

## **Ad Hoc on Just Cause Regulations Meeting Summary Notes**

At the December 4, 2024 Council meeting, the City Council had a general discussion of just cause evictions and formed a limited term, limited purpose ad hoc committee of Mayor Aguirre and Councilmember Fisher to further explore the topic along with obtaining public input through outreach meetings. Since then, the ad hoc has met several times and also held public outreach meetings on December 16, 2024 and December 21, 2024.

December 16, 2024 - City Council Chambers at 6:00 p.m.

*Attendance: Mayor Aguirre, Councilmember Fisher, City Clerk Kelly, CAO Cortez-Martinez, City Manager Foltz, Community Development Director Openshaw, Housing Manager Rolfe, and City Attorney Lyon*

- Staff provided a general overview on state law tenant protections, regional ordinances and local application
- In summary, the following verbal public comments were received:
  1. Family has been in IB for 60 years and have rental properties; more difficult to manage properties in IB with restrictions on landlords; repairs are expensive and restrictions on landlords make it more difficult. Putting more restrictions on landlords is burdensome; What is needed is more housing. Substantial improvements need to be made, or else the old housing stock will remain.
  2. Parents are landlords; keep 20% of money aside for remodeling/repairs; tangible changes happening now with 100 being displaced. Chula Vista has the strongest protections; asked for a ban on substantial remodels, it is not something that is groundbreaking because it has been done before.
  3. State law is enough; Complained about the amount of time it takes to work with contractors which can take more than 30 days; Concern is additional expenses in state law is going to restrict when renters have been there many years; Pursuing a moratorium will give people false hope when they received legal eviction notices; He questioned if people are getting false hope when they have a legal eviction notice. A moratorium will extend wear and tear on housing units and it costs money.
  4. This will stifle growth in IB; yet the City has prospered. It costs more to live in IB; If they can't improve properties, then there will be sub-housing; He questioned if we want investors or to stifle people.
  5. What the City enacts would affect the whole city and have unintended consequences; It will be more difficult for the smaller landlords; The more regulations there are the more difficult it is for the smaller landlords so they would sell to larger investors.
  6. Legal issues with tenants and it costs a lot to get people out; Tenants are difficult so they cannot sell their house. Small people who rent out their homes have difficulty with insurance, structural assessments, etc.; There are things that can happen that you don't know will happen like assessments. Be mindful of the effects of restrictions.
  7. Need to get eviction attorneys to show up; Landlords don't get help like tenants do; Protecting people who are damaging the properties, double standards; Concerned about people who are boarders that won't and also concerned about squatters who won't leave; Need protections that removes squatters, make squatting a criminal act.

