

**CORRESPONDENCE
FROM
MAY 4, 2020
CITY COUNCIL MEETING**

Jomsky, Mark

From: Laura Paszkiewicz <pasz1@verizon.net>
Sent: Tuesday, April 28, 2020 7:32 PM
To: Public Comment
Subject: House the Homeless and Prevent Evictions

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Dear Pasadena City Counsel -- please note that as a citizen of Pasadena for 25 years, I want to make sure that my voice is heard on the subject of homeless and supportive housing. I urge the City to take the following actions as soon as possible:

- Immediately house all homeless persons within Pasadena
- Buy as many motels and other suitable properties as you can to create supportive housing programs for the current homeless
- House seniors at Heritage Square south
- Strengthen Pasadena's eviction moratorium to be consistent with LA County's eviction moratorium

I am tired of the "NIMBYs" always saying no to homeless housing and supportive services in East Pasadena, where I live. We MUST have compassion for those who are struggling with addiction, mental illness and other issues. Yes to more affordable housing and more supportive services in East Pasadena! Yes with my tax dollars! Yes in my backyard!

Laura Paszkiewicz
1465 Riviera Drive

Pasadena-Foothills Association of Realtors®

1070 E. Green Street
Pasadena, California 91106

RECEIVED

2020 MAY -4 AM 8:21

CITY CLERK
CITY OF PASADENA

May 1, 2020

Mayor and City Councilmembers
City of Pasadena
Via Email

RE: Agenda Items 16 and 17

Dear Mayor and Members of the City Council:

We write in opposition to the staff recommendations regarding changes to the current eviction moratorium you are to debate at Monday's council meeting. When first approved, these measures were fairly well-balanced and reflected a need for tenants to feel some security in their current housing. The proposed changes to your original motion simply go too far.

We remain very concerned about the plight of housing providers within the city. As of this writing, we have no data about the impact the vocal tenants unions' call for a May 1 rent strike will have. But be assured, as the quarantine continues, housing providers will be more and more impacted in their ability to pay their mortgages, their utilities, their property taxes, and keep up their properties in the manner that this community expects.

As we have discussed with each of you, we understand that, depending on how long the current crisis and quarantine restrictions go on, it may certainly be necessary to extend the six month rent repayment period. However, a blanket six month extension at this time is unwarranted and, frankly, an easy way out. We urge the council to consider, when the time is right, a 30 day extension with a review toward extending further every 30 days. This will allow you to accurately reflect the need at the time the emergency order is lifted. It also gives housing providers some hope that they may be paid past due rents in a reasonable timeframe.

We also decry the proposal to lift the requirement for tenants to show proof that they are impacted by the COVID crisis and unable to pay rent. Just as those same tenants were required to provide documentation to their respective landlord before they could sign a lease, they should not be allowed to 'self-certify' their inability to pay. The potential for fraud is too great.

Finally, we applaud any encouragement to landlords and their tenants to work out an extended repayment plan. Having a plan in place should provide peace of mind to both parties.

These are difficult times for all. We look to you to provide answers that balance the needs of all parties.

Sincerely yours,
Eddie Ramirez
President
Board of Directors

05/04/2020
Item 16 & 17

Martinez, Ruben

From: cityclerk
Sent: Friday, May 01, 2020 8:00 PM
To: Flores, Valerie; Iraheta, Alba; Jomsky, Mark; Martinez, Ruben; Novelo, Lilia; Reese, Latasha; Robles, Sandra
Subject: FW: Help Pasadena's Renters and Rental Property Owners

From: Ileana Fonseca
Sent: Friday, May 1, 2020 7:53:03 PM (UTC-08:00) Pacific Time (US & Canada)
To: cityclerk
Subject: Help Pasadena's Renters and Rental Property Owners

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Dear City Clerk Jomsky,

As the city council discusses the eviction moratorium rules put in place during the COVID-19 crisis, it is important to address how this crisis impacts both renters and rental property owners. During these extraordinary times, please take a balanced approach to helping everyone.

