



SAN DIEGO COUNTY APARTMENT ASSOCIATION® *Since 1919*

July 6, 2012

Councilmember Lori Zapf and Members of the Land Use & Housing Committee
 City of San Diego
 202 C Street, 10th Floor
 San Diego, CA 92101

RE: Oppose – Item 3: Property Value Protection Ordinance

Dear Councilmember Zapf:

On behalf of the San Diego County Apartment Association (SDCAA), the trade organization serving the needs of individuals and companies who own, manage, or provide services to more than 150,000 rental housing units in San Diego County, I would like to express our opposition to the proposed Property Value Protection Ordinance. While we understand that the ordinance is intended to address negative impacts in neighborhoods resulting from foreclosed properties, we feel the ordinance takes the wrong approach to the issue of abandoned properties.

As you know, rental properties range from single-family homes to multi-unit properties. Rental properties, regardless of property type, are typically well-maintained, even in instances where the property owner has received a Notice of Default (NOD). Having NOD as the trigger for this ordinance without proof that the property is vacant or creating a nuisance is simply unfair. Requiring city staff to inspect registered properties to determine if they are vacant could also be problematic as tenants are required to be given advance notice under the law.

Furthermore, NOD is not always indicative of a foreclosure, as it is often needed to begin the refinancing process. Requiring a property owner to pay a registration fee when they are trying to cure a default could have the adverse effect and force that owner into a foreclosure. Requiring the posting of signs to a property in default that is occupied and well-maintained places a stigma on the property and those residing there. Such signage could also serve to deter would-be renters, thus pushing an owner into further financial distress and removing valuable rental units from the market.

Any cost put on the property by the city, whether it's a registration fee or an abatement fine, will be passed along to the new owners and/or tenants. From a rental housing provider perspective this is a problem because it puts an unnecessary burden on the property, making it less affordable for tenants in a high-demand rental market.

Beyond these impacts on tenants, owners and families, the city must realize that this legislative solution establishes permanent infrastructure and employees to a temporary problem. According to a June report from DataQuick, foreclosures in San Diego County are at a 5-year low, signaling that many defaults are being resolved either through refinancing or short sales. Such an investment in civic capital and staff time dedicated to a declining problem is not representative of the sound management policies of government.

While we understand the issue that this legislation is attempting to address, we respectfully request that you oppose this ordinance and instead focus existing code compliance efforts on properties that are truly vacant or creating a nuisance.

Thank you in advance for your consideration. Should you have any questions, please do not hesitate to contact me at 858-751-2200 or mkirkland@sdcaa.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Molly Kirkland', written over a horizontal line.

Molly Kirkland
 Director of Public Affairs

cc: Leslie Perkins - Council Committee Consultant