8. Expressed concern about large companies buying apartment complexes; Not talking about individual owners, concerned about companies like Blackstone buying mass complexes and driving up the cost of rent.
9. Supported stronger protections against no-fault evictions. Asked for support with stronger tenant protections.
10. There was extensive work in passing SB 567. Hawaiian Gardens is similar to what is happening in the County, choosing profit over people; There is no consideration to the most vulnerable amongst us; Need stronger protections for tenants and put an end to remodel evictions; After remodels, move the tenants back in for the same rent or no more than 5%.
11. Doesn't like when renters are depicted as a hindrance to the growth. The only areas available are the areas that are neglected.
12. Small property owner; More housing is needed. Supply vs. Demand. If there are more rental units then the price will come down due to competition. More restrictions will make it difficult for the smaller landlords.
13. Manage property management company for family in IB since the 1950's; they do it with a lot of pride and have people on Section 8 that are currently are housing; have single moms as tenants; provide affordable and even below market rent because of compassion; don't need government to tell us to do things anything beyond the current state law; that would be really be tying our hands further as landlords here in Imperial Beach; we are not the city of San Diego we are not the city of Chula Vista we're not LA; city of Imperial Beach has the smallest budget in San Diego County as a city so anything that stifles further growth within our community and discourages investment within our communities will hit the city's bottom line; we don't have our own Police Department; we don't have our own library system; we have a lot of areas where the community can continue to grow so I just encourage the city to be mindful in all different areas when taking on areas to kind of cycle growth in our community.
14. Spoke about the need to protect people who live in IB.
15. Rent is not that high; owners have to pay mortgage and taxes.
16. Adding more rules on housing usually has the opposite effect; Rising costs leads to further deterioration; adding yet more rules and regulations on housing usually has the opposite intended effect causing cost and delays to needed increase in building or preserving have affordable units rising costs discourage new projects from being initiated resulting in reduced housing available and ironically driving up prices for everyone else limiting profitability incentives for maintaining or enhancing existing housing will lead to further deterioration and rather than preserving affordable housing the ordinance will diminish it
17. Already have CA rules do not add more.
18. The problem now is the no-fault evictions.
19. Business owners fail because they lack funding; 3<sup>rd</sup> the major corporations buying up properties; 4<sup>th</sup> rental agencies that use AI for price fixing helps major corporations charge for rentals; stagger a policy: 90-days as an initial timeframe to find a new home; small business owners do tend to have good tenants; stability will increase spending to local economy.
20. Seems like a boxing match; Rules are rules; If we have rules by the government and want to change it, do we just say yes? How does that work? Our words count too. We have to save money, and we don't come to you for loans.

21. Challenged the notion of a corporate landlord; A common business in CA real-estate is syndication; Individuals who don't have the money, investors pool their money and buy the buildings; Sometimes they are owned by regular middle class common people; He understands that not all corporate landlords are created equally.
22. Corporate landlords rely on investors; They have no personal interest of their tenants; Local landlords have always been good; F&F properties is based in La Jolla- Boutique Property.

December 21, 2024 - Imperial Beach County Library at 11:00 a.m.

*Attendance: Mayor Aguirre, Councilmember Fisher, City Clerk Kelly, CAO Cortez-Martinez, City Manager Foltz, Housing Manager Rolfe, and City Attorney Lyon*

- Staff provided a general overview on state law tenant protections, regional ordinances and local application
- In summary, the following verbal public comments were received:
  1. Questioned where the economic incentive is for buying property; Big corporations can deal with small margins and will not hesitate to sue; Increases in rent and protections are important, but what about incentives for local people?
  2. Wants remodeling but would like to be able to come back; the increase should only be the legal amount of 10%; In a fight with F&F.
  3. Not all landlords are big companies. There are those that are small that cannot have the city dictate on them additional requirements; We are going downhill; Small landlord would be 4 or 5 units.
  4. Was a renter before so he understands the situation. He made the following suggestions: The pressure on pricing is from the military. This community is affected by the military bases and we have to have affordable housing. He said the city should engage with housing on the bases. Coronado was able to include the base housing in their RHNA numbers. Also, several landlords have said that they will only rent to military. The rank of E-1 receives \$2,148 per soldier (for one person). For 2 soldiers it is \$5,400. He submitted a sheet of Navy rental rates for the record.
  5. Reviewed the 5 stages of a developer/landlord: Enthusiasm, Concern, Panic, Find the guilty, Punish the innocent. Need to keep it to stage 2 to survive and make it. Rather than have a dispute over City policies and practices that exacerbate the housing challenges, reduce fees, initiate housing, and increase housing. He submitted information on arguments against increasing notice periods and imposing additional rent control measures for the record.
  6. Offers cheap rooms in his home; Now he has a squatter that will not leave; New renters will not rent from him; He is the innocent one being penalized; Tenant protections are hurting him; There needs to be discernment about the situation.
  7. Will become homeless; needs help with F&F; and can't afford to pay \$2,000 because she is on SSI.
  8. Not trying to hurt the pockets of the landlords; At a cross roads where it is fully for tenants to be able to get their way or the landlords; Why is it that companies like F&F can up the charges; Why can't there be a middle ground where they can have a sustainable business and tenants can have the opportunity to not spend 75% of their checks on rent; A line has been drawn in the sand, why?

