

"Great Apartments Start Here!"

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Members of the Los Angeles City Council City Hall 200 North Spring Street Los Angeles, California 90012

Re: 20-0147-S19 -Temporary Eviction Moratorium Due to Coronavirus (COVID-19)

Emergency Declaration (Agenda Item 1)

Dear Members of the Los Angeles City Council:

The global Coronavirus (COVID-19) pandemic has in an instant fundamentally changed all our lives. Los Angeles, among many other jurisdictions are implementing health and safety protocols, including sheltering in place, social distancing, and mandated closures of schools and non-essential businesses in the hopes that it will impede further spread of the virus. The world we live in today looks very different from the one we lived in just a month ago, or even a week ago. Businesses have been closed or where possible have directed their employees to work remotely. Many individuals and families have been impacted by reductions in work hours or layoffs. The effects of sudden business closures coupled with dramatic increases in unemployment has caught everyone off guard, in duress, and has many of us questioning how we will meet our ongoing financial obligations.

The multifamily rental housing business, much like a multitude of industries, small businesses and the individuals whose livelihood are dependent upon those industries have, through no fault of their own, been detrimentally impacted by COVID-19. The Apartment Association of Greater Los Angeles (AAGLA) continues to urge the City Council to take a holistic and balanced approach in recognition of the detrimental impacts of COVID-19 on **both** the City's residents and businesses, all of whom need support during this most difficult time.

On March 15, 2020, Mayor Garcetti issued a public order which, among other matters, prohibits rental housing providers from evicting residential renters if the renter is able to "show an inability to pay rent due to circumstances related to the COVID-19 pandemic". The order also sets forth the applicable circumstances such as loss of income due to COVID-19 related workplace



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closure or medical expenses due to COVID-19 illness. Additionally, it explicitly states that renters are not relieved of their obligation to pay the rent and have six months following the expiration of the local emergency to make-up rent payments. Following the initial order, Mayor Garcetti issued additional emergency orders expanding the scope of the temporary eviction moratorium to commercial renters and prohibiting "no-fault" evictions where any member of the household is ill, in isolation, or under quarantine. The Mayor's Order also prohibits removing occupied residential units from the market pursuant to the Ellis Act and prohibits Ellis Act evictions until 60 days after the expiration of the Order. We do not believe that the City has the authority to institute these Ellis Act prohibitions and that the City is preempted by State law.

At tomorrow's Special City Council meeting, the City Council will discuss and consider adoption of the proposed ordinance, and we urge the City Council to consider the concerns and recommendations set forth herein:

- Of paramount importance, during these uncertain and difficult times is a balanced approach that assists all individuals and businesses that are severely impacted by the COVID-19 pandemic.
- Renters and rental housing providers should be encouraged to make best efforts to find workable solutions related to rental payments. Many of AAGLA's members are small owners and retirees who are dependent on their modest rental income to support themselves, their families, and maintain the building for their renters. Accordingly, rental housing providers should be permitted to request and accept partial rental payments from renters without modification of lease agreements or limitation on their ability to later seek payment of unpaid rent.
- Require that renters provide written notice to rental housing providers of their inability to pay rent prior to the date rent is due, but in any event as soon as the circumstances related to COVID-19 arise. Los Angeles County's Emergency Order provides for a reasonable notice period, specifying that a renter provide written notice to the rental housing provider within seven (7) days after the date that rent is due, absent extenuating circumstances. By having renters provide rental housing providers with written notification and related supporting documentation of their inability to pay rent as soon as the circumstances set forth in the ordinance arises, rental housing providers and renters can avoid unnecessary court filings, as well as allowing owners to make financial adjustments, if and where possible.
- Of equal importance, renters should be required to provide specific, verifiable supporting
 employment or medical documentation reflecting that their loss of income is directly related
 to COVID-19. To minimize the likelihood of fraud and disputes related to the basis for the
 non-payment of rent, it is essential that reasonable, verifiable supporting documentation be
 provided to the rental housing provider. Examples of supporting documentation could be
 a letter from an employer or medical doctor, pay stubs or bank statements depending on
 the individual's circumstances.



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- Deferred payment of rent has sweeping financial implications on rental housing as well as
 the small businesses that rental housing providers support such as suppliers, vendors and
 trades. Without rent revenue, housing providers will have no other option but to significantly
 reduce all non-essential building services and will have difficulty paying their property taxes,
 mortgages and other financial obligations. These reductions will have a domino effect, as
 the small businesses that are supported through the rental housing industry will also see a
 reduction in revenue, increasing the likelihood of further layoffs and reductions in work
 hours.
- It is important to emphasize that eviction moratoriums will not replace a renter's lost wages
 or cover the cost of food, medical prescriptions and related essentials. It is critical that the
 City Council establish an emergency assistance fund to provide essential financial support
 to all impacted residents and businesses struggling during these uncertain and turbulent
 times.
- We urge the City Council to provide interim relief to housing providers by establishing
 interim prohibitions on foreclosures and direct financial institutions and lenders to extend
 grace periods and offer deferred payment plans to rental housing providers who have
 reduced rental income resulting from local emergencies. In addition, that the City
 temporarily suspend all City fees for businesses and suspend or institute a grace period for
 payments of City's trash and sewage for those who are impacted by COVID-19 pandemic.
- As the pandemic and related government interventions are continuously evolving and the
 duration of these extenuating circumstances is uncertain, we urge the City Council's to set
 a maximum emergency moratorium period of 30 days with the option to extend the
 moratorium as necessary and appropriate.
- Community outreach and education also plays a vital role in keeping residents informed regarding issuance of public orders and ordinances and related renter and housing providers rights and responsibilities, and availability of local resources and services for individuals experiencing hardships resulting from COVID-19.

In addition to the above recommendations, we would also like to express the Association's support for the suggestion set forth in the City Attorney's letter to the City Council relative to having the Los Angeles Housing and Community Development Investment Department (HCIDLA) mail notices to all city renters regarding the temporary eviction moratorium. In addition, we are also supportive of the lease extension as referenced in the City Attorney's letter.

APARTMENT ASSOCIATION OF GREATER LOS ANGELES



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During the continuation of the pandemic, it is essential that we all work together to develop effective and balanced solutions that serve to assist all those impacted and prevent further economic instability. Thank you for your time and consideration of these matters. If you have any questions, please call me at (213) 384-4131; Ext. 309 or contact me via electronic mail at danielle@aagla.org.

Very truly yours,

Danielle Leidner-Peretz