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Suzanne Isé, AICP
Principal Planner, Housing Division
Staff Liaison to the HAC
County of Santa Cruz Planning Dept.
701 Ocean St., Room 418
Santa Cruz, CA 95060

Via email to: Suzanne Ise <Suzanne.Ise@santacruzcounty.us>

Re: Item 6 on HAC Agenda of Mar 4 – A housing policy item related to security deposit insurance options for residential rentals.

Position: Oppose

Dear Ms. Ise and HAC members:

I have a prior commitment that doesn't allow me to attend the Mar 4 meeting, so please accept this letter in lieu of my comments there.

I firmly believe that the County does not have the authority to require that landlords accept any form of insurance or surety as the security deposit on a residential rental unit. As noted in your report, California statute 1950.5 of the Civil Code lays out a thorough set of rules for security deposits. It says "(d) Any security **shall be held by the landlord** for the tenant who is party to the lease or agreement." [Emphasis added.] It does not say that the security may be held by a 3rd party, such as an insurance company under contract with the tenant, nor that an insurance policy shall constitute lawful security. I believe that the state has fully occupied the field of security deposits on residential units. The code section does not say that a local jurisdiction may mandate other means of providing landlords with security.

I agree fully with the 2 prior letters you have received, from Walt Eller Company and from the California Apartment Association.

The County already has security deposit assistance programs. The Housing Authority administers several Security Deposit Programs for jurisdiction in Santa Cruz County. These Security Deposit Programs offer eligible individuals and families assistance with a portion of their security deposit. <https://www.hacosantacruz.org/security-deposit-program/> If the Board of Supervisors wishes to provide greater assistance to more tenants, it should expand the eligibility for those programs and adequately fund them.

I reside in the County and am an owner of a house in unincorporated Santa Cruz County which I rent out to tenants. I, like other landlords, would be harmed by the proposed ordinance mandating landlords to accept insurance contracts between the tenant and an insurance or surety company as security, in lieu of the security deposit described and authorized by the Civil Code. If such a measure were adopted by the Board of Supervisors, I would participate as a plaintiff in an action brought to court for a writ of mandate declaring the ordinance to be in conflict with the statute and therefore null and void.

Sincerely yours,

Stanley M. Sokolow