Sincerely,

Ileana Fonseca
5921 Meridian St
Los Angeles, CA 90042
fonsecailiana@ymail.com

Martinez, Ruben

From: Lidia Carlton <lidia.carlton@gmail.com>
Sent: Saturday, May 02, 2020 8:26 AM
To: Public Comment
Subject: support for rent moratorium

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Hello,

I would like to submit a comment to express my support for extending the rent moratorium in Pasadena to 12 months. I still think this will not be enough for renters to survive this crisis and rent forgiveness should be on the table.

You must know that \$1200 from the federal government is barely covering Pasadena rents. It's absurd to think deferring payment will work out well, and I'll support any relief, but if you care about this city you will address the eventual crumbling of our housing infrastructure in 12 months. Huge swaths of people will go unhoused and the new problems you're kicking down the road will be untenable.

I live and work in Pasadena, and I'm still able to work and pay my mortgage for now, just to be clear that it's not only renters who want these protections. I don't want to live in a city that allows renters to face inevitable eviction, in 6 months, in 1 year or ever. Please do what is right and be brave and take risks to go beyond city of LA.

Thanks,

Lidia Carlton
1645 N. El Molino Ave.

Martinez, Ruben

From: Areta Crowell <acrowell13@sbcglobal.net>
Sent: Saturday, May 02, 2020 1:38 PM
To: Public Comment
Subject: MAY 4 AGENDA ITEM 16-17 -SUPPORT THE STAFF RECOMMENDATIONS

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I wish to commend the Council and staff for understanding the concerns of renters and bringing forward this proposal which will make the Eviction Prevention Ordinance more effective. As a person of faith I support the goal to keep people housed and not to add to the homeless population. It is better to keep people housed than to have them become homeless and go through the costly and difficult process of finding a new residence. The proposals to lengthen the payback time , prevent late fees and use self-certification will surely help a lot of Pasadena residents.

Please accept the staff recommendations.

ARETA CROWELL, PH.D.

1115 CORDOVA ST.,#403

213-220-7000

Sent from Mail for Windows 10

LAW OFFICE
PETER E. RONAY
530 SOUTH LAKE AVENUE, SUITE 391
PASADENA, CALIFORNIA 91101

RECEIVED
2020 MAY -4 AM 8:21
TELEPHONE (626) 792-4730
FAX (626) 628-3162
CITY CLERK
OFFICE OF PASADENA

May 2, 2020

Pasadena City Council
Mayor Terry Tornek
Vice Mayor Tyron Hampton
Council Member John Kennedy
Council Member Margaret McAustin
Council Member Gene Masuda
Council Member Victor Gordo
Council Member Steve Madison
Council Member Andy Wilsont

BY EMAIL ONLY TO:
publiccomment@cityofpasadena.net

Re: City Council meeting agenda for May 4, 2020.
Proposed enactment of Chapter 9.76 COVID 19 EVICTION MORATORIUM

Dear Council Members:

I strongly urge the proposed enactment be denied. The “cure” is worse than the disease.

My background: My parents escaped Hungary in 1944 and came to the United States in anticipation of better liberty and opportunity here. My parents worked hard and were able to purchase residential units in Pasadena. My father owned and ran more than one restaurant business in Pasadena. I am a landlord with one residential unit in Altadena. I represent a number of clients both as landlords and tenants. My landlord clients have multi family residential units and commercial properties in Pasadena and surrounding areas. On behalf of one of my clients, I have managed a commercial property in Pasadena (a restaurant) since 1992. The restaurant has limited its operations to “Take out and delivery” since mid March. At the request of my client, I called the tenant of the Restaurant and offered rent abatement for April and proposed a deferred rent payment plan for the duration of the emergency. (Note, the Tenant has less than 10 employees so could “self certify” if the proposed Ordinance is adopted.) Another of my clients, who owns multi family residential units in Pasadena, voluntarily offered all his tenants a discount on their rent.

Briefly, my opposition to the enactment is:

1. The March 17, 2020 city Moratorium was NOT a “measured response” to the C-19 crisis.
2. The prior Moratorium failed to consider the long term effects on both Tenants and Landlords.
3. The proposed expansion of the Moratorium “doubles down”. It seeks to double a “short term” claimed remedy and will accelerate the “long term effect” such that there will be a much earlier financial detriment to not only Landlords and Tenants but will extend the ripple effect to the entire economy of the city.

Pasadena City Council


May 2, 2020

Page Two

4. California enacted rent control effective January 1, 2020.
5. In my opinion, the March 17, 2020 Moratorium was invalid as it overrode the provisions of the Unlawful Detainer statutes which pre-empt that area of the law.
6. The proposed enactment makes it worse.
7. The City is assuming significant liability if its actions are challenged on the basis of illegality.
8. The Moratorium unilaterally and retroactively alters the contractual terms of all lease agreements.
9. The Moratorium is discriminatory in that it allows tenants to “self certify” their inability to pay rent. Note that Section 8 tenants are required to document their eligibility for “assisted” rent.
10. The Moratorium allows the Tenant up to 12 months after the “emergency” to pay the deferred rent. The Landlord is forced to “fund” this additional deferral interest free while the Tenant may choose to vacate on the 12th month and deprive the Landlord of any reasonable means to collect the deferred rent.
11. What is the probability of a Tenant being able to repay the “deferred rent”? The effect of the Moratorium is to allow Tenants to live virtually rent free for a minimum of 12 months plus the additional time period necessary for the landlord to seek judicial relief to regain possession. The landlord is very unlikely to ever receive the deferred rent.
12. Rent is a property right in exchange for use of the property. So the effect of the Moratorium is to take the property right of a landlord without due process while leaving Tenant in possession.
13. The Moratorium subjects any person who violates it to criminal (misdemeanor) charges and civil penalties.
14. The intent of the proposal is to assist Tenants.
15. The long term effect of the proposal is to drive landlords out of the market. This is detrimental to all Tenants as reduced supply will create pressure to increase rents.

The above is a summary objection. If you have the time, inclination or willingness to send this to a staff member to review the detailed reasons supporting my objection, please see the appended pages.

Sincerely,



PETER E. RONAY

All of us are exposed to the consequences of COVID-19. Unfortunately, it appears that the measures you are putting into effect and have already put into effect as a “cure” is worse than the disease.

The proposal is definitely NOT a “measured response” to the current status of C-19.

The proposed rent deferral is up to 12 months and gives very little consideration to the needs of any landlord and no consideration whatsoever to the “smaller” landlords.

My landlord clients have their own obligations over and above the payment of the underlying mortgage on the rental units. The other obligations include but are not limited to maintenance of the common areas, provision of utilities, payment of taxes, insurance and city license tax. L.A. County did not “defer” payment of the real estate taxes. The proposed ordinance makes no reference “deferring” the City’s Business License Tax. Landlords must maintain such obligations at risk of losing their property while being forced to accept reduced income.

The proposal is an interference with the unlawful detainer statutes which are provided as a statewide solution to problems landlords face when they have tenants who are not complying with their lease obligations. The state obviously considers it of significant public benefit to allow landlords to regain control of their properties when the tenant fails to comply with the lease obligations. That is a public benefit to both landlords and tenants by allowing restitution of the premises so the premises can be quickly available to other tenants if existing tenants fail to comply. This keeps landlords in the market so they can continue to offer housing to residential tenants and business premises to commercial tenants.

The proposal goes beyond imposing a change to the UD statutes. What the council proposes is to unilaterally and retroactively alter the contractual terms of all lease agreements. This is a “taking” without due process.

It can be assumed that a substantial number of residential tenants are living with restricted budgets. The probability that a tenant will be able to save the deferred rent for up to 12 months then pay the deferred rent in addition to ongoing base rent is close to zero.

Rent is a property right that accrues from the owner’s decision to give possession to another. So the effect of the proposed item 38 is to take the property right of a landlord without due process. The long term effect of the proposal is to drive landlords out of the market.

The proposed Ordinance attempts to “justify” its passage by incorporating prior draconian restrictions, none of which considered the long-term financial consequences which will affect everyone. Incorporating the Recitals is an attempt to make the city “look good” by implying the city really has no control. Then the Ordinance goes into very restrictive control.

The illness and death imposed by the virus is significant and crushing to those affected. But that risk affects less than 1% of the population. The financial impact of the restrictions already in place affect 99% of the population. I exclude only the 1% which have been frequently referred to as not subject to financial distress.

