



"Great Apartments Start Here!"

Danielle Leidner-Peretz
Director, Government Affairs &
External Relations
danielle@aagla.org
213.384.4131; Ext. 309

April 28, 2020
Via Electronic Mail

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

RE: Emergency Rental Assistance Subsidy Program Trust Fund (Agenda Item 30)

Dear Members of the Los Angeles City Council:

The Apartment Association of Greater Los Angeles (AAGLA) has been supportive and has also advocated for the establishment of a rental assistance program to help low income renters who are experiencing difficulties paying rent long before the COVID-19 pandemic. As the COVID-19 pandemic has had adverse financial impacts on both rental housing providers and renters, the value and importance of such a program has even more relevance and we believe is an equitable solution. On April 20th, the Los Angeles Housing + Community Investment Department (HCID+LA) delivered its report that set forth the framework for the City's program. This letter expresses our concerns and recommendations relative to some of the programmatic requirements contained in the report.

We commend the City Council for advancing an emergency rental assistance program to assist renters and families with incomes at or below 80% of the Average Median Income (AMI) and appreciate the Council's action to increase the potential funding allocation to up to \$10 million.

We are concerned about the programmatic framework which requires housing providers to agree to several terms for an otherwise eligible renter to receive the rental subsidy. The HCID+LA report states that the housing provider is required to agree "not to impose a rent increase during the agreed upon repayment period." Rental housing providers have a constitutional right to a fair return. This qualifying factor would deny housing providers of their annual general adjustment, some of whom may lose two annual general adjustments resulting in financial losses that they will never recoup. Further, the purpose of this program is to provide low income renters with financial assistance by reducing their overall rent deferral and rent repayment obligation. Such assistance must not be tied to and dependent upon a housing provider's relinquishment of their annual general



"Great Apartments Start Here!"

adjustment.

The program would be available to all rental units, both those subject to the City's Rent Stabilization Ordinance (RSO) and those that are not. We do not believe the City has the legal authority to institute this confiscatory pre-condition upon housing providers of non-RSO units.

On a separate but related matter, the program's application process requires that renters provide supporting documentation and a signed affidavit under penalty of perjury reflecting a loss or reduction in income due to circumstances related to COVID-19 in order to qualify for the subsidy. The Association has repeatedly urged the City Council to require similar supporting documentation be provided to housing providers for renters seeking a deferment of their rent. It is disconcerting that the City would establish separate standards for City funded assistance than it does for City mandated interest free loans provided by housing providers.

Our Association strongly supports the City's establishment of an Emergency Rental Assistance Program which will provide much needed assistance to renters and housing providers who are both experiencing financial and health related hardships, through no fault of their own, due to COVID-19. Nevertheless, eligibility for such an essential program must not be pre-conditioned upon the forfeiture of the rental housing provider's constitutionally mandated right or compelling acquiescence to a regulatory taking. Accordingly, we urge the City Council to direct HCID+LA to modify the program eligibility requirement and eliminate this prohibition which will only serve to significantly reduce program participation, and negatively impact the very individuals that the City is seeking to assist.

Thank you for your time and consideration of AAGLA's concerns and recommendations. While the City's future economic stability remains unknown, the decisions made today will impact the economic rebound ahead. 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

Danielle Leidner-Peretz