

## Levesque, Jennifer

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**From:** Boyle, Sarah  
**Sent:** Sunday, August 01, 2021 6:48 PM  
**To:** cityclerk; Dietz, Stephanie  
**Subject:** Fwd: Rental Inspection Ordinance

Making sure this was received.

Sent from my iPad

Begin forwarded message:

**From:** Terry [REDACTED]  
**Date:** July 31, 2021 at 12:26:41 PM PDT  
**To:** "Echevarria, Fernando" <EchevarriaF@cityofmerced.org>, "Ornelas, Jesse" <OrnelasJ@cityofmerced.org>, "Serratto, Matthew" <serrattom@cityofmerced.org>, "Boyle, Sarah" <BoyleS@cityofmerced.org>, "Perez, Bertha" <PerezB@cityofmerced.org>, "Shelton, Delray" <SheltonD@cityofmerced.org>  
**Subject:** Rental Inspection Ordinance

Please think it through...

AB 1482, intended to cap rent raises and outlaw unjust evictions, resulted in our clients' instructing us to initiate annual rent raises (up to the annual cap each year) even though they have good tenants and hadn't raised their rents in years (some hadn't raised rents in five years). While the law had the best intention (the widest sweeping rent control law ever introduced in California) it restricted Landlords' ability to control their investments (or even worse, their perceived ability, as we had to explain to many that the law did not even affect them). As Property Managers we continue to grapple with the knee-jerk reaction this law has caused, motivating investors to avoid losing their perceived ability to raise rents. Even worse, those that kept their rents low and under market for years were unjustly punished opposed to those having high rents, as the law is based on a percentage increase to the current rent amount each year.

The law would have been more fair to owners and advantageous to tenants had the annual cap increase been based on local averages. Holding higher rents down while allowing low rents to slowly catch up.

More critical, is our statewide lack of available housing, with Merced feeling an even greater pinch as our University and our town rapidly grow in contrast to our local rental inventory (that seemingly continues to shrink in comparison). A recent survey of the major Rental Management firms in Merced revealed that we currently have the lowest number of available rentals since our collective businesses began (some of these firms boast three generations of management, ours having 20+ years and two generations). Couple this with the highest rents we have ever experienced in Merced and you arrive at a problem that requires a multi-faceted broad scope solution. In summation, we need more rentals; affordable rentals; and safe rentals to achieve our solution; and this equilibrium must be precise. More construction of homes means greater and more competitively priced inventories. As a general contractor, developer, and real estate broker, my experience has told me that investors want stability and a good return on their investments. Smarter money knows this is a long term plan. Ours too, should be a long term multi-faceted plan to grow a better Merced that provides tenants a larger variety of safe and affordable housing opposed to requiring tenants to take time away from work for additional

inspections, requiring undesired inspections of tenants' homes (via search warrant as deemed necessary), adding another fee and the potential for large fines that will motivate Merced property owners to further raise rents (or eliminate perks and/or reduce unnecessary services to tenants) and stymie the investment, development, and ownership of rental property in Merced while California grapples with its already ominous housing crises.

Thank you for taking your valuable time to consider the above.

I remain, respectfully yours,

Terry Ruscoe, mba, c.p.m., cbo  
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