WHY THE PROPOSED ENACTMENT IS AN EXTREME OVERREACTION

The following was obtained on line April 20, 2020 in a short review of data presented by the State of California, LA County and Santa Clara County and on the following web site:

<http://www.msn.com/en-us/news/us/hundreds-of-thousands-in-la-county-may-have-the-coronavirus-study-finds/ar-BB12W5mG?li=BBnb7Kz&ocid=U141DHP>

Gov. Gavin Newsom announced that an additional 42 people in California have died from coronavirus, bringing the death toll to 1,208. The total number of coronavirus cases in the state stands at 30,978. Newsom also confirmed that the state recorded 3,257 hospitalized patients and 1,196 COVID-19 patients in the ICU.

Los Angeles County: 13,816 confirmed cases, 617 deaths

The initial results from the first large-scale study [LA County Department of Health] tracking the spread of the coronavirus in the county found that 2.8% to 5.6% of adults have antibodies to the virus in their blood, an indication of past exposure.

That translates to roughly 221,000 to 442,000 adults who have recovered from an infection, according to the researchers conducting the study, even though the county had reported fewer than 8,000 cases at that time.

The early results from L.A. County come three days after Stanford researchers reported that the coronavirus appears to have circulated much more widely in Santa Clara County than previously thought.

The Stanford team estimated that 2.5% to 4.2% of Santa Clara County residents had antibodies to the coronavirus in their blood by early April.

Though the county had reported roughly 1,000 cases in early April, the Stanford researchers estimate the actual number was 48,000 to 81,000,

The above results can be seen as:

LA COUNTY DEPT OF PUBLIC
HEALTH
ON LINE 4/20/20

Reported infections	13,816
Deaths	617
Rate	4.465837%

Actual	Estimated	Rate
range	221000	0.27919%
	442,000	0.13959%
median	331500	0.18612%

Source of Estimated infections
LA COUNTY DEPT OF PUBLIC
HEALTH
As reported on line 4/20/2020
Comparable to Santa Clara County Study

Martinez, Ruben

Subject: FW: Proposed Rent Repayment Extension

From: Mark Afram
Sent: Saturday, May 2, 2020 5:06:33 PM (UTC-08:00) Pacific Time (US & Canada)
To: cityclerk
Subject: Proposed Rent Repayment Extension

CAUTION: This email was delivered from the Internet. Do not click links or open attachments unless you know the content is safe.

Dear City Clerk Jomsky,

Thank you for your hard work during this crisis. I know the city strives to protect and support all its residents, and I'm grateful.

I am writing because I am concerned about the proposed extension of rent repayment, from six months to twelve months.

First, the proposal is unjust; tenants will receive an extended timeline, but landlords will not. The mortgage, water bill, property taxes, and insurance still require payment, and no one has granted me a twelve-month extension. While I respect the sentiment of the proposal, it is simply not practical.

Second, most landlords are reasonable individuals who are willing to work with tenants. Setting aside human decency, and assuming a pragmatic perspective, eviction for non-payment is a costly process. With this scenario, assisting the current tenant is more financially beneficial. Personally, I have experience with struggling tenants. One of my renters works in the film industry, and his schedule was affected by the shutdown. We spoke on the phone, developed a payment plan, and resolved the situation.

Third, if the city's ultimate goal is to protect tenants, this proposal will have the opposite effect; instead, tenants will be in greater jeopardy. I rent out two small houses and enjoy a warm relationship with both tenants. If this twelve-month extension is granted, and I can't make payments, the units will be repossessed. And the bank, who has no history or relationship with my tenants, has no incentive to assist them. Instead, the institution will likely evict the renters to sell the property. Thus, in not supporting me, the landlord, my tenants are negatively impacted.

Finally, most of the landlords I know are individuals, not corporations, and we have a limited ability to weather this crisis. For example, I'm a high school teacher, and my landlord friends are also teachers or working professionals. Being a landlord supplements our income, but none of us is rich. We care about our tenants, and we want them to be successful--it's a mutual interest.

Please reconsider this proposal. In supporting individual landlords, you also provide stability and assistance to Pasadena renters.

Sincerely,
Mark Afram

Martinez, Ruben

From: Jomsky, Mark
Sent: Sunday, May 03, 2020 12:12 PM
To: Public Comment
Subject: Fwd: Apartment rentals during COVID

From: Rene Chiara [mailto:rgchiara@pacbell.net]
Sent: Friday, May 1, 2020 7:41 PM
To: McAustin, Margaret <mmcaustin@cityofpasadena.net>
Subject: Apartment rentals during COVID

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Dear Ms.McAustin,

As an apartment owner in Pasadena I am concerned about your upcoming

proposed ordinance and I'd like you to consider other options. I have six units in Pasadena and ten in Altadena. As I understand what is being proposed

this new ordinance would remain in effect until the local emergency has been terminated.

The proposed ordinance states that a tenant needs to notify me as the landlord, within 30 days AFTER RENT IS DUE?

So, that means I will have no way of knowing who is paying rent and who is not until its 30 days LATE? How

will I plan to pay MY Bills? I have insurance payment, utilities and other vendors that rely on my monthly commitments to them?

I'd request that my renters would need to provide verifiable documentation of their inability to pay rent. A letter from

an employer or bank stubs or anything to avoid the likelihood of fraud.

I'd like to keep the 6 months repayment period for any past due rent. The longer this continues the longer

the likelihood my tenant will move out and never repay me what is owed. Deposits could be considered as an option

for repayment of rent if the tenant chooses to move out and the property is in order. Turning over an apartment is

very expensive.

I would like to urge the council to establish an Emergency Rental Assistance Fund to provide this essential financial

assistance during these uncertain times. This should be a local government issue not a small business owner issue. I rely on this rental income to run my business and support my family and its an unfair burden on me as a small

business owner to have to carry this burden.

I understand and know we all need to do our part but I'd appreciate your consideration regarding this matter. I have

already made arrangement with my tenants on an individual basis to help them during this difficult time.

Kindly,

Rene Chiara

1400 N. Michigan Ave.

Pasadena, CA 91104

Sent from Yahoo Mail for iPhone

Martinez, Ruben

From: Deborah Lutz <dlutz70@gmail.com>
Sent: Sunday, May 03, 2020 3:22 PM
To: Public Comment
Subject: agenda items 16 and 17

CAUTION: This email was delivered from the Internet. Do not click links or open attachments unless you know the content is safe.

Dear Council Members,

I urge you NOT to approve amendments to the current ordinance as your proposed changes to NOT reflect fair and equitable treatment of essential housing providers (AKA small business owners).

This amendments are being promoted by radical groups such as Pasadena Tenant's Union. They are also promoting Rent Strikes against landlords with the intent to harm the landlord. Radical groups are promoting ideas that have the intent to harm landlords and ultimately cause no alternative but bankrupts for tenants and foreclosure for landlords. Don't all prey to bad ideas but rather promote solutions that minimize financial harm to tenants and landlords.

Landlords are essential workers. We provide housing rain or shine, good times and bad, pandemic or not. We are small business owners. We have to run our small business with finances in mind. We have to plan for replacing roofs, plumbing, earthquake safety (soft story retrofit), pay our vendors (also small business owners) and provide quality housing for families, students and individuals that call Pasadena home.

Overnight government officials decided that landlords/small business owners were BANKS. We were told that we are forced to provide 0% loans, for an undetermined period of time, to individuals that do NOT need to provide documentation that they can't pay their rent currently or make any effort to work our a payment plan.

Any BANK that made loans under these circumstances would expect MASSIVE defaults. A very large percentage of these tenants will NEVER be able to repay back rent. Regardless of 6 months or 12 months. You are forcing "bad loans debt" on landlords.

Proposed changes to your current ordinance will make this situation ever worse.

Landlords are very willing to work out rental payment plans with tenants that will communicate. Tenants that refuse to communicate and provide any sort of documentation are acting in BAD faith and your policies allow this. It's unfair to landlords.

Further unfair actions against landlords will eventually result in class action lawsuits against city and state officials. It's just a matter of time.

I have written City Council members multiple times and have not received one response regarding Direct Rental Assistance payments for tenants.

CASH FLOW IN AN ECONOMY IS LIKE OXYGEN TO THE HUMAN BODY. NEITHER CAN LIVE VERY LONG WITHOUT THE OTHER.

