



"Great Apartments Start Here!"

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May 11, 2020
Via Electronic Mail

Hon. Mayor Goran Eriksson, and
Members of the Culver City Council
Culver City Hall
9770 Culver Boulevard
Culver City, California 90232

Re: Discussion of Options for Including Repayment Plan Provisions in the Eviction Moratoria Implementation Measures; And Direction To The City Manager As Deemed Appropriate (Agenda Item A-4)

Dear Hon. Mayor Eriksson and Members of the Culver City Council:

At the May 11, 2020 City Council meeting, the Council will discuss the Eviction Moratorium rent repayment provisions and options for repayment plans. Throughout the pandemic, the Apartment Association of Greater Los Angeles (AAGLA) has urged the City Council to take a balanced approach in recognition of the detrimental impacts of COVID-19 on **both** the City's residents and rental housing providers, all of whom need support during these most challenging times. As the City Council discusses this issue, we urge the Council to consider the recommendations set forth in this letter.

AAGLA has consistently recommended that renters and rental housing providers make best efforts to find workable solutions related to rental payment obligations. 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. Rental housing providers should be allowed to request and accept partial rental payments from renters now and throughout the repayment period, based upon a renter's financial circumstances. Renters that have maintained employment during the pandemic or have received government benefits may have the ability to make full or partial current rent payments.

Under the Federal "CARES Act," many individuals that have lost jobs or have experienced reductions in work hours may be entitled to significantly greater unemployment benefits, and in some cases up to four (4) months of their full compensation in addition to other direct subsidies for individuals earning less than \$99,000 per year. These federal subsidies should be a consideration in determining an individual's eligibility under the moratorium and as it relates to partial rent

payments.

Partial rent payments/repayments assist all involved parties. Housing providers receive a portion of the rent needed to cover some of their financial obligations related to essential building maintenance and to help cover some of their own living expenses. Renters can reduce the overall amount of deferred rent obligations and avoid a large lump sum payment at the end of the repayment period. Applying the security deposit to cover rent due is another solution that can be mutually beneficial to both housing providers and renters during these uncertain times. Renters would be permitted to draw upon the security deposit to pay current rent due with the ability to replace such funds by the end of the repayment period.

We urge the City Council to recognize the financial and health challenges facing housing providers and renters alike due to the COVID-19 pandemic and establish measures that serve to assist both parties. The Council has extended the deferred rent repayment period from six (6) months to over a year. It would be equitable for the Council to also establish prorated repayments of the unpaid rent commencing no later than the beginning of the second six (6) month period and for the agreed upon repayment to be set forth in a lease addendum. Without such parameters, the likelihood that renters may not repay deferred rent until the end of the repayment period increases as does the possibility that the renter will move out prior to such repayment. Accordingly, if the renter terminates the tenancy at any point within the repayment period, the total amount of deferred rent should be immediately due.

Housing providers much like their renters, through no fault of their own, are experiencing financial and health related hardships due to the COVID-19 pandemic. Housing providers have lost their jobs, have contracted the Coronavirus or cared for a loved one who has been ill with the virus. Simultaneously, housing providers are not receiving much needed rental revenue which they depend on to support their families and maintain the property for their renters. Many of our members are small property owners and retirees, living on modest incomes with limited financial reserves to get through the duration of the emergency. Establishing defined rent and deferred rent repayment guidelines, as recommended herein, is a balanced way to support the City's small housing providers and their renters to persevere during the COVID-19 pandemic.

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, prevent further economic instability and facilitate the economic rebound ahead. 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

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