

## ATTACHMENT "A"

### Landlord comments:

- a) **Modification #1:** This situation is really where the problems lie. However, large rent increases are often not rent gouging, but the result of increased property taxes and a building's need for significant upgrading. A three-year qualifying period is too long to ask a new owner to wait to recoup or expect a reasonable return on investment. A period of 18 or 24 months is more reasonable.
- b) **Modification #1:** A shorter timeframe of one year or 18 months is in line with most mediation deals in similar situations.
- c) **Modification #1:** This new requirement would only cause property sales to fail and puts small owners at risk of not being able to leave the business when needed by personal issues or otherwise. Small owners should not be punished for choosing to invest in their communities. We recommend that this new requirement be imposed for one year and for the City to see how it works once it is in place, and if further modifications are needed.
- d) **Modification #1:** Instead of defining large rent increases as CPI+5%, we strongly recommend harmonizing this new requirement with existing state law (pertaining to natural disasters and price gouging) in which an increase above 10% is defined as a substantial increase. Also, CPI has increased only about 2% the last couple of years.
- e) **Modification #2:** "I think we would agree to this change".
- f) **Modification #3:** The proposed 10% annual increase in the TPO relocation allowance after the initial 10-year tenancy period seems greatly excessive given that rents in Pasadena for small owners (20 units and fewer) are typically far less. It should be reduced to a 5% increase, which is more in alignment with the average rental increases over the past 10 years in Pasadena. Here is a link to Rent Jungle, a publicly available source that shows rent increases in Pasadena for the past several years.
- g) **Modification #3:** The proposed annual increase in the TPO relocation base amount for renters with 10 or more years of tenancy may not be fair for "nice" landlords who have charged below market rents for years. Why not just add a fixed amount for all tenants over 10 years?

## Tenant comments:

- a) **Modification #1 and general:** There should not be an income eligibility cap on the receipt of relocation benefits.
- b) **Modification #1 and general:** The loss of affordable housing and any increase in homelessness are destructive to the City residents. Any landlord that seeks to convert to market rate a rental unit with tenants at 140% AMI or below should pay an affordable housing loss fee that goes into a City housing trust fund.
- c) **Modification #1 and general:** Tenants at 140% AMI or below who are being evicted should be provided free legal services. In the alternative, the City should provide administrative remedies for tenants seeking relocation fees under TPO.
- d) **Modification #1:** The proposed definition of large rent increases as CPI + 5% is still too high and may well result in increased homelessness, based on a Zillow study <https://www.zillow.com/research/rents-larger-homeless-population-16124/>
- e) **Modification #1:** Shift the burden of enforcement from the owner and tenant to the City. At the very least, the City should give notice to tenants when there is a change in property ownership.
- f) **Modification #2 and general:** The FMR is not the appropriate standard to be used (for determining TPO Relocation Allowance amounts), for the overwhelming majority of Pasadena's rental units rent for more than FMR. Allowing only a relocation benefit comparable to the FMR works a disproportionate hardship on fair housing protected households. The relocation allowance should be based on market rent adjusted on a quarterly basis.
- g) **Modification #3:** This modification does not reflect the current market. Most tenants will not remain in place for 10-20 years. Recommendation: a) reduce the minimum tenancy period to 5 years to be eligible under this Modification, and require only 8 or more years of tenancy to qualify for 200% of the base TPO Relocation Allowance; and b) eliminate income eligibility requirement.
- h) **Modification #3 and general:** "Good standing" should be defined as Landlord continuing to accept rent and having no material infractions during the last 3 mos.
- i) **General:** The ordinance deals with relocation and moving benefits. The title mistakenly suggests that its "protections" are broader. The title should be changed to "The Relocation Benefits" ordinance.
- j) **General:** There should be a large, monetary fine for non-compliance with TPO.
- k) **General:** Provide additional protections for vulnerable, fixed-income tenant populations (disabled, veterans, seniors).