile.
- Substantial remodel should be more clearly defined, but even with a stricter definition should not be considered a "just cause" for eviction, just temporary relocation and return.
- When looking at current rental housing stock as a factor for whether you should be able to permanently relocate a tenant, you can only look at rental stock at the same rent you're replacing, not hundreds of dollars more. There's the rub.
- There is still a lot of rent relief money for landlords unclaimed. If the landlords are having trouble accessing it, that needs to be addressed separately with the City. It sucks that they cut it to 80%, but that's still a significant amount.

I look forward to continuing the discussion in the meeting next week.

Regards,

Kayte Deioma
Tenant Activist