9. Look at the age of the housing stock; Look at the law – State law allows for substantial remodels, not cosmetic; Someone has the right to do that under state law; Chula Vista found out that one complex was that substantial remodel; Do you want people to renovate properties in IB; State law also has the first right of return, that is allowed; With remodeling the rent would be higher; Need alternate housing in the region; If a landlord does the steps, what things in state law do you want examined.
10. Family is spending most of their pay on rent; They will not have time to find new rental before eviction.
11. For private property rights; There are already state laws that protect tenants; Conduct an audit of COVID funds for affordable housing.
12. There are 2 separate issues: Owners achieved the American dream, Property ownership value has tripled in the last 12 years; No fault evictions is a separate issue; It is not new; A proven method being adopted throughout the state of California; Over 70% in IB are renters; This side should be considered.
13. Investor, owns and manages property; Owners are mom and pop - 3 units at max; Elderly people that have over time invested into property and it is their source of income; He wished there was an incentive for first time home buyers; State law currently is more than adequate for restrictions to put on landlords; He feels badly for those at Hawaiian Gardens; Would like to keep his property up; Would not like to live next door to a property with a slum lord; Scrap the idea of an overall moratorium.
14. It doesn't matter what the landlords want because you already sided with the tenants; Leave the rules the way they are; Mayor supports tenants not the landlords.
15. Understands the tenant's situation; he complained about the efforts it takes to repair property; There are real costs; Will not make a profit; Money only counts the day you sell the property; The only thing that changed is response days; There are no protections for owners; Does not want delays with government interference; It will create vacancies.
16. It is a business and a difficult business; Further restrictions causes further difficulties, Need fairness; He still has a handful of tenants that still owes \$20,000 to \$30,000 in rent; Evicting them will not get the money and it will be lost revenue; He is working with the tenants but these added burdens will be difficult; The costs will be passed on to the tenants, that is why it is called income property; Need to be able to put money back in to the properties. He submitted information on arguments against increasing notice periods and imposing additional rent control measures for the record.
17. Not against small family owned properties; She is against big corporations; Not all tenants are bad.
18. Acting for the better of the community; Protect them from mass evictions; Be fair to mom and pop landlords and tenants.
19. Complained that Hawaiian Gardens was renovated 2 years ago and they are renovating again; Do what is good for the community Find a solution that helps the small landlords and the tenants; Opposed to large landlords.
20. Take away incentives of big corporations that they can evict everyone due to renovations; Why can't they put the tenants up somewhere else?; Move tenants into vacant units during remodeling; Disincentive the large landlords; There is no right to housing in this country; A lawsuit is not good enough reason; Profits over people.
21. Hawaiian Gardens did everything they were supposed to do; if you stop them, they will sue City; The City would never go to a business and tell them what to charge or tell them that they have to give something for free; It is not the new owners' fault; Moving the goal

post is not fair; Only a small percentage of the people rent from large owners; Most renters rent from small landlords; Why would you enact rules for a small percentage?; She owns 20 units.

22. Those that bought land and those that rent here, moved into the poorest city in the state; Comparing to IB is not right; Don't compare IB to other cities that are wealthy; We are at risk; We are the only city where 4 can break the bank of the city.
23. Work with each other; Need to have tenant protections; Find the greatest good for the people; Review laws
24. Increase housing for others; Renters only have to give 30-days' notice to leave; There isn't equality; In a boxing match.
25. The fight is with the corporation.
26. Believes there should be a difference between landlords with 5 properties and 20, a different standard should apply depending on number of units. She continued on stating that one landlord purchasing 100 units should be held to a different standard than a landlord with one or a few properties.
27. Spoke about the impacts evictions have on people. He submitted information on eviction assistance for the record.