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Honorable Mayor & City Council

08/13/24

As you know Chula Vista's obsession of threatening well meaning Tenants and Landlords with \$5,000.00 daily fines for simple paperwork errors has forced a massive increase of our community's homeless population. City Staff has made you aware of the financial devastation the "Tenant Protection Ordinance" has brought to the rental and homeless communities of Chula Vista. I will not waste your time by again reviewing the Staff supplied data. I simply request that at least one City Council member care enough about our community and request staff to:

- 1) Verify the accuracy of the Staff supplied data contained in the PS section of this communication.
- 2) Reveal how many Landlords of Chula Vista's 36,033 rental units were found and fined for not being in compliance of the Tenant Protection Ordinance since the TPO's inception last year?

Please have staff inform the public:

- 1) If, as suspected, very very few Landlords were actually found and fined for non compliance of the Tenant Protection Ordinance, wouldn't it be prudent for staff be required to warn noncomplying Landlords before threatening \$5,000.00 daily fines?
- 2) Doesn't staff realize honest "Mom & Pop" landlords would gladly come into compliance, while the few "bad apples" would be identified by their attempts to circumvent the law?
- 3) Isn't staff aware the constant threat of massive fines for simple errors forces prudent Landlords to preemptively raise rents?

I am deeply discouraged and at a loss due to my inability to make you aware of the pain and suffering the City Council has inflicted upon the homeless and financially vulnerable members of our community.

When I first read the draft of the “Tenant Protection Ordinance” over a year and a half ago, I was stunned. Property managers, fully aware that landlords must pass expenses onto tenants, immediately recognized that imposing \$5,000 daily fines for simple paperwork errors would devastate the poorest in our community.

Clauses of Concern:

Clause 9.65.060E: Reporting Requirements. Owners and Tenants shall provide the City with information regarding termination of tenancies at such times and with such details as required by the City in the attendant Administrative Regulations.

When a tenant decides to vacate a property by simply moving away without giving written notice, it is left to the Landlord to terminate the lease. Simple logic dictates that the Landlord’s termination must fall into an “At Fault Just Cause Termination” or “No-Fault Just Cause Termination”. A Tenant simply moving away does not fall into the “Notice Not Required” category listed below leaving the Landlord required to supply City Staff info related information listed in 2B below.

070 Administrative Regulations Requirements Upon Termination of Tenancy A. Owner Notice to City Regarding Termination

1. Notice Not Required

Owners are not required to notify City of At-Fault Just Cause terminations.

Intent to occupy by Owner or Family Member.

Compliance with Government or Court Order.

Withdrawal from the rental market.

Substantial remodel or Complete Demolition

2. Notice Required

In accordance with 9.65.070(B), Owners of Residential Rental Unit(s) are required to notify City of No-Fault Just Cause terminations

B. Content of Notice

A CVMC 9.65.070(B) notice by Owner to City of a No-Fault Just Cause termination must contain the following information:

- *Property Address;*
Owner name, phone and email;
Number of total units within complex;
Number of units vacant at time of noticing;
Number of termination notices issued;
Contracted rent at time of notice, for all terminated tenancies; and
Copy of all termination notices.

If an error is committed by Landlord when submitting data to City Staff, Landlord is subject to fine in Clause 9.65.080C2 listed below.

Clause 9.65.080C2: Civil penalties for violations of this chapter may be assessed at a rate not to exceed \$5,000 per violation per day.

Upon reading the first draft, I consulted with a longtime friend, Jon Miller of Jon Miller Realty, who reassured me that the City Council would never enact the “TPO” as written due to its potential financial devastation on renters. However, Earl Jentz of John Jentz Realty held the opposite view, accurately predicting that Mayor Salas, nearing the end of her term, would push the ordinance through regardless of the negative consequences.

The “Tenant Protection Ordinance” was passed in October 2022 with Council Member Jill Gavez casting the lone dissenting vote. Ms Gavez publicly predicted the massive rent increase the “TPO” would impose on those least able to afford.

One pivotal event that propelled me to mitigate the suffering of our community's poorest occurred during a CAST Call several years ago.

CAST Volunteer Experience:

For the past fifteen years, I have volunteered with CAST (Civilian Adversity Support Team). CAST is a team of approximately sixty trained volunteers on call 24 hours a day and dispatched by the Chula Vista Police Department to assist community members who have suffered a sudden death in the family. Calls may range from violent murders to the peaceful passing of an elderly relative.