Non payment of rent, Rent forgiveness, Blocking Landlords from recovering property stops flow of the economy.

For a typical owner 95% of all rents must be paid and 0.95 cents of each rent dollar received then goes to property taxes, city fees, insurance, building maintenance and loan payments to the bank.

Without rent payments landlords cannot properly maintain buildings, pay vendors and serve their tenants. Many vendors are immigrant/small business owners. These vendors (plumbers painters, gardeners, handymen, etc...) will not be paid if rents aren't paid. Then how do they pay their rent? Feed their families? It's a vicious cycle.

CASH assistance for tenants to pay their rent is the BEST solution to this problem. Lets keep the economy going. Let's get it restarted.

ANY PROGRAM TO PROVIDE FINANCIAL ASSISTANCE REQUIRES DOCUMENTATION. REQUIRING DOCUMENTATION FOR RENT DEFERMENT IS ONLY FAIR.

I've worked with several tenants to first notified landlords that they could NOT pay rent. Once we discussed options, their finances (loss of income , other financial resources, rent repayment time lines) many decided that YES they could pay rent for now BECAUSE THEY DIDN'T WANT TO INCUR ADDITIONAL DEBT. (One tenant realized that a drop in income from \$10,000/mo. to \$7,000/mo. did not justify not paying current rent and insuring additional debt. Another decided to access savings rather than insuring additional debt). These tenants used reason and logic with open communication. NOT ALL TENANTS ARE EMPLOYING THESE SAME

I'm a small business owner. I provide quality housing. I'm fair and hardworking. I didn't ask to be a bank. I don't have the financial resources necessary to be a BANK. The trend with current policies are raping me of my future. My children's future. The years of hard work and dedication to save and work 7 days a week to establish my small business.

What other essential small business owners are you asking to be BANKS? What other essential small business owners are you demanding to provide FREE goods and services? Would you demand that a doctor , police office or fire fighter work for free? Would you openly steal money from them? That is what your policies are doing to me.

We are only going to get through this if we work together. We won't make it through this if you continue to make policies that ensure financial disaster for both tenants and landlords.

RENT FOR TAX CREDIT EXCHANGE -

Have you asked landlords if they would accept a dollar for dollar exchange of rent for property tax credit? If you want landlords to absorb \$10,000/mo. unpaid rent for 3 months or 6 months then offer them \$30,000 to \$60,000 in property tax credit in exchange for offering 0% interest loans to government agencies to cover unpaid rent.

CASH RENTAL ASSISTANCE -

Provide cash rental assistance for tenants who meet qualifications to receive vouchers payable to landlords for rent payments during pandemic.

PERSONAL GUARANTEE-

If you are so confident that your current plan of rent deferment is a sound policy then have the CITY OF PASADENA personally guarantee repayment by the end of the 6 month period. If The City of Pasadena does

not have these funds the as a city council member guarantee the payment yourself. If you don't feel comfortable doing this then seriously consider what you are asking landlords (small business owners providing essential housing to our city residents).

DON'T FORGET WHO PROPERTY OWNERS REALLY ARE. MANY ARE SMALL BOSSINESS OWNERS. THE BACK BONE OF OUR ECONOMY. THE SAME SMALL BUSINESS OWNERS YOUR PROMOTE THAT EVERYONE SUPPORT AROUND THE HOLIDAYS. "SHOP LOCAL" . THAT'S US. DON'T FORGET.

I invite each of you to respond to my email. I've contacted council members the past with NO response. Your continued lack of response and continued abuse of landlords speaks volumes.

--

Deborah Lutz
dlutz70@gmail.com

Martinez, Ruben

From: shea_rental <shea_rental@charter.net>
Sent: Sunday, May 03, 2020 5:57 PM
To: Public Comment
Subject: NO on proposed Eviction Moratorium

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Dear Council members,

I am a public school teacher. My parents and I rent a few condominiums to support our retirement and children's college. We are alarmed at the proposed "Eviction Moratorium".

This bill would create severe hardships for already struggling small, "mom and pop" housing providers like us. It would extend the current repayment period for past-due rent from six (6) months of the expiration of the local emergency to twelve (12) months. It would also prohibit owners from imposing any new pass-throughs or charging interest or late fees for unpaid rent during the moratorium period.

It would also halt the already lengthy eviction process for nuisance tenants, including tenants who may be conducting criminal activities at a property or are disturbing the quiet enjoyment of a property for other residents.

We, on the other hand, still have all our expenses: utilities, insurance (home, fire, EQ), HOA dues, maintenance, taxes, mortgages.

If anti-housing measures continue, people like us will have to sell out, taking our units off the market. This REDUCES the affordable housing available.

Please instead establish an emergency rental assistance fund to provide essential financial support to all affected residents struggling during these uncertain and turbulent times.

Please vote NO on the Pasadena proposed Eviction Moratorium.

Sincerely, Jim Shea

3405 Brookridge Rd, Duarte, CA 91010

Martinez, Ruben

From: Greg Anderson <greg@gialaw.com>
Sent: Sunday, May 03, 2020 7:23 PM
To: Public Comment; Tornek, Terry; district1; Kennedy, John; McAustin, Margaret; Masuda, Gene; Gordo, Victor; Madison, Steve; Wilson, Andy
Subject: PASADENA EVICTION ORDINANCE - MAY 4, 2020 COUNCIL MEETING

CAUTION: This email was delivered from the Internet. Do not click links or open attachments unless you know the content is safe.

May 3, 2020

Mayor Terry Tornek
Email: ttornek@cityofpasadena.net

Vice Mayor Tyron Hampton
Email: district1@cityofpasadena.net

Council Member John Kennedy
Email: jkennedy@cityofpasadena.net

Council Member Margaret McAustin
Email: mmcaustin@cityofpasadena.net

Council Member Gene Masuda
Email: gmasuda@cityofpasadena.net

Council Member Victor Gordo
Email: vgordo@cityofpasadena.net

Council Member Steve Madison
Email: smadison@cityofpasadena.net

Council Member Andy Wilson
Email: awilson@cityofpasadena.net

Dear Council Members:

Included below (please see 1-3) are possible alternatives for fairly balancing the interests of property owners and tenants affected by Covid. The urgency in modifying the existing ordinance now which already provides six months before any covid-19 accrued rent is payable should also be carefully considered. State law additionally now prevents any evictions until 90 days after the emergency is lifted. Rather than impose more restrictions now and that will extend for a full year, wouldn't a more prudent course be to see how conditions play out over the next 3-4 months and then consider changes as may be appropriate?

The typical Pasadena owner saved half a lifetime to invest in rental property, relies on the rents for family income or retirement, struggles to maintain the building which could be 100 years old, and treats

his or her tenants fairly. Most owners I know, myself included, have long term fixed income elderly tenants with rents that have been held low sometimes to 50% of fair market value. Do the current city ordinances and state orders encourage this or now make owners unwise for having done so?

For a typical owner 95% of all rents must be paid and 0.95 cents of each rent dollar received then goes to property taxes, city licenses and fees, insurance, building maintenance and loan payments to the bank. There is presently only some deferral and no forgiveness to owners if the rents that are paid are insufficient to cover all these expenses which are due and payable every month.

When vacancies increased and rents dropped during the Great Recession of 2008-2010 and the Real Estate Meltdown of 1990-1995, hundreds if not thousands of rental properties in Los Angeles County could no longer be maintained, went into foreclosure, owners were wiped out and tenants were displaced. All of this real estate carnage resulted from economic conditions alone and without further downward push from extensive governmental restrictions on rents and evictions. How likely is a return now to these conditions (or worse) just from the Covid shutdown of the economy? The Great Recession and the Real Estate Meltdown both occurred with LA County unemployment of just 10-12% compared to what is now projected to be higher unemployment through the end of 2021.

Property owners sincerely question if City and State decisionmakers understand the above and the precarious balance between the desire to protect tenants and the financial ability of owners to maintain the rental dwellings in which the tenants reside. If the condition of the economy and/or controls on rents and evictions result in rent revenue dropping below the 95%/0.95 level described above, then the implosion of Pasadena's rental housing and commercial property will begin with a vengeance. This is already happening just from vacancies that cannot be re-rented due to Covid.

To state the key element again, after all property expenses there is typically a thin amount of "profit" remaining if 95% of all rents have been paid by the tenants. Below these levels rental property deterioration begins and foreclosures follow. If the City of Pasadena does not want to encourage this outcome then a) the basis upon which tenants may withhold rent and b) the time for repayment must be very carefully calibrated to (i) just the tenants that are verifiably impacted by Covid and then (ii) to the amount of rent that reasonably cannot be paid.

The current provisions of the Pasadena Ordinance (let alone the changes that are now being considered) do not do this and in fact encourage tenants to withhold all rent if they believe they have any Covid impact. Removing any financial documentation requirement and allowing tenants to "self-certify" will likely result in at least 30-50% rent withholding and the consequences that will result.

In the real world, it should also be understood that deferral of any repayment obligation until after 6 months (let alone for 12 months) means the aggregate amount of rent withheld will never be repaid.

To be fair to property owners and not inadvertently harm Pasadena's rental housing and commercial property, Pasadena's Ordinance should focus on a) tenants that are verifiably impacted by Covid and b) on the amount of rent that reasonably cannot be paid. A fair plan should include the following:

1. Reasonable determination of the amount of monthly rent that cannot be paid by a tenant due to Covid. This requires a personal financial statement from the tenant showing all current income including Cares Act benefits and all expenses. This could be substantially the same as the standard rental application provided when the tenant first rented the unit. Sample forms for this are in existence and a committee appointed by the City could respond with recommended forms within a few days; and

2. A procedure for mediation followed by binding arbitration could be established for when an owner and tenant disagree as to the appropriate amount of rent to be withheld by the tenant due to

Covid. These could be standard procedures already commonly utilized in California real estate and a committee appointed by the City could quickly respond with recommendations.

3. Lastly, what is the rationale for allowing Pasadena residents to only accrue and not pay rent and why should this not extend to all goods and services? A more equitable approach would be for the City to verify the financial condition of Pasadena residents with covid-19 hardships (or accept their self-certification), determine the percentage reduction in income and then pursuant to ordinance provide that certified residents are only required to pay their designated percentage for all goods and services purchased in the City of Pasadena. This would include rent and spread the burden ratably to all vendors, businesses and service providers and not just to property owners. If the City has the power to control rents and private rental property it certainly has the power to control the price for all other goods and services in the City of Pasadena. This would be the fairest thing to do.

The above or something similar would provide *fairness* and *certainty* for both property owners and tenants in a *timely* manner and minimize the likelihood of catastrophic unintended consequences to Pasadena's rental housing and commercial property. Pasadena looks forward to your reasoned, rational and fair determinations.

Respectfully submitted,

Greg Anderson

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Martinez, Ruben

From: RICK PAUL <rpgc@aol.com>
Sent: Sunday, May 03, 2020 8:32 PM
To: Public Comment
Subject: Eviction moratorium expansion

CAUTION: This email was delivered from the Internet. Do not click links or open attachments unless you know the content is safe.

To the Mayor and all City Council Members,

Certainly you should add protections for the multi-housing providers as well.

If they suffer lost rents because of government mandates, the government should also restrict their creditors , such as Pasadena Municipal Services , Trash collection , etc. from collecting money for their services during this crisis, commensurate with the individual loss. Fair is Fair.

Thanks, Rick Paul. Pasadena housing provider

Martinez, Ruben

From: John Deron <pjderon@gmail.com>
Sent: Sunday, May 03, 2020 11:59 PM
To: Public Comment
Subject: Eviction Moratorium

CAUTION: This email was delivered from the Internet. Do not click links or open attachments unless you know the content is safe.

Dear Mayor and City Council members:

As a person of faith, I want to thank you for listening to the concerns of tenants and revising the Eviction Moratorium so there is a one-year instead of six-month period in which to pay back lapsed rent. This will help more tenants to stay in their homes and avoid eviction, which is a significant cause of homelessness. I recommend going further and adopting the language of LA County's amended Moratorium which includes a temporary rent freeze and allows tenants to "self-certify their inability to pay rent, and landlords must accept this as sufficient notice." Further strengthening of this moratorium may be necessary in the future if the economy worsens significantly, but for now the amended moratorium is a much needed improvement that will help tenants stay in their homes.

Pastor John Deron Johnson
Calvary Christian Center of Pasadena