

WALT ELLER COMPANY

Real Estate Development

CORPORATE OFFICE:

3912 PORTOLA DRIVE, SUITE 4, SANTA CRUZ, CA 95062

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February 25, 2020

Santa Cruz Board Of Supervisors
701 Ocean Street, Room 500
Santa Cruz, Ca 95060

Attention: Supervisor, John Leopold-1st District
Supervisor, Zach Friend----2nd District
Supervisor Ryan Coonerty-3rd District
Supervisor Grey Caput-4th District
Supervisor Bruce McPherson -5th District

Re: Possible ordinance being considered-Proposed by Supervisor Ryan Coonerty
Tenants have two move in choices-The first give tenant option to pay the full amount of the security deposit. The Second Option would allow a Tenant to purchase renters insurance as a form of a security deposit.

"Our Letter Of Opposition"

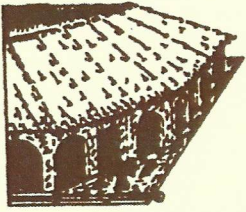
Dear Supervisors,

This letter shall voice our opposition to the above possible ordinance being considered. This proposal would definitely create a further housing crisis and barrier to Rental Housing. Property Owners/Landlords owning rental property will put same on the market for Sale. It is not feasible for landlord to continue to own and operate rental property, when their property rights are being taken away from them, and they are being subjected to economic losses.

A security deposit will covers the following items:

1. Unpaid rent under a rental contract.
2. Unpaid Utilities. (In rental units where Landlord bills Tenant from a sub-meter).
2. Resident Responsible cleaning upon vacating the unit.
3. Resident abandoned items in unit, with no value. Hauling same away.
4. In the event of litigation, just cause eviction or non-payment of rent-unlawful detainer action, judgement amount for rent due by Tenant & Landlord attorney fees.

It is our understanding that a Renters Insurance Policy, DOES NOT cover, any of the items listed in the above #1-#4.



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In the case, where tenant optioned for a renters policy, What would be the motivation for a Tenant to vacate a rental unit and leave it clean ? (No security deposit was paid and renters insurance does not cover cleaning of a unit, only covers tenant damage).

Landlords will not wish to stay in The Housing Provider Industry, with no security deposit in place. It would not be economically feasible for them to bare the increased costs of all of the items listed in above #1-#4, page #1.

In addition, for larger landlords providing Housing, would create a huge administrative burden in administrating all of the rental policies, and if there were tenant caused damages, a lot of time must go into filing an insurance claim. This would be new costs to the landlords, and thus, rents would have to be increased to cover all of the new administrative costs.

We value all of our tenants whom rent from our company, we keep rental increases at a fair, reasonable, minium sum. Some years we do not even raise rents. However, the continued California State & local laws, reducing landlord property rights & creating more administrative tasks and increasing economic loss and risks to the landlord, results in increased costs of doing business. Which will then result in definite yearly rental rate increases.

This in turn will result in unnecessary additional increased rental costs to residents. This could have been avoided absent of new legislation, such as this possible ordinance being considered.

In addition, landlords will simply sell their properties and exit the Housing Provider market Vs having to deal with continual legislation changes in the rental housing industry. Which results in an escalated housing crisis as rental housing inventory is reduced , which in turns drives up rental rates up do to low inventory.

Our company has provided rental housing in Santa Cruz County for approximately Forty (40) years, we strongly oppose this possible proposed ordinance.

Please kindly re-consider this matter.

Respectively submitted,

Walt Eller Company

Patti Eller Robb

Patti Eller Robb,
Senior Vice President.

PER/wcr