Several years ago, I was dispatched by the CVPD to the Palomar Trolley Station in the middle of the night. Expecting a tragic accident, I was relieved to find no one had died. Instead, the police officer on the scene pointed me to a homeless man sleeping in a refrigerator box with his six-year-old daughter. The policeman asked if I could help improve their situation. I arranged for them to be taken to a shelter for single fathers. The image of that family's struggles became embedded in my heart, fueling my commitment to assist the financially vulnerable in our community. If you had seen the empty stare on that little girl's face, you would share my deep commitment to helping the underserved and immediately amend the "Tenant Protection Ordinance."

Upon the passing of the "TPO," I took a multi-pronged approach to bring relief to the poorest in our community.

Community Efforts:

1. Feeding the Homeless: Our church organized a team of volunteers to feed the increasing number of homeless resulting from the passing of the "Tenant Protection Ordinance." Once a week, church members prepare meals for Chula Vista's homeless. Realizing this was insufficient to mitigate the severe financial devastation as a result the "TPO", I initiated additional efforts.

2. Raising Awareness: I endeavored to make the City Council aware of the damage caused by the current wording of the TPO, naively believing that awareness would prompt immediate corrective action. I gathered data from City staff documenting the pain and suffering inflicted by the "TPO" (See attached data in PS section of this communication).

Despite compelling data, the City Council and staff have done nothing to effectively alleviate the pain resulting from the TPO. The data clearly shows the TPO has placed an immense burden on low-

income renters and homeless, yet there has been no effort to address this issue. **In my 75 years I have never witnessed a City Council so neglectful of the community it claims to represent.**

A practical solution exists to align the TPO with state mandates without harming renters:

Proposed Solution:

1. Notification System: Before issuing a \$5,000 daily fine, notify the offending party of non-compliance. Honest “Mom & Pop” landlords would gladly come into compliance, while the few “bad apples” would be identified by their attempts to circumvent the law.

2. Benefits: This approach complies with California's requirements, relieves pressure on landlords from precautionary rent increases, and protects tenants from unnecessary financial strain.

It is crucial to recognize the severity of this situation and act swiftly to rectify the harm caused by the TPO. I hope this information reignites your commitment to serving the people of Chula Vista.

Sincerely,

Joseph A. Raso

PS:

City Staff Supplied Data and Supporting Conclusions:

- 1) *Chula Vista Population: 283,972 (Chula Vista - U.S. Census Bureau QuickFacts)*
- 2) *Average number of individuals in each household: **3.31**. (Chula Vista - U.S. Census Bureau QuickFacts)*
- 3) *Percentage Chula Vista housing which are rentals. **42%** (Data compiled by City Staff)*
- 4) *Number of Chula Vista Rental Units: **36,033**
(Population of Chula Vista (283,972) divided by the average number of people residing in each Residence (3.31) equals 85,792 multiplied the percentage of residences which are rentals (42%) equals the approximate number of Chula Vista rental units. (36,033)*
- 5) *Approximate number of Chula Vista renters: **119,268** (CV Population 283,972 x .42% = 119,268)*
- 6) *Approximate Average Monthly Chula Vista Rent: **\$3,047.00** (See attached CV Staff provided “Relocation Assistance” Pic - Average of Line 2nd from bottom)*
- 7) *With no right to cure, amount of daily fine levied if Landlord or Tenant inadvertently makes a paperwork error when Tenant terminates lease and moves: **\$5,000.00** (Clauses 9.65.060 E and 9.65.080 C2 of the “Tenant Protection Ordinance”)*
- 8) *Maxim average monthly rent increase allowed . . **\$304.70** (\$3047.00 x 10%. California AB-1482 5% plus inflation Max 10%)*
- 9) *Average number of months required for Landlord to impound a 1 day fine: **16.41** (\$5000.00 divided by \$304.70)*

Conclusions Drawn From Staff Supplied Data:

A simple analysis of the data reveals:

1) **\$10,979,255.00:** The approximate total monthly maximum rent increase levied on Chula Vista Renters if Landlords are forced to impound funds to the pay daily fines: *(36,033 Rental Units multiplied by the 10% max allowed rent adjustment \$304.70 = \$10,979,255.00)*

2) **596 New Homeless:** Approximate number of Homeless created if only one half of one percent of Chula Vista renters are forced out of their homes by the rent increases caused by the Tenant Protection Ordinance: (CV Population 283,972 x 42% = 119,268 x .5% = 596)

City Staff Supplied